

Submission reference: 2015/03

30 January 2015

INQUIRY INTO PRIVATISATION OF STATE AND TERRITORY ASSETS AND NEW INFRASTRUCTURE

In its submission to the Senate Economics References Committee ASFA made comments only with respect to those terms of reference which relate directly or indirectly to superannuation.

ASFA stated its belief that it is entirely appropriate for the Commonwealth to provide incentives to the States to encourage the privatisation and recycling of infrastructure assets given the benefits to the Australian economy that infrastructure investments provide.

In its submission ASFA:

- demonstrates that the superannuation sector has a strong and growing appetite to lift its level of infrastructure investments;
- notes that an ongoing impediment to such investing has been the absence of a long-term, stable and transparent pipeline of investment opportunities; and
- proposes that the initiative to incentivise the privatisation and recycling of infrastructure assets should be part of the solution to this problem.

ASFA also notes that certain privatised assets should be subject to appropriate regulation to protect consumers, the environment or the community in general. From the perspective of the superannuation sector the best infrastructure investments are those where there is long term community acceptance of private ownership. This reduces political pressure for regulatory changes to pricing structures which can have significant impacts on the value of an asset.

ASFA believes that all stakeholders including investors, constructors, banks and governments have a role to play in communicating the benefits of privatisation of assets to the community.