

**Submission
No 80**

**INQUIRY INTO THE CONTINUED PUBLIC OWNERSHIP
OF SNOWY HYDRO LIMITED**

Organisation:

Name: Mr Ewen Macdonald

Telephone:

Date Received: 26/06/2006

Theme:

Summary

From: "Macdonald Ewen"
To: <snowyhydro@parliament.nsw.gov.au>
Date: Mon, Jun 26, 2006 12:49 pm
Subject: submission to inquiry

Dear Sir,

I am an SHL employee and have been working within the IT team in Cooma for the last seventeen years.

Please accept the following as a response to your invitation to provide submissions to the inquiry into the continued public ownership of Snowy Hydro Limited. In particular, under other related matters, I wish to point out how the Snowy Mountains community has benefited from SHL's presence and how this benefit can be increased.

The continual decline in rural services and opportunities is largely due to declining rural revenues which inevitably results in a bush to city migration. Rural communities cannot rely solely on governments to subsidise services to the bush. Regional communities need viable industry to provide the ground swell to attract other employers and families.

SHL, being a major Cooma based employer, has done much to protect the Snowy Mountains region from this sort of decline. SHL's success during the past few years has flowed through to the local communities with increased employment and sponsorship. A larger, more invigorated, Cooma based SHL would go a long way in providing a more sustainable Snowy Mountains region. This larger SHL was nearly a reality with its privatisation and access to more capitalisation. Without the extra capitalisation growth of SHL will be significantly hampered.

The board and management of SHL have always been making long term business decisions. I suspect that they are now hamstrung by a short term political decision. If SHL is to grow with increased capitalisation it needs to be removed from government ownership where it would be subject to future political decisions. If it was placed under capped private ownership it would be subject to long term capital growth decisions. This would be a better model to support the surrounding region.

As an SHL employee with a Cooma property, I confess that I would benefit directly from a stronger SHL and region. However, this needs to be tempered with the fact that my three children have grown up in Cooma only to leave directly after the HSC as Cooma did not have sufficient opportunities to entice them to stay.

Yours Sincerely

Ewen Macdonald