



Media Release

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MIS report recognises the benefits of forest industry

The National Association of Forest Industries (NAFI) welcomed the report from the Parliamentary Joint Committee on Corporations and Financial Services Inquiry into managed investment schemes (MIS) which recommended maintaining the current taxation arrangements for forestry projects.

“By recommending maintaining the current up-front tax deductibility arrangements for forestry the Committee has recognised the sound fundamentals of the industry, and confirms what we’ve been saying for months; that the collapses of Timbercorp and Great Southern were a result of the way these companies were managed, and not because of problems with the forestry taxation arrangements,” said NAFI CEO Allan Hansard.

“Plantation forests are a long term investment which can place them at an inherent disadvantage to shorter term investments; we welcome the Committee’s finding that the existing forestry deductibility arrangements should be maintained to address this issue.

“I think many people forget that over 11 million hectares of production native forests were placed in reserves over the past two decades, creating significant impacts on our forest industry and rural communities. The development of the plantation industry through the forestry taxation arrangements have helped to offset this impact by providing thousands of rural and regional jobs, building a carbon store that assists us to meet our Kyoto target and builds a resource to feed future value-added investments in Australia.

“We are seeing a growing number of value-adding investment projects, such as the proposed Bell Bay pulp mill, the Myamyn green field mill and the Bombala integrated timber processing facility, that will use wood from plantations developed with the aid of the forestry taxation arrangements. These projects will create thousands of jobs throughout rural and regional areas and help address Australia’s \$2.0 billion trade deficit in forest products by reducing our reliance on imported products. This is very important at a time when many of Australia’s other key industries are struggling under the effects of a global downturn.

“NAFI will continue to work closely with Government to ensure the arrangements that are in place provide a sound investment environment for forestry, while providing the necessary certainty and protection for investors.”

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