

IPFA Training: Australia

Understanding Project Finance & PPPs

Introduction to Project Finance for Australian PPP's covers everything from procurement, risk management (from government and private sector perspective) through to cashflows and finance structure. Through discussion of project contractual structures, and risk management techniques used in Project Finance and PPP projects, participants will gain a comprehensive understanding of PPP procurement process and current trends, how risks are managed and allocated in a PPP project, the commercial structuring of PPPs, the role of the SPV and counterparties, and basic financial modeling principles and debt term sheets.

The course will be facilitated by Ian Greer and Martin Locke leading practitioners in the project finance market and will include detailed course materials, interactive discussions, working groups and case studies. Each delegate will also receive a Certificate on satisfactory completion of the course, plus 18 CPD points. Full details of our course instructors can be found via our [website](#).

The course is beneficial a range of participants;

- Those new to the industry wanting an understanding of the overall process,
- Practitioners who have been involved in a specialist role and want to understand the broader aspects of the PPP process, and
- Experienced practitioners who are new to PPPs or seeking a refresh.

Organisations that have sent staff on the course have included;

- Government agencies including PPP units from Victoria, New South Wales, ACT, Western Australia, New Zealand, and Department of Infrastructure and Regional Development;
- Legal firms – Gilbert & Tobin, Norton Rose, Ashurst, Baker McKenzie, Allens
- Investors, lenders, financial advisers and insurers – PWC, EY, Pacific Partnerships, Plenary, MUFG, Capella, Amber Infrastructure, SMBC, Investec, AMP Capital, Marsh, ANZ
- Technical advisers, operators, equipment suppliers and construction firms such as Cushman Wakefield, Metro Trains, SNC Lavalin and Mitsubishi.

The course will be held over three days – the full programme and course fees are set out below.

COURSE AGENDA

09.00 - 09.30 INTRODUCTION TO COURSE

09.30 - 10.45 INTRODUCTION TO AUSTRALIAN PPP PROJECT FINANCE

- Provide an overview of a typical Australian PPP Project Finance Structure
- Qualitative Risk Analysis and the importance of Counterparty
- Typical financial structure and quantitative risk analysis
- The Sponsor, limited recourse and bankability
- Due Diligence
- Risk Management Tools

10.45 - 11.00 COFFEE BREAK

11.00 — 12.00 UNDERSTANDING PPPs

- Infrastructure Funding/Financing
- Why PPPs
- Financing the SPV
- Distinction between Economic and Social Infrastructure
- Developing a Business Case
- Economic/Financial Appraisal

12.00 – 13.15 LUNCH

13.15 – 14.45 RISK

- Risk Management
- Risk Structuring Workshop – Hospital Precinct

14.45 – 15.15 COFFEE BREAK

15.15 - 16.15 CONSTRUCTION

- The builder and counterparty risk
- Construction risk transfer and management
- Selected case studies examining risk transfer and counterparty failure

15.30 – 17.00 PUBLIC PROCUREMENT PROCESS

- Public Sector Comparator
- Procurement strategy
- Market Soundings
- Evaluation methodology
- Contract Management
- Procurement Workshop

DAY TWO

09.00 - 10.30 PROJECT DOCUMENTS

- Payment Mechanism
- Risk Protection

- Key Commercial Clauses
- D&C/O&M

10.30 - 11.00 COFFEE BREAK

11.00 – 12.00 FINANCE STRUCTURE

- Capital structure – debt, subordinated debt, equity
- Refinance risk management
- Cashflow controls – waterfall, reserves, liquidity management

12.00 – 12.30 TRAFFIC ANALYSIS CASE STUDY

Using traffic study and its actual outcome the session will provide an introduction to the analysis of traffic risk with a view to managing this risk through finance.

12.30 – 13.30 LUNCH

13.30 – 15.30 COMMERCIAL STRUCTURING WORKSHOP

In this workshop, delegates will be split into teams to review specific commercial problems and explore potential solutions.

15.30 – 16.00 COFFEE BREAK

16.00 – 17.00 HOST SESSION

An aspect of Australian Project Finance market

17.00 – 18.00 COCKTAIL RECEPTION

DAY THREE

09.00 – 10.30 CASHFLOW ANALYSIS & FINANCE MODELS

- Interpreting Financial Models
- Debt Sizing
- Interpreting financial ratios
- Sensitivity & Scenario Analysis

10.30 – 11.00 COFFEE BREAK

11.00 – 12.30 FINANCE DOCUMENTATION

Using a Term Sheet groups will work through the quantitative risk examination and how the various components work together to manage risk.

- Structure and key terms in finance documents
- Creating the SPV
- Documenting cashflow management

12.30 – 13.30 LUNCH

13.30 – 15.00 STRUCTURING TO MANAGE RISK

Using the Traffic forecast from the previous day discuss ways to apply the course to manage the project risk.

15.00 – 15.30 COFFEE BREAK

15.30 – 16.30 EVOLUTION OF AUSTRALIAN PPP

- Hybrid financing models
- State capital contributions
- State SPV (build, operate, sell)
- Subordinated Debt
- Capital Recycling
- Value Capture
- Operator-led PPPs

16.30 - 17:00 – WRAP-UP

FEES

- IPFA Member / Public Sector Delegate rate: AUD \$2,500
- Non IPFA Member Delegate rate: AUD \$3,000

GST is not applicable and will not be charged. Fees include all documentation, lunch and refreshments but does not include accommodation.

Discounts are available for multiple bookings and are processed as follows:

- For two delegates a 10% discount will be applied to the total fee
- For three delegates a 15% discount will be applied to the total fee
- For four or more delegates a 20% discount will be applied to the total fee

REGISTRATION

Please complete the online booking form to register for the course. Once your registration has been received, an invoice will be raised and sent to you in Australian Dollars. Confirmation of your attendance along with joining instructions will be sent upon receipt of payment. For further information, please contact training@ipfa.org.

Please note:

IPFA reserves the right, prior to the commencement date to change or cancel the whole or any part of the programme. Please do not book travel plans until the course is confirmed to you in writing. Insurance is recommended as the full course fees are payable and no refunds will be made if the delegate is unable to attend.