



CATTLE COUNCIL OF AUSTRALIA

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Cattle Council supports sound investment in rural industries

The federal government's decision to reduce tax concessions for non-forestry Managed Investment Schemes (MIS) signifies the importance of sound investments in rural industries, according to the Cattle Council of Australia.

President Bill Bray says that last year the Cattle Council adopted a position of no support for Managed Investment Schemes that have the potential to distort land prices and commodity markets.

"Cattle producers have already seen the effects of MIS in the case of increased land values. In some situations, the revenue generated by MIS has enabled schemes to bid for properties with a strong advantage in terms of access to capital.

"This prevents smaller operations such as family farms from expanding to remain profitable."

"Benefits to rural Australia and to the economy come from investments that have long term profitability in mind."

The Australian cattle industry generates an export income of \$4.5 billion in beef products alone, with returns flowing to the families and agricultural companies that invest in agriculture.

Mr Bray says that the federal government's decision is prudent given that managed investment schemes for the broader agricultural community are relatively new, yet growing strongly. MIS accounted for around \$1.26 billion of investment in rural industries in the 2005/06 financial year representing a 20% increase on the previous year. In this light, Cattle Council will increase it's scrutiny of forestry MIS.

In union with the National Farmers' Federation and state-based farmer associations, the Cattle Council of Australia supports greater transparency of managed investment schemes and an examination of the taxation treatment of MIS compared with other investment structures in agriculture.

"Everyday, families and agricultural companies invest in the Australian beef industry in order to remain profitable and sustainable. They too, deserve a fair go." Mr Bray concluded.

– Ends – For further information contact Bill Bray, President, Cattle Council of Australia on 0429 307 561 or Selena Jensen, Pegasus Communications on 0400 626 782

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