



Australian Government
Infrastructure Australia

28 March 2014

Mr David Murray
Chair, Financial System Inquiry
GPO Box 89
Sydney NSW 2001

Dear Mr Murray

Infrastructure Australia – Infrastructure Debt Report

Improving the functioning of infrastructure capital markets is an important consideration for the financing of the nation's infrastructure and how Australia funds its growth.

Following extensive industry consultation, Infrastructure Australia has developed a report that details several options for developing infrastructure debt capital markets.

A key area identified during the consultations is the importance of policy settings that increase the competitiveness and efficiency of the infrastructure debt market by encouraging long term defensive investing where appropriate. The correct regulation, incentives and taxation of retirement income products is seen as particularly important, particularly as the 'baby boomer' age cohort enters retirement.

The Infrastructure Debt report raises important considerations for the inquiry's examination of policy settings to ensure the efficient allocation of capital to enhance Australia's productivity growth.

The report is attached for your consideration as part of the Financial System Inquiry. The report does not contain 'in confidence' material and can be placed on the Inquiry's website.

Please contact Paul Roe, Director, Financing and Funding Policy, on (02) 8114 1900 should your staff have any questions relating to this report.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Rory Brennan', with a long horizontal flourish extending to the right.

Rory Brennan
A/g National Infrastructure Coordinator