



COOMA-MONARO SHIRE COUNCIL

MEDIA RELEASE

SNOWY HYDRO'S BID OUT OF THE STATES ELECTRICITY ASSETS SALE

Mayor Vin Good has concerns with State Government's decision to keep Snowy Hydro's bid out of the State's electricity assets sale.

Cooma-Monaro Shire Council's Mayor, Mr Vin Good has two concerns at the NSW State Government's decision to limit competition by refusing to consider Snowy Hydro's expression of interest in bidding for the New South Wales electricity assets.

"Firstly, I would have thought that it would be in the State's interest to have as many competitors bidding to get the price up as high as possible".

"It is understood that the State Government's concern with its recent power privatisation process is that a perceived government owned entity such as Snowy Hydro's involvement would frighten off private sector buyers such as AGL Energy, Origin Energy and others".

"Although I do not support privatisation, it is my understanding that Snowy Hydro is reasonably well geared and fully self funded and operates on commercial financial disciplines outside any controls or guarantees by the State and Federal Governments as shareholders. Everyone in the power-energy industry knows that".

"My experience, as former Commissioner of the Snowy Mountains Hydro Electric Authority, is that recent utilities sales in Australia suggest that the involvement of state-owned or shareholder government companies have not deterred private interests in the past. Certainly, the presence of state owned entities in utilities sales have not scared off AGL Energy, Origin Energy or Singapore Power, just to mention a few private companies, which have bought into a range of Australian electricity assets despite governments interest in the past", Mayor Good said.

"Secondly, I take the position that to exclude Snowy Hydro from the bidding process may jeopardise growing their business in its own market which may have an adverse effect on the benefits and business generated within Cooma and the region".

"Snowy Hydro is the largest employer in Cooma and the Snowy Mountains Region and has close ties with this Council, the business and community sector. To this end, I urge the NSW State Government to re-consider its decision and accept Snowy Hydro's expression of interest, which it will fund from its own balance sheet. This will enhance competition in the bidding process, further Snowy Hydro's commercial business in the National Electricity Market (NEM) and provide more competition in the NEM in the future".

If you require further information, please contact Mr John Vucic on (02) 6455 1777.

This Press Release, dated 23 November 2009 is authorised by _____ on behalf of:

**JOHN VUCIC
GENERAL MANAGER**