



National Farmers' Federation

15 May, 2002

The Board of Taxation
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Submission to the Board of Taxation on the Tax Value Method

The National Farmers' Federation, as the peak national body representing the interests of Australia's farmers, welcomes the opportunity to provide a response to the Board of Taxation on the Tax Value Method.

The NFF, as a member of the Business Coalition for Tax Reform and as Chair of the BCTR TVM Sub-committee, fully endorses the position of the BCTR to not support the TVM, as taken in the BCTR submission.

The NFF does not believe that there has been a clear demonstration of benefits that outweigh the costs and therefore cannot support a tax reform measure that is unlikely to make the current income tax system more simple, certain and reliable.

The NFF therefore recommends that work should cease on TVM.

The NFF commends the Board for the excellent consultation process it has conducted on TVM and is pleased to have been part of a process that should provide the benchmark for future consultation processes. Indeed, the NFF firmly believe that involvement of business in the policy development stage of tax legislation will ensure that tax laws have practical application issues addressed at an early stage.

The NFF continues to support tax reform measures that will result in reduced complexity and compliance costs for our constituency, the majority of whom are small businesses. However, while the NFF supports ongoing evaluation of improvements to the current tax system, we believe that the large number of resources currently being focussed on TVM should be re-directed to more specific areas of concern.

Please contact Su McCluskey, General Manger, Policy on 02 6273 3855 if you have any queries.

Yours sincerely,

IAN DONGES
President