LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

QON No. 36

STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM
JEREMY HANSON MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), MARK PARTON MLA, SUZANNE ORR MLA

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Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION ON NOTICE

Asked by MR COE MLA:

Chief Minister, Treasurer and Economic Development Directorate 2016/17 Annual Report, Financial Management, Output 4.2

In relation to: Public Private Partnerships (PPP)

1. What PPP transactions did the Directorate give advice on, including in relation to procurement?
    a. Does the directorate have any influence over procurement decisions undertaken in PPP's?
    b. How has Canberra Metro been performing as a PPP?
2. What are the results of the review of PPP contract management arrangements?
    a. What is the satisfaction level of the ACT Government with each PPP?
        i. Are some performing better than others?
            1. If so, which ones are performing better and which are not?
    b. Does the review change any current PPP arrangements, or will it only affect future PPP's?
    c. What contract arrangements have been changed going forward
3. Will the PPP arrangements for Light Rail Stage 2 differ from Stage 1, or will they remain the same?
    a. If different, please outline the differences
        i. Are there any arrangements that are considered not working under the PPP arrangements for Stage 1?
    b. If the same, have the reviews found areas for improvement?
4. What training is provided to the Whole of Government in relation to PPP's?
    a. Is this training undertaken by ACT Government Employees, or are external entities involved?
        i. If external entities are involved, what entities are they?
    b. Is this training mandatory for employees or directorates who directly interact with PPP's?
5. How many representatives of the ACT Government were present at the National PPP Contract Manager's Forum?
    a. What was the cost of the event?
    b. Please provide the number of attendees and the entity which they represented?

Mr BARR MLA: The answer to the Member's question is as follows:–

1. The only PPP transactions procured by the ACT Government are the ACT Law Courts PPP and Capital Metro. Infrastructure Finance and Capital Works (previously IFAD) provided support during the procurement and financial close of both of these projects.
   a. Procurement of the ACT Law Courts PPP was led by CMTEDD in conjunction with JACS. Procurement of the Capital Metro Light Rail Stage 1 PPP was undertaken by the Capital Metro Authority with substantial input from CMTEDD. Procurement decisions of both PPP companies are private sector commercial decision and are not subject to approval by directorates.
   b. The Light Rail Stage 1 is in the Design and Construction phase of the PPP. Construction activities are now well underway, including utility relocation and protection, road widening, track formation and slip forming of the concrete track slab as well as laying track. Work is advancing quickly at the Depot site in Mitchell. The Project is on budget and progressing to be running by late 2018.
2. This review related to the consent process for life of project transactions and are reflected in the ACT Government's Guidelines for Public Private Partnerships, Second Edition: May 2016.
   a. The ACT Government's only two PPP projects to date, the ACT Law Courts and the Capital Metro Light Rail Stage 1 PPP projects, are both still under construction. The Government remains satisfied that both projects will deliver high-quality outcomes.
      i. Both projects are currently in construction. None of these projects have been commissioned or are in the service delivery phase.
   b. Monitoring and review of contract management arrangements will continue and, where improvements can be made, they will be applied to any future PPP contracts.
   c. This referred to the consent processes to future life-of-project transaction. This available online and is referenced in The Guidelines for Public Private Partnerships.
3. The Delivery model for Light Rail Stage 2 currently is under consideration.
   a. Not applicable.
      i. The ACT Government considers that the existing PPP arrangement for Stage 1 is working well.
   b. The review of PPP contract management arrangements refers to matters covered in the response to io item 2.
4. The National PPP Contract Managers' Forum was hosted by Infrastructure Finance and Advisory Division (IFAD),* CMTEDD on 28 October 2016. An invitation was extended to all ACT Government employees. This is a recurring annual event is hosted by Australian governmental treasuries on rotation.

   IFAD offered two sessions to all ACT Government Employees on the "Evolution of Infrastructure Financing" on 26 July 2017.
   a. The National PPP Contract Managers' Forum was hosted by IFAD and we provided a speaker. Speakers from interstate Government agencies along with private sector PPP Professionals were also invited to presentations .
      i. The Evolution of Infrastructure Finance training was facilitated by an external, private sector, presenter Mr Martin Locke.

There are several International Project Finance Association and Infrastructure Partnerships Australia courses on PPP and Infrastructure Financing along with an ANZOG "Partnerships in Infrastructure" course. IFAD senior analysts have also undertaken these courses.

b. No, training is not mandatory.

5. 45 ACT Government employees accepted the invitation to the 2016 National PPP Contract Managers' Forum.

a. The total cost of the event was $11,127.82.

b. There were 87 attendees in total. Of those 42 were from interstate and represented a range of State, Territory and Federal government agencies including Treasury, Health, Courts, Public Transport, Education, Utilities, Roads and Tourism and Events. The presenters included Government PPP professionals, practitioners and project directors along with five highly experienced private sector interstate PPP experts presented throughout the day. 56 attendees participated in site tours and information sessions on the Territory's two PPP projects (Light Rail and ACT Courts) on Thursday, 27 October 2016.

* From 1 July 2017, Infrastructure Finance and Advisory Division merged with Capital Works. The new division name is Infrastructure Finance and Capital Works

Approved for circulation to the Standing Committee on Economic Development and Tourism

Signature: Andrew Barr Date: 29.11.2017

By the Treasurer, Andrew Barr MLA