

PPP financing models post credit crunch

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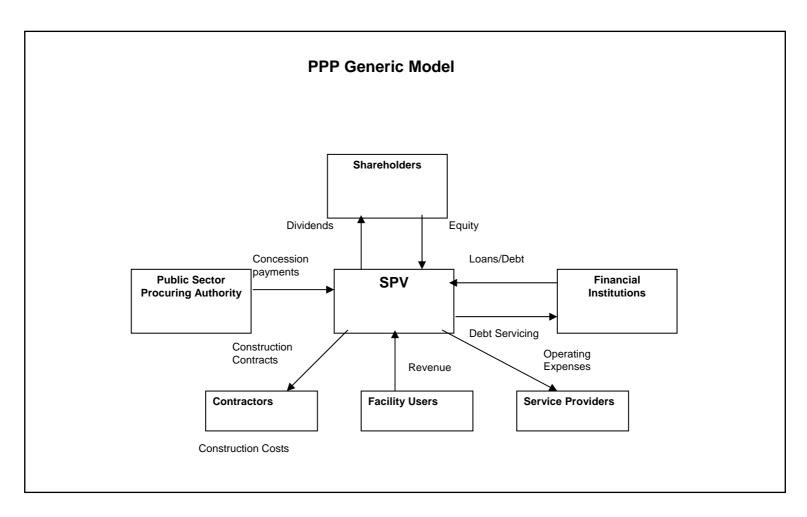
Table 1
TOTAL COST OF TRADITIONAL & PPP PROJECTS (\$M)

		Expect- ed Cost	Net Cost Over -run	Final Cost	% Cost Over- run
Full Period:	Traditional	3,082.0	1,087.6	4,169.6	35.3%
Original Approval – Final	PPP	4,484.4	519.3	5,003.7	11.6%
Stage 3:	Traditional	4,532.6	672.5	5,205.1	14.8%
Contract - Final	PPP	4,946.1	57.6	5,003.7	1.2%

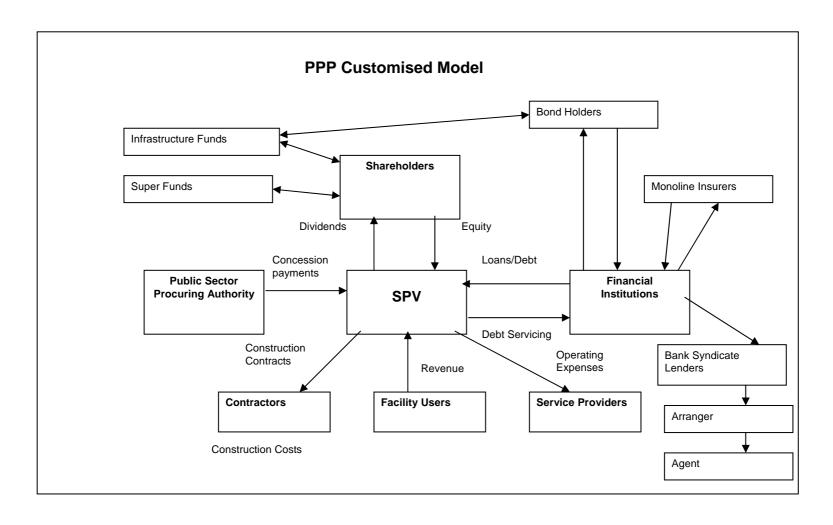
Source: ACG/University of Melbourne

Pre-Crunch: Vanilla PPP/PFI Model

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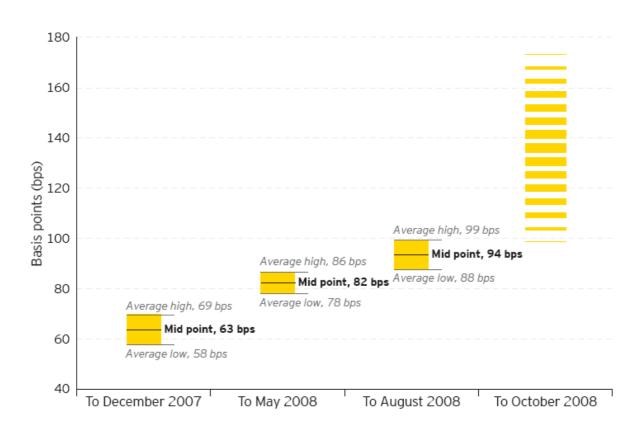


Pre-Crunch: Customised Model



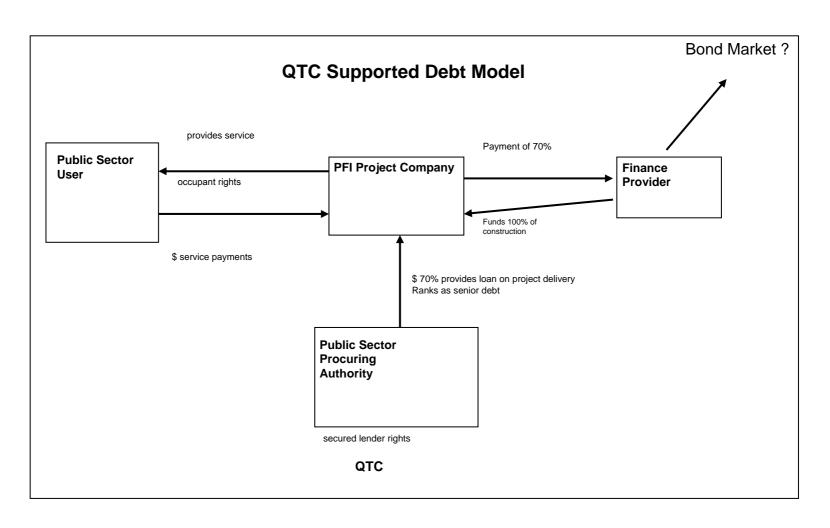
Credit Crunch: Senior Debt Margins Increase

Change in margins for UK PPP projects with availability based payment mechanisms



Source: Ernst and Young October 2008

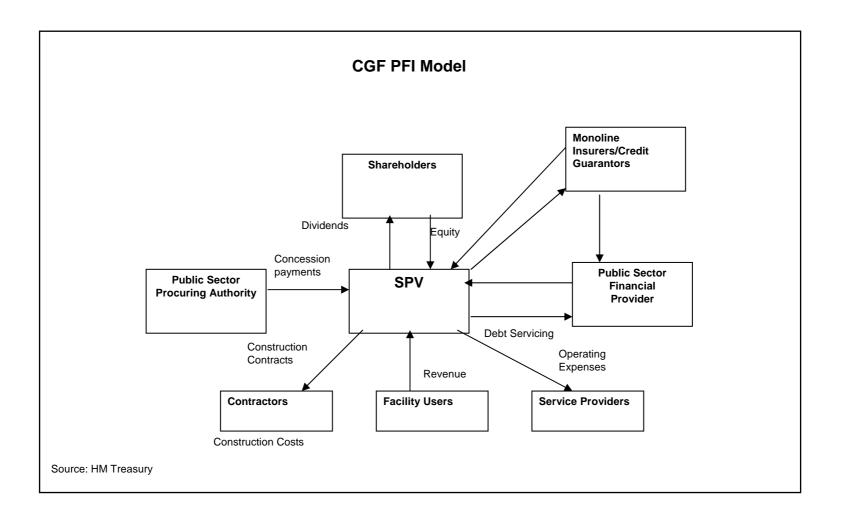
Pre-Crunch: QTC Supported Debt Model



Co-Investment Model

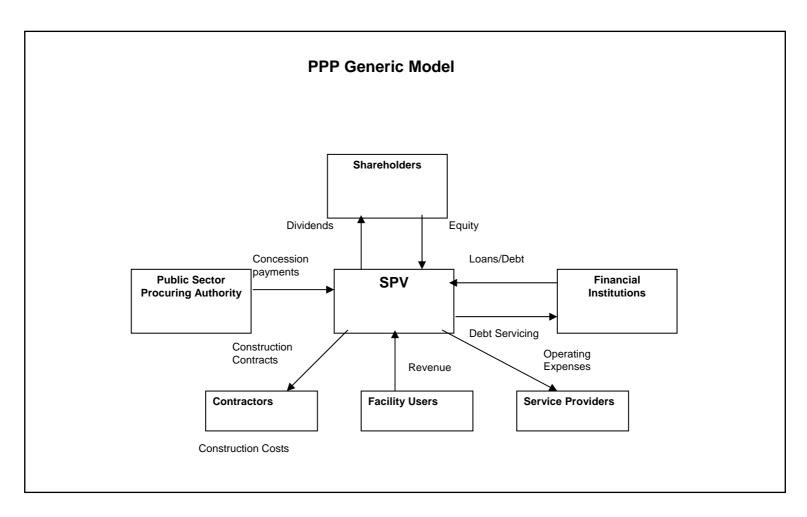
Bond Market? **Co-Investment Model** debt support for construction project Construction **PFI Project** provides service %cash for construction **Public** Company **Finance** % Govt Sector **Provider** % Fin Provider User % equity rent only payments Construction. **Post Construction** %cash for \$ Subsidy construction **Public Sector Procuring Authority** Borrows at Treasury Rate

Pre-Credit Crunch: CGF PFI Model



Pre-Crunch: Vanilla PPP/PFI Model

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