



## **PRIVATE CAPITAL READY TO BACK AUSTRALIA'S DECARBONISATION AGENDA, PROVIDED THE SETTINGS ARE RIGHT**

**FOR IMMEDIATE RELEASE – 28 SEPTEMBER 2022**

With the right investment settings, Australia's infrastructure decarbonisation agenda journey will be supported by a wave of private capital ready to invest, according to a new report released by [Infrastructure Partnerships Australia](#) and [Allens](#).

### **2022 Australian Infrastructure Investment Report**

**Key findings include:**

- **88 per cent of investors are 'highly likely' to invest in Australian infrastructure, up from 84 percent in 2021.**
- **64 per cent of investors indicated a preference to see Australian governments do more to push decarbonisation.**
- **\$72.3 billion worth of greenfield projects identified as suitable for governments to engage private capital on.**
- **New South Wales (69 per cent) and Victoria (63 per cent) remain Australia's most preferred infrastructure investment destinations.**
- **69 per cent found renewable generation to be an attractive asset class, with 68 per cent identifying energy transmission and distribution as the preferred asset class to invest in.**
- **74 per cent of investors believe the climate risk has increased over the past year.**
- **An overwhelming number of investors highlighted the impact of market capacity constraints and rising inflation on investor certainty.**

"Infrastructure investors are emerging from the pandemic with record levels of capital to deploy, and they want to invest in decarbonisation," said Infrastructure Partnerships Australia Chief Executive, Adrian Dwyer.

"The message from investors is clear, they just want to see positive emissions reduction intention flow through to tangible action.

"Australia really is the green and gold – a golden era to invest in 'green' infrastructure.

"To deliver a golden age for green infrastructure, we will need to attract private capital on an unprecedented scale.

"The capital is ready and willing, but in government it needs a willing dance partner.

"Despite a strong intention to invest in Australia, global investors were clear that certainty is crucial.





“Global investors were concerned about direct government intervention into markets, while loose rhetoric on the role of private capital risks Australia’s hard won reputation for stability.

“While investors largely supported the intent of the Your Future, Your Super reforms, they noted the need to calibrate interventions carefully and the benchmarking provisions will need to be refined to avoid unintended consequences.

“Investors were particularly concerned that current YFYS benchmarking settings may inadvertently erode capital allocation to infrastructure.

“Every government and opposition in Australia needs to recognise that words matter and capital is cowardly – we can’t let loose language drive it elsewhere.”

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**About the Australian Infrastructure Investment Report**

This year’s survey captures the views of Australian and international investors who collectively own or manage more than \$680 billion of infrastructure assets across the globe. Our report provides a comprehensive view of investor appetite and sentiment. The report reveals insights into the drivers and challenges for infrastructure investors, which include sovereign wealth funds, pension funds, fund managers, banks, and other infrastructure professionals.

**About Infrastructure Partnerships Australia**

Infrastructure Partnerships Australia is an independent think tank and executive member network, focused on excellence in social and economic infrastructure. Formed in 2005 as a genuine and enduring policy partnership between Australia’s governments and industry, we exist to shape public debate and drive policy reform for the benefit of the national interest. For further information, go to [www.infrastructure.org.au](http://www.infrastructure.org.au).

**About Allens**

Allens is a leading international law firm with a long and proud heritage of shaping the future for our clients, our people, and the communities in which we work. In our 200th year, Allens has grown to offer our clients a worldwide network of 40 offices in 28 locations through our global alliance with Linklaters. We are privileged to hold some of the world’s longest ongoing client relationships, stretching back more than 170 years, and to be trusted with their ‘first-to-market’ and market changing transactions. Our market leading infrastructure, renewable energy, and project financing teams advise across the full lifecycle of infrastructure projects. They play an active role in the development of the markets in which we operate.

