

Balance is key for companies interested in PPP

AMANDA COOPER

Director of Elite Corporate Training

Queensland companies will have a lot of homework in front of them if they want to become involved in the Public Private Sector Partnership drive by their biggest collective client; the State Government.

After the Bligh Labor government wrestled for years with the notion of PPP's, the Newman LNP Government made it very clear in the recent State Budget that PPP's will be a driver in the years ahead in stimulating the State's economy.

The key message here is balance; juggling between providing the services and upgrades needed for the State with the need for efficiency in terms of both time and money.

The PPP model has been announced as the way forward for the Government for key projects including: \$115.6 million to continue delivery of the Sunshine Coast University Hospital and its Skills, Academic and Research Centre; \$178.8 million to continue the construction of the Gold Coast Rapid Transit System, a light rail project from Southport to Broadbeach; as well as the new Queensland Schools Public Private Partnerships project.

The PPP guidance material from Queensland Treasury stipulates a process of expressions of interest being delivered when asked for. However, the PPP market has now been given greater scope with this latest Budget; the process for the private sector to offer unsolicited proposals is more open than ever, making the possibilities for greater strategic work between the public and private realm more abundant than ever.

Recently, Deputy Premier Jeff Seeney followed that up, signalling to a Property Club function that the State Government would unlock its land holdings if the right deals were in place with the private sector.

"The bottom line is that we are awash with land and it costs us money to hold it," Seeney said.

Also recently, there has been a new round of casino wars in Queensland with James Packer and his business colleagues approaching the Queensland Government with in effect, a PPP proposal for a new casino in Brisbane that will take in or

impact on the Government's prime land holdings.

These tough economic times have given birth to PPP's and have also seen a change in attitude from many companies about doing business in Queensland.

The expectation in the business community is that the Newman Government will be a driver in Australia of inviting the private sector to work with Government in partnership to stimulate economic growth and to restore a Budget surplus.

Gone are the lazy tenders that have normally been the confines of product and price.

Tenders are becoming creative and innovative and they normally start in the "war room".

In large-scale tender and proposal responses, a "war room" is initiated to drive tender content.

For major projects, it is not unusual to see companies budget up to \$500,000 on the preparation of bid documents and content, including executive time and input.

The "war room" drives the tender process and normally sees outsiders brought in to provide an independent and at times confronting perspective about what needs to be done to win the job.

Put simply, there are two key phases that the "war room" looks at.

Firstly, figuring what needs to be done to make the short list, be it in the private sector or the public sector.

And, then having made the short list, what needs to be done in presenting the tender and arguing the case.

Tender coaching has been big business in the United States for the last 20 years and over the last decade in Australia, we have seen a realisation from local companies that with the high cost of tendering, a much more professional attitude is needed in making the short list and then winning the work.

Tender coaches are called in early. They look at the composition of the team and use the "war room" to challenge the process minute by minute, hour by hour and day by day.

Due to the poor state of the economy, Queensland companies will now be turning to the State Government out of necessity.

Expect to see more "war rooms" in Queensland in the months and years to come.