

IN-DEPTH

Public-Private Partnerships

NEW ZEALAND



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Public-Private Partnerships

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In-Depth: Public-Private Partnerships (formerly The Public-Private Partnership Law Review) is an overview of the legal and regulatory regimes governing public-private partnership (PPP) projects in key jurisdictions worldwide. Focusing on recent trends and developments, it examines the essential aspects of PPP projects for the provision of public services and infrastructure – including primary contractual requirements; bidding and award procedures; financing; disputes; and much more.

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Introduction

The next 12–18 months look set to be the beginning of the most active period for public-private partnership (PPP) transactions in New Zealand for some time.

During the 2010s, the PPP model was used for eight projects comprising two roads of national significance (the Transmission Gully and Puhoi to Warkworth motorways), three prisons and three schools bundles. The most recent PPP to reach financial close was Waikeria prison in 2018.

The 2017–2023 Labour government had a policy of not procuring new social infrastructure through PPPs, though the PPP model remained available (but not used) for other infrastructure including transport. A new National-led coalition won power after the election in October 2023. National campaigned on delivery of infrastructure, including through new PPPs and making the most of private investment, expertise and innovation. The new government is a coalition between National, ACT and New Zealand First, with both coalition agreements highlighting private investment in infrastructure. The National–ACT coalition agreement commits to 'long-term city and regional infrastructure deals, allowing PPPs, tolling and value capture rating to fund infrastructure' and the National–New Zealand First coalition agreement commits to investigating the use of private finance for new highway construction.

The information in this chapter on the PPP framework and documentation is based on the PPP model (including guidance and template documents) used for existing PPPs. There will be a review as part of the anticipated roll-out of new PPPs so some of the information currently available is subject to change. This chapter also focuses on the likely future opportunities for PPPs in New Zealand.

Year in review

Recent developments

The new government has made some initial announcements about its plans for infrastructure including support for PPPs, with more announcements to follow. In a speech to an infrastructure funding and financing conference in March 2024,^[1] the new Minister for Infrastructure, Chris Bishop, announced that the New Zealand Infrastructure Commission (Infracom) had begun to develop a new 30-year National Infrastructure Plan to demonstrate a pipeline of major projects. He also confirmed that the government wanted to promote the use of financing and financing tools such as PPPs and emphasised the value that the government sees in PPPs that have 'embedded whole of life asset management', 'discipline that drives optimisation' and 'performance-based contracts that define infrastructure success by its service delivery not just its construction'. He also said that to pave the way for more projects using private finance, he had asked officials to modernise the Crown's infrastructure governance, procurement, funding and financing, and asset management policies and frameworks. The Minister also announced that the

government had established an Infrastructure and Investment Ministers Group comprised of key ministers to oversee a cross-government programme on infrastructure.

The government released a draft policy statement on land transport (GPS) in March 2024. The GPS reintroduces the Roads of National Significance programme and identifies 15 roads under the programme on which to begin feasibility studies and planning.^[2] The GPS states that PPPs and other opportunities to use private finance are to be considered for all major projects.^[3] The GPS also requires work on widening the revenue base for land transport, including 'user pays' models such as tolling.^[4]

While no new PPPs have come to market in recent years, there have been expansion works in the existing portfolio. Most recently, an expansion and refinancing of the Schools II PPP reached financial close in April 2023.^[5] The Schools II PPP saw the construction of four schools across South Auckland, Otago and Canterbury. The expansion in 2023 was the second for the Schools II PPP, with Commonwealth Bank of Australia and China Construction Bank providing a NZ\$284 million sustainability-linked loan to refinance the existing facilities and fund construction costs for the expansion. The sustainability aspect follows the general market trend towards sustainable financing and is aligned to the Asia-Pacific Loan Market Association's Green and Social Loan Principles 2023. The accreditation was achieved through a number of environmental factors, including green buildings, waste management and access to clean transportation. This follows the refinancing of the Schools III PPP through a sustainability-linked loan in 2022.

The Puhoi to Warkworth motorway extension opened for public use in June 2023 and is the second road of national significance that has been delivered under the PPP model.^[6] This project involved a 18.5km four-lane extension of the Northern Motorway delivered by the NX2 consortium and built by a joint venture between Fletcher Construction and Acciona. Unlike the Northern Expressway, which leads directly on to the Puhoi to Warkworth motorway, the new road is not tolled.

As the existing PPP projects have become operational, there has been increasing M&A activity in the portfolio. Most recently, Amber Infrastructure Group acquired a social infrastructure portfolio from Morrison & Co's Public Infrastructure Partners, including the three schools PPPs and the Auckland prison PPP, for approximately NZ\$200 million. The transaction was agreed in 2022 and reached financial close in 2023 after approval was obtained from the Overseas Investment Office.^[7] This transaction follows some earlier M&A activity when AMP Capital acquired interests in the Auckland South Correctional Facility PPP.

Significant decisions

There have not been any judicial decisions that relate specifically to PPPs. However, there have been some publicised disputes during the construction phase of projects. The construction subcontractor on the Transmission Gully PPP commenced High Court proceedings against the New Zealand Transport Agency and the contractor in late 2023.^[8]

Infracom released an executive summary of an independent post-construction review into the Transmission Gully PPP in May 2024.^[9] The review identified some lessons for future projects relating to the procurement process (including how to set the affordability threshold), consenting, project governance and the allocation and management of complex risks. The report says that the overwhelming view of interviewees was that the project has

been successful in delivering the intended benefits contemplated in the business case. The report also concluded that the key events and risks affecting the project would have arisen under any procurement model and the PPP model was not the root cause of the issues that arose on the project. The reviewer also commented that a PPP is not just about the construction phase but it is also about the long-term service phase where a PPP project can show the benefits that the model is designed to deliver. Infracom commented that the learnings captured by the review offered valuable insight for the planning and delivery of future PPPs.

A legal development of interest is the Fast-Track Approvals Bill, which was introduced in March 2024. The bill is currently before a Select Committee. It is intended to provide a streamlined decision-making process to facilitate the delivery of infrastructure with significant regional or national benefits.^[10]

If passed, the bill will expedite various consenting and similar processes for eligible projects (including processes under the Resource Management Act 1991, the Crown Minerals Act 1991, the Wildlife Act 1953 and the Conservation Act 1987).^[11]

Under the proposed bill an expert panel will prepare a report on each project for the respective ministers to use to inform a decision as to whether the consents should be granted.^[12]

There will be a schedule listing projects that are eligible for fast track by default and infrastructure developers will also be able to apply directly to the responsible ministers to have projects referred to the expert panel for consideration.^[13]

The fast-track process might be used to accelerate or simplify consenting processes for major infrastructure projects that are delivered as PPPs.

General framework

Types of public-private partnership

Infracom, which administers PPPs, describes them as 'a long-term contract for the delivery of a service, where provision of the service requires the construction of a new asset, or enhancement of an existing asset, that is financed by external sources on a non-recourse basis, and full legal ownership of the asset is retained by the Crown'.^[14]

New Zealand PPPs involve the government entering into a project agreement with a private sector special purpose entity (SPV) established by a consortium of sponsors. The SPV is responsible for delivering works and services required under the project agreement and subcontracts its obligations to specialist subcontractors covering design, construction and facilities management or operations and maintenance (O&M).

The SPV raises equity investment and debt finance to fund the construction phase and, upon service commencement being achieved, receives a periodic payment from the government. The existing PPPs use the availability payment model so the unitary charge

covers operating costs, servicing and repayment of the debt finance and distributions for the equity investors (subject to deductions that the government may be entitled to make). There have not been any PPPs where the SPV takes demand risk.

In addition to the project agreement and key subcontracts, the documentation package will also include an investor's agreement (or similar document), a loan facilities agreement and associated security package, direct agreements (for the benefit of the government and financiers) and an interface agreement between the subcontractors.

In addition to the PPP model, the Infrastructure Funding and Financing (IFF) Act 2020 introduced a new model for funding certain eligible infrastructure, including water, transport, community facilities and environmental infrastructure. Under this model, an SPV raises debt finance to fund new or upgraded infrastructure which is serviced through a levy on property owners who are beneficiaries of the infrastructure. This model is facilitated by Crown Infrastructure Partners, a government entity. It is not a classic PPP, as the SPV is a funding vehicle and is not responsible for construction or maintenance of the infrastructure asset, which is held by the relevant authority. However, it is a model for accessing private finance to deliver new infrastructure.

The authorities

Infracom oversees PPPs and is responsible for PPP policy, assisting with procurement, monitoring PPP projects and maintaining the standard form project agreement. Infracom was established as an autonomous Crown entity in 2019. Treasury was responsible for the PPP model before Infracom was established.

The existing PPPs were procured by the department or agency responsible for the relevant infrastructure, with support from Treasury's Infrastructure Transaction Unit.

Infracom has published a guidance note on consultation requirements for operational PPPs.^[15] Infracom is not involved in day-to-day contract management (which is the responsibility of the relevant procuring authority) but requires the procuring authority to consult with Infracom when a matter emerges that will likely result a change to the established risk allocation, a significant change to the contracted unitary payment profile, a change to the contractor or a change that could have a systemic reputational impact on the PPP model. In addition, Infracom also participates in the decision-making processes for other events such as refinancing and agreements to provide significant financial or time relief. Infracom collects performance data for PPPs.

Infracom made the following comments on the PPP model in its New Zealand Infrastructure Strategy 2022–2052:

Unlike traditional methods for delivering projects, PPPs involve the private sector and aim to boost efficiency and effectiveness through the project lifecycles . . . This arrangement has the advantage of spreading project cost over an extended period, freeing up public funds. By accessing private sector financing, projects can also be delivered more quickly than they might otherwise . . . In the right circumstances, the PPP model can offer better value for money than more traditional procurement approaches. When looking at

how to deliver new infrastructure projects, the government should rigorously test the potential for using a PPP as part of the procurement phase.^[16]

New Zealand also has several other agencies that might be involved in new PPPs. These include Treasury, Crown Infrastructure Partners Limited (a Crown entity that was initially established to manage the roll-out of fibre broadband and has since had a wider remit to assist with commercial models for infrastructure, including the IFF model) and Rau Paenga Limited (a Crown entity originally established to assist with post-earthquake recovery in Christchurch which was reshaped into a Crown infrastructure delivery agency to support government agencies to deliver large projects).

In 2023, the National Party said that if elected it would establish a National Infrastructure Agency (NIA) to coordinate public infrastructure investment and to coordinate and deploy offshore capital in New Zealand. In a speech given to an infrastructure funding and financing conference in March 2024, the Minister for Infrastructure, Chris Bishop, said that he wanted the NIA up and running by 2025 but before rushing into establishing a new agency he had commissioned advice on how to achieve a high-performing infrastructure system. This work is being led by Treasury and Infracom, with support from an expert advisory panel. An announcement on the functions and form of the government infrastructure sector is expected later this year.

General requirements for PPP contracts

There is no specific legislation governing PPPs in New Zealand. PPPs (as with infrastructure procured under other models) are typically procured by government departments and agencies under their general powers to enter into contracts. Two Cabinet Office Circulars – CO (23)9 (Investment Management and Asset Performance in Departments and Other Entities)^[17] and CO 18(2) (Proposals with Financial Implications and Financial Authorities)^[18] are relevant to the procurement of new infrastructure. PPPs are also subject to the Government Procurement Rules (the Rules) that apply across the public sector.

In the absence of specific legislation covering PPPs, the expectations and rules are set out in public sector guides. In particular, Treasury produced several guides for the PPP programme in 2015, comprising:

1. The New Zealand PPP Model and Policy: Setting the Scene,^[19] which provides general guidance;
2. The PPP Procurement Process,^[20] which outlines the procurement process; and
3. The Public Sector Comparator and Quantitative Assessment,^[21] which sets out how to prepare a Public Sector Comparator, which is an estimate of the risk-adjusted whole of life cost of a project if it were delivered using conventional procurement and is used as a benchmark for setting the affordability threshold, which is the maximum net present cost that the procuring authority is willing to pay for delivery of the project as a PPP.

It is likely that the existing guides will be updated for new PPPs. Treasury also produces guidance on preparing better business cases, which is relevant for new PPPs.^[22]

Treasury prepared a standard form project agreement and model schedules for New Zealand's first PPPs. These documents were updated after the first PPPs to take account of negotiated outcomes on those transactions. They are now administered by Infracom and are published on Infracom's website together with an overview.^[23] Since New Zealand adopted the PPP model fairly late, the standard documents are closely based on models used in Australia and the United Kingdom. Procuring authorities are expected to use the standard documents. Most of the base agreement does not change significantly for each project but there are naturally various matters that need to be dealt with on a project-by-project basis (though many of these are covered in the schedules).

Government departments and agencies must also comply with any laws that apply to the particular project, such as resource consent requirements. Other legislation will apply to particular investments or projects depending on the specific circumstances, such as requirements for consent from the Overseas Investment Office under the Overseas Investment Act for overseas investment in projects that involve sensitive land or exceed a value threshold for significant business assets.

Bidding and award procedure

The public sector is required to comply with the Rules,^[24] which apply to the procurement of new construction works where the maximum total estimated value of the procurement exceeds NZ\$9 million. Rule 10 says that the Rules apply to all contract types and expressly includes PPPs. In addition to the general requirements of the Rules, the previous version of the Rules included a specific rule relating to PPPs. In the latest rules, this has been replaced by Rule 64 covering infrastructure generally and which requires agencies considering procurement of infrastructure with a total cost of ownership of more than NZ\$50 million to consult with Infracom early in the development of the business case, follow published Infracom guidance, involve Infracom in the assessment of the business case, invite Infracom to participate in project steering groups and selection panels and use standard form documentation developed by Infracom (and consult with Infracom over any material amendments).

Rule 25 in relation to subcontracting provides that the public sector should require a prime contractor to meet certain standards in its subcontracting, including consistency with the Principles of Government Procurement and standards relating to employment, health and safety, and support of training and skills development.

The specific guidelines relating to procurement of PPPs in Treasury's guide on the PPP procurement process will also be relevant for new PPPs, alongside the Rules.^[25] It is anticipated that the guidelines will be updated for new PPPs.

Expressions of interest

The procurement process for PPPs generally involves a competitive bid process to ensure the best outcome for the government. The process has several stages and begins with the initial planning stage and the development of a detailed business case.

The expression of interest (EOI) stage is the first formal step in the competitive bid process. It begins after the procuring authority has carried out market sounding and prepared a business case. The EOI stage involves providing information to the market about the project (including the assets and services to be procured and the proposed timelines and evaluation criteria) and inviting interested parties to submit an EOI. Following evaluation of the EOIs, the procuring authority invites a shortlist of respondents to participate in the formal bid process.

Requests for proposals

At the request for proposals (RFP) stage, the procuring authority issues an RFP to the parties shortlisted at the EOI stage. The purpose of the RFP stage is to get to the selection of a preferred bidder. The RFP describes the procuring authority's requirements in detail, including its requirements and desired outcomes, the commercial and legal terms (including the proposed project agreement), the affordability threshold and an overview of the evaluation process.

At the RFP stage, the procuring authority organises workshops and other interactions with the participants to test concepts and provide feedback (subject to probity rules).

Evaluation and grant

The procuring authority assesses RFP responses against the evaluation criteria in order to select a preferred bidder. The preferred bidder will generally be the bidder whose non-price proposal offers the highest level of service outcomes, provided that its price proposal is within the affordability threshold. In some cases, the procuring authority asks some or all bidders to present a best and final offer, which can involve reductions in pricing or withdrawal of derogations.

Once a preferred bidder has been selected, the procuring authority works with the preferred bidder to develop final documents including resolution of any issues identified at the RFP stage. The preferred-bidder stage usually involves focused negotiations to reach financial close.

The government does not generally have an obligation to select any proposal or award a contract.

Unsolicited proposals and bilateral processes

The existing PPPs did not involve unsolicited proposals. However, Treasury guidance notes that there may be circumstances where a private sector party presents a suitable opportunity for a PPP.^[26] The Ministry of Business, Innovation and Employment published a public sector guide for dealing with uninvited bids in 2019.^[27] It says that serious consideration will generally be given only to exceptional proposals that are unique, provide value or significant benefit to the New Zealand taxpayer, are not advance proposals for a requirement that has already been identified, are not readily obtainable in the marketplace, have been developed independently and include sufficient detail to enable an assessment of whether the proposal is worthwhile.

It is also possible to procure through a bilateral process, particularly where efficiency is important. However, the lack of competitive tension and transparency can present obvious challenges, particularly for large projects.

Contracts

Payment

New Zealand's PPPs use an availability payment model whereby the SPV funds the construction costs (through equity and debt finance) and after service commencement the procuring authority pays a periodic unitary payment calculated in accordance with a payment mechanism. The unitary payment is sized to cover the facilities management and O&M services, the SPV's operating costs, servicing and repayment of the debt finance and a return for the equity investors.

The procuring authority's sole remedies in respect of failure to provide the operating services are deductions (where applicable), certain legal remedies (including injunctive relief) and termination rights.

The performance regime is typically focused on outcomes and improvements to the delivery of public services. Deductions from the unitary payment can arise from failures to comply with availability criteria and failures to comply with certain performance standards or key performance indicators. Deductions for a payment period are capped at the amount of the unitary payment for that period. Some PPPs also include a charges regime, which involves the SPV paying agreed liquidated damages for certain events (which, unlike deductions, are not capped at the amount of the unitary payment).

State guarantees

The schools and prisons PPPs were procured by the Crown acting through core departments, so guarantees were not needed. The two road PPPs were procured by the New Zealand Transport Agency, which is a Crown entity. These two PPPs are supported by a Crown indemnity. It is likely that a similar approach will be adopted for future PPPs, with no support being required for PPPs procured through core departments but support potentially being required for PPPs procured through another instrumentality of government.

The Public Finance Act 1989 (PFA) prohibits the giving of guarantees or indemnities on behalf of the Crown except as expressly authorised by legislation. The PFA permits the Minister of Finance to give guarantees or indemnities on behalf of the Crown if it appears to the Minister to be necessary or expedient in the public interest to do so. The PFA also provides for departments to give guarantees or indemnities of a type specified in regulations. If a guarantee or indemnity is given and the contingent liability arising under it exceeds NZ\$10 million, the responsible Minister must present a statement to the House of Representatives.

The Crown Entities Act 2004 (CEA) prohibits Crown entities (which includes the New Zealand Transport Agency) from giving guarantees or indemnities. This prohibition is subject to any regulations made under the CEA, any approval jointly given by the entity's

responsible minister and the Minister of Finance, that entity's specific legislation and any exemptions in the CEA.

Distribution of risk

Risk allocation involves determining how risks will be apportioned across the parties involved in a project, with the general aim of allocating risks to the party best able to foresee, manage and bear the relevant risk. If a risk sits with the SPV under the project agreement, the SPV will seek to pass that risk down to the subcontractor that is best able to manage it. If risks are allocated appropriately, this should result in value for money, a high standard of performance and aligned incentives. Appropriate risk allocation can be highly project specific.

A benefit of the PPP model is the ability for the government to pass risks on to the private sector. Clause 7.4 of the template form of project agreement provides that whenever the SPV is required to do anything, then the risk, cost and expense of doing so sits with the SPV unless expressly agreed otherwise. The SPV is required to carry out due diligence to satisfy itself as to the nature and extent of the risks assumed by it.

The outcome of risk allocation is primarily achieved through the payments and termination regimes, in that the SPV will not achieve service commencement (and therefore will not begin to receive the unitary payment) until it has procured all of the construction works (and is at risk of termination if it does not do so by a sunset date) and the SPV is subject to deductions or, potentially, termination for underperformance.

There is no formal guidance on risk allocation, other than the expectation that it is addressed at the procurement stage and that the standard form PPP documents are used, subject to project-specific modifications.

Generally, the existing PPPs pass risks relating to construction works, consenting, operational performance and financing to the SPV. The government retains demand risk and also assumes risk for certain compensation events and some changes in law.

The allocation of risk is likely to be an area of particular focus as revisions to the PPP model are developed and new PPPs are procured. The extent of risk transfer to the private sector (with the private sector assuming risks such as ground risk and consenting) in existing PPPs is widely considered to have been troublesome, with the procuring authority often being better placed to bear those risks. It is also possible that models developed overseas that involve splitting a project into stages for risk management (such as enabling works to be done outside the PPP) or more sophisticated mechanisms for sharing particular risks will be considered in New Zealand.

Adjustment and revision

Project agreements include a change regime (which is passed down to the subcontracts) that sets out a process for initiating and confirming changes and addressing the consequences of changes. Some PPPs have also included regimes to cater for future expansion.

There is a framework for determining the change in costs, performance relief and other consequences arising from a change. The change in costs is calculated in accordance with

agreed change compensation principles on an open-book basis taking account of (among other things) actual costs (having regard to any cost savings) and a margin allowance.

Ownership of underlying assets

The government owns the project site and the facility constructed under the PPP (subject to certain rights of the SPV in relation to fit-out). The SPV has access rights during construction and a facility lease from service commencement for the duration of the operating term. There are detailed hand-back and disengagement processes at the end of the operating term.

Early termination

PPP documents include a comprehensive package of termination events which, where applicable, are passed down from the project agreement to the relevant subcontracts. The contractual termination rights are a code and exclude the parties' rights of termination under the general law.

The procuring authority's termination rights are naturally more extensive than the SPV's termination rights. The SPV's termination rights are usually limited to narrow circumstances such as an uninsurable event. The SPV's rights are typically limited to enforcing payment of amounts due and an entitlement to compensation and other relief for changes in circumstances (rather than breaches or changes in circumstances giving rise to termination rights).

The procuring authority usually has the right to terminate for convenience to avoid its operational discretion being fettered.

The procuring authority also has the right to terminate upon the SPV's default. The default-based termination events are split into immediate termination events (which are particularly serious defaults giving rise to an immediate right to terminate) and remediable contractor defaults (which can give rise to a right to terminate if the procuring authority has issued a warning notice and the SPV has not provided and implemented a rectification programme or prevention plan). The procuring authority's rights to terminate following a default by the SPV are subject to overriding step-in and cure rights under a financier direct deed.

The procuring authority may also have a right to terminate if a neutral event, such as an uninsurable event, occurs.

The compensation payable to the SPV upon termination depends on the reason for termination. Termination for convenience usually leads to a full payout for debt and some return for equity. The compensation payable upon termination for default is usually based on the fair market value of the contract, which is determined through re-tendering or an independent valuation. The compensation payable upon termination after a neutral event involves the full payout of the debt but a return for equity is not guaranteed (e.g., for termination after service commencement the compensation is typically the greater of the debt payout and the fair value of the contract).

Choice of law and arbitration

The project agreement, subcontracts and financing documents are governed by New Zealand law, with submission to the non-exclusive jurisdiction of the New Zealand courts. This is consistent with the usual approach for major projects (and project financing) in New Zealand.

Finance

The existing PPPs were financed through a package of debt finance and equity investment. The PPPs are highly geared given that they are all based on availability payments, without the private sector taking patronage risk.

The consortium typically uses a limited partnership structure for the SPV, which is a hybrid between a company and a traditional partnership. A limited partnership is a body corporate so offers limited liability for investors but it is treated like a traditional partnership for tax, with the partners rather than the limited partnership being subject to tax. A limited partnership must have a general partner, which has responsibility for managing the limited partnership and unlimited liability for the limited partnership's debts. It also has limited partners, who are the equity investors and have limited liability provided that they are not involved in the management of the limited partnership. PPPs generally use a two-tier limited partnership structure, with the investors being limited partners in a holdco limited partnership that is the sole limited partner in the SPV. The debt financing for a PPP has four obligors – the borrower (a limited partnership), its general partner (a company), the borrower's sole limited partner (a limited partnership) and that entity's general partner (a company). This structure is well understood in the market and is widely used for joint venture projects that have project financing.

The debt finance in PPPs has been largely mini-perm bank debt that needs to be refinanced periodically during the life of the PPP. Accident Compensation Corporation has also provided non-bank debt into two PPPs. The bank syndicates have comprised domestic banks and international banks from around the world, including Australia, Asia, Europe and North America.

There have been various successful refinancings in the PPP portfolio and anecdotally there has been a great deal of interest from domestic and international financiers, many of which do not have much activity in New Zealand except for project finance. There has not been any debt capital markets activity in the PPP portfolio yet. However, the financing for one PPP has been termed out with bank debt.

The legal regime in New Zealand is very similar to other common law jurisdictions so the approach is familiar to international investors and financiers and New Zealand's commercial law is amenable to financing arrangements including the provision of security by the borrower. The availability payments and financing arrangements are all in New Zealand dollars, with international investors and financiers managing any exchange rate risk internally.

The security package for the financiers involves all asset security from the obligors (often excluding a distributions account) and direct agreements with the procuring authority, the construction subcontractor and the O&M subcontractor which provide certain step-in and cure rights.

Outlook and conclusions

Given the new government's stated intention to use and encourage private finance for new infrastructure developments and upgrades, 2024–2025 could see significant activity in the PPP market.

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