

## MEDIA RELEASE

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### INVESTORS WARY AS POLITICS TRUMPS PROJECTS: LATEST RESEARCH

Australia remains attractive to investors, but that reputation is now under material pressure, with investors spooked by rapid and unpredictable political interventions – say the findings of [Infrastructure Partnerships Australia](#) and [Perpetual's annual Australian Infrastructure Investment Report](#).

**Key findings include:**

- **70 per cent of investors remain ‘highly likely’ to invest in Australia; but**
- **62 per cent say ‘political risk’ now a major concern;**
- **66 per cent ‘not optimistic’ about national government infrastructure policies; and**
- **72 per cent say energy market ‘full of uncertainty’.**

“Political interventions on projects and unpredictable rule changes see Australia now receiving the type of investor commentary that’s more usually associated with emerging economies,” said IPA Chief Executive, Brendan Lyon.

“Two thirds of investors are spooked by the Federal Government’s unpredictable policies on energy and other market interventions planned or under consideration.

“The appetite to invest in South Australia has tumbled by 75 per cent to just four per cent of investors, showing that investors will punish jurisdictions who act in poor faith.

“Given the increasingly urgent need for major investments in electricity, it’s very worrying three in four investors are badly spooked by energy policy uncertainty.

“This shows an urgent need for the Federal Government and Opposition to stop the political games and agree the rules on electricity.”

The report captures the views of 26 domestic and global investors including sovereign wealth funds, pension funds, fund managers, developers, banks and insurance companies who collectively own or manage more than \$220 billion of infrastructure assets across the globe.



Despite the significant headwinds, Perpetual Corporate Trust General Manager Managed Funds Services, Andrew Cannane, noted that Australia has made progress in a number of key areas and still remains an attractive investment destination.

Seventy eight per cent of investors said the visibility of transactions and projects has improved in Australia in the last year, while 69 per cent said Australia's track record of infrastructure business makes Australia attractive for investment.

"Australia remains one of the world's most attractive and sophisticated infrastructure markets. But like any industry, that hard-won reputation will erode if we don't continue to improve what we do, why we do it, and how we do it.

"Infrastructure investors continue to scan the globe for relative value. With less investment opportunities emerging and tighter pricing, Australia cannot afford to rest on its laurels as an infrastructure investment destination," said Mr Cannane.

[Download the 2017 Australian Infrastructure Investment Report.](#)

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#### **About the Australian Infrastructure Investment Report**

The Report is based on the findings of 26 respondents who collectively own or manage circa A\$220 billion in infrastructure investments across the globe. Respondents included sovereign wealth funds, pension funds, fund managers, developers, banks and insurance companies. While almost all respondents are Australian-based, around half have their head office within Australia, while the others are evenly spread across Europe, North America and (for the first time this year) Asia. The report provides a unique insight into the preferences, intentions and concerns of the major market participants about investing in infrastructure in Australia.

#### **About Perpetual**

Perpetual is a financial services group operating in funds management, financial advisory and trustee services. Our origin as a trustee company, coupled with our strong track record of investment performance, has created our reputation as one of the strongest brands in financial services in Australia. For further information, go to [www.perpetual.com.au](http://www.perpetual.com.au)

#### **About Infrastructure Partnerships Australia**



Infrastructure Partnerships Australia is the nation's peak body for infrastructure – formed in 2005 as a genuine and enduring policy partnership between Australia's governments and industry. Through our research and deep engagement with policymakers and industry, IPA seeks to capture best practice and advance complex reform options to drive up national economic prosperity and competitiveness. For further information, go to [www.infrastructure.org.au](http://www.infrastructure.org.au)

