

### The Brief

The Northern Territory is in the process of redeveloping the Darwin City Waterfront (DCW). Part of that development includes the Darwin Convention and Exhibition Centre (DCEC) Public Private Partnership (PPP) Project. Stage one of the redevelopment of the DCW includes:

- Leisure and recreational facilities
- A hotel
- Cafes and restaurants
- 138 residential units

Works also being completed and which are currently being constructed as part of the project during Stage One include the construction of community infrastructure and marine infrastructure (CIMI) within the DCW area.

Darwin Cove Convention Centre Pty Limited (DCCC) is a special purpose vehicle (SPV) formed by ABN AMRO, which successfully tendered for the project, to carry out two distinct public elements:

- A PPP project for the design, build, finance and operation of the DCEC
- To project manage the design and build of the CIMI within the DCW area that will support the delivery of the project

DCCC has contracted with Ogden IFC (Darwin) Pty Ltd to provide the operational services which include:

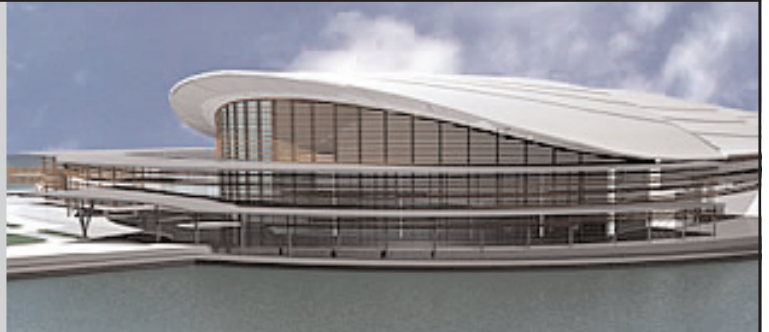
- Managing the DCEC
- Marketing the DCEC
- Maintaining parts of the DCEC

The concession period is for 30 years from completion of the DCEC.

## FORWARD

### GROUP

- Aviation
- PFI
- Built environment



### Services Provided

- Review operator deed
- Review concession deed
- Identify SPV risk areas
- Provide report detailing findings

### Our Approach

The SPV is in the process of seeking a bond rating from Standard and Poor's Rating Agency for the bonds that will be issued to finance the construction of the DCEC. As part of that process, the SPV and the agency need to ensure, so that the best rating is provided, that all the risks associated with providing the operating services have been mitigated through the drafting of the deeds. Forward Group also identified replacement operators, together with the likely costs of replacement to the SPV in the event that the operator is terminated.

In order to satisfy the agency that all such risks to the SPV in relation to the operating services have been mitigated, the SPV appointed Forward Group to carry out a detailed review. Forward also carried out a desk top study into the available replacement operators and assessed the costs of replacing the operator during the concession period.

### The Results

Forward Group provided a detailed report to the SPV, for the sole use of the agency, highlighting those clauses within the deeds that may have caused an obstruction to the SPV's ability to continue to meet the requirements of the finance arrangements. In producing the report, Forward Group's analysis of the deeds identified that the SPV had mitigated all risks associated with the operating services such that the failure of the operator would not affect the debt provision.

The report also provided detailed information relating to the availability and identity of replacement operators and that the costs associated with replacement would be covered.