



Partnerships Victoria

An overview of Public Private Partnerships in Australia

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Partnerships Victoria

- The *Partnerships Victoria* policy, introduced in 2000, governs the use of Public Private Partnerships (PPPs) in Victoria
- 17 *Partnerships Victoria* projects have been contracted worth around \$5.5 billion (\$4.4b USD) in capital investment.
- Accounts for approximately 10 % of annual infrastructure spend
- *Partnerships Victoria* has been used as the basis for other Australian States & Territories, and other countries

- Refer: www.partnerships.vic.gov.au

Partnerships Victoria

- The policy focuses on whole-of-life costing
- Optimal risk allocation between the public and private sectors.
- Clear approach to value for money assessment – Public Disclosure Policy released March 2007
- Public interest is protected by a formal public interest test and the retention of “core” public services.

Partnerships Victoria project attributes:

- **Scale**, contracts with a value of \$100 million or more;
- **Duration**, service delivery requirements of up to 30 years
- **Service focus**, clearly definable and measurable *output specifications*, suitable for payment on a 'services delivered' basis;
- **Risk transfer**, scope for significant allocation of risk to the private sector;
- **Complexity**, *sufficient complexity* and/or other characteristics which invite innovative solutions; and
- **Market capability and appetite**, existence of a genuine business opportunity, and *sufficient capable private sector parties*, to create an effective and competitive bidding process.

Australian PPP Sectors & Projects

- Health: Hospitals
- Transport: Roads, Rail
- Justice: Courts, Prisons, Police Station
- Water: Desalination Plants, Water Treatment Plants
- Education: Schools
- IT: Mobile Data Network
- Defence: Command Centre

Summary

- PPP's as a delivery model have largely been accepted in Australia
- The model continues to evolve
- Market appetite remains strong despite the economic downturn