

NSW PPP Guidelines 2017 Official Launch

**Infrastructure & Structured Finance Unit
NSW Treasury
24 July 2017**



**The
Treasury**



Welcome

NSW PPP Guidelines 2017 Official Launch

Agenda



Phil Gardner, Deputy Secretary Commercial Group
NSW Government Overview



Kim Curtain, Executive Director ISFU
Overview



Yasmin Parekh, Associate Director ISFU
What's new?



Melissa Brooks, Senior Associate ISFU
The PPP Toolbox



Mark Redmond, Director, ISFU
Panel Discussion and Q&A



Infrastructure Overview

NSW is once again the Premier state

NSW Budget

Strong financial management

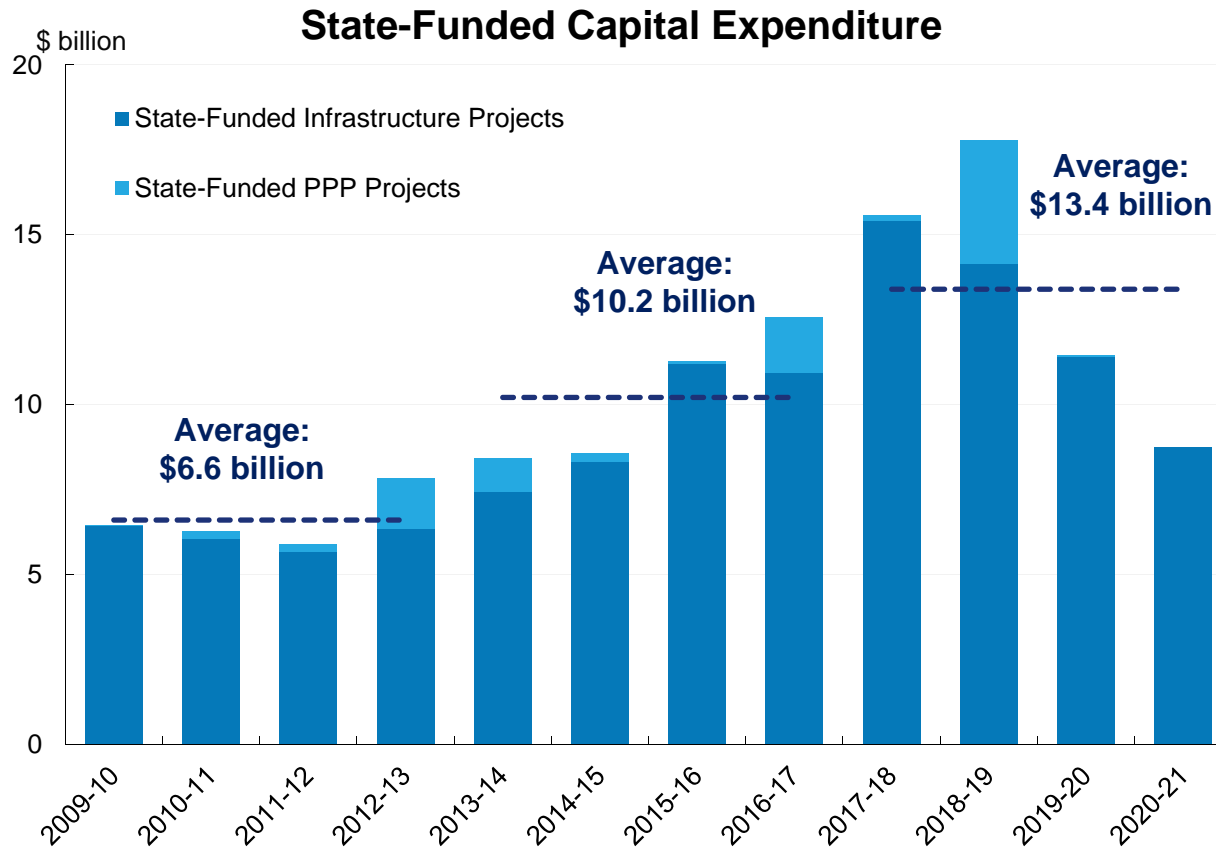
- **\$4.5 billion** surplus in 2016-17 and **\$2.7 billion** in 2017-18
- **-\$7.8 billion** – negative net debt in 2016-17
- **Triple-A credit rating** maintained
- Net worth **\$224.9 billion**

Strong economic management

- GSP growth **3.5 per cent**
- **lowest unemployment rate** in the country for two years
- **record construction activity**
- **record dwelling completions** of 60,000 in 2016
- **Regional NSW** - strongest jobs growth

Our strong position now gives us options to invest in our communities

This year will see the highest infrastructure spend on record



And another
\$12.1 billion
 in the pipeline in
 Restart NSW
 reservations

Source: NSW 2017-18 Budget Note: does not include Restart NSW reservations being considered by Infrastructure NSW before commitments are made, which will result in significant increases in later years.

Total state sector investment will be **\$72.7 billion** over the next 4 years

Infrastructure in NSW

Overview

NSW Government Infrastructure Program

\$72.7bn
Record
infrastructure
investment over
the next 4 years



\$41.4bn
(57%)



\$7.1bn
(10%)



\$4.6bn
(6%)



\$4.2bn
(6%)



\$2.4bn
(4%)

Infrastructure in NSW

PPP Overview





Infrastructure & Structured Finance Unit

Infrastructure & Structured Finance Unit

NSW Treasury



**Centre of
Excellence in
PPPs**

20

**person team
with public &
private sector
experience**



**Trusted
commercial &
financial adviser
to Government**

Launch of the NSW PPP Guidelines 2017

Downloadable document, factsheet and dedicated website

The image displays a collage of promotional materials for the NSW PPP Guidelines 2017. On the left is a large blue banner with the text "NSW PUBLIC PRIVATE PARTNERSHIP GUIDELINES 2017" and "Preparation, Procurement and Contract Management". To its right is a factsheet titled "NSW Public Private Partnerships" which includes a map of NSW showing "36 active PPPs" and a money bag icon representing "\$20bn capital invested since 2014". Below this is a table with sections: "GUIDING PRINCIPLES", "PPP CONSIDERATION" (noting "capital value exceeds \$100m"), and "KEY PPP FEATURES" (listing "Long term projects", "Risk sharing arrangements", "Performance-linked service payments", and "Contributions by (e.g. land, construction)").

On the right is a screenshot of the dedicated website. The header includes the NSW Government logo and navigation links: "About Treasury", "The NSW economy", "Budget & financial management", "Information for public entities", "Projects & initiatives", "Documents & resources", and "Treasurer & media releases". The main content area features a section titled "Revised NSW Public Private Partnership (PPP) Guidelines 2017" with a sub-section "Explore this page" containing links to "PPP Policy", "Revised NSW Public Private Partnership (PPP) Guidelines 2017", "Best Practice PPPs - Publications", "Disclosure of PPP documents", and "Related Policies". The text below explains that these guidelines complement the detailed National PPP Guidelines and were approved after extensive market consultation. It also mentions the "PPP TOOLBOX: BENEFITS" which include streamlined transaction processes, greater consistency across NSW PPP projects, continuous improvement and updates, and reduced bid costs.

Development of the revised Guidelines

Market Consultation Bid Costs	Market feedback	Development & Implementation
<p>In 2015, NSW Treasury interviewed 48 market participants from a variety of roles and sectors of the PPP market.</p>	<p>Majority of bid costs are incurred during the RFP stage.</p>	<p>Consultation with NSW Government agencies on market feedback</p> <p>Revised NSW PPP Guidelines 2017</p> <p>PPP Toolbox, including template Project Deed</p>
	Market Recommendations <p>Streamline the procurement process</p> <p>Provide standardised Project Documents</p>	

What is a PPP?

A broad definition in the revised Guidelines

Broadened to encompass the varying structures between the public and private sector for delivery of service enabling infrastructure.

- Long-term arrangements between the public and private sector for the delivery of service enabling public infrastructure.
- They include social infrastructure PPPs economic infrastructure PPPs, joint financing arrangements and concession agreements.

Principles underpinning the Guidelines

- Ensuring PPPs are procured in a professional and transparent manner
- Minimising bid costs
- Providing a fair opportunity to all participants
- Consistency of risk allocation other than project specific departures
- Consistency of documentation other than project specific changes
- Stability of PPP delivery structures
- Encouraging innovation
- Timely disclosure of information



NSW PPP Guidelines 2017

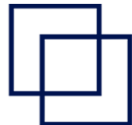
NSW PPP Guidelines 2017 - What's New?



Clearer requirements to involve NSW Treasury in all project stages from the initial business case and procurement decisions for likely PPPs



Clearer Government approvals process and updated document requirements



Clarification on real or misinterpreted overlaps with the Unsolicited Proposals Guide

NSW PPP Guidelines 2017 - What's New?



Requirement of a Shadow Bid Model to be prepared from the Business Case stage



Clearer practical guidance on evaluating tenders for value for money



Reliance on technical reports where possible

NSW PPP Guidelines 2017 - What's New?



Electronic access and data rooms



Requirement to comply with the Treasury template social infrastructure PPP contract documents



Requirement to use the PPP Toolbox – a suite of Treasury PPP templates and pro-forma documents



PPP Toolbox and Template Project Deed

PPP Toolbox

Suite of templates, pro-forma documents and guidance papers

Key Features

- Over 60 individual documents
- Number and nature will evolve
- All stages of the PPP procurement cycle
- Extension of the Guidelines
- ‘Template’ v ‘Standard’
- Includes Template Project Deed

Guidance Notes



Template Document
{insert project name}

Date: {dd/mm/yyyy}

Author: {insert}

Revision: Draft

Status: Confidential

Template guidance

Four horizontal lines for writing template guidance, set against a light green background.

PPP Toolbox

The benefits



Streamline transaction processes



Greater consistency across NSW projects



Reduced bid costs



Continuous improvement to reflect lessons learned or new thinking



Panel Discussion

Panel Discussion and Q&A

Facilitated by Mark Redmond, Director ISFU



Jim Betts

CEO
Infrastructure
NSW



Sarah Hill

CEO
Greater Sydney
Commission



Kim Curtain

Executive Director
ISFU, NSW
Treasury