



IN REPLY PLEASE QUOTE

HERBERTON SHIRE COUNCIL

40 GRACE STREET, HERBERTON

TELEPHONE: (07) 4096 2244

FACSIMILE: (07) 4096 2689

ADDRESS ALL COMMUNICATIONS TO
CHIEF EXECUTIVE OFFICER
P.O. BOX 41,
HERBERTON, Q. 4872

7/340/100 GKM:wr

21 August 2002

The Secretary
Parliamentary Joint Committee
On Corporations and Financial Service
Room SG.64
Parliament House
CANBERRA ACT 2600



Dear Madam

Re: Inquiry into the level of banking and financial services in rural, regional and remote areas of Australia

I refer to the inquiry into the level of banking and financial services in rural, regional and remote areas of Australia and the Herberton Shire Council wishes to make a submission in this regard.

Whilst the concern of Council may not relate to the specific items detailed in the letter issued to Council, it does believe that a particular policy which effects rural Australia needs to be assessed under the review.

The Council specifically refers to financial policies which result in the lack of return of investment into rural Australia. Twenty per cent (20%) of discretionary income is taken from rural Australia where it refers to GST and Superannuation Guarantees yet there is no encouragement or incentive for the income taken from rural Australia to be returned. Whilst this may be a decision of the Commonwealth Government to some degree, it is also disturbing from anecdotal evidence that some financial institutions will not invest in rural Australia. This has a compounding affect on the health of rural industry and needs to be addressed.

The Council appreciates that the problem detailed above may not strictly be within the scope of the inquiry however it is placed before the Committee for consideration.

Yours faithfully

Gordon K Malcolm
CHIEF EXECUTIVE OFFICER