



# **The Hon Barry O'Farrell MP**

## **Premier of NSW**

### **Minister for Western Sydney**

---

## **MEDIA RELEASE**

---

Wednesday 30 May 2012

### **HISTORIC DAY FOR NSW ELECTRICITY SALE**

NSW Premier Barry O'Farrell and Deputy Premier Andrew Stoner today heralded the agreement for the sale of the State's electricity generators as an historic day for the people of NSW.

"This sale will provide billions of dollars for investment in vital infrastructure projects across NSW, while also saving the State billions of dollars in avoided costs to meet future generation capacity needs, and putting downward pressure on power prices," Mr O'Farrell said.

"This is a great win for NSW and we are very pleased to see progress on the sale of the generators, which will free up much-needed funds for our State.

"I particularly want to thank the cross bench MLCs for their support for this agreement that will help release of funds for communities and businesses right across the State who suffered from a decade and a half of underspend on infrastructure by Labor.

"The sale is expected to generate gross proceeds of around \$3 billion, which will go toward critical road, school and hospital projects across NSW, with at least a third directed towards regional areas.

"At the same time, total state sector debt will also be reduced by this amount, releasing funds for other priority infrastructure."

Mr O'Farrell said the agreement came after the Shooters and Fishers Party sought and received additional employment protection for power station workers.

Mr Stoner said agreement for the sale of the State's electricity generators would provide vital funding for infrastructure in regional NSW.

"I am proud the Nationals have ensured at least 30 per cent of the proceeds of the sale will be directed towards regional areas," Mr Stoner said.

"We made it clear from the outset that the infrastructure needs of regional NSW would be a priority in the NSW Liberals & Nationals Government.

"That's why we have got on with the job of raising funds to enable the much-needed upgrade of infrastructure across regional NSW."

Mr O'Farrell said NSW will also save \$850 million in avoided ongoing operation and maintenance costs for the generators and a potential saving of an additional \$6 billion in avoided costs to meet future generation capacity needs.

“By avoiding these costs we relieve the State of billions of dollars in borrowings and the commercial risks of generating electricity will no longer be borne by NSW taxpayers,” Mr O’Farrell said.

“Importantly, private sector investment in the State’s power sector will also create competition in the electricity sector, which will help to put downward pressure on power prices for consumers and businesses.

“We look forward to the Upper House getting behind this important reform, so that we can release these vital funds for the critical infrastructure that our State so desperately needs.”

ENDS