



## **MEDIA RELEASE**

**Monday, 4 May 2009**

### **Tax Break Stimulus Needed for Irrigation Industry**

Irrigation Australia Limited (IAL) requests that the tax breaks for small businesses and general business under the Federal Government's stimulus package be extended to include incentives for the irrigation sector.

The Federal Government introduced a Bill to provide a 30% tax deduction for investment by small business in new assets in March 2009, to stimulate business investment under its Nation Building and Jobs Plan. The Bill is scheduled for further debate in Parliament later this week.

The Federal Treasurer has stated that "it provides a temporary tax break to provide stronger encouragement for all businesses". However, the CEO of IAL, Mr Chris Bennett, says that "the Bill excludes tax breaks for assets used for conserving or conveying water and consequently excludes tax breaks for investment in water efficient irrigation equipment".

Mr Bennett is calling on the Government to amend the Bill to enable the tax deduction for irrigation equipment. "IAL presumes this was an honest oversight by Government and requests urgent reconsideration to include tax breaks for both the rural and urban irrigation sectors."

Mr Bennett claims that such amendments to the Bill are needed for both the urban and rural irrigation sectors to assist and stimulate business recovery from the prolonged drought across much of Australia.

Mr Bennett also believes that both the irrigation industry and government would benefit from extending the tax breaks. "Such stimulus would promote private investment in water efficient irrigation equipment to complement the current substantial public expenditure on water saving infrastructure across the country, would increase water use efficiency to progress government policy initiatives such as the Murray-Darling Basin Intergovernmental Agreement and would better place the irrigation industry to lead the nation's economic recovery. "

"It simply makes broader sense to extend these tax breaks to business investment in water efficient irrigation equipment."