

**INQUIRY INTO THE LEASING OF ELECTRICITY
INFRASTRUCTURE**

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Partially Confidential

Given that the benefits are positive in the shorter term, but beyond the 17 or 18 year mark (ie less than 20% of the lease period) there are distinct disincentives to the poles and wires "lease" - and the negative returns continue for the next 80-odd years - why is the government putting short-term considerations ahead of the state's future?

As we are seeing with the National Broadband Network, infrastructure that was publicly owned when Telstra was a government enterprise, is now having to be re-purchased from a privatised Telstra when future events, that were not predictable when the sale was made, arise.

It is not beyond the bounds of possibility that the electricity distribution network may have a use for the distribution of an additional commodity (eg data signals can be modulated along an electricity supply line).

We are not going to be able to predict the advent of technology to be able to determine future uses of this asset and therefore factor this loss of utility into the costs. I say this having seen long playing records, cassettes and even CDs being obsoleted in just a few decades, and the invention of the world wide web by Tim Berners-Lee, which used a relatively old military and educational resource called the USENET to carry a world-revolutionising technology since only the mid 1980s.

A technological leap like this would provide a very valuable windfall to go to the private operators rather than the people of the state who own these assets right now.

Given the recent disastrous storms in the Sydney, Central Coast and Hunter area, where I was without electricity for five days, and other not so fortunate people even longer, given a private enterprise operating the network, this supply interruption would undoubtedly be longer.

This would have increased social and economic costs for citizens, including, but not limited to public health, educational, and law-and-order consequences. The state would need to pick up the costs of restoration of the spin-off costs, indeed even if not directly paying for network repair itself. It may even have to chip in there, in human resources or direct expenses.

In addition, so many of the details were withheld by the government during the election campaign, the public were not in a position to make an informed decision on the full consequences of the lease.

One such detail was the amount of infrastructure development for the electricity retailers. I have seen massive new buildings, numerous new vehicles and investment in the network in just my local area, being implemented just this year alone. Is this to fatten up the assets at public expense and to be gifted to the lessees of the infrastructure?

The decision ignores the future well-being of the state, and is a short-sighted and greedy opportunistic grab for cash. You do not rent out your home for 10 years, and get less than 2 years of the profit it would make in return. Any landlord doing that would be regarded as stupid, yet this corresponds precisely with what the Baird government is doing.

The sale is BAD for the citizens of New South Wales.

Regards,