



Australian Government
Infrastructure Australia

Infrastructure Australia

Transport funding and financing – addressing the Infrastructure Deficit

Paul Roe

Director Financing and Funding Policy



Presentation Outline

- The fiscal challenge
- National Infrastructure Audit and 15 year pipeline
- Funding and financing solutions



Infrastructure Australia Council Members

Sir Rod Eddington (**Chair**)

Hon Mark Birrell

Mr Jim Hallion

Mr Phil Hennessy

Dr Martin Parkinson

Dr Kerry Schott

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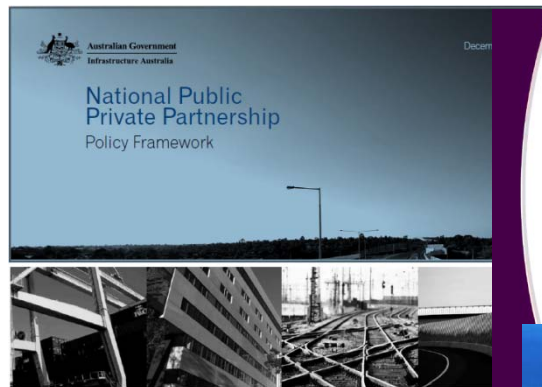
Ms Elana Rubin

Ms Nicole Lockwood

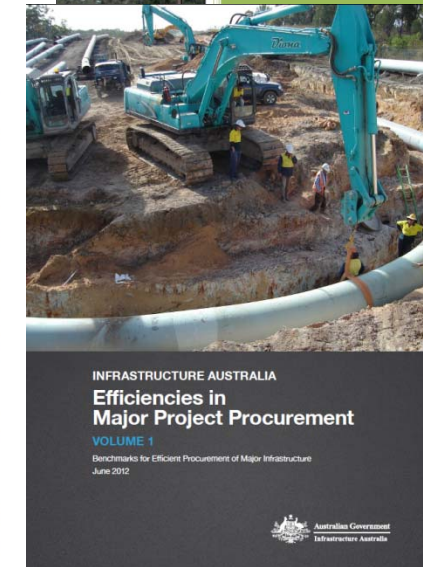
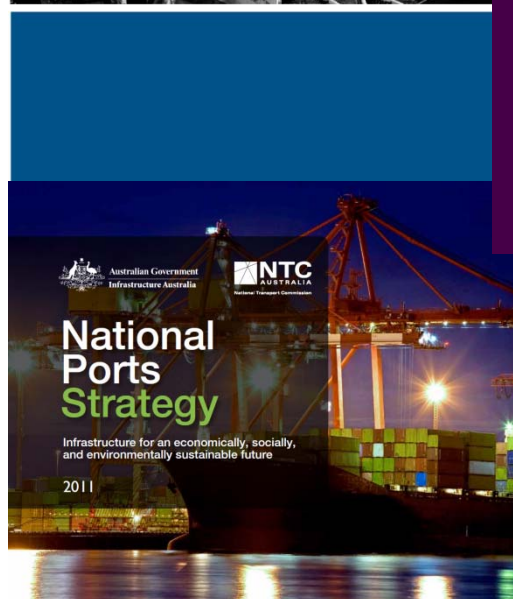
- Great mix of Public/Private and academia
- Infrastructure Australia is an independent advisory body



IA Policy Reports

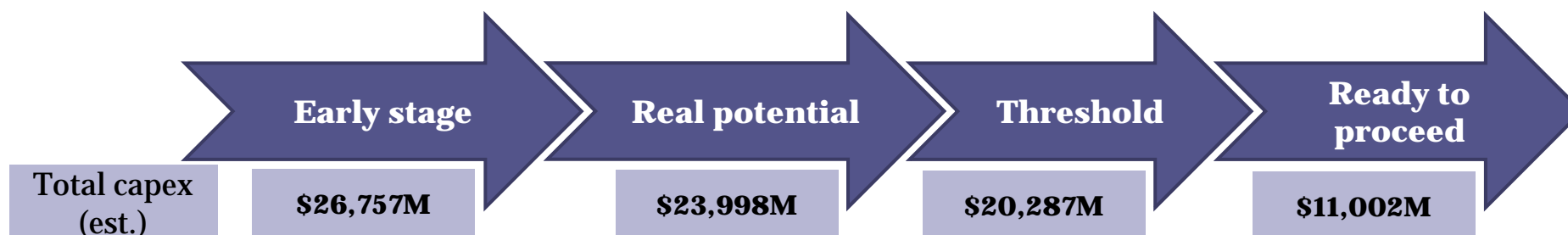


National Land Freight Strategy Discussion Paper February 2011





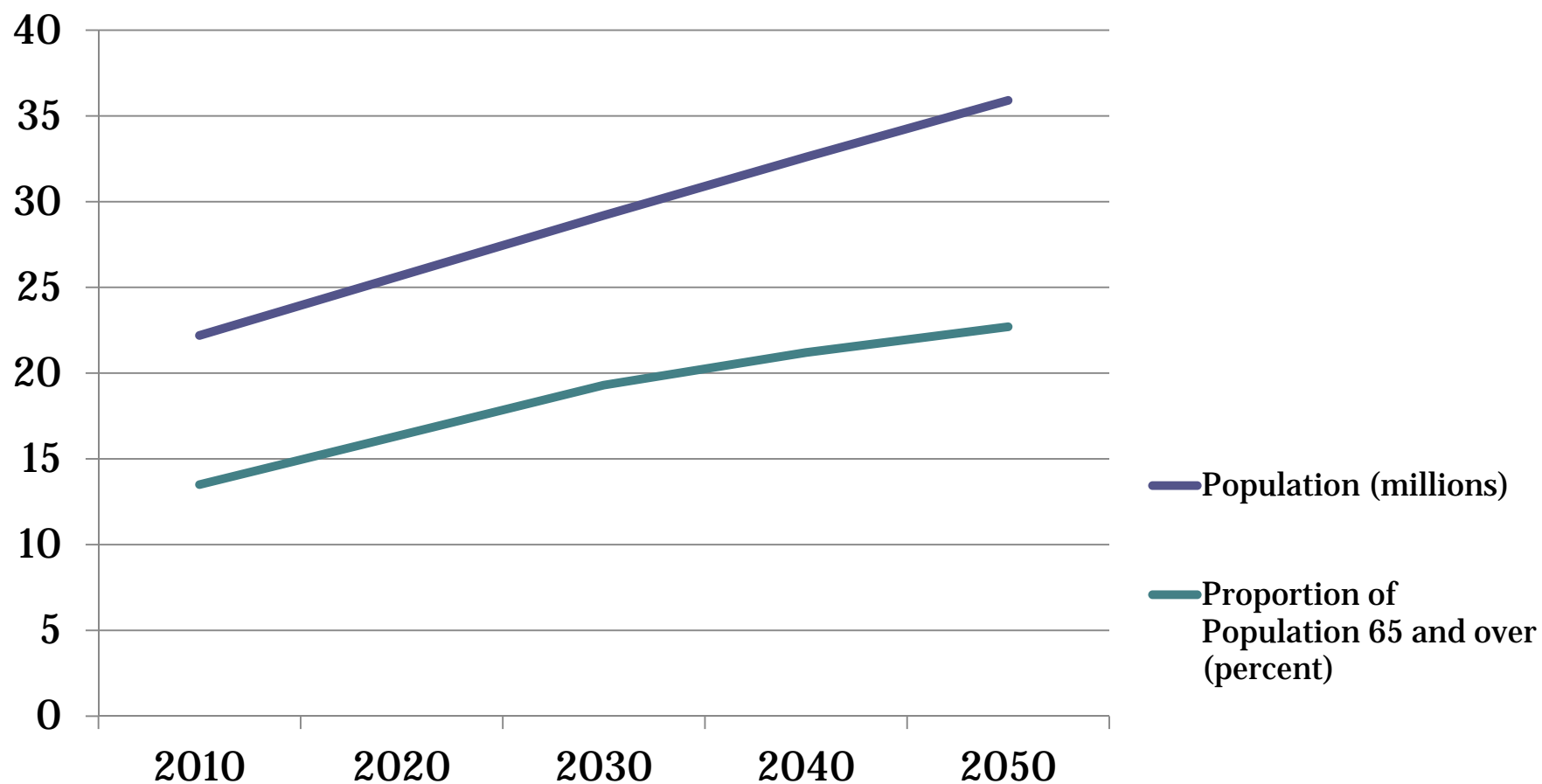
2013 Total Estimated Infrastructure Priority List Capital Costs \$82 B







Population Growth and Ageing



Source: 2010 Intergenerational Report



Public Transport







PEFO Fiscal Outlook

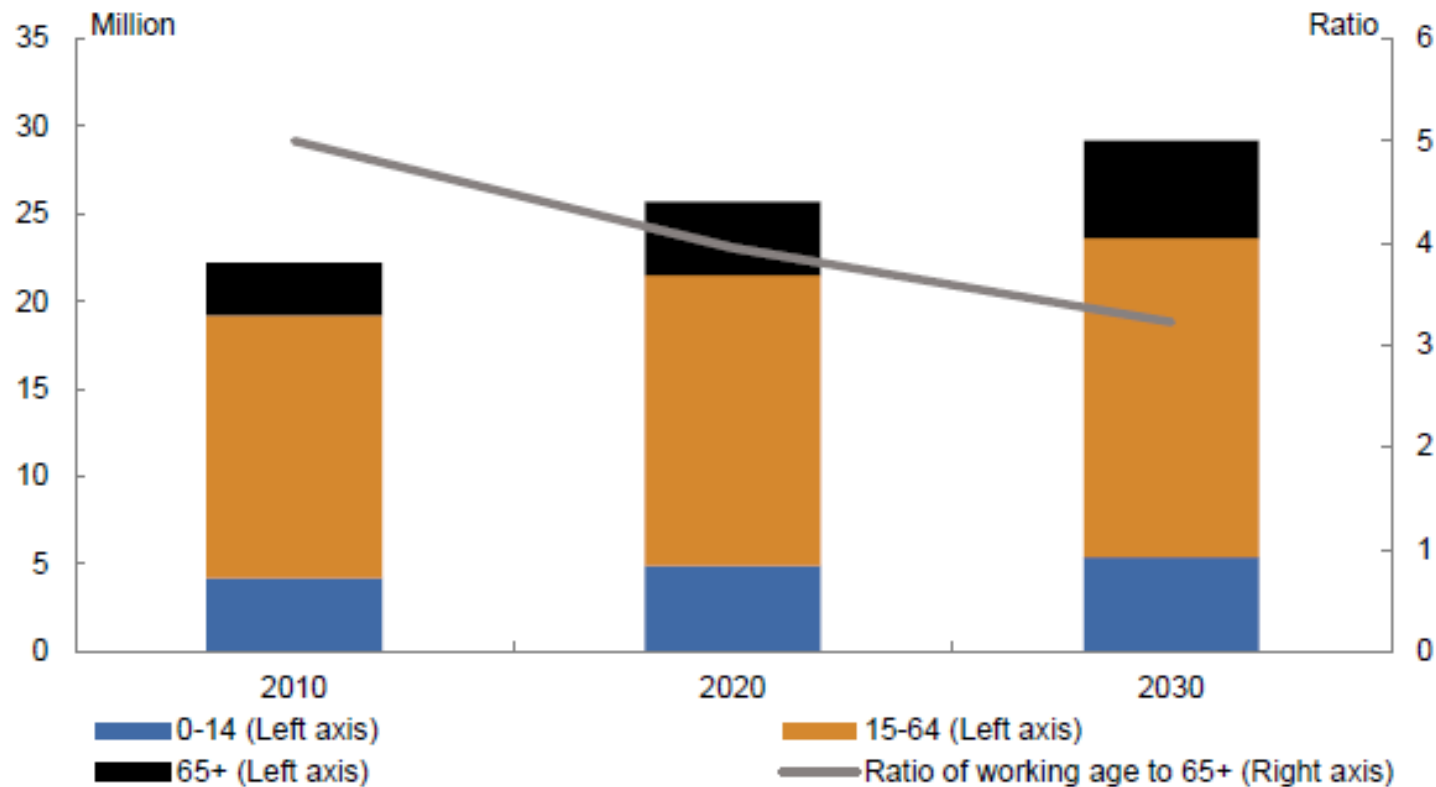
Table 1: Summary of budget aggregates

	Estimates		Projections	
	2013-14	2014-15	2015-16	2016-17
Underlying cash balance (\$b)(a)	-30.1	-24.0	-4.7	4.2
Per cent of GDP	-1.9	-1.5	-0.3	0.2
Fiscal balance (\$b)	-25.5	-22.1	1.8	7.8
Per cent of GDP	-1.6	-1.3	0.1	0.4

(a) Excludes net Future Fund earnings.



Proportion of Australia's population of working age

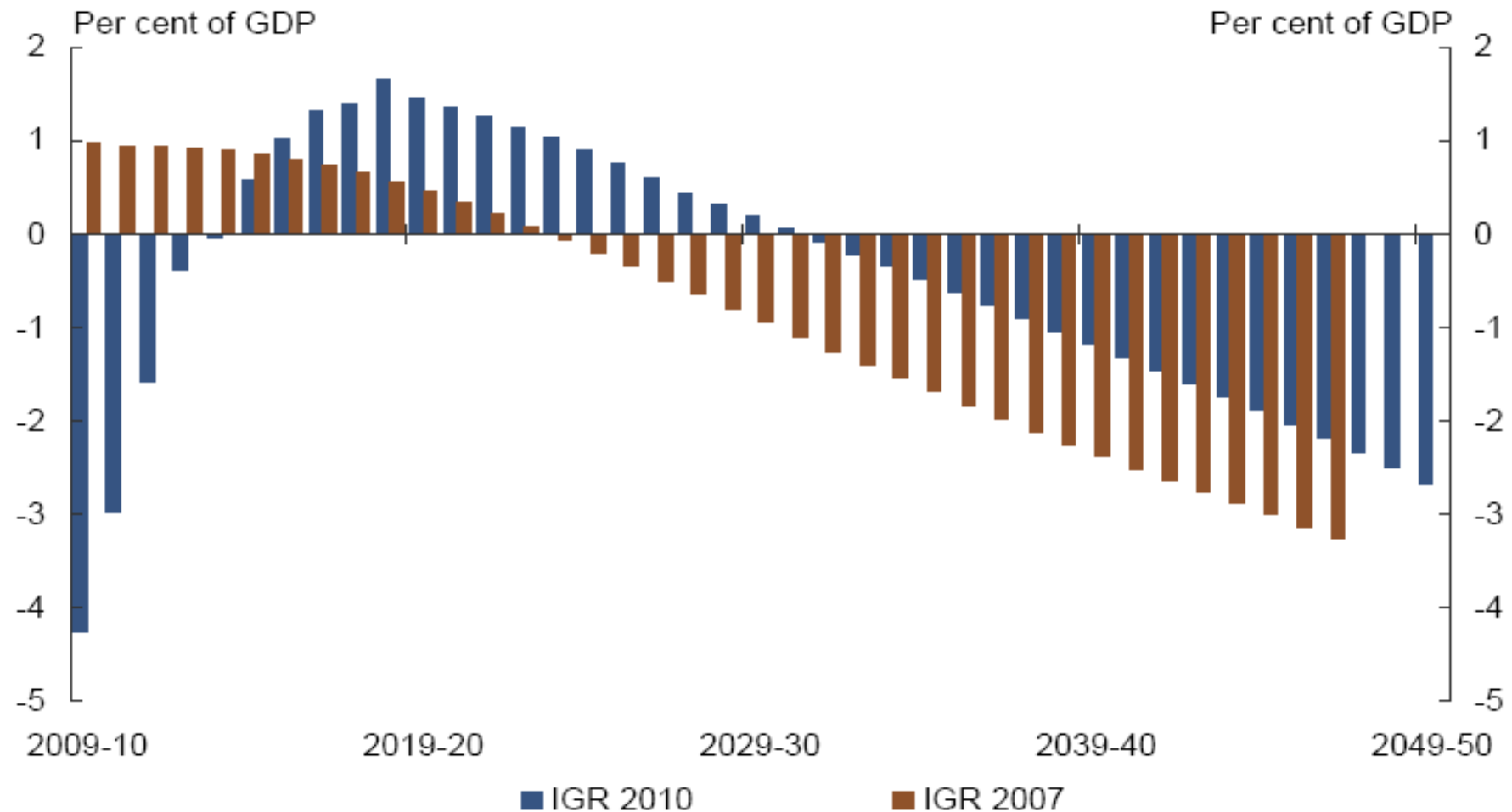


Source: Australia in the Asian Century White Paper 2012



Fiscal Challenges

Projected Fiscal Gap



Source: 2010 Intergenerational Report



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National Ports Strategy

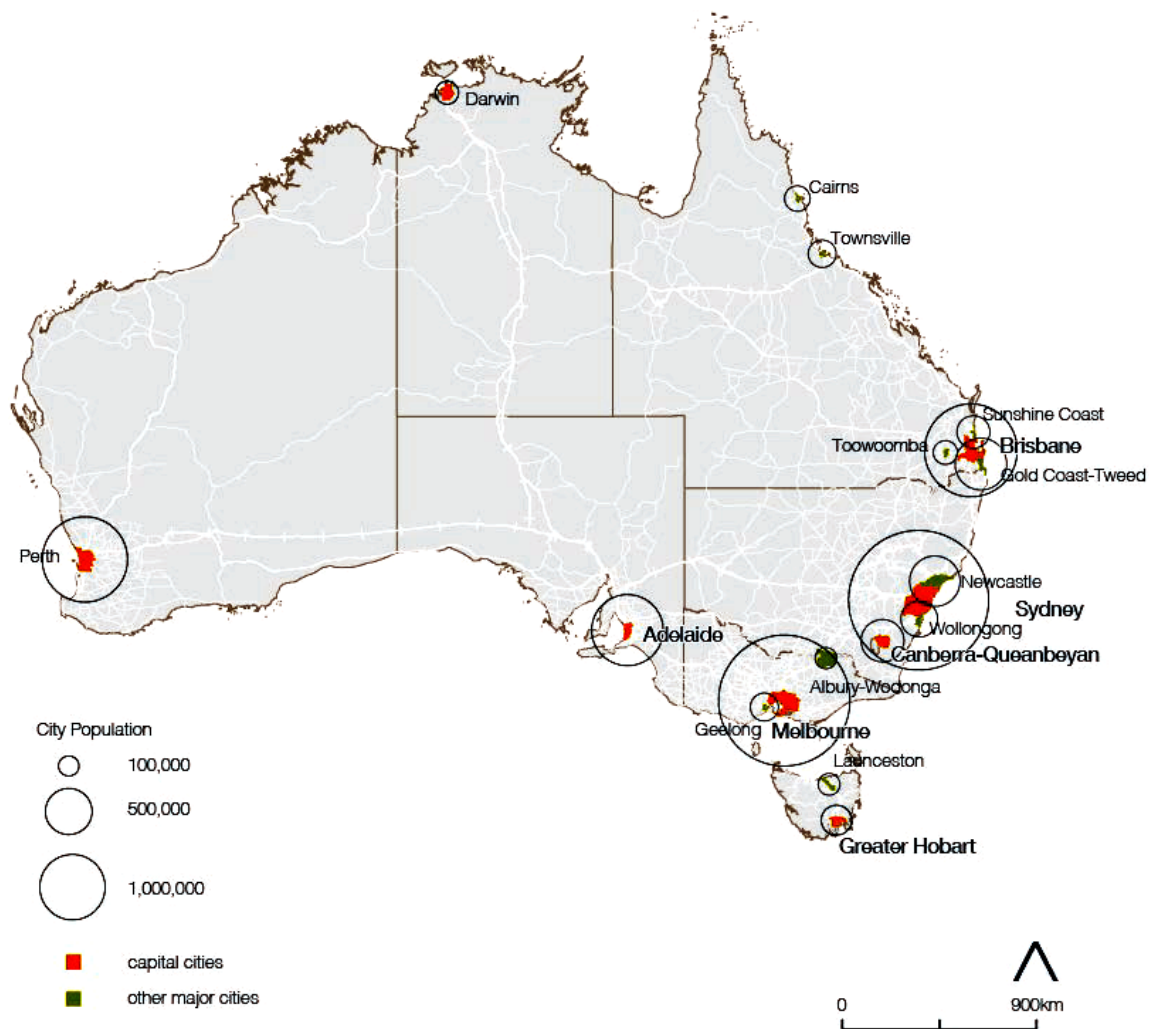
Infrastructure for an economically, socially,
and environmentally sustainable future

2011





Australian Cities (above 100,000)





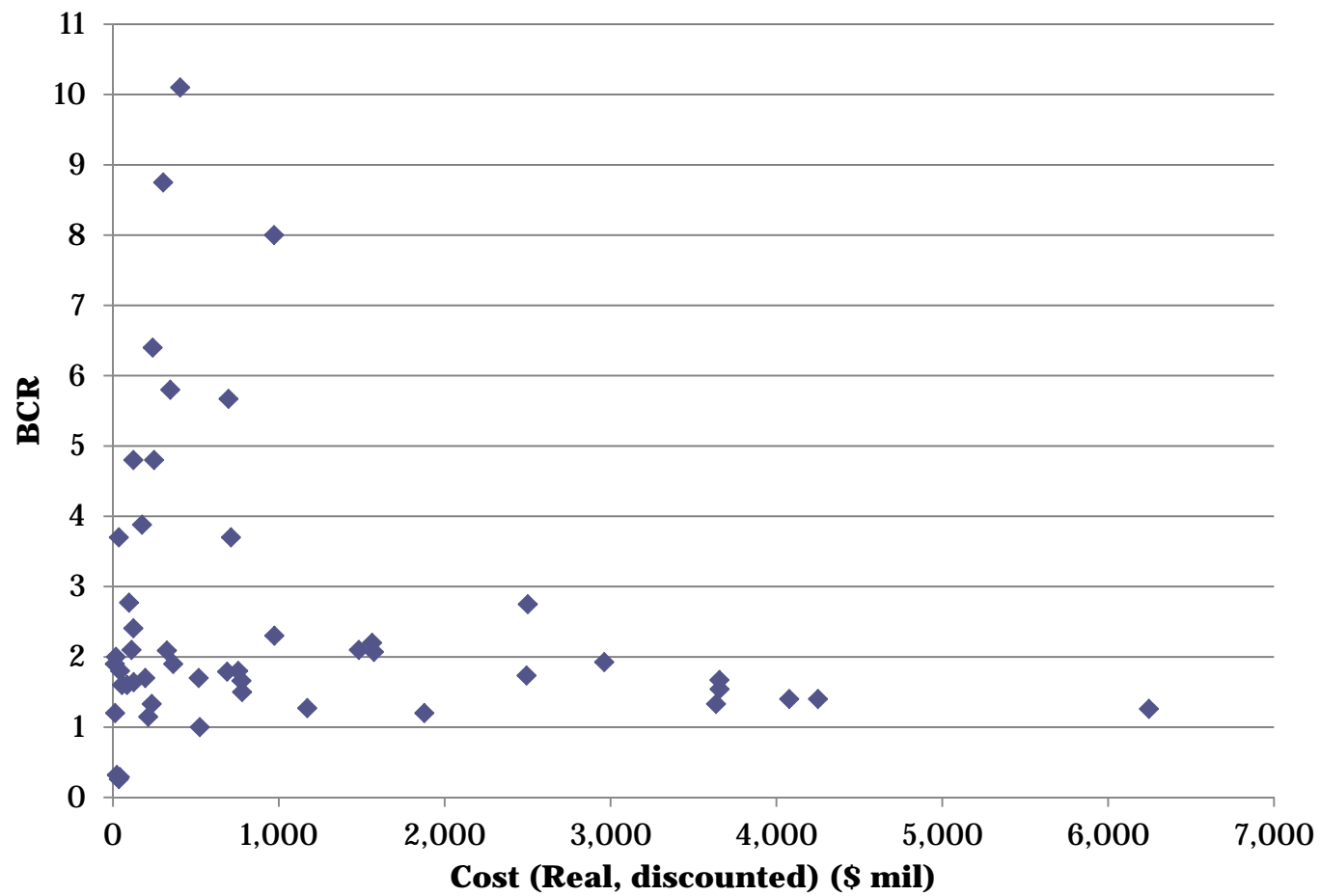
Goal Definition	Problem Identification	Problem Assessment	Problem Analysis	Option Generation	Solution assessment	Solution Prioritisation

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graph TD
    1((1)) --> 2((2))
    2 --> 3((3))
    3 --> 4((4))
    4 --> 5((5))
    5 --> 6((6))
    6 --> 7((7))
  
```



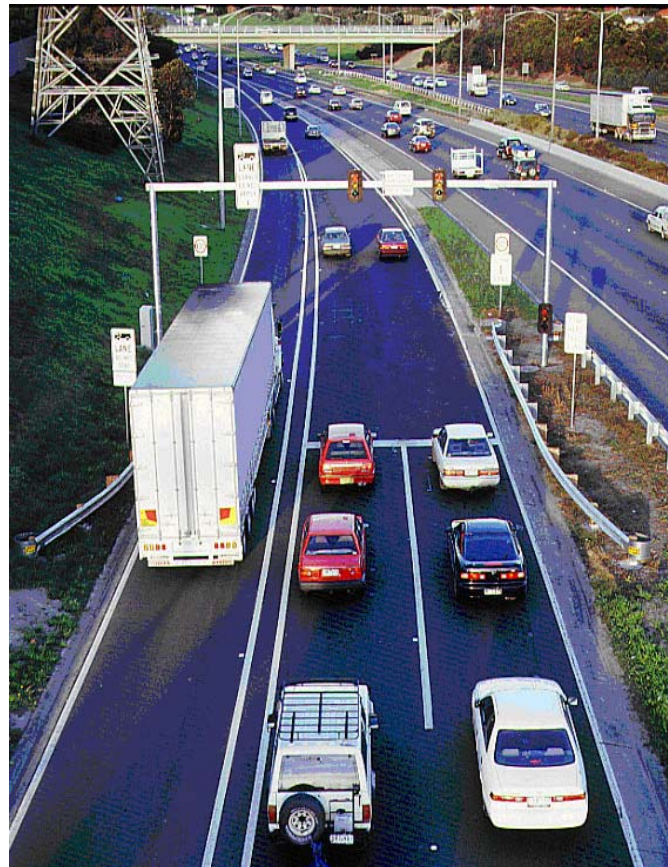

BCR versus Cost of the Projects Submitted to Infrastructure Australia





Reform

- Supply-side solution e.g. National Managed Motorways



Build and non-build
solutions



Reform

- Demand-side solutions



e.g. congestion pricing



e.g. working hours



IA CBA template

Benefit Cost Analysis Result

Complete the following table:

	Real Discount Rate (%)		
	4%	7%	10%
BCR
NPV (\$m, 2013) i.e. 'Net Benefit'
NPV / \$
IRR



AUSTRALIA'S PUBLIC INFRASTRUCTURE
**Part of the Answer
to Removing the
Infrastructure Deficit**

Infrastructure Australia
October 2012





Gold Coast Light Rail





THE AUSTRALIAN FINANCIAL REVIEW

THURSDAY 18 OCTOBER 2012

www.afr.com Price \$3.00 (incl GST)

■ Ports, power, water, rail

■ Privatisations to fund infrastructure

Sell \$220bn in lazy assets

Exclusive

Jacob Greber
Economics correspondent

More than \$200 billion of "lazy" assets owned by the federal and state governments should be sold to plug the nation's infrastructure gap, reduce debt and lift productivity, according to the Gillard government's top infrastructure adviser.

A report from Infrastructure Australia out today identifies 20

The targets



Electricity

\$108bn



Water

\$96bn



Ports

\$11bn



Rail & airports

\$5bn

ASX revises rule book on disclosure

Patrick Durkin

Listed companies will have more time to announce market-sensitive information to investors under a radical reinterpretation of corporate disclosure rules following the landmark High Court decision on Fortescue Metals Group.



New South Wales

Restart NSW Fund Bill 2011

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

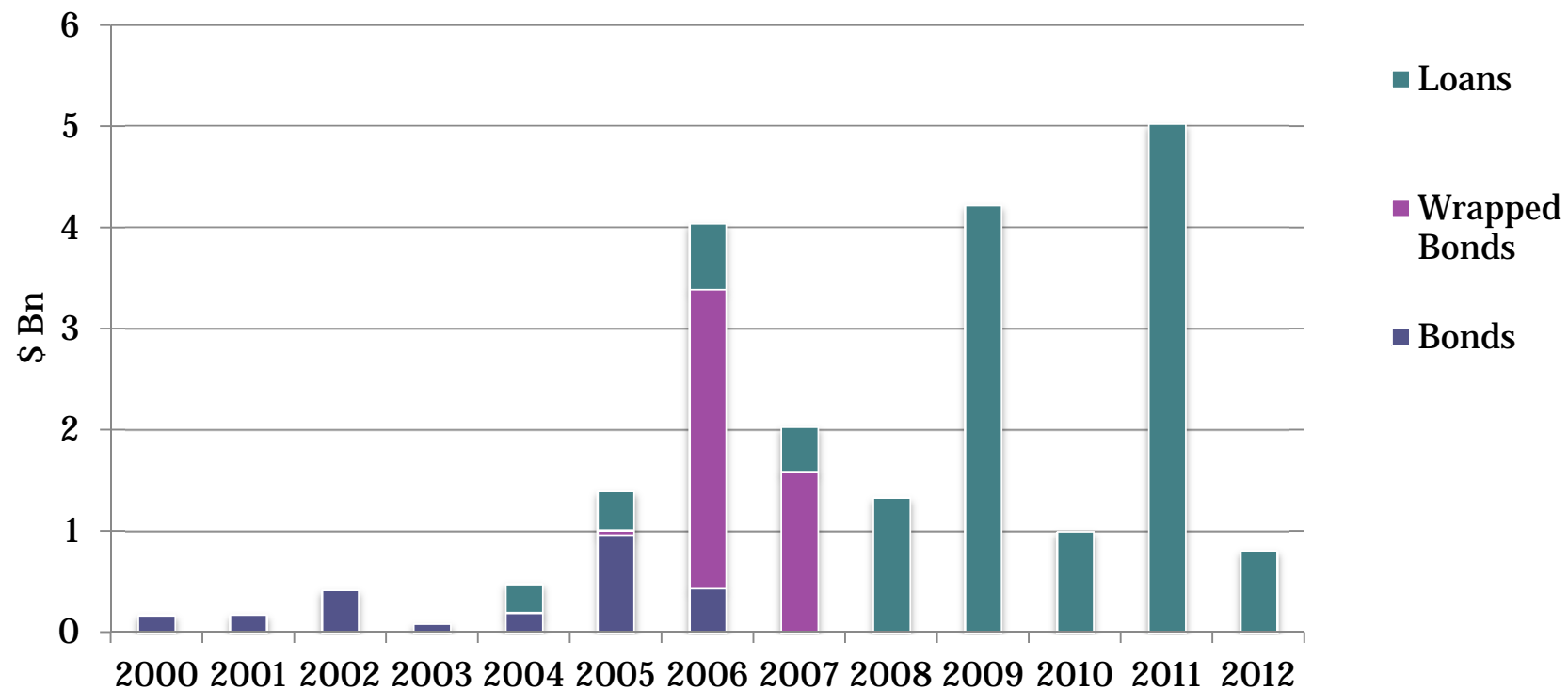
Overview of Bill

The object of this Bill is to establish the Restart NSW Fund for the purpose of setting aside funding for and securing the delivery of major infrastructure projects and other necessary infrastructure.



Availability PPPs

Domestic Debt Finance 2000-2012



Source: Infrastructure Australia analysis, KangaNews



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