Introduction

Public Private Partnerships (PPPs) are defined in the Local Government Amendment (Public Private Partnerships) Act 2004 and the Local Government (General) Regulation 2005 as an “arrangement between a council and a private person for the purposes of: (a) providing public infrastructure or facilities (being infrastructure or facilities in respect of which council has an interest, liability or responsibility under the arrangement), and (b) delivering services in accordance with the arrangement, or both”.

PPPs should always be considered as a possible mechanism to deliver facilities and/or services to the community within the framework of relevant legislation and guidelines. It is imperative that should a PPP be considered the best method of delivering a cost effective and needed facility or service to the community that the assessment process used to determine this position is clearly presented to Council and the community and such a position is resolved by Council decision.

Council has a responsibility to its community for the prudent management of community assets and finances. Indeed, local government has responsibilities that may go beyond the responsibilities of a private sector partner or project proponent.

For example, land owned and controlled by a council is a public asset to be held, administered and used for the benefit of the public and to assist the council in providing the services and facilities with which it is charged to provide for the community.

Similarly, all rates, charges and fees paid to and collected by a council are public assets. PPPs may entail the provision or contribution by the council of such land or funds to a project.

The PPP project may itself result in or entail the private sector participant providing land or funds to the council. That land and those funds effectively become public assets to be held and administered by the council in line with its responsibilities and related prudence and management.

PPP arrangements (and any significant variation of a PPP project) should be fully considered, and be independently and rigorously appraised, before contracts are signed or arrangements otherwise entered into and the relevant project carried out or implemented in any way. It is the primary role and responsibility of the Council to ensure that this occurs and to demonstrate this in accordance with the Local Government Act 1993 amended in 2004 by the Local Government Amendment Act (Public Private Partnerships) 2004 and Department guidelines.
PPP Proposal Flowchart

Initial Assessment (DLG)
- Significant Size?
- Risk Assessment High?

PROJECT REVIEW COMMITTEE

1st Stage: Pre-EOI/Market testing
- Business Plan
- Capacity of Council
- Probity/Risk
- Public Interest Evaluation
- Project Plan/Economic Appraisal
- Proposed EOI/Market Testing Process

COUNCIL

2nd Stage: Pre Contract Signing
- EOI/Market testing evaluation
- Probity Review
- Project specifications
- Project management structures
- Risk Management Plan
- Financial appraisal
- Legal documentation

Minister for approval under existing arrangements

Contracts Signed

Project

Council Resolution

Formal Project Proposal (or significant variation)
- Project description
- Statement of outcomes
- Timeframe
- Total cost & financing
- Council contribution
- Risk assessment
- Governance/Management

Concept Stage

Guidelines on the Procedures and Processes to be followed by Local Government in Public-Private Partnerships

PVSC POLICY