



9 June 2026

Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600
Via email: economics.sen@aph.gov.au

Dear Committee Secretary

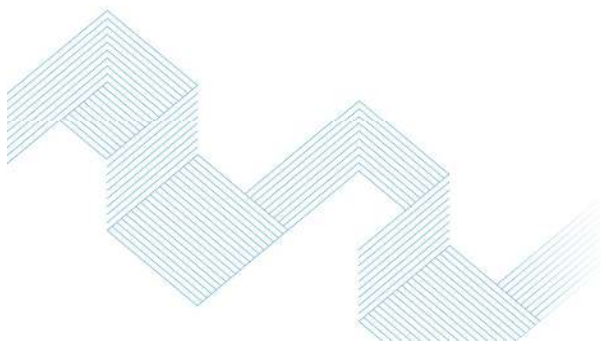
Supporting the NFF submission to the Economics Legislation Committee on Treasury Laws Amendment (Tax Reform No. 1) Bill 2026 and a related bill

Cotton Australia is the peak body representing the interests of Australia's 1,500 cotton growers, who collectively contribute \$3–\$4 billion at farm gate to the Australian economy. Approximately 90% are family farmers, and many of these family farming businesses are now in their third generation of ownership and management.

Cotton Australia welcomes the opportunity to provide this letter in support of the National Farmers' Federation's submission to the Economics Legislation Committee's inquiry into the Treasury Laws Amendment (Tax Reform No. 1) Bill 2026 and the related Income Tax Rates Amendment (Tax Reform No. 1) Bill 2026. Cotton Australia is a longstanding and active member of the National Farmers' Federation.

As the peak body for Australia's cotton growers, Cotton Australia supports the NFF's position and the broader principle that capital gains tax settings should not undermine the viability, investment capacity or intergenerational continuity of family farm businesses. These issues are highly relevant to the Australian cotton industry, which is predominantly family-owned, capital-intensive, export-focused and deeply embedded in regional communities.

In particular, Cotton Australia supports the submission's emphasis on ensuring the proposed changes do not create unintended consequences for succession planning, long-term investment or business restructuring across agriculture. For cotton growers, stable and practical tax settings are important to maintaining confidence to invest in productive assets, manage generational transfer and support the continued strength of regional cotton communities.



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Cotton Australia applauds the government for retaining the current small business concessions in principle. However, like the NFF and the Council of Small Business Organisations Australia (COSBOA), Cotton Australia believes the current thresholds are outdated and should be actively reviewed and increased. The COSBOA recommendation of a \$10 million turnover threshold is a more accurate reflection of a small business in Australia today.

Cotton Australia would also like to share with the Committee feedback from a grower who has invested heavily over the past decade in developing a greenfield irrigated cotton and mixed-cropping enterprise in the Queensland Gulf region.

While his own investment is likely to be covered, to some extent, by grandfathering provisions, the potential for others to replicate that investment and build economic diversity in North Queensland is significant.

However, he has told Cotton Australia that if he were considering the investment today, he would not proceed because of the combined impact of the proposed CGT changes and amendments to the Environment Protection and Biodiversity Conservation Act (EPBC Act).

These changes risk discouraging enterprising agricultural investors from pursuing greenfield developments that offer substantial opportunities across Northern Australia.

When weighed against the many risks already associated with agricultural investment, the prospect of paying half of any capital gains to government could divert capital away from agriculture and into less risky sectors.

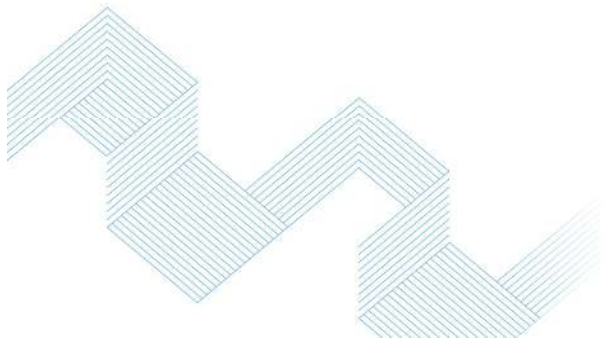
Cotton Australia urges the Committee to carefully consider the NFF submission and would welcome the opportunity to meet with the Committee if that would assist the inquiry.

Thank you for considering this supporting letter. For further information, please contact Michael Murray, General Manager – michaelm@cotton.org.au or 0427 707868.

Yours sincerely,

Michael Murray

Michael Murray,
General Manager



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