

20 January 2006

Review of Taxation Administration  
Joint Committee of Public Accounts and  
Audit

E-Mail [jcpa @aphgov.au](mailto:jcpa@aphgov.au)

**re submissions**  
**re income tax**  
**re losses from non-commercial business activities**  
**re deferral of quarantined losses**  
**re unreasonable decision to apply rules**

Young taxpayers commencing a lifetime vocation in farming are in an unreasonable financial position if equity in their borrowings is diminished by the non-allowance of primary production deductions as a result of the non-commercial activity from other sources exceeding \$40,000.00.

The non-primary production income is being earned to fortify the establishment of the farming property by the provision of necessary capital and bank debt reduction.

Natural disaster creates an abnormal deficit, but the strength of the corpus is dependent on the quantity and increase of equity provided by the external sources of income.

Deferral of losses to the next income year is equitable, but not immediate when funding has a current need in an existing circumstance.

Rules are rules but there are occasions when alteration will enhance business procedure, particularly primary production.

Yours faithfully

G W ROBERTS  
REGISTERED TAX AGENT

