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**Submission to Rural and Regional Affairs and Transport References Committee Inquiry into
*Examination of the Foreign Investment Review Board National Interest Test***

Dear Committee Secretary,

I am writing to make a submission to the Senate's RRATRCs current inquiry into the *Examination of the Foreign Investment Review Board National Interest Test*. I wish to bring to the attention of the Committee a recent research paper relevant to this inquiry.

In June 2011, I published a research article in the *Australian Journal of International Affairs* entitled 'Resource nationalism or resource liberalism? Explaining Australia's approach to Chinese investment in its minerals sector' (Volume 65, Number 3, pp. 283-304).

This article provides an analysis of how the Australian government (including the Foreign Investment Review Board and Treasurer) have since 2008 been regulating investment in the Australian mining industry from Chinese corporations. It documents recent patterns of Chinese mining investment in Australia, outlines a set of policy changes to the 'national interest test' made in early 2008 in response to these investments, and examines how FIRB/Treasury decisions since this time have been applied to Chinese resource investors. Drawing on this evidence, it argues that the Australian government has used the FIRB / FDI approval process to mandate 'market conforming behaviour' from Chinese investors in the Australian mining industry.

A pdf copy of the article is attached to this submission. However, it can also be freely obtained from the publisher's website: <http://www.tandfonline.com/doi/abs/10.1080/10357718.2011.563779#preview>.

I believe this article, and the research contained therein, can assist the work of this Committee. While focussed on the mining rather than agro-food sector, the article provides a close examination of how the FIRB process and the national interest test is being used to regulate foreign investment in a primary industry. There are many similarities between foreign investment in the Australian mining and agro-food sectors – for example, the recent surge in FDI inflows into these sectors; the prominence of state-owned investors in this process; issues over commodity exports, marketing and pricing associated with ownership arrangements; and questions to do with 'resource security' (both of Australia and its overseas trade and investment partners). Given these similarities, I believe that a consideration of how these issues have thus far played out in the mining industry can productively inform the Committee's work looking at the FIRB and national interest test in the agro-food sector. To this end, this research article may help the Committee's current work.

Further information on my expertise and research interests is available at the following website: http://asiapacific.anu.edu.au/people/personal/wilsj_ir.php

Yours Sincerely,

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