

**Excerpts from a Speech by The Hon Steve Bracks MP, Premier of Victoria
to
The Institute for Private Public Partnerships and
The Canadian Council for Public Private Partnerships
Montreal, Quebec – April 13, 2006**

Australia is currently the second most developed PPP market in the world – after the United Kingdom. Our national PPP market is worth around \$20 billion – with \$10 billion in projects contracted, \$4 billion in projects in the market, and \$6 billion in projects being considered. Currently, we have 15 PPP projects with more than \$4.5 billion under contract in [the State of] Victoria.

Those projects are very diverse – ranging from major new hospitals (such as *Royal Women's* and *Royal Children's*) to the \$2.5 billion EastLink motorway to a \$1 billion urban renewal project on the banks of the Yarra River (including the *Convention Centre project*) to the iconic Southern Cross Railway Station redevelopment.

And the way we handle PPPs is equally diverse. All projects must offer value for money, must not impact on core government services, and must pass a rigorous public interest test. Assuming projects clear those hurdles, they can then be fitted to a variety of partnership models – depending on which approach offers the greatest value for money. PPPs now average around 10% of our annual capital asset investment.

We have also developed new guidelines and new processes that streamline bidding processes and reduce transaction costs. And, in 2003, we initiated the formation of a National PPP Forum. That Forum is designed to encourage a more streamlined and coordinated approach to the bidding for and delivery of PPP projects – and, in doing so, generate greater infrastructure investment. It now publishes a regular list of current and future PPP projects right across Australia. That list has, for the first time, given the market a clear picture of where new business opportunities are likely to arise. And the PPP market responds to greater certainty.

The national forum we have created is only two-and-a-half years old. There is still more work to be done to achieve a truly national approach to PPPs in Australia. And Australia – like Canada – continues to debate the individual merits of PPP projects. Which is why it is important that governments get the balance right when it comes to PPPs. And the best way I know to get the balance right is to have a policy framework that is based on the principle that value for money is paramount.

That is the approach Victoria took when we launched our PPP policy – *Partnerships Victoria* – in 2000. And, thus far, that approach has stood us in good stead.