

10 March 2009

Small Business and General Business Tax Break – Consultation
Business Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600

By email: investmentallowance@treasury.gov.au

To whom it may concern

Re: Draft Legislation for the Small Business and General Business Tax Break

The NSW Farmers Association (the 'Association') submits that plant and equipment for irrigation infrastructure must continue to receive the same incentives for investment (when compared to incentives for investment in alternative infrastructure) as exists under the current program as defined under Subdivision 40F of the *Income Tax Assessment Act 1997* ('the water infrastructure assets').

Water is the most valuable and limited resource in Australian agriculture. Every year, a huge percentage of Australia's available water resources is lost through avoidable seepage and evaporation. While the Association appreciates that direct government investment in infrastructure will be made via the National Water Initiative, commercial investment is also essential to achieve desired efficiency outcomes.

The Association submits that raising the incentives for investment in other plant and equipment infrastructure, while leaving irrigation at the same levels as now, effectively removes the current positive incentive for investment in improved water infrastructure.

Therefore the Association would like to see the levels of incentive for investment in irrigated agriculture when compared with the levels of incentive for investment in other plant and equipment purchases maintained at levels equal to (or greater than) levels that exist now.

Yours sincerely

Louise Burge

**Chair, NSW Farmers Association,
Conservation and Resource Management Committee**