

**Supplementary
Submission
No 40a**

**INQUIRY INTO PROPOSED SALE OF SNOWY HYDRO
LIMITED**

Organisation:

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Theme:

Summary

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Inquiry into the proposed sale of Snowy Hydro Limited.

“Limits to foreign and majority share ownership.”

Committee Chair
Rev. The Hon. Dr. Gordon Moyes M.L.C.

The question of “shareholder cap” on individual shareholdings of 10% creates problems. The Australian Stock Exchange does not support them. The discussion of the cap in the newspapers, by the three governments concerned, prolongs the idea the Snowy Hydro will remain Australian owned, but it is quite possible the 10% shareholdings could be sold to foreign ownership over time.

There are questions still remaining over the legality of a Commonwealth sale of its shareholding.

A High Court challenge is being mounted, and there are doubts, also that the composition of a governing board would remain majority Australian.

Whether the ownership and governorship is to be regulated to remain majority Australian is, in a sense, irrelevant, because rules can be changed, if governments wish.

The thin edge of the wedge is the sale itself. It opens the door to the possibility of foreign ownership, which is why Australians are so deeply mistrustful of it.

Cavilling by the three governments over terms and conditions is a wool-pull, as it can be seen the sale is not necessary, in any sense of the term.

Yours faithfully,


Sue Johnston.