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ACCC boss under fire over reluctance to embrace privatisations

Asset sales

**Mark Ludlow**

   Infrastructure Australia board member and businesswoman Kerry Schott said Australian Competition and Consumer Commission chairman Rod Sims was wrong to go cold on privatisations saying he should be selling the economic benefits of asset sales.

   While Dr Schott acknowledged the correct regulatory environment had to be in place before state governments sold public assets, she said that there was little doubt consumers were better off with some businesses being in private ownership.

   The former investment banker and chief executive of Sydney Water – who is chairwoman of TransGrid and the Morebank Intermodal Terminal as well as director of NBN Co. – also took aim at the former boom mining states of Queensland and Western Australia saying they were being selfish in their opposition to asset sales. ‘‘My take on privatisation is governments don’t have enough resources, particularly money to do things that somebody else can do,’’ Dr Schott told AFR Weekend .

   Dr Schott said there was a national imperative to continue to pursue competition reforms through asset sales, especially given the precarious state of the national economy.

   ‘‘You can’t keep putting interest rates down and thinking that is going to fix things because we can’t keep putting them much lower and it doesn’t have much impact anyway,’’ she said.

   The Palaszczuk Labor government in Queensland has refused to sell any assets despite its economy being ranked as one of the worst in the country. The Barnett government in WA has also not fully embraced privatisation to help it out of its economic woes.

   Mr Sims last month said he was turning against privatisation because state governments were more interested in drumming up the sales price rather than embracing competition, which led to higher prices for consumers. He also backed the findings of the Harper Review of competition that called for governments to face wider regulatory scrutiny.

   Dr Schott – who has conducted numerous privatisations for state governments, most recently electricity assets in NSW – said Mr Sims needed to show the evidence for his claims of higher prices.

   Infrastructure Partnerships Australia chief executive Brendan Lyon also criticised Mr Sims’ hesitation on backing privatisations saying his comments were ‘‘contextually very unhelpful’’.

   ‘‘There is no shortage of opponents ready to oppose electricity reform in Queensland – or the wider privatisations needed across the country,’’ Mr Lyon said. ‘‘But there is a very obvious shortage of respected voices to support privatisation.’’

   Mr Sims said he was not against privatisation, but monopolies in private hands needed to be regulated otherwise users ended up paying more.