



News

Avocados growers agree market should drive industry growth - 20/06/2006

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Avocados Australia, welcomes the call by Agriculture Minister Peter McGauran to "investigate if the tax laws had inadvertently given managed investment schemes (MIS) an advantage over family farmers".

Minister McGauran is correct in his assessment that many growers are concerned and very worried about the future of their businesses. Regional Australia relies on growers to employ large numbers of people.

The sustainable development of the Australian avocado industry is dependent on clear market signals. Market forces have allowed and encouraged our industry to grow over the last 35 years from a niche industry in the early 1970s to an industry that directly employees over 5,500 people and has a farm gate value of \$85 million and a retail value of over \$400 million.

Investment in our industry is good if it is investment in a business with the aim to grow avocados profitably. If the investment is to gain a tax advantage then it does seem contrary to the market forces argument. In the short term a reduction in value of product will potentially force many growers to stop investing and may well cause them to exit the industry. The result could be greatly increased prices down the track. Everyone loses.

We would support an independent inquiry into to the advantages and disadvantages of MIS in horticulture and if the business rules or the taxation system disadvantaged small to medium family businesses over the MIS, said Mr Rod Dalton, Chair of Avocados Australia.

It is about getting some facts on the table so we can understand if members of our industry are being disadvantaged by the tax system, explained Mr Dalton. It is one thing to have a technical "level playing field" but if on a practical level growers are receiving a lesser deal then something needs to be done, he said.

For further comment:

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