

Dear Sir, Madam,

I would like to bring to your attention to the problems my business and others in the used construction and mining equipment industry, are facing due to the federal government's proposed Tax laws Amendment bill, regarding accelerated depreciation allowance for new equipment.

As a supplier of (only) used, including reconditioned, construction and mining equipment, we are finding many of our customers are contemplating the purchase of new equipment when normally they would buy used.

I would request that those responsible consider extending the capital investment allowance to used machinery as well as new for the following reasons:

- New equipment is usually all imported and has limited local input
- Used equipment usually has a high degree of local input, from mechanics and paint shops to boiler making and heavy workshop inputs. It is often already in Australia when purchased.
- By selecting only new equipment inputs, it creates an artificial market and is actually working against the used equipment suppliers in the industry by reducing demand and therefore prices.

Thank you for your consideration,

Yours sincerely,

Michael Leu

Michael Leu

—
Machinery Action Group

Phone 07 3369 9090

Facsimile 07 3369 9096

Mobile 0438 300 220

info@machineryaction.com

www.machineryaction.com