

AUSTERITY and its **ALTERNATIVES**



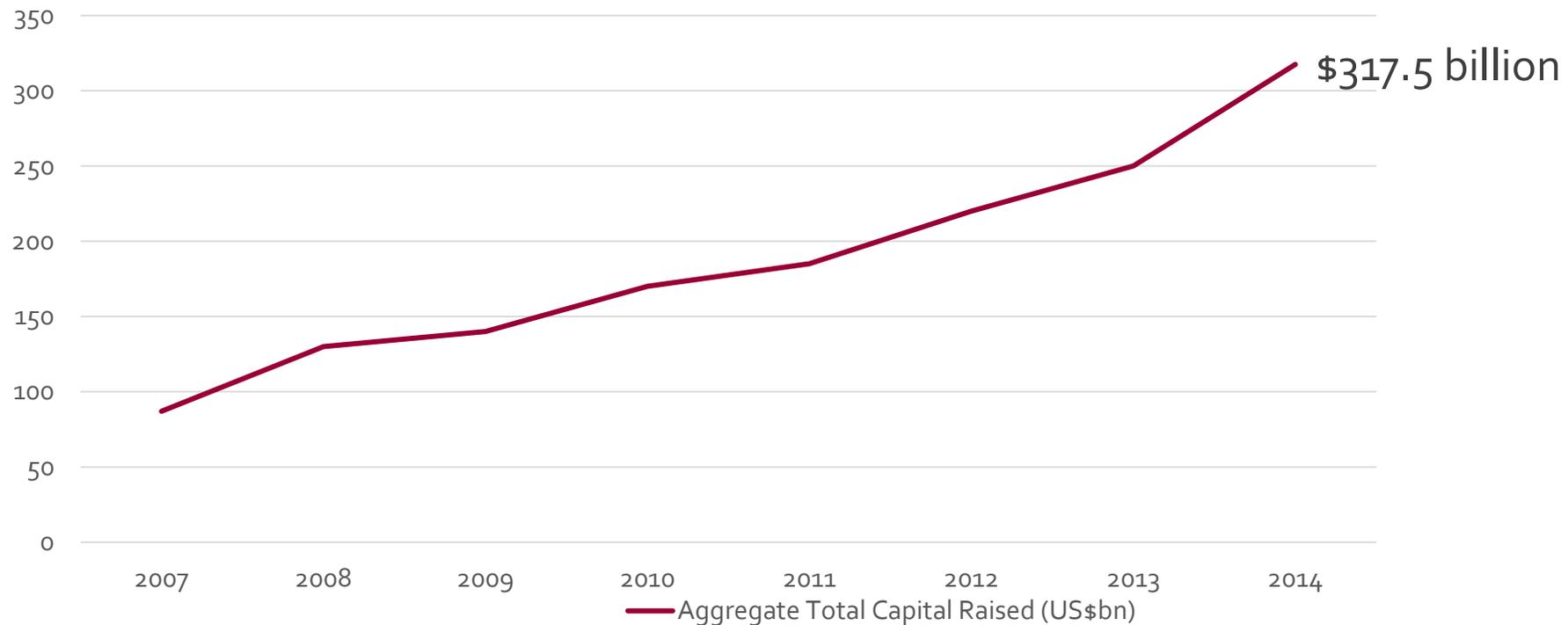
Austerity Infrastructure

Financializing, offshoring, and tax sheltering public-private
partnership funds

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The First AltAusterity Workshop – December 14-15, 2016
McMaster University, Hamilton, Ontario, Canada

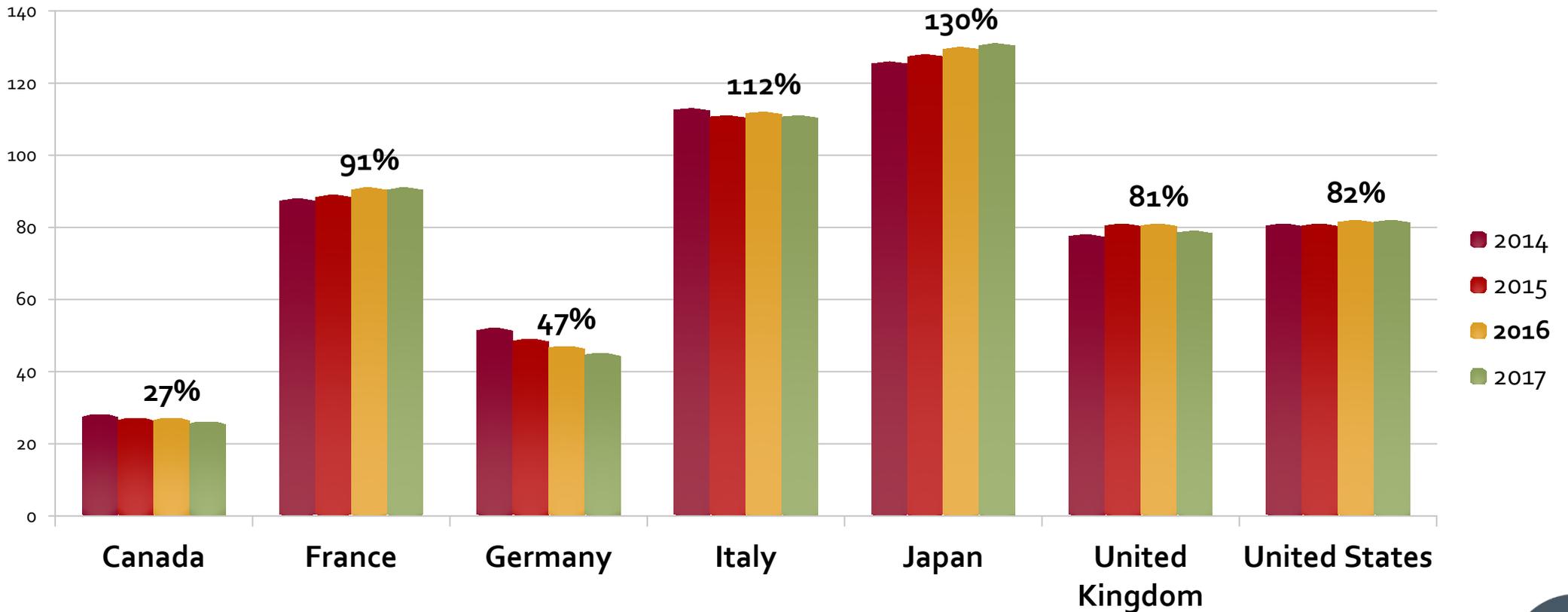
The Ascent of Infrastructure as an Asset Class



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Canada has the lowest net government debt as a percentage of GDP in the G-7



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A flourishing secondary market for infrastructure equity now exists

Dexter Whitfield. 2016. *The Financial Commodification of Public Infrastructure*. European Services Strategy Unit. October.

- Buying and selling of equity in public-private partnership (PPP) infrastructure project companies = **a £17.1bn industry**
- **RoI = 50%** (five times the amount typically agreed to in the average PPP business case)
- Tax haven-registered: the five largest listed **offshore infrastructure funds** made **£1.8bn** from 2011-2015

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Canadian PPP Equity Sales

Examples involving tax haven-registered companies: John Laing Infrastructure Fund, HICL Infrastructure Company, Bilfinger Berger Global Infrastructure

2013

- Kelowna and Vernon hospital projects, BC
- North East Stoney Trail Highway, AB

2012

- Gold Ears Bridge, BC
- Kicking Horse Canyon Highway, BC
- North West Anthony Henday Drive, AB

2011

- Abbotsford Regional Hospital, BC

2010

- North West Anthony Drive, AB

2007

- Abbotsford Regional Hospital, BC
- Diamond Health Care Centre, BC
- Abbotsford Regional Hospital, BC

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Alternatives to the private finance 'alternative'?

- How to resist the easy lure and messaging of private consultants pushing private finance 'alternatives'?
- Ask: do we really need/want all this new infrastructure?
- Create: sovereign wealth funds, more state owned enterprises, issue public (especially revenue bonds)



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