

***The Inaugural Public-Private Dialogue on Infrastructure held Tokyo on Monday 7<sup>th</sup> March, 2011***

The Dialogue of this report stems directly from the activities of the Australia Japan Business Co-operation Committee (AJBCC) in Japan and the recognition by the Government of Japan that its existing Private Finance Initiative (PFI) is inadequate for the current times.

Consequently there has been a much heightened interest in the Australian approach to Public-Private-Partnerships (PPPs).

The Australian Group at the table included representatives from the Department of Infrastructure and Transport (Andrew Jagers, Executive Director, Nation Building); DFAT (Peter Rowe, First Assistant Secretary, North Asia Division); Embassy in Tokyo (Ambassador MacLean); Austrade (Peter Grey, CEO) together with eight or nine business representatives led by Sir Rod Eddington, President of the AJBCC and Chairman of Infrastructure Australia. Mr Mimura led the Japanese Business delegation.

The dialogue received reports on the AJBCC –JABCC activities, as well as a detailed commentary from the Australian private sector on matters that it would like to see addressed by Japan to facilitate Australian style PPP's in Japan. Australian participants reported that the dialogue should become a regular event but that it would be helpful if future dialogues were planned sufficiently in advance to enable presentation and discussion of more substantive issues. The next dialogue is planned to coincide with the 49<sup>th</sup> Japan Australia Joint Business Conference in October in Kyoto.

Subsequently, an amendment to the PFI Law has been tabled in the Japanese Diet which was aimed to give effect to the Government's flagged intention in December 2010 to open 'Economic Infrastructure' to the private sector. The amendments remain to be considered and the important draft regulatory changes remain to be gazetted. There is a view that the considerable earthquake damage to infrastructure might be the catalyst for an earlier liberalisation of the existing PFI regulations and processes.