

Main Points

Changes to Membership

- ❖ **Mr Ken Stone, AO** retired from the Board with effect from 31 March 1998.
- ❖ **Mr Richard Murray** succeeded Mr Tony Hinton as the Executive Member on 1 May 1998.

Proposals

- ❖ Foreign investment policy is applied with the objective of encouraging worthwhile foreign investment.
- ❖ Of the 4,375 proposals decided in 1997-98:
 - 4,261 were approved (2,567 with conditions, mainly in the real estate sector) and 114 were rejected. This compared with 4,096 approvals (2,610 with conditions) and 105 rejections in 1996-97.
- ❖ During 1997-98 there were 14 divestiture orders.
- ❖ Approvals in 1997-98 involved proposed investment (either alone or in partnership with Australians) of around \$79.5 billion. This represented a 35 per cent increase on the previous year's approvals of \$58.6 billion and was the highest level to date. Approvals do not necessarily mean investments proceed.
 - Compared to 1996-97, approvals increased; for services (excluding tourism) from \$13.9 billion to \$19.5 billion, for real estate from \$11.4 billion to \$16.3 billion, for mineral exploration and development \$4.8 billion to \$8.6 billion and for manufacturing from \$21.2 billion to \$23.5 billion

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- ❖ The 224 largest proposals (each with proposed investment of more than \$50 million) accounted for about \$64 billion or 80 per cent of total proposed investment.
- ❖ Investors from the United States doubled their proposed investment in Australia compared to the previous year. United States total proposed investment in relation to approvals increased from \$18.0 billion in 1996-97 to \$36.3 billion in 1997-98. As a percentage of total proposed investment by all countries, United States proposed investment increased from 30 per cent to 45 per cent.