

I believe we need to focus on Australian Regional Management themes. Australia will continue to become urbanised to the extent that rural and regional areas may be marginalised economically and socially. Inherent therefore a cycle of urbanisation and an increasing alienation of much of rural Australia.

I think the best overlay to the future is regional micromanagement at local council level which provides a pre existing management infrastructure and a comprehension of local and regional issues. Each shire council should be provided with research and development resources and focus on both agricultural and non agricultural issues. This would be an extension of current R & D infrastructure eg. Agricultural research stations, business support services. Local government has a healthy pre existing network with adjacent councils and are best equipped to abet micromanagement.

From a macro management perspective the tax system provides the best opportunity to cope with climate induced income fluctuations. Australia ought to be zoned along local council boundaries and within those zones possibly a mechanism whereby the principal addresses of tax paying businesses and residents can be treated on taxation issues in a manner reflective of the prevailing micro regional circumstances.

Existing businesses would operate and report for taxation purposes as a common and simplified “Regional Business Trust” under a new “Regional Income Tax Zone Scheme”. Distributions to beneficiaries of “Regional Business Trusts” would be taxed at the Trust and distributions would be net of tax. The franking credits would then be subject to the beneficiaries own individual circumstances if they reside in a tax zone differing from that of the Regional Business Trust.

The Farm Management Deposit Scheme would be scrapped as we know it and replaced by a profoundly more robust scheme which would aim to provide business a greater opportunity to cope with income deficits. The new “Regional Business Deposit Scheme” would manage its own deposits and withdrawals rather than the current cumbersome system of FMD’s in individuals names. Deposit limits may be calculated on and reflective of rolling five year income and deductible expense averages. This set aside income should only be returned to the Regional Business Trust. Ideally this scheme coupled with a new regional taxation zone scheme would be the stand alone income support mechanism to manage income deficits in regional areas. Listed companies and Managed Investment Schemes would be precluded from both the “Regional Business Trust Scheme” and the “Regional Business Deposit Scheme”.

These schemes should also inherently acknowledge the massive voluntary input provided by the residents of our regional areas. The absence of critical mass makes the provision of many basic services difficult.