



IPFA Training Sydney

Practical Applications of Procurement and Project Finance Programme

This course builds on the concepts of procurement and project finance structures covered in our 'Understanding Project Finance & PPP' course.

The programme is a two-day course; delegates have the option to attend any 1 or 2 days. The full programme and course fees are set out below.

Day One covers "Procurement – Current Trends in Structures". Participants will examine emerging policy issues, the current finance market for Australian infrastructure and the evolution of procurement through discussions and reviewing case studies.

Day Two, "Financing the Project – Structuring to Manage Risk", focuses on how project financing differs extending the discussion from availability PPPs to more complex projects in other sectors including transportation and energy. Discussions and case studies will be key as participants review project cashflows, contractual structures and risk management techniques used in Project Finance and PPP projects. Participants will gain a comprehensive understanding of techniques needed to successfully implement and manage Project Finance deals.

The course will be facilitated by Ian Greer and Martin Locke, leading practitioners in the project finance market. Training will take place in the form of interactive discussions, working groups and case studies. Detailed course materials will also be provided, and each delegate will receive a certificate upon satisfactory completion of the course, plus 6 CPD points for 1 day attendance or 12 CPD points for 2 days attendance. Full details of our course instructors can be found via our website.

Who would benefit from this course?

The course will assume the participant is familiar with the underlying subject matter covered in our Understanding Project finance & PPP course. It will develop a practical application of concepts using worked examples and case studies. Some pre-reading will be required.

Organisations that have previously attended IPFA Australia training courses 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.

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COURSE AGENDA

DAY ONE

Procurement – Current Trends in Structures

Objectives

- ✓ Examine difficult/complex issues around infrastructure policy
- ✓ Understand the range of finance options available for Australian infrastructure and procurement used in other sectors
- ✓ Evaluate alternative Funding and Financing options
- ✓ Examine procurement options beyond the PPP model

09.00 – 09.30 Introduction to Course

09.30 – 11.00 Business Cases

- Discussion of emerging infrastructure policy issues
- Is there a role for the Federal Infrastructure Financing Unit?
- Should economic analysis include WEBS?
- How can Value Capture be encouraged?
- Should we bundle Precinct Developments?
- Sydney Metro/Sydney Light Rail case studies

11.00 – 11.15 Coffee Break

11.15 – 12.45 Financing Beyond the Traditional

Review of global finance markets available to finance Australian infrastructure including a review of procurement models used in energy and other sectors

- Contractual, regulated or merchant market procurement
- Procurement models used in transportation and energy sectors (e.g PPA's etc.)
- Intercreditor issues – banks and bonds and government investment
- Subordinated debt
 - TIFIA, EIB sub debt, markets & size
- Corporate finance and Holding Company structures
- Taxation issues affecting structures (e.g. Stapled Structures)

12.45 – 13.30 Lunch

13.30 – 15.00 Managing Procurement

- Use of Structured Market Engagement and USPs
- Is the PSC a useful tool?
- How can Contract Management be improved?
- Why does Procurement Strategy produce different outcomes?

15.00 – 15.30 Coffee Break

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15.30 – 16.30 Managing Risk

A discussion of recent case studies

- Light Rail
- Hospital

16.30 – 17.00 Wrap-up

DAY TWO

Financing the Project – Structuring the Transaction to Manage Risks

Objectives

- ✓ Understand how Project Finance differs across sectors
- ✓ Evaluate alternate tools to manage risk in more complex projects
- ✓ Understand the capital markets and how they influence choice of structure
- ✓ Examine the various risk management tools available to manage lenders risk

09.00 – 09.30 Introduction to Course Outline

09.30 – 10.30 Issues with Capital Structures

A review of how structures can evolve over time and risk management they create. The focus is at the project level

- Management of market risk
- Intercreditor issues – an examination of the issues in Reliance Rail
- Mechanics of transition to corporate finance – 407 & Transurban
- Taxation – Stapled entities and SPE

10.30 – 10.45 Coffee Break

10.45 – 12.30 Evolution of PPP Project Finance

- Hybrid Models for Economic Infrastructure
- WestConnex as an evolving case study
- Smart Cities – inclusion of smart financing?
- What is Northern Australia Infrastructure Facility?

12.30 – 13.15 Lunch

13.15 – 15.00 Risk Management Through Project Phases – Toolbox

Though a discussion of example projects managing risks in sectors and structures with variable and less certain cashflows

- Debt Structures
 - Debt structures, sweeps, sinking funds,
 - Debt Sizing
 - Debt limitation provisions



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- Construction
 - Construction Bonding and liability caps
 - Completion Tests
 - Insurances
 - Equity Support
 - Design
- Ramp-up management
- Operations Phase
 - Liquidity tools
 - cashflow controls, reserve accounts, distribution test levels
 - Hedging
 - Capacity & Fixed costs

15.00 – 15.30 Coffee Break

15.30 – 16.30 Monitoring the Project and Events of Default – What to get and when

- What happens when a project defaults
- Force Majeure and Termination
- Independent Expert and certifier
- Cross defaults
- Information requirements by project phase
- Events of default
 - early warning
 - what is the right level

16.30 – 17.00 Wrap-up

Testimonials

'An excellent course well presented by Ian and Martin' **John Bergatino, SNC Lavalin**

'Both Martin and Ian are very knowledgeable and took great pains to ensure everyone was comfortable with the information. The collegiate atmosphere made everyone comfortable to take part and 'have a go' without feeling intimidated. I thoroughly recommend this course to all aspiring private finance and PPP professionals from whichever aspect they come from.' **Sean Kelly, Spotless**

'Unique course, which attracted professionals from all PPP typical parties, and actively engaged participants who had variant level of project finance understanding.' **Najeeb Abdelhadi, PwC**