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\$3 billion of foreign investment has secured forestry jobs

The Australian Forest Products Association (AFPA) has joined the voices cautioning the Australian Government to not jeopardise the flow of overseas capital into vital regional agribusiness through changes to the foreign investment review framework.

With more than \$3 billion of investment over the past five years, which has secured jobs and provided opportunities for growth, the forestry and forest products sector is a case study of the positive role foreign capital can play in rural Australia.

The United States, Canada, New Zealand, Japan, Malaysia, South Korea, Norway and Sweden have all made significant capital investments across the entire forestry and forest products value chain. Softwood and hardwood plantations, forest management, sawmills and processing operations, pulp and paper, and woodchip exporters have all welcomed overseas capital.

Plantations have seen the highest growth rate in capital investment. Ten years ago overseas owners held 12% of national plantation assets. They now support 60%. The sales of plantations previously established by state governments to the private sector, along with a number of sales of privately owned plantations following the Global Financial Crisis, benefited greatly from the strong overseas interest, as the pool of investment funds in Australia was shown to be too small.

AFPA Chief Executive Officer Mr Ross Hampton said, "Overseas buyers have been welcome and added enormously to our ability to upscale our industry and take advantage of strong international demand for forest fibre products. New owners have introduced new management strategies, new technology and led to improved efficiency of operations."

"Although these operations have overseas owners, they are Australian registered companies, managed and run by Australians. They support more than 4,200 direct jobs in plantation management, harvesting and haulage, with a further 40,000 flow-on jobs at sawmills, woodchip export facilities, and timber product manufacturers. They also pay Australian taxes and make a significant contribution to the rural communities in which they operate."

AFPA represents forest growers, harvesters, and manufacturers of timber and paper products.

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