Impatient Nick Greiner wants the power to build

by: *Andrew Clennell, The Daily Telegraph*

Not happy, Barry ... Nick Greiner / Pic: Alan Pryke *Source:* The Australian

INFRASTRUCTURE NSW chair Nick Greiner has put the blowtorch on Premier Barry O'Farrell, writing a submission to the government's electricity inquiry arguing for a full privatisation to raise more than $20 billion.

Mr Greiner said asset sales by the government were "unavoidable" to build the infrastructure NSW needs.

He admitted to being "impatient" with the pace of Mr O'Farrell's agenda, which contrasts with his reformist time as premier, saying "Barry's Barry" to describe how the Premier was going in the job.

"Barry's Barry, he's not Nick, he's not Jeff [Kennett] ... he presented that way in opposition and he's behaving that way in government, he has a more measured approach," Mr Greiner said. "He's got an approach to government which is likely to lead to him being premier for a lot longer than Jeff Kennett or myself. I think you have to allow the government to develop its own persona ... and sure the private sector and maybe people like me will occasionally be impatient about it."

Mr Greiner said he and Infrastructure NSW had penned submissions on privatisation to the inquiry being held by Justice Brian Tamberlin.

His revelation will force Mr O'Farrell to sell off the electricity poles and wires or face a damaging split with the Infrastructure body he set up.

"It's obvious ... asset sales are an absolutely unavoidable part, an absolutely essential part if the government wants to increase infrastructure funding," he said.

Mr Greiner has long lobbied privately to government to sell the entire electricity industry off including the poles and wires.

"Twenty-six per cent of all the government capex [capital spending] in NSW goes to electricity, it's basically about fixing up the poles and wires," Mr Greiner said.

"You only have to think about that and that's proportionally way more than is spent in Victoria."

Mr Greiner promised a 20-year infrastructure plan for the state a year from now.
He said road maintenance was one function which could be privatised and said the government was looking to build the North West Rail Link and one of either the M4 East or M5 duplication.

Defending the perceived slow start by the government, with a budget which only axed 5000 of the state's 320,000 public servants, Mr Greiner said: "I think it's clear their approach is more inclusive ... some would say a more balanced one than say the Kennett government or my government.

Mr O'Farrell said: "Infrastructure NSW is an independent body and is entitled to put its views forward. But I stress again that we will make no decision on electricity until we receive the final Tamberlin report." He said he would "make the right decision for NSW taxpayers".

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INFRASTRUCTURE PARTNERSHIPS AUSTRALIA

MEDIA RELEASE

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$58 BILLION ELECTRICITY SALE WOULD DELIVER NEW INFRASTRUCTURE, CHEAPER ENERGY: REPORT

A well-structured, well executed privatisation of the NSW electricity sector would liberate up to $58 billion to get the State's infrastructure fixed – and drive down energy prices for households, says a new report released by Infrastructure Partnerships Australia – the nation's peak infrastructure body.

"The sale of the State-owned electricity businesses is the best chance we've got to fix the State's ailing infrastructure and make electricity cheaper for consumers," said IPA Chief Executive, Brendan Lyon.

"Everyone can see that NSW has a huge backlog of badly needed projects. Under current arrangements, the NSW Government is hard up against its AAA credit rating and cannot borrow the significant amounts of money needed to plug the infrastructure gap.

"That means big decisions need to be made about how the State can increase infrastructure investment and deal with shortfalls across the infrastructure network.

"The full sale of electricity is a win-win, because it will fund a massive increase in infrastructure investment and drive down electricity prices for consumers and businesses.

"In Victoria, electricity prices have risen at half the rate of NSW, because private operators are competing for customers.

"Our modelling finds that distribution and transmission businesses are worth between $29.2 and $34.5 billion, while power stations are worth between $3 and $6 billion.

"On top of this, privatisation will mean taxpayers can avoid a $17.5 billion investment to fix ageing electricity infrastructure, meaning that this money is available for investment in new projects.

"The experience in Victoria, South Australia and right around the world has shown that a well-structured, privately owned electricity sector is much more efficient and delivers cheaper electricity.

"This is not a radical idea. Other states in Australia undertook these reforms in the 1990s, paying down debt and providing a massive boost for infrastructure investment.

"With a massive shortfall in infrastructure and spiralling energy prices, there is no better option for New South Wales."

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NOTE: For a copy of the report, please contact Michael Bruce on 0438 380 464 or Michael.bruce@infrastructure.org.au

Infrastructure Partnerships Australia is a national forum, comprising public & private sector CEO Members, advocating the public policy interests of Australia's Infrastructure Industry.

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Patrons

The Hon Nick Greiner AC
Nick Greiner was Premier and Treasurer of New South Wales from 1988-1992.

Wal King AO
Wal King AO was appointed CEO of Leighton Holdings Limited (LHL) in 1987 after almost 20 years with them.

Tony Shepherd
Tony Shepherd was appointed Director of Transfield Services on March 2001, becoming Chairman in 2005.

Nicholas Moore
Nicholas Moore has recently been appointed Managing Director and Chief Executive Officer (CEO) of Macquarie Group Limited, effective 24 May 2008.

Dr Kerry Schott
Kerry Schott is currently the Managing Director of Sydney Water. Kerry is a member of the Infrastructure Australia Board.

Nats sell-off power play

exclusive

Andrew Clennell
State Political Editor

A FULL state electricity sell-off is on the cards but the National Party wants jobs and price guarantees built into the deal, Deputy Premier Andrew Stoner says.

The Nationals leader made the comments ahead of his party's annual conference in Port Macquarie, where Country Energy is based, this week. A day after Shooters MPs said they would only consider passing a $20 billion-plus electricity privatisation in the upper house if jobs and prices were protected, Mr Stoner made similar demands.

He said that he wanted to ensure, if the poles and wires are sold off, that electricity networks are still upgraded in the bush without extra charges for consumers.

He also said that the Tamberlin inquiry — which is to report by the end of the month — had to find a way to move on from Labor's botched partial electricity privatisation and confirmed that selling the lot was on the table for Premier Barry O'Farrell.

"You either go back into public ownership, which is going to be extremely difficult," he said. "Or it might be possible to refine it (the privatisation) and keep poles and wires in public hands, or it might be possible to repackage and put that out to the private sector. If that (sale of poles and wires) were to be the case, there's a whole string of concerns that would have to be ticked off first.

"Obviously, it's going to be about service levels to the customers to ensure that they're not going to get hit with big charges from a power outage that somebody has to come and fix.

"The network (would have to) be properly maintained and upgraded to keep pace with population growth.

"Those electricity jobs in the regions that are associated with the poles and wires, we'd want to make sure they'd be retained. I think the Nationals are always going to be fighting for a fair deal for the regions and that would be based around prices to customers.

"And we recognise already regional customers are paying more for electricity than metropolitan customers."

He appeared to criticise the Premier for announcing too many reviews as he spoke about comment of the pace of reform with the government.

"Maybe it (the criticism) has come about because of the announcement of reviews and I can say that I've expressed my frustration — 'don't talk about a damned review, talk about a result' — because you're reinforcing an image of a government that's navel gazing on itself," he said.

He pushed the sell-off of Port Botany announced in the budget and predicted yesterday it could get $2-3 billion.

Shauna Miller shows how to get a celebrity look on a budget at Kmart