

Market-led Proposals Policy to commence in Western Australia 12 April 2019

Premier McGowan recently announced final details of a new Market-led Proposal (MLPs) Policy that apply across the whole-of-government.

MLPs from the private sector or not-for-profit sector to build or finance infrastructure, provide goods and services, to purchase government owned assets will be welcomed.

Western Australia is the only State government not to already have in place market-led proposal guidelines. The new MLP policy will come into effect on **12 April 2019** – an online portal will be available for applications at <http://www.finance.wa.gov.au>.

This fills an election commitment contained in the McGowan Opposition's *Plan for Jobs* to create 'a single portal and a clear, consistent and transparent evaluation process' for parties to submit unsolicited bids to the state government.

The *Draft Policy* took submissions until 9 August 2018. The Consultation Report is available – see link on page 3.

Market-led Proposals and Exclusions

The policy cites examples of successful interstate projects resulting from MLP's:

- Grand transit hall and public concourse at Wynyard Station (NSW);
- Victoria Police Centre (Vic); and
- Brisbane International Cruise Terminal (Qld).

Exclusions from the WA MLP process include:

- Proposals dealt with by an existing government process that is already underway;
- Proposals seeking to obtain industry assistance and other grants;
- Proposals relating to a project that government has already decided and/or announced will be released to the market; and
- Proposals that have a total estimated value below the threshold that requires a competitive procurement process.

Evaluation Criteria

The following criteria will be used to evaluate proposals and government may also determine other factors to be considered at its discretion.

1. Strategic Alignment - The proposal is aligned with government policy objectives and priorities. This may include election commitments and other government strategies/plans.

2. Public Interest - The proposal has significant social, environmental, economic or financial benefits for Western Australians.
3. Value for Money - The proposal represents value for money for Western Australians and is affordable in the context of budget priorities.
4. Commercially feasible and capable of being delivered - The proposal is feasible (including financially) and the proponent has the financial and technical capacity, capability and experience to deliver the outcome successfully.
5. Risk - Any financial, reputational and/or security risks to government from the proposal are acceptable and there is an appropriate allocation of risk between the proponent and government.
6. Justification for exclusive negotiation - The proposal delivers outcomes that are not likely to be obtained using standard competitive processes within acceptable timeframes and therefore justifies exclusive negotiations with government.

Contact for each MLP

All enquiries, requests and proposals are to be lodged with the MLP Secretariat located in the Department of Finance – marketledproposals@finance.wa.gov.au

Following lodgment of the pre-qualification template, the MLP Steering Committee will determine whether the evaluation process will be centrally coordinated by the Committee or managed directly by the relevant Lead Agency.

Types of MLPs to be evaluated through the centrally coordinated process

The MLP Steering Committee (SC) will oversee the proposals that meet the following criteria:

- high value (over \$50m or \$10m for Information Communications Technology)
- high risk proposals below these values;
- involving multiple Agencies;
- where Lead Agency and MLP Secretariat agree; and
- where requested by the relevant Minister.

For MLPs managed directly by a Lead Agency, the evaluation process and principles of the MLP policy will apply.

MLP Steering Committee (SC)

It will comprise an independent Chair (yet to be appointed) and Director General/Chief Executive Officers of the following agencies:

- Department of the Premier and Cabinet;
- Department of Treasury (DoT);
- Department of Finance (Do F);
- Department of Jobs, Tourism, Science and Innovation (JTSI);

- Department of Primary Industries and Regional Development (DPIRD) – for MLPs outside the metropolitan region);
- Lead Agency for the proposal; and
- Other key agencies or government trading enterprises as determined by the Steering Committee.

MLP Decision Making Authority

Cabinet is the decision maker for MLP SC led evaluations. Approval is required at each stage of the evaluation process on the recommendation of the MLP Steering Committee.

For MLPs coordinated by Lead Agencies, the requirement for Cabinet and/or Ministerial approval will depend on internal governance arrangements and legislative requirements of the agency (which may vary depending on the value of the proposal).

Relevant Links

Media Statement Premier Mark McGowan dated 27 March 2019 , *'Market-led Proposals policy to drive innovation and create jobs'*; go to [Media Statements](#)

Market-led Proposals Policy – [Department of Finance \(DoF\) website](#)

Market-led Proposals Policy – Supplementary Guidelines – [DoF website](#)

Market-led Proposals Policy - Frequently Asked Questions – [DoF website](#)

Market-led Proposals Policy – Consultation Report – [DoF website](#)