



Media Release

Date 29 May 2009

Inquiry Is An Opportunity to Highlight Benefits of MIS

The National Association of Forest Industries (NAFI) welcomes the Parliamentary Joint Committee on Corporations and Financial Services inquiry into agribusiness management investment schemes as an opportunity to highlight the many positive benefits managed investment schemes (MIS) are delivering to the development of the plantation forest industry in rural and regional Australia.

“While this inquiry is an important part of the process to understand the reasons behind the financial collapse of Great Southern and Timbercorp, it should also focus on the many positives these forestry investment arrangements are providing for Australia,” said NAFI CEO Allan Hansard.

“Plantation forestry, driven by MIS investments, is providing numerous economic and environmental benefits in rural and regional Australia. At a time when many other key industries are suffering a downturn, prices for Australia’s timber products remain steady and are projected to rise as demand increases.

“The expansion of the plantation industry, driven by continued MIS projects, has already seen over \$6 billion invested in rural and regional Australia, creating thousands of much needed jobs and a plantation based industry on a world scale. The strong growth in exports from these plantations (up 13 percent in value terms) reflects the high regard world markets have for our plantation industry and the products they produce.

“What is missing from the debate on MIS so far is that the underlying resource and market fundamentals of forestry investments are sound. It should be remembered that while the issues with Timbercorp and Great Southern are being worked through, the trees are still growing and increasing in value.

“Forestry MIS arrangements underwent an extensive review in 2006 which resulted in legislation improvements for forestry MIS projects. The investor confidence provided by that review has allowed plantation forestry to expand since then, in line with the Australian Governments targets under the *Plantations for Australia: The 2020 Vision*.

“NAFI will prepare a detailed submission to the inquiry and will make a request to appear in person to address the benefits of MIS arrangement to the industry. NAFI is hopeful the inquiry will assess what impact the unprecedented recent events of the global financial crisis, the record breaking drought and the uncertainty caused by the recent non-forestry MIS test case by the Tax Commissioner had on Great Southern and Timbercorp. It’s important these events are explored and understood, rather than just focussing on MIS in isolation of other world events,” Mr Hansard said.

[ENDS]

Media contact: Jane Heffernan **0419 465 328** or **02 6285 3833** Jane.heffernan@nafi.com.au
www.nafi.com.au