

## **INQUIRY INTO GENTRADER TRANSACTIONS**

**Organisation:** The Fishing Party

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**The Fishing Party**

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13 January 2011

SUBMISSION TO:

**Legislative Council General Purpose Standing Committee No. 1**

## **INQUIRY INTO THE GENTRADER TRANSACTIONS**

### **TERMS OF REFERENCE**

That General Purpose Standing Committee No. 1 inquire into and report on the following aspects of the Government Energy Reform Strategy announced on 15 December 2010:

1. The details of the energy reform transactions completed on Tuesday 14 December 2010
2. The circumstances that led to the resignation of directors from Eraring Energy and Delta Electricity
3. The impact the transaction will have on current and future electricity prices, competition in the electricity market, and the value obtained for NSW taxpayers; and:
4. Other related matters.

The Fishing Party has three main concerns along with a hopeful inquiry outcome in relation to the Gentrader Transactions for the terms of reference. TFP representatives will be in attendance and would be available to answer questions relating to them.

- i) Cost Shifting – What level of cost shifting has or will occur between the retailer, government, consumer and the coalmines. Will the consumer be hit by another indirect tax in the form of a Carbon Tax because of the long-term increased usage level of dirty coal?
- ii) Cross Subsidization -- What is the cross subsidization for the retailer profit/operation. What is the Penalties-compensation – responsibilities and timeframe of the contracts especially when the links are broken? Who pays and how much. Are competitors locked out of the market e.g. Gas.
- iii) Carbon Footprint (cost shifting) -- Will the NSW Government be giving license under the POEO (Amendment) Act 2005 to the electricity generators to pollute. The supplying of cheap poor quality dirty coal will add for more significant pollution adding to the carbon footprint. A 50% cleaner coal is a 50% lesser impact if we are talking a twenty year period

iv) Outcome -- ECONOMIC JUSTICE FOR THE  
CONSUMER

Submission compiled by Robert Arthur Smith B.M for The Fishing Party: In  
conjunction with Mr. Paul Hennelly the Research Officer:

All contact as above.

Dated: 13th Jan 2011

*Robert Smith B.M.*