

Chapter 2

Foreign Investment Proposals

Foreign Investment Proposals

This chapter provides statistical information on the proposals submitted in 2002-03 for examination under Australia's foreign investment policy and comments on some of the more significant cases. There is also a section covering the Board's monitoring and compliance activities in respect of residential real estate.

Limitations of the Board's data

The Board urges particular caution in the use of its statistics, including making comparisons with earlier years.

While FIRB statistics may appear at first glance to be a useful source for data on foreign direct investment in Australia, there are substantial differences between these statistics and Australian Bureau of Statistics' (ABS) statistics. The Board's statistics relate to the administration of foreign investment policy. ABS statistics, which are set out in Chapter 4 of this Report, seek to measure actual investment transactions between residents of Australia and non-residents.

The term 'proposed investment' is used widely throughout this Report. Total proposed investment is the aggregation of:

- the proposed cost of acquisition (including shares, real estate or other assets);
- the value of the Australian assets of merging companies;
- the proposed cost of development following acquisition; and
- in the case of a new business, the proposed cost of both establishment and development.

The FIRB statistics are not a reliable indicator of trends in foreign investment inflows because:

- they are inherently 'lumpy' (that is, the tendency for a few large investments to skew any one year's figures);
- they include proposals approved, which may not be implemented or could be implemented over a number of years; and
- major liberalisations of foreign investment policy that have occurred since the mid-1980s limit comparability over time.
 - For example, the increase in the notification exemption thresholds from \$5 million to \$50 million on 10 September 1999 has acted to reduce the number of proposals and proposed investment values for existing business assets as well as commercial real estate in 2002-03 compared with previous years.

In addition, the statistics are not a comprehensive measure of all foreign investment inflow in any year, nor do they purport to measure changes in levels of foreign ownership of particular industries.

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- The data are restricted to investments within the scope of the Act and the Government's foreign investment policy. They do not cover foreign portfolio investments, direct foreign investments below the notification thresholds, new businesses below the notification thresholds, expansions of existing foreign-owned businesses in Australia (both in existing areas and into related areas) and sales by foreign investors to Australian residents. The current notification/examination thresholds for the various sectors are specified in the policy summary at **Appendix A**.
- The figures provide no indication of the source of the funds for the investment. Some of the proposed funds to be invested would be contributed by Australians where they are in partnership with foreign interests. The extent to which approved investment proposals will directly result in foreign capital inflows depends not only upon whether the proposals are implemented, but also upon the proportion financed from foreign sources. In many cases, this proportion will be quite low. For example, the acquisition by a foreign interest of a business operating in Australia may involve no inflow of capital to Australia where the purchase is financed from existing Australian operations.
- The database that records all foreign investment proposals requires proposals to be categorised into sub-codes and does not allow for diversified companies.
- The figures do not necessarily reflect changes in foreign ownership levels as, in some cases, both the vendor and purchaser are defined as a 'foreign interest'.

Applications decided in 2002-03¹

Chart 2.1 depicts the number of applications decided. Chart 2.2 shows the value of proposed investment associated with applications decided for real estate and other sectors over the past seven years.

¹ The ensuing discussion relates only to proposals upon which a decision was taken. Those applications that were found not to be cases or were withdrawn are not included, except for Table 2.1.

Chart 2.1: Applications decided — number

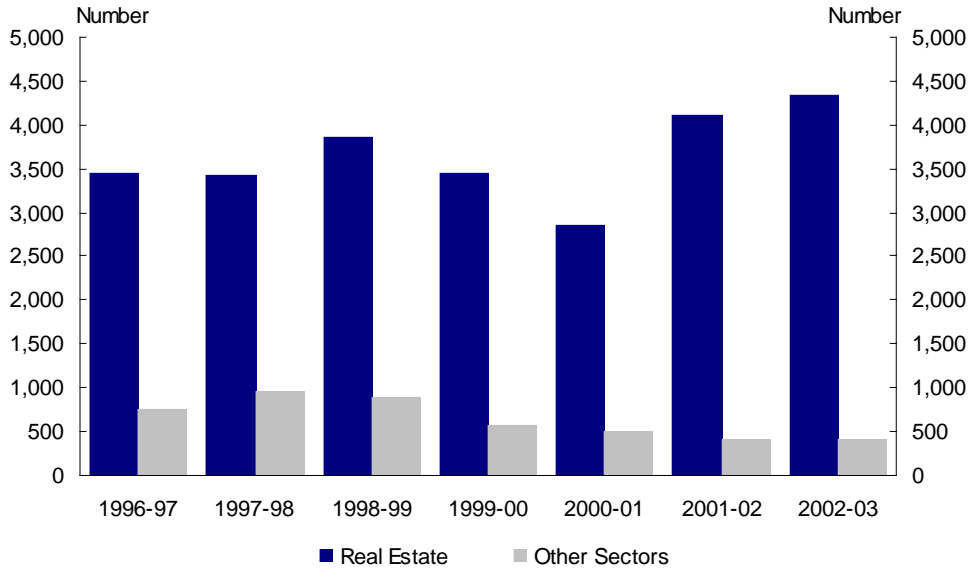
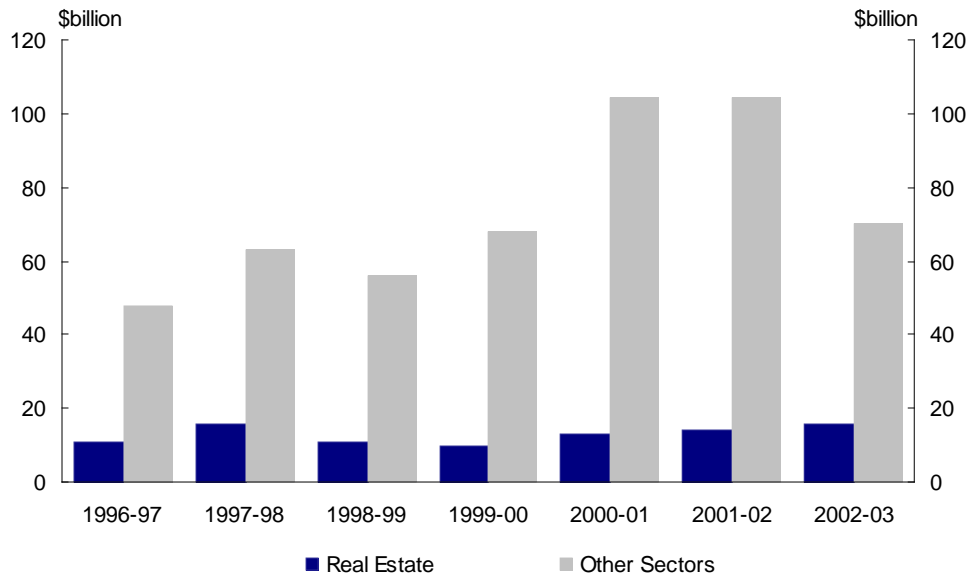


Chart 2.2: Applications decided — proposed investment



The number of applications decided during 2002-03 was around 5 per cent higher than in 2001-02. The value of proposed foreign investment associated with those applications decided in 2002-03 was more than 27 per cent lower than the level in 2001-02. A breakdown on the outcome for applications submitted over the last four years is

provided in Table 2.1. Seventy-nine proposals were rejected in 2002-03, or 1.7 per cent of all decided proposals. All of these rejections were in the real estate sector.

Table 2.1: Applications considered (number and proposed investment) 1999-00 to 2002-03

Action	1999-2000		2000-01		2001-02		2002-03	
	No.	\$b	No.	\$b	No.	\$b	No.	\$b
Approved unconditionally	1170	56.3	1003	80	1040	70.2	1105	53.5
Approved with conditions	2737	21.7	2298	26.3	3403	47.7	3563	32.2
Total approved	3907	78	3301	106.3	4443	117.9	4668	85.7
Rejected	96	0.1	46	9.7	77	0.1	79	-
Total decided	4003	78.1	3347	116	4520	118	4747	85.8
Withdrawn	408	-	318	-	402	-	365	-
Total considered	4411		3665		4922		5112	

Foreign investors are encouraged to discuss potential or actual proposals with the Board to ensure the proposals are consistent with policy. As a result, proposals clearly inconsistent with policy may not proceed to a decision, that is, they are not lodged or, if lodged, are withdrawn. Alternatively the proponent may modify a proposal to ensure it conforms to policy. The data for withdrawn cases reflect proposals that do not proceed for commercial or personal reasons, as well as those cases that are withdrawn by the parties instead of proceeding to a formal rejection. The low rejection rate reflects the consultative approach taken in the administration of foreign investment policy, particularly in respect to real estate proposals.

The great bulk of conditional approvals were in the real estate sector. Only 44 proposals outside the real estate sector were approved subject to conditions. The main type of condition that was applied in the non-real estate sectors was environmental. For real estate, 3,519 proposals were approved with conditions relating to the period during which development should commence, the need for temporary residents to sell established properties when they cease to reside in Australia, or the imposition of reporting requirements on 'off the plan' sales.

Approvals by sector

General summary

Table 2.2 provides details for 2002-03 of approved proposals for each sector and the associated proposed investment on acquisitions and new businesses. The bulk of the total proposed investment is attributable to the proposed cost of acquisitions. The skewing of the foreign investment data towards acquisition costs is a consequence of the notification requirements, as the expansion of existing businesses generally does not require foreign investment approval. Bearing in mind the limitations of the Board's data noted at the beginning of this chapter, the following general points can be made:

- The services (excluding tourism) sector attracted the largest amount of proposed investment, with approvals totaling \$23.3 billion; and

- Other major sectors were manufacturing (\$21.7 billion), minerals exploration and development (\$11.5 billion), real estate (\$15.5 billion), and finance and insurance (\$6.6 billion).

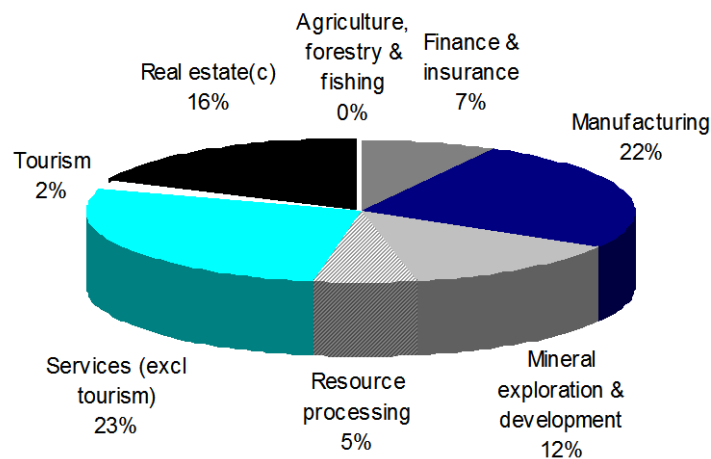
Table 2.2: Total approvals by industry sector in 2002-03 (\$billion)

Industry Sector(a)	Number of approvals(b)	Acquisition cost	Proposed investment on development	Total proposed investment
Agriculture, forestry & fishing	5	0.09	..	0.09
Finance & insurance	24	5.9	0.77	6.7
Manufacturing	73	20.58	1.14	21.72
Mineral exploration & development	54	10.5	1	11.47
Resource processing	10	0.7	4.5	5.2
Services (excl tourism)	82	21.5	1.8	23.3
Tourism	42	1.7	..	1.7
Real estate(c)	4257	12.4	3.1	15.5
Total	4547	73.37	12.31	85.68

Note: Totals may not add due to rounding.

.. indicates an investment figure of less than \$100 million.

- (a) Data have been compiled by reference to the Australian and New Zealand Standard Industrial Classification published by the ABS, except proposals involving newspaper printing and publishing which have been allocated to service industries (the ABS classifies these under manufacturing). Acquisitions of diversified company groups are classified according to the industry of the major activity of the group. Acquisitions of real estate to be used for purposes incidental to the main business activity of the purchaser are classified according to that activity.
- (b) Excludes 121 proposals involving financing arrangements and corporate restructures.
- (c) Total proposed investment in the real estate sector may be overstated as it includes expenditure for annual programs and 'off the plan' approvals granted to real estate developers. Based on past experience, a significant proportion (possibly up to half) of these advance approvals are not utilised. In addition, no account is taken of real estate that is developed under an annual program by a foreign developer that is subsequently sold to Australian interests.

Chart 2.3: Approvals by industry sector 2002-03 (per cent of the value of proposed investment)

Agriculture, forestry and fishing

Total proposed investment during 2002-03 in the agriculture, forestry and fishing sector was \$96 million, a sharp decline from \$178 million in 2001-02.

There was only one significant acquisition. Vincor International Inc., a Canadian company, acquired the land and assets of two Western Australian companies, Goundrey Wines Pty Ltd and Fox River Wine Company, for \$62.5 million.

Finance and insurance

Total proposed investment in the finance and insurance sector decreased from \$13.2 billion in 2001-02 to \$6.65 billion in 2002-03. There were 24 proposals approved, of which 15 involved expected investment in excess of \$100 million.

One of the most significant proposals by value was the proposed acquisition by GE Capital Finance Pty Ltd, GE Commercial Corporation (Australia) Pty Ltd and GE Commercial Finance Australia Pty Ltd of a portfolio of business loans from AMP Bank Ltd and AMP Finance Ltd for a consideration of \$1 billion.

Manufacturing

Total proposed investment in the manufacturing sector was \$21.7 billion in 2002-03, an increase from \$16.4 billion in 2001-02.

Proposals in the energy production and distribution (electricity and gas) industries accounted for \$13.8 billion of the total investment. This was a significant increase from \$8.4 billion in 2001-02. Proposed investment in Food Beverage and Tobacco sector was at its highest level in recent years at \$5.3 billion.

Large proposals in the energy industries continued to dominate the manufacturing sector. Two applications were considered in connection with the Loy Yang Power Station in the LaTrobe Valley, Victoria. A Japanese utility lodged a proposal to bid in a consortium involving an Australian utility and an Australian bank. Separately, two Malaysian companies were also granted approval to participate jointly in the tender process for the Loy Yang assets valued at approximately \$4 billion. The first consortium has signed a conditional sale agreement. However this is currently stayed pending ACCC proceedings in the Federal Court.

In the food and beverage industries there were two significant acquisitions. Burns Philp & Company Ltd acquired Goodman Fielder Ltd for approximately \$2 billion and BRL Hardy Ltd was acquired by a U.S. company, Constellation Brands, Inc., for \$1.9 billion.

Table 2.3 gives a breakdown of the areas of investment in the manufacturing sector.

Table 2.3: Manufacturing sector approvals by number and total proposed investment in 2002-03 (\$ billion)

Industry Sector(a)	Number of Approvals	Acquisition Cost	Proposed Investment on Development	Total Proposed Investment
Food, Beverages and Tobacco	12	5.3	..	5.3
Wood, Wood Products and Furniture	1	0.6	..	0.6
Chemical, Petroleum and Coal Products	5	0.4	..	0.4
Non-Metallic Mineral Products	2	1	..	1
Basic Metal Products	1	0.1	..	0.1
Electricity and Gas	34	12.7	1.1	13.8
Other(b)	18	0.5	..	0.5
Total	73	20.6	1.1	21.7

Note: Totals may not add due to rounding.

.. indicates an investment figure of less than \$100 million.

(a) Acquisitions of diversified company groups are classified according to the industry of the major activity of the group. Acquisitions of real estate to be used for purposes incidental to the main business activity of the purchaser are classified according to that activity.

(b) Includes investment in paper and paper products, fabricated metal products, transport equipment, other machinery and equipment, water sewerage and drainage and miscellaneous manufacturing.

Mineral exploration and development

Total proposed investment in the minerals sector was \$11.5 billion in 2002-03, a decrease from \$19.1 billion in 2001-02.

Of the 54 proposals this year, only one exceeded \$1 billion in value. Xstrata plc, a predominantly Swiss company, gained a further interest in Australian black coal acquiring MIM Holdings Ltd for \$4.9 billion. This follows Xstrata's acquisition in 2001 of the business and coal mines of Glencore Coal Australia Pty Ltd.

Table 2.4 gives a breakdown of the areas of investment in the mineral exploration and development sector.

Table 2.4: Minerals sector approvals by number and total proposed investment: 2001-02 and 2002-03 (\$ million)

Industry	Acquisitions				New businesses			
	No of approvals		\$million		No of approvals		\$million	
	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03	2000-01	2002-03
Gold	12	12	11,684	2,295	2	4	27	129
Oil and gas	5	6	1,243	792	1	2	39	560
Coal	17	12	3,344	5,526	1	2	230	145
Other metallic minerals	16	13	1,464	1,614	1	1	1,000	200
Other	5	2	73	209	0	0	-	-
Total	55	54	17,808	10,436	5	9	1,296	1,034

Resource processing

Total proposed investment in the resource processing sector was \$5.2 billion in 2002-03, compared to \$4.8 billion in 2001-02.

The largest proposal was for a \$3.5 billion expansion of a liquefied natural gas plant in the Northern Territory involving a number of companies owned by US, Japanese, Italian and Australian interests. Phillips Petroleum Company, a US entity, holds a 48 per cent share in the development.

Service industries (excluding tourism)

During 2002-03, 82 proposals were approved for investment in the service industries sector (excluding tourism), comprising twelve proposals to establish new businesses and 70 proposed acquisitions of interests in existing businesses. The total proposed investment for the establishment of new businesses and existing businesses was \$23.34 billion.

There were 26 proposals involving investment of over \$100 million. Of these, three were for more than \$1 billion. Two of these involved the acquisition of small interests in The News Corporation Limited, while the other involved a subsidiary financing reorganisation.

Table 2.5 give a breakdown of the areas of investment in the services industries (excluding tourism) sector.

Table 2.5: Services sector (excluding Tourism) approvals by number and total proposed investment in 2002-03 (\$ billion)

Industry Sector(a)	Number of approvals	Acquisition cost	Proposed investment on development	Total proposed investment
Wholesale trade	5	0.3	..	0.3
Retail trade	5	1.1	..	1.1
Transport(b)	7	0.3	0.7	1
Services to transport	3	0.1	0.7	0.8
Storage (grain & cold storage)	3	0.3	..	0.3
Communications	26	15.4	0.2	15.6
Property and business services	18	3	..	3
Health	4	0.4	..	0.4
Entertainment and recreational services	5	0.5	..	0.5
Other(c)	6	0.1	0.2	0.3
Total	82	21.5	1.8	23.3

Note: Totals may not add due to rounding.

.. indicates an investment figure of less than \$100 million.

- (a) Acquisitions of diversified company groups are classified according to the industry of the major activity of the group. Acquisitions of real estate to be used for purposes incidental to the main business activity of the purchaser are classified according to that activity.
- (b) Includes road, rail, water and miscellaneous transport services.
- (c) Includes general construction services and personal services.

Tourism

There was an increase, from \$950 million in 2001-02 to \$1.72 billion in 2002-03, in proposed investment in the tourism sector. Of the 42 proposals approved in this sector, four involved proposed investment in excess of \$100 million.

Urban real estate

Urban land is defined under the *Foreign Acquisitions and Takeovers Act 1975* to be all land that is not used wholly and exclusively for carrying on a business of primary production. Reflecting concerns over foreign ownership of urban land, the policy in relation to this sector is restrictive. As a result, all proposals relating to urban real estate need to be submitted for examination, unless explicitly exempted by regulation (see **Appendixes A and F**).

Table 2.6 gives a breakdown of approved investments in urban real estate. The number of approvals rose from 4,043 in 2001-02 to 4,257 in 2002-03. Total proposed investment associated with these proposals rose from \$14.1 billion in 2001-02 to \$15.5 billion in 2002-03, reflecting higher levels of investment in developments.

Table 2.6: Investment in urban real estate by type and number of proposals approved in 2002-03 (\$ billion)

	Number of approvals	Consideration	Proposed development expenditure	Total proposed investment
For development				
Residential				
ordinary approvals off-the-plan	1233	0.7	1.5	2.2
individual developer	627	0.3	..	0.3
annual programs	320	6.1	..	6.1
annual programs	6	0.48	0.21	0.69
Total residential	2186	7.6	1.7	9.29
Commercial				
ordinary approvals	50	0.2	1.1	1.32
annual programs	9	0.08	0.2	0.28
Total for development	2245	7.88	3	10.89
Developed				
Residential	1965	1.19	..	1.19
Commercial	47	3.3	0.1	3.4
Total developed	2012	4.49	0.1	4.59
Total	4257	12.37	3.1	15.48

Note: Totals may not add due to rounding.
 ..' indicates an investment figure of less than \$100 million.

Real estate for development

During 2002-03, 2,186 proposals were approved for the acquisition of residential real estate for development (including eligible redevelopment), an increase from the 2,036 proposals approved in 2001-02. Proposed development expenditure decreased from approximately \$2 billion in 2001-02 to \$1.7 billion in 2002-03. As a consequence of

changes in the Government's foreign investment policy applying from September 1999, the acquisition of house and land packages, where construction has not commenced, are treated as vacant land for development rather than under the 'off the plan' category.

Ordinary approvals comprise the purchase of broadacres for residential subdivision and vacant building blocks for single dwelling construction and for integrated residential developments (such as townhouse and high rise units). Some 1,233 proposals (1,180 in 2001-2002) by foreign interests to acquire residential real estate for development were approved in 2002-03, with a total proposed investment of \$1.5 billion (\$2.8 billion 2001-02). Such approvals have a condition that continuous development must commence on the land/site within 12 months of approval. In addition, the parties are required to report on the completion of development to demonstrate compliance with the development condition. The Government views seriously any breaches of these development conditions (see section on Residential Real Estate Compliance).

In 2002-03, 627 proposals from individuals were approved under the '**off the plan arrangements**', involving proposed investment of around \$300 million. In addition, there were 320 applications approved from real estate developers seeking 'advance approval' to sell property 'off the plan' to foreign persons (compared with 284 in the previous year). The value of such developments rose from \$5.7 billion to \$6.1 billion.

Certain points should be noted in relation to the Board's statistics dealing with 'off the plan' applications. First, the Board's figures overstate the likely extent of foreign purchases as few developers with 'off the plan' approvals will sell 50 per cent of their developments to foreign purchasers. (There is necessarily a significant lag between the granting of approvals and receipt of reports due to construction time and completion of sales).

Secondly, the 'off the plan' category has zero proposed development expenditure recorded against it. In the case of 'individual off the plan' the consideration relates to the proposed amount payable by foreign interests for newly completed dwellings.

The **annual program** arrangements are designed to avoid the need for established developers to notify individual acquisitions of property. Such developers may be granted annual approvals to buy land up to specified limits on condition that they report to the Board at the end of the year on their acquisitions and the developments undertaken. The granting of an annual program for acquisitions of land for development does not relieve the developer of responsibility for complying with the general requirements of foreign investment policy. For example, additional investment in relation to acquisitions of existing businesses, or for the establishment of new businesses with total investment of \$10 million or more, or acquisitions of heritage listed properties would require an additional application to be submitted to the Board for examination. In 2002-03, 15 annual programs were approved. These arrangements involved residential and commercial real estate for development totalling approximately \$100 million in proposed acquisition costs.

Information on development expenditure in relation to annual programs is collected on an ex-post basis, with developers required to report annually on actual acquisitions, development expenditures and details of any properties sold following development.

Approval was given to 50 proposals to purchase land for commercial development involving total proposed investment of \$1.3 billion. This was a slight increase on the 49 proposals approved during 2001-02.

There was increase from 10 in 2001-02 to 24 in 2002-03 in the number of rejections in relation to the proposed acquisition of residential real estate for development (including 'off the plan' dwellings). Usually there were one or more of the following reasons for these rejections:

- the planned development expenditures were not considered significant in relation to the acquisition price for the property (there is an expectation that proposed development expenditure should be equivalent to at least 50 per cent of the acquisition price);
- the proposed timetables for development were unsatisfactory;
- the property proposed to be acquired for the purpose of demolition and redevelopment was not considered to be at the end of its economic life, for example, it was rented out;
- the proposal did not add to the housing stock;
- the prospective foreign purchasers had not established, to the Government's satisfaction, that they had the technical and financial capacity, nor the necessary planning approvals, to undertake the proposed development within an acceptable timeframe; and/or
- the applicant had breached conditions associated with a previously approved application.

Acquisitions of developed real estate

Generally, foreign investment policy enables the purchase of developed commercial real estate by foreign persons. Conversely, it restricts the purchase by foreign persons of developed residential real estate. However, certain categories of foreigners are able to purchase developed residential real estate under particular conditions (see **Appendix A**). In 2002-03, 1965 proposals were approved for acquisitions of developed residential real estate compared to 1909 in 2001-02.

Reflecting the comparatively restrictive nature of the policy, there were 54 rejections in 2002-03 (53 in 2001-02) of proposed acquisitions of developed residential property. The total potential acquisition cost involved in these rejected proposals was \$30.77 million. These proposals were rejected because the prospective buyers did not fall into an eligible category.

In 2002-03 there were 47 approvals to purchase interests in developed commercial real estate (for example, shopping centres, offices, warehouses, etc) involving total proposed investment of \$3.2 billion. This represents only a small fraction of the total

foreign investment in developed commercial real estate as the majority of proposals are exempt from Government examination. The exemption threshold for commercial real estate was increased from \$5 million to \$50 million in September 1999.

Real estate by state

Table 2.7 provides details of approved investment in all categories of urban real estate (that is residential and commercial) for each State and Territory. New South Wales was the main location for proposed foreign investment in urban real estate by value with 39.7 per cent of the total in 2002-03. There was a significant increase in the value of foreign investment approvals in Queensland accounting for 23.8 per cent of the total in 2002-03, up from 15.9 per cent in 2001-02. Victoria also had approvals for significant foreign investment accounting for 12.2 per cent of the total value. However, this was a significant decrease from 29.4 per cent in 2001-02.

Table 2.7: Total proposed investment in urban real estate by category of real estate and location of investment, approved in 2002-03 (\$ million)

Location	Development		Developed		Total
	residential	Commercial	residential	Commercial	
New South Wales	3489	763	592	1311	6155
Queensland	3035	313	188	154	3690
Victoria	1411	61	180	249	1901
Western Australia	640	105	183	28	956
Other(a)	812	340	47	1623	2822
Total	9387	1582	1190	3365	15524
Number of proposals	2186	59	1965	47	4257

Note: Totals may not add due to rounding.

(a) 'Other' includes acquisitions of companies/trusts with real estate holdings in more than one State or Territory and proposals in the ACT, NT, Tasmania and South Australia.

Residential real estate compliance

Under policy, the purchase of developed residential real estate by foreign interests purely for the earning of rental income, for speculative purposes or where it may involve land banking is not permitted. Therefore, the Government seeks to ensure that where foreign interests acquire residential real estate for development, any stated development is carried out within a reasonable time (this usually involves a requirement to commence continuous construction within 12 months).

The policy is directed at maintaining greater stability of house prices and the affordability of housing for the benefit of Australian residents (see **Appendix A**). Any failure by foreign interests to pursue stated development plans is considered to be a breach of policy. Section 25 of the Act provides for financial penalties or imprisonment on conviction for failing to comply with conditions.

There are a number of processes that assist in ensuring compliance with the residential real estate policy.

- Information on Australia's foreign investment policy is disseminated directly by the Board through publications, public presentations and in response to inquiries.

In addition, information is provided by other government departments, such as by the Department of Immigration and Multicultural and Indigenous Affairs.

- In purchasing property, foreign persons may deal with a number of professionals and organisations, such as solicitors, financial institutions and real estate agents, who have an interest in ensuring that foreign purchasers have information on the need to comply with foreign investment policy.
- There is a reporting requirement placed on approvals to improve compliance with conditions imposed, for example, on real estate for development.
- Assessment of new proposals includes examination of compliance.
- All allegations of possible non-compliance are fully investigated.
- Sample checks on compliance are made by the Division.

The Treasurer has the power under Section 36 to serve a notice in writing requiring a person capable of giving information or producing documents relevant to the exercise of the Act to supply the information within a specified time.

Approvals by country of investor

Data on proposed investment associated with approvals in 2002-03 are shown by country, aggregated by State in Table 2.8 and by industry sector in Table 2.9.

- The United States was the most important single source of proposed foreign investment in Australia during 2002-03. The other major sources of foreign investment were the United Kingdom, Malaysia and Switzerland.
- Approved proposed investment from the USA rose from \$18.5 billion in 2001-02 to \$30.5 billion in 2002-03. This proposed investment was principally in the services (excluding tourism) sector accounting for 56 per cent of total US investment. Refer to Chapter 4 for further discussion on the US/Australia foreign investment position.
- Interestingly, approved proposed investment from the UK was substantially lower at \$7.4 billion (8 per cent of total investment) compared with \$19.5 billion in 2001-02 (16.5 per cent of total investment). The majority of UK proposed investment for 2002-03 was in the finance and insurance sector.
- Malaysia emerged as a significant investor in 2002-03 contributing \$6.7 billion and significant investment in the mineral exploration and development sector by Xstrata Plc (see discussion above) ensured that Switzerland accounted for 6.6 per cent of total investment (\$6.1 billion).
- Despite a significant decrease in the level of investment, Japan and Singapore continued as major foreign investors in 2002-03 with approved investment of \$3.5 billion (\$10.5 billion in 2001-02) and \$2.7 billion (18.1 billion in 2001-02) respectively.

Table 2.8: Proposed investments by country by state 2002-03 (\$ billion)

	USA	UK	Malaysia	Switzerland	NZ	Japan	Other/ Aust(a)	Total
Queensland	0.9	0.8	-	5	-	1	3.6	11.3
Victoria	0.2	0.4	4	-	0.4	0.4	4.5	9.9
New South Wales	1.5	0.8	-	-	-	0.2	7.1	9.6
Western Australia	2.2	2.2	-	0.6	-	-	2.9	7.9
More than one(b)	22.1	2.9	2.4	0.5	3.6	1.2	6.9	39.6
Offshore takeover	0.9	0.1	-	-	-	-	0.9	1.9
Other(c)	2.7	0.2	0.3	-	0.1	0.8	1.5	5.6
Total	30.5	7.4	6.7	6.1	4.1	3.6	27.4	85.8

Note: Totals may not add due to rounding.

(a) Includes proposed investment from Australian controlled companies.

(b) Includes proposals where the investment is proposed to be undertaken in more than one State or Territory.

(c) Includes investment in the ACT, NT, Tasmania and South Australia.

Table 2.9: Total proposed investment associated with approved proposals, by country of investors and industry sector 2002-03 (\$ million)

	Number of proposals approved (c)	Agriculture forestry & fishing	Finance & insurance	Manufacturing	Mineral exploration & development	Real estate	Resource processing	Services (excluding tourism)	Tourism	Total
USA	361	-	1,940	5,125	2,842	764	2,545	17,127	117	30,460
UK	1,980	4	2,051	1,054	1,287	1,706	-	1,259	30	7,391
Malaysia	210	-	-	6,400	55	210	-	-	17	6,682
Switzerland	34	-	1	500	5,538	18	2	-	-	6,059
New Zealand	30	-	-	3,860	-	43	-	216	-	4,119
Japan	149	2	51	695	318	149	865	529	983	3,592
Singapore	252	-	120	40	-	2,170	-	17	399	2,746
Germany	111	26	317	30	23	1,371	-	946	-	2,713
Italy	34	-	-	-	-	14	432	2,096	-	2,542
Netherlands	76	-	401	98	-	263	-	888	82	1,732
Canada	82	63	-	-	140	145	1,000	-	17	1,365
France	65	-	266	990	-	27	-	54	16	1,353
Hong Kong	19	-	-	617	-	27	-	12	-	656
Not Allocated(a)	322	1	-	2	35	6,358	-	-	-	6,396
World Other	1,492	1	323	45	910	7,289	-	67	4	8,639
Sub-total	5,217	97	5,470	19,456	11,148	20,554	4,844	23,211	1,665	86,445
Australia(b)	117	-	1,162	2,261	357	1,327	396	125	58	5,686
Total	5,334	97	6,632	21,717	11,505	21,881	5,240	23,336	1,723	92,131

Note: Totals may not add due to rounding.

- (a) 'Off the plan' approvals to real estate developers have been recorded as not allocated to country because the country of investors is not known in advance.
- (b) The investment identified as originating from Australia represents the contribution by Australian-controlled companies and Australian residents to the total investment associated with foreign investment proposals in which they are in partnership with foreign interests, but does not generally include the contribution attributable to minority Australian shareholders in companies with majority or controlling foreign shareholders.
- (c) These figures indicate the total number of proposals in which investors from the particular country have an interest. Proposals involving investment from more than one country count as one proposal for each of the countries concerned. Therefore, this number is greater than the number reported in Table 2.1

