



# NSW Legislative Assembly Hansard

## Snowy Hydro Corporatisation Amendment (Parliamentary Scrutiny of Sale) Bill

Extract from NSW Legislative Assembly Hansard and Papers Thursday 8 June 2006.

**Mr STEVE WHAN** (Monaro) [10.38 a.m.]: I move:

That this bill be now read a second time.

It is a great pleasure for me to introduce the Snowy Hydro Corporatisation Amendment (Parliamentary Scrutiny of Sale) Bill today.

**Mr Barry O'Farrell**: Point of order: I am loath to interrupt the honourable member for Monaro, but a deferred division is to be called.

**Mr ACTING-SPEAKER (Mr Paul Lynch)**: Order! On the advice of the Clerk, the division will occur subsequent to this debate. The suspension that has just been agreed to has two consequences. The first is to suspend standing and sessional orders, and the deferred division would have been dealt with under the sessional orders. The second consequence of the passage of the motion is that the House will deal forthwith with the bill, which the honourable member for Monaro has the carriage of in this House. On that basis the House must deal first with the bill.

**Mr STEVE WHAN**: It is a great pleasure for me to introduce this bill today. I thank Greens member Mr Ian Cohen for introducing the bill in the other place.

**Mr Andrew Constance**: Point of order: There is one big question. Why would—

**Mr ACTING-SPEAKER (Mr Paul Lynch)**: Order! The honourable member for Bega will resume his seat. If that behaviour is repeated he will be called to order. The honourable member for Monaro has the call.

**Mr STEVE WHAN**: It is clear that Opposition members do not want to debate this issue. I am sure all honourable members are aware of the things The Nationals have been doing over the past few weeks, many of which have been designed to fail. Last night The Nationals in the upper House tried to delay consideration of the bill until today so it would not be dealt with during this parliamentary session. That revealed to the people of Monaro and those who care about the Snowy the true feelings of members of The Nationals in relation to this issue. I wish to go into some detail in this second reading speech because of a number of stories that have been told. Most importantly, today I want to talk about the fantastic community effort that went into saving Snowy Hydro.

The Government will support this legislation today because it and the Federal Government heard the community through many voices. The bill will ensure that any future proposal to sell New South Wales shares in Snowy Hydro must be agreed to by both Houses of this Parliament, unless the sale is to the Commonwealth. I will refer later and in more detail to the provision relating to the Commonwealth. First I want to comment on the campaign to save Snowy Hydro from privatisation. At times debate last night in the upper House was an orgy of self-congratulation. It has often been said that success has many fathers. A number of people claimed credit for saving Snowy Hydro from privatisation but they missed the real heroes in this issue—the people at the victory rally in Cooma whom I spoke to on Sunday. The community of Monaro, the State and Australia rose up and said they did not want the Snowy Hydro privatised and sold off. They made it clear that people power would win the day. I admit that at times I was worried that people power would not pick up enough steam to win the day. I have been urging for people power for some time. I want to refer to the heroes of the fight to save Snowy Hydro.

*[Interruption]*

The constant interjections of members opposite show that they are more interested in scoring political points than recognising the great efforts of the community. I will refer to several people by name. Obviously I will not be able to mention all those involved, and some I will miss. Hundreds of people wrote letters to the editors of newspapers and thousands turned up to the rallies. Many people spoke at the rallies. Acacia Rose and Lee Taylor-Friend co-ordinated many of the public demonstrations in the Snowy. They were committed from day one and ran an amazing campaign. Vicki Wallace, representing the Snowy River Alliance, was involved with Acacia and Lee. Vin Good, a former commissioner of Snowy Hydro, voiced strong opposition from day one and provided a great deal of information about the future development of Snowy Hydro.

Max Talbot and David Hain spoke at the various rallies and kept up a constant campaign to ensure that the proposal to sell the Snowy Hydro was defeated. The mayors of the local shires, Richard Wallace and Roger Norton, put their positions forcefully at the rallies. Angel John Gallard from the Snowy River Alliance and

chairman of the Dalgety Progress Association introduced passion into the debate, particularly about the Snowy River. Craig Ingram, the Independent member for East Gippsland, was a consistent and hard campaigner. As honourable members would know, he was elected on a platform to save the Snowy River. Doug Nicholas organised the letter from many prominent Australians. The *Cooma-Monaro Express* and the *Summit Sun* ran a constant campaign to save the Snowy Hydro. In particular, the *Cooma-Monaro Express* ran a scathing editorial about the failure of Gary Nairn to turn up at one of the rallies. I will refer to Gary Nairn later.

**Mr Andrew Constance:** Repeat the words you said about him on Sunday.

**Mr STEVE WHAN:** I will. The honourable member for Bega should have the courtesy to listen to my contribution. I suspect the strongly worded *Cooma-Monaro Express* editorial had a biting impact. I credit the *Cooma-Monaro Express* and the *Summit Sun* on the success of their campaigns. The *Snowy River Echo* consistently put forward the case against the sale of Snowy Hydro. Unusually for me, I congratulate Alan Jones. Some of my colleagues are nervous about that; he has had a go at me on a few occasions. However, his phone poll had a big impact. I also mention John Laws for his campaign. Liberal Senator Bill Heffernan, who had a strong profile in opposition to the sale, also deserves mention.

At the rally on Sunday I offered my congratulations to Gary Nairn, and I did so genuinely. He told the crowd that he had worked quietly behind the scenes to stop the sale of Snowy Hydro. Unlike me, he felt that he was unable to state his opposition publicly. Perhaps as a backbencher I am able to do that. I have known Gary for a long time, and I take him at face value. As I said, on Sunday I congratulated him on his efforts. I also put on the record my congratulations to the Electrical Trades Union [ETU] representatives Neville Betts and Bernie Riordan on their efforts. They played a strong role within the Labor Party to try to change the decision. The ETU strongly represents the workers at Snowy Hydro, and it took up a number of their concerns. I had spoken with the ETU representatives about the stance they would take at the State conference, which will be held this weekend.

Last night in the upper House the Minister for Commerce spoke about the history of the proposed sale and the decision not to sell, his discussions with Nick Minchin, and the legal advice received by the governments. I refer honourable members to that speech as to the various roles of Federal Ministers and members in the process. Why was Snowy Hydro so important to the people of Monaro? The Snowy Hydro is an icon in Australian history. One hundred thousand people from 30 countries worked on the project. The scheme started with the vision of Bill McKell, the then Labor Premier. When he became the Governor-General he worked with Ben Chifley to get him to use defence powers to get the project under way.

The facts and figures about the length of the tunnels and the size of the dams are well known. It was a massive engineering achievement. More importantly, the scheme captured the imagination of the people of Australia. To this day, when people talk about nation-building projects they always mention the importance of the Snowy scheme. Snowy Hydro is important not only to the people of Monaro, but its significance is probably felt most strongly in that area. Many people who live in the Monaro area worked on the Snowy scheme or are descendents of Snowy workers. Frank Rodwell was at the rally on Sunday dressed in his Snowy hard hat and carrying his sledgehammer. He had written letters to the newspaper displaying his passion for the Snowy.

Last night in the upper House various members provided a history of the campaign to save Snowy Hydro. I want to put on the record my version of the history. There are different versions because many people played various roles. I believe some matters need to be put on the record in this place. This morning we heard The Nationals try to rewrite history and tell a lot of lies about the campaign. One of the key factors is that The Nationals have shown consistently, in Monaro and here, that they are more interested in point scoring than in getting a result. The Nationals have said in the House that they opposed the sale from day one. I can prove that that is wrong. During debate on a bill earlier today The Nationals said that I had said I was not worried about jobs. Again, they took my words out of context.

I said I had guarantees on jobs and that those guarantees were given and repeated by the Federal member Gary Nairn. Apparently, The Nationals suggest he was lying. I opposed the sale from day one. It is true that I first found out about the sale courtesy of an Opposition question to Parliament. I remember the day very well. It is emblazoned in my memory. An Opposition member took a point of order and said, "Premier, the member for Monaro is looking rather wan." He was probably right. On 2 December 2005 I issued a press release in which I said:

The member for Monaro Steve Whan will not support any proposal that involves privatising Snowy Hydro.

**Mr Andrew Fraser:** But you did, through caucus.

**Mr STEVE WHAN:** I will refer to caucus in a moment. We hear continuous lies from Opposition members. At the time I made it clear that I would not support the sale of Snowy Hydro. At no stage did I support it—at all, ever.

**Mr ACTING-SPEAKER (Mr Paul Lynch):** Order! Honourable members on both sides of the House will come to order.

**Mr STEVE WHAN:** On 18 December 2005, after the Government announced its intention to sell Snowy Hydro Limited, I issued another press release to say that I remained:

... totally opposed to the sale of the NSW Government's ... share in Snowy Hydro ...

I continued:

I am bitterly disappointed that the NSW Cabinet took this decision without giving the Labor Caucus or the NSW Parliament the opportunity to have a say.

The next point is particularly relevant to this debate. I then stated:

Unfortunately, the Corporatisation legislation passed in 1997—

which, for the benefit of honourable members opposite, is six years before I was elected to this place—

means the NSW share can be sold without any reference to Parliament.

On the same day I referred to the Snowy Hydro Corporatisation Amendment (Parliamentary Scrutiny of Sale) Bill, which is why I am so pleased to move the second reading today. On 1 March 2006 I issued a press release highlighting the action I had taken in the Labor caucus. My colleague the honourable member for WallSEND moved in caucus a motion about the sale of Snowy Hydro. It had support but, unfortunately, we did not have the numbers on the day. But at least we made the effort. I gave the people of Monaro a commitment that I would not vote for the sale of Snowy Hydro, and I did not vote for it at any stage. Unfortunately Opposition members have lied blatantly about that. The Coalition paid thousands of dollars for a letterbox-drop of leaflets that sought to mislead people about the procedures of the House.

We debated in this place an urgent motion about Snowy Hydro that was initiated by the Government. The Leader of The Nationals and the Leader of the Opposition declined to participate in that debate. They were too gutless. It is true that the next day I voted against debating the same issue, in favour of debating petrol prices. But that does not mean that I voted in favour of the sale of Snowy Hydro Limited—and it is totally dishonest to claim that it does. On the previous day The Nationals in the upper House had also voted against debating an urgent motion on the sale of Snowy Hydro. What a bunch of absolute hypocrites! But members opposite did not put that in their press releases, because it was not convenient to share that information.

Members of The Nationals claim to have opposed the sale of Snowy Hydro Limited from day one. Let us consider the facts. The truth is that for many, many months The Nationals did not offer an opinion on whether Snowy Hydro should be sold. They called for a delay but not for a halt to the sale. In his question to the Premier of 2 May 2006, the Leader of The Nationals sought a guarantee that 100 per cent of the funds raised from the sale would go towards rebuilding the State's infrastructure. He did not seek a guarantee that Snowy Hydro would not be sold; he was interested only in where the money would go. The Nationals candidate for the Monaro electorate in the upcoming State election has revealed his position. He has also claimed that he opposed the sale from day one. But if that is true, why did he say during the 7.00 a.m. news on ABC Radio 2CN on 4 March 2006 that he was not opposed in principle to the privatisation? On 11 April I was interviewed on the ABC Radio 2CN morning show about the sale of Snowy Hydro, and The Nationals candidate phoned in to the program. According to the program transcript, I said:

This is a person on the other end of the line who has actually said he is not opposed in principle to the sale.

The interviewer then asked:

Is that true David? David Madew is that true?

David Madew replied:

I would like to see a full and frank debate on this before we went to any kind of market on this.

David Madew refused to say that he opposed the sale of Snowy Hydro. So when did his position change? He attended the Cooma meeting at which 300 other people were also present. I spoke at the meeting and repeated that I had opposed the sale from day one. I have also said that in the House on many occasions, contrary to The Nationals' claims. My position has been consistent throughout.

The Nationals candidate for Monaro did not speak at the Cooma meeting. The honourable member for Bega was there also but he did not speak. Several other members of the Liberal Party and The Nationals, including an upper House electoral candidate, were in attendance but they also did not speak. Greens members spoke and stated their opposition to the sale of Snowy Hydro but State Coalition members were silent on the issue.

The only Coalition speaker at the Cooma meeting was the Federal member for Eden-Monaro, Gary Nairn, who said he supported the sale. He has told us subsequently that he was working secretly behind the scenes but, in the spirit of good Cabinet solidarity, he could not tell his electors what he was doing. I accept that. I will leave it to his constituents to judge him.

So when did The Nationals' position change? I suspect it happened on 5 March or thereabouts. I must raise another interesting point. Last night in the upper House the Hon. Melinda Pavey said The Nationals opposed the sale of Snowy Hydro since day one. Yet David Madew wrote recently to the *Snowy River Echo* to say—and, remember, he was only preselected in March—that he had managed "to change party policy for the NSW National Party to now that we oppose the sale of Snowy Hydro". Who is telling the truth? Someone is obviously telling lies about this issue but I do not know who it is. I suspect that The Nationals in New South Wales decided that it was in their interests to oppose the sale of Snowy Hydro when the Hon. Melinda Pavey wrote a press release for The Nationals candidate for Monaro—

**Mr Andrew Fraser:** He can write his own press releases. He's not like you.

**Mr STEVE WHAN:** The honourable member for Coffs Harbour says that The Nationals candidate writes his own press releases. Perhaps the honourable member can explain why on 5 March 2006 I received an email from the Hon. Melinda Pavey—she accidentally sent it to me instead of David Madew—that said:

revised media release—for urgent distribution—see you tomorrow you good thing ...

The Hon. Melinda Pavey told The Nationals candidate to say in the press release:

I don't have half hearted opposition to the sale—I oppose it wholeheartedly ...

I accept that from then on The Nationals candidate for Monaro—outside this place I call him Moaning Madew—opposed the sale of Snowy Hydro. I would have welcomed his support if he had worked actively to oppose the sale, but instead he launched his political campaign. We must ask: If The Nationals actively opposed the sale of Snowy Hydro, why did they attack only me and not those who supported the sale? Why, when they called on me to cross the floor, did they not call on Gary Nairn to do the same? Why did they not call on New South Wales Senators from The Nationals to cross the floor of the Senate? None of them did so. But The Nationals in New South Wales did not mention that fact because it did not suit their political agenda to do so.

The Coalition is guilty of hypocrisy on this issue. The Leader of the Opposition has still not stated in this Chamber his opposition to the sale of Snowy Hydro. I remember distinctly the news report on Friday night of last week about the ditching of the Snowy Hydro sale. The reporter made a comment along the lines of, "Peter Debnam saved his strongest comment on the Snowy sale until after the decision had been changed." It would be interesting to know whether the Prime Minister telephoned the Leader of the Opposition and said, "It's all right, Peter, you can come out and oppose the sale now." On 22 April 2006 ABC finance news reported the consistent position of the Leader of the Opposition on the sale of Snowy Hydro. The report stated:

State Opposition Leader Peter Debnam says he will not reveal if he supports or opposes the sale until the NSW Government explains how it will spend the money.

What did they say last night in the other place? They said they have been opposed to the sale since day one. However, on 22 April 2006 he would not reveal whether he supported or opposed the sale. I have congratulated Mr Nairn, and I believe what he has told me. However, I wonder why he signed a letter dated 30 May to the local newspaper supporting the sale. The Nationals probably spent thousands of dollars sending postcards around the electorate, not to encourage people to oppose the sale but to attack me. Why were they not campaigning to oppose the sale? The Nationals saw this not as a principled campaign against the sale of Snowy Hydro Limited—as I and many of my colleagues did, even if they were not able to make the same public comments I did—but as a campaign opportunity. They simply tried to raise spurious points.

The Leader of The Nationals failed to participate in the lower House debate on the Snowy Hydro Limited sale. He will no doubt give us a spiel today about how he was opposed from day one and was just champing at the bit. The Nationals then tried to run a range of distraction campaigns. They said at a rally a few weeks ago that Steve Whan could stop this sale. Apparently I am a very powerful man in the Government. I would love to think I am. They said I could simply move a private member's bill and get six of my friends to cross the floor. Their counting is not very good, because six of my friends would not have done it.

**Mr Thomas George:** You wouldn't have six friends.

**Mr STEVE WHAN:** The honourable member for Lismore loves to insult me, but he is right on this occasion—I probably did not have many friends for a while. However, I certainly had some stalwart colleagues all the way along and I appreciate their support. Interestingly, The Nationals tried to make an issue of the fact that I registered for a prospectus. Certainly, at 6.41 a.m., when I had just woken up, my explanation on the radio probably was not clear. That is why I called back and clarified myself. I registered because I felt it was important to see all the financial information that was available.

The Hon. Melinda Pavey, the upper House member supposedly responsible for the Monaro, also registered for a prospectus. There is a great deal of hypocrisy from The Nationals on that point. They voted against debate on the Snowy Hydro Limited sale in the upper House and then paid thousand of dollars to bag me for voting against an urgency debate in this place when we had already debated the issue. I am on record three times in this place opposing the sale of Snowy Hydro Limited, which is certainly better than the Leader of The Nationals' record.

The terms of reference for the upper House inquiry have been amended, and I welcome that move. They now quite appropriately allow the inquiry to examine the future needs of Snowy Hydro Limited. The Nationals stated in some of their dishonest propaganda that I opposed the inquiry. That is demonstrably untrue. If they were to look at *Hansard* they would see that when we debated and passed an urgency motion about Snowy Hydro Limited, after a bit of work from me the Government accepted an amendment to welcome the inquiry. The Nationals accusation is demonstrably false.

The upper House inquiry is still very important because it can examine the scheme's capital needs and discuss some of the issues that have been raised. One of the myths I want to demolish is that the Snowy scheme is not well maintained. That is not true; it is extremely well maintained and the entire infrastructure is in extremely good condition. Snowy Hydro Limited wanted the capital to be able to expand. As the Hon. John Della Bosca has often said, it wanted the capital to expand into other areas of power generation, and that is still a challenge. I will make a brief submission to the upper House inquiry, in which I will suggest that it consider Snowy bonds. Many people have spoken to me since the decision not to proceed with the sale and have said they would like to buy bonds to support the scheme. It is an old-fashioned concept, but it would appeal to many people in Australia.

The bill is what the people of the Snowy region have requested, and there are two aspects to it. First, it provides that any future consideration of the sale of Snowy Hydro Limited must come before both Houses of this Parliament. That is the same safeguard as is in the Federal legislation, despite the Federal Government's original advice. The exception to that would be if the corporation were sold to the Federal Government. That is a sensible position because, as a number of speakers in the upper House confirmed last night, and Minister Della Bosca also confirmed, the Federal Government has the capacity to provide the capital funds that the corporation needs—it has the \$17 billion accumulated from last year's budget.

However, importantly for me, it is also what the people of the Monaro requested. A motion was passed unanimously at the meeting held in Cooma on 20 April, which was attended by hundreds of people. Presumably some members of the Coalition supported it, because they were in the audience. The motion called for Snowy Hydro Limited to be bought by the Federal Government. This legislation is a perfect recognition of what the people of the Monaro requested. Speakers at the rally in Cooma and at the victory rally called for the same thing, as did Bill Heffernan and many others.

Minister Della Bosca also raised ongoing issues with the management of Snowy Hydro Limited. Each of the governments has a one-third say on the board, and in his view that hampers the decision-making process. If the Federal Government were to take over the States' shares, that issue would be resolved. That is only one option. As I have said, I would like to suggest that bonds be issued. The bill offers the Coalition the chance to do as it has been saying it would do: vote for the bill to demonstrate that it supports the community's wishes.

The Snowy River is now being effectively rescued by one of the most historic environmental programs ever implemented by an Australian Government. By law the Governments must deliver a 21 per cent flow to the Snowy River—that is, 212 gegalitres a year—by 2012. This Government is committed to that agreement. In the many conversations I have had with Minister Della Bosca he has confirmed that progress is being made. He and this Government are obviously committed to that target and, eventually, to increasing the flow to 28 per cent, which is 282 gegalitres a year. That is a significant achievement and it will go down in history as one of the greatest environmental achievements in this country.

One of the controversial issues on which this debate has focused is the Mowamba River. I will very briefly deal with that because the fact that the sale has been defeated does not end the debate. In the question-and-answer booklet I circulated in the Monaro I stated:

... in order to start the process of rehabilitation of the Snowy River the Government has agreed to advance a portion of the water down the Snowy River by shutting off the Mowamba Aqueduct and allowing the flows 'advanced' down the river to flow down the Mowamba River

At the time the Snowy Water Licence was negotiated those involved saw the return of water down the Snowy River as the aim. The Mowamba was seen only as a mechanism for flows to be advanced.

Allowing water to flow over the Mowamba Aqueduct was not some sort of political stunt; it was the only way water could start flowing down the Snowy River in advance of the works on the Jindabyne Dam.

Unfortunately when this scheme was put forward those planning it did not consider the health of Mowamba

River or the impact of having an unregulated tributary on the Snowy below the dam.

At the time the plan to re-commission the aqueduct was not hidden but it probably was not explained because it was not the point of why most of the work had been done.

I wanted to put that on the record because the Mowamba River issue became wrapped up in the debate. That issue has not been finally resolved but I know that the Dalgety community in particular will continue to work towards a resolution, and I will continue to work with them. The subject of the water flow to Dalgety was another issue that, for political motives, The Nationals attempted to suggest was linked to this debate. The Nationals tried to suggest that Dalgety was not getting enough water. It was certainly the case that at the time the new water intake was set they needed a higher flow, and the Government moved to remedy that.

The daily water flows below the take-off point are available each day on the Internet, so everyone can see what the flow is. Unfortunately, The Nationals candidate suggested on radio that the water flow was not strong enough, that it was evaporating before it got to Dalgety—this was after the increased flows had been set. The Internet web site showing the actual flows demonstrated that that was not so. The Dalgety community can be assured that this Government will continue to work in their interests to make sure that the hugely significant increased flows of the Snowy River are pushed down the river.

In conclusion, I commend the bill to the House. This is what might be called the final stage in a victory for the community. The community worked hard to mount a massive campaign, which took a few months to get up and running, and I applaud their efforts. I would like to place on record the fact that after the Prime Minister announced his decision, the New South Wales Government decided to halt the sale. I noted a number of contradictory comments by Opposition members of the Upper House. One that stood out was that the Opposition sought to credit the New South Wales decision with being, in part at least, due to the Government having listened to the views expressed by the community. I would like to think the decision was principally due to the realisation that the sale should not proceed because of massive community opposition to it. In my own way I played a part in that by taking an honest position to the electorate at all times. I did what I said I would do: I worked within the Labor Party and the Government to try to have the decision reversed, and at the end of the day the decision was reversed.

**Mr Andrew Stoner:** Thank God for Gary Nairn and the Prime Minister!

**Mr STEVE WHAN:** The Leader of The Nationals said, "Thank God for Gary Nairn." Gary Nairn said he also worked from within government and did not cross the floor. He worked from within his party and within government, as did Bill Heffernan, because they felt that was the best way to operate. I did the same thing, and I did it with honesty. I put forward my community's position, but the credit for this fantastic turnaround is due to the New South Wales Government, which listened to the voice of the people. The reason the bill is before the House today is to secure the future of Snowy Hydro in accordance with the wishes of the community. I hope that the Opposition will support the bill and not resort to its usual practice of silly political point scoring. I commend the bill to the House.