

Foreign investment in Australia

Australian big business is not very
Australian at all

Despite the importance placed on foreign investment, and public sensitivity to it, little data is available on the level of foreign ownership of Australian companies. What data is available often confuses legal and beneficial ownership or is based on limited sample size.

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This paper was first published in June 2022 and re-issued in August 2023. The June 2022 version did not adequately describe the geographic ownership data from the Bloomberg database, particularly that the database tracks only a sample of shares on issue. There was also insufficient explanation of the difference between beneficial and legal ownership and the role of nominee companies. The authors regret any confusion caused by the June 2022 version.

Summary

Australians are routinely told that foreign investment is “essential” for the country’s prosperity. The public sensitivity around foreign ownership of key assets is soothed by claims that this always occurs “on our terms”. Despite the apparent importance of foreign investment and the importance of regulating it effectively, there is very little accessible data relating to the level of foreign ownership of particular Australian corporations.

Understanding foreign ownership of corporations is made more difficult by the fact that the ultimate owner (or beneficiary) of a share in a corporation may not be in the same country as the legal entity that owns the relevant shares. This difference is important: while a person (or other relevant entity, such as superannuation funds) who owns shares might be based in Australia, their shares might be owned via a legal entity registered in another country.

Such custodial arrangements are commonly used by Australian investment funds. In these cases, the beneficial owner (in whose name the shares are held) is Australian, but the legal owner (who most likely has the voting rights) is not. This process can work the opposite way—foreign beneficial owners could own Australian shares via Australian legal entities. Foreign companies also own nominee companies that are domiciled in Australia and hold shares on behalf of both Australian and overseas shareholders, making it still more difficult to assess foreign ownership. The Productivity Commission notes that different researchers’ estimates of Chinese beneficial ownership in Australia, for example, can differ by a factor of 10.

General estimates of foreign ownership of Australian corporations include a 2022 study by Deloitte estimated the portion of listed companies owned by Australian superannuation funds at 34%. Australian Bureau of Statistics data suggests that Australian fund managers and households own around 30% of Australian listed companies.

What little data is available on specific companies often comes from either the companies themselves, or data providers such as Bloomberg. Bloomberg publishes geographic ownership estimates in its data on major companies. However, this is based on only a sample of issued shares and covers legal rather than beneficial ownership.

For example, Bloomberg has geographic ownership data for 14% of shares in the Commonwealth Bank of Australia. Within this sample, 80% are foreign owned, 55% in the United States.

By contrast, the Commonwealth Bank itself claims its Australian ownership is 78%. Unfortunately, no explanation is provided by the bank on how this figure is derived. Clarification would be useful as many of its major shareholders are nominee companies

linked to overseas corporations, that hold shares on behalf of owners, foreign and Australian. Based on the bank's latest Annual Report 61% of the shares/voting rights in the Commonwealth Bank are owned by nominee companies that may be domiciled in Australia, but are owned by international financial firms.

Similarly high levels of foreign ownership are found within the samples that Bloomberg tracks for most major Australian firms.

Polling results show that most survey respondents underestimate foreign ownership of Australian firms compared to the available data.

Despite the importance that Australian Governments place on foreign investment and on its proper regulation, data on it is scarce. There is practically no data available to the public on the level of Australian beneficial ownership of major corporations in key sectors of the economy such as banking, mining and energy. Where data is available, its workings are unclear.

Australia's moves towards a beneficial ownership register are a good first step in addressing this issue and a parliamentary inquiry into foreign ownership could also be useful.

Introduction

Australians are routinely told how important foreign investment is:

Foreign investment is essential to Australia's prosperity – Australian Tax Office¹

Foreign investment is critical to Australia's economy and prosperity – Australian Treasury²

Foreign investment is integral to the Australian economy – Department of Foreign Affairs and Trade³

At the same time, governments demonstrate that foreign investment is tightly regulated for a range of sensitive areas such as mining and energy, finance, residential property, agricultural land or national security interests:

We must always ensure [foreign investment] is on our own terms – *Treasurer Scott Morrison, rejecting a Chinese bid for Kidman agricultural interests.*⁴

Let's be clear here: this is not a merger. It's a takeover that would see Australia's financial sector become a subsidiary to a competitor in Asia – *Treasurer Wayne Swann, rejecting a Singaporean bid for the Australian Securities Exchange.*⁵

I thought [rejecting Shell's bid] was in the national interest – *Treasurer Peter Costello preventing Shell's takeover of oil and gas company Woodside.*⁶

Despite the apparent importance of foreign investment and the importance of regulating it effectively, there is very little accessible data relating to the level of foreign ownership of particular Australian assets. For example, the Productivity Commission's 134 page report on foreign investment in Australia quotes extensive data from the Australian Bureau of

¹ ATO (2021) *Foreign investment in Australia*, <https://www.ato.gov.au/General/Foreign-investment-in-Australia/>

² Treasury (n.d.) *Foreign investment*, <https://treasury.gov.au/foreign-investment>

³ DFAT (n.d.) *The benefits of foreign investment*, <https://www.dfat.gov.au/trade/investment/the-benefits-of-foreign-investment>

⁴ Koziol (2016) *Scott Morrison knocks back Chinese bid for massive S. Kidman & Co farm portfolio*, <https://www.smh.com.au/politics/federal/scott-morrison-knocks-back-chinese-bid-for-s-kidman--co-farm-portfolio-20160429-goi5tf.html>

⁵ AAP (2011) *No deal: Wayne Swan rejects \$8 billion bid to merge Singapore Exchange-ASX*, <https://www.news.com.au/finance/markets/treasurer-wayne-blocks-singapore-exchange-asx-merger/news-story/c833b87fbbd88399b581dea5e9c5321b>

⁶ Willacy (2001) *Government rejects Shell bid for Woodside Petroleum*, <https://www.abc.net.au/pm/stories/s281616.htm>

Statistics on overall foreign-owned equity, but has no discussion on foreign ownership of Australia's key banks, mining companies and other corporations.⁷

A potential reason for this lack of detail is the public sensitivity to it. In 2011 the Australian Greens commissioned a study into the level of foreign investment in the Australian mining industry.⁸ The study concluded that 83% of the mining industry is foreign owned, an estimate later supported by Treasury analysis that put foreign ownership share of major mining projects at 86%.⁹ While the Greens analysis was not seriously contested, Greens leader Bob Brown was declared a "racist" by the mining lobby group the Minerals Council of Australia,¹⁰ showing the public and political sensitivity of prominent industries and corporations being perceived as overly foreign owned and influenced.¹¹

Despite, or perhaps because of, the sensitivity to this information, there is little data available on the degree of foreign investment in corporations listed or operating in Australia.

⁷ Productivity Commission (2020) *Foreign Investment in Australia*, <https://www.pc.gov.au/research/completed/foreign-investment>

⁸ Edwards (2011) *Foreign ownership of Australian mining profits*, available on request

⁹ Treasury (2016) *Foreign investment into Australia*, chart 9, <https://treasury.gov.au/publication/foreign-investment-into-australia>

¹⁰ Latimer (2011) *Bob Brown racist, Minerals Council claims*, <https://www.australianmining.com.au/news/bob-brown-racist-minerals-council-claims/>

¹¹ See also Alby (2017) *Undermining our democracy: Foreign corporate influence through the Australian mining lobby*, <https://australiainstitute.org.au/report/undermining-our-democracy-foreign-corporate-influence-through-the-australian-mining-lobby/>

Beneficial vs legal ownership

A complication in understanding foreign ownership of Australian corporations is that the ultimate owner (or beneficiary) of a share in a corporation may not be in the same country as the legal entity that owns the relevant shares. This difference is important: while a person (or other relevant entity, such as superannuation funds) who owns shares might be based in Australia, their shares might be owned via a legal entity registered in another country. Such custodial arrangements are commonly used by Australian investment funds. In these cases, the beneficial owner is Australian, but the legal owner is not.

It should also be noted that this process can work the opposite way—foreign beneficial owners could own Australian shares via Australian legal entities, as the 2011 study for the Greens noted:

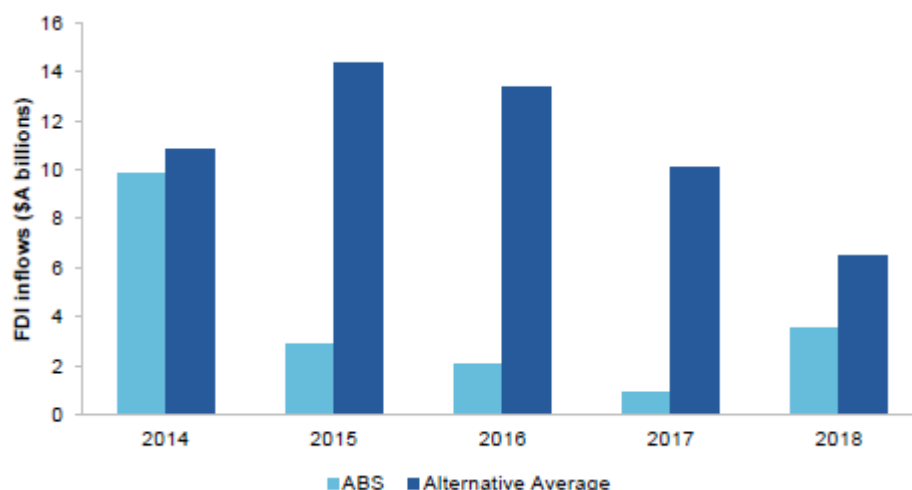
Foreign investment funds, mutual funds and foreign companies can and do invest in Australian companies listed on the ASX through Australian nominee companies. As long as they own less than 5% of the issued capital, they are not required to notify the [Australian Securities Exchange] ASX.¹²

Further, wholly foreign-owned companies have established nominee companies that are domiciled in Australia. Such nominee companies are major shareholders of Australian companies on behalf of both Australian and overseas shareholders, making it still more difficult to assess foreign ownership.

The difficulties of establishing beneficial ownership is demonstrated by the Productivity Commission's attempts to clarify levels of Chinese foreign direct investment. The Commission compared the Australian Bureau of Statistics' estimate with an average of estimates from other sources. As shown in Figure 1 below, this varies greatly:

¹² Edwards (2011) Op cit, page 4-5

Figure 1: Comparison of ABS and other estimates of Chinese investment in Australia



Source: Productivity Commission (2020) *Foreign Investment in Australia*

The Productivity Commission explains in relation to Figure 1 above:

A limitation of foreign investment statistics, as collected by national statistical offices such as the Australian Bureau of Statistics (ABS), is that the country of origin is identified based on the ‘immediate owner’ rather than the ‘ultimate beneficial owner’. Where investment flows through corporate structures in different countries, the two ownership concepts give different outcomes.¹³

While it is important to distinguish between beneficial and legal ownership of Australian corporations in the data below, an important point remains - large numbers of beneficial owners (possibly via their superannuation funds) domicile their legal ownership of shares in overseas jurisdictions.

While there can be legitimate administrative reasons for this, the legal ownership of many shareholdings is based in major tax havens and secrecy jurisdictions such as the United States,¹⁴ Ireland, the United Kingdom (which includes dependencies such as the Cayman Islands), Luxembourg and Switzerland.¹⁵ This practice, and the extent of it, should be of concern to Australian governments and the wider public, even if the beneficial owners of the shares in question are Australian residents.

¹³ Productivity Commission (2020) *Foreign Investment in Australia*, <https://www.pc.gov.au/research/completed/foreign-investment>

¹⁴ The US state of Delaware is a particularly notorious tax haven. See Shaxon (2014) *Delaware corporate secrecy and crime: a long-awaited debate begins*, <https://taxjustice.net/2014/07/28/delaware-corporate-secrecy-crime-long-awaited-debate-begins/>

¹⁵ See Tax Justice Network (2022) *The Financial Secrecy Index 2022*, <https://fsi.taxjustice.net/>

This issue has led to the Australian Treasury's recent consultation on establishing a public beneficial ownership register.¹⁶ This kind of transparency mechanism was described as “long overdue”, with Australia “currently lagging behind much of the rest of the world regarding beneficial ownership disclosure.”¹⁷

¹⁶ Treasury (2022) *Multinational tax integrity: Public Beneficial Ownership Register*, <https://treasury.gov.au/consultation/c2022-322265>

¹⁷ Tax Justice Network (2022) *Submission to the 'Multinational tax integrity: Public Beneficial Ownership Register' consultation paper*, <https://treasury.gov.au/sites/default/files/2023-05/c2022-322265-tjn-aus-et-al.pdf>

General estimates of foreign ownership

A useful point of reference for estimating beneficial ownership of Australian corporations is the portion of listed companies owned by Australian superannuation funds. Deloitte estimates this figure at 34% for 2022.¹⁸ While individual companies may have considerably higher or lower Australian ownership, this represents a useful estimate of the average Australian beneficial ownership of listed companies.

The most recent ABS data on managed investment funds—a category that includes super funds—is from the March quarter of 2023. At the end of this period, these funds held a total of \$3,669 billion in assets. Of this total, \$676 billion was held in the form of Australian shares.¹⁹

Other ABS data estimates that total equity in financial and non-financial corporations is \$4,702 billion.²⁰ That implies fund managers in Australia hold just 14.4% of the equity issued by companies in Australia. In addition, Australian households hold 22.2% of companies.²¹ These two Australian categories account for 36.6% of Australian equity. However, the household figure is dominated by the holdings in unlisted non-financial companies which are likely to be dominated by small unincorporated businesses. Households appear to hold 9.2% of listed companies.²² Excluding the items dominated by unincorporated small business it looks like the bottom-up calculations get us to a figure of around 30% identifiable Australian ownership of Australian companies and in turn around 70% foreign ownership of listed companies in Australia.

¹⁸ Deloitte (2019) *Dynamics of the Australian Superannuation System: The next 20 years*, <https://www2.deloitte.com/au/en/pages/media-releases/articles/dynamics-australian-superannuation-system-next-20-years-deloitte-analysis-271119.html>

¹⁹ ABS (2023) *Managed Funds, Australia*, 1 June, Tables 1 and 2, <https://www.abs.gov.au/statistics/economy/finance/managed-funds-australia/latest-release#data-downloads>

²⁰ ABS (2023) *Australian National Accounts: Finance and Wealth, March 2023*, 29 June, <https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-finance-and-wealth/mar-2023#data-downloads> ,

²¹ ABS (2023) *Australian National Accounts: Finance and Wealth, March 2023*, 29 June, The figure for household holdings is equal to the total equity-like assets held minus those issued by the rest of the world.

²² ABS (2023) *Australian National Accounts: Finance and Wealth, March 2023*, 29 June, this figure is based on total equity-like assets and deducts private non-financial corporations and the issues from the rest of the world. The figure is then divided by all listed shares issued in Australia.

Company-specific estimates of foreign ownership - Bloomberg data

The Bloomberg Professional Terminal database includes data on the geographic ownership of Australian corporations. All corporate ownership results in this paper reflect the searches conducted over Monday 7th and Tuesday 8th March 2022. Examples of the data provided by Bloomberg are shown in Figures 2 and 3 below:

Figure 2: Bloomberg data on Commonwealth Bank of Australia (CBA) including geographical ownership, March 2022

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	
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	
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 (%)			
Geographic	02/27/22	Curr	Change	Ownership Type	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

Source: Bloomberg Professional Terminal

Figure 3: Bloomberg data on CBA including major shareholders, March 2022

Holder Name	Position	Portfolio Name	Source	Opt	% Out	Latest Chg	File Dt
1. BlackRock Inc	105,493,038		Mixed	All	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	01/31/22
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

Source: Bloomberg Professional Terminal

Figure 2 shows the geographic distribution of legal ownership of shares in the Commonwealth Bank of Australia (CBA) covered by the Bloomberg database. Bloomberg’s sample shows Australian ownership at only 19.88%, with 54.61% in the United States. It is important to note that this estimate:

- Is based on a sample of issued CBA shares. Figure 3 shows that ownership tracked by Bloomberg represents 14.08% of issued shares. Further, this sample is not random, but data obtained by Bloomberg’s analysts.
- Is unclear to what extent it refers to legal ownership or beneficial ownership.

Bloomberg’s estimate based on a sample contrasts with the CBA’s own estimate of its Australian ownership is 78%.²³ While the company presumably has access to data relating to all of its shares on issue, the main question around beneficial and legal ownership remain when considering the company’s top shareholders and other disclosures of substantial shareholdings, as shown in Table 1 below:

²³ CBA (2023) 2023 Annual Report, p51, <https://www.commbank.com.au/content/dam/commbank-assets/investors/docs/results/fy23/2023-Annual-Report-Spreads.pdf>

Table 1: CBA top listed shareholders and other substantial holdings

Name	% of shares/ % of voting power
HSBC Custody Nominees	22%
JP Morgan Nominees Australia Limited	14%
Citicorp Nominees Pty Limited	6%
BlackRock Group	6%
State Street Corporation	5%
Vanguard Group	5%
BNP Paribas Noms Pty Ltd	3%

Source: CBA (2023) 2023 Annual Report, p140

As shown in Table 1, 61% of the shares/voting rights in the Commonwealth Bank are owned by nominee companies that may be domiciled in Australia, but are owned by international financial firms. These have voting and other rights and hold shares on behalf of owners, foreign and Australian. Unfortunately, the CBA annual report includes no working or explanation of its estimate of 78% Australian ownership.

Table 2 below lists the top 10 companies listed on the ASX by market capitalisation and the level of foreign ownership in the Bloomberg sample covered shares at March 2022.

Table 2: Top 10 ASX listed companies, by market capitalisation

The Australia Institute <small>Research that matters.</small>	Market cap (\$ billion)	Foreign ownership in Bloomberg sample (%)
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	93.36	82.30
Block Inc	79.28	27.54
Westpac Banking Corp	77.76	84.00
ANZ Banking Group Ltd	70.93	75.86
Macquarie Group Ltd	69.17	69.66
Fortescue Metals Group	59.12	89.16

Source: Bloomberg Professional Terminal database.

The results in Table 2 show that the sample of Australian shares tracked by Bloomberg is largely owned by overseas entities. Only Block Inc has less than 50% foreign ownership. Block Inc is a US multinational that purchased Australian company Afterpay in 2022. Block's shares are traded on both the Australian Stock Exchange—via CHESS Depository Interests

(CDIs)²⁴—and the New York Stock Exchange. It is unclear from the data available how the CDI holdings are treated by Bloomberg: the shares are held by CHES Depositary Nominees Pty Ltd, a subsidiary of ASX Ltd, and legal ownership is thus located in Australia. This may explain the relatively low foreign ownership figure.

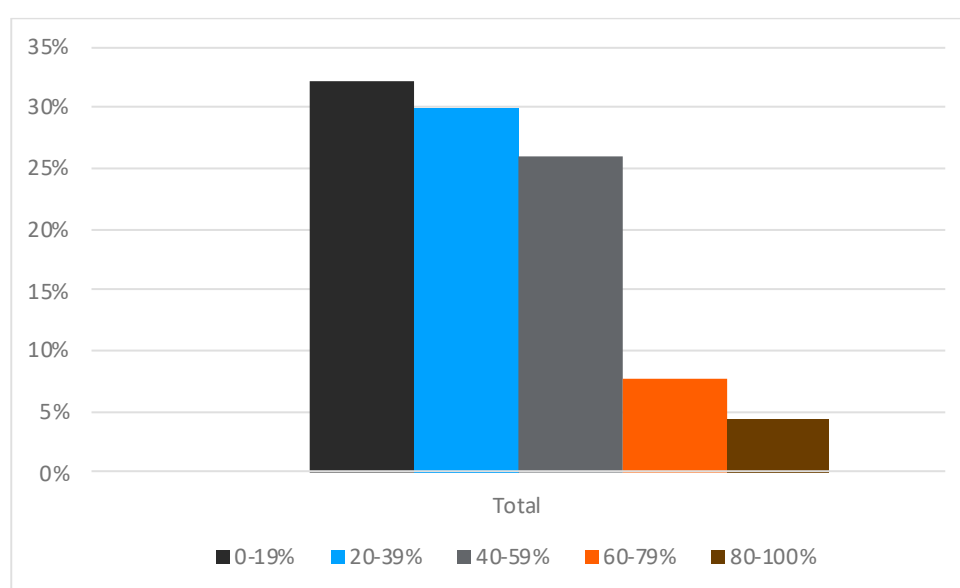
²⁴ CDIs are ASX-traded securities that provide beneficial ownership of an underlying asset traded on another stock exchange. The legal ownership of that asset remains with a nominee company. As per ASX (2012) *CHES: Understanding Chess Depositary Interests*: “the holders of ... CDIs obtain ‘beneficial ownership’ of ... foreign financial products. The main difference between holding CDIs and holding foreign financial products directly is that you have beneficial ownership of the equivalent number of foreign financial products instead of legal title. Legal title to the foreign financial products is held by a nominee company on behalf of CDI holders.”

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. The first question asked was around the level of foreign ownership in Australia's big four banks (ANZ, Commonwealth Bank, National Australia Bank and Westpac). Figure 4 shows the results for the big four banks.

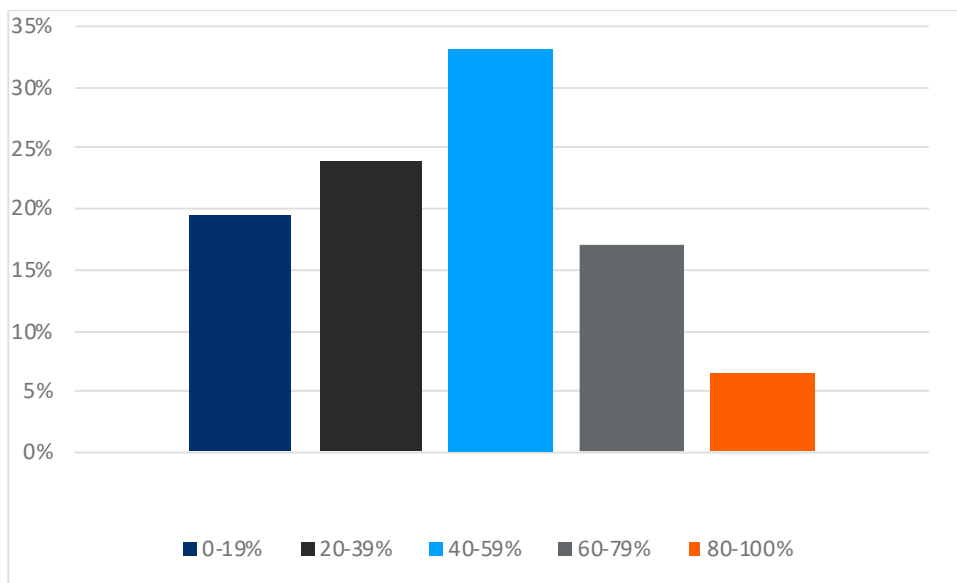
Figure 4: Perceived Level of foreign ownership in the big four banks



The results in Figure 4 clearly show that almost a third (32%) of respondents thought that the level of foreign ownership in the big four banks would be less than 20%. A further 30% of respondents thought the figure would be between 20% to 39%. In other words, 62% of respondents 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 between 40% and 59%, with much smaller percentages in the ranges 60%–79% and 80%–100%.

More people nominated higher levels of foreign ownership in mining companies than in the banks. As shown in Figure 5, relatively few respondents nominated the lower ranges; only 20% selected the 0%–19% range, compared with 32% for the big four banks.

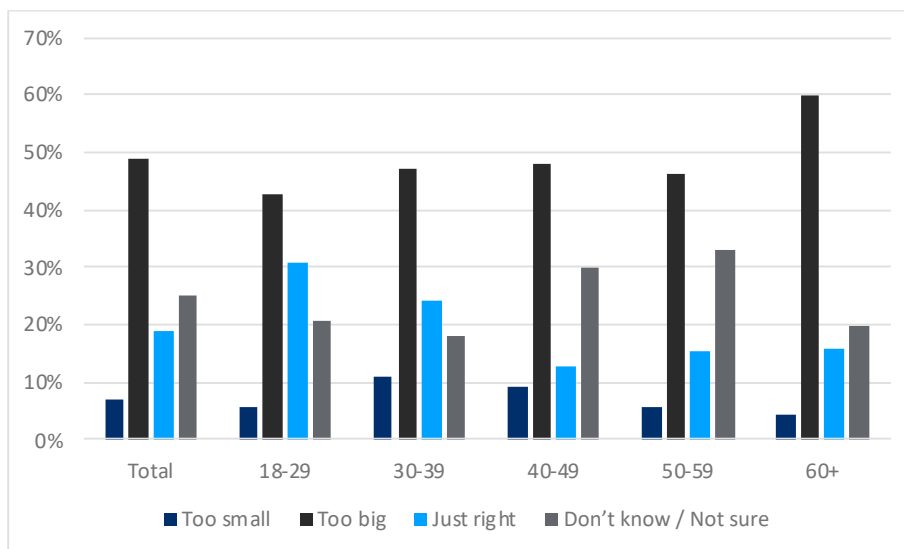
Figure 5: Perceived Level of foreign ownership in the Australian mining industry



A third (33%) of respondents estimated foreign ownership in the mining industry at between 40% and 59%, and a further 23% nominated either 60%–79% or 80%–100%.

The final survey item was a general question asking whether respondents felt the level of foreign investment in Australia was too small, too big or just right.

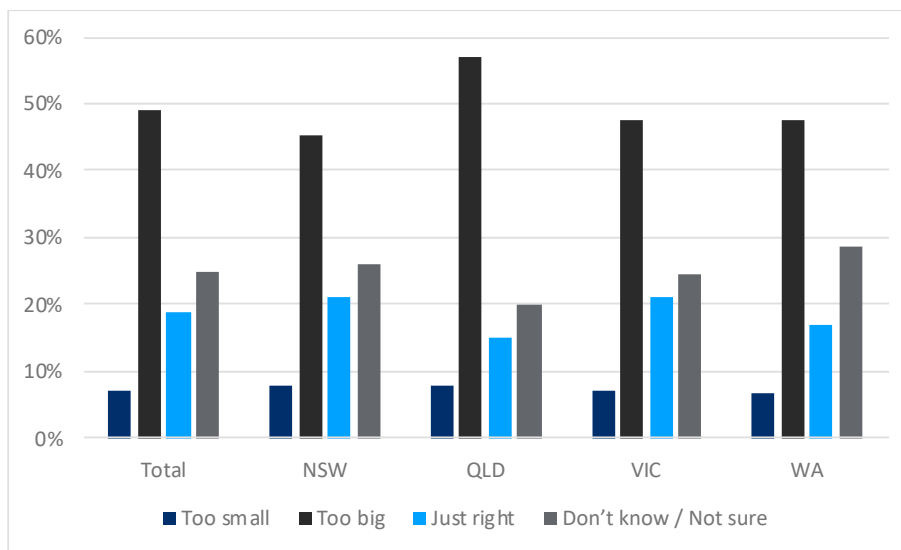
Figure 6: Is foreign investment in Australia too small, too big or just right?



The total result showed 7% felt the level of foreign ownership was too low, while 49% per felt it was too high. There was a tendency for the number of people responding “too big” to increase with age: 60% of respondents aged 60 or over selected “too big”.

Opinions between states were relatively consistent, as shown in Figure 7.

Figure 7: Is foreign investment in Australia too small, too big or just right? (by state)



As a whole, these results show that most survey respondents underestimate the degree of foreign ownership in Australia compared to the available data generally and obtained from Bloomberg. As such, there is likely a dramatic difference between people's perception of the level of foreign ownership of Australian companies and the actual level thereof.

Conclusion

Despite the importance that Australian Governments place on foreign investment and on its proper regulation, data on it is scarce. There is practically no data available to the public on the level of Australian beneficial ownership of major corporations in key sectors of the economy such as banking, mining and energy. Where data is available, its workings are unclear. Privately compiled data by Bloomberg offer some insights, but with limited sample sizes.

Australia's moves towards a beneficial ownership register are a good first step in addressing this issue. However, there is little sign of progress eight months on from consultation.

Another step could be an inquiry into the full extent of foreign ownership in Australia. It should publish the results with an eye to the implications for different industries, communities and regions. Part of that examination should 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, along with the implications of foreign ownership for Australian exports, employment, investment, and other activity.

Australia has had an unproductive debate about the meaning of "national interest" in relation to foreign investment approvals. While it seems very difficult to define the term, it is often more obvious when something violates the national interest. It could be argued that those survey participants who believe foreign investment in Australia is too high have a notion that the national interest is not being served by high levels of foreign ownership.

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 5: 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%	20%	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%	28%	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%	11%	6%	6%	11%	10%	7%	9%	
80-100% foreign owned	5%	6%	5%	6%	5%	8%	4%	4%	4%	9%	6%	5%	4%	4%	7%	10%	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.

