

INQUIRY INTO GENTRADER TRANSACTIONS

Organisation: Parramatta Greens
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The Revd Hon Fred Nile MLC (Chair)
The Director
General Purpose Standing Committee No. 1
Parliament House
Macquarie St
Sydney NSW 2000

Dear Sir,

Re : Gentrader transactions (Inquiry)

We are very concerned about the Electricity Privatisation (Gentrader Transaction), and that NSW is losing a valuable income stream worth much more than the \$5.3 billion sale price. The assets that have been sold return \$750 million a year, which pays for teachers, nurses and hospitals. The structure of the sale (gentraders), creates uncertainty about the future of carbon prices. The ongoing international economic difficulties have also significantly minimised the sale price.

The experience in Victoria, is that the monopoly power privatisation has reduced employment, while delivering greater unreliability of supply, while causing business and household power bills to rise significantly. What benefit is gained by having large corporations price gouge householders and all other NSW businesses ? Where is the benefit to the local economy, when possibly only two corporations will dictate electricity prices for the benefit of their own shareholders, rather than benefit of all NSW businesses, job seekers, and householders ?

This power sell-off is particularly bad, as the profits from the sale of electricity are being handed over to the private sector, but many of the financial risks remain with the public.

It will also mean that NSW's contribution to climate change will be much more difficult and expensive if the private sector has control of the generator outputs, as the power industry creates 40% of this state's greenhouse gas emissions.

The Keneally government had no mandate to sell the gentraders or the retailers. Privatisation was not mentioned during the last election.

We would like to know what deals were made to subsidise coal prices for the gentraders, and how this will expose NSW taxpayers to be footing the bill to pay for cheap fuel for the gentraders and their profits, for years to come.

We are concerned to know why the directors of the state-owned generators resigned, rather than sign-off the deal for Treasurer Roozendaal.

We are concerned to know why the Keneally Government went about proroguing parliament and then intimidated inquiry witnesses. What is the Keneally Government hiding from NSW taxpayers ?

Yours Sincerely
Michael Kiddle
On behalf of the Parramatta Greens