



ALC Welcomes Super Interest in Logistics Infrastructure Assets

The awarding of a long-term lease for Port Botany and Port Kembla to a consortium which includes a number of Australian industry superannuation funds demonstrates the super industry is prepared to invest in logistics infrastructure assets when the right projects are offered up by government for investment.

“The NSW Government’s announcement it will lease Port Kembla and Port Botany to a consortium for more than \$5 billion is welcomed by the Australian Logistics Council, which is particularly encouraged by the involvement of Australian industry super funds,” said Michael Kilgariff, ALC Managing Director.

“The involvement of Australian super funds demonstrates the industry’s willingness to invest in productive infrastructure assets which have stable, long-term returns.

“It also sends a message to governments they should continue focusing on the identification of infrastructure assets that are appropriate to be transferred to the private sector as a means of raising much needed funds to boost national freight efficiency.

“One of the key messages coming out of the ALC Forum in March was the need for governments to do more to encourage greater investment by the private sector in our infrastructure assets, particularly by major industry superannuation funds.

“The privatisation or long term lease of major infrastructure assets, such as Port Botany and Port Kembla, enables governments to use their proceeds to fund substantial new logistics infrastructure projects which are critical to boosting logistics industry and national productivity.

“With this lease reaping more than \$5 billion, it is clear there is strong interest from the market and I encourage other governments to consider which of their assets could be sold or leased in a similar manner to improve national productivity.

“The ports transaction also highlights the important work the Infrastructure Finance Working Group is undertaking to develop strategies to further encourage private investment in nationally significant infrastructure.

“It is increasingly clear that state and federal budgets are coming under greater pressure and that new funding models need to be embraced by governments to meet Australia’s infrastructure deficit.

“ALC is encouraging both sides of politics to support the ongoing work of the Infrastructure Finance Working Group, particularly its efforts to encourage the \$1.4 trillion super industry to invest in local infrastructure projects,” he said.

Mr Kilgariff also encouraged the NSW Government to maximise the amount it invests in critical freight logistics projects from the proceeds of the long term lease of Port Botany and Port Kembla.

“Using the funds from the lease of these two ports for freight logistics projects, which have passed rigorous cost benefit analysis, would help drive further efficiencies along the supply chain and reduce business costs which can be passed on through to consumers,” he said.

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