

## **Senate Economics References Committee Inquiry into**

### **Australia's foreign investment review framework**

Submission by:

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I would like to draw attention to several points and matters into which the Committee might further enquire. They refer specifically to the issues addressed in “Chapter 2: Lease of the Port of Darwin to the Landbridge Group” in the [Interim Report on the Foreign investment review framework](#) published on 4 February 2016.

- 1) Apparently “meaningful Australian equity” was initially emphasised as a vital component of bids for the lease of the Port of Darwin. Might I urge the Committee to enquire into whether and why this was the case and, if so, why this requirement was effectively dropped when final bids were being considered?
- 2) It appears that [20% local shares](#) in the Port have been retained by the Territory. These offer no effective voting power, and allow no economic participation. Might the Committee enquire into who decided this arrangement and why? The Northern Territory Government might also be queried on what future plans there are for these shares.
- 3) The Committee might also enquire into the process by which, when 'best and final offers' were solicited very late in the process, these were not presented to the NT Government's own bid evaluation committee, despite the gap between leading bids narrowing to insignificant amounts.
- 4) The Committee could perhaps further enquire into what investigations the Northern Territory Government commissioned and what advice they sought, to fulfil their due diligence responsibilities on a little-known bidder. That is to say, might the Committee enquire into what due diligence was done by the NT on Landbridge, its nature, its political connections and its military links? My papers below show what might have been discovered if some deeper research was conducted:

<http://www.aspistrategist.org.au/landbridge-darwin-and-the-prc/>

<http://www.aspistrategist.org.au/landbridge-and-the-port-of-darwin-a-postscript/>

- 5) The Committee might also enquire into why the closing and settlement of the deal were so dramatically accelerated. Was it because the NT and Landbridge feared that the deal would not survive deeper scrutiny?
- 6) The Darwin lease process provides an excellent example of a foreign investment project which has induced local, national and international dissent. If the Australian public is to understand why Landbridge was permitted to lease the Port of Darwin for almost a century, the Committee will need to conduct a thorough-going analysis of the consideration and approvals processes. This will undoubtedly be revealing.
- 7) I thus urge that the Committee create and include within its report a detailed chronology of all processes of this lease. This should include all aspects of the consideration and assessment of the lease by government departments and entities (including the various NT Government Departments, Defence, Foreign Affairs, intelligence agencies, Attorney-General's, PM & C, and FIRB) as well as consultants and other private companies involved, so that examination processes, responsibilities and deficiencies (if any) can be identified and, if necessary, rectified or reformed.
- 8) Such a chronology will play a key role for the Committee in achieving an overall understanding of this lease, and thus assist in the general task of assessing Australia's foreign investment review framework.