

There is no better reason for the current government NOT to re introduce non forestry MIS's (pity the request for submissions was not more widely advertised especially to horticultural bodies) than the article below. Because of the generous tax incentives the previous government handed out to investors in these bottom of the market schemes (used to be bottom of the harbour) the proponents of these tax avoidance schemes will walk away with millions of hard working Australian tax payers money. This money could have gone into our health, education systems or badly needed infrastructure but instead it will assist to make a very few obscenely wealthy. I believe the figure invested in these tax avoidance schemes last year was in excess of 1/2 billion, once again what could this have done to our health, education systems or badly needed infrastructure.

I once again challenge the government or any of these MIS's to publicise an of end of year profit and loss statement showing a genuine dividend paid to those who invested, which of course they would pay tax on. I would also appreciate documented proof that any of these schemes have lived up to the claims of anticipated production, return or export made in their prospectuses.

I would also like a comment on the fact that an MIS cut (not ploughed out) immature cane and immediately planted trees, I believe avocados in the full knowledge that the cane would overtake and smother trees. This was done for no reason other than to guarantee they received their end of year tax concessions. I believe Senator Ron Boswell can supply full details of this blatant act that proves beyond doubt the real reasons behind these schemes is to make the proponants obscenely wealthy and to provide the investors with an avenue to minimise tax at the expense of hard working Australians.

These schemes have done nothing for rural Australia other than to inflate land and water values, reduce the net return to genuine growers through over production (the proponants don't care what the crop sells for they've made their money the investors don't care they've minimised their tax) . This overproduction will inevitably lead to a drop in the quality of product on Australian shelves.

The only benifit to rural Australia is a very short lived one during the development stage of any new enterprise whereas the long term effect on an area is financial disaster, viticulture and tea tree are glaring examples.

In conclusion any tax incentive the government wishes to provide to the wealthy to minimise their obligation to Australia should also be provided as a matter of course to family farmers who are the back bone of agriculture in rural Australia.

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Palandri MIS investors unlikely to get money back

Friday, 22/08/2008

Administrators for Western Australia's Palandri Wine Group have revealed more than 3000 investors in six managed investment schemes may lose around \$160 million.

The Palandri group went into administration in February, following concerns about the viability of loans connected to its investment schemes.

Earlier this year, Palandri's Margaret River winery and wine stocks were sold for \$17 million.

Administrator Deloitte has declared the investment schemes bankrupt and has applied to have them wound up.

Deloitte's Gary Doran says it's still unlikely investors will get money back.

"We had an independent expert go and review the vineyard and what's needed, to bring them back to an appropriate standard and the costs of running it all, exceeds what the revenues will be. So it's just not viable."