

SUBMISSION to the Senate Economics Committee inquiry into foreign investment by state-owned entities.

This submission will be brief, as I believe there are only two overriding issues regarding national asset ownership. They have to do with wealth retention and national security.

It seems fairly obvious to me that "state-owned entities" are assets actually owned by Australians. Once control of a national asset is handed over to a foreign country, we no longer have any say in how that asset is handled, and any profits generated by that asset will go into the coffers of the foreign investor. Any business that turns a profit usually returns that benefit to improving its operation or as a dividend to its owners. Once sold, Australians would be in the position of "renting" that asset and at the mercy of decisions made by the new owners.

Regarding national security – should the foreign state owning Australian assets decide for some reason they want Australia to change some policy, having ownership or control of our assets would give them a very strong position when making their demands. By allowing a foreign state to have influence over state-owned assets, we would weaken Australia's national security and devalue our independence as nation.

I respectfully suggest that foreign investment in ANY of Australia's state-owned assets and business operation be kept below a controlling interest, and preferably excluded completely.

Stewart Mulligan