



### **ALC Encourages a National Approach to Reforms to Infrastructure Financing**

The Australian Logistics Council (ALC), the peak national body for the freight logistics industry, is encouraging jurisdictions to work together to achieve nationally consistent requirements for bid processes for the financing of major infrastructure projects by the private sector.

“One of the greatest obstacles facing potential private sector investors in infrastructure is a lack of national consistency between state and territory jurisdictions regarding bid processes,” said Michael Kilgariff, ALC Managing Director.

“These inconsistent processes and procedures across state borders add to costs and complexity and act as a disincentive for potential private sector investors, which is a concern considering the significant infrastructure backlog Australia is experiencing.

“ALC is calling on governments to work together to reduce the red tape barriers getting in the way of potential private investors such as industry super funds, which are on the public record as saying they want to invest more in major infrastructure projects.

“Specifically, ALC would like to see greater national consistency and transparency surrounding bid documentation, which needs to be spearheaded by the Commonwealth.

“ALC believes this issue needs to be addressed at the COAG level, with the Federal Government taking the lead to drive reforms to achieve a more integrated approach between all levels of government.

ALC would also like to see a stronger focus by governments on adhering to the agreed conditions and parameters of packaged projects so as to provide greater certainty to potential investors.

“There is also scope for further work being undertaken at the federal level, spearheaded by the new Funding and Finance Advisory Unit within Infrastructure Australia, to review tax incentives and mechanisms to encourage greater focus on greenfields investment”.

Mr Kilgariff also welcomed statements made this week by Treasurer Joe Hockey urging the states to sell off old assets and to reserve the cash for new projects.

“Mr Hockey’s support for hypothecating the proceeds from recycled assets directly to new infrastructure is a welcome step and supported by the freight logistics industry,” he said.

“Quite simply, if Australia is to fund the 21<sup>st</sup> century infrastructure it needs to compete in a global economy, we must move past the ideological objections which have existed for too long in regards to privatising assets.

“As the Treasurer rightly pointed out this week, one of the ways of overcoming this obstacle is by using the funds raised from the sale of assets to finance new infrastructure.

“I welcome the fact that in recent weeks we have seen all sides of the political debate – governments, business groups and unions – agree on the need to move past the out-dated ideological aversion to selling appropriate logistics infrastructure assets to the private sector.

“There are many assets which can be transferred to the private sector, as we have seen in NSW with the long term lease of Port Botany and Port Kembla raising approximately \$5 billion, much of which will go back into funding productive logistics infrastructure.

“It is now time for governments to deliver and identify appropriate assets which can be transferred to the private sector, with the funds raised directed back into logistics infrastructure to boost productivity and economic growth,” he said.

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