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# Infrastructure public private partnerships

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## **BOOK REVIEW**

# INFRASTRUCTURE PUBLIC PRIVATE PARTNERSHIPS



Infrastructure and PPP's are contentious issues in Australia attracting greater media attention in recent years. However, intelligent debate is frequently debased by argument that stems from political economy and a preoccupation with the cost of capital rather than the merits of PPP's and the potential benefits – reduced procurement cost and the positive microeconomic effects of private investment, management and innovation. PPP's are a means of improving the cost and effectiveness of public procurement and not about the strengths and weaknesses of privatisation. Things have moved on.

Nevertheless, a coherent debate is difficult to lead because infrastructure and public private partnerships (PPP's) are both multi-disciplinary concepts that encompass a wide variety of industries, assets, services and procurement possibilities. What is needed is a well researched and objective work that examines the essential elements of PPP's in an Australian and global context, that identifies the key issues and uses empirical research to encourage informed discussion. Darrin Grimsey and Mervyn Lewis, recent contributors to the *Public Infrastructure Bulletin*, meet this need

Public Private
Partnerships
The Worldwide Revolution in Infrastructure
Provision and Project Finance

Darrin Grimsey
and Mervyn K. Lewis

with their recent book, *Public Private Partnerships, The*Worldwide Revolution in Infrastructure Provision and
Project Finance.

The work examines the basic elements of infrastructure PPP's - the characteristics of typical infrastructure, partnerships and procurement, risk and its management, contract administration and governance. This is explained in the context of both developed and transition economies. The work is presented in a flowing descriptive style, well notated with discrete use of many of the best reference sources in this field. The authors also tackle some of the difficult issues of PPPs and offer solid discussion around subjects such as value for money, rates of return, the public interest, accountability and, risk and uncertainty. The authors strike a fine balance between academic analysis and professional experience and this is reflected in the wide appeal that this work will have for student and practitioner alike.

The clear and logical arguments are supported by relevant case studies and industry data and, the work is easy to read, well notated and supported with a good index and glossary.

This book provides an excellent insight into the operation and issues affecting PPP's and is highly recommended reading for academics, students, public sector agencies, private firms and professionals keen to develop their understanding of this increasingly important method of infrastructure procurement.

Darrin Grimsey is a Fellow of the Australian Centre for Public Infrastructure at Melbourne University Private.

Grimsey, D. Lewis, M.K. 2004, *Public Private Partnerships, The Worldwide Revolution in Infrastructure Provision and Project Finance*, Edward Elgar Publishing Limited, Cheltenham, U.K. 267p. Priced around \$60.