

Mr Peter Harris AO  
Chair, Productivity Commission  
Public Infrastructure Inquiry  
[infrastructure@pc.gov.au](mailto:infrastructure@pc.gov.au)

13 December 2013

Dear Mr Harris

## Submission for the inquiry into Public Infrastructure

I refer to the Productivity Commission's current inquiry into Public Infrastructure: Provision, Funding, Financing and Costs as announced by the Prime Minister and Treasurer on 13 November 2013.

As a submission to this inquiry, I attach a copy of Pottinger's *Building Australia White Paper*.

As you know, Australia has a pressing need for substantial infrastructure investment to support the nation's long-term growth. Over the last three years, Pottinger has worked to develop innovative new approaches to the delivery and financing of major infrastructure projects. These have been field tested with leading global infrastructure construction companies, as well as equity investors and debt providers.

The *Building Australia White Paper* contains several of these innovative financing solutions that leverage global capital and construction capacity while reflecting post-GFC investor sentiments. These include:

- Converting infrastructure bonds – better matching of short-term and long-term risks to allow project proponents to access a much larger pool of investment capital to deliver major projects;
- Initial superannuation offerings – providing options for long-term infrastructure investors such as superannuation funds to make direct investments in relevant infrastructure assets without the need to participate in bidding consortiums;
- Credit insurance - supporting the formation of a credit reinsurance provider to help larger projects access financing that would otherwise not be available; and
- Implementing measures to promote competition – improving the speed and cost effectiveness with which Australian infrastructure is built through a more sophisticated approach to project delivery.

Yours sincerely,

Nigel Lake  
Joint CEO