



The Australian Rangeland Society

Range management Newsletter

No. 83/2
June 1983

EDITORIAL

The erratic nature of the climate in an arid zone is again in the news. Droughts and floods are afflicting various areas of this strange and bewildering land, and in some areas one of these disasters is hot on the heels of the other. One hopes that Australians living in the more comfortable and equable parts of the nation are sparing a thought for the genuine difficulties facing those who choose to live in the "where men are men" country. Let us also hope the recovery from these current problems will be ecologically, financially and socially sound and just.

Well, it is just about the time of the year when we "render unto Caesar that which is Caesar's". Vaughn Chapman, a Partner with the Sydney Accounting firm of Chapman and Eastway has provided a lengthy article on tax planning for Primary Producers which should be of interest to you all. We are fortunate in that Vaughn will be a regular contributor to RMN on financial matters affecting station businesses.

Council trundles off to the west after two years in the centre. Our thanks for the noble efforts put in on our behalf by the Alice Springs troupe and also best wishes to the Western Australian team in their endeavours.

Cold winter nights should provide the ideal environment for sitting in some warm place writing long interesting items for RMN. So.... please take up your pens and let us know what you are up to - and send the contribution to this address by August 20!

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KALGOORLIE, W.A. 6430 (Ph. 090.211666)

PRESIDENTS REPORT, 1983 - BILL LOW

The past year has resulted in further consolidation of the organization of the Society. Following on from Dr. Margaret Friedel, who diligently organized a thorough upgrading of Society and Council affairs and practices with the willing help of Secretary, Ken Shaw, Treasurer, Gary Bastin, and Subscription Secretary, Vanessa Chewings, I have had the pleasure of assisting at the controls of a finely tuned machine. It is a pleasure to have worked with such dedicated people.

During the year one of the Council's main concerns has been the Journal. Eight years of considerable effort by former Editor Malcolm Howes has left us with a very professional Journal. Malcolm resigned this year to devote more time to his enterprises in S.W. Western Australia. The Society owes him a sincere vote of thanks for his role in developing the Journal. However, this show piece of the Society is still running late and this year we had the additional problem of a reduced number of manuscripts. An appeal was sent out to all members plus other individuals and organizations which have an interest in Rangelands to contribute to the Journal. Rumour has it that there has been some response and soon we can look forward to a higher contribution rate. The problem of late publication is being slowly resolved. Scheduling of publication for June and December, rather than twice a year, provides definite deadlines and we are only four months off schedule with the latest issue compared with seven months for the previous issue. Ms. Gillian Crook has taken on the onerous task of Journal Editor and I think we can look forward to every effort being made to overcome the lag time and bring us on to schedule over the next year, as well as to maintenance of standards.

The Editorial Committee under Chairmanship of Dr. Tony Pressland, has done a fine job of maintaining the standard of contributions under the limitations of insufficient manuscripts. It is the responsibility of Society members to take advantage of the thorough services of the Committee and I urge members to contribute to the Society's Journal.

The Publications Committee under Chairmanship of Ray Perry and able secretarial assistance of Helen Warrener, have continued to provide Council with every assistance. The Charter for the Committee has now been formally accepted.

The original Society publication, the Range Management Newsletter, has continued in its useful role under editorship of Don Burnside in Kalgoorlie. Despite plaintive appeals for more input from members, Don has continually provided an informative, readable communication. Don always needs more material, so please provide it.

Our thanks must also go to the members of CSIRO in Perth, who have continued to organize and print the Journal and Newsletter.

Further evolutionary changes in the Constitution have been suggested and hopefully will be passed at the A.G.M. One of these is to permit appointment of honorary members who have contributed significantly to Society aims. The Society has been in existence for sufficient time to be able to recognize individuals who have made outstanding contributions.

A growth area in the Society has been the activity and establishment of Branches. The Broken Hill and Adelaide Branches have continued to set the pace and now have been followed by Charleville and Carnarvon. Plans are underway for the Alice Springs group to become more formalized and for a Riverina N.S.W. Branch to become established. Grass roots organizations such as these are the best means of meeting the Societies

aims since they allow people from management as well as research to communicate freely.

Following the decision by Council not to have a National Conference in 1983, all of these groups organized mini-conferences or workshops in 1983.

Membership in the Society stands at 175 financial and 168 unfinancial members for 1983. This is nearly the same as for the 1981 financial year. A growth area has been the overseas membership. This, I believe, to be the response to an advertisement in the Journal of Range Management in September 1982. Our thanks to Maurie Woodward for designing the advertisement.

Another area which involved the Council was the National Conservation Strategy. This was concluded when Dr. Owen Williams, as sole member of a sub-committee charged with preparing a submission to the inquiry, felt that all A.R.S. criticisms had been met by a submission from CSIRO which encompassed A.R.S. criticisms.

A major achievement of the Secretary and Treasurer was the duplication of A.R.S. records for Archives. The task has been completed and archive materials are now lodged in the Middle Back Field Centre on Middle Back Station near Whyalla, South Australia. Mr. Andrew Nicholson of Middle Back Station agreed to be custodian of Archives and the Society owes him considerable thanks. Dr. Bob Lange generously organized the space, storage facilities and placement of material in the archives and also deserves our thanks.

Turning to the future, organization for the Second International Rangelands Congress to be held in 1984 is well in hand. The committee, chaired by Ray Perry, with secretarial duties being performed by Peter Joss, has now been formally included as a sub-committee of the A.R.S. for logistic and financial reasons. The conference will be a fairly costly venture, but government and industry grants and fees promise to return a small profit. The registration cost will be a trifle X-ey, but the quality of contributions and the contact with international scientists, managers and educators will ensure that you get your money's worth.

The two year term for Council became official this year. Council moves to W.A. this year and your new President is Ray Perry, Secretary, Colin Lendon, and Treasurer, Peter Curry. The new Vice-President from N.S.W. (who will host the committee from 1985 to 1987) is Ken Hodgkinson from CSIRO, Deniliquin. I will become Past President. I wish the incoming Council a productive and satisfying term and trust they will maintain and enhance the quality of the Society.

A parting thought. One of our South Australian pastoralist members, who has been contemplating quitting the Society, replied in his conference questionnaire, that he would renew his interest in the A.R.S. because he approved of our outlook. We are instructive and not obstructive and attempt to seek a practical balance between conservation and development by intensive application of wisdom and understanding. If we can half live up to this perception we will greatly assist the management of rangelands.

LETTERS TO THE EDITOR

From: David Eldridge
Soil Conservation Service
HAY, N.S.W.

PERENNIAL SALTBUSH RECOVERING

Good drought breaking rains over the past six weeks have resulted in germination of saltbush over extensive areas of the Riverine Plain in the Ivanhoe, Hay and Oxley areas. This is the same areas where only a few years ago caterpillars caused so much damage to the bushes. To date much of the area still presents a bleak picture with "deadsticks" covering extensive areas of the plain.

Since the rain, many graziers have been asking the question "when is the saltbush going to come back?" Well, despite many "theories" put forward by bureaucrats and landholders alike, there seems to be no clear-cut answer; as indeed little is really known of the cause of the widespread death, although caterpillars seem to have been involved in one way or another.

My observations over the past few weeks have revealed a few interesting points:

1. Areas heavily stocked before the caterpillar attacks (or during the early months of the current drought) have generally fared better than similar areas lightly stocked (or destocked). It is widely acknowledged that a good "flogging out" from time to time prevents perennial plants becoming too woody. Perhaps those shrubs which were closely defoliated had a better chance of recovering than those carrying a lot of woody material. It's been my impression that some of the best stands of saltbush to be found now are close to waterpoints or near holding paddocks where they've had a good trimming.
2. In areas where seedlings are scarce (or apparently non-existent) there appears to be very few female plants. Female plants, being more edible, are more likely to be eaten out in hard times but are they more susceptible to drought and/or caterpillar invasion?
3. Bushes growing on duplex soils tend to have fared better than those on cracking clays, all other things being equal. This is probably related to differences in water availability, but perhaps there may be an interaction between caterpillars and soil type.
4. It is difficult to find multi-aged stands of saltbush in the area, although one landholder (who incidently has perhaps the best stand in the area) tells me that all his bushes are less than 15 years old. Surely saltbush has a definite life span?

Any takers?

Ed.: David's comments are most interesting and should provoke some response from the "leaf and herb watchers". It is certainly not all beer and skittles managing a saltbush pasture and some comments from people who have seen the ebb and flow of the plants over the years would be most welcome. Alternatively some suggestions as to the maintenance and husbandry of caterpillar populations as an alternative to sheep and cattle could be floated!...

From: J.G. Mosley
Director
Australian Conservation Foundation

As you are well aware the recent few dry seasons throughout Australia have exposed the fragile and vulnerable nature of our farming systems in the low rainfall zones. Countless millions of tons of topsoil have blown away and, together with other problems such as land salinisation the nation is facing a massive bill for soil conservation and rural reconstruction.

No doubt you are also well aware of the small percentage of bush remaining throughout Australia in the low rainfall zone, and therefore shared the horror of many Australians at the scheme being vigorously pursued in Western Australia to convert up to 3 million hectares of magnificent heath and mallee woodlands to marginal farms.

This scheme has been conducted with an almost total disregard for the extremely high conservation values of the area involved, both as the only large remaining mallee wilderness in southern Australia and also as a region containing many rare and increasingly endangered species.

The recent change of government in Western Australia would appear to have removed some of the urgency from the threat to this area, but the threat still exists!

The Labor Government has set up two inquiries relevant to land release for agricultural clearance in the state. The first consists of a Cabinet sub-committee (with departmental representatives) and is looking specifically at formulating guidelines under which land release to agriculture will continue.

This inquiry expects to release draft guidelines for examination by "Shire Councils and interested groups" in early May. We feel it is imperative for your organisation's views on these 'guidelines for release' to be considered and suggest you write for details of this inquiry to -

Hon. David Evans,
Minister for Agriculture,
9th Floor, Grain Pool Building
172 St. George's Tce,
PERTH, W.A. 6000.

The second inquiry is to be conducted over a much greater time span (approx. 12 months) and will look at more general land use policies, and the administration of these policies, over the entire south-west of the state. Details are still sketchy at this stage but it appears that this inquiry will be comprehensive and will not be geared towards accommodating the land use proposals of specific vested interest groups, as with the other inquiry.

You can ensure your organisations view will be considered by this inquiry by writing for details to -

Premiers Department,
14th Floor, Superannuation Building,
32 St. George's Tce,
PERTH, W.A. 6000.

Pressure is already being applied to the new Western Australian Government by Shire Councils and other groups with a vested interest in the clearing of more bushland for marginal agriculture. It is vitally important that this pressure be balanced by the views of groups such as yours.

FROM AROUND THE TRAPS

From the Adelaide Branch

A.G.M. Report - Contributed by Reg MacDonald

The Annual General Meeting was held on the 27th January, 1983 at the Newmarket Hotel Red Room with 68 people present. The President, Reg Macdonald, elaborated on the activities of the branch for the past year.

The General Meeting was held on 29th July 1982 and a talk given by Dr. Russ Sinclair from the University of Adelaide on the history and some of the results of the Koonamore vegetation reserve. There was also a short plant identification quiz and this highlighted the vast gulf in the knowledge of plant taxonomy between the pastoralists and biologists. This difference has been recognised by the Society for several years, and a plant identification course, in conjunction with Dr. Bob Lange and Ms. Joan Gibbs-Clema, has been held at the Field Centre on Middleback Station for the past two years. Another course is being planned for October 1983. In promoting these courses, the Society hopes to further the knowledge of plant taxonomy, thus avoiding confusion between pastoralists and biologists of local plant names.

At the A.G.M. early notice of the 2nd International Rangelands Congress which will be held in Adelaide on 13-18 May 1984 was given. There will be a special section for pastoralist participation.

Andrew Johnson, Secretary, reported on the National Parks and Wildlife seminar held at Peterborough on 7 December 1982, where the service presented its policy on kangaroo management for 1983.

The focal point of the evening was a very interesting illustrated talk by Garnham Skipper, the Vice President, on the history of Manunda Station and surrounding area from 1860 to the present. He described how the excessive stocking of pastoral country devastated large areas around the few watering points and shearing sheds which existed at the time. It was not uncommon for properties to shear in excess of 100,000 sheep which is many times greater than today's recognised carrying capacity. He further illustrated how, since 1946, using suitable techniques such as contour ploughing, disc pitting, judicious stock, cutting down paddock size, and where possible, two watering points to a paddock, he has been able to facilitate the regeneration of many of the more severely affected areas.

Membership of the Society is open to anyone interested in Rangelands Science by application to Andrew Johnson, C/- G.P.O. Box 667, Adelaide, 5001. The next meeting will be held at the Newmarket Hotel on 25th July, 1983. The new office bearers are:-

President	-	Malcolm McTaggart
Vice President	-	Andrew Nicholson
Secretary/Treasurer	-	Andrew Johnson
Auditor	-	Keith Casperson

COMMITTEE	-	Garnham Skipper	David Crawford
		Bruce Evans	Reg Macdonald
		Jim Vickery	Vic Squires
		Don Nicholson	Andrew Brown
		Martin Willcocks	

From the Centre

Russell Grant
Dept. of Primary Production
ALICE SPRINGS, N.T. 5750

PASTURE MANAGEMENT WORKSHOP - WOODGREEN STATION

About 40 members of the Central Australian pastoral community, representing probably 16 Stations, travelled to Woodgreen Station, 170 km north-east of Alice Springs, for a two-day Pasture Management Workshop held in early March. They were accompanied by a small group from the Murrumbidgee College of Agriculture, Yanco, N.S.W., local high school students, and the inevitable entourage of knowledgeable public servants.

The event was organised by the Range Management Section of the Department of Primary Production with support from local members of the Australian Rangeland Society. It was skilfully timed to coincide with the perfect weather immediately preceding the record floods that nearly washed Alice Springs gracefully down the Todd River.....

The object of the Workshop was to gather district pastoralists and interested Departmental personnel together to jointly inspect a property and discuss pasture management problems. Mr. Bob Purvis, owner-manager of Woodgreen and A.R.S. member, kindly opened his property for critical examination.

Woodgreen was originally settled by Bob's father back in 1918. It consisted mostly of low-carrying hard mulga country then, and the small pockets of productive open plains country rapidly deteriorated under the stocking pressures necessary for the property to stay viable. By the 1950's, productivity was seriously declining.

Careful pasture and stock management, reclamation works involving waterponding, tyne pitting and the establishment of buffel grass, together with the purchase of additional "sweet" country, has enabled Bob to restore much of Woodgreen's productivity over the past 15 years. Supported by speakers from various Government departments, Bob explained his philosophies and methods to participants at the Workshop.

Points of interest included:

- The demonstration of a tyne pitter and opposed-disc plough by Bob Keetch and crew of the Land Conservation Unit, Conservation Commission, on hard scalded country.....in fact the scald was a bit too hard for an effective demonstration, but an adjacent area treated only weeks previously showed a successful establishment of buffel grass in response to rain.
- The inspection of waterponding banks constructed up to 15 years ago. These have effectively halted gullying and promoted the growth of buffel and some native grasses on bared country.
- A brief look at serious woody weed problems that have choked some areas of limestone country on Woodgreen. Dr. Margaret Friedel, CSIRO, discussed the extent and cause of these problems in the Alice Springs district. In the Woodgreen situation, the absence of hot fires following major shrub germinations in response to wet seasons seems to be a key factor.
- A visit to one of the Department of Primary Production's rangeland monitoring sites, and a presentation of the Department's potential input into property planning and management. Barney Foran, of CSIRO, outlined recent research into the use of Landsat for assessing seasonal conditions.
- A discussion led by Dean Newman, D.P.P., of animal nutrition in relation to pasture management, and in particular the feeding supplements. The phosphorus deficiency syndrome "peg-leg" is prevalent in some of the mulga country north of Alice Springs, and is particularly troublesome on parts of Woodgreen.
- An outline of rabbit control studies currently being undertaken in Central Australia. Dr. Bill Low of the Conservation Commission briefly discussed the contribution and behaviour of rabbits in the district and the recent introduction of the European rabbit flea. He recommended ripping and fumigation as a control measure. Rabbits present a significant management problem south of Alice Springs, but have limited distribution to the north.
- Brief mention of the perpetual leasehold system being introduced into the Northern Territory. Lands Department representative Neville Jones was available to answer questions.

It is hoped that a similar workshop will be conducted next year, focussing on the southern Alice Springs District.

Broken Hill Branch News

Roger Stanley

The Sturt National Park open weekend mentioned in the last newsletter was in fact held, and proved a highly successful venture. Day and night activities over the two days attracted a crowd of some 80-100

people, with a good mix of local graziers, Tibooburra townfolk, professional shooters, conservationists, tourists and government workers. It was pleasing to see a mini bus load from Bourke, including a fellow worker of mine who hopes to revive the Upper Darling Branch of ARS.

On Saturday participants were treated to some interesting talks on the Park's background and physical resources, inspected pastoral and homestead museums, and went for a drive through the extensive stony downs and mesa country. A highlight was inspection of an archaeological excavation of old woolscourers which had ceased operations in the 1920's and subsequently sanded up.

The programme livened up on Saturday night when, against the beautiful background of the granite outcrops of Dead Horse Gully camping area and distant spectacular electrical storms, the very real threat to commercial harvesting of kangaroos was laid before the gathering. At the same time figures indicated the absurdity of placing red and grey kangaroos on the list of endangered species, and we were told of the significant impact of both wild dogs and recent drought on the kangaroo population in local parks. The night provided all groups with disturbing and/or interesting thoughts on which to ponder.

The programme on Sunday morning gave locals their opportunity to comment of the "role and impact of national parks". We were told by a local publican that the creation of the Sturt National Park has led to a significant decline in trade by local businesses, as tourists and park staff spent less money in Tibooburra than did the local graziers and pastoral industry workers they had replaced.

However the biggest criticism came from a local grazier, who claimed that the park was responsible for an increase in the wild dog problem on adjoining stations. Arguments were put by both sides, but the underlying problem seemed to be the presence of artificial waters, which had the effect of maintaining both roo and dog populations on the park. Our grazier speaker admitted a reversal of attitude with the benefit of experience, as he had argued strongly during park establishment for retention of the man-made waters. Again interesting food for thought.

The weekend was jointly hosted by our Branch and the Sturt/Kinchega National Parks Advisory Committee, but most of the credit and thanks for the success of the function are due to National Parks and Wildlife Service Staff from the Tibooburra District.

From Carnarvon

GASCOYNE PASTORAL WEEK, 1983

The Gascoyne/Minilya Branch of the Pastoralists and Graziers Association of Western Australia will be holding their next Pastoral Week in Carnarvon from Wednesday, 3rd August to Saturday, 6th August, 1983.

The Australian Rangeland Society have also joined forces and will be convening a one day seminar for those interested in the more spirited aspects of environmental controls, land rights etc.

PROPOSED PROGRAMME OF EVENTS

- Wednesday
3rd August Australian Rangeland Society Seminar
"Changing patterns of use of Australian Rangelands".
- Evening - * Australian Rangeland Society Wind-up.
* Opening of Art Exhibition.
* Airport registration function.
- Thursday
4th August Conference session with papers from invited speakers.
- Evening - Dinner/Dance
Wool Fashion Parade presented by Australian
Wool Corporation.
- Friday
5th August Field Day at Boolathana Station, including
* Machinery and equipment displays and demonstrations
(inventions and new technology).
* Animal health and management topics (especially sheep
and wool).
* Invited speakers from organisations such as Department
of Agriculture, Australian Wool Corporation, CSIRO and
commercial companies.
- Evening - Bush Barbecue
- Saturday
6th August Pastoral Week Tennis Tournament.
Ocean fishing in Shark Bay.

Anyone who is interested in attending this Pastoral Week can get the details from John Morrissey in Carnarvon. John's address is:-

Department of Agriculture,
P.O. Box 52,
CARNARVON, W.A. 6701 (ph. 099-41.8103)

FITZGERALD'S LAW

- The percentage of miss-branded bales is directly proportional to the number of tattoos on the presser.

WILCOX'S LAW

- Inanimate objects are innately perverse.

ADDISON'S OBSERVATION

After studying fenceline effects in pastoral country grazed by sheep for many years it was concluded:-

- It is the fences and not the sheep that eat all the feed. For instance fenceline effects disappear when the fences fall over.

INTERNATIONAL RANGELANDS CONGRESS

Wal Whalley sent in this note to remind us of how enthusiastic people are about this event next year.

Professional and Conjugal Devotion

A gentleman was observed thoughtfully studying the 2nd International Rangeland Congress poster at the recent SRM meetings in Albuquerque, New Mexico. On being asked if he was going to attend, he replied "I hope so, but my wife is going". Further questioning revealed that as soon as his wife heard about the Congress, she had gone out and got a job. She now has sufficient money in the bank for her fare and expenses and husband was trying to persuade her to stay at work and earn enough for him to go also.

The moral - if you anticipate problems financing your trip to Adelaide next year, including a couple of tours, then send your wife out to work pronto.

NOTE: Feature following.

FEATUREYEAR END TAX PLANNING FOR THE PRIMARY PRODUCER

....Vaughn Chapman

With the 30th June fast approaching, now is the time to organise your affairs to minimise taxation. Once the year has ended it is too late to implement changes that could save you dollars.

In the period preceeding 30th June, taxpayers should make a careful review of their tax position. This would normally involve the preparation of financial accounts for the year to date and projection of income and expenditure to 30th June. Once taxable income has been determined, strategies can be implemented to co-ordinate the current tax year and the next to best advantage.

When planning your year end tax strategies remember that income tax is not the only consideration. Often general economic considerations, cash flow requirements and personal considerations are just as important. There is no point in purchasing additional fuel, fodder or chemicals to obtain a deduction if your cash flow can not fund the purchase. Other taxes, such as payroll tax and stamp duty may also need to be considered.

Year end tax planning techniques can be divided into both business and personal avenues:

1. BUSINESS(a) Accelerating Decuctions

Consideration should be given as to whether there are any deductible expenses which could be paid by 30th June, rather than in the first few months of the new year. Should sufficient liquidity be available, such accelerated expenditure can produce significant tax advantages. Typical examples would include, fuel, chemicals, seed, repairs and maintenance.

(b) Deferring Income

In many cases income can be deferred to after 30th June with beneficial tax consequences. Livestock can be sold in July rather than June thus deferring the income to the following tax year.

(c) Depreciation

A special depreciation rate of $33\frac{1}{3}\%$ will be available under Sec. 57AH for new items of plant purchased exclusively for agricultural use after 19th July, 1982. The cost of such items may be written-off in equal instalments over a period of three income years. The new Labour government has indicated that it will implement the previous government's proposal to increase the rate from 20% to $33\frac{1}{3}\%$, for plant ordered after 19th July, 1982.

Section 58 AE allows a special depreciation rate of 20% on structural improvements for the storage of grain, hay or fodder. The full 20% is allowed in respect of a year of income even where the structure is first used or installed part way through the year.

- (d) Water Storage, Soil Conservation and Farm Reticulation Systems
An outright deduction is available under Section 75B and 75D for a primary producer who incurs expenditure on water storage, soil conservation and farm reticulation systems, in addition to the investment allowance. Sinking a well or installing an irrigation system prior to 30th June can produce significant deductions to offset against available income.
- (e) Investment Allowance
Investment Allowance on eligible plant can significantly impact year end tax planning. Particular attention should be given to the requirement to install or use before year end. Likewise, it is vital to remember that the Commissioner can withdraw the investment allowance if the plant is disposed of, used by another person or used for a purpose other than producing assessable income within 12 months of its purchase.
- (f) Tax Elections
A number of elections are available to primary producers which can be used effectively for tax planning.
- (i) Double wool clips.
 - (ii) Insurance Recoveries for Livestock.
 - (iii) Forced Disposal of Livestock.
 - (iv) Balancing Charge on Depreciation.
- (g) Income Equalisation Deposits
For an income equalisation deposit to be made against income of a particular tax year it must be made within two months of the end of that year.
- (h) Short Term Property Gains and Losses
As a taxpayer will normally be assessable on profits arising from sale of real or personal property within twelve months of acquisition, care should be taken on the timing of such sales. Deferring a pending profitable sale until after the twelve months period has expired may enable substantial tax savings. Of course, if the property was acquired with the intent of profit making by resale, the profit will be assessable in any case.
- It is possible for a taxpayer to claim a loss on property sold within twelve months of purchase provided a Section 52 notice is lodged with the taxpayer's first return, subsequent to the purchase of the particular asset.
- (i) Bad Debts
Bad debts must be written off in the books prior to 30th June to obtain a deduction in that year.
- (j) Dividends
In the case of private company dividends it may be advantageous to pay an interim dividend in May or June so that the sufficient distribution can be assessed to the shareholders over two income years.

(k) Superannuation

For an employer to obtain a deduction for superannuation contribution it is crucial that the payment be made prior to 30th June. If the superannuation fund is to maintain its tax exemption it is essential that it maintain the 30/20 ratio of Commonwealth and Public Securities throughout the whole of the year.

(l) Directors Fees

Many company's Articles require that Directors Fees be approved by the shareholders during the income year. If this is the case the shareholders must approve the Directors Fees prior to 30th June if a deduction is to be claimed in the income year.

(m) Discretionary Trusts

Where a trustee has a discretion to apply income to specified beneficiaries this must be done before the end of the year of income. However, the Commissioner has adopted a practice of allowing a period of two months after the end of the year of income, in which a payment or application may be made and treated as made in relation to the year of income.

(n) Funding Tax Payments

Provisional Tax payers are required to fund a large sum of money to pay their tax in the last quarter of each financial year. If a taxpayer takes out a loan directly to pay his tax, the interest will not be deductible. On the other hand, if the taxpayer is carrying on a business, he can recall his loans to the business to pay the tax and the business can borrow additional funds for working capital. The interest on these borrowings would then be tax deductible.

2. PERSONAL(a) Concessional Expenditure

Concessional expenditure is only available where eligible concessional expenditure exceeds \$1,590.

If at the end of the year there appears no chance of reaching the \$1,590 level, consideration should be given to deferring eligible expenditure to the next year. Similarly, where the maximum amount has been spent on any particular item, additional expenditure should, if possible, be deferred to the subsequent year.

All concessional expenditure should be borne by one income producing member of a family. This makes it easier for expenditure to exceed the \$1,590 limit and thus obtain a tax rebate.

(b) Spouse Rebate

The date of marriage can effect a taxpayer's entitlement to a spouse rebate where one member ceases work after marriage. Income earned by a spouse prior to marriage does not affect the taxpayer's entitlement to a rebate for that spouse.

(c) Zone Rebates

Zone rebates are available to residents of isolated areas provided the taxpayer has been in the zones, whether continuously or not, during more than one half of the income year. As year end approaches the taxpayer should ensure that he has satisfied this half-year test.

(d) Sole Parent Rebate

The sole parent rebate is not available where the dependents separate net income exceeds \$1,785. If the dependent's income is greater than \$1,785 the full sole parent rebate of \$713 is lost.

(e) Retirement Payments

It is usually advantageous to retire on the 1st July as income in the subsequent year is normally smaller and the tax rate may therefore be less.

This is only a summary of the tax planning techniques available to the primary producers as the year end draws near. Most are dependent upon action being taken prior to 30th June and it is therefore imperative that interim financial accounts be prepared prior to year end and discussed with your financial adviser before acting on any of the abovementioned matters.