



20 February 2014

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MB; ylh

Manager

Not-for-profit and Industry Tax Concession Unit

Small Business Tax Division

The Treasury

Langton Crescent

PARKES ACT 2600

and via email: FMDs@treasury.gov.au

Dear Sir or Madam

Amendments to the Farm Management Deposits Scheme

I refer to an announcement of 12 February 2014 releasing an exposure draft of amendments to be made to the Farm Management Deposits Scheme, and the accompanying explanatory material.

The exposure draft legislation proposes to:

- increase the off-farm income threshold from \$65,000 to \$100,000, allowing primary producers to earn more income from non-primary production sources in an income year before being prevented from making new FMDs; and
- facilitate the consolidation of FMDs, by eliminating the tax consequences of withdrawing and immediately redepositing FMDs.

The Society's Country Practitioners Committee and Commercial Law Committee support the changes to the Farm Management Deposit Scheme proposed by the Federal Government.

The proposed changes will serve to ease the financial burden on Primary Producers which will be of immediate benefit to them, but will as a consequence also benefit rural

communities generally. A reasonable tax measure that assists Primary Producers to remain viable is a good thing.

I trust these comments are of assistance.

Yours sincerely

A handwritten signature in black ink, consisting of a large, stylized 'C' shape followed by a wavy line.

Morry Bailes

PRESIDENT

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