

Partnerships Victoria



The OECD Symposium on Agencies and Public Private Partnerships

6th July 2006

John Fitzgerald
Acting Deputy Secretary, Commercial Division
Department of Treasury and Finance, Victoria, Australia





Outline

- **Portfolio Responsibilities**
- Approval process for *Partnerships Victoria (PV)* projects
- *Partnerships Victoria Unit*
 - Governance Arrangements
 - Roles
- Best Practice, Learning Lessons and Training
- Conclusion



Portfolio Responsibility

- No specific enabling legislation for *Partnerships Victoria*
- Cabinet approves policy and guidelines:
 - Policy mandates consideration of *Partnerships Victoria* by all Departments and Agencies
- All Ministers have power to enter into *Partnerships Victoria* contracts



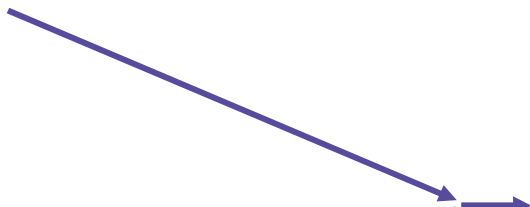
Portfolio Responsibility

MINISTERS

- Bracks, Hon. Steve MLA
(Premier)
- Brumby, Hon. John MLA (Treasurer)
- Thwaites, Hon. John MLA
(Deputy Premier)
- Allen, Hon. Jacinta MLA
(Education Services)
- Batchelor, Hon. Peter MLA
(Transport)
- Broad, Hon. Candy MLC
(Local Government & Housing)
- Cameron, Hon. Bob MLA
(Agriculture)
- Holding, Hon. Tim MLA
(Police)
- Kosky, Hon. Lynne MLA
(Education & Training)
- Lenders, Hon. John MLC
(Finance & Major Projects)
- Madden, Hon. Justin MLC
(Sport & Recreation)
- Pike, Hon. Bronwyn MLA
(Health)
- Theophanous, Hon Theo MLC



Treasurer responsible for the *Partnerships Victoria* framework



Relevant Portfolio Minister responsible for implementation of individual *Partnerships Victoria* projects



Portfolio Responsibility

Policy (Treasurer)

Victoria's guidelines have been predominantly adopted by most Australian jurisdictions and used as reference materials in some overseas countries.

Partnerships Victoria Policy

June 2000

Overview

Practitioners' Guide

Risk Allocation and Contractual Issues - a guide

Public Sector Comparator - a technical note

June 2001

Contract Management Framework

June 2003

Public Sector Comparator - supplementary technical note

Use of Discount Rates

July 2003

Standard Commercial Principles

June 2005

Other specific guidance - ongoing



Partnerships Victoria

Portfolio Responsibilities

PV PROJECTS

RESPONSIBLE DEPARTMENT

<ul style="list-style-type: none"> ▪ Berwick Community Hospital ▪ Royal Women's Hospital Redevelopment 	<p>Department of Human Services</p>
<ul style="list-style-type: none"> ▪ EastLink ▪ Spencer Street Station Redevelopment 	<p>Department of Infrastructure</p>
<ul style="list-style-type: none"> ▪ Echuca/Rochester Wastewater Treatment Plant ▪ Wodonga Wastewater Treatment Plant ▪ Enviro Altona 	<p>Department of Sustainability & Environment/ Relevant Water Authority</p>
<ul style="list-style-type: none"> ▪ Film and Television Studio Complex ▪ Melbourne Convention Centre Development 	<p>Department of Innovation, Industry and Regional Development</p>
<ul style="list-style-type: none"> ▪ Partnerships Victoria Correctional Facilities ▪ Victorian County Court ▪ Emergency Alerting System Project ▪ Metropolitan Mobile Radio ▪ Mobile Data Network 	<p>Department of Justice</p>
<ul style="list-style-type: none"> ▪ Royal Melbourne Showgrounds Redevelopment 	<p>Department of Primary Industries</p>

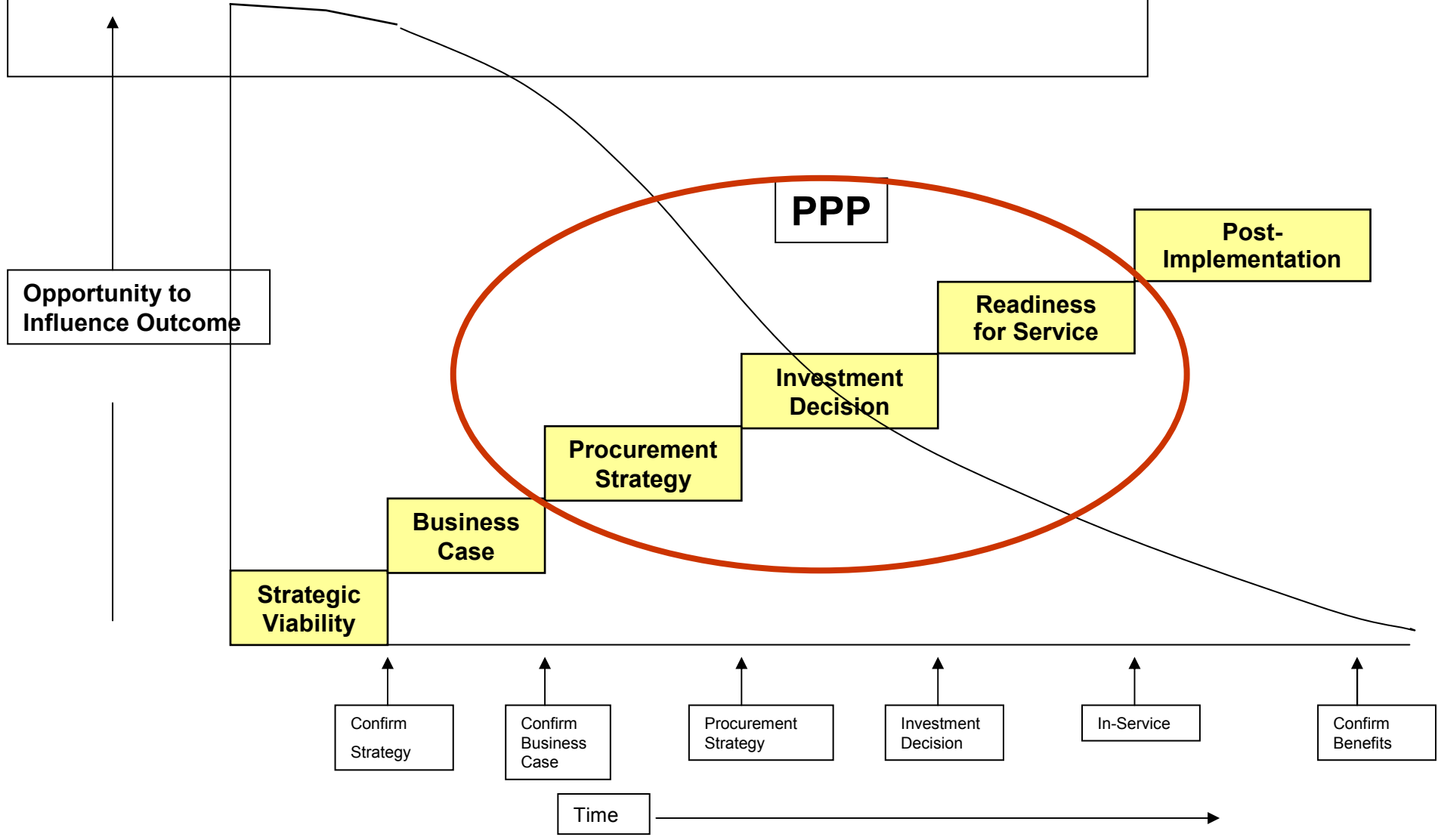


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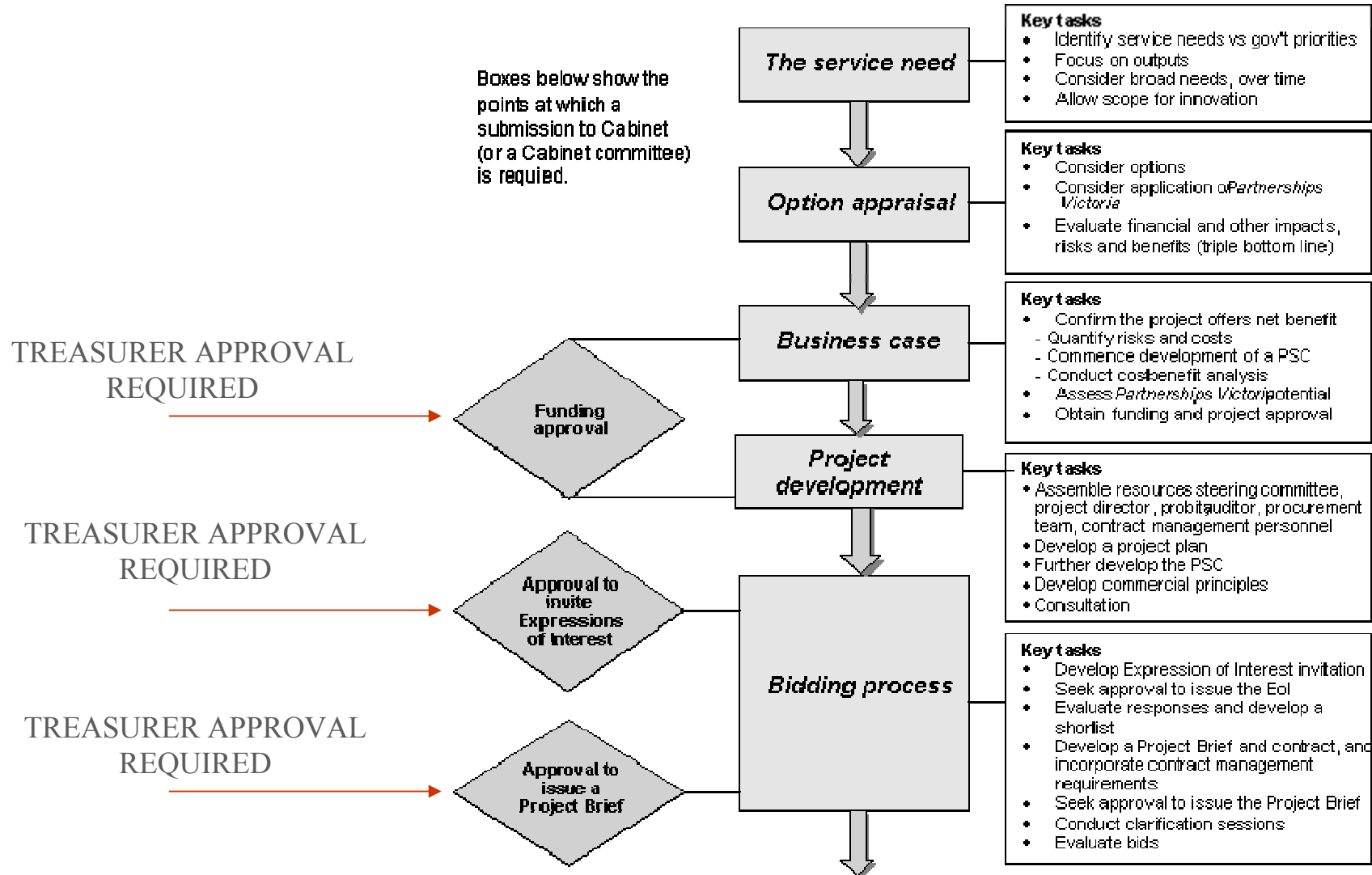
Project Impact Points





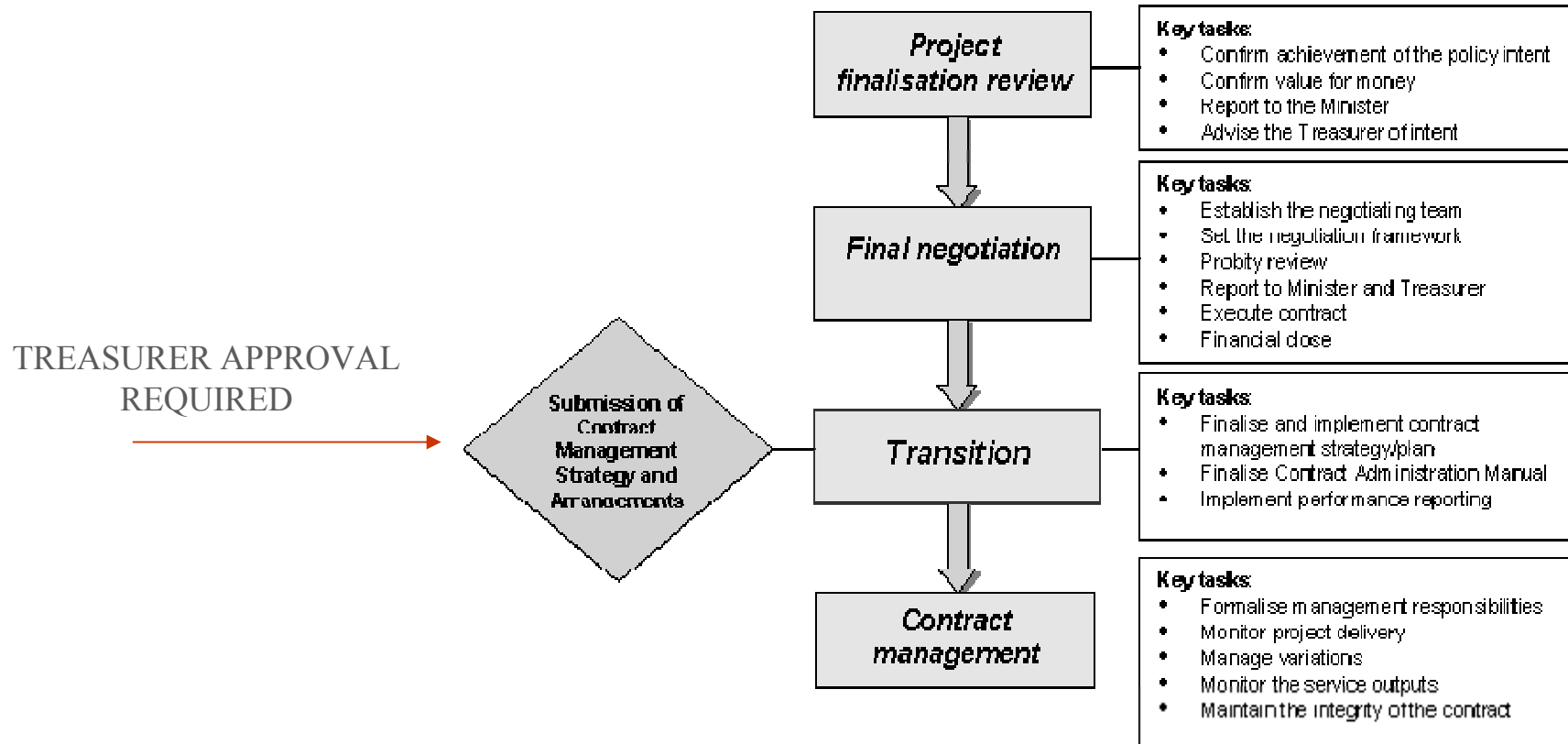
Project Approval Process

Boxes below show the points at which a submission to Cabinet (or a Cabinet committee) is required.





Project Approval Process



Sound process engenders market confidence



Project Approval Process

Role of Treasurer

- Requirement for Treasurer's approval at key stages gives PV Unit strength
- Having Treasurer as PPP Minister also facilitates consideration of PV Budget issues



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Partnerships Victoria

Department of Treasury & Finance

Commercial Division

Commercial, Infrastructure & Risk Management (CIRM) Group

Partnerships Victoria Unit

Client Services
(DOI/DOJ/DVC/DPC/DSE/
DE&T/DHS/DTF/DIIRD/DPI)

Gateway Unit

Commercial
Governance unit

Risk
Management
Unit

Property Group

Procurement group

VicFleet

Budget Financial
Management Division

Strategic Management
Division

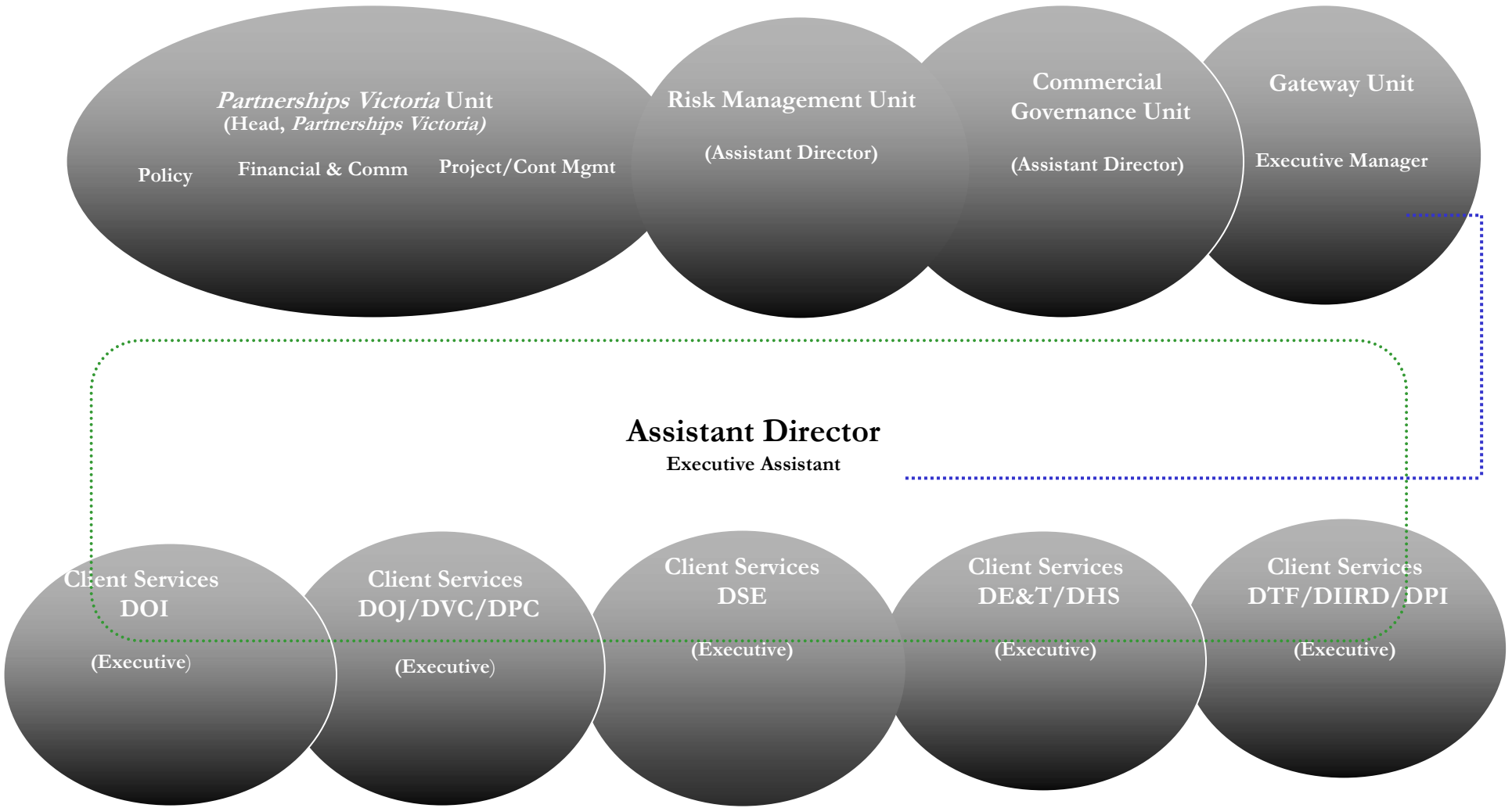
Economic & Financial
Policy Division



Partnerships Victoria

Structure

Director
Executive Assistant





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***Partnerships Victoria* Unit – Policy and Guidelines**

Roles

- Policy Development
- Project Implementation (Advisory)
- Contract Management (Policy & Advisory)



Partnerships Victoria Unit - Projects

Partnerships Victoria Role

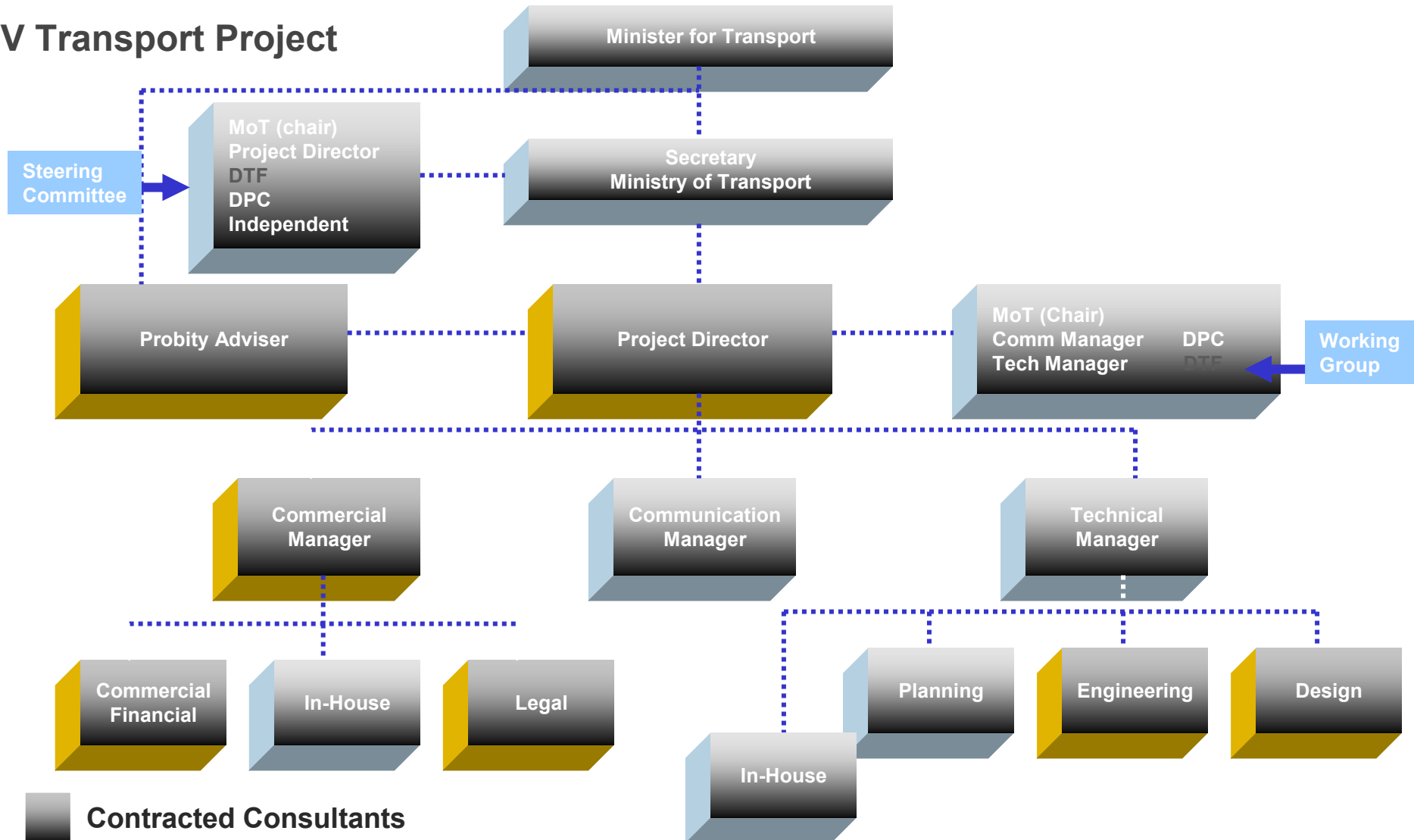
- **Provide expert commercial advice**
- **Ensure policy issues identified / addressed**
- **Maintain integrity of Partnerships Victoria**
 - Policy positions
 - Process
- **Monitor Budgetary issues**
- **Facilitate Treasurer's Approvals**



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Partnerships Victoria Unit - Projects

PV Transport Project



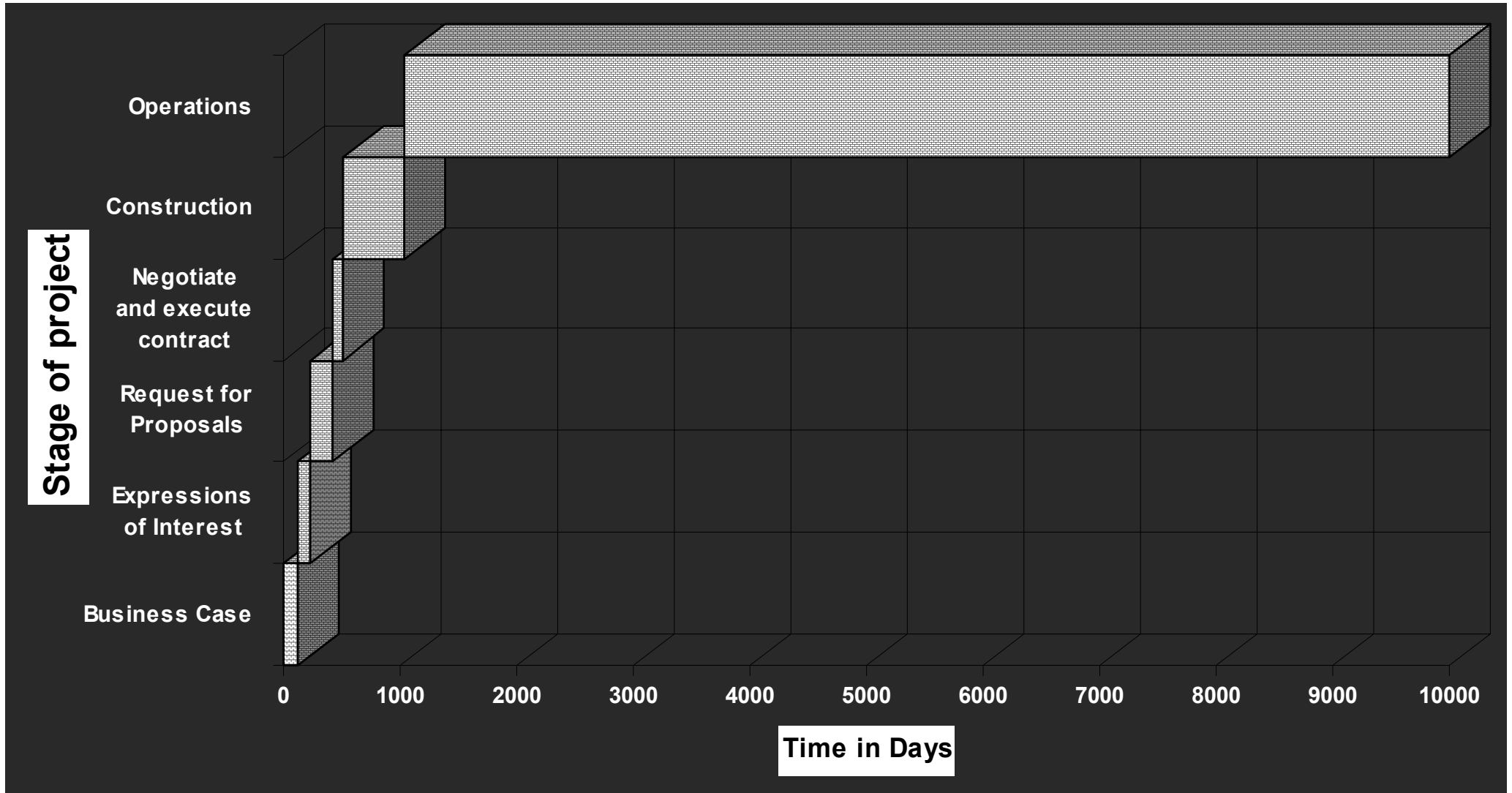


***Partnerships Victoria* Unit – Contract Management**

- Establish / Update Contract Management (CM) Policy Framework
- Develop/Oversee Training
- Assist in Development of CM Project Plans
- Monitor Monthly Reporting
- Lessons Learnt Dissemination
- Addressing Common Issues eg refinancing requests



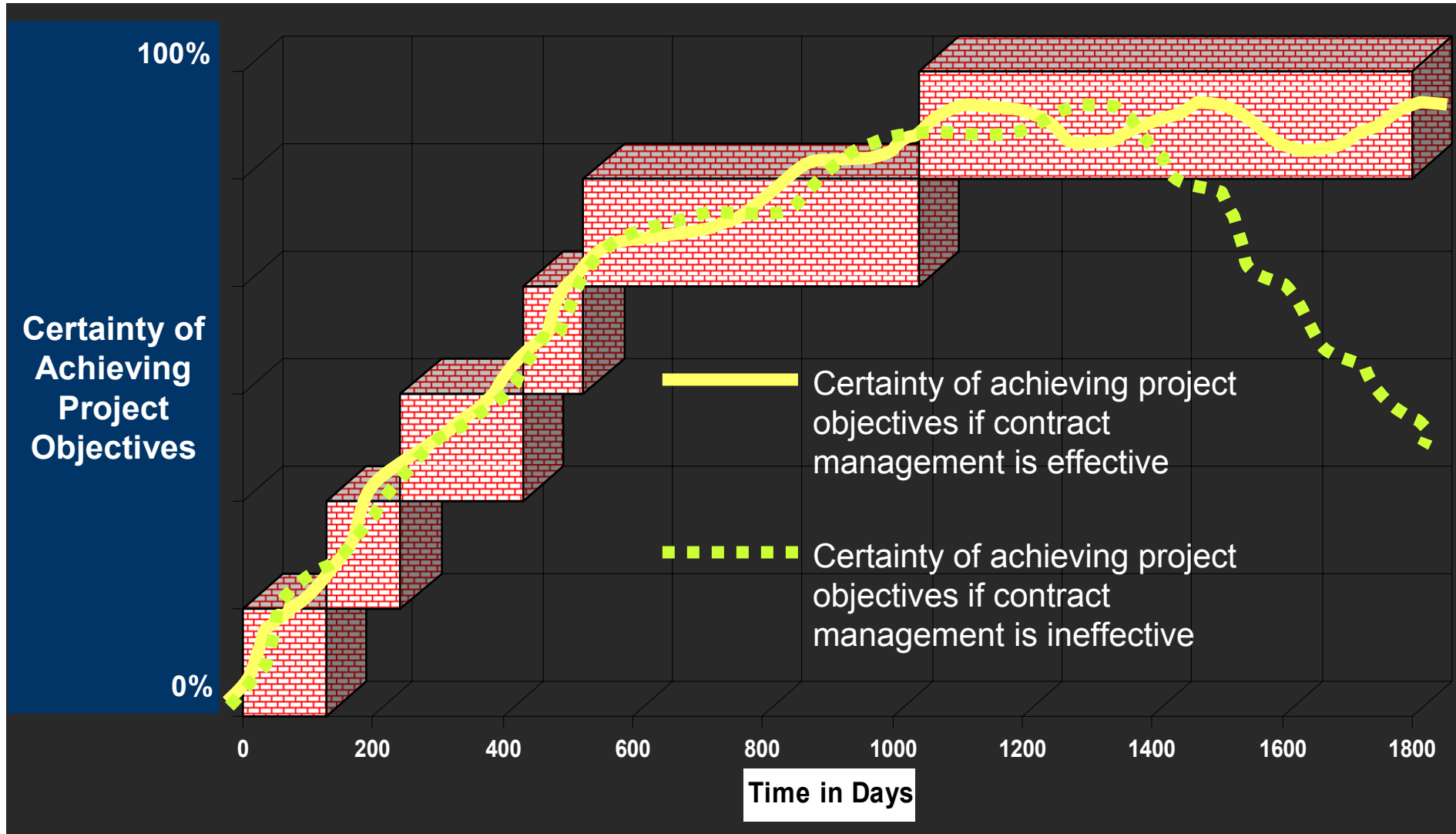
Timeframes for a PPP Project





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Certainty of Achieving Project Objectives





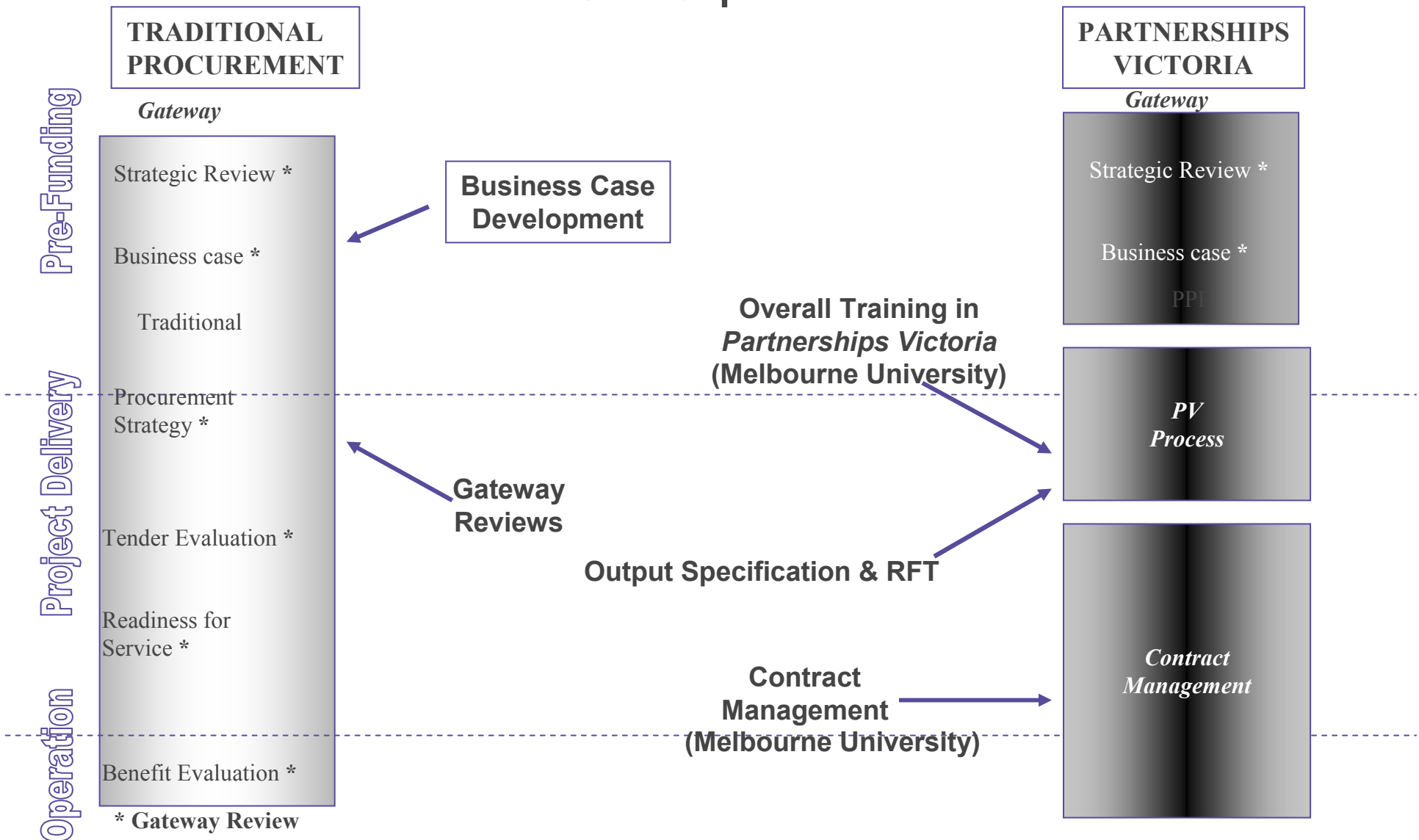
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Skill Gaps





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Victorian Initiatives to Develop Skills

TRADITIONAL PROCUREMENT

Gateway

Pre-Funding

Strategic Review *

Business case *

Traditional

Procurement Strategy *

Tender Evaluation *

Readiness for Service *

Benefit Evaluation *

* Gateway Review

Project Delivery

Operation

100+ public servants have attended DTF initiated Business Case workshops.

300 + public and private sector participants have undertaken training as Gateway review team leaders and members

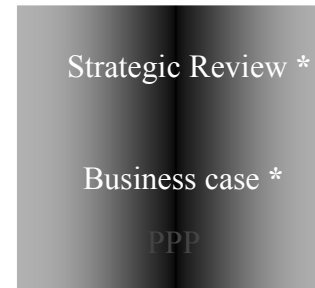


Victorian Initiatives to Develop Skills

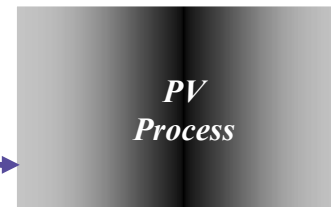
60 public and private sector participants in *Partnerships Victoria* short courses. (Melbourne University)
20+ Masters Students in Infrastructure



PARTNERSHIPS VICTORIA Gateway



Specialised courses in designing and writing output service specifications, KPIs and Requests for Tender documents.



50+ public and private sector Participants in Contract Management courses. (Melbourne University)





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Conclusion

Partnerships Victoria Governance Arrangements Benefits

- Treasurer is PPP Minister
 - Senior Minister
 - also oversees Budget

- Portfolio Minister has project responsibility
 - PPPs are about long term service delivery

- PV Unit
 - sole responsibility for PV policy
 - active role in PPP procurement process
 - Centre of Expertise
 - Training, Learning Lessons and Skill Development



Partnerships Victoria Website

Questions?

www.partnerships.vic.gov.au