

The G20 Global Infrastructure Hub – First steps

February 6, 2015 | Written by David McElveney

The Australian Government will need to act quickly and decisively if the Sydney-based, internationally-operating Global Infrastructure Hub is going to be a success. The G20 has given the Hub only a four year mandate to realise its goal of meaningfully closing the global infrastructure gap. To read more about this, please see our previous update [here](#).

The process of setting up the Global Infrastructure Hub has now been initiated with the recent registration of the *Financial Framework (Supplementary Powers) Amendment (2014 Measures No. 3) Regulation 2014*.

This new Regulation provides the legislative foundation for the initiative by providing the Government with the authority to form a company limited by guarantee, which will undertake the activities of the Global Infrastructure Hub, while also giving to the Government the power to provide resources and funding for the Hub. The Australian Treasury will have responsibility for administering these funds, although the Explanatory Statement for the Regulation clearly states:

"[t]he Australian Government along with other G20 member countries, non-member countries, international organisations, non-government stakeholders and the private sector are expected to contribute to the Hub."

While Treasury is currently responsible for establishing the Hub, it is expected that the Department of Foreign Affairs and Trade as well as the Department of Infrastructure and Regional Development will also play a role.

So what does this mean? The pace at which the Government has acted to begin implementing the legislative foundations for the Global Infrastructure Hub is a clear positive. It demonstrates the Government's intent to back the initiative, to make the most of its four year mandate and ultimately to have a meaningful impact in the international infrastructure space. The regulations have also provided the first legislative statement of the objects of the Hub. These are contained in table item 21 of Schedule 1B of the *Financial Framework (Supplementary Powers) Regulations 1997*.

These legislative amendments are complemented by other activities being conducted by Treasury to create the Hub, with the assistance of Robert Milliner, Senior Advisor at UBS, "Sherpa" of the recent B20 group, and advisor to the Australian Government during the G20. It is expected that Mr Milliner will play an important role in assisting the Hub to define its relationship with the private sector.

The search for a CEO to manage the GIH is underway, with an international recruitment agency searching for candidates who are expected to have both public and private infrastructure industry experience. Similarly, the process of selecting the Hub's foundational board of directors has begun, and it is expected that the Treasury will maintain its relationship with the initiative by making a direct appointment. The other board members will

comprise of independent directors as well as representatives of other G20 countries, including at least two representatives from advanced G20 economies and at least two representatives from a developing or emerging G20 economies. Meanwhile, the Assistant Treasurer, The Hon Josh Frydenberg MP recently identified the Hub as a specific talking point prior to the Annual Meeting of the World Economic Forum in Davos Switzerland where he represented the Australian Government showing the clear intention of Treasury, not to let the GIH fall out of global consciousness.

For now, however, these legislative changes are an exciting first step by the Global Infrastructure Hub from its inception at the G20 towards becoming a living and breathing international body. It is hoped that as a CEO is selected and board appointments are made, we will begin to get a real look into how the GIH will operate to achieve its lofty ambitions.

For further information, please contact [David McElveney](#).

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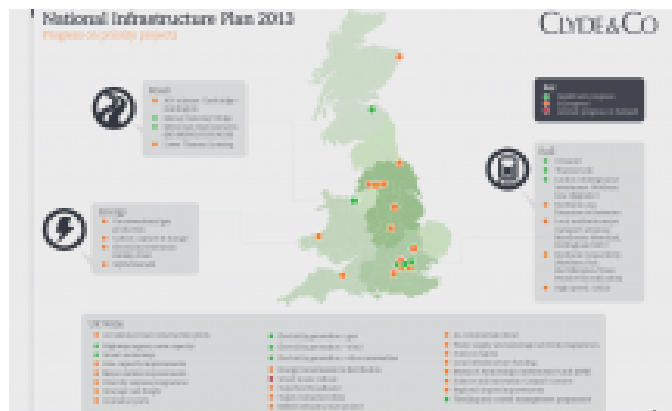


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