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Macquarie Group chairman lashes 'xenophobia'

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Macquarie chairman Kevin McCann.

Macquarie Group chairman Kevin McCann has hit out at “racism” and “xenophobia” in Australia’s foreign investment debate, particularly the discussion around Chinese interest in the recent sale of NSW electricity assets.

He also strongly recommended that Chinese investors should look at going into joint ventures with Australian groups when looking at major foreign investments.

“There has been xenophobia in the debate over the sale of the NSW energy transmission lines,” Mr McCann told a breakfast in Sydney yesterday for the release of a new report, *The Challenges of Attaining Growth*, by Blenheim Partners and the Macquarie Graduate School of Management.

“There is a strain in this debate which is quite nasty and it goes to racism. We shouldn’t be xenophobic and we shouldn’t be racist.”

China’s State Grid and Macquarie Infrastructure were joint venture partners in the recent bidding for the NSW government owned electricity transmission company TransGrid.

The consortium was cleared by the Foreign Investment Review Board, but the NSW Government selected another group.

Mr McCann said he was not just making his comments because Macquarie was part of a consortium that bid for TransGrid.

The Obama government has also raised questions about the sale of the Port of Darwin to Chinese interests, telling Prime Minister Malcolm Turnbull that Washington should have been warned of the sale.

Mr McCann said Australia needed foreign investment, particularly in the agriculture and livestock sector, which was “a cottage industry”.

He said there were interested investors from China and also from the Gulf area in the Middle East who wanted to invest more in Australian agriculture and “the food chain”.

He said more capital was needed to help Australia develop better quality meat.

Major foreign investors should look at partnering with local interests. “I don’t think foreign investors have been very smart,” he said. “Joint ventures are the way to go.”

The chief executive of Carnival Australia, Ann Sherry, said Australia benefited greatly from foreign investment.

“The debate needs to get out of xenophobia,” she said. “There are a lot of lessons to be learned from New Zealand in being open to foreign investment.”