

Submission

No 2

PROPOSED SALE OF SNOWY HYDRO LIMITED

Organisation:

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Telephone:

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Theme:

Summary

Dear Stephen,

I would like the opportunity to draw your attention to the upcoming privatisation of Snowy Hydro. This issue was addressed on ABC's Landline yesterday (21st May 2006).

I assume that the NSW state government is equating this sale with other major corporations such as Telstra, or even the public private partnerships that now incorporate many motorways around Sydney. However, I strongly believe that this comparison is not valid in the case of Snowy Hydro. The snowy system is a valuable piece of national infrastructure that must remain in public ownership. Moreover, it is the centrepiece of Australia's water and electricity resources.

I have been an engineer in the power industry now for almost ten years. Snowy Hydro may appear to play a small role in the national electricity grid, however it is a critical component linking New South Wales to Victoria. Along with many other generators, Snowy Hydro successfully negotiated the deregulation of the electricity industry and the subsequent establishment of the national electricity market in the 1990's. Nevertheless, this was only achieved through strict regulated control over Snowy Hydro.

This system must often be controlled in such a way that Snowy Hydro foregoes revenue from the sale of electricity in order to maintain voltage stability across the national electricity grid. Moreover, it currently plays a most important role as the only reliable system 'restart' resource on the East Coast of Australia. All thermal power stations require electricity to 'jump start' the turbines in the event of a major outage. As an example, the great New York blackout of 1965 extended for more than three days because there were no generators to perform this task.

Snowy Hydro also plays a central role to Australia's recent history and cultural development. As such, it grieves me greatly to think that it may no longer be in public ownership.

If the New South Wales government so desperately requires the revenue from this sale, I would propose that borrowing against the Snowy Hydro assets, or alternate means of revenue raising through taxation would be a more preferable approach.

Regards,
Darren Spoor