



Media Release

23 October 2009

Forest industry welcomes improvements to tax certainty for forestry MIS investors

The National Association of Forest Industries welcomes the recent announcement by Assistant Treasurer, Senator Nick Sherry, to amend the tax law to protect investors in forestry Managed Investment Schemes (MIS) from unintended and adverse tax outcomes.

Obviously we will wait to see the detail of the draft amendments to provide full judgment on the Government's decision. However, NAFI welcomes the stated intent of the changes – that is to provide greater certainty to investors in forestry MIS in the event of them facing unforeseen circumstances such as insolvency of the MIS manager, death of the investor or where the trees are destroyed by fire, flood or drought.

We also welcome amendments that maintain the application of the promoter penalty provisions as they aim to ensure the integrity of the investment.

NAFI see these initiatives by Government as positive steps toward rebuilding the confidence of investors and the forest industry in forestry MIS arrangements, following the collapse of Timbercorp and Great Southern as well as improving the operation of the MIS arrangements.

It should be remembered that the forestry MIS arrangements have been essential in developing the plantation industry and are providing positive economic, social and environmental benefits to Australia, including:

- assisting in meeting our Kyoto Target;
- helping meet our renewable energy target;
- improving environmental quality in our rural landscape;
- delivering much needed investment to rural and regional Australia;
- creating significant employment opportunities in rural and regional Australia; and
- addressing our \$2.0 billion trade deficit in forest products.

NAFI looks forward to working constructively with the Government on these proposed amendments in order to improve confidence in, and the operation of, forestry managed investment schemes.

[ENDS]

Media contact: James Gray **0408 940 935** or **02 6285 3833** james.gray@nafi.com.au