



FULLY FRANK

JOHN BEVERIDGE

HEARD ANYTHING?

PHONE: 9292 2756

FAX: 9292 1834

EMAIL: beveridgej@heraldsun.com.au

Low turn on partnership

Seems that curious animal Public Private Partnership is no longer on the endangered list but has significantly changed its stripes.

Which is why Premier John Brumby — one of the world's great promoters of the PPP — was trumpeting its recovery yesterday in announcing the awarding of tenders for the EastLink Bypass, now grandly named Peninsula Link.

But when you dig a little deeper, it is clear that this project is a PPP in name only and really looks more like a traditional private sector tender to design and deliver a public road.

To qualify as a genuine PPP, there must be a significant transfer of financial, operating and delivery risk to the private sector.

Getting the private sector to build a public road doesn't really cut the mustard, particularly when there are tolls and traffic volumes are relevant to the builder.

Roads and Ports Minister Tim Pallas put it yesterday, this will be an "availability PPP" that will go through the usual Partnerships Australia tests and be supervised by the existing Southern and Eastern Integrated Transport Authority (ITA).

It would be "harnessing the strengths of private sector investment, including faster delivery and the use of innovative construction techniques similar to those used on EastLink".

However, this road will be structurally different to the tolled, privately-financed and sharemarket-listed EastLink model because apart from maintenance the builder will have little to do with it after construction.

Mr Pallas put it: "The government will make periodic payments to a private company on key performance



Another way: John Brumby opening EastLink last year.

indicators. The model is not based on traffic usage and instead seeks the greatest road performance for the community with the best value for money."

In other words, the government is funding the road and the developing consortium are building it, with the major private risk being reaching

construction timelines so they get paid.

Hopefully, the Clayton's PPP model will meet with the approval of Leighton chief executive and potential bidder Wal King, who has been calling for a radical rethink of the PPP model ever since the credit crisis killed the last one.

Pay more to keep covered

IT is no April Fool's Day joke that you will pay more for your private health insurance from today.

At a time when every dollar counts, the "average" cover is going up by 6 per cent and possibly much more.

Depending on which category you are in within each fund, some people have been asked to cover rises of 10 per cent or more, while other premiums haven't moved at all.

The answer, like many things in life, is shopping around for the best deal — easier said than done in the complex world of health insurance.

According to Adir Shiffman, of the comparison website Helpmechoose.com.au, the key to switching is to decide exactly what you need to be covered for and then ensure you are comparing apples with apples.

"You tend to get what you pay for so you really need to focus on getting the cover you need," he said. "It is not all about price, so you should aim to save 20-30 per cent rather than chopping your bills in half."

Dr Shiffman said an example of way too much cover was a couple in their 60s with an expensive families policy, while the reverse was a young couple whose newborn child was not covered for hospital stay because they only had a couples policy.

Cutting out expensive extras such as orthodontic could save a lot if not needed and self-insuring some of the risk by paying an excess could also save plenty.

Dr Shiffman's other clue was to always make sure the new insurer waived waiting periods before making the switch.