

INQUIRY INTO GENTRADER TRANSACTIONS

Name: Mr David Allen

Date received: 19/01/2011

Ref: Gen Trader Question-for-the-Committee

Dear Committee,

Adam Smith may have been erring on the side of caution when he said "Seldom do business men of the same trade get together but it results in some detriment to the general public".

The rules of association that apply to government officials in Australia cannot be applied to business people who live overseas.

Watching the GenTrader inquiry, one has the impression that, now the details are emerging, one person in NSW is very pleased with the result and that a few more may be quite pleased.

It appears to be, in the super-polite words used in a recent US-hearing into the Global Financial Crisis, "One shitty deal" which was going to be put before the current government or a future government until a 'satisfactory' result was obtained. A young lady on a first date may perhaps be able to make more rational decisions than Australian / NSW Government officials who are surrounded by a flock of international experts.

It appears that the GenTrader deal was sealed under duress, with NSW's commercially available Gold-Plated-AAA-Credit-Rating being the blunt instrument.

Additionally NSW has been given the dubious benefit of "getting out of the RISKY or Gold-Plated-AAA rated electricity generation business". While there is some risk associated even with Gold-Plated-AAA rated electricity generation businesses, other types of business activity could perhaps be classified into a) Very Risky, b) Extremely Risky or c) Not-For-The-Fainted-Hearted / Angle-Treads risk categories.

There is, of course, some political risk associated with providing utility services to people who expect the very best of services at all times.

Electricity generation is a stable and profitable business and there are other stable and profitable businesses that NSW should initiate. The people of NSW, who contribute towards Australia's climbing Credit-Card and Mortgage debt levels, need to preserve whatever assets we can and to urgently develop more state-owned or private assets.

While the terms of this selloff appear to be superior to some previous selloffs that may have resulted in the current astronomical level of Credit Card and Mortgage debt, it appears that

A1) This is a bad financial deal for NSW and

A2) This financial deal appears to have been made under duress.

Question: Is it possible to revoke this unfortunate deal?

PS: Thank you for publishing my submission.

Yours Sincerely
David L Allen