

# Foreign investment in Australia

**Australian big business is not  
Australian at all**

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Discussion paper

**David Richardson**

**With assistance from Clinton Fernandes**

**June 2022**

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# Contents

Acknowledgements .....	3
Summary.....	1
Introduction.....	3
Method .....	4
Results.....	6
Top 20 listed companies.....	6
Top 30 by sales .....	9
Mining industry.....	11
Polling .....	15
Key results.....	15
Discussion of polling results .....	22
Inconsistency with the law? .....	24
Implications for democracy and the national interest.....	27
National interest used to reject some proposals .....	27
Acting contrary to the national interest may be the norm.....	28
Macroeconomic impacts .....	32
Foreign ownership in LNG projects. ....	34
Conclusions.....	36
Appendix: Examples of screenshot .....	37
Appendix: Ownership of LNG projects in Australia .....	39
Appendix: Polling questions .....	41
Method .....	42

# Summary

The purpose of this paper is to revisit some earlier work that attempted to estimate the proportion of the mining industry that is foreign owned. This was made possible with access to the Bloomberg Professional Terminal database that gives corporate ownership by geographic region.

BHP is described as the “big Australian” but, at 94 per cent foreign owned and 82 per cent American owned, it would be better described as the “big American”. Australian ownership is a measly 6 per cent. The Commonwealth Bank of Australia is thought to be very Australian, yet it is 81 per cent foreign owned and, as it happens, 55 per cent American owned.

The examination of BHP is repeated for the top 20 listed companies in Australia and they are weighted by market value. This procedure finds that the average foreign ownership is 80 per cent and American ownership is 56 per cent. On these figures the American ownership is almost three times the Australian ownership. Tax office data was also used to look at the top 30 companies in Australia by sales value. Consistent with the Bloomberg Professional Terminal database, it shows foreign ownership is a massive 79 per cent and it includes many companies with 100 per cent foreign ownership.

The mining industry was the next to be examined. From the tax office data companies representing some 92.5 per cent of all sales were chosen. There were 37 companies in the sample and of those 23 are 90 per cent or more foreign owned. Overall, the mining industry is found to be 90 per cent foreign owned (actually 89.73 per cent).

These figures are likely to strike the reader as very high and perhaps even implausible but certainly disturbing. Some polling was undertaken to see how much foreign ownership might be expected by the Australian public. They were asked how much foreign ownership there might be in various companies and groups of companies. The polling asked respondents to nominate a range, 0 to 19, 20 to 39, 40 to 59, 60 to 79 or 80 to 100. The polling showed that the Australian public vastly underestimates the level of foreign ownership. For example, in the Commonwealth Bank only 4 per cent guessed the correct range and most said under 40 per cent foreign ownership. Similar discrepancies were observed for all the companies and the big four banks. When it came to mining more people chose higher ranges but only 6 per cent successfully chose the highest range.

Finally, participants in the poll were asked whether they thought foreign investment in Australia in general was too small, too big or just right. Of those who volunteered an opinion 65 per cent, just below two thirds said “too big”. This was interesting because they felt

foreign ownership in mining too big even though they greatly underestimated how big it really was.

As it happened Telstra and Qantas were included in our sample. These both have statutory limits on the permissible level of foreign ownership, Telstra has a limit of 35 per cent and Qantas 49 percent. Yet the Bloomberg database suggests that both have foreign ownership well in excess of the limits at 51 and 62 per cent respectively.

These findings have implications for Australian democracy as well as the question of the national interest in the modus operandi of foreign owned companies. When the mining industry lobbies the government, it is necessarily acting for its foreign owners and likely to be inconsistent with Australia's interest in the mining industry.

The paper concludes with a call for further work by the government to outline the extent of foreign ownership in Australia, the implications of that level of foreign ownership and to develop an action plan with a view to buying back the farm.

# Introduction

Some years ago the Australian Greens commissioned a study into the level of foreign investment in the Australian mining industry.<sup>1</sup> The result of that study was to show that 83 per cent of the mining industry is foreign owned. Since then it might be expected that there could be large changes in ownership. When other studies have been done looking at foreign ownership using data from the Australian Bureau of Statistics lower levels of foreign investment have been found. For example, in an earlier paper ABS data was used and showed 36 per cent foreign ownership in all corporations.<sup>2</sup> By contrast, Fernandes in evidence to the Senate inquiry pointed to examples from the then top 20 listed companies in Australia to illustrate the high level of foreign ownership among that group of companies.<sup>3</sup> Fernandes showed that American ownership was high among most of the top 20 companies ranging up to 73 per cent in the case of BHP Group Ltd. Australian ownership was only 9.2 per cent indicating total foreign ownership in BHP was 90.8 per cent.

In principle it should not be that difficult to measure foreign investment in Australia at least among larger corporations. It is a rather simple matter of looking up the individual figures for different companies and aggregating the results. While companies themselves do not publish their foreign ownership, the Bloomberg Professional Terminal does just that.<sup>4</sup> This paper takes advantage of that source which makes it possible to replicate the 2011 analysis of the mining industry as well as look at some of the other major companies operating in Australia. Specifically, Clinton Fernandes assisted with the provision of screenshots of geographic and other data using the Bloomberg database.

Given access to the Bloomberg data base it was decided to replicate the 2011 Edwards study as well as calculate other interesting features of foreign ownership such as the share of ownership in Australia's main companies.

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<sup>1</sup> Edwards N (2011). "Foreign ownership of Australian mining profits", Paper commissioned by The Australian Greens.

<sup>2</sup> Richardson D (2018) "Foreign investment", in Cahill D and Toner P (eds), *Wrong way: How privatisation and economic reform backfired*, Carlton, Vic: La Trobe University Press, pp 328-42.

<sup>3</sup> Fernandes C (2020) "The 'national interest' test in the Inquiry's terms of reference", *Submission 7, Senate Economics Committee Inquiry into foreign investment proposals*.

<sup>4</sup> Bloomberg at <https://www.bloomberg.com/asia>

# Method

This study was made possible with access to the Bloomfield Professional Terminal database. All corporate ownership results in this paper reflect the searches conducted over Monday and Tuesday the 7 and 8<sup>th</sup> March 2022. Bloomfield's database provides, among other things, live access to geographical data on corporate ownership based on live purchases and sales. Hence the data developed for the present paper was the actual figure at the very instant the screen snapshots were taken.

It is believed that the Bloomberg site is eminently trustworthy. Bloomberg says of itself that its role is "Connecting decision makers to a dynamic network of information, people and ideas, Bloomberg quickly and accurately delivers business and financial information, news and insight around the world."<sup>5</sup> Bloomberg's own credibility depends on its accuracy in this and other matters, so we are confident that Bloomberg's data on the ownership of Australian companies is sound. It also costs approximately \$80,000 for a two-year subscription and is not affordable to the average researcher. But it is the preferred business intelligence database of international finance and trading professionals.

Foreign investment figures were obtained from the Bloomberg database for companies listed either on the Australian stock exchanges or various international stock exchanges. The Appendix includes a screen shot of the data obtained for the Commonwealth Bank. Generally, it is possible to estimate the percentage of foreign investment by deducting the Australian figure from 100. Because of the importance of foreign investment from the US figures have also been added for the US itself. In the case of private companies, it is sometimes obvious that there is 100 per cent foreign investment in, for example, Toyota Motor Corporation Australia Limited.<sup>6</sup> Other cases are more complex such as when an entity is a joint venture in which case we used estimates of the foreign ownership of each of the partners to the joint venture and estimated the combined foreign ownership. For example, in the case of BHP Billiton Mitsui Coal Pty Ltd in which BHP has a 60 per cent interest and Mitsui 40 per cent, we simply multiply BHP's foreign ownership by BHP's weight (60 per cent) and do the same with Mitsui.

From the screenshot of the Bloomberg database we can see four quadrants with the third showing geographic ownership in the example of the Commonwealth Bank. Hence United States interests held 54.61 per cent of the Commonwealth Bank while Australian interests held 19.16 per cent. The actual screenshot used in this study is shown in an appendix.

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<sup>5</sup> Bloomberg at <https://www.bloomberg.com/subscriptions/what-you-get/> accessed 16 March 2022.

<sup>6</sup> There is the possibility that some Australian interests own small interests in Toyota.

Sometimes Bloomberg gives a figure for “unknown” in the geographic data. Most entries do not have an unknown geographic entry, however, AGL, for example, has 1.49 per cent recorded as “unknown”. In other cases where there is an unknown entry the amount is a similarly small order of magnitude. Individuals do not have a country allocated to them and so the database treats individual entries as an unknown geographic. Normally that is not an issue in the present study, except in the case of Fortescue which has 61.7 per cent unknown. The Fortescue annual report shows Andrew Forrest and his interests have a substantial interest of 36.74 per cent in Fortescue.<sup>7</sup> Generally we treat all “unknowns” as foreign. However, adjusting for Andrew Forrest’s holding in Fortescue would reduce the estimate for foreign ownership in mining by around 2 per cent.

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<sup>7</sup> Fortescue Metals (2021) *Annual Report*.

# Results

## TOP 20 LISTED COMPANIES

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In this section the top companies in Australia are examined. The first to be examined is the top 20 companies listed on the Australian stock exchanges. (Australia has two stock exchanges, the *Australian Securities Exchange* and *Chi-X Australia*.) The listed companies in Australia are only a subset of the large companies operating in Australia. There are a large number of foreign companies operating in Australia. For listed Australian companies, market values (the value of all issued shares in the companies concerned) are readily obtainable and so it is possible to estimate an aggregate value of, for example, the foreign ownership of the top 20 listed companies. The estimates are given below.

In principle it would be desirable to add the market value of a foreign company's Australian operation to the calculations made for listed companies. The market value of the foreign company's Australian operations is simply not able to be estimated. However, the Tax Office database of the top business entities in Australia can be used. That database gives sales figures for all entities so that, for example, it is possible to estimate the level of foreign ownership of the top 30 companies according to their sales.<sup>8</sup> Those figures are given below.

Later the results of the polling are presented which asks people to guess how much foreign ownership there is in Australian industries and companies. At this stage just the findings from the Bloomberg database are reported. First some particularly interesting results are reported.

BHP is widely known as the "big Australian" but according to the Bloomberg database it is 94.41 per cent foreign-owned. That is a massive level of foreign investment for a company that purports to be quintessentially Australian. As it happens most of the foreign ownership is American and, also shown is ownership geographically located, such as US ownership at 82.13 per cent of the total ownership in BHP. BHP might be more accurately described as "big American". Rio Tinto may not be quite as associated with Australian ownership but is nevertheless a surprising 95.16 per cent foreign owned. The figures are also surprising for the Commonwealth Bank of Australia which is 80.84 per cent foreign owned. As it happens the Commonwealth Bank is 54.61 per cent American owned. Table 1 includes these, and the other top 20 companies listed on the Australian stock exchanges. Such figures are unexpected as is clearly shown in the polling reported on below. An appendix shows the figures exactly as reported by Bloomberg and may assist the reader who has difficulty

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<sup>8</sup> The top 30 by sales was chosen as this was likely to include most of the top 20 by market capitalisation as well as the larger foreign owned companies.

accepting the veracity of the results reported in Table 1. Two screenshots in the appendix show the information as it comes from Bloomberg.

**Table 1: Top 20 listed shares in Australia, by market capitalisation and foreign ownership.**

	Market Cap \$ billion	Foreign ownership %
BHP Group Ltd	252.81	94.41
Rio Tinto Ltd	182.08	95.16
Commonwealth Bank of Australia	161.42	80.84
CSL Ltd	124.42	86.52
National Australia Bank Ltd	93.36	82.30
Block Inc	79.28	27.54
Westpac Banking Corp	77.76	84.00
Australia & New Zealand Banking Group Ltd	70.93	75.86
Macquarie Group Ltd	69.17	69.66
Fortescue Metals Group Ltd	59.12	89.16
Wesfarmers Ltd	55.29	78.63
Telstra Corp Ltd	46.05	51.26
Woolworths Group Ltd	42.19	88.48
Goodman Group	40.63	40.63
Transurban Group	38.66	86.01
Woodside Petroleum Ltd	30.47	82.22
Aristocrat Leisure Ltd	23.77	54.00
Coles Group Ltd	22.94	56.20
Newcrest Mining Ltd	21.30	80.99
Brambles Ltd	15.48	90.43
Top 20	1,507.13	79.95

Source: Bloomberg Professional Terminal database.

The results in Table 1 show that there is a rather large degree of foreign ownership in the top Australian companies. The most surprising thing is that overall, 79.95 per cent of the top 20 listed companies are owned by foreign interests. Within that there is a wide range of foreign ownership from just 27.54 per cent for Block Inc and 40.63 per cent in the case of Goodman to 95.16 per cent in the case of Rio Tinto. Among the top 20 listed companies only two have less than 50 per cent foreign ownership. Only two can therefore be considered majority Australian owned. These are companies listed on Australian stock exchanges and yet foreign ownership can reach 95.16 per cent in the case of Rio Tinto.

Calculating the share of Americans in the top 20 listed companies (not shown in Table 1) gives a figure of 56.20 per cent. So, on average American interests own a dominating share of Australia's listed companies.

Foreign ownership amongst the big four banks ranges from 75.86 per cent in the case of the ANZ through to 84.00 per cent in the case of Westpac. The weighted average of the big four banks was 80.91 per cent. The Commonwealth Bank was 80.84 per cent. That was particularly surprising given its history as the "people's bank" and the attempt to make its shares attractive to mums and dads during the privatisations.<sup>9</sup>

## TOP 30 BY SALES

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There are many companies operating in Australia that are not listed on the Australian stock exchanges, nor any other stock exchanges for that matter. So, market capitalisation is not available for Chevron Australia and various other unlisted companies.<sup>10</sup> However, using tax office data companies operating in Australia can be ranked according to their turnover or sales. The ATO calls this "income", all receipts before deducting any costs or other expenses.

Table 2 reports on the top 30 companies by sales or income as published by the Australian Taxation Office (ATO).<sup>11</sup> Of course, as might be expected there is a large degree of overlap between the results in Tables 1 and the results for the top 30 companies by sales.

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<sup>9</sup> The Commonwealth Bank was privatised in three different stages as increasing shares were sold in the market. See Jones E (2017) "Expunging the commonweal from the Commonwealth Bank", *Independent Australia*, 23 August.

<sup>10</sup> Some of their parent companies may be listed but that does not assist us in putting a value on the Australian operations.

<sup>11</sup> ATO (2021) *2019-20 Report of Entity Tax Information*, 9 December.

[https://www.data.gov.au/data/dataset/2019-20\\_report\\_of\\_entity\\_tax\\_information](https://www.data.gov.au/data/dataset/2019-20_report_of_entity_tax_information)

**Table 2: Top companies by sales**

 The Australia Institute Research that matters.	Total income \$ billion	Foreign owned %
WOOLWORTHS GROUP LIMITED	50.0	88.48
BHP GROUP LIMITED	45.9	94.41
COLES GROUP LIMITED	45.6	56.20
COMMONWEALTH BANK OF AUSTRALIA	43.6	80.84
RIO TINTO LTD	39.5	95.16
NATIONAL AUSTRALIA BANK LIMITED	35.2	82.30
WESTPAC BANKING CORPORATION	34.9	84.00
WESFARMERS LIMITED	30.0	78.63
AMPOL LIMITED	28.2	53.05
TELSTRA CORPORATION LTD	24.9	51.26
BP REGIONAL AUSTRALASIA HOLDINGS PTY LTD	23.2	100.00
GLENORE INVESTMENT PTY LIMITED	22.3	100.00
AMP LIMITED	22.2	33.84
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED	21.7	75.86
FORTESCUE METALS GROUP LIMITED	17.7	89.16
INSURANCE AUSTRALIA GROUP LIMITED	17.0	76.09
VIVA ENERGY GROUP LIMITED	16.6	70.21
SUNCORP GROUP LIMITED	16.1	75.55
METCASH LIMITED	15.9	49.27
EXXONMOBIL AUSTRALIA PTY LTD	15.6	100.00
AMCOR PTY LTD	14.5	84.50
ORIGIN ENERGY LIMITED	14.5	59.65
QANTAS AIRWAYS LIMITED	13.9	61.87
CHEVRON AUSTRALIA HOLDINGS PTY LTD	12.2	100.00
AGL ENERGY LIMITED	11.1	69.72
MACQUARIE GROUP LIMITED	11.0	69.66
TOYOTA MOTOR CORPORATION AUSTRALIA LIMITED	10.3	100.00
APPLE PTY LTD	10.0	100.00
ALDI FOODS PTY LIMITED	9.6	100.00
SINGAPORE TELECOM AUSTRALIA INVESTMENTS PTY LIMITED	9.0	100.00
Top 30	682.5	78.73

Source: ATO (2021) 2019-20 Report of Entity Tax Information, 9 December.

[https://www.data.gov.au/data/dataset/2019-20\\_report\\_of\\_entity\\_tax\\_information](https://www.data.gov.au/data/dataset/2019-20_report_of_entity_tax_information)

Again Table 2 shows a large variation in the level of foreign ownership ranging from 33.84 per cent in the case of the AMP through to 100 per cent for many of the foreign companies with wholly owned subsidiaries in Australia. The foreign ownership of the top 30 by sales is

78.73 per cent. That incidentally is very close to the average in Table 1, 79.95 per cent based on market value. The correspondence in these results gives us the confidence to say that Australian big business is foreign owned by around 79 to 80 per cent.

These figures may strike the reader as rather high. As a check on the results coming from the present use of the Bloomberg Professional Terminal database, there were also some calculations on ABS data which throws a partial light on the topic.

According to ABS data managed investment funds, which includes super funds, held \$3,604 billion in assets<sup>12</sup> and 18.7 per cent of those were Australian shares as distinct from international shares which are included in a separate category “international assets”. That means some \$674 billion in shares is held by Australian fund managers.

From other ABS data, total equity in financial and non-financial corporations is \$4,297 billion.<sup>13</sup> That implies fund managers in Australia hold just 15.7 per cent of the equity issued by companies in Australia. In addition, Australian households hold 22.7 of companies.<sup>14</sup> These two Australian categories account for 38.4 per cent of Australian equity. However, the household figure is dominated by the holdings in unlisted non-financial companies. Households hold 14.4 per cent of listed companies.<sup>15</sup> Excluding unincorporated small business it looks like the bottom-up calculations get us to a figure of 30 per cent identifiable Australian ownership. Given the likely bias in foreign investment towards big companies the estimate of around 79 or 80 per cent foreign ownership seems to be reasonable for big business.

There is also a bias in using Bloomfield or any other imaginable figures. Australians may well own equity in a company that is identified as 100 per cent foreign owned. For example, it is possible that Australians own a share in, let us call it HypotheticalUS. However, any Australian content in HypotheticalUS will not show up in the figures which treat HypotheticalUS as 100 per cent foreign owned. Nevertheless, the indirect Australian ownership in foreign investors is likely to be very small.

## MINING INDUSTRY

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Earlier we referred to the work of Naomi Edwards whose report found 83 per cent of the mining industry was foreign owned in 2011. The method here was to examine the mining companies among the top 300 of the entities reported by the ATO. A screen shot of the ownership by geographic region was taken and the foreign share calculated. Bloomberg

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<sup>12</sup> This figure is for consolidated assets. See ABS (2022) *Managed Funds, Australia*, 3 March.

<sup>13</sup> ABS (2021) *Australian National Accounts: Finance and Wealth, September 2021*, 16 December.

<sup>14</sup> ABS (2021) *Australian National Accounts: Finance and Wealth, September 2021*, 16 December.

<sup>15</sup> ABS (2021) *Australian National Accounts: Finance and Wealth, September 2021*, 16 December.

does not give figures for private companies but those are readily identified using other information.

By choosing these top mining companies we can compare their revenue with ABS data for mining company sales to determine the proportion of the mining industry is included in our sample of mining companies might be.<sup>16</sup> As it happens the sales revenue from the chosen mining companies is 92.5 per cent of all mining revenue recorded by the ABS for the same year. That provides some confidence that the sample chosen is representative of the whole mining industry. The results are given in Table 3.

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<sup>16</sup> The source was ABS (2021) Australian Industry, 2019-20, 28 May at <https://www.abs.gov.au/statistics/industry/industry-overview/australian-industry/2019-20#data-download>

**Table 3: Mining companies and foreign ownership**

 The Australia Institute Research that matters.	Total income \$ million	Foreign owned %
BHP GROUP LIMITED	45,914	94.41
RIO TINTO LTD	39,463	95.16
WESFARMERS LIMITED	29,954	78.63
GLENCORE INVESTMENT PTY LIMITED	22,341	100.00
FORTESCUE METALS GROUP LIMITED	17,733	89.16
EXXONMOBIL AUSTRALIA PTY LTD	15,550	100.00
CHEVRON AUSTRALIA HOLDINGS PTY LTD	12,196	100.00
WOODSIDE PETROLEUM LTD	8,229	82.22
mitsui & co. (australia) ltd	7,828	100.00
BHP IRON ORE (JIMBLEBAR) PTY LTD	6,497	94.41
ROY HILL HOLDINGS PTY LTD	6,486	30.00
ICHTHYS LNG PTY LTD	6,379	100.00
HOPE DOWNS MARKETING COMPANY PTY LTD	5,698	97.58
ANGLO AMERICAN AUSTRALIA LIMITED	5,389	100.00
SHELL ENERGY HOLDINGS AUSTRALIA LIMITED	5,324	100.00
YANCOAL AUSTRALIA LIMITED	5,053	91.57
SANTOS LIMITED	5,014	71.17
NEWCREST MINING LIMITED	4,129	80.99
SOUTH32 LIMITED	4,042	73.90
CHEVRON AUSTRALIA PRODUCTS PTY LIMITED	3,738	100.00
HANCOCK PROSPECTING PTY LTD	3,662	0
ITOCHU AUSTRALIA LIMITED	3,552	100.00
MINERAL RESOURCES LIMITED	3,477	50.90
PEABODY AUSTRALIA HOLDCO PTY LTD	2,940	100.00
NEWMONT AUSTRALIA PTY LTD	2,683	na
ROBE RIVER MINING CO PTY LTD	2,648	97.43
SINO IRON HOLDINGS PTY LTD	2,431	100.00
MITSUI-ITOCHU IRON PTY LTD	1,861	100.00
CNOOC GAS AND POWER (AUS) INVESTMENT PTY LTD	1,854	100.00
CONOCOPHILLIPS AUSTRALIA GAS HOLDINGS PTY LTD	1,850	100.00
JAPAN AUSTRALIA LNG (MIMI) PTY LTD	1,826	100.00
GOLD FIELDS AUSTRALIA PTY LTD	1,793	100.00
WHITEHAVEN COAL LIMITED	1,775	88.70
BEACH ENERGY LIMITED	1,712	35.07
NORTHERN STAR RESOURCES LTD	1,712	94.01
GROOTE EYLANDT MINING COMPANY PTY LTD	1,714	89.56
BHP BILLITON MITSUI COAL PTY LTD	1,467	95.53
TOTAL	295,813	89.73

Source: Bloomberg Professional Terminal database and ATO.

The results reported in Table 3 are very interesting. While many companies appear with 100 per cent foreign ownership, one appears with zero foreign ownership, the private company Hancock Prospecting Pty Ltd which is owned by Gina Rinehart. Hancock in turn owns the 70 per cent of Roy Hill Holdings Pty Ltd that is Australian owned.

In our sample there are 37 companies and, of those, 23 are 90 per cent or more foreign owned. Overall, when weighted by sales, that part of Australia's mining industry represented in the table is 89.73 per cent foreign owned—90 per cent in round numbers. Given that our sample accounts for 92.5 per cent of all sales in Australia we can be confident that our estimate is very close to the results that might be obtained with a full census of Australian mining companies.

A massive 90 percent foreign ownership in Australian mining seems incredible. It means the extent of Australian ownership in Australia's mining industry is just 10 per cent. Earlier estimates showed less foreign ownership than these results. For example, in 1984-85 the level of foreign ownership was much lower at 44.7 per cent with Australian ownership at 55.3 per cent. That year was the last year foreign ownership data by industry was recorded by the ABS in its publication *Foreign Ownership and Control of the Mining Industry, Australia*, Cat No 5317.0.<sup>17</sup> Similar publications for other industries and Australia as a whole also ceased publication at that time. Incidentally, the ABS measure of ownership was weighted by the value added of the businesses concerned.<sup>18</sup> These publications also used to give figures for foreign control of an industry. In 1984-85 Australian control of the mining industry was just 48.5 per cent.

The relatively low levels of foreign ownership in mining in the 1980s followed serious policy initiatives designed to reduce foreign ownership, especially during the Whitlam Government. Whitlam was later to write:

My Government was the first Australian Government to initiate policies which tried deliberately to promote greater Australian ownership of Australian resources. We set about reversing the 'open door' policies of our predecessors. The Australian people have nothing to gain from the wholesale overseas ownership of their resources.<sup>19</sup>

It is noted however, the Gorton Government did undertake some major initiatives such as setting up the Australian Industry Development Corporation (AIDC) which had the objective of raising loan-finance rather than give away equity for Australian industry.

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<sup>17</sup> This publication is cited in ABS (no date) *Year Book 1990*, Catalogue No. 1301.0 at [https://www.ausstats.abs.gov.au/ausstats/free.nsf/0/68F657F55DAB6077CA257AFA0010CC41/\\$File/13010\\_1990\\_bk73.pdf](https://www.ausstats.abs.gov.au/ausstats/free.nsf/0/68F657F55DAB6077CA257AFA0010CC41/$File/13010_1990_bk73.pdf)

<sup>18</sup> "Value added" can be thought of as the contribution of the capital and labour to the final value of the output. The value of other non-labour inputs, electricity, vehicles etc is not included. Hence the concept is close to labour costs plus earnings before interest, tax, depreciation and amortisation.

<sup>19</sup> Whitlam EG (1985) *The Whitlam Government: 1972–75*, Ringwood, Vic.: Viking, p. 219.

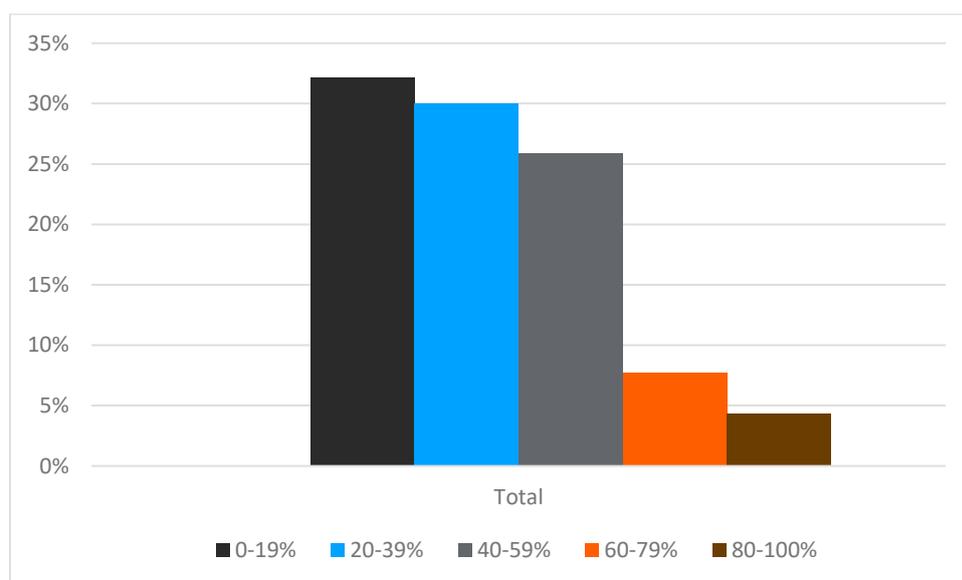
# Polling

## Key results

The Australia Institute surveyed a nationally representative sample of 1,001 Australians about the level of foreign ownership in various companies and groups of companies as well as asking whether the respondents thought foreign investment was too small, too big or just right. Here we present the main results of the poll. This section summarises the findings with the full results included in an appendix.

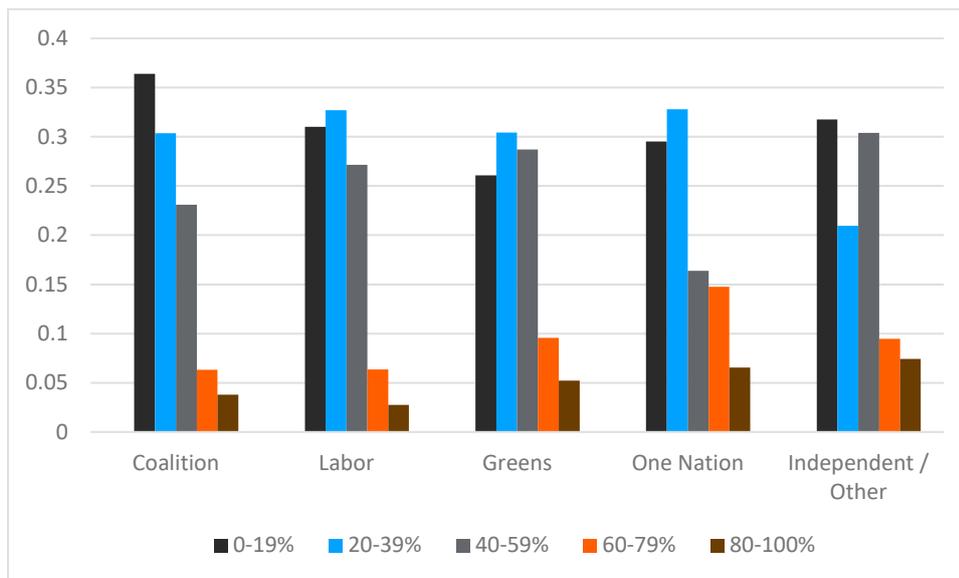
The first question asked: “What level of foreign ownership do you think there is in the following?” The first in the list was Australia’s big four banks (ANZ, Commonwealth Bank, National Australia Bank and Westpac). Figure 1 shows the results for the big four banks.

**Figure 1: Level of foreign ownership in the big four banks, results by age**



The results in Figure 1 clearly show that almost a third of respondents thought that foreign ownership in the big four banks would be less than 20 per cent and another 30 per cent thought foreign investment would be 20 to 39 per cent. Therefore 62 per cent thought foreign investment would be well under half the total ownership of the big four banks. After that the figures fall off. Another quarter thought foreign ownership would be in the range 40 to 59 per cent with much smaller percentages in the ranges 60 to 79 and 80 to 100 per cent.

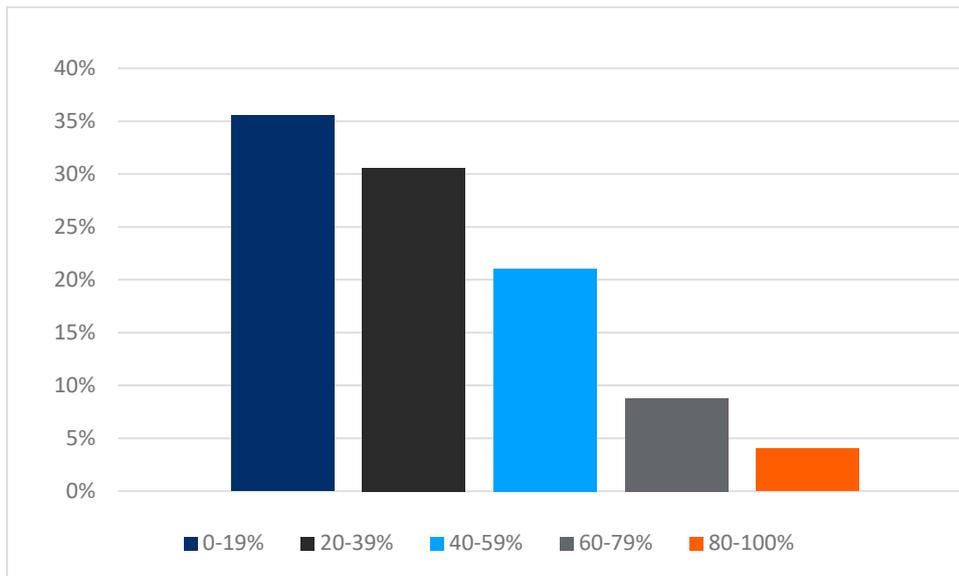
**Figure 2: Level of foreign ownership in the big four banks, results by voting intention**



The results suggest that Coalition voters are slightly more inclined to think foreign ownership in the big four banks is lower than Labor voters with 36 per cent of Coalition voters picking the 0 to 19 per cent range compared with 31 per cent of Labor voters. Labor voters and Greens voters are slightly more likely to put foreign ownership in the 40 to 59 per cent range as are independent voters. Otherwise there is little variability between the different groups.

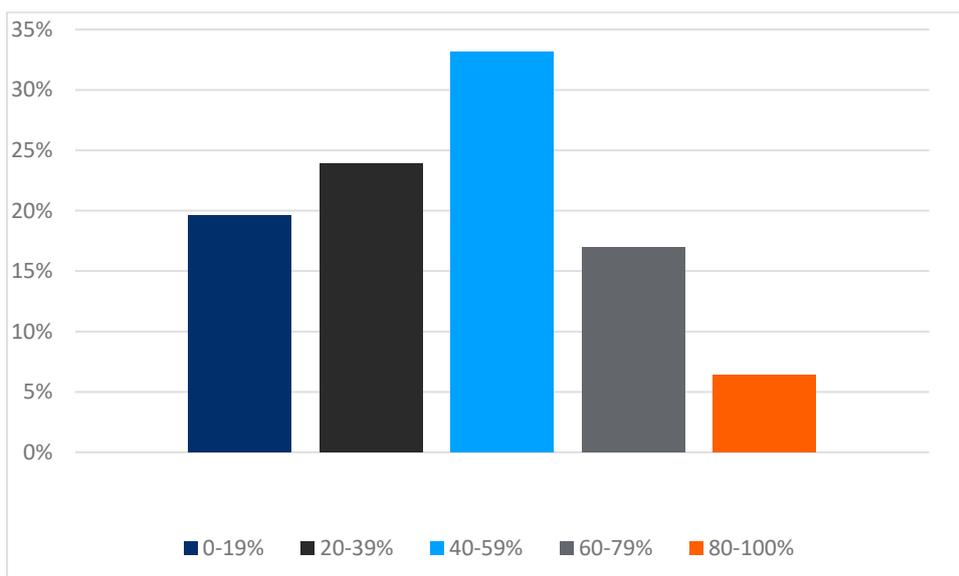
The beliefs about foreign ownership levels by voting intentions show similar patterns in the other questions asked of respondents. Generally Coalition voters were somewhat more inclined to pick lower foreign ownership levels than other voters. Accordingly, beliefs by voting intentions will not be separately reported in the rest of the present section. An appendix shows the full results.

**Figure 3: Level of foreign ownership in the Commonwealth Bank**



In answer to the question about the level of foreign ownership in the Commonwealth Bank people were generally more inclined to suggest lower figures than for the big four banks as a whole. Over a third nominated foreign ownership in the range 0 to 19 per cent and 31 per cent said 20 to 39 per cent. The numbers for the 40 to 59 per cent foreign ownership range are slightly lower for the Commonwealth Bank (21 per cent) than for the big four banks as a whole (26 per cent). The higher ranges are again roughly the same and with fairly small numbers.

**Figure 4: Level of foreign ownership in the Australian mining industry**

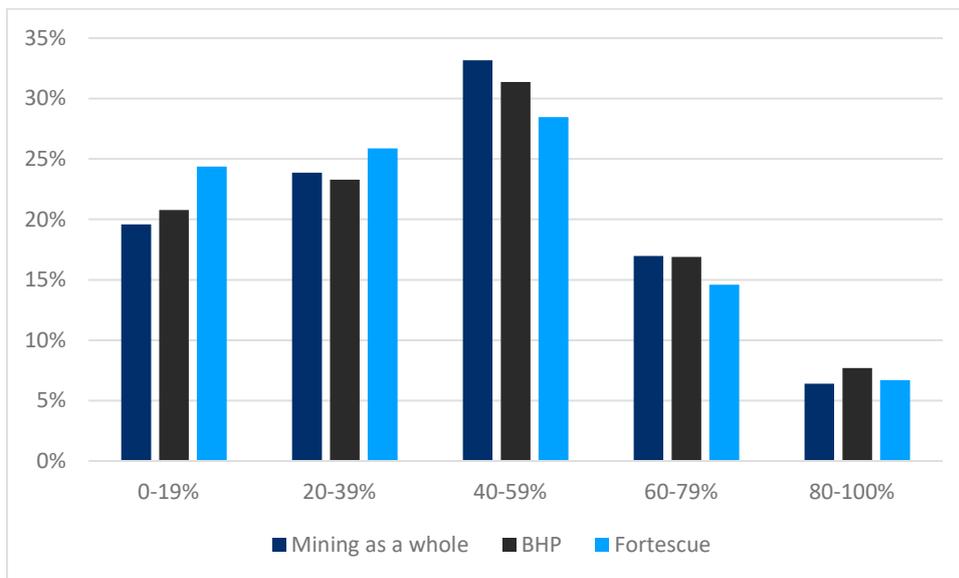


In answer to the mining industry question more people were willing to nominate higher ranges than were nominated for the bank questions. As shown in Figure 4, few nominated the lower ranges; 20 per cent nominated the 0 to 19 per cent range compared with 32 per

cent for the big four banks. Likewise, 24 per cent nominated the 20 to 39 per cent range compared with 30 per cent for the big four banks. By contrast, 33 per cent nominated the 40 to 59 per cent range and 23 per cent nominated more than 60 per cent compared with 26 and 12 per cent respectively for the big four banks. Generally, the numbers in each foreign ownership quintile start of small, increase and then peak at 40 to 59 per cent and then trail off quickly with low numbers in the topmost range.

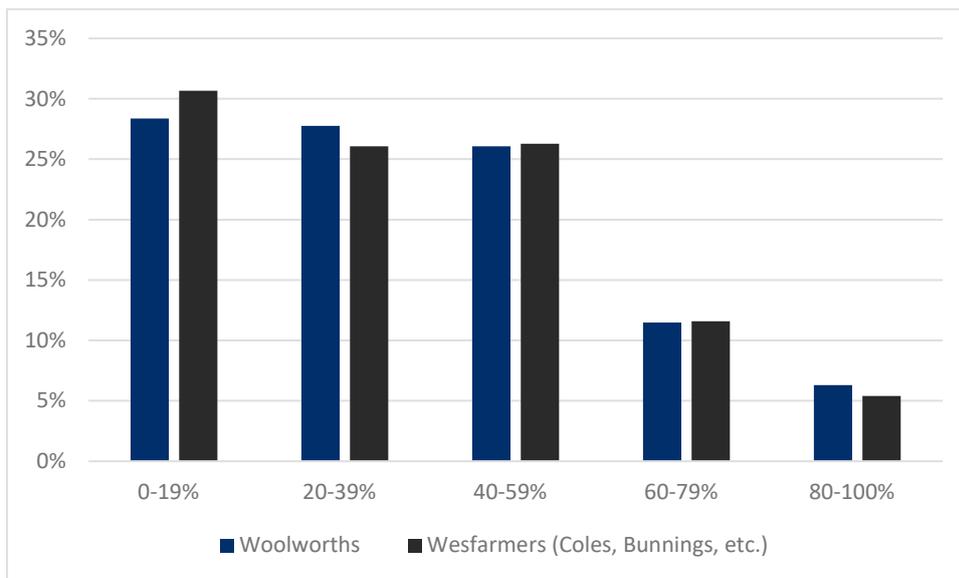
We can compare the mining industry as a whole and two particular companies: BHP and Fortescue Metals Group.

**Figure 5: Level of foreign ownership in the mining industry, BHP and Fortescue.**



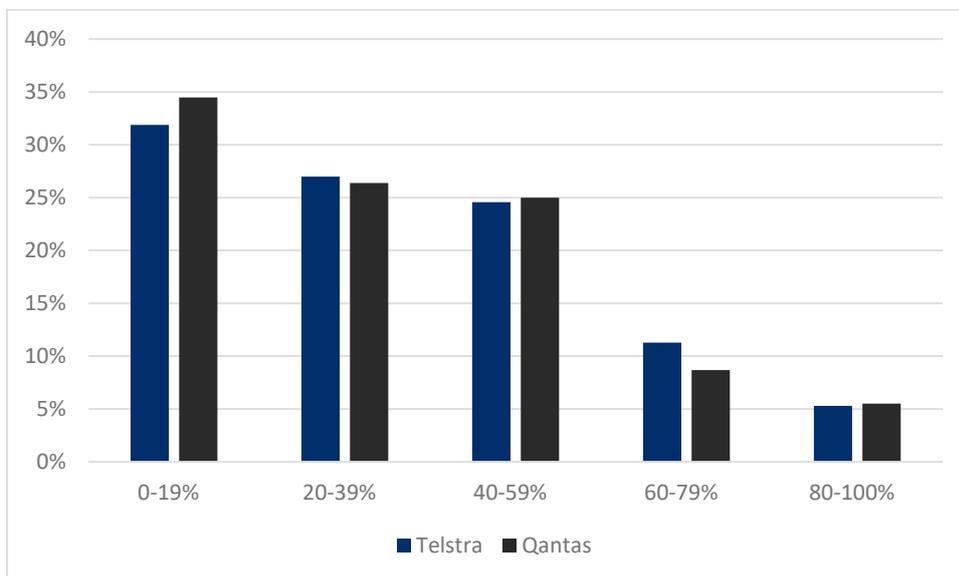
The results shown in Figure 5 suggest respondents are slightly more inclined to place BHP and Fortescue in lower foreign ownership ranges than the mining industry as a whole. More people put BHP and Fortescue in the lower ranges of foreign ownership and significantly less in the range 40 to 59 per cent.

**Figure 6: Foreign ownership and supermarkets: Woolworths and Westfarmers**



When people were asked about Woolworths and Westfarmers they tended to give very similar answers which are shown in Figure 6. Rather than peaking in the middle range like mining, similar numbers of people selected the first three quintiles with low numbers in the 60 to 79 and the 80 to 100 percentage ranges.

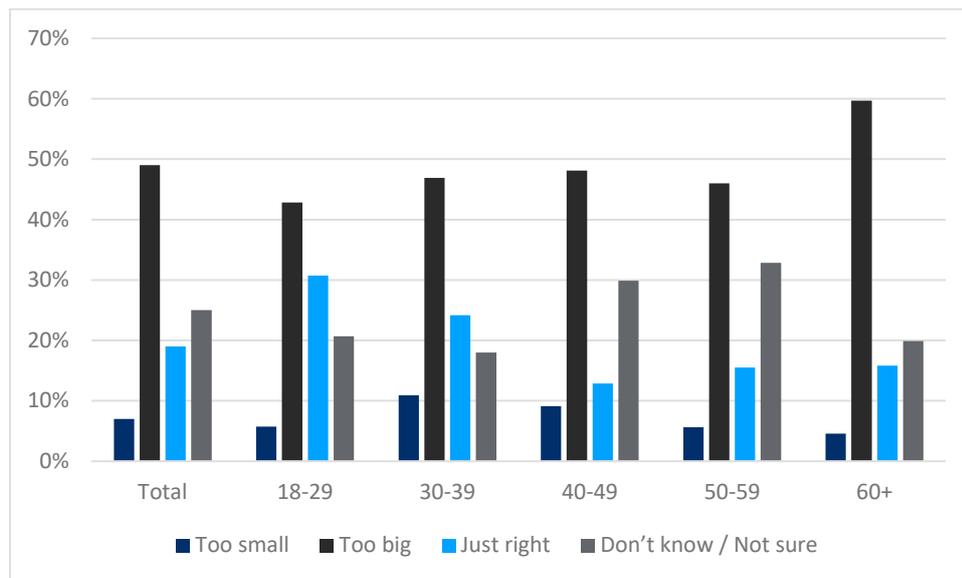
**Figure 7: Foreign ownership in Telstra and Qantas**



In the case of Telstra and Qantas (Figure 7) the pattern of foreign ownership beliefs looks similar to the banks with the largest selection being the bottom range, 0 to 19 per cent. Over a third put Qantas in the 0 to 19 per cent range.

Among the foreign ownership questions the final question was a general question asking whether respondents felt foreign investment was too small, too big or just right. The results are given in Figure 8.

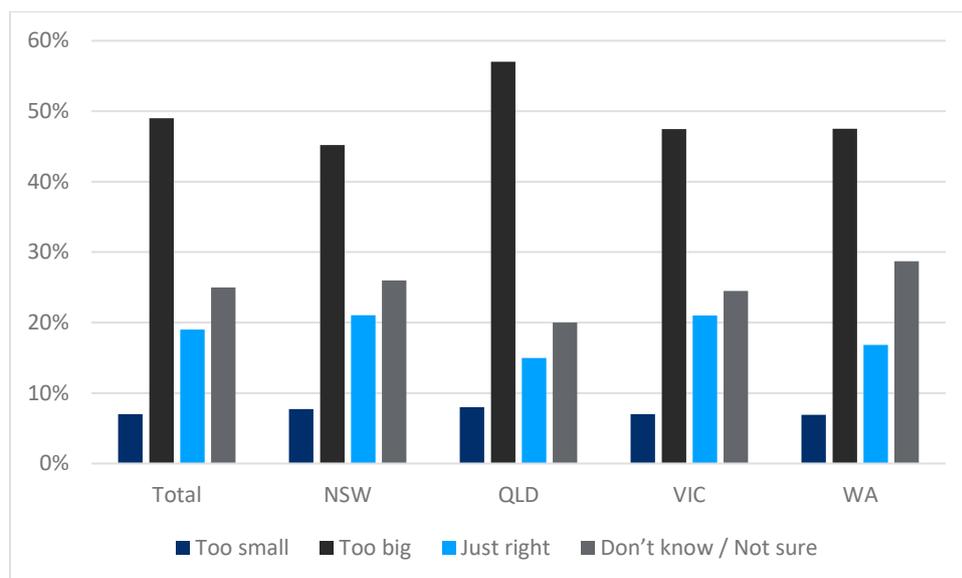
**Figure 8: Is foreign investment in Australia too small, too big or just right?**



The total result showed 7 per cent through foreign ownership was too small while 49 per cent nominated too big and 19 per cent said “Just right” while 25 per cent said “Don’t know / Not sure”. If the don’t knows and not sures are allocated pro rata across the other groups the answer “Too big” was the response of 65 per cent of respondents, just below two thirds of the sample. There was a tendency for the response “too big” to increase with age with 60 per cent of the 60+ group selecting “too big”. The latter figure increases to 75 per cent if the don’t knows and not sures are allocated pro rata among the other choices.

For the question whether foreign investment is too small, too big or just right there are also significant differences among the States as is shown in Figure 9.

**Figure 9: Is foreign investment in Australia too small, too big or just right by State.**



Of the states chosen in Figure 9, the striking result is the much higher proportion of the respondents in Qld saying they felt foreign investment was too big. There was a corresponding tendency for fewer Queenslanders to say “just right” or “Don’t know / Not sure”. Adjusting again for the don’t knows and not sures, there is a clear majority who say “too big” in each of the states shown. The adjusted results range from 61 per cent in NSW to 71 per cent in Queensland.

**Figure 10: Is foreign investment in Australia too small, too big or just right by voting intentions**

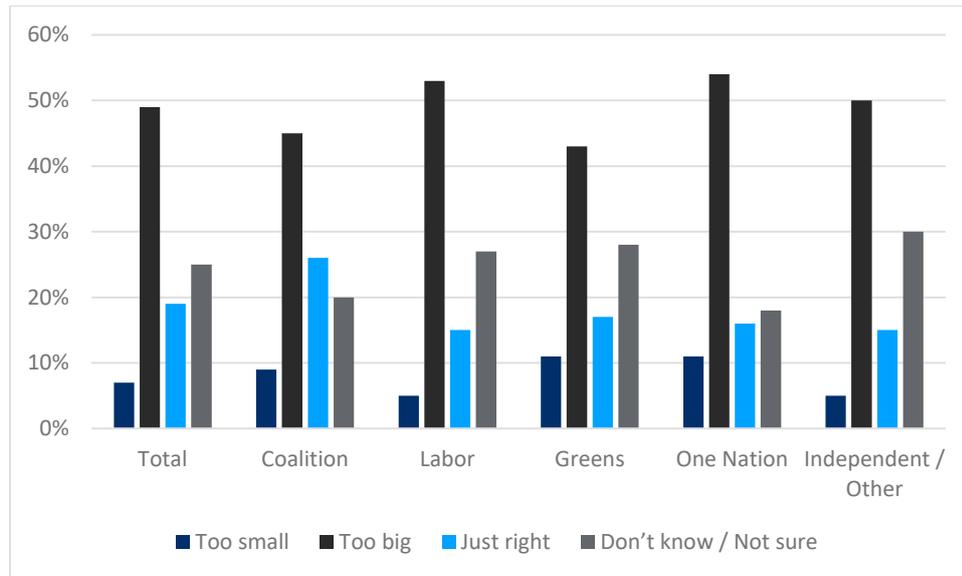


Figure 10 shows that, compared with the total, Coalition voters are more likely to say “too small” or “just right” (combined 35 per cent for Coalition voters compared with the total at 26 per cent). Greens voters are least likely to say “too big” and most likely (with One Nation voters) to say “too small”. Overall, the number who said “too big” outweighed those who said “too small” by a ratio of seven to one.

# Discussion of polling results

The results obtained from the Bloomberg database contrast markedly with the results of our polling. The Bloomberg database indicates that the Commonwealth Bank is 81 per cent foreign owned as are the big four banks on average.<sup>20</sup> That puts the Commonwealth Bank and the big four in the top foreign ownership range of 80 to 100 per cent for polling purposes. Yet only 4 per cent of respondents picked that value for both. The median respondent was in the 20 to 39 per cent range. A clear majority said both the Commonwealth Bank (67 per cent) and the big four banks (62 per cent) were less than 40 per cent foreign owned. A minority of 33 per cent and 38 per cent respectively thought the Commonwealth and the big four were 40 per cent or more foreign owned. Coalition voters were somewhat more inclined to give lower estimates for foreign ownership among the banks and, indeed, for most of the questions asked in this poll. Older respondents were slightly more inclined to under-estimate the degree of foreign ownership with a larger proportion of them picking the 0 to 19 per cent range.

These results show that most survey respondents vastly underestimated the degree of foreign ownership in Australia generally and with respect to the specific examples they were asked about. There is a dramatic disconnect between the facts and what people think. After the banks respondents were asked to estimate the degree of foreign ownership in the mining industry. The results for mining as a whole were compared with BHP and Fortescue and the results were very similar for each separate question. However, people thought there was somewhat less foreign ownership in Fortescue, no doubt because of the association with Andrew Forrest. People expected more foreign ownership in mining generally than the banks for example. The median response was within the 40 to 59 per cent range. But even for mining only 6 per cent said foreign ownership was in the range 80 to 100 per cent while for BHP and Fortescue the figures were 8 and 7 per cent respectively. These results suggest the respondents have no idea that the actual level of foreign ownership is more like 90 per cent in the mining industry with 94 per cent in BHP and 89 per cent in Fortescue.

The polling asked about four other industrial companies: Woolworths, Wesfarmers, Telstra and Qantas. The median response was 20 to 39 per cent for each but with 40 to 59 per cent Wesfarmers. In each case the respondents greatly underestimated the actual figure. These four companies are summarised along with the banks and miners in Table 4.

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<sup>20</sup> The average was calculated by weighting each bank's figure by its market capitalisation.

**Table 4: Foreign ownership: Banks, miners and various companies**

	Median estimate	Actual
Big four banks	20-39	81
Commonwealth Bank	20-39	81
Australian mining industry	40-59	90
BHP	40-59	94
Fortescue	40-59	89
Woolworths	20-39	88
Wesfarmers	40-59	79
Telstra	20-39	51
Qantas	20-39	62

The data in Table 4 confirm very clearly that the public have vastly underestimated the level of foreign ownership in Australia. In all cases the actual level of foreign ownership is well above the perceived levels.

Given the results discussed so far it is very unlikely that the general public are aware that, on average, foreign interests own 80 per cent of the top 20 companies listed on the Australian stock exchanges, or 79 per cent of the top 30 companies listed by sales. These figures for the top 20 by market value and top 30 by sales capture a good proportion of Australia's corporate sector and would probably account for a high proportion of big business, if indeed that could be measured. It might well be concluded that the average Australian has no idea of the extent to which Australian big business is not Australian at all.

# Inconsistency with the law?

The foreign ownership figure for Telstra (51.26 per cent) is a concern. The foreign investment guidelines say “The *Telstra Corporation Act 1991* limits aggregate foreign ownership of Telstra to 35 per cent, and individual foreign investors are only allowed to own up to 5 per cent.”<sup>21</sup> On Telstra’s website it says “Telstra estimates that as at 30 September 2021, the number of Telstra shares recorded as foreign on the Telstra register was 20.7 per cent of the total number of issued Telstra shares.”<sup>22</sup> Despite that Bloomberg shows 51.26 per cent foreign ownership in Telstra in March 2022. Examination of the shareholders in Telstra’s annual report is no help. The top 5 shareholders hold 50 per cent of Telstra and each of these are nominee companies. Nominee companies hold shares in Telstra on behalf of their clients and, of course, frustrate the intention of requiring companies to list their top 20 shareholders in their annual reports. The beneficial interests in a company like Telstra is completely obscured by nominee companies.

Qantas raises similar concerns with 61.87 per cent foreign ownership. Under the *Qantas Sale Act 1992*, paragraph 7(1)(a) provides that Qantas “impose restrictions on the issue and ownership (including joint ownership) of shares in Qantas so as to prevent foreign persons having relevant interests in shares in Qantas that represent, in total, more than 49% of the total value of the issued share capital of Qantas”.<sup>23</sup> Clearly, on Bloomberg’s data the actual foreign ownership figures are inconsistent with the legislation.

These are disturbing developments, and it is just by accident that, by examining the top 20 companies we stumbled on apparent inconsistencies with the law. The first leader of the Australian Democrats, Don Chipp, used to complain in the 1970s and 1980s that Australia had foreign investment rules, but no attempt was ever made to ensure compliance with the requirements on foreign investors in matters such as ownership limits.<sup>24</sup> Of course Don Chipp was not alone and a Parliamentary Library publication refers to widespread criticism including a critical Senate report.<sup>25</sup>

There was simply no provision for any sanctions for non-compliance by foreign companies. For example, early on Australian foreign investment policy included guidelines for the

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<sup>21</sup> Foreign Investment Review Board (2022) Australia’s foreign investment policy, 14 January at [https://firb.gov.au/sites/firb.gov.au/files/2022-01/Australias\\_Foreign\\_Investment\\_Policy-20220114.pdf](https://firb.gov.au/sites/firb.gov.au/files/2022-01/Australias_Foreign_Investment_Policy-20220114.pdf).

<sup>22</sup> Telstra (2022) “About us” at <https://www.telstra.com.au/aboutus/investors/frequently-asked-questions/foreign-shareholding>

<sup>23</sup> See Qantas Sale Act 1992 as amended at <https://www.legislation.gov.au/Details/C2018C00091>.

<sup>24</sup> On Don Chipp’s general views on foreign ownership and the role of the Foreign Investment Review Board, see Chipp D (1985) “Liberals new economics goes too far”, *Press Release No 85/215*, 1 September.

<sup>25</sup> See Hanratty P (1996) “Inward Direct Foreign Investment in Australia: Policy Controls and Economic Outcomes”, *Parliamentary Library Research Paper No 32/1995-96*.

appropriate level of foreign equity for different industries. The FIRB was understandably willing to recommend proposals which did not meet the guidelines provided that the foreign investor agreed to allow additional Australian participation in the future. Often the foreign investor was asked to commit itself to a certain timetable for achieving agreed levels of Australian equity. However, once the commitment was obtained and approval given there was no mechanism for ensuring compliance with the commitment and withdrawing approval—it would normally be too late to do anything. Nor is there any evidence that the FIRB seriously monitored its decisions.<sup>26</sup> An examination of the latest FIRB annual report suggests very modest levels of compliance activity and most of that seemed to involve asking companies if they were abiding by their obligations. That is in stark contrast to the treatment of compliance in real estate purchases. Much more activity is reported in the case of real estate, much of which involved following up “the owners of the properties reported by community members were found to be Australian citizens or permanent residents”.<sup>27</sup> A cynic might suggest the foreign investment compliance ignores companies but pursues individuals who look foreign.

Most of the FIRB decisions have been secret but some of the major decisions have been released over the years. For example, as shown above, Rio Tinto is now 95.16 per cent foreign owned. In evidence to a Senate inquiry into foreign investment we made some comment on this company.<sup>28</sup> Rio Tinto is the successor to CRA, whose initials had stood for ConZinc Riotinto of Australia. CRA had been obliged to ‘Australianise’ by reaching 50 per cent Australian ownership under the then policy. To make investments that complied with the FIRB guidelines it had to be 50 per cent Australian owned or on a path to reach 50 per cent. The then chair and managing director, Sir Roderick Carnegie, promised CRA would reach 50 per cent ‘as fast as we can’ and in 1979 CRA announced that the Government was granting it ‘naturalising’ status on that basis. Of course, CRA took advantage of its ‘naturalising’ status with investments in the Ashton diamond joint venture agreement, and the takeovers of Australian Biotechnological Holdings Pty Ltd and Techno-Proteins Pty Ltd. The actual agreement and the timetable for 50 per cent Australian ownership was not made public but today, Rio Tinto, the successor company, remains more foreign-owned than it was in the 1970s and has well and truly outlasted the ‘naturalising’ policy. As far as we can tell it never abided by any ownership conditions and got what it wanted anyway.

It may be symptomatic of the approach to foreign investment that the FIRB was almost a whole year late presenting its 2019-20 annual report and has not yet reported for 2020-21. In that regard it is also noteworthy that in 2021 the Senate Economics Committee report into foreign investment proposals made recommendations that would:

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<sup>26</sup> Richardson D (2020) *Inquiry into Foreign Investment Proposals: Submission to Senate Economics Committee*, Australia Institute Submission, March.

<sup>27</sup> FIRB (2021) *Annual Report 2019-20*, p 52.

<sup>28</sup> Richardson D (2020) *Inquiry into Foreign Investment Proposals: Submission to Senate Economics Committee*, Australia Institute Submission, March.

- make undertakings enforceable and published,
- audit the skills necessary to assess foreign investment and staff the regulators accordingly, and
- reviews the structure “necessary for an effective and efficient foreign investment regulator”.<sup>29</sup>

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<sup>29</sup> Senate Economics References Committee (2021) *Greenfields, cash cows and the regulation of foreign investment in Australia* at [https://parlinfo.aph.gov.au/parlInfo/download/committees/reportsen/024433/toc\\_pdf/Greenfields,cashcow sandtheregulationofforeigninvestmentinAustralia.pdf;fileType=application%2Fpdf](https://parlinfo.aph.gov.au/parlInfo/download/committees/reportsen/024433/toc_pdf/Greenfields,cashcow%20sandtheregulationofforeigninvestmentinAustralia.pdf;fileType=application%2Fpdf). The report also made reference to the national interest provisions which are discussed below.

# Implications for democracy and the national interest

From the polling there is both a large underestimate of how foreign owned Australian business has become and secondly that, even so, Australians think foreign investment is too high.

Australian policy over the last three or four decades has taken a more laissez faire approach to foreign investment. The Whitlam government is the last to claim any push back against foreign investment. However, then Treasurer, Paul Keating, did make the claim that dividend imputation would encourage more equity investment on the part of Australian investors.<sup>30</sup> Super funds taxed at 15 per cent could almost wipe out their tax liability with franking credits if they had sufficient holdings of Australian shares. On the other hand, Keating is known to have encouraged the entry of foreign banks.<sup>31</sup> A Cabinet Minister at the time confided to the author that Keating won the foreign banks argument in Cabinet by saying that “our bastards” [the Australian banks] were worse than “their bastards”.

Australia’s leaders and western leaders throughout the world like to preach democratic values. That raises the obvious question, what should happen when foreign investment is higher than people think, but a majority of people nevertheless think foreign investment is too high in Australia. The logic of democratic values is that a country should respect the people’s will and seek to reduce the level of foreign ownership among the commanding heights of the Australian economy.

## National interest used to reject some proposals

Of course, some foreign investment proposals have been rejected under the national interest provisions. Some years ago, Australia rejected a takeover bid, the proposal for Shell to takeover Woodside Petroleum, the operator of the giant North West Shelf gas facility. Then Treasurer, Peter Costello, found the proposal would be contrary to the national interest. The reasoning was that Shell operated gas operations in various places throughout the world and it may not have been motivated to operate Woodside the same way as might the Australian owners. Shell might find it suitable to idle North West Shelf occasionally in order to maximise its global revenue. However, that would not be likely under Australian ownership. The press release from the Treasurer admitted that it was very unlikely that any

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<sup>30</sup> Keating PJ (1985) ‘Reform of the Australian taxation system: Ministerial Statement’, *House of Representatives Hansard*, 19 September.

<sup>31</sup> Barton R (2020) “From the Archives, 1985: Keating opens Australia to foreign banks”, *The Age*, 26 February.

conditions could be phrased that would oblige Shell to act as if the NW Shelf was its major asset.<sup>32</sup>

Years later a subsequent Treasurer, Joe Hockey, rejected a bid for GrainCorp on the part of US company Archer Daniels Midland. GrainCorp is the privatised authority that had a monopoly on grain handling in NSW. That proposal was found to be against the national interest.<sup>33</sup> Similar reasoning to the Woodside case was used to the effect that the new owners would have acted in a manner detrimental to Australian interests as well as the interests of other stakeholders in Australia.

## Acting contrary to the national interest may be the norm.

We may well ask if normally we can expect foreign owned companies in Australia to act contrary to Australia's national interest.

In 2021, the Senate Economics Committee reported on the regulation of foreign investment in Australia. Among other things, it examined whether there should be some kind of positive national interest test which would require foreign investors to demonstrate how their investment would benefit Australia. That raises the question of whether Australia could make undertakings legally enforceable if they promised that their investment will result in more jobs, a better environment, community benefits, or some other advantages.

The Economics Committee put this question to the Department of Foreign Affairs and Trade and the Office of International Law in the Attorney-General's Department. It complained that 'The departments initially declined to provide a substantive answer to these questions. The committee reaffirmed its request [but] the departments responded in a manner that was not helpful.' Eventually, the committee concluded that the Australian government 'is likely prevented by international trade obligations' from requiring foreign investors to show how their investments would benefit Australia. It cannot do anything to compel foreign investors to 'carry through with the promises they make when they propose an investment'.<sup>34</sup> This powerlessness means that Australia, like many other countries, has entered into trade agreements that give a higher priority to the interests of private investors than to its own sovereignty.<sup>35</sup> If Parliament feels it can do little about seeking benefits to Australia in new foreign investment proposals, then it is likely to feel even less potent about existing foreign owned businesses.

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<sup>32</sup> Costello P (2001) "Foreign Investment Proposal - Shell Australia Investments Limited's (Shell) Acquisition Of Woodside Petroleum Limited (Woodside)", *Treasurer Press Release No 025*, 23 April.

<sup>33</sup> AustralianPolitics.com (2013) "Treasurer Joe Hockey Blocks ADM Takeover Of GrainCorp", *AustralianPolitics.com*, 29 November at <https://australianpolitics.com/2013/11/29/hockey-blocks-adm-takeover-of-graincorp.html>

<sup>34</sup> Senate Economics Committee, Greenfields, cash cows and the regulation of foreign investment in Australia, Parliament of Australia, August 2021, pp 43-45.

<sup>35</sup> Fernandes C private correspondence.

Some years ago, Kodak Australasia sought assistance and one of the conditions for assistance included that Kodak's head office allow its subsidiary in Australia to export from Australia. Apparently, Kodak Australasia had been prevented from taking advantage of export opportunities but which had not been publicly known before that. Moreover, Cabinet papers acknowledge that Kodak Australasia was globally competitive but, in the context of global over-production, the parent company was loathe to cease production in the US, Europe or South America and the Australian plant was considered expendable despite remaining competitive.<sup>36</sup> That is a clear example of how foreign ownership affects the operations of a business in Australia. No doubt the same considerations were behind the closure of the Ford, General Motors and Toyota Australian operations following taunts by the then Treasurer, Joe Hockey. It appeared that those motor vehicle companies each had global over-capacity but for political considerations were reluctant to close any of their country-specific operations, at least until the government of the day made it clear those companies were not valued. That then allowed the companies concerned to make decisions reflecting their global strategies.

Export restrictions placed on Australian subsidiaries by their parent companies are a particularly important issue. Arndt and Shirk examined the restrictions on exports by subsidiaries of multinational corporations and their conflict with Australian aspirations of developing world class manufacturing industries with a strong export orientation.<sup>37</sup> On that point a useful summary of the views on export restrictions from head office on foreign affiliates is provided by the Industry Commission (1992).<sup>38</sup> Despite canvassing evidence from people like Greg Crough as well as the Metals and Engineering Workers Union and the Australian Manufacturing Council the Industry Commission thought it was best to leave it to the market. The Centre for Future Work (part of The Australia Institute) hosted a National Manufacturing Summit at which one of the speakers referred to the problems Australian manufacturers have convincing head office that they are in a position to export.<sup>39</sup> While the struggle was expressed positively—the struggle to get a mandate to export—the issue remains the same—overcoming export franchise restrictions. This remains a serious issue for a country whose corporate sector is foreign-owned. The foreign-owned protected manufacturing later promoted Senator John Button to refer to a “classic colonial culture industry” in Australian manufacturing. The colonial culture he referred to involves foreign-owned or controlled enterprises establishing subsidiaries in Australia with a brief to manufacture for the local market only (with perhaps some exports to the South Pacific),

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<sup>36</sup> AAP (2014) “Kodak aid \$36m to forestall the inevitable”, SBSNews, 30 December at <https://www.sbs.com.au/news/article/kodak-aid-36m-to-forestall-the-inevitable/hv2wfi9wa>

<sup>37</sup> Arndt HW and Sherk DR (1959) “Export franchises of Australian companies with overseas affiliates”, *Economic Record*, vol. 35.

<sup>38</sup> Industry Commission (1992) Commercial restrictions on exporting (including franchising), Report No 23, 27 April at <https://www.pc.gov.au/inquiries/completed/commercial-export-restrictions/23creif.pdf>

<sup>39</sup> Ives P (2017) ‘Global product mandates’ The Centre for Future Work and The Australia Institute, National Manufacturing Summit, Parliament House Canberra, 21 June.

using old technology and little or no local R&D, design etc., little regard for their competitiveness or productivity, and generally inward-looking and isolated from the international market in which they could operate.<sup>40</sup>

An important argument rarely articulated is the impact of foreign investment on the location of head office functions that affects people employed in corporate treasury functions, top level policy and decision-making, financing, legal work, information technology and database management and so on. With those functions goes some of the demand for the services of the specialist legal, accounting and other firms. These objections were raised in the Shell/Woodside episode when WA members of Parliament put objections to the takeover based on the 'branch office' economy argument and have put the 'undesirability of Australian companies becoming mere surrogates of multinationals'.<sup>41</sup> WA had long felt a grudge against the rest of Australia as it had seen the head offices of many of its own companies disappear to the eastern states along with the head office jobs. Ian Harper conceded that the export of 'high-paying Australian jobs' could represent a legitimate national interest argument.<sup>42</sup> In many cases the head-office location argument was involved in either rejecting decisions or giving approvals subject to conditions. Examples include Campbell's takeover of Arnotts, Axa's takeover of National Mutual, and BHP's merger with Billiton PLC.

Commercial practices that involved an MNC subsidiary in Australia that was not permitted by the parent to export its product as 'this would compete unduly with its other subsidiaries elsewhere in the world which the parent company preferred, for various reasons of its own, to be the export-oriented subsidiaries. A survey conducted by the Department of Trade in the late 1950s into this practice found it to be widespread.<sup>43</sup> Arndt and Sherk were quoted as saying 'it may be a serious matter if a significant proportion of the firms in its manufacturing industries, and not improbably the most up-to-date and therefore most competitive firms, are not interested in export or are hamstrung by franchise restrictions. There is a clear conflict of interest between the overseas investor and the borrowing country'.<sup>44</sup>

Not least of the issues that arise with foreign ownership is the inevitable clashes between domestic policy and foreign diplomacy in favour of foreign companies. One interesting example was the case of the American government vehemently attacking Australian policy in the interests of its US chewing tobacco sales. The local importer, United Tobacco

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<sup>40</sup> Button J (1985) 'Second reading: Bounty (commercial motor vehicles) Amendment bill 1985', *Senate Hansard*, 26 March.

<sup>41</sup> Walker T (2001) 'Bid decision must come soon', *The Australian Financial Review*, 7 March.

<sup>42</sup> Harper I (2001) 'Economic gain must carry the day', *The Australian Financial Review*, 22 February.

<sup>43</sup> Dyster B and Meredith D (1990) *Australia in the international economy in the twentieth century*, Cambridge: Cambridge UP.

<sup>44</sup> Arndt HW and Sherk DR (1959) "Export franchises of Australian companies with overseas affiliates", *Economic Record*, vol. 35.

Company, mounted a legal challenge against the Australian government's decision to ban sales of chewing tobacco and snuff. It was also reported that "Australia has earned the ire of [US] Senator Helms and the entire US tobacco lobby of which he is the political spearhead."<sup>45</sup> Australia resisted the intense lobbying, but it may well be that this episode made the government wary of similar action in the aftermath of that episode. More recently and more seriously the US Government has leaned heavily on Australia to reverse the decision by the Northern Territory Government to cede ownership of the Port of Darwin to Chinese interests.<sup>46</sup>

An earlier analysis of the foreign corporate influence on Australian politics pointed out that the mining industry was then 86 per cent foreign-owned and had spent over \$541 million in the previous 10 years on lobbying governments.<sup>47</sup> Where relevant the lobbying would have had foreign interests in mind rather than Australian interests. For example, it is unlikely that a foreign owned mining industry would be terribly keen on adding value in Australia with, for example, a policy that encouraged local smelting operations.

The Business Council of Australia aims to represent the CEOs of the top companies in Australia, which our study suggests are very likely to be majority foreign-owned. One of the issues the BCA constantly raises is company tax and advocates reductions in the rates. Following one particular setback it was reported that "A defiant Business Council of Australia has vowed to keep pursuing a tax package that includes a cut in the company tax rate...The big business lobby group's board expressed its bitter disappointment...at the dismissal of the idea that any tax package should include a company tax rate cut".<sup>48</sup> Most recently the BCA has called for an increase in the number of companies able to access the 25 per cent tax rate compared with the standard 30 per cent tax rate. That would be achieved through raising the turnover threshold below which the 25 per cent rate applies and exempting foreign sales from the turnover figures, so benefiting multinational exporters.<sup>49</sup>

Generally it can be confidently asserted that a foreign owned corporate sector will advocate policies and take actions that are not necessarily in Australia's national interest. At the moment there is no mechanism to determine whether this is happening or not. It is only

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<sup>45</sup> Hywood G (1988) "Aust chewing tobacco ban has US senator spitting chips", *Australian Financial Review*, 29 January.

<sup>46</sup> Wood R (2021) "Government urged to take back Darwin port lease from Chinese company", *9News*, 18 March.

<sup>47</sup> Aulby H (2017) *Undermining our democracy Foreign corporate influence through the Australian mining lobby*, *Australia Institute Discussion Paper*, August.

<sup>48</sup> Tingle L (2016) "Business Council urges PM to sell business tax cut", *Australian Financial Review*, 2 March.

<sup>49</sup> BCA (2022) Unshackling the private sector – a business-led recovery: Budget submission 2022-23, at [https://assets.nationbuilder.com/bca/pages/6740/attachments/original/1645121138/Budget\\_sub\\_2022\\_-\\_FINAL\\_18\\_February\\_2022.pdf?1645121138](https://assets.nationbuilder.com/bca/pages/6740/attachments/original/1645121138/Budget_sub_2022_-_FINAL_18_February_2022.pdf?1645121138)

when a foreign investor presents the government with a specific proposal that there is any chance that the Treasurer may object to the proposal.

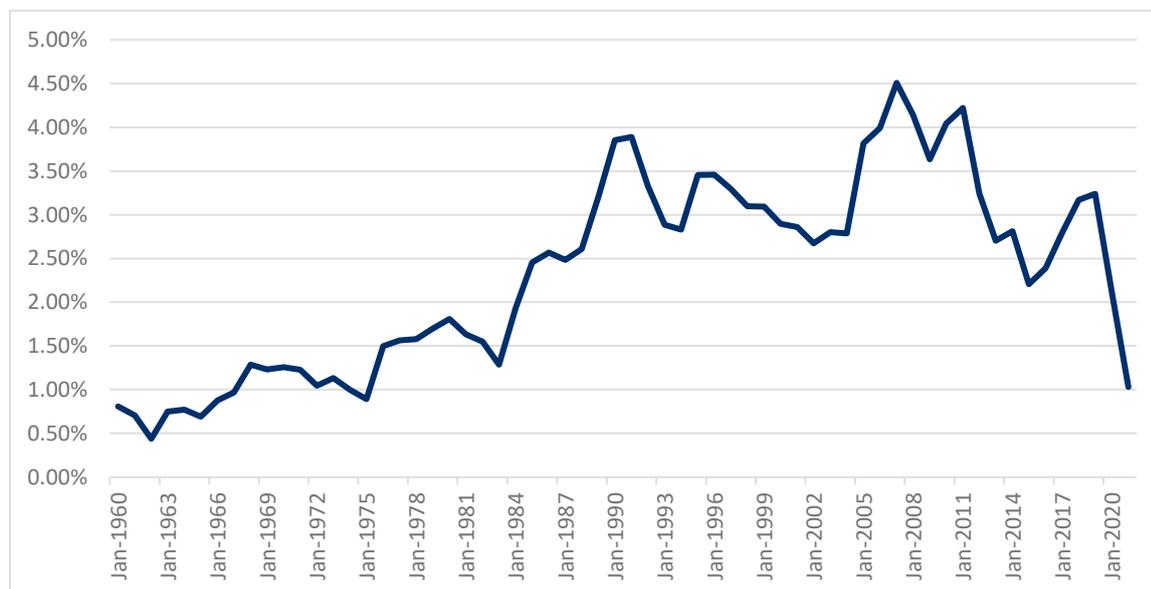
## Macroeconomic impacts

The Vernon report into the Australian economy in 1965 warned years ago a high level of foreign ownership creates special problems for a country like Australia. The Vernon Report referred to the problem of monetary flows associated with foreign investment by saying:

Once an economy has a substantial body of overseas investment, it is in a sense “on the tiger’s back” unless the trade balance is improving sufficiently to meet the additional income payable overseas. The continuation of capital inflow becomes seemingly more and more desirable as a means of offsetting the increasing payments on the latter account. As the annual amounts become larger, the immediate consequences for the economy of an interruption of the capital inflow, either contrived or occurring by reason of external circumstances, become more and more serious.<sup>50</sup> (Report of the Committee of Economic Enquiry 1965, p. 11.14).

We could argue that Australia now is in the position where foreign ownership and debt is so high that it cannot do without ever more foreign investment. An important indicator to consider in this regard is the share of GDP going offshore as net foreign income. Figure 11 shows Australia’s experience since 1959-60 to the most recent financial year, 2020-21.

**Figure 11: Net Foreign income going offshore, share of GDP %**



<sup>50</sup> Committee of Economic Enquiry (1965) *Report of the Committee of Economic Enquiry, Vol. 1, May 1965* (Vernon Report), pp 11.14.

Source: ABS (2022) *Australian National Accounts: National Income, Expenditure and Product, December 2021*, 2 March and ABS (2022) *Balance of Payments and International Investment Position, Australia, December 2021*, 1 March.

The data behind Figure 11 display a very clear upward trend broken by the most recent experience. By contrast, just before the global financial crisis net foreign income going offshore peaked at 4.5 per cent. The concern is that following some sort of return to normal Australia will resume its historic pattern of paying higher share of income offshore.

This is not the place to go into a full discussion of the consequences of massive payments abroad. Suffice it to say that massive payments to foreign owners will inevitably have unfavourable consequences for the Australian economy, not least due to those funds no longer being available for Australian decision-makers to manage.

# Foreign ownership in LNG projects.

The access to the Bloomberg Professional Terminal database allowed a thorough breakdown of the Australian ownership of LNG facilities. Many of the companies concerned, such as Shell and Chevron, are immediately recognisable as 100 per cent foreign owned. It is mainly the companies, such as BHP, Santos and Woodside, headquartered in Australia and listed in Australia that have a mix of foreign and Australian ownership which we can now determine through the Bloomberg database. Table 5 shows the LNG plants concerned and lists their capacity, their foreign and Australian equity and the production share attributable to Australian owners.

**Table 5: LNG projects, Australian and foreign equity**

	Capacity, m tonnes pa	Foreign equity %	Australian equity %	Production capacity attributable to Aust owners, m tonnes pa.
Gorgon	15.6	100.00	0.00	0.00
Wheatstone	8.9	97.69	2.31	0.21
North West Shelf	16.9	96.10	3.90	0.66
Pluto	4.7	84.00	16.00	0.75
Prelude	3.6	100.00	0.00	0.00
Ichthys	8.9	100.00	0.00	0.00
Darwin	3.7	87.49	12.51	0.46
Australia Pacific LNG	9.0	88.90	11.10	1.00
Queensland Curtis LNG	8.5	100.00	0.00	0.00
Gladstone LNG	7.8	91.35	8.65	0.67
Total	87.6	na	na	3.75

Source: Office of the Chief Economist, Department of Industry, Science, Energy and Resources (2022) *Resources and Energy Quarterly*, March 2022; Bloomberg Professional Terminal database, and various corporate home pages.

Table 5 confirms that the LNG industry is dominated by foreign companies. Even the least foreign-owned, Pluto, has a high 84 per cent foreign ownership. Three of the projects, Gorgon, Prelude, Ichthys and Queensland Curtis LNG, are 100 per cent foreign owned. Seven out of the 10 projects are at least 90 per cent foreign owned.

From the figures in Table 5 it is possible to also calculate the average foreign and Australian equity in the LNG industry if we weight the projects by their capacity. When that figure is calculated the foreign share of the LNG industry is equal to 95.7 per cent while the Australian equity is 4.3 per cent. The details for each project are further broken down in an appendix.

Years ago in relation to a proposed takeover of Woodside by Shell, the then Treasurer, Peter Costello, ruled against the takeover and said:

It is in the national interest for the operator of this project to develop the resource to its maximum and for sales from the NWS [North West Shelf] to be promoted in preference to competing sales from projects in other parts of the world... I have not been able to see that enduring conditions which are fully enforceable could be put in place in advance, as such conditions would require action after the approval and require the consent of joint venturers which cannot be guaranteed.<sup>51</sup>

The same could well be said for virtually all the other LNG projects listed here. All the LNG facilities are dominated by foreign-owned corporations and are overwhelmingly foreign owned. None of the owners of these facilities could be expected to favour Australia's national interest in preference to other interests.

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<sup>51</sup> The Treasurer, Hon Peter Costello, MP, Press Release, 'Foreign Investment Proposal – Shell Australia Investments Limited's (Shell) Acquisition of Woodside Petroleum Limited (Woodside),' 23 April 2001.

# Conclusions

The owners of Australia's industry are not Australian. Australians own a tiny fraction of the Australian corporate sector and seem to be deluded as to the extent of foreign ownership. That is the dramatic result of the present survey of ownership of Australian-based companies. Sen John Button once complained about a "classic colonial culture industry" in Australian manufacturing. The evidence produced in the present paper suggests that colonial culture extends well beyond manufacturing.

Given the extremely high level of foreign ownership a policy of winding it back seems rather urgent and well overdue. If Whitlam thought foreign ownership was too high in the 1970s there needs to be a very serious look at doing something about present levels.

A first step might be an inquiry that goes beyond the scope of this paper to look at the full extent of foreign ownership in Australia and publish the results with an eye to the implications for different industries, communities, regions and so forth. Part of that would include the political implications of foreign ownership such as the impact on lobbying and other attempts to influence policy. It should also include the manner of decision-making and implications for Australian exports, employment, investment, and other activity.

Action plans need to be developed to "buy back the farm" and the respective roles for the government and private Australian investors. The role of the Future Fund and Australian superannuation funds is relevant.

Australians tend to forget their past, but Australia has a long history of initiatives designed to Australianise industry and there are lessons to be learned from that history. Likewise, there have been many attempts to foster awareness of the benefits of purchasing local goods and services.

In Australia there was an unproductive debate about the meaning of "national interest" in the policy on foreign investment approvals. It seems very difficult to actually define what might be meant by national interest. However, it is often obvious when something violates the national interest. It could be argued that those survey participants who believe foreign investment in Australia is too big have a notion that the national interest is not being served by high levels of foreign ownership.

# Appendix: Examples of screenshot

CBA AT A\$ ↓ 94.705 +0.105 T94.69 / 94.73T 435 x 50  
 At 19:04 d Vol 395,747 0 94.25T H 94.72T L 93.65T Val 37.291M

CBA AT Equity COMMONWEALTH BANK OF AUSTRAL ISIN AU000000CBA7

Compare Current Stats Against 02/27/22

Institutional - Based on Current Filings				Insider - Based on Last 6 Months			
	02/27/22	Curr	Change		02/27/22	Curr	Change
11 % of Shares Held	25.68	24.35	-1.33%	21 % of Shares Held	0.01	0.01	0.00%
12 % of Float Held	25.66	24.33	-1.33%	22 % Chg Insider Positions	+20.80	+1.39	-19.41%
13 # of Institutions	497	495	-0.40%	23 # of Insiders	9	9	0.00%
14 # of Buyers	158	158	0.00%	24 # of Buyers Opn Mkt	2	2	0.00%
15 # of Sellers	187	185	-1.07%	25 # of Sellers Opn Mkt	0	0	0.00%
16 # of New Buyers	40	41	+2.50%	26 # of Shrs Bought Opn Mkt	341	341	0.00%
17 # of Selloffs	46	46	0.00%	27 # of Shrs Sold Opn Mkt	0	0	0.00%
18 % Chg in Inst Positions	+42.79	+56.54	+13.75%	28 Avg Opn Mkt Buy Price	95.57	95.57	0.00%
				29 Avg Opn Mkt Sell Price	0	0	0.00%

Top Geographic Ownership (%)				Top Ownership Type (%)			
	02/27/22	Curr	Change		02/27/22	Curr	Change
31 United States	61	54.61	-6.39%	41 Investment Advisor	90.51	90.01	-0.50%
32 Australia	19.16	19.88	+0.72%	42 Sovereign Wealth Fund	7.51	7.92	+0.41%
33 Ireland	3.49	8	+4.51%	43 Bank	0.41	0.42	+0.01%
34 Norway	4.87	5.13	+0.26%	44 Individual	0.39	0.42	+0.03%
35 Japan	3.28	3.46	+0.18%	45 Holding Company	0.39	0.41	+0.02%
36 United Kingdom	2.55	2.69	+0.14%	46 Other	0.25	0.26	+0.01%
37 Luxembourg	1.6	1.73	+0.13%	47 Insurance Company	0.23	0.24	+0.01%
38 Switzerland	1.04	1.09	+0.05%	48 Pension Fund	0.16	0.17	+0.01%
39 Canada	0.78	0.81	+0.03%	49 Endowment	0.09	0.1	+0.01%

<Back> to Undo UNITED STATES

CBA AT Equity COMMONWEALTH BANK OF AUSTRAL ISIN AU000000CBA7

Search Name Default - No Search Selected 2) Save Search 2) Delete Search 2) Refine Search

Text Search Holder Group All Holders Investment Manager View

3) Further Details: Click 3) for holders with unknown non-substantial holding

2) Color Legend Shrs Out 1,706,4M % Out 14.08 Float/Shrs Out 99.75 SI % Out 0.67

Holder Name	Position	Portfolio Name	Source	Opt	% Out	Latest Chg	File Dt
1. BlackRock Inc	105,493,038		13G		6.18	295,262	12/31/21
2. Vanguard Group Inc/The	72,671,455		ULT-AGG		4.26	-7,992,868	01/31/22
3. FMR LLC	9,062,199		ULT-AGG		0.53	250,699	03/04/22
4. FIL Ltd	8,986,002		ULT-AGG		0.53	-6,407	03/04/22
5. State Street Corp	8,497,099		ULT-AGG		0.50	22,517	03/04/22
6. Teachers Insurance & Annuity Association of America	6,983,788		ULT-AGG		0.41	62,363	12/31/21
7. JPMorgan Chase & Co	4,500,147		ULT-AGG		0.26	45,310	03/04/22
8. Charles Schwab Corp/The	3,933,018		ULT-AGG		0.23	12,543	03/03/22
9. Geode Capital Management LLC	2,739,682	Multiple Portfolios	MF-AGG		0.16	61,536	11/30/21
10. UBS AG	2,683,768		ULT-AGG		0.16	219,733	03/04/22
11. Dimensional Fund Advisors LP	2,050,292	Multiple Portfolios	MF-AGG		0.12	54,228	03/03/22
12. Deutsche Bank AG	1,609,467		ULT-AGG		0.09	-45,453	03/05/22
13. Northern Trust Corp	1,226,235	Multiple Portfolios	MF-AGG		0.07	-8,598	01/31/22
14. abrdn plc	945,303		ULT-AGG		0.06	-14,200	01/31/22
15. Manulife Financial Corp	883,407		ULT-AGG		0.05	0	03/04/22
16. Allianz SE	640,366		ULT-AGG		0.04	3,177	03/03/22
17. Equitable Holdings Inc	575,296	Multiple Portfolios	MF-AGG		0.03	-15,171	12/31/21
18. FRANK RUSSELL COMPANY	543,974		ULT-AGG		0.03	7,800	02/08/22
19. Goldman Sachs Group Inc/The	496,728		ULT-AGG		0.03	-48,827	02/16/22
20. Bank of Montreal	440,966		ULT-AGG		0.03	-1,213	03/04/22
21. Nationwide Fund Advisors	419,289	Multiple Portfolios	MF-AGG		0.02	-895	03/03/22
22. Impax Asset Management Group PLC	416,271	Multiple Portfolios	MF-AGG		0.02	-1,913	03/03/22
23. Franklin Resources Inc	403,647		ULT-AGG		0.02	3,665	03/04/22
24. Lincoln Investment Advisors Corp	311,776	Multiple Portfolios	MF-AGG		0.02	0	12/31/21
25. Voya Investment Management LLC	301,901	Multiple Portfolios	MF-AGG		0.02	0	01/31/21
26. Thrivent Financial for Lutherans	300,762	Multiple Portfolios	MF-AGG		0.02	-178,992	12/31/21
27. Prudential Financial Inc	294,739		ULT-AGG		0.02	-70,002	01/31/22
28. WisdomTree Investments Inc	229,962		ULT-AGG		0.01	374	03/04/22
29. GinsGlobal Index Funds Mauritius Ltd/Mauritius	207,073	Multiple Portfolios	MF-AGG		0.01	0	01/31/22
30. Power Corp of Canada	201,255		ULT-AGG		0.01	15,749	03/03/22
31. Principal Financial Group Inc	176,540		ULT-AGG		0.01	11,675	03/04/22

These two screenshots show the ownership of the Commonwealth Bank. The first screenshot shows the geographic distribution of ownership and confirms Australian ownership in the Commonwealth Bank is a low 19.88 per cent while US interests own 54.61 per cent as the screen shot was taken. The second screenshot lists the owners of the Commonwealth Bank listed in descending order. BlackRock Inc is the top shareholder with 6.18 per cent of shares followed by Vanguard Group Inc with 4.26 per cent. Neither of these are Australian. As we go through the 31 top holders in the second screenshot, we account for 13.95 per cent of the ownership and we have not yet encountered an obviously Australian shareholder.

# Appendix: Ownership of LNG projects in Australia

	Company share of project %	Aust share of company %
<b>Gorgon</b>		
Chevron	47.30	0.00
ExxonMobil	25.00	0.00
Shell	25.00	0.00
Osaka Gas	1.25	0.00
Tokyo Gas and other	1.42	0.00
Average		0.00
<b>Wheatstone</b>		
Chevron	64.14	0.00
Kuwait Foreign Petroleum Exploration Company	13.40	0.00
Woodside	13.00	17.78
Kyushu Electric Power Company	1.46	0.00
PE Wheatstone Pty Ltd	8.00	0.00
Average		2.31
<b>North West Shelf</b>		
Woodside	16.67	17.78
BHP	16.67	5.59
BP	16.67	0.00
Chevron	16.67	0.00
Shell	16.67	0.00
Japan Australian LNG (Mitsui and Mitsubishi)	16.67	0.00
Average		3.90
<b>Pluto</b>		
Woodside	90.00	17.78
Tokyo Gas	5.00	0.00
Kansai Electric	5.00	0.00
Average		16.00
<b>Prelude</b>		
Shell	67.50	0.00
INPEX	17.50	0.00

CPC	5.00	0.00
KOGAS	10.00	0.00
Average		0.00
<b>Ichthys</b>		
INPEX	62.25	0.00
TOTAL	30	0.00
CPC Corporation, Taiwan	2.63	0.00
Tokyo Gas	1.58	0.00
Osaka Gas	1.20	0.00
Kansai Electric Power	1.20	0.00
JERA	0.44	0.00
Toho Gas	0.42	0.00
Average		0.0
<b>Darwin</b>		
Santos	43.40	0.00
SK E&S	25.00	0.00
INPEX	11.40	0.00
Eni	11.00	0.00
JERA	6.10	0.00
Tokyo Gas	3.10	0.00
Average		0.00
<b>Australia Pacific LNG</b>		
ConocoPhillips	47.50	0.00
Origin Energy	27.50	40.35
Sinopec	25.00	0.00
Average		11.10
<b>Queensland Curtis LNG</b>		
Shell	73.75	0.00
CNOOC in train 1	50.00	0.00
Tokyo Gas in Train 2	2.50	0.00
Average		0.00
<b>Gladstone</b>		
Santos	30.00	28.83
PETRONAS	27.50	0.00
Total	27.50	0.00
KOGAS	15.00	0.00
Average		8.65

# Appendix: Polling questions

Q10. Foreign ownership is when overseas investors buy shares in businesses that are nominally Australian, and which may be listed on the Australian Stock Exchange.

The following questions are about the levels of foreign ownership in Australian industries and specific companies.

What level of foreign ownership do you think there is in the following?

*Please select one response per row*

**GRID, SR PER ROW**

	0-19% foreign owned	20-39% foreign owned	40-59% foreign owned	60-79% foreign owned	80-100% foreign owned
Australia's big four banks (ANZ, Commonwealth Bank, National Australia Bank and Westpac)					
Commonwealth Bank					
The Australian mining industry					
BHP					
Fortescue Metals Group					
Woolworths					
Wesfarmers (Coles, Bunnings, etc.)					
Telstra					
Qantas					

Q11. Do you think foreign investment in Australia is too small, too big, or just right?

*Please select one response only*

SR

1. Too small
2. Too big
3. Just right
4. Don't know / Not sure

Table 6: Foreign ownership polling results

	Total	Male	Female	18-29	30-39	40-49	50-59	60+	NSW	QLD	VIC	WA	Coalition	Labor	Greens	One Nation	Independent / Other	
Q10_1 Australia's big four banks (ANZ, Commonwealth Bank, National Australia Bank and Westpac) - Foreign ownership is when overseas investors buy shares in businesses that are nominally Australian, and which may be listed on the Australian Stock Exchange. The following question																		
0-19% foreign owned	32%	35%	30%	29%	27%	30%	35%	40%	34%	29%	32%	31%	36%	31%	26%	30%	32%	
20-39% foreign owned	30%	30%	30%	27%	37%	27%	32%	25%	29%	27%	31%	34%	30%	33%	30%	33%	21%	
40-59% foreign owned	26%	23%	29%	30%	27%	27%	23%	24%	27%	27%	26%	26%	23%	27%	29%	16%	30%	
60-79% foreign owned	8%	7%	8%	9%	6%	10%	7%	8%	6%	12%	6%	6%	6%	6%	10%	15%	9%	
80-100% foreign owned	4%	5%	4%	6%	3%	6%	4%	3%	4%	6%	5%	4%	4%	3%	5%	7%	7%	
Q10_2 Commonwealth Bank - Foreign ownership is when overseas investors buy shares in businesses that are nominally Australian, and which may be listed on the Australian Stock Exchange. The following question																		
0-19% foreign owned	36%	37%	34%	28%	27%	34%	41%	47%	37%	32%	37%	32%	41%	35%	25%	30%	35%	
20-39% foreign owned	31%	31%	31%	28%	37%	29%	32%	26%	32%	26%	31%	36%	30%	34%	36%	30%	20%	
40-59% foreign owned	21%	19%	23%	24%	27%	21%	17%	17%	18%	28%	20%	24%	18%	19%	24%	21%	29%	
60-79% foreign owned	9%	8%	9%	14%	6%	12%	7%	7%	9%	9%	8%	5%	7%	10%	9%	13%	9%	
80-100% foreign owned	4%	5%	3%	7%	3%	5%	3%	3%	4%	6%	4%	4%	3%	2%	6%	7%	7%	
Q10_3 The Australian mining industry - Foreign ownership is when overseas investors buy shares in businesses that are nominally Australian, and which may be listed on the Australian Stock Exchange. The following question																		
0-19% foreign owned	20%	21%	18%	17%	21%	21%	24%	14%	22%	20%	16%	16%	24%	16%	17%	23%	19%	
20-39% foreign owned	24%	25%	23%	24%	27%	22%	24%	23%	22%	20%	27%	30%	28%	24%	18%	21%	20%	
40-59% foreign owned	33%	30%	36%	38%	31%	34%	31%	34%	34%	30%	34%	35%	30%	35%	37%	33%	32%	
60-79% foreign owned	17%	18%	16%	15%	15%	15%	16%	23%	16%	22%	14%	15%	14%	19%	20%	16%	18%	
80-100% foreign owned	6%	6%	6%	6%	6%	8%	5%	6%	6%	9%	8%	5%	3%	7%	8%	7%	11%	
Q10_4 BHP - Foreign ownership is when overseas investors buy shares in businesses that are nominally Australian, and which may be listed on the Australian Stock Exchange. The following question																		
0-19% foreign owned	21%	22%	20%	11%	15%	22%	29%	25%	23%	20%	19%	19%	27%	17%	13%	20%	22%	
20-39% foreign owned	23%	25%	22%	30%	26%	19%	23%	22%	24%	17%	25%	30%	27%	23%	27%	21%	13%	
40-59% foreign owned	31%	30%	33%	35%	35%	34%	28%	26%	29%	33%	34%	27%	29%	32%	31%	26%	39%	
60-79% foreign owned	17%	15%	19%	16%	17%	15%	16%	20%	17%	21%	14%	17%	12%	20%	19%	23%	14%	
80-100% foreign owned	8%	9%	7%	8%	8%	11%	5%	6%	7%	10%	8%	8%	5%	7%	10%	10%	12%	
Q10_5 Fortescue Metals Group - Foreign ownership is when overseas investors buy shares in businesses that are nominally Australian, and which may be listed on the Australian Stock Exchange. The following question																		
0-19% foreign owned	24%	28%	21%	14%	19%	24%	30%	32%	27%	21%	23%	33%	30%	22%	21%	21%	20%	
20-39% foreign owned	26%	28%	24%	25%	28%	24%	27%	24%	27%	20%	26%	30%	30%	24%	21%	16%	30%	
40-59% foreign owned	28%	25%	32%	36%	30%	27%	26%	25%	28%	33%	30%	21%	27%	32%	31%	28%	23%	
60-79% foreign owned	15%	13%	16%	16%	16%	15%	14%	12%	12%	16%	16%	7%	9%	17%	17%	20%	18%	
80-100% foreign owned	7%	6%	7%	8%	6%	9%	4%	7%	6%	11%	5%	10%	4%	6%	10%	15%	9%	
Q10_6 Woolworths - Foreign ownership is when overseas investors buy shares in businesses that are nominally Australian, and which may be listed on the Australian Stock Exchange. The following question																		
0-19% foreign owned	28%	30%	27%	21%	24%	25%	35%	35%	30%	28%	26%	31%	33%	28%	22%	30%	26%	
20-39% foreign owned	28%	28%	28%	31%	31%	27%	29%	23%	28%	26%	29%	30%	29%	29%	25%	30%	23%	
40-59% foreign owned	26%	25%	27%	26%	28%	25%	25%	27%	24%	26%	27%	28%	24%	27%	29%	18%	30%	
60-79% foreign owned	11%	12%	11%	15%	13%	15%	8%	8%	11%	12%	12%	8%	9%	12%	14%	16%	11%	
80-100% foreign owned	6%	6%	7%	7%	4%	8%	4%	8%	7%	9%	6%	4%	5%	5%	10%	7%	9%	
Q10_7 Westfarmers (Coles, Bunnings, etc.) - Foreign ownership is when overseas investors buy shares in businesses that are nominally Australian, and which may be listed on the Australian Stock Exchange. The following question																		
0-19% foreign owned	31%	32%	29%	21%	25%	27%	39%	38%	31%	29%	28%	40%	37%	28%	27%	28%	28%	
20-39% foreign owned	26%	25%	27%	36%	28%	24%	23%	24%	27%	23%	29%	24%	26%	29%	22%	34%	20%	
40-59% foreign owned	26%	25%	28%	23%	30%	29%	23%	25%	26%	29%	26%	23%	25%	27%	27%	21%	28%	
60-79% foreign owned	12%	13%	11%	14%	13%	12%	12%	8%	11%	14%	11%	10%	9%	12%	14%	11%	14%	
80-100% foreign owned	5%	5%	6%	6%	4%	8%	3%	5%	5%	6%	6%	4%	3%	4%	10%	5%	11%	
Q10_8 Telstra - Foreign ownership is when overseas investors buy shares in businesses that are nominally Australian, and which may be listed on the Australian Stock Exchange. The following question																		
0-19% foreign owned	32%	34%	29%	16%	25%	29%	41%	45%	33%	32%	28%	33%	37%	31%	24%	23%	31%	
20-39% foreign owned	27%	30%	24%	27%	29%	24%	32%	21%	27%	20%	32%	34%	29%	29%	23%	31%	20%	
40-59% foreign owned	25%	20%	29%	38%	27%	27%	18%	17%	26%	27%	23%	18%	22%	23%	33%	25%	26%	
60-79% foreign owned	11%	11%	12%	14%	13%	14%	6%	11%	9%	13%	11%	14%	8%	14%	12%	13%	12%	
80-100% foreign owned	5%	5%	6%	6%	6%	7%	3%	5%	4%	9%	6%	2%	4%	3%	7%	8%	11%	
Q10_9 Qantas - Foreign ownership is when overseas investors buy shares in businesses that are nominally Australian, and which may be listed on the Australian Stock Exchange. The following question																		
0-19% foreign owned	34%	36%	33%	21%	26%	30%	42%	47%	37%	36%	31%	34%	41%	37%	23%	26%	28%	
20-39% foreign owned	26%	27%	25%	24%	26%	27%	28%	26%	26%	24%	28%	26%	29%	27%	22%	28%	23%	
40-59% foreign owned	25%	24%	26%	37%	28%	27%	19%	17%	26%	24%	27%	25%	20%	22%	37%	30%	30%	
60-79% foreign owned	9%	8%	10%	11%	12%	7%	7%	7%	7%	8%	8%	11%	6%	11%	10%	7%	9%	
80-100% foreign owned	5%	6%	5%	6%	5%	8%	4%	4%	4%	9%	6%	5%	4%	4%	7%	7%	9%	
Q11 Do you think foreign investment in Australia is too small, too big or just right?																		
Too small	7%	10%	5%	6%	11%	9%	6%	5%	8%	8%	7%	7%	9%	5%	11%	11%	5%	
Too big	49%	48%	50%	43%	47%	48%	46%	60%	45%	57%	47%	48%	45%	53%	43%	54%	50%	
Just right	19%	21%	17%	31%	24%	13%	15%	16%	21%	15%	21%	17%	26%	15%	17%	16%	15%	
Don't know / Not sure	25%	21%	28%	21%	18%	30%	33%	20%	26%	20%	25%	29%	20%	27%	28%	18%	30%	

## METHOD

Between 8 March and 11 March 2022, The Australia Institute surveyed 1001 adults living in Australia, online through Dynata's panel, with nationally representative samples by gender, age group and state/territory.

The research is compliant with the Australian Polling Council Quality Mark standards. This is the long methodology disclosure statement.

### **Long disclosure statement**

The results were weighted by three variables (gender, age group, state/territory) based on Australian Bureau of Statistics “National, state and territory population” data, using the raking method. This resulted in an effective sample size of 989.

The margin of error (95% confidence level) for the national results is 3%.

Results are shown only for larger states.

Voting intention questions appeared just after the initial demographic questions, before policy questions. Respondents who answered “Don’t know / Not sure” for voting intention were then asked a leaning question; these leanings are included in voting intention crosstabs. “Coalition” includes separate responses for Liberal and National. “Other” refers to Independent/Other.

