

23 December 2012

Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Dear Committee Secretary,

Minerals Resource Rent Tax Bill 2011 and related bills

I am writing to express support for the NFF submission relating to the Minerals Resource Rent Tax Bill and related bills.

Of particular interest to the VFF is the increase in the superannuation guarantee (SG) from 9% to 12% over 6 years. The VFF is very concerned with the on-farm cost impacts the increase in the SG will have on farm costs which the NFF estimate to be an annual cost to the sector of \$350m.

We support the NFF request for this bill to be isolated from the rest of the Mineral Resource Rent Tax package.

NFF also raised in their submission concerns with the definition of small business. A small business is defined as an entity being a business with an aggregated turnover of less than \$2 million for the purposes of taxation. Due to the high turnover, low margin nature of Australian farm businesses, we urge the Government to increase the small business threshold to \$5 million for primary production businesses.

Yours sincerely,

Andrew Broad
President
Victorian Farmers Federation