CHAPTER 2

Foreign Investment Proposals

This chapter provides statistical information on the proposals submitted in 1999-2000 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 FIRB statistics, including making comparisons with earlier years.

The Board's statistics on foreign investment proposals relate to the administration of foreign investment policy and are therefore substantively different from the Australian Bureau of Statistics' (ABS) statistics of foreign investment in Australia. ABS statistics, which are set out in Chapter 3 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 (shares, real estate or other assets);
- 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 which 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 will act to reduce the number of proposals and proposed investment values for existing business assets as well as commercial real estate in 1999-2000 compared to 1998-99.

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.

- 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 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 1999-2000[1]

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

Chart 2.1: Applications decided — number

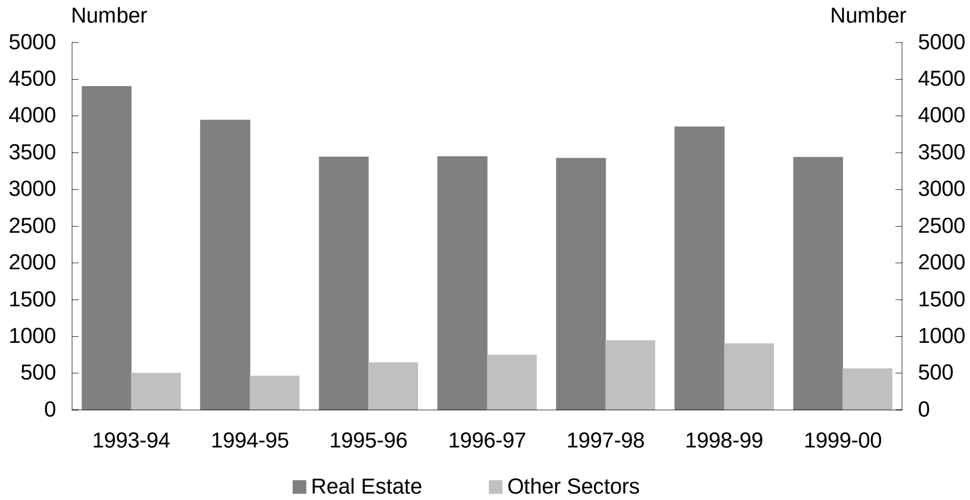
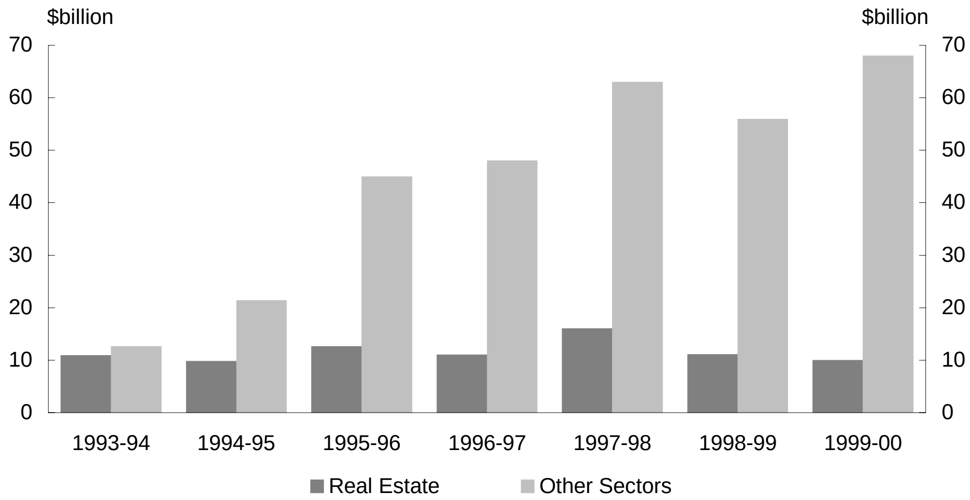


Chart 2.2: Applications decided — proposed investment



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.

The number of applications decided during 1999-2000 was around 16 per cent lower than in 1998-99. In contrast, the value of proposed foreign investment associated with applications decided in 1999-2000 was about 16 per cent higher than the level in 1998-99. A breakdown on the outcome for applications submitted over the last four years is provided in Table 2.1**.**

Table 2.1: Applications considered (number and proposed investment) 1996-97 to 1999-2000

	1996-97		1997-98		1998-99		1999-00	
Action	No.	$b	No.	$b	No.	$b	No.	$b
Approved unconditionally	1,486	41.9	1,694	54.3	1,724	56.4	1,170	56.3
Approved with conditions	2,610	16.7	2,567	25.2	2,918	10.7	2,737	21.7
Total approved	4,096	58.6	4,261	79.5	4,642	67.0	3,907	78.0
Rejected	105	0.4	114	0.1	112	0.2	96	0.1
Total decided	4,201	59.0	4,375	79.7	4,754	67.2	4,003	78.1
Withdrawn	342	-	390	-	337	-	408	-
Total considered	4,543		4,765		5,091		4,411	

There were 96 rejected proposals in 1999-2000, or 2.4 per cent of all decided proposals. Of these, all were in the real estate sector.

Foreign investors are encouraged to discuss potential or actual proposals with the FIRB to ensure they are consistent with policy. As a result, proposals clearly inconsistent with policy may not proceed to a decision, ie 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 of real estate proposals.

The great bulk of conditional approvals were in the real estate sector. Only 63 proposals outside the real estate sector were approved subject to conditions. Three main kinds of conditions were applied in the non-real estate sectors: to protect the environment; to protect the tax base by ensuring that agencies of foreign governments do not claim sovereign immunity in relation to Australian taxes or charges; and to restrict levels of equity. For real estate, 2674 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 1999-2000 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. Additionally, the increase in the notification exemption threshold from $5 million to $50 million on 10 September 1999 would have acted to reduce the number of proposals and proposed investment values for existing business assets as well as commercial and rural real estate in 1999-2000 compared to 1998-99. 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 sector (excluding tourism) attracted the highest level of proposed investment, with approvals totalling $25.0 billion.

Other major sectors were manufacturing ($21.7 billion), real estate ($9.5 billion), mineral exploration and development ($10.1 billion) and resource processing ($5.5 billion).

Table 2.2: Approvals by Industry Sector 1999-2000 ($billion)

Industry Sector(a)	Number of Approvals(b)	Acquisition Cost	Proposed Investment on Development	Total Proposed Investment
Agriculture, Forestry & Fishing				
Total	18	0.8	..	0.8
Finance & Insurance				
Total	27	2.9	0.1	3.0
Manufacturing				
Total	118	20.5	1.1	21.7
Mineral Exploration & Development				
Total	75	6.2	3.9	10.1
Resource Processing				
Total	14	5.2	0.3	5.5
Services (Excl Tourism)				
Total	172	24.3	0.7	25.0
Tourism				
Total	56	2.4	..	2.4
Real Estate(c)				
Total	3,344	7.7	1.8	9.5
Total	**3,824**	**70.0**	**7.9**	**78.0**

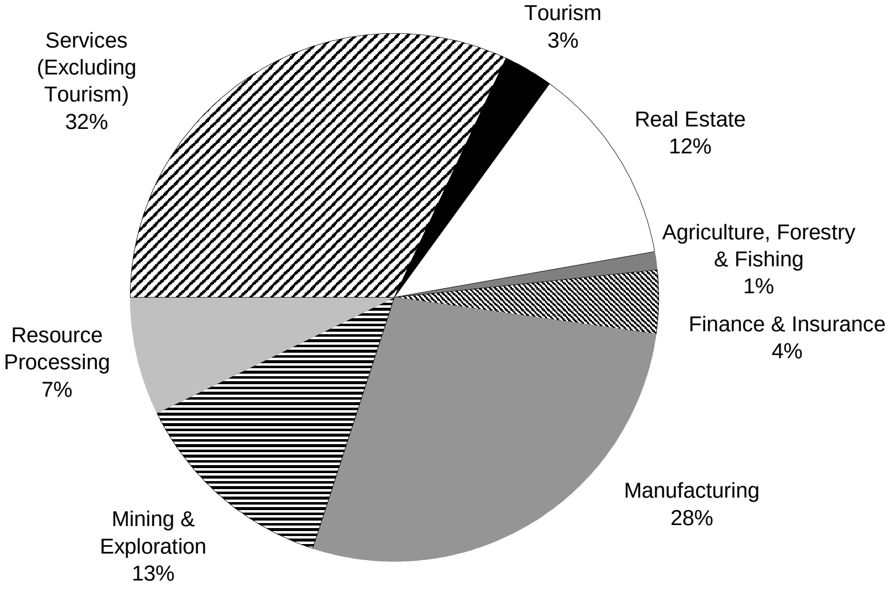
Note: Totals may not add due to rounding.
‘..’ indicates an investment figure of less than $50 million.

(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 83 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 1999-2000 ($billion)



Agriculture, forestry and fishing

The number of proposals to invest in the agriculture, forestry and fishing sector decreased from 26 in 1998-99 to 18 in 1999-2000. Total proposed investment decreased from $1.3 billion in 1998-99 to $800 million in 1999-2000. The proposed acquisition by Carter Holt Harvey Limited of the business and assets of CSR Limited's wood based panels business in New South Wales, South Australia and Queensland and sawmill in New South Wales for a consideration of around $300 million, was the largest proposal by value in this sector.

The statistics on aggregate acquisitions of rural properties need to be interpreted with caution. From 10 September 1999, acquisitions of rural businesses valued at less than $50 million where a proponent proposes to continue to operate the rural business were exempt under the Act. The corresponding exemption threshold for 1998-99 was $3 million. Acquisitions of 'hobby farms' continue to be treated as acquisitions of residential real estate and are not included in the statistics for rural property.

Finance and insurance

Total proposed investment in the finance and insurance sector decreased from $5.6 billion in 1998-99 to $3 billion in 1999-2000. There were 27 proposals approved, comprising five new business proposal and 22 acquisitions. Of these, 3 involved expected investment in excess of $100 million.

The most significant proposal by value was the acquisition of BT Investments (Australia) Ltd by Principal Financial Services Inc for a consideration of around $2 billion.

Manufacturing

Proposed investment associated with the manufacturing sector increased from $16.5 billion in 1998-99 to $21.7 billion in 1999-2000.

The outcome for particular industry sectors within manufacturing was mixed. Total proposed investment associated with power companies was higher at $7.7 billion, up from $6.8 billion in 1998-99, with a 30 per cent increase in the number of proposals. Proposed investment in the food, beverage and tobacco sector was $1.6 billion in 1999-2000 up from $700 million in 1998-99. Proposed investment was higher in the chemicals and the non-metallic mineral products sectors, but lower in the fabricated metals sector. Foreign investment proposals associated with the manufacturing of textiles, clothing and footwear, wood, paper products and water sewerage and drainage remained at low levels.

As has been the case for a number of years, proposed investment included a number of large acquisitions in the electricity and gas generation sector. A significant proposal was by InterGen (Australia) Limited to acquire a 50 per cent interest in the Callide Power Project in Queensland for a consideration of over $500 million.

Elsewhere in the manufacturing sector, the largest transaction by value was the takeover by the United Kingdom company, Hanson Plc, of Pioneer International Limited. The consideration was around $3.9 billion.

Mineral exploration and development

There was a decrease in the number of approved investment proposals in the minerals sector in 1999-2000 (75 down from 115 in 1998-99). However, total proposed investment increased from $5.8 billion to $10.1 billion. This increase was due mainly to increases in foreign investment expenditure in Australia's gold, coal and bauxite industries.

Some of the most significant acquisitions of Australian assets in the minerals sector during 1999-2000 involved Rio Tinto Limited and Anglo American Plc. Rio Tinto acquired the remaining 28 per cent of Comalco Limited it did not already own for around $1.5 billion. Anglo American Plc acquired Shell Coal Holdings Limited for an amount in excess of $1 billion.

The level of total proposed investment in the gold industry increased substantially from $398 million in 1998-99 to about $1.4 billion in 1999-2000. Foreign investment approval was provided to Anglogold Limited to acquire Acacia Resources Limited for around $800 million.

There was a substantial increase in proposed foreign investment in Australia's nickel industry from $787 million in 1998-99 to over $1.8 billion in 1999-2000. One of the significant nickel cases was Anaconda Nickel Limited and Glencore International AG's announced expansion of the Murrin Murrin nickel and cobalt mine in Western Australia.

Table 2.3: Minerals Sector approvals by number and total proposed investment: 1998-99 and 1999-2000

	Acquisitions				New Businesses			
Industry	No of approvals		$million		No of approvals		$million	
	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00	1998-99	1999-00
Gold	35	18	338	1,408	1	-	60	-
Oil and gas	10	9	568	564	1	2	131	363
Coal	29	16	1,602	1,888	1	2	545	998
Base metals	11	6	913	432	-	1	-	1,466
Other	24	19	859	1,926	3	2	820	1,083
Total	**109**	**68**	**4,280**	**6,219**	**6**	**7**	**1,556**	**3,910**

Resource processing

There were 14 approvals in the resource-processing sector during 1999-2000, with a total proposed investment of $5.5 billion. In 1998-99 there were 16 approvals with a value of $3 billion. The largest of the approved proposals was the merger of Exxon Corporation and Mobil Corporation whereby it was proposed Mobil Corporation would become a wholly owned subsidiary of Exxon Corporation. The total value of the Australian net assets of the Mobil Group involved in the proposed merger was about $3 billion.

Service industries (excluding tourism)

During 1999-2000, there were 172 proposals approved for investment in the service industries sector (excluding tourism), comprising 18 proposals to establish new businesses and 154 proposed acquisitions of interests in existing businesses. The total proposed investment for the establishment of new businesses and existing businesses was $656 million and $24.3 billion, respectively.

There were 39 proposals involving investment of over $100 million, 3 of which were for more than $1 billion.

Tourism

There was an increase, from $1.1 billion in 1998-99 to $2.4 billion in 1999-2000, in proposed investment in the tourism sector. Of these, four involved proposed investment in excess of $100 million.

The most significant proposal by value was the acquisition of 12 hotel properties by Tourism Asset Holdings Limited and the long term leasing of those properties and a further 28 hotel properties. The total value of the hotel portfolio was estimated to be $700 million.

Urban real estate

Urban land is broadly defined under the Act 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 Appendix A).

A number of changes to foreign investment policy announced in September 1999 have acted to reduce the number of foreign investment applications associated with urban land in 1999-2000. These changes involved an increase in the notification threshold applying to the acquisition of developed commercial real estate from $5 million to $50 million, Australian citizens and foreign spouses no longer requiring foreign investment approval when purchasing residential real estate as joint tenants and a similar exemption being provided for holders of special category visas and permanent resident visas when purchasing residential real estate through an Australian company or trust. Additionally, an exemption was provided (in certain instances) for the acquisition of interests in Australian urban land by foreign owned responsible entities of managed investment funds.

Table 2.4 gives a breakdown of approved investments in urban real estate. The number of approvals of proposals was slightly less than those approved in 1998-99 falling from 3742 in 1998-99 to 3344 in 1999-2000 and total proposed investment associated with proposals reflected this decrease falling from $11.1 billion in 1998-99 to $9.5 billion in 1999-2000.

Table 2.4: Investment in urban real estate by type and number of proposals approved in 1999-2000 ($ billion)

	Number of Approvals	Consideration	Proposed Development Expenditure	Total Proposed Investment
For development				
Residential				
ordinary approvals	879	0.6	0.8	1.3
off-the-plan				
individual	471	0.2	-	0.2
developer	280	3.5	-	3.5
annual programs	12	0.5	..	0.6
Total Residential	1,642	4.8	0.8	5.6
Commercial				
ordinary Approvals	87	0.3	0.8	1.1
annual programs	2	0.1	-	0.1
Total for development	*1,731*	*5.2*	*1.6*	*6.9*
Developed				
Residential	1,540	0.6	-	0.6
Commercial	73	1.9	0.1	2.0
Total developed	*1613*	*2.6*	*0.1*	*2.7*
Total	**3,344**	**7.7**	**1.8**	**9.5**

Note: Totals may not add due to rounding.
'**..**' indicates an investment figure of less than $50 million.
'**-**' indicates an investment figure of zero.

Real estate for development

During 1999-2000, there were 1,731 proposals approved for the acquisition of residential real estate for development (including eligible redevelopment), a decrease from the 1856 proposals approved in 1998-99. Proposed development expenditure was $1.6 billion compared to $2 billion in 1998-99. As a consequence of changes in the Government's foreign investment policy applying from 10 September 1999, the acquisition of house and land packages, where construction has not commenced, are treated as vacant land for development rather than 'off the plan' arrangements.

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 879 proposals (940 in 1998-99) by foreign interests to acquire residential real estate for development were approved, with a total proposed investment of $1.3 billion ($1.3 billion in 1998-99). Such approvals have a condition that continuous development must commence on the land/site within 12 months of approval having been granted. 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 later section on compliance).

In 1999-2000, 471 proposals from individuals were approved under the **'off the plan arrangements'**, involving proposed investment of around $200 million, to acquire residential property 'off the plan'. In addition, there were 280 applications approved from real estate developers seeking 'advance approval' to sell property 'off the plan' to foreign persons. The number of 'off the plan' approvals for developers fell by some 19 per cent on the previous year while the value of such developments increased slightly from $3.4 billion to $3.5 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 of the developers with 'off the plan' approvals will actually sell a full 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, 'off the plan' and annual program categories have zero proposed development expenditure recorded against them. In the case of 'individual off the plan' the consideration relates to the proposed amount payable by foreign interests for newly completed dwellings. 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 that are sold following development.

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 would require an additional application, separately submitted to the Board for examination. In 1999-2000, the number of applications doubled and 14 annual programs were approved. These arrangements involved residential and commercial real estate for development totalling broadly $600 million in proposed acquisition costs.

Approval was given to 87 proposals to purchase land for **commercial development** involving total proposed investment of $1.1 billion. This was an increase on the number of proposals on 1998-99 when approval was given to 74 proposals although the total estimated value in 1998-99 was higher amounting to $1.4 billion.

There was a decrease from 44 rejections in 1998-99 to 31 rejections in 1999-2000 in relation to the proposed acquisition of residential real estate for development (including 'off the plan' dwellings), with proposed development expenditure valued at $20.3 million. Of these, 17 involved vacant land for development and 3 involved the redevelopment of developed real estate. Eleven proposals were rejected as they did not meet the 'off the plan' criteria. 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 a normal expectation that proposed development expenditure should be equivalent to at least 50 per cent of the acquisition price);

- the proposal did not add to the housing stock;
- 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 as a residence;
- 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 1999-2000, 1540 proposals were approved for *developed residential real estate* compared to 1754 in 1998-99.

Reflecting the comparatively restrictive nature of the policy, there were 57 rejections in 1999-2000 (67 in 1998-99) of proposed acquisitions of developed residential property. The total potential acquisition costs involved in these rejected proposals was $15.0 million. These proposals were rejected because the prospective buyers did not fall into one of the eligible categories and, in some cases, involved the prior unapproved acquisition of property which resulted in the purchaser being required to sell that property.

In 1999-2000 there were 73 approvals to purchase interests in *developed commercial property* (eg, shopping centres, offices, warehouses, etc) involving total proposed investment of $2 billion. This was a significant decrease on the 132 approvals valued at $3.8 billion in 1998-99. Of course, the significant fall in the number of approvals and to a lesser extent in the value can be attributed to the increase in the exemption threshold for commercial real estate from $5 million to $50 million.

Real estate by state

Table 2.5 provides details of approved investment in all categories of urban real estate for each State and Territory. New South Wales was the main location for proposed foreign investment in urban real estate by value, with 44 per cent of the total in 1999-2000 (46 per cent in 1998-99). Queensland was second with 18 per cent; a decrease on the 20 per cent recorded in 1998-99.

Table 2.5: Total proposed investment in urban real estate by category of real estate and location of investment, approved in 1999-2000 ($ million)

	For Development		Developed		
Location	Residential	Commercial	Residential	Commercial	Total
New South Wales	2,300	492	298	1,091	4,181
Victoria	1,221	182	109	64	1,576
Queensland	1,030	215	118	338	1,701
Western Australia	411	68	73	8	560
Other (a)	587	317	32	517	1,454
Total	5,551	1,274	630	2,019	9,474
Number of proposals	1,642	89	1,540	73	3,344

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 (that is, usually 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. A foreign interest found to be in breach of the residential real estate policy may be ordered to sell the subject property and this may result in a significant capital loss for the purchaser and/or penalties by way of a prosecution for an offence under

Section 26A of the Act. Section 26A provides for financial penalties or imprisonment on conviction.

- During 1999-2000 there were 8 divestiture orders.

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 Affairs to applicants seeking temporary resident visas.
- 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 past compliance.
- All allegations of possible non-compliance are fully investigated.
- Sample checks on compliance are made by the Board's Executive.

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 1999-2000 are shown by country, disaggregated by States in Table 2.6 and by industry sector in Table 2.7.

The United States was the most important single source of proposed foreign investment in Australia during 1999-2000. The other major source of foreign investment was the United Kingdom, while in order, Singapore, Hong Kong, South Africa and Canada were the next most significant sources contributing generally around the same level of investment.

- Approved proposed investment from the United States remained at $29.4 billion. This represented around 38 per cent of all total approved foreign investment compared to 44 per cent in 1998-99. This proposed investment was concentrated in the services and manufacturing sectors.
- Approved proposed investment from the UK decreased from $12.7 billion in 1998-99 to $11.5 billion in 1999-2000.
- Singapore and Hong Kong emerged as major foreign investors contributing $5.2 billion ($0.9 billion in 1998-99) and $4.1 billion ($0.7 billion) respectively in 1999-2000.
- South Africa continued as a major foreign investor in 1999-2000 with approved investment proposals of $3.1 billion, an increase on the level of $1.8 billion approved in 1998-99.
- Approved proposed investment from Canada increased from $1.6 billion in 1998-99 to $2.7 billion in 1999-2000.
- Japanese investment proposals approved totalled around $1.5 billion in 1999-2000 up from $1.2 billion in 1998-99.

Table 2.6: Proposed investments by country by state 1999-2000 ($billion)

	USA	UK	Singapore	Hong Kong	South Africa	Canada	Other/ Aust(a)	Total
NSW	2.8	1.4	0.9	0.1	-	0.2	5.1	10.5
Victoria	2.3	0.1	2.3	-	-	-	2.0	6.7
WA	1.2	0.2	0.2	-	0.3	0.2	3.5	5.6
Queensland	2.3	1.0	0.4	-	0.1	0.2	2.5	6.5
Other(b)	20.8	8.8	1.4	4.0	2.7	2.1	8.9	48.7
Total	29.4	11.5	5.2	4.1	3.1	2.7	22.0	78.0

Totals may not add due to rounding
(a) Includes proposed investment from Australian controlled companies.
(b) Includes investment in the ACT, NT, Tasmania and South Australia, offshore takeovers and proposals where the investment is proposed to be undertaken in more than one State or Territory.

Table 2.7: Total proposed investment associated with approved proposals, by country of investors and industry sector 1999-2000 ($million)

	Number of Proposals(c)	Agriculture Forestry & Fishing	Finance & Insurance	Manufacturing	Mineral Exploration & Development	Real Estate	Resource Processing	Services (excluding Tourism)	Tourism	Total
USA	394	639	2,184	7,320	1,130	830	2,916	13,968	395	29,381
UK	976	-	549	5,912	2,043	859	250	1,652	251	11,516
Singapore	329	-	-	2,545	1	1,523	-	740	384	5,193
Hong Kong	46	-	-	19	-	70	-	3,963	38	4,089
South Africa	280	-	13	759	2,203	153	-	20	1	3,149
Canada	91	-	25	583	304	182	1,586	31	18	2,730
France	74	3	9	332	-	78	-	1,011	753	2,185
Switzerland	71	1	17	133	1,828	60	-	106	-	2,146
Netherlands	81	-	130	524	383	74	-	541	64	1,715
Japan	150	99	40	3	726	173	41	379	47	1,508
Norway	7	-	-	1,500	-	2	-	-	-	1,502
Germany	137	25	45	273	61	221	490	358	5	1,478
New Zealand	40	-	-	159	-	37	25	825	235	1,281
Sweden	15	-	20	833	200	7	-	15	-	1,075
Not Allocated(a)	268	-	-	-	-	3,454	-	-	-	3,454
World Other	1096	13	1	690	436	958	170	653	95	3,017
Sub-total	4,055	780	3,033	21,585	9,315	8,681	5,478	24,262	2,286	75,419
Australia(b)	118	11	-	83	814	793	-	698	141	2,540
Total	**4,173**	**791**	**3,033**	**21,668**	**10,129**	**9,474**	**5,478**	**24,960**	**2,427**	**77,960**

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.