



# Morrison plan for super infrastructure investment edges closer

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The Morrison government is considering new vehicles and products for infrastructure investment that some super funds and the Financial Services Council are proposing in an effort to attract a greater share of the \$3 trillion super pool.





Industry Super chairman Greg Combet is getting closer to a proposal for new ways to invest in infrastructure. [afr](#)

Industry and retail superannuation funds have put forward competing models for infrastructure financing to help lead the economy out of its [COVID-19](#)-induced recession.

Super fund Crescent Wealth said on Thursday that it wanted the government to consider a 30- to 50-year guaranteed infrastructure bond, the proceeds for which would be used by an independent fund set up by the government to invest in Infrastructure Australia's wish list of projects.

The FSC also [wants a new type of investment vehicle](#) and has submitted its proposal to Industry Super chairman Greg Combet and former Productivity Committee chairman Peter Harris, who are members of the National COVID-19 Co-ordination Commission (NCCC).

The \$140 billion IFM Investors, of which Mr Combet is also chairman, has also brought infrastructure financing proposals to the NCCC.

Treasurer Josh Frydenberg confirmed on Thursday that he had spoken to Mr Combet on assembling a group of senior investment executives from across super funds to consider such new investments.

"This is one of the topics that I and the Prime Minister have discussed with Mr Combet in the context of one of those meetings," Mr Frydenberg told reporters.

Earlier this week Mr Frydenberg called upon superannuation funds to [spearhead a](#)

independent fund set up by the government could benefit from fast-tracked regulatory approval for new infrastructure projects.

"This is definitely something that we would invest in," Mr Hazell said.

Dr Hewson said it was not just the vehicle with exposure to fast-tracked infrastructure projects that would appeal to super funds, but also the AAA-rated credit rating of the bonds.

"Introducing a long-term infrastructure bond with a government guaranteed coupon would be an attractive fixed income investment for Australian super funds," Dr Hewson said.

Industry Super Australia chief executive Bernie Dean said infrastructure bonds appealed to super funds.

"There is a place for infrastructure bonds in diversified portfolios, provided they generate appropriate risk-adjusted returns," Mr Dean said.

"Any investment vehicles or government initiatives that can stimulate investment in local infrastructure should be examined."

Superannuation funds current infrastructure investments total \$105 billion out of the \$3 trillion pool.

Shadow assistant treasurer Stephen Jones said his party also supported new vehicles to entice superannuation funds into infrastructure.

"Labor are always willing to consider any new proposals but in order to create new jobs and stimulate Australia's economy, super should be invested in building things that aren't yet built rather than buying things that are," Mr Jones said.



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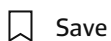
Infrastructure Australia's [\\$58 billion wish-list released in February this year](#) noted that the key projects included the M4 Motorway upgrade from Parramatta to Lapstone, the Sydney Metro: City and South-west, Western Sydney Airport, Brisbane Metro and M80 Ring Road upgrade.

The report also highlights 12 new priority infrastructure projects for government, including stage 3A of the Gold Coast light rail network, capacity upgrades to Queensland's M1 Pacific Motorway and Bruce Highway, freight connectivity improvements in Western Australia and the University of Tasmania's northern transformation program.

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