



WHY INVEST IN AUSTRALIA?

Many global companies have set up offices and business assets in Australia because of the international business community's high regard for our business environment. The 1990s was a period of change, with microeconomic reforms opening the economy and building international competitiveness. The Australian Government's actions, such as implementing national competition principles and making wide-ranging reforms to the taxation system, complement State government reforms to provide a support framework for an internationally competitive and sustainably managed forest and wood products industry.

The Australian Government has three major policy strategies, which assist investment in Australia.

- The foreign investment approvals process in Australia is regulated under the *Foreign Acquisitions and Takeovers Act 1975* and supplemented by Australian Government policy. The Australian Treasurer and the Foreign Investment Review Board, an advisory body within the Australian Government Department of Treasury, administer the process. Further information is at: www.firb.gov.au
- The Major Project Facilitation Service provides investors with information and facilitation services to build relationships with key government agencies involved in approving a major project. This service can also help identify areas of government assistance. Further information is at: www.investaustralia.gov.au
- The Australian Government will also consider providing investment incentives under the Strategic Investment Co-ordination (SIC) program. This program is for Australian projects that otherwise would be located offshore, and have significant net economic and employment benefits. The SIC program recognises the global mobility of foreign direct investment and the competition for available capital. Further information is at: www.investaustralia.gov.au

There are many other areas where government legislation and policy can benefit investment decisions, including:

- **Taxation.** Australia has agreements with several countries to avoid double taxation of income. This limits Australia's taxing rights on certain types of income derived by a resident of the other country, or vice versa. Further information is at: www.axiss.com.au/content/attractions/environment/international_tax.asp
- **Competition and consumer laws.** The Trade Practices Act 1974 restricts or prohibits business practices that may lessen competition in trade and commerce, and applies to most businesses in Australia. Further information is at: www.accc.gov.au
- **Environmental regulation.** There are transparent controls on development, protection of species, pollution and dealings with hazardous substances. Arrangements ensure the marriage of Australian Government and State/Territory government environmental assessment processes to avoid duplication. Further information is at: <http://ea.gov.au/epbc/>
- **Infrastructure.** Although chiefly a State government responsibility, the Australian Government may provide assistance where projects support common-user infrastructure. Further information is at: www.dotars.gov.au
- **International financial markets.** Australia's regulatory framework keeps pace with financial market developments, including an international currency, no foreign exchange controls and one of the most effective intellectual property rights regimes in the world. Information on financial regulations is at www.apra.gov.au and securities regulations information at www.asic.gov.au

The Blake Dawson Waldron report (www.investaustralia.gov.au) examines Australia's investment environment and provides practical information for foreign investors on legal, taxation and government policy on investing in Australia.

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The role of Australian governments

The Australian Government's role in supporting the forest and wood products industry includes encouraging ecologically sustainable development nationally, facilitating market access and trade, providing quarantine services, promoting and funding research and education, assisting with business development, maintaining the taxation system, and working with State and Territory governments on issues requiring national co-ordination.

State and Territory governments have direct responsibility for resources such as forests and associated land use. Within their jurisdictions, State and Territory governments are responsible for business and environmental regulation, overseeing the sustainable development of forest resources, facilitating exports and assisting with business development. They also fund education and research, and are the main suppliers and regulators of infrastructure.

Australian governments have recognised the need for nationally agreed policies to provide resource security and support long-term sustainable development. They have developed a national approach to forest management, encompassing the National Forest Policy Statement, Regional Forest Agreements, Plantations for Australia: the 2020 Vision, and the Forest and Wood Products Action Agenda. Information on these programs and initiatives is at www.affa.gov.au/forestry

Further inquiries

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National Forest Policy Statement (NFPS)

The NFPS is a framework for the future management of forests. It covers 11 broad national issues: conservation; wood production and industry development; integrated and co-ordinated decision-making and management; private native forests; plantations; water supply and catchment management; tourism and other economic and social opportunities; education and training; public awareness; research and development, and international responsibilities.

Regional Forest Agreements

The Australian Government has signed agreements with four State governments. They cover regions where commercial timber production is from public native forest. The agreements aim to balance the environmental, social, economic and heritage values of public native forests. They also provide certainty for the forest industries and for continuous improvement in the ecologically sustainable management of Australia's forest estate.

Plantations for Australia: the 2020 Vision

In 1997, the Australian, State and Territory governments and the plantation-based industries endorsed Plantations for Australia: the 2020 Vision. The Vision seeks to bolster regional wealth creation and international competitiveness through a sustainable increase in Australia's plantation resources. Its target is to treble the area of commercial tree crops to about 3 million hectares by the year 2020.

Forest and Wood Products Action Agenda

The Forest and Wood Products Action Agenda — launched in 2000 — provides a framework for the forest and wood products industry to pursue sustainable, competitive advantages in the international marketplace. The vision of the Action Agenda is 'maximising sustainable and profitable activity for tree growing, value adding and marketing of Australian forest and wood products'. To achieve this, the Action Agenda identifies 12 strategic imperatives for industry, governments and other stakeholders to achieve its vision, including development of the Australian Forestry Standard, industry development, investment support, and co-ordination across research and development institutions.