

We strongly object to the Chinese Government-owned company Chinalco to increase its stake in one of our (Australia's) largest mining companies Rio Tinto. It is one of our sovereign assets, and this is the government of another country buying into our asset, buying into the nexus between the Australian people and the wealth that is created by our minerals.

If it is good enough for the Chinese government to want to buy our assets, it should be good enough for our own government to secure them. Rio Tinto's problem is a \$20 billion debt it is carrying and it needs to be able to raise funds. This is in fact very simple: Invest \$20 billion from the Future Fund in Rio Tinto. Have the Federal Government take shares in the company. When the markets have improved in the future, the government can sell its shares in Rio back to investors and make a handsome profit for the Future Fund.

We prefer to have the Australian government rather than the Beijing government own a major stake in Rio Tinto.

Subject: Submission to the Senate Inquiry into foreign investment by state-owned entities.
Submitted By: Mr. L. and Mrs. I. Voesenek,