

7 April 2009

Committee Secretary  
Senate Economics Committee  
Department of the Senate  
PO Box 6100  
Parliament House  
Canberra ACT 2600  
Australia

By email on [economics.sen@aph.gov.au](mailto:economics.sen@aph.gov.au)

Dear Sir or Madam:

**Re: Inquiry into Australian Business Investment Partnership Bill**

Thank you for the opportunity to participate in this important inquiry.

AMP Capital Investors has a long and proud history of generating wealth for the millions of ordinary Australians who directly and indirectly invest in our \$15bn commercial real estate portfolio.

We applaud Government efforts to protect Australians from significant losses which could arise from a lack of liquidity in the commercial property sector.

The current legislation is a good start.

However, we firmly believe the principles of the Bill should be extended to cover other situations which could produce forced sales, including other refinancing events and redemptions.

Our principle concern is protecting the interests of ordinary Australians who have invested in commercial real estate and are not covered by the current proposal.

This omission is potentially a significant threat to the retirement wealth of more than 9 million Australians who own commercial real estate through their superannuation.

We therefore submit that the Committee should recommend three categories of change to the current proposal. Broadly, these changes should;

1. Enable ABIP to enter into a wider range of financial arrangements in relation to the commercial property sector;

2. Better delineate the tests of commercial and financial viability for transactions to be funded by ABIP. Lending criteria consistent with those of major domestic banks is perhaps not appropriate where these criteria are driven by the commercial interests of the major banks; and
3. Better delineate the process by which four banks and the Government will make decisions on transactions selected for funding.

We look forward to discussing our submission with the Committee further during the hearing stage.

In the interim, if you have any questions please contact either Trevor Cooke (0401 670 433) or Alastair Kinloch (0412 437 315)

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Dunne', written in a cursive style.

Stephen Dunne  
**Managing Director**