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**PRIME MINISTER**

113/95

STATEMENT BY THE PRIME MINISTER, THE HON P.J KEATING MP**EPAC PRIVATE INFRASTRUCTURE TASK FORCE: FINAL REPORT**

(embargo 12.01am 19 October, 1995)

I welcome the release of the Final Report of the Economic Planning and Advisory Commission (EPAC) Private Infrastructure Task Force, established in November last year. The Task Force has been inquiring into private sector involvement in the funding, management and control of public infrastructure.

The Report provides a substantial fund of ideas on issues relating to private sector involvement in infrastructure.

Among other things, the Task Force noted the rapid development of infrastructure finance and the growing emergence of superannuation and life insurance investments in infrastructure. The package of superannuation measures announced in the Budget will greatly increase the pool of superannuation funds, and the level of funding that is available for infrastructure from this source, over the next decade.

The report also highlighted the growing sophistication of the infrastructure finance industry and the role played by infrastructure borrowings as a catalyst for private sector involvement. This greater sophistication will, over time, reduce the need for infrastructure borrowings.

The Task Force recommends that the tax incentives for infrastructure borrowings will not be needed after their current life. However, the Government believes such a judgement is premature, and continues to see a significant role for them in facilitating greater private sector involvement in funding the development of infrastructure.

There are many substantive issues raised in the report and I have asked my Ministers to review them. The Government will respond to the detailed recommendations shortly.

**CANBERRA
18 OCTOBER 1995**