

Select Committee on the proposed sale of Snowy Hydro Limited

# **Proposed sale of Snowy Hydro Limited**

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## How to contact the committee

Members of the Select Committee on the proposed sale of Snowy Hydro Limited can be contacted through the Committee Secretariat. Written correspondence and enquiries should be directed to:

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The Director

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Select Committee on the proposed sale of Snowy Hydro Limited

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Legislative Council

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## Terms of Reference

1. That a select committee be appointed to inquire into and report on the proposed sale of Snowy Hydro Limited by the Government, and in particular:
  - (a) whether the proposed sale of the Snowy Hydro Limited is in the public interest,
  - (b) the need for the sale of the Snowy Hydro Limited,
  - (c) impacts on the short and long term financial position of the Government including impacts on revenue and recurrent costs,
  - (d) potential compensation payments to affected parties,
  - (e) intended use of funds raised from privatisation,
  - (f) control of water regulation,
  - (g) future location of Snowy Hydro Limited headquarters,
  - (h) job security for the current workforce,
  - (i) access to lands controlled by Snowy Hydro Limited,
  - (j) removal of disused Hydro infrastructure in National Parks,
  - (k) limits to foreign and majority share ownership,
  - (l) impacts on tourism and local communities in the region,
  - (m) continuation of support of community events and activities by Snowy Hydro Limited,
  - (n) impacts on local councils,
  - (o) heritage issues,
  - (p) land release issues, and
  - (q) any other related matters.
2. That, notwithstanding anything contained in the standing orders, the committee consist of seven members comprising:
  - (a) three government members,
  - (b) Mrs Pavey and Mrs Forsythe, and
  - (c) Revd Dr Moyes and Ms Hale.
3. (1) That the Chair of the committee be Revd Dr Moyes.

- (2) That the Deputy Chair be elected at the first meeting of the committee.
- 4. That the committee report by Friday 27 October 2006.<sup>1</sup>

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<sup>1</sup> Minutes of Proceedings No 148, Wednesday, 3 May 2006, Item 29

## Committee Membership

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<b>Revd The Hon Dr Gordon Moyes MLC</b>	Christian Democratic Party	<i>Chair</i>
<b>The Hon Melinda Pavey MLC</b>	The Nationals	<i>Deputy Chair</i>
<b>The Hon Tony Catanzariti MLC</b>	Australian Labor Party	
<b>The Hon Greg Donnelly MLC</b>	Australian Labor Party	
<b>The Hon Amanda Fazio MLC</b>	Australian Labor Party	
<b>The Hon Patricia Forsythe MLC</b>	Liberal Party	
<b>Ms Sylvia Hale MLC</b>	The Greens	

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## Chair's Foreword

I present the report of the Select Committee on the proposed sale of Snowy Hydro Limited.

This inquiry was referred to the Committee by the Legislative Council on 3 May 2006, in response to the proposal by the NSW, Commonwealth and Victorian Governments to sell their combined assets in Snowy Hydro Limited.

However, on 2 June 2006, the Prime Minister, the Hon John Howard MP, announced that the Commonwealth was withdrawing the sale of its stake in Snowy Hydro Limited. Later that day, the NSW Premier, the Hon Morris Iemma MP, announced in turn that the sale of the NSW Government stake in Snowy Hydro Limited was impractical.

Given that the proposed sale of Snowy Hydro Limited is now not proceeding, the Committee resolved that it should report back to the Legislative Council on the conduct of the inquiry.

This report includes a recommendation for the Legislative Council to adopt new terms of reference into the continued public ownership of Snowy Hydro Limited.



**Revd the Hon Dr Gordon Moyes MLC**  
**Chair**

# Chapter 1      The proposed sale of Snowy Hydro Limited

## Terms of reference and Committee membership

- 1.1      On Wednesday, 3 May 2006, the Legislative Council referred terms of reference for the establishment of a Select Committee into the proposed sale of Snowy Hydro Limited.<sup>2</sup>
- 1.2      The inquiry was adopted in response to the proposal by the NSW, Commonwealth and Victorian Governments to sell their combined assets in Snowy Hydro Limited.
- 1.3      The Committee's terms of reference appointed seven members of the Committee: Revd The Hon Gordon Moyes MLC (Chair), the Hon Melinda Pavey MLC, the Hon Patricia Forsythe MLC, Ms Sylvia Hale MLC, together with three Government members.
- 1.4      On Thursday, 11 May 2006, The President informed the House that the Leader of the Government had nominated The Hon Amanda Fazio MLC, the Hon Greg Donnelly MLC and the Hon Tony Catanzariti MLC as the Government members of the Committee.<sup>3</sup>
- 1.5      At the Committee's first meeting on Wednesday, 25 May 2006, the Hon Melinda Pavey MLC was elected Deputy Chair of the Committee.

## Advertisement of the inquiry

- 1.6      At the Committee's first meeting on Wednesday, 25 May 2006, the Committee resolved to advertise its inquiry by:
  - placing advertisements in *The Australia*, *The Sydney Morning Herald*, *The Daily Telegraph*, *The Canberra Times*, *The Cooma-Monaro Express*, *The Border Mail* and *The Land*
  - placing additional advertisements in regional papers in the Central West, Riverina, Murray, Albury and Orbost regions
  - send a written invitation to make a submission to the inquiry to a range of parties, including NSW, Victorian and Commonwealth government departments and agencies, unions, local councils, irrigators, conservation groups and special interest groups
  - publishing a press release advertising the inquiry via Media Monitors
  - placing the inquiry on the Committee's website
- 1.7      The closing date for submissions was set at Friday, 23 August 2006.
- 1.8      The Committee subsequently received a total of 44 submissions and 3 supplementary submissions. A list of submissions is at Appendix 1.

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<sup>2</sup> Minutes of Proceedings No 148, Wednesday, 3 May 2006, Item 29

<sup>3</sup> Minutes of Proceedings No 152, Thursday, 11 May 2006, Item 7

- 1.9 The Committee wishes to thank all those individuals and organisations that made a submission to the inquiry.

### **The announcements that the proposed sale of Snowy Hydro would not proceed**

- 1.10 On 2 June 2006, the Prime Minister, the Hon John Howard MP, announced that the Commonwealth was withdrawing the sale of its stake in Snowy Hydro Limited.<sup>4</sup>

- 1.11 Later that day, the NSW Premier, the Hon Morris Iemma MP, announced in turn that the sale of the NSW Government stake in Snowy Hydro Limited was impractical.<sup>5</sup>

- 1.12 Following these announcements, the Committee met to consider the future conduct of the inquiry.

- 1.13 It was resolved that the Committee recommend to the House that it adopt the following new terms of reference:

1. That a Select Committee be appointed to inquire into and report on the continued public ownership of Snowy Hydro Limited, and in particular:
  - a) the short and long term financial position of Snowy Hydro Limited, including revenue and recurrent costs
  - b) future capital expenditure requirements of Snowy Hydro Limited in order to remain competitive in the national energy market
  - c) control of water regulation
  - d) removal of disused Snowy Hydro Limited infrastructure in national parks
  - e) access to lands controlled by Snowy Hydro Limited
  - f) heritage issues and
  - g) any other related matters.
2. That notwithstanding anything contained in the standing orders, the committee consist of seven members comprising: Revd Dr Moyes, Mrs Pavey, Mrs Forsythe, Ms Hale, Mr Catanzariti, Mr Donnelly and Ms Fazio.
3. That Revd Dr Moyes be Chair of the Committee and Mrs Pavey be Deputy Chair.
4. That the Committee report by Friday, 27 October 2006.

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<sup>4</sup> The Hon John Howard MP, 'Australian Government withdraws from sale of Snowy Hydro Limited', Media Release, 2 June 2006

<sup>5</sup> The Hon Morris Iemma MP, 'Snowy Hydro Limited', Media Release, 2 June 2006

### **Recommendation 1**

That the House adopt the following new terms of reference:

1. That a Select Committee be appointed to inquire into and report on the continued public ownership of Snowy Hydro Limited, and in particular:
    - a) the short and long term financial position of Snowy Hydro Limited including revenue and recurrent costs
    - b) future capital expenditure requirements of Snowy Hydro Limited in order to remain competitive in the national energy market
    - c) control of water regulation
    - d) removal of disused Snowy Hydro Limited infrastructure in national parks
    - e) access to lands controlled by Snowy Hydro Limited
    - f) heritage issues and
    - g) any other related matters.
  2. That notwithstanding anything contained in the standing orders, the committee consist of seven members comprising: Revd Dr Moyes, Mrs Pavey, Mrs Forsythe, Ms Hale, Mr Catanzariti, Mr Donnelly and Ms Fazio.
  3. That Revd Dr Moyes be Chair of the Committee and Mrs Pavey be Deputy Chair
  4. That the Committee report by Friday, 27 October 2006.
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## Appendix 1 Submissions

No	Author
1	CAMPBELL Ms Judith
2	SPOOR Mr Darren
3	ALLEN Mr Bob
4	BEARD Mr Rex
5	MARKS Mr Lindsay
6	RONES Ms Claudette
7	OATES Mr Lindsay
8	AVASALU Mrs Rhonda
9	COOK Ms Marina
10	NO REGISTERED SURNAME Ms Tracey Lee
11	PARKER Mr Geoff
12	PARKER Mrs Margaret
13	SNOWDEN Mr Andrew
14	TREHARNE Mrs Jeanine
15	MCMILLAN Mr Ross
16	JORDAN Mrs Julie
17	SOMERVILLE Mr Ian
18	PAVEY Ms Beverley (National Council of Women)
18a	PAVEY Ms Beverley (National Council of Women)
19	PESENTI Mr Pierre
20	LIND P.
21	STIMSON Mr John
22	WILSON Ms Helen
23	ENDERSBEE Mr Lance
23a	ENDERSBEE Mr Lance
24	HAMMOND Mrs Dorothy
25	MCFADDEN Mr Keith
26	MANWARING Mr Jim (National Civic Council)
27	TRELOAR Mrs Judy
28	HALL Mr Antony (Wesley Mission)
29	GOONAN Mr Des
30	FRANCIS Mr Pat

<b>No</b>	<b>Author</b>
31	COX Mrs Sharon
32	LAMPLOUGH Mr John
33	BENT Mr Edward
34	SMITH Mr Mike & Bernice
35	COOPER Ms Denise
36	COX-TAYLOR Mr John
37	GAGE Mr Paul
38	PORS Mrs Thea
39	CROOK F.C
40	JOHNSTON Ms Sue
40a	JOHNSTON Ms Sue
41	TALBOT Mrs Coral
42	SKELTON Mr Alan
43	FOSTER Mrs D.M
44	POLAND Mr David

## Appendix 2 Minutes

### Minutes No 1

Wednesday, 25 May 2006

Select Committee on the proposed sale of Snowy Hydro Limited

Room 1136, Parliament House at 6.47 pm

#### 1. The Clerk of the Parliaments opened meeting

In accordance with standing order 213 (1), the Clerk of the Parliaments declared the meeting open at 6.47pm. The Clerk:

- reported the resolution of the Legislative Council of Wednesday, 3 May 2006 establishing the Committee
- confirmed the membership of the Committee in accordance with the resolution of the Legislative Council of Wednesday, 3 May 2006 and the report of the membership of the Government Members of the Committee of Thursday, 11 May 2006
- advised the Committee that Stephen Frappell would be Acting Director of the Committee secretariat
- advised that the Committee that the Legislative Council Standing Orders would apply for the duration of the Committee's existence
- invited Revd Moyes to take the Chair.

Revd Moyes took the Chair.

#### 2. Members Present

Revd Gordon Moyes (Chair)

Mr Tony Catanzariti

Mr Greg Donnelly

Ms Amanda Fazio

Ms Patricia Forsythe

Ms Melinda Pavey

Ms Sylvia Hale

#### 3. Election of a Deputy Chair

In accordance with Standing Order 213(2) and the resolution of the Legislative Council of Wednesday, 3 May 2006 establishing the Committee (Item 3(2), the Chair called for nominations for Deputy Chair of the Committee.

Ms Forsythe moved: That Ms Pavey be elected Deputy Chair of the Committee.

Mrs Fazio moved: That Mr Donnelly be elected Deputy Chair of the Committee.

The Chair informed the Committee that there being two nominations, in accordance with the practice of the House a ballot must be held.

Ballot papers were distributed by the Clerk to Committee Members present and Members lodged their votes.

The Chair announced the result of the ballot as follows:

Ms Pavey – 4 votes

Mr Donnelly – 3 votes.

Ms Pavey, having a majority of the Members present and voting, was therefore declared elected as Deputy Chair of the Committee.

#### **4. Procedural resolutions**

Resolved, on the motion of Ms Fazio: That the following procedural resolutions be adopted for the life of the Committee:

##### **1. Sound and television broadcasting**

That in accordance with the resolution of the Legislative Council of 11 October 1994, the Committee authorises the sound and television broadcasting, as appropriate, of its public proceedings, unless the Committee decides otherwise.

##### **2. Sound and television broadcasting**

That the arrangements for the calling of witnesses and for visits of inspection be left in the hands of the Chair and the Secretariat after consultation with the Committee.

##### **3. Media statements**

That media statements on behalf of the Committee be made only by the Chair, if possible after consultation with the Committee.

##### **4. Transcripts of evidence**

That, in accordance with section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and under the authority of Standing Order 223, the Committee authorise the Director to publish the transcript of evidence taken at public hearings, unless the Committee decides otherwise.

##### **5. Committee correspondence**

That the Secretariat be empowered to respond to correspondence on behalf of the Committee, where the correspondence concerns routine or administrative matters. In all other cases the Chair must approve replies to correspondence.

##### **6. Statements of dissent**

That any member who wishes to append a statement of dissent to a report in accordance with Standing Order 228 must advise the Committee of their intention to do so at the last deliberative meeting considering the report.

#### **5. Conduct of the inquiry**

##### ***Advertising***

The Committee considered the proposed advertising schedule for the inquiry distributed by the Chair.

Resolved, on the motion of Ms Fazio: That:

- the Committee advertise its terms of reference in *The Australia*, *The Sydney Morning Herald*, *The Daily Telegraph*, *The Canberra Times*, *The Cooma-Monaro Express*, *The Border Mail* and *The Land*
- the Committee secretariat email to Members a list of other regional papers in the Central West, Riverina, Murray, Albury and Orbost regions in which to advertise, seeking nominations of additional regional papers in which to advertise by 5.00 pm on Friday, 26 May 2006
- the Committee send a written invitation to make a submission to the inquiry to the parties nominated by the Committee secretariat
- that the Committee secretariat email Members seeking nominations of additional parties to which to send a written invitation to make a submission by 5.00 pm on Friday, 26 May 2006
- the Committee publish a press release advertising the inquiry via Media Monitors
- the inquiry be advertised on the Committee's website
- the closing date for submissions be Friday, 23 August 2006.

#### ***Public hearings and site visits***

Resolved, on the motion of Mr Donnelly: That the Committee adopt the following schedule of public hearings and site visits:

- 5 July 2006 – Cooma (including a site visit to the Snowy Hydro scheme to be followed by a public forum)
- 6 July 2006 – Cooma (public hearing)
- 7 July 2006 – Deniliquin (public hearing)
- 11-12 July 2006 – Sydney (public hearings).

#### ***Additional material on the Committee's web site***

Resolved, on the motion of Ms Pavey: That the Committee secretariat seek to obtain and place on the Committee's website the following relevant agreements that govern the operation of Snowy Hydro:

- The 1998 Snowy Water Inquiry Final Report
- The 2000 NSW and Victorian Government Heads of Agreement on the Snowy Water Inquiry
- The 2002 Snowy Water Inquiry Outcomes Implementation Deed
- The 2002 Snowy Water Licence to the corporatised Snowy Hydro
- The 2002 Murray-Darling Amending Agreement
- The 2002 The Snowy Scheme Long Term Arrangements Deed
- The 2002 The Snowy Bilateral Deed

#### ***Order for Papers – Snowy Hydro Limited***

The Chair tabled additional advice he had received from the Leader of the Government in the Legislative Council, the Hon John Della Bosca MLC, in relation to the further order for papers regarding Snowy Hydro Limited moved in the House on 24 May 2006 under private members' business item no. 119.

Resolved, on the motion of Ms Pavey: That the advice from the Leader of the Government in the Legislative Council, the Hon John Della Bosca MLC, tabled by the Chair be kept confidential to the Committee.

## 6. Adjournment

The Committee adjourned at 7:40 pm until a date to be determined.

### Stephen Frappell

Acting Director

## Minutes No 2

Tuesday, 6 June 2006

Select Committee on the proposed sale of Snowy Hydro Limited

Room 1153, Parliament House at 6.40 pm

### 1. Members Present

Revd Gordon Moyes (Chair)  
Ms Melinda Pavey (Deputy Chair)  
Mr Tony Catanzariti  
Mr Greg Donnelly  
Ms Amanda Fazio  
Ms Patricia Forsythe  
Ms Sylvia Hale

### 2. Confirmation of Minutes

Resolved, on the motion of Ms Fazio: That Minutes No 1 be adopted.

### 3. Correspondence

The Committee noted the following correspondence received:

- Letter from Mr Huw Kingston to Chair (received 2 June 2006).

### 4. Submissions

Resolved, on the motion of Hale: That the Committee accept and publish the following submissions:

- No. 1      CAMPBELL Ms Judith
- No. 2      SPOOR Mr Darren
- No. 3      ALLEN Mr Bob
- No. 4      BEARD Mr Rex
- No. 5      MARKS Mr Lindsay
- No. 6      RONES Ms Claudette
- No. 7      OATES Mr Lindsay
- No. 8      AVASALU Mrs Rhonda
- No. 9      COOK Ms Marina
- No. 10     NO REGISTERED SURNAME Ms Tracey Lee
- No. 11     PARKER Mr Geoff

- No. 12 PARKER Mrs Margaret
- No. 13 SNOWDEN Mr Andrew
- No. 14 TREHARNE Mrs Jeanine
- No. 15 MCMILLAN Mr Ross
- No. 16 JORDAN Mrs Julie
- No. 17 SOMERVILLE Mr Ian
- No. 18 PAVEY Ms Beverley (National Council of Women)
- No 18a PAVEY Ms Beverley (National Council of Women)
- No. 19 PESENTI Mr Pierre
- No. 20 LIND P.
- No. 21 STIMSON Mr John
- No. 22 WILSON Ms Helen
- No. 23 ENDERSBEE Mr Lance
- No. 23a ENDERSBEE Mr Lance
- No. 24 HAMMOND Mrs Dorothy
- No. 25 MCFADDEN Mr Keith
- No. 26 MANWARING Mr Jim (National Civic Council)
- No. 27 TRELOAR Mrs Judy
- No. 28 HALL Mr Antony (Wesley Mission)
- No. 29 GOONAN Mr Des
- No. 30 FRANCIS Mr Pat
- No. 31 COX Mrs Sharon
- No. 32 LAMPLOUGH Mr John
- No. 33 BENT Mr Edward
- No. 34 SMITH Mr Mike & Bernice
- No. 35 COOPER Ms Denise
- No. 36 COX-TAYLOR Mr John
- No. 37 GAGE Mr Paul
- No. 38 PORS Mrs Thea
- No. 39 CROOK F.C
- No. 40 JOHNSTON Ms Sue
- No. 40a JOHNSTON Ms Sue
- No. 41 TALBOT Mrs Coral
- No. 42 SKELTON Mr Alan
- No. 43 FOSTER Mrs D.M
- No. 44 POLAND Mr David

## 5. Conduct of the inquiry

Resolved, on the motion of Ms Fazio: That the Committee recommend to the House it adopt the following new terms of reference:

1. That a Select Committee be appointed to inquire into and report on the continued public ownership of Snowy Hydro Limited, and in particular:

- a) the short and long term financial position of Snowy Hydro Limited including revenue and recurrent costs
  - b) future capital expenditure requirements of Snowy Hydro Limited in order to remain competitive in the national energy market
  - c) control of water regulation
  - d) removal of disused Snowy Hydro Limited infrastructure in national parks
  - e) access to lands controlled by Snowy Hydro Limited
  - f) heritage issues and
  - g) any other related matters.
2. That notwithstanding anything contained in the standing orders, the committee consist of seven members comprising: Revd Dr Moyes, Mrs Pavey, Mrs Forsythe, Ms Hale, Mr Catanzariti, Mr Donnelly and Ms Fazio.
  3. That Revd Dr Moyes be Chair of the Committee and Mrs Pavey be Deputy Chair.
  4. That the Committee report by Friday, 27 October 2006.

Resolved, on the motion of Ms Pavey: That the Committee secretariat prepare and circulate a report to the House containing the above recommendation, and subject to no objections being received, the Chair table the report together with submissions and correspondence.

## 6. Adjournment

The Committee adjourned at 7.15 pm *sine die*.

**Stephen Frappell**  
Acting Director