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Business Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600

19 October 2009

To the General Manager,

We are very concerned by the contents of the recent consultation paper regarding the research and development (R&D) tax concession.

Polyline has undertaken a lot of R&D in the recent years and would not be where it is today without that work. The support of Government through the R&D tax concession has been invaluable in assisting this company achieve its development and growth.

If the proposal suggested in the consultation paper comes into legislation it appears that government support for R&D to our company will cease, or be significantly reduced. If this occurs this company will be unable to continue its level of commitment to R&D and such reduction can only lead to lower sales, lower profits and lower company taxable income.

We suggest the government retain the base stimulus of the existing R&D tax concession with just the change to the tax incentive of 40% or 45% tax credit.

If you wish to discuss this further please feel free to contact the undersigned.

Yours Faithfully,

David Wilkie
Managing Director
POLYLINE INDUSTRIES PTY LTD

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