



## Public to be given chance to invest in Snowy Scheme

16 December 2005

The NSW Government today announced shares would be made available through an Initial Public Offering to allow the public to invest in the iconic Snowy Hydro scheme.

"The NSW Government has decided it is no longer in the best interests of taxpayers to retain our 58% shareholding in Snowy Hydro," Premier Morris Iemma said.

"I want NSW taxpayer's money invested in NSW hospitals, schools and police not Victorian power stations," Mr Iemma said.

In recent years Snowy Hydro has invested almost half a billion dollars purchasing power assets in Victoria and South Australia, including a Victorian energy retailer and a Victorian gas fired power station.

It is also building a gas fired power station in Laverton, outside Melbourne.

"These are excellent investments for Snowy Hydro which wants to continue to expand its businesses with investments in the national energy market," Mr Iemma said.

"I do not want to finance Snowy Hydro's interstate ambitions with NSW taxpayer funds that could otherwise be spent on police, hospitals and schools.

"As such we will be selling our 58 per cent stake in the company through a "mums and dads" float on the Australian Stock Exchange.

"Snowy is an Australian icon and this decision is designed to allow as many retail investors as possible to own a share of the company," Mr Iemma said.

The Premier said proceeds of the sale would be used to further pay down debt and be reinvested in NSW infrastructure.

Mr Iemma said the Government had taken the decision following a number of delegations and proposals from the company during the past year.

"The company has made a strong case to us that it needs to raise money," Mr Iemma said.

"Snowy Hydro is a good business, operating in a highly competitive part of the electricity industry – it needs an injection of funds to grow so it can stay competitive.

The NSW Government agrees SHL needs additional capital to fund its future expansion.

An earlier proposal to raise equity for the company was abandoned after failing to secure the unanimous support from shareholders.

Mr lemma said the sale would be good news for Snowy's 400 staff.

"There will be no job losses and, in fact, the additional capital raised through this process will enable the company to expand its operations and employ more staff as required."

NSW Special Minister of State John Della Bosca said that under the proposal, there would also be no impact on the environment as:

- NSW would remain the regulator;
- Snowy Hydro would still operate under the same 75 year water licence and the same Kosciuszko National Park lease (also 75 years); and
- The level of water available for irrigators and for environmental flows would remain unchanged.

Mr Della Bosca said there would be controls that would limit the maximum number of shares that can be owned by any one entity.

"We are also putting in place safeguards to limit the maximum number of shares that can be owned by any one entity," Mr Della Bosca said.

"This means the Victorian Government (29 per cent) and the Commonwealth (13 per cent) will remain the largest single shareholders in SHL."

"The IPO documentation is expected to be made available next year and be concluded by June 2006," Mr Della Bosca added.