

INQUIRY INTO GENTRADER TRANSACTIONS

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Submission to:

**Inquiry Into The Gentrader Transactions
NSW Legislative Council
General Purpose Standing Committee No.1**

The energy reform transactions completed on Tuesday 14 December 2010 should be suspended until this inquiry can demonstrate that it is in the long term interest of the people of NSW. If it finds otherwise, the transactions should be rescinded. Two issues pertaining are: privatisation of electricity supply in general, and the details of the Gentrader transactions in particular.

Electricity privatisation

Electricity is a basic and necessary utility that should be equitably accessible by everyone in NSW. Public ownership of this utility ensures that supply can be equitably priced, and infrastructure is adequately maintained. Privatisation results in price gouging and compromised safety and reliability as private owners try to maximise profits. It is not a risk we should take with critical state infrastructure.

Privatisation will make it very much harder and more expensive to reduce NSW's CO2 emissions. Reducing our greenhouse gas emissions is something NSW needs to do urgently if we are to have a chance of preventing dangerous climate change.

Electricity generation is an income generating asset for NSW to the tune of \$750 million a year. Selling it will give NSW a one-time budget boost, but will cost us in lost revenue indefinitely into the future. There is no economic justification for privatisation.

The people of NSW do not support electricity privatisation. The Labor government, whether under this premier or the previous 3, has no mandate, neither from the people nor their party, for electricity privatisation.

Gentrader transactions

The transactions under inquiry in particular, appear to have sold off the profits from power generation to private operators, while the risks remain in public hands. Secret deals have

been made with the gentraders where NSW government appears to have agreed to subsidise the price of coal supplied to the gentraders.

The last minute resignation of the directors of the state-owned generators shows how dodgy they thought the deal was that the Keneally government had made. The Government has attempted to shut down this inquiry and intimidate witnesses to keep details of the deal secret.

This attempted cover-up cannot be allowed to succeed. The people of NSW have the right to know what Keneally and Roozendaal have done with their electricity assets.