

Main Points

Changes to Membership

- ❖ **Mr Graham Maguire** retired from the Board and was replaced by the Hon. Chris Miles.
- ❖ **Ms Janine Murphy** succeeded Mr Richard Murray as the Executive Member.

Proposals

- ❖ Foreign investment policy is applied with the objective of encouraging worthwhile foreign investment.
- ❖ Of the 4,754 proposals decided in 1998-99:
 - 4,642 were approved (2,918 with conditions, mainly in the real estate sector) and 112 were rejected. There were 4,261 approvals (2,567 with conditions) and 114 rejections in 1997-98.
- ❖ During 1998-99 there were 5 divestiture orders.
- ❖ Approvals in 1998-99 involved proposed investment (either alone or in partnership with Australians) of around \$67.0 billion. This represented a 16 per cent decrease on the previous year's approvals of \$79.5 billion. Approvals do not necessarily mean investments proceed.
 - The value of approvals increased for services (excluding tourism) from \$19.5 billion in 1997-98 to \$22.6 billion in 1998-99. Approvals for manufacturing declined from \$23.5 billion to \$16.5 billion and for real estate from \$16.3 billion to \$11.2 billion. The sharpest decline in percentage terms was in the tourism sector experiencing a 70 per cent fall in the value of approvals from \$3.6 billion to \$1.1 billion.

- ❖ The 206 largest proposals (each with proposed investment of more than \$50 million) accounted for about \$53.4 billion or about 80 per cent of total proposed investment.
- ❖ The United States was the most important source of proposed foreign investment in Australia during 1998-99 accounting for around 44 per cent of the total. The other major source of proposed foreign investment was the United Kingdom, increasing its investment in Australia from \$8.4 billion in 1997-98 to \$12.7 billion in 1998-99 or 19 per cent of the total.