

Subject: Fwd: RE :No Confidence vote  
From: Peter Simpson (ETU) (simmo@etu.org.au)  
To: mangocube6@yahoo.co.uk;  
Date: Wednesday, 1 July 2015, 7:44

It's building

Sent from my iPhone

Begin forwarded message:

From: "BLOOM Greg (NQ)" <greg.bloom@ergon.com.au>  
Date: 1 July 2015 7:42:03 am AEST  
To: "RIX Ian (MK)" <ian.rix@ergon.com.au>, Stuart Traill <stuart@etu.org.au>, "CONWAY Jason (CA)" <jason.conway@ergon.com.au>, "McGAW Chris (SW)" <chris.mcgaw@ergon.com.au>, "HILL Robert (FN)" <robert.hill@ergon.com.au>, "SOLOGINKIN Scott (WB)" <scott.sologinkin@ergon.com.au>, "SHIELDS Brad (WB)" <brad.shields@ergon.com.au>  
Cc: "Peter Simpson (ETU)" <simmo@etu.org.au> (simmo@etu.org.au) <simmo@etu.org.au>, "BALLARD Chris (MK)" <chris.ballard@ergon.com.au>  
Subject: RE :No Confidence vote

All North Queensland Ergon energy depots have voted unanimously in support of both resolutions  
Details will be forwarded as required

**GREG BLOOM**  
**ETU SENIOR DELEGATE**  
*Deputy State Senior Delegate*  
*Ergon Energy*  
**ETU STATE COUNCILLOR**  
**QLD & NT**

N/R



---

From: RIX Ian (MK)  
Sent: Wednesday, 1 July 2015 7:37 AM  
To: Stuart Traill; BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); SOLOGINKIN Scott (WB); SHIELDS Brad (WB)  
Cc: Peter Simpson (ETU) <simmo@etu.org.au> (simmo@etu.org.au); BALLARD Chris (MK)  
Subject: Select Solutions

Sch 4 CTPI  
Vote of No Confidence in

We the ETU Members of Sarina Depot Ergon Energy, in response to the handling of the Select Solutions situation, express our lack of confidence in Sch 4 CTPI and call upon the Government to stand him aside, pending a review of his dealing with employees and key industry stakeholders.

We have absolutely NO confidence in Sch 4 CTPI in his current role in Ergon Energy

Moved

I Rix

Seconded

S Gutschlag

For 8 against 0 Carried

Also, The ETU members of Sarina voted in the Toowoomba resolution 8 for, 0 against, Carried

Ian Rix

LiveLinesman Ergon Sarina

N/R

\*\*\*\*\*  
 This e-mail (including any attachments) may contain confidential or privileged information and is intended for the sole use of the  
 Ergon Energy Corporation Limited ABN 50 087 646 062  
 \*\*\*\*\*

**Attachments**

- image002.jpg (1.40 KB)

Released under RTI - DTMR

Subject: Fwd: Select Solutions  
From: Peter Simpson (ETU) (simmo@etu.org.au)  
To: mangocube6@yahoo.co.uk;  
Date: Wednesday, 1 July 2015, 7:44

Sent from my iPhone

Begin forwarded message:

From: "RIX Ian (MK)" <ian.rix@ergon.com.au>  
Date: 1 July 2015 7:36:55 am AEST  
To: Stuart Trill <stuart@etu.org.au>, "BLOOM Greg (NQ)" <greg.bloom@ergon.com.au>, "CONWAY Jason (CA)" <jason.conway@ergon.com.au>, "McGAW Chris (SW)" <chris.mcgaw@ergon.com.au>, "HILL Robert (FN)" <robert.hill@ergon.com.au>, "SOLOGINKIN Scott (WB)" <scott.sologinkin@ergon.com.au>, "SHIELDS Brad (WB)" <brad.shields@ergon.com.au>  
Cc: "Peter Simpson (ETU)" <simmo@etu.org.au> (simmo@etu.org.au) <simmo@etu.org.au>, "BALLARD Chris (MK)" <chris.ballard@ergon.com.au>  
Subject: Select Solutions

Vote of No Confidence in Sch 4 CTPI

We the ETU Members of Sarina Depot Ergon Energy, in response to the handling of the Select Solutions situation, express our lack of confidence in Sch 4 CTPI and call upon the Government to stand him aside, pending a review of his dealing with employees and key industry stakeholders.

We have absolutely NO confidence in Sch 4 CTPI in his current role in Ergon Energy

Moved

I Rix

Seconded

S Gutschlag

For 8 against 0 Carried

Also, The ETU members of Sarina voted in the Toewoonba resolution 8 for, 0 against, Carried

Ian Rix  
LiveLinesman Ergon Sarina

N/R

\*\*\*\*\*  
This e-mail (including any attachments) may contain confidential or privileged information and is intended for the sole use of t  
Ergon Energy Corporation Limited ABN 50 087 646 062  
\*\*\*\*\*

Subject: RE: Translink Issue

---

From: Mark.Bellaver@ministerial.qld.gov.au

To: mangocube6@yahoo.co.uk

Date: Wednesday, 1 July 2015 08:43:05 AM AEST

---

Will do

**Mark Bellaver**

**P: 371 97077**

Released under RTI - DTMR



Subject: Re: Translink Issue

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From: mangocube6@yahoo.co.uk

To: Mark.Bellaver@ministerial.qld.gov.au

Date: Wednesday, 1 July 2015 11:32:57 AM AEST

---

Thx! M

○

Released under RTI - DTMR

**Subject:** Re: Student evicted from train at Sch 4 CTPI  
**From:** Mark Bailey (mangocube6@yahoo.co.uk)  
**To:** Mark.Bellaver@ministerial.qld.gov.au;  
**Date:** Wednesday, 1 July 2015, 19:19

Thx Mark! M

Sent from my iPhone

On 1 Jul 2015, at 2:58 pm, Mark Bellaver <[Mark.Bellaver@ministerial.qld.gov.au](mailto:Mark.Bellaver@ministerial.qld.gov.au)> wrote:

Hi Mark. See below and attached. Shortly after the email was sent to you the person was contacted. I understand it has been resolved to everyone's satisfaction and verity Barton has been made aware.

Thanks

**Mark Bellaver**

**P:** 371 97077

**From:** Emily Brogan  
**Sent:** Wednesday, 1 July 2015 2:53 PM  
**To:** Mark Bellaver  
**Subject:** FW: Student evicted from train at Sch 4 CTPI

All resolved about 20 minutes after she sent the email to Min Bailey.

**From:** Jessica Hill  
**Sent:** Wednesday, 1 July 2015 2:52 PM  
**To:** Emily Brogan  
**Subject:** FW: Student evicted from train at Sch 4 CTPI

**From:** Kirstine Y O'Donnell [<mailto:Kirstine.O'Donnell@translink.com.au>]  
**Sent:** Tuesday, 30 June 2015 2:17 PM

**To:** Jessica Hill; Susan McGrady; Elly Desmarchelier  
**Cc:** Neil Z Scales; Jennifer M Grace; Natalie Z Gauld; Media; Peter L Milward; Simon G Cook; Wietske Smith; Gordon J Buchanan; Nick R Montague; Sophie Z McGuirk; External - Jasmine Green; Kirby L Orr; Media; External Affairs  
**Subject:** RE: Student evicted from train at Sch 4 CTPI

**UPDATE:** This complaint is now closed. TransLink made contact with the parent this morning, and the conversation ended positively. The parent did not give the impression that she would contact the media.

Details of the conversation with the parent are included in the attached and updated HIB, as well as actions for TransLink that have come out of this incident.

No further information to be provided, unless media enquiry is received.

Let me know if you need any further information.

Kind regards,

Kirstine O'Donnell  
A/Manager (Media)  
TransLink Division | Department of Transport and Main Roads

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61 Mary Street Brisbane Qld 4000 | GPO Box 50 Brisbane Qld 4001  
t 07 3338 4023 | f 33384600 | m N/R  
e [kirstine.odonnell@translink.com.au](mailto:kirstine.odonnell@translink.com.au)  
w [www.translink.com.au](http://www.translink.com.au) w [www.tmr.qld.gov.au](http://www.tmr.qld.gov.au)

<image001.png> /TransLinkCLD <image002.png> /TransLinkSEO

<image003.gif>



Please consider the environment before printing this email.

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**From:** Kirstine Y O'Donnell  
**Sent:** Tuesday, 30 June 2015 10:00 AM  
**To:** 'Jessica Hill'; Susan McGrady; Elly Desmarchelier  
**Cc:** Neil Z Scales; Jennifer M Grace; Natalie Z Gauld; Media; Peter L Milward; Simon G Cook; Wietske Smith; Gordon J Buchanan; Nick R Montague; Sophie Z McGuirk; Jasmine G Green; Kirby L Orr; Media; External Affairs  
**Subject:** HIB: Student evicted from train at Sch 4 CTPI

Morning, Jess

The attached HIB details the outcome of the investigation into the weekend's reports that a Sch 4 CTPI Sch 4 CTPI being asked to leave a train, having not been in possession of a valid ticket.

In this circumstance, we are advised that the SNO involved did not follow the correct process.

TransLink's Customer Service team is contacting the parent this morning to provide an explanation and offer an apology. We will update you with the parent's response.

Following this, we will provide a response to the local member for Broadwater, who has also fielded an enquiry from the parent.

We will advise if we receive any media enquiry, or if we learn that she is going to report to the media.

Kind regards,


Kirstine O'Donnell  
**A/Manager (Media)**  
TransLink Division | Department of Transport and Main Roads

---

61 Mary Street Brisbane Qld 4000 | GPO Box 50 Brisbane Qld 4001  
t 07 3338 4023 | f 33384600 | m N/R  
e [kirstine.odonnell@translink.com.au](mailto:kirstine.odonnell@translink.com.au)  
w [www.translink.com.au](http://www.translink.com.au) w [www.tmr.qld.gov.au](http://www.tmr.qld.gov.au)

<image001.png> [/TransLinkQLD](#) <image002.png> [/TransLinkSEQ](#)

<image003.gif>

 Please consider the environment before printing this email.

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If this email was not intended for you and was sent to you by mistake, please telephone or email me immediately, destroy any hardcopies of this email and delete it and any copies of it from your computer system. Any right which the sender may have under copyright law, and any legal privilege and confidentiality attached to this email is not waived or destroyed by that mistake.

It is your responsibility to ensure that this email does not contain and is not affected by computer viruses, defects or interference by third parties or replication problems (including incompatibility with your computer system).

Opinions contained in this email do not necessarily reflect the opinions of the Department of Transport and Main Roads, or endorsed organisations utilising the same infrastructure.

\*\*\*\*\*

<20150630\_FINAL\_HIB\_Student evicted train.docx>

Released under RTI - DTMR

Sch 4 CTPI

## Student evicted from train at [redacted] station

TransLink takes the safety of our passengers very seriously and all claims of this nature are investigated as a priority.

We have investigated this incident by speaking to the parties involved and reviewing CCTV footage.

The investigation found that the correct process wasn't followed in this circumstance.

The passenger was asked to leave the train to buy a ticket instead of the more correct procedure of being given a warning or an infringement ticket for travelling without a valid ticket, which would have facilitated onward travel.

TransLink Senior Network Officers asked the passenger to leave the train in the belief [redacted] was an adult, having not been able to verify [redacted] details.

We have maintained contact with the parent throughout the course of the investigation and have called her today to provide an explanation and apology.

[redacted]  
Sch 4 CTPI

### Background

At approximately 2pm on Friday, 26 June, Senior Network Officers (SNOs) asked [redacted] to leave a Gold Coast bound train at [redacted] to purchase a valid ticket for travel.

TransLink SNOs conducting their regular checks came across this passenger, who appeared to be [redacted]. The [redacted] was not in possession of a valid ticket or go card and could not produce identification.

Following initial questioning, SNOs did not determine the passenger's age or obtain further details. The passenger was not carrying identification and was unable to prove that [redacted].

Following further questioning, SNOs established [redacted] had money for a fare, and [redacted] was asked to leave the train at the next station, [redacted] and purchase a valid ticket.

The train departed once [redacted] alighted at [redacted]. The passenger then called [redacted] mother drove from the Gold Coast, which meant her [redacted] was at [redacted] for almost an hour, which the mother claims left [redacted].

The parent advises that [redacted] had bought the [redacted] a go card. SNOs advise [redacted] was not in possession of [redacted]. The mother advised that their school doesn't provide identifications cards.

TransLink's Contact Centre has advised the mother that the students need identification for concession fares.

[redacted] is only manned during morning peaks, and the station office would have been closed at the time of this incident.

If a juvenile is intercepted without a valid ticket on rail and with no valid excuse, SNOs would typically take the course of action of issuing a warning notice. A warning notice is not a formal penalty infringement notice (we do not issue these for juveniles), but is valid for travel purposes to the nominated destination station. Warning notices are an education tool for passengers—both juveniles and adults—and a record is kept on file to assist in identifying repeat behaviour.

<b>Prepared by:</b>	Andy Christie and Kirstine O'Donnell	<b>Contact for further information:</b>	Nick Montague
	N/R [redacted] (Kirstine)		N/R [redacted]

Outcome

A senior member of the Customer Relations team contacted the parent at 11.15am on Tuesday, 30 June. Overall, the conversation ended positively and the parent did not give the impression that she would contact the media.

The parent's main points, and our response, were as follows:

- She doesn't want this to happen to other children or families again. The Customer Relations Officer assured her that instances like this are something that TransLink and our operators take quite seriously and she was advised of TransLink's urgent escalation process. The process of urgent matters outside of business hours will be reviewed and documented, and this has started internally within TransLink.
- She thinks there needs to be a better process for when children are stranded at an unmanned station. The Customer Relations Officer advised her that there was a failure in the ticket inspection process and if this hadn't occurred then [Sch 4 CTPI] wouldn't have been at an unmanned station. The Customer Relations Team will liaise with Queensland Rail to document a process for when a child is stranded at an unmanned station, will also see if information can be added to the curriculum for school visits organised by Queensland Rail.
- She expressed concern with the treatment she received at the contact centre when she initially called and doesn't think she was treated with respect or the situation treated with the urgency she feels it warranted. This has already been investigated by the Contact Centre and Contract Manager [Sch 4 CTPI]  
[Sch 4 CTPI]
- [Sch 4 CTPI]

Customer did not at any time during the conversation indicate of any further dealings with media or other agencies. She was appreciative that she was assigned the one officer to deal with on behalf of TransLink, as she felt over the weekend there was a flaw with the communication process between all parties involved until she was contacted yesterday and assured that the one officer from my team will be her contact person.

No other information was required by the customer and she was thankful for the call and time taken.

The local member for Broadwater, who also requested an update, has been contacted and she was pleased with the outcome.

<b>Prepared by:</b>	Andy Christie and Kirstine O'Donnell	<b>Contact for further information:</b>	Nick Montague
	[N/R] (Kirstine)		[N/R]

Subject: FW: RE :No Confidence vote  
From: Peter Simpson (ETU) (simmo@etu.org.au)  
To: mangocube6@yahoo.co.uk;  
Date: Wednesday, 1 July 2015, 21:18

From: Stuart Traill  
Sent: Wednesday, 1 July 2015 9:17 PM  
To: CONWAY Jason (CA)  
Cc: Peter Simpson (ETU); BLOOM Greg (NQ); RIX Ian (MK); McGAW Chris (SW); HILL Robert (FN); SOLOGINKIN Scott (WB); SHIELDS Brad (WB); BALLARD Chris (MK)  
Subject: Re: RE :No Confidence vote

Legends

Sent from my iPhone

On 1 Jul 2015, at 4:10 pm, CONWAY Jason (CA) <jason.conway@ergon.com.au> wrote:

Unanimous for both resolutions in Rocky and Yeppoon. Western depots to vote by end of week

Jason Conway  
ETU Senior Delegate  
Central  
Glenmore Rockhampton  
PH

---

From: Peter Simpson (ETU) [mailto:simmo@etu.org.au]  
Sent: Wednesday, 1 July 2015 7:44 AM  
To: BLOOM Greg (NQ)  
Cc: RIX Ian (MK); Stuart Traill; CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); SOLOGINKIN Scott (WB); SHIELDS Brad (WB); BALLARD Chris (MK)  
Subject: Re: RE :No Confidence vote

Good shit

Sent from my iPhone

On 1 Jul 2015, at 7:42 am, BLOOM Greg (NQ) <greg.bloom@ergon.com.au> wrote:

All North Queensland Ergon energy depots have voted unanimously in support of both resolutions  
Details will be forwarded as required

**GREG BLOOM**  
**ETU SENIOR DELEGATE**  
*Deputy State Senior Delegate*  
*Ergon Energy*  
**ETU STATE COUNCILLOR**  
**OLD & NT**



<image002.jpg>

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From: RIX Ian (MK)  
 Sent: Wednesday, 1 July 2015 7:37 AM  
 To: Stuart Traill, BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); SOLOGINKIN Scott (WB); SHIELDS Brad (WB)  
 Cc: Peter Simpson (ETU) <[simmo@etu.org.au](mailto:simmo@etu.org.au)> ([simmo@etu.org.au](mailto:simmo@etu.org.au)); BALLARD Chris (MK)  
 Subject: Select Solutions

Vote of No Confidence in Sch 4 CTPI

We the ETU Members of Sarina Depot Ergon Energy, in response to the handling of the Select Solutions situation, express our lack of confidence in Sch 4 CTPI and call upon the Government to stand him aside, pending a review of his dealing with employees and key industry stakeholders.

We have absolutely NO confidence in Sch 4 CTPI in his current role in Ergon Energy

Moved

I Rix

Seconded

S Gutschlag

For 8 against 0 Carried

Also, The ETU members of Sarina voted in the Toowoomba resolution 8 for, 0 against, Carried

Ian Rix

LiveLinesman Ergon Sarina

N/R

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 This e-mail (including any attachments) may contain confidential or privileged information and is intended for the sole use  
 Ergon Energy Corporation Limited ABN 50 087 646 062  
 \*\*\*\*\*

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\*\*\*\*\*  
 This e-mail (including any attachments) may contain confidential or privileged information and is intended for the sole use of t

\*\*\*\*\*

Released under RTI - DTMR

**Subject:** Fwd: Settlement of Current Dispute  
**From:** Mark Bailey (mangocube6@yahoo.co.uk)  
**To:** denise.spinks [Sch 4 CTPI];  
**Date:** Wednesday, 1 July 2015, 21:32

Latest from Simmo. He raised Jacobsen in his chat with me tonight. Unlikely they'll agree to this I'd have thought. M

Sent from my iPhone

Begin forwarded message:

**From:** "Peter Simpson (ETU)" <simmo@etu.org.au>  
**Date:** 1 July 2015 8:45:37 pm AEST  
**To:** "mangocube6@yahoo.co.uk" <mangocube6@yahoo.co.uk>  
**Subject:** FW: Settlement of Current Dispute

Mark,

I've worked this up tonight, fyi and have spoken to McLeod about the audit via Jacobsen, he didn't seem to be averse to it

Fyi

Simmo

**From:** Peter Simpson (ETU)  
**Sent:** Wednesday, 1 July 2015 8:44 PM  
**To:** 'ian.mcleod@ergon.com.au'  
**Subject:** Settlement of Current Dispute  
**Importance:** High

Ian,

I've taken the time tonight to attempt to quantify the current issues in dispute, I've done so in an MOU, as we have done many times in the past.

As we are obviously keen to finalise the issues in dispute, I'm providing it to you tonight so you have time to consider it prior to Peters' meeting with Stuey tomorrow afternoon, let me know if you agree.

Regards,

Peter Simpson

State Secretary

N/R

[simmo@etu.org.au](mailto:simmo@etu.org.au)

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### Attachments

- Memorandum of Understanding Ergon.docx (18.71 KB)

Released under RTI - DTMR

## Memorandum of Understanding

Between

**The CEPU (*ETU Division*)**

Hereafter the ETU

And

**Ergon Energy Corporation Ltd**

Hereafter Ergon

**Resolution of the**

**Select Solutions Pty Ltd Dispute**

This MOU is made between the parties as full and final settlement of the industrial dispute that emanated from the use of contractor Select Solutions Pty Ltd. It is signed, in good faith, between the parties as an agreed set of conditions.

### **Items in Dispute**

The parties agree that the following issues have been in dispute: -

- Payment of wages and conditions (*Select Solutions are relying on an Enterprise Bargaining Agreement that was negotiated with the ETU Victorian Branch*);
- Non provision of Personal Protective equipment such as wet weather gear;
- Non-payment of penalty rates and Standby Allowance;
- The provision of standby services;
- The provision of adequate resources to meet the requirements of the contract;
- The Use of Subcontractors, without following the provisions of the EBA in respect to consultation with the ETU;
- The selection of Select Solutions Pty Ltd – Was it in accordance with the Corporations requirements both with Government and its previous EBA. Further, in Schedule 7 of the current Ergon Energy EBA (*reproduced below*) all contractors must abide by these conditions as a minimum: -

## **Ergon Energy Union Collective Agreement 2015**

### **Schedule 7**

#### **1.1 General**

(a) Ergon Energy will require and continue to use contractors when carrying out core work activities (as defined in this schedule) on Ergon Energy's network assets. (b) The Parties recognise and accept that circumstances arise where the use of contractors is both desirable and/or essential. (c) This clause does not apply to, or require Ergon Energy to cease the use of contractors from whom services were already in place prior to the commencement of this Agreement. (d) Consultation in relation to use of contractors will take place in accordance with clause 1.7 of this schedule. (e) For the avoidance of doubt the term contractors includes Labour Hire employees and Group Training Scheme employees

#### **1.2 Guidelines**

The use of contractors will continue subject to the following guidelines: (a) The work volume is beyond the capacity of the resources or staff of Ergon Energy; or (b) The type of work or specialisation required is beyond the capacity of the resources or staff of Ergon Energy; or (c) It is in the public interest to undertake such work. Public interest includes issues of cost effectiveness; or (d) The security and tenure of employment of additional staff required to meet work peaks cannot be guaranteed. Ergon Energy does not intend to utilise contractors to reduce its commitment to training of permanent employees, or merely to avoid increases in, the permanent workforce (subject to 1.2 (d) of this schedule).

#### **1.3 Prior notice of Contractor use**

(a) Ergon Energy will consult with the relevant unions if it decides to enter into any new contracts in relation to core work and where requested will provide appropriate details about the proposed use of such contractors. (b) Every effort will be made to give prior notice when urgent contract work is required. (c) Wherever practicable, consultation will occur at the preliminary stage of the tender process i.e. prior to going to public tender.

#### **1.4 Training**

Where the use of contractors is the result of an ongoing need for a particular skill, which employees could be reasonably expected to acquire and use, Ergon Energy will provide training to develop a level of in house capacity.

#### **1.5 Contractor Documents and Requirements**

(a) Standard contract provisions will require all contractors and their employees to comply with: (i) All relevant safety, workers' compensation, superannuation and workplace relations legislation and applicable statutory instruments (i.e.: statutory agreements or award(s)); (ii) Safe working practices and associated PPE and test equipment equivalent to that used by (Ergon Energy) employees; (iii) Relevant training requirements; (iv) All relevant licensing and registration requirements; (v) All relevant Codes of Practice and Standards established or promulgated by the appropriate industry regulator or standard setting entity including those prescribed under relevant legislation; and (vi) All occupational health and safety, workers' compensation and applicable quality assurance standards, including reporting on compliance at intervals prescribed in the contract and not less than 3 monthly or as mutually agreed by the

Parties. b) The terms and conditions of employment for employees of Contractors shall be those contained in the relevant Federal or Certified Agreement. (c) When employees of contractors perform work as defined in the core work provisions of this schedule, they shall be entitled to the rates of pay and allowances which in aggregate shall be no less favourable than those that apply to the same or similar classifications of employees engaged under this Agreement.

#### 1.6 Core Work Definitions

(a) Generation activities means operation, construction and routine maintenance work (other than major overhauls) currently performed by employees on the following power station plant, directly associated with the generation of electricity: (i) Boilers; (ii) Turbo Generations; (iii) Renewable Energy; (iv) Unit Auxiliary Plant; and (v) Chemical Plant.

(b) Transmission activities means work which is directly associated with the operation, construction and routine maintenance work (other than major overhauls) of substation plant, control systems and associated in house communications and electronics, lines and cables and trimming and removal of trees within minimum approach distances to energised conductors currently performed by employees.

(c) Distribution activities means work which is directly associated with the operation, construction and routine maintenance (other than major overhauls) of substation plant, overhead mains, underground cabling and jointing, pole inspection and street lighting, customer emergency services (eg loss of supply, voltage complaints) and trimming and removal of trees within minimum approach distances to energised conductors currently performed by employees.

The definition of core work does not apply to work that is ancillary to the contract or work of a specialist nature.

#### 1.7 Consultation Process

(a) Contractors will continue to be a normal part of Ergon Energy operations. (b) As Ergon Energy responds to the competitive electricity market, the need to operate in a commercially sound and economically sustainable manner will continue to determine the way Ergon Energy conducts its business. (c) Ergon Energy will consult on the use of contractors and outsourcing arrangements with the relevant unions as part of a work planning process. (d) Consultation will occur prior to the calling of tenders and will provide the relevant union with a formal mechanism in which they can discuss matters arising from the engagement of a contractor or the awarding of a contract defined under core work definitions. (e) Ongoing consultation on the use of contractors will occur on a quarterly basis, or as otherwise agreed by the Parties involved.

#### 1.8 Contract Compliance and Supervision

(a) Ergon Energy will continue to maintain internal contract management functions to ensure contractors comply with the relevant standards including safety, statutory and contractual requirements. (b) A similar management approach will be taken in relation to the standards specified for developers and others involved in either extensions of the current network, major projects or asset enhancements in accordance with relevant legislation or Ergon Energy policy in place at the time.

### Agreed Position on the resolution of outstanding Issues Pertaining to the SS Contract

- Ergon will engage the Queensland Government Audit Office to audit the entire contract process from its first iteration to current, including any prior conflicts of interest of previous Ergon Energy staff who are now engaged in running Select Solutions and the engagement of sub contractors;
- Ergon will engage Mr Wayne Jacobsen to conduct an audit of all Select Solutions staff, against their Victorian Select Solutions/ETU Victorian branch Enterprise Agreement and also any outstanding provisions that are caught under the Ergon Energy Union Collective Agreement 2015, Schedule 7 provisions, e.g. Work in Rain;
- Engaging Mr Wayne Jacobsen to audit the wages and conditions of all sub-contractors with a view to checking for compliance;
- Ergon agrees to work through and sign off with the ETU on an agreed scope for the Jacobsen audit prior to it commencing;
- Ergon will provide the ETU all documents pertaining to its Right To Information (*RTI*) request lodged with Ergon Energy by Hall Payne Lawyers 2<sup>nd</sup> July 2015 as a matter of urgency.

Signed on Behalf of the Parties

Ian McLeod

Ergon Energy

\_\_\_\_ June 2015

Peter Simpson

ETU

\_\_\_\_ June 2015



3/15/2018

Print

Subject: Fwd: Settlement of Current Dispute  
From: Peter Simpson (ETU) (simmo@etu.org.au)  
To: mangacube6@yahoo.co.uk;  
Date: Thursday, 2 July 2015, 7:46

Sent from my iPhone

Begin forwarded message:

From: "McLEOD Ian (NQ)" <ian.mcleod@ergon.com.au>  
Date: 2 July 2015 7:31:27 am AEST  
To: "Peter Simpson (ETU)" <simmo@etu.org.au>  
Subject: RE: Settlement of Current Dispute

Hi Peter,

Thanks.

In principle I'm OK with forming an MOU however I need our people to go through and advise on Schedule 7 and a number of them are tied up on AER response due to be submitted tomorrow. I'll also need to work it through our Board as I will need their endorsement.

I have sent to Peter and Belinda for their review last night.

We will need to discuss core work issues as they relate to market based services determined by the AEMC and I'd like to discuss this with you directly.

Regards

Ian McLeod  
Chief Executive  
Ergon Energy Corporation Ltd  
PO Box 264  
Fortitude Valley, Qld, 4006

(p) 07 4432 8666

(m)

---

From: Peter Simpson (ETU) [mailto:simmo@etu.org.au]  
Sent: Wednesday, 1 July 2015 8:44 PM  
To: McLEOD Ian (NQ)  
Subject: Settlement of Current Dispute  
Importance: High

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Peter Simpson

State Secretary

N/R

[simmo@etu.org.au](mailto:simmo@etu.org.au)

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Ergon Energy Corporation Limited      ABN 50 087 646 062

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Released under RTI - DTMR

Subject: Re: Settlement of Current Dispute  
 From: Peter Simpson (ETU) (simmo@etu.org.au)  
 To: ian.mcleod@ergon.com.au;  
 Date: Thursday, 2 July 2015, 7:58

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Simmo

Sent from my iPhone

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Ian McLeod  
 Chief Executive  
 Ergon Energy Corporation Ltd  
 PO Box 264  
 Fortitude Valley, Qld, 4006

(p) 07 4432 8666

(m) N/R

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**Subject:** RE: Settlement of Current Dispute  
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 From: Mark Bailey (mangocube6@yahoo.co.uk)  
 To: denise.spinks [Sch 4 CTPI] [Sch 4 CTPI]  
 Date: Thursday, 2 July 2015, 9:03

fyi

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 From: David Shankey Sch 4 CTPI  
 To: mangocube6@yahoo.co.uk;  
 Date: Thursday, 2 July 2015, 9:10

Thanks.

Did the Auditor offer get made.

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Subject: Fwd: Discussion this Afternoon  
From: Peter Simpson (ETU) (simmo@etu.org.au)  
To: mangocube6@yahoo.co.uk;  
Date: Thursday, 2 July 2015, 19:51

Mate, nearly there (see below), no action tomorrow. Thanks for your assistance, Stuey fielded a call from Dave today that wasn't quite what we were expecting, they had words apparently

I'll try and sit down with him next week if I can and try and get a relationship between our office and yours.

Appreciate we have a way to go to deNemanise this State, this weeks action has been a step in that direction

Cheers

Simmo

Regards,

Peter Simpson  
State Secretary  
Electrical Trades Union  
Queensland  
M. N/R  
F. (07) 3844 9851  
[simmo@etu.org.au](mailto:simmo@etu.org.au)  
[www.etu.org.au](http://www.etu.org.au)

Join Online  
[www.etuyes.com](http://www.etuyes.com)  
Or call  
1800ETUYES

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Begin forwarded message:

From: Stuart Traill <[stuart@etu.org.au](mailto:stuart@etu.org.au)>  
Date: 2 July 2015 6:41:44 pm AEST  
To: "Peter Simpson (ETU)" <[simmo@etu.org.au](mailto:simmo@etu.org.au)>  
Subject: Fwd: Discussion this Afternoon

About to send it out

Sent from my iPhone

Begin forwarded message:

From: "BILLING Peter (NO)" <[peter.billing@ergon.com.au](mailto:peter.billing@ergon.com.au)>  
Date: 2 July 2015 6:12:00 pm AEST  
To: Stuart Traill <[stuart@etu.org.au](mailto:stuart@etu.org.au)>  
Cc: "WATTON Belinda (Ergon)" <[belinda.watton@ergon.com.au](mailto:belinda.watton@ergon.com.au)>  
Subject: Discussion this Afternoon

Stuart,

As per our discussion I commit to the following actions:

Whilst we are still working through the detail of the MOU we agree to the points set out on the last page of the MOU (attached).

That I will contact Select Solutions and advise them of the issues you have raised with Belinda and I about afterhours availability and ask that they consider alternative arrangements. That they then put in writing to you alternatives for consideration, are there any.

I have had this discussion with Select Solutions and they have committed to do this as a matter of priority.

Thanks,

Peter

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**Attachments**

- Memorandum of Understanding Ergon.pdf(11.43 KB)
- ATT00001.htm (334 B)

Released under RTI - DTMR

## Memorandum of Understanding

Between

**The CEPU (*ETU Division*)**

Hereafter the ETU

And

**Ergon Energy Corporation Ltd**

Hereafter Ergon

**Resolution of the**

**Select Solutions Pty Ltd Dispute**

This MOU is made between the parties as full and final settlement of the industrial dispute that emanated from the use of contractor Select Solutions Pty Ltd. It is signed, in good faith, between the parties as an agreed set of conditions.

### Items in Dispute

The parties agree that the following issues have been in dispute: -

- Payment of wages and conditions (*Select Solutions are relying on an Enterprise Bargaining Agreement that was negotiated with the ETU Victorian Branch*);
- Non provision of Personal Protective equipment such as wet weather gear;
- Non-payment of penalty rates and Standby Allowance;
- The provision of standby services;
- The provision of adequate resources to meet the requirements of the contract;
- The Use of Subcontractors, without following the provisions of the EBA in respect to consultation with the ETU;
- The selection of Select Solutions Pty Ltd – Was it in accordance with the Corporations requirements both with Government and its previous EBA. Further, in Schedule 7 of the current Ergon Energy EBA (*reproduced below*) all contractors must abide by these conditions as a minimum: -



## **Ergon Energy Union Collective Agreement 2015**

### **Schedule 7**

#### **1.1 General**

(a) Ergon Energy will require and continue to use contractors when carrying out core work activities (as defined in this schedule) on Ergon Energy's network assets. (b) The Parties recognise and accept that circumstances arise where the use of contractors is both desirable and/or essential. (c) This clause does not apply to, or require Ergon Energy to cease the use of contractors from whom services were already in place prior to the commencement of this Agreement. (d) Consultation in relation to use of contractors will take place in accordance with clause 1.7 of this schedule. (e) For the avoidance of doubt the term contractors includes Labour Hire employees and Group Training Scheme employees

#### **1.2 Guidelines**

The use of contractors will continue subject to the following guidelines: (a) The work volume is beyond the capacity of the resources or staff of Ergon Energy; or (b) The type of work or specialisation required is beyond the capacity of the resources or staff of Ergon Energy ;or (c) It is in the public interest to undertake such work. Public interest includes issues of cost effectiveness; or (d) The security and tenure of employment of additional staff required to meet work peaks cannot be guaranteed. Ergon Energy does not intend to utilise contractors to reduce its commitment to training of permanent employees, or merely to avoid increases in, the permanent workforce (subject to 1.2 (d) of this schedule).

#### **1.3 Prior notice of Contractor use**

(a) Ergon Energy will consult with the relevant unions if it decides to enter into any new contracts in relation to core work and where requested will provide appropriate details about the proposed use of such contractors. (b) Every effort will be made to give prior notice when urgent contract work is required. (c) Wherever practicable, consultation will occur at the preliminary stage of the tender process i.e. prior to going to public tender.

#### **1.4 Training**

Where the use of contractors is the result of an ongoing need for a particular skill, which employees could be reasonably expected to acquire and use, Ergon Energy will provide training to develop a level of in house capacity.

#### **1.5 Contractor Documents and Requirements**

(a) Standard contract provisions will require all contractors and their employees to comply with: (i) All relevant safety, workers' compensation, superannuation and workplace relations legislation and applicable statutory instruments (i.e.: statutory agreements or award(s)); (ii) Safe working practices and associated PPE and test equipment equivalent to that used by (Ergon Energy) employees; (iii) Relevant training requirements; (iv) All relevant licensing and registration requirements; (v) All relevant Codes of Practice and Standards established or promulgated by the appropriate industry regulator or standard setting entity including those prescribed under relevant legislation; and (vi) All occupational health and safety, workers' compensation and applicable quality assurance standards, including reporting on compliance at intervals prescribed in the contract and not less than 3 monthly or as mutually agreed by the

Parties. b) The terms and conditions of employment for employees of Contractors shall be those contained in the relevant Federal or Certified Agreement. (c) When employees of contractors perform work as defined in the core work provisions of this schedule, they shall be entitled to the rates of pay and allowances which in aggregate shall be no less favourable than those that apply to the same or similar classifications of employees engaged under this Agreement.

#### 1.6 Core Work Definitions

(a) Generation activities means operation, construction and routine maintenance work (other than major overhauls) currently performed by employees on the following power station plant, directly associated with the generation of electricity: (i) Boilers; (ii) Turbo Generations; (iii) Renewable Energy; (iv) Unit Auxiliary Plant; and (v) Chemical Plant.

(b) Transmission activities means work which is directly associated with the operation, construction and routine maintenance work (other than major overhauls) of substation plant, control systems and associated in house communications and electronics, lines and cables and trimming and removal of trees within minimum approach distances to energised conductors currently performed by employees.

(c) Distribution activities means work which is directly associated with the operation, construction and routine maintenance (other than major overhauls) of substation plant, overhead mains, underground cabling and jointing, pole inspection and street lighting, customer emergency services (eg loss of supply, voltage complaints) and trimming and removal of trees within minimum approach distances to energised conductors currently performed by employees.

The definition of core work does not apply to work that is ancillary to the contract or work of a specialist nature.

#### 1.7 Consultation Process

(a) Contractors will continue to be a normal part of Ergon Energy operations. (b) As Ergon Energy responds to the competitive electricity market, the need to operate in a commercially sound and economically sustainable manner will continue to determine the way Ergon Energy conducts its business. (c) Ergon Energy will consult on the use of contractors and outsourcing arrangements with the relevant unions as part of a work planning process. (d) Consultation will occur prior to the calling of tenders and will provide the relevant union with a formal mechanism in which they can discuss matters arising from the engagement of a contractor or the awarding of a contract defined under core work definitions. (e) Ongoing consultation on the use of contractors will occur on a quarterly basis, or as otherwise agreed by the Parties involved.

#### 1.8 Contract Compliance and Supervision

(a) Ergon Energy will continue to maintain internal contract management functions to ensure contractors comply with the relevant standards including safety, statutory and contractual requirements. (b) A similar management approach will be taken in relation to the standards specified for developers and others involved in either extensions of the current network, major projects or asset enhancements in accordance with relevant legislation or Ergon Energy policy in place at the time.

**Agreed Position on the resolution of outstanding Issues Pertaining to the SS Contract**

- Ergon will engage the Queensland Government Audit Office to audit the entire contract process from its first iteration to current, including any prior conflicts of interest of previous Ergon Energy staff who are now engaged in running Select Solutions and the engagement of sub contractors;
- Ergon will engage Mr Wayne Jacobsen to conduct an audit of all Select Solutions staff, against their Victorian Select Solutions/ETU Victorian branch Enterprise Agreement and also any outstanding provisions that are caught under the Ergon Energy Union Collective Agreement 2015, Schedule 7 provisions, e.g. Work in Rain;
- Engaging Mr Wayne Jacobsen to audit the wages and conditions of all sub-contractors with a view to checking for compliance;
- Ergon agrees to work through and sign off with the ETU on an agreed scope for the Jacobsen audit prior to it commencing;
- Ergon will provide the ETU all documents pertaining to its Right To Information (*RTI*) request lodged with Ergon Energy by Hall Payne Lawyers 2<sup>nd</sup> July 2015 as a matter of urgency.

Signed on Behalf of the Parties

Ian McLeod

Ergon Energy

\_\_\_\_ June 2015

Peter Simpson

ETU

\_\_\_\_\_ June 2015

Subject: Re: Fwd: Discussion this Afternoon  
From: Mark Bailey (mangocube6@yahoo.co.uk)  
To: simmo@etu.org.au;  
Date: Thursday, 2 July 2015, 20:17

Thanks comrade. I'll get Dave to call you and catch up next week after I catch up with him in the mom. Glad to hear things on the improve. Talk soon... M

On Thursday, 2 July 2015, 19:51, Peter Simpson (ETU) <simmo@etu.org.au> wrote:

Mate, nearly there (see below), no action tomorrow. Thanks for your assistance, Stuey fielded a call from Dave today that wasn't quite what we were expecting, they had words apparently

I'll try and sit down with him next week if I can and try and get a relationship between our office and yours.

Appreciate we have a way to go to deNemanise this State, this weeks action has been a step in that direction

Cheers

Simmo

Regards,

Peter Simpson  
State Secretary  
Electrical Trades Union  
Queensland  
MN/R  
F. (07) 3844 9851  
[simmo@etu.org.au](mailto:simmo@etu.org.au)  
[www.etu.org.au](http://www.etu.org.au)

Join Online  
[www.etuyes.com](http://www.etuyes.com)  
Or call  
1800ETUYES

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Begin forwarded message:

From: Stuart Traill <stuart@etu.org.au>  
Date: 2 July 2015 6:41:44 pm AEST  
To: "Peter Simpson (ETU)" <simmo@etu.org.au>  
Subject: Fwd: Discussion this Afternoon

About to send it out

Sent from my iPhone

Begin forwarded message:

From: "BILLING Peter (NQ)" <peter.billing@ergon.com.au>  
Date: 2 July 2015 6:12:00 pm AEST  
To: Stuart Traill <stuart@etu.org.au>  
Cc: "WATTON Belinda (Ergon)" <belinda.watton@ergon.com.au>  
Subject: Discussion this Afternoon

Stuart,

As per our discussion I commit to the following actions:

Whilst we are still working through the detail of the MOU we agree to the points set out on the last page of the MOU (attached).

That I will contact Select Solutions and advise them of the issues you have raised with Belinda and I about afterhours availability and ask that they consider alternative arrangements. That they then put in writing to you alternatives for consideration, are there are any.

I have had this discussion with Select Solutions and they have committed to do this as a matter of priority.

Thanks,  
Peter

\*\*\*\*\*  
This e-mail (including any attachments) may contain confidential or privileged information and is intended for t  
Ergon Energy Corporation Limited ABN 50 087 646 062  
\*\*\*\*\*

Released under RTI - DTMR

Subject: MBRL

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From: mangocube6@yahoo.co.uk

To: mangocube6@yahoo.co.uk

Date: Saturday, 4 July 2015 09:35:25 PM AEST

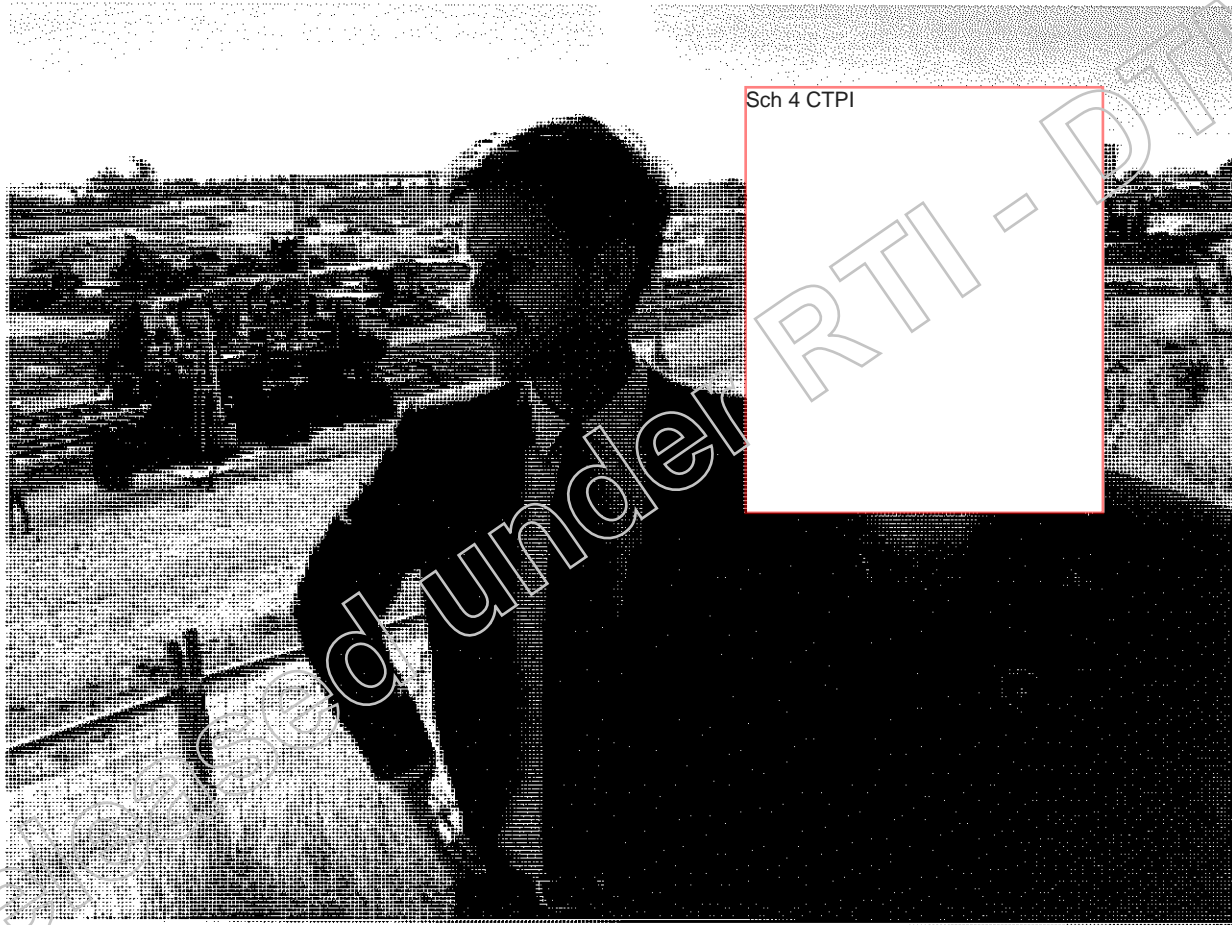
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Sent from my iPhone



IMG\_6817.JPG  
107.7kB

Released under RTI - DTMR



**Subject:** Fwd: Qld battery tech company raises \$3.7m, attracts 'guru' investors : Renew Economy

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Sunday, 5 July 2015, 11:19

here's what I sent earlier

Begin forwarded message:

**From:** Sch 4 CTPI

**Subject:** Qld battery tech company raises \$3.7m, attracts 'guru' investors : Renew Economy

**Date:** 25 June 2015 4:12:06 pm AEST

**To:** Mark Bailey <mangocube6@yahoo.co.uk>

and this..

<http://reneweconomy.com.au/2015/qld-battery-tech-company-raises-3-7m-attracts-guru-investors>

## Qld battery tech company raises \$3.7m, attracts 'guru' investors



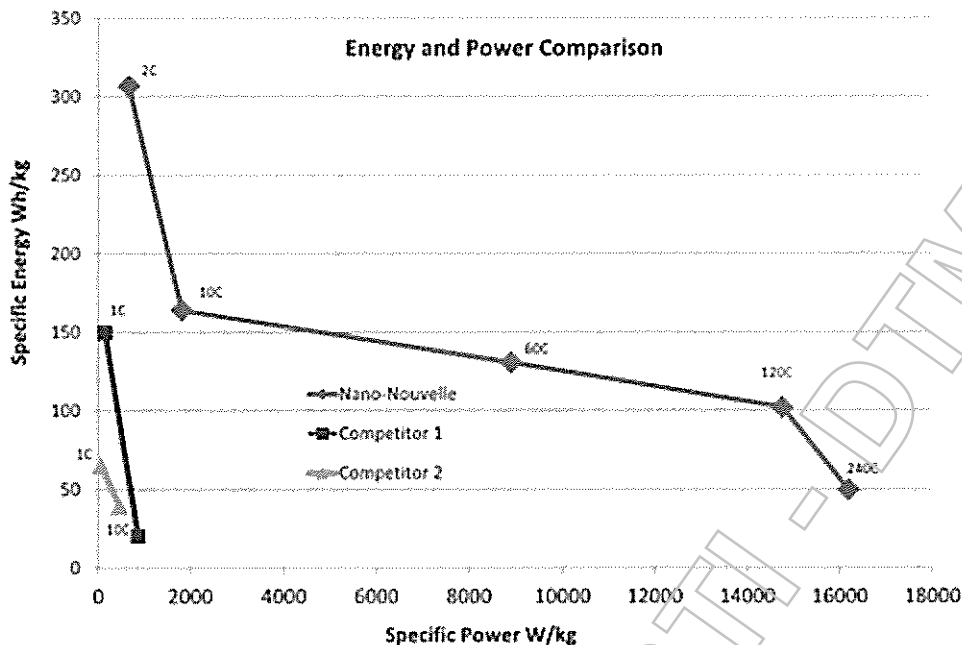
Queensland battery materials start-up Nano Nouvelle has successfully closed a \$3.7 million funding round, after its promising battery electrode technology attracted the interest of several high profile cleantech investors.

According to a company statement, investment was led by existing shareholder Terra Rossa Capital, with the substantial participation of well known cleantech supporters Simon Hackett and Bradley Maguire, together with nine other new and existing investors.

Nano-Nouvelle's "Nanode" -- which is working towards commercialisation from being purely conceptual in 2011 -- is a three-dimensional nano-structured, porous electrode aimed at overcoming the limitations of current batteries, by allowing them to charge faster and last longer than current commercial competitors (see graph below).



# Performance



Nano-Nouvelle

Nano Nouvelle Pty Ltd

8

According to the below video, the technology – which has the potential for a broad range of applications – is currently targeting a select few, including micro-hybrid energy storage and grid smoothing, and the mobile phone and tablet market; both of which are currently being tested in house, on a pilot scale.

It appealed to tech guru (and Tesla owner) Hackett for its potential to fast charge batteries in electric cars and in personal electronic devices.

“Nano-Nouvelle’s disruptive technology could change the way that we interact with battery-operated electronic devices,” Hackett said in a statement on Wednesday. Hackett has also invested in Queensland battery storage developer RedFlow, and is taking his Adelaide offices off-grid.

“The (Nano-Nouvelle) team understands this problem space very well and they are well advanced on the path to realising their vision,” he said.

Nano-Nouvelle was also awarded a top gong in the Investment Category of the annual IC Business Pitch Competition on the Sunshine Coast last August.

Judges were reportedly impressed by CEO Stephanie Moroz’s investment pitch, which they said clearly outlined a scalable business with innovative intellectual property, global licencing opportunities and a clear exit strategy.

Terra Rossa Capital, which first invested in Nano-Nouvelle back in 2011, said the company had continued to impress, and was now “progressing commercial relationships with the leading players in the global battery industry.”

Nano-Nouvelle says it will put the funding towards collaborations with customers, developing manufacturing processes, and ongoing product development.

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**Attachments**

- button-print-blu20.png (1.92 KB)
- Screen-Shot-2015-06-25-at-12.33.31-pm-590x445.png (87.83 KB)

Released under RTI - DTMR

**Subject:** Fwd: The story of the invention that could revolutionize batteries—and maybe American manufacturing as  
**From:** Sch 4 CTPI  
**To:** mangocube6@yahoo.co.uk;  
**Date:** Sunday, 5 July 2015, 11:20

Begin forwarded message:

**From:** Sch 4 CTPI  
**Subject:** The story of the invention that could revolutionize batteries—and maybe American manufacturing as well - Quartz  
**Date:** 28 June 2015 1:38:02 pm AEST  
**To:** Mark Bailey <mangocube6@yahoo.co.uk>

Good reading.. this is what Queensland could do..

<http://qz.com/433131/the-story-of-the-invention-that-could-revolutionize-batteries-and-maybe-american-manufacturing-as-well/>

## The story of the invention that could revolutionize batteries—and maybe American manufacturing as well - Quartz



The world has been clamoring for a super-battery.

Since about 2010, a critical mass of national leaders, policy professionals, scientists, entrepreneurs, thinkers and writers have all but demanded a transformation of the humble lithium-ion cell. Only batteries that can store a lot more energy for a lower price, they have said, will allow for affordable electric cars, cheaper and more widely available electricity, and a reduction in greenhouse gas emissions. In the process, a lot of gazillionaires will be created.

But they have been vexed. Not only has nobody created a super-battery; a large number of researchers have lost faith in their powers to do so—perhaps ever. Entrepreneurs such as Tesla's Elon Musk continue to tinker with off-the-shelf batteries for luxury electric cars and home power-storage systems, but industry hands seem generally to doubt that their cost will drop enough to attract a mass market any time soon. Increasingly, they are concluding that the primacy of fossil fuels will continue for decades to come, and probably into the next century.

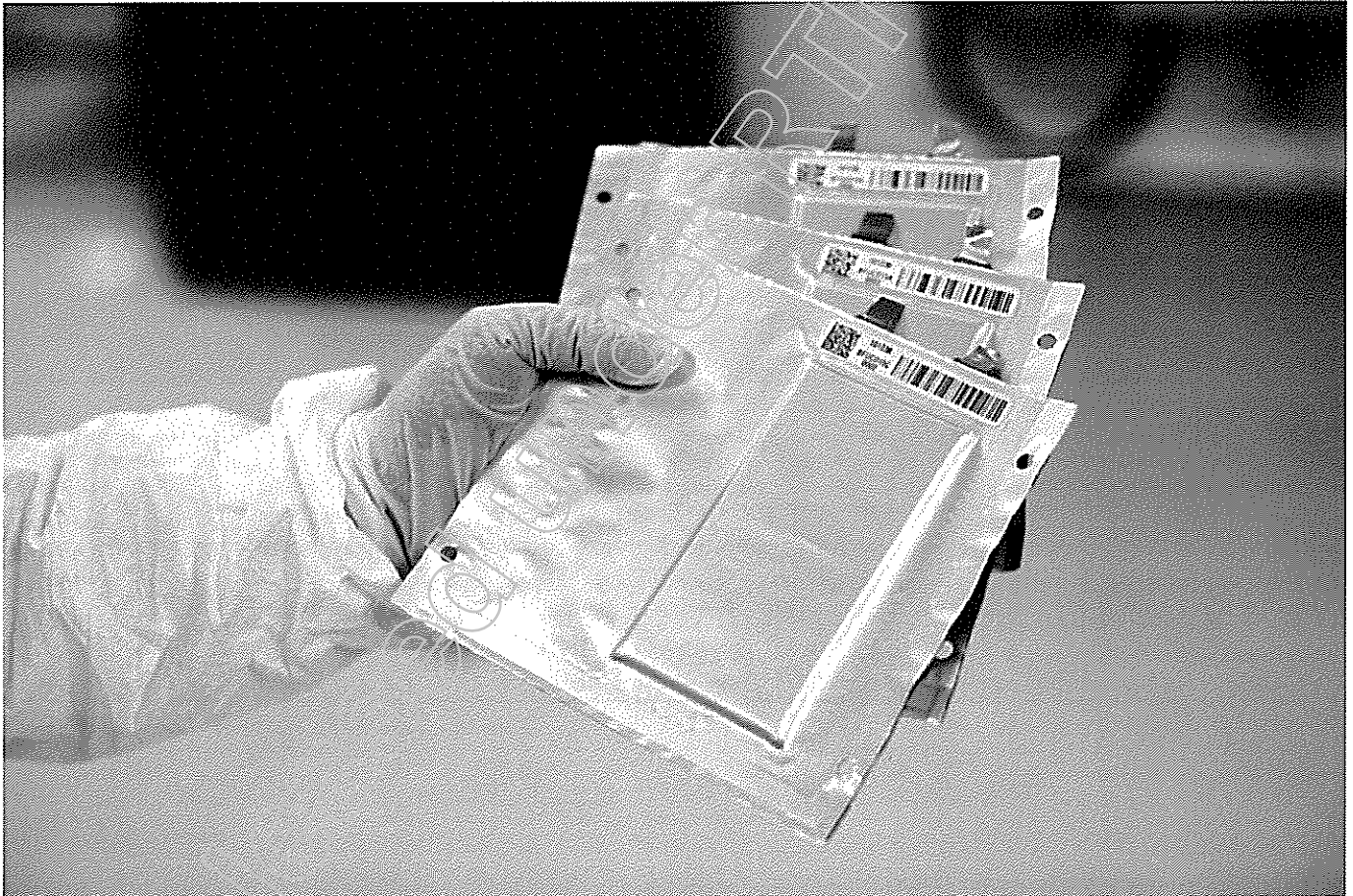
This is where Yet-Ming Chiang enters the picture. A wiry, Taiwanese-American materials-science professor at the Massachusetts Institute of Technology (MIT), Chiang is best known for founding A123, a lithium-ion battery company that had the biggest IPO of 2009. The company ended up filing for bankruptcy in 2012 and selling itself in pieces at firesale prices to Japanese and Chinese rivals. Yet Chiang himself emerged untainted.

In 2010, having rounded up \$12.5 million from Boston venture capital firms and federal funds, Chiang launched another company. Again, it was in batteries. And today, after five years in "stealth mode," he is going public. There may be a way to revolutionize batteries, he says, but right now it is not in the laboratory. **There may be a way to revolutionize batteries, but right now it is not in the laboratory. Instead, it's on the factory floor.** Instead, it's on the factory floor. Ingenious manufacturing, rather than an ingenious leap in battery chemistry, might usher in the new electric age.

When it starts commercial sales in about two years, Chiang says, his company will slash the cost of an entry-level battery plant 10-fold, as well as cut around 30% off the price of the batteries themselves. That's thanks to a new manufacturing process along with a powerful new cell that adds energy while stripping away cost. Together, he says, they will allow lithium-ion batteries to begin to compete with fossil fuels.

But Chiang's concept is also about something more than just cheaper, greener power. It's a model for a new kind of innovation, one that focuses not on new scientific invention, but on new ways of manufacturing. For countries like the US that have lost industries to Asia, this opens the possibility of reinventing the *techniques* of manufacture. Those that take this path could own *that* intellectual property—and thus the next manufacturing future.

This is the story of how that came about.



24M batteries.(Kieran Kesner for Quartz.)

## Manufacturing, the new frontier of innovation

Traditionally, big innovations have happened at the lab bench. A discovery is made and patented, then is handed off to a commercial player who scales it up. With luck, it turns out a blockbuster product.

But, according to a report published in February by the Brookings Institution, researchers are increasingly skeptical of the delineation between innovation and production. Breakthrough-scale invention, they say, happens not only in the lab, but also in factories.

This is not a new idea. Until 1856, for instance, steel was an ultra-expensive niche product. It was far more robust than iron, but no one knew how to make it economically. Its use was confined to specialty hand tools and eating utensils for the rich. But then British inventor Henry Bessemer,



stirred by French gripes about the fragility of cast-iron cannons, devised a process that reduced the cost of steel by more than 80%, roughly equivalent to iron. Steel—along with oil—went on to propel the latter part of the Industrial Revolution, along with the gargantuan 20th century economic boom.

If Bessemer had made his breakthrough today, it would be called “advanced manufacturing”—a label that has been broadly applied to next-generation fabrication methods such as 3D printing, modular construction of skyscrapers, and robotics. There is some hype around this term: The Brookings report identifies 50 industries in the US alone as “advanced,” and historic factory hubs such as the English city of Sheffield are renaming themselves as variants of “advanced manufacturing cluster.”

Nonetheless, entrepreneurs who develop genuinely novel manufacturing processes can enjoy the advantage of a patent and standing ahead of the crowd. While others will inevitably copy them, it will be a race to catch up. To the degree that such authentic advanced manufacturing moves forward, and can offer the US a chance to reinstate its prowess as a manufacturing hub, it's led in part by a few clean energy companies like Yet-Ming Chiang's.



Yet-Ming Chiang, 24M's founder (Kieran Kesner for Quartz)

## The birth of an idea

At 57, Chiang has short-cropped, gray-flecked black hair, and almost always wears blue, long-sleeved check shirts. He speaks in a soft, even cadence, and is prone to finishing his sentences with a disarming, open-jawed grin.

But if unassuming, Chiang is also tremendously driven. His science-centered business sense has earned tens of millions of dollars for his investors. He and his family live on a farm on the affluent outskirts of Boston, where he raises bees and chickens, and hunts and fishes nearby.

Chiang was born in Taiwan, where his father, a locomotive engineer, managed to save enough money to make a start in the United States. When the boy was 6, he found himself in Brooklyn, living with his family in an apartment with what he regarded as astonishingly high ceilings. When it was time for college, Chiang was admitted to MIT, and never left. His wife, Jeri, a Japanese-American from Hawaii, also has an MIT degree, as do his older sister and her husband.

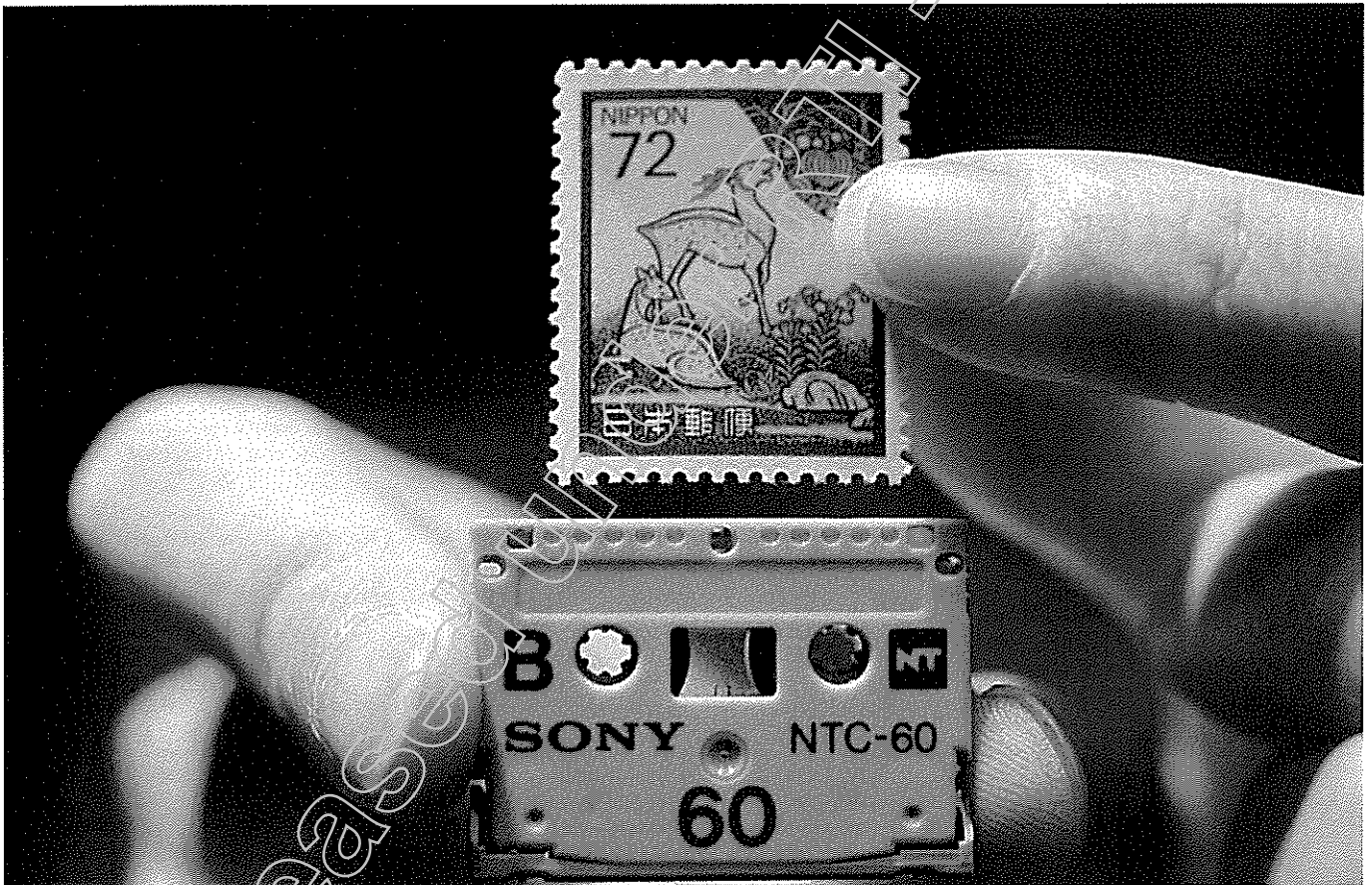
Like Stanford University now and the University of Copenhagen in the 1920s, MIT is a maw of discovery and celebrity scientists. **The cost for an entry-level battery plant is more than \$100 million.** Chiang calls it a “meritocracy”—a “praise-free zone” where “you are what you do and what you create. You should continue to try to prove yourself.” Chiang has used his own MIT perch to launch four venture-capital-funded startups, including his latest, a battery company called 24M.

Manufacturers are secretive, but analysts say a lithium-ion battery pack costs an average of roughly \$500 per kilowatt-hour, a measure of the energy a battery can store. That’s four times the price needed to compete directly with gasoline. Only about 30% of that \$500 is the cost of materials. The largest portion, 40%, goes to manufacturing.

Battery factories themselves are typically cavernous buildings the size of aircraft hangars. They contain assembly-line machines dozens of yards in length, often stacked one atop the other. The cost for an entry-level plant is more than \$100 million. In Midland, Michigan, XALT runs one of the most efficient and modern lithium-ion plants in the US. But, built with \$300 million in federal and state grants and credits, it is also sprawling—just under a quarter of its 400,000-square-foot (37,000 sq m) facility is devoted to the equipment, a space the size of six soccer fields. Tesla is embarked on the mother of battery plant buildouts, a \$5 billion lithium-ion factory in Nevada.

Such costs not only make batteries expensive. They also stifle innovation. Who, even with a promising new idea for a better battery chemistry, can build or borrow a \$100 million plant to try it out?

Chiang’s goal is to bring production costs down below \$100 a kilowatt-hour. That would allow startup plants to be built for much, much less, unleashing innovation. And it would also create a genuine contest with gasoline.



A cassette tape—the origin, incredibly, of how batteries are made.(AP Photo)

## The battery’s ungainly legacy

The reason battery factories are so huge—and why Chiang’s business model seems to have substance—goes back to a chance event at the birth of lithium ion.

The rise of lithium-ion chemistry in the early 1990s owes a lot to the peak and slow decline of two big consumer technologies—magnetic audio tape and nickel cadmium batteries. These two collided in the Camcorder, Sony’s entry into the nascent market for lightweight video cameras.

Sony realized that, if video cameras were to take off, they needed both to shrink—to more or less fit snugly into a consumer’s hand— **“We got sidetracked by a historical accident and a reluctance to switch to something that works (better)”**—Yet-Ming Chiang and to last longer on a single charge. The only way to accomplish that was to find a far more powerful, smaller battery.

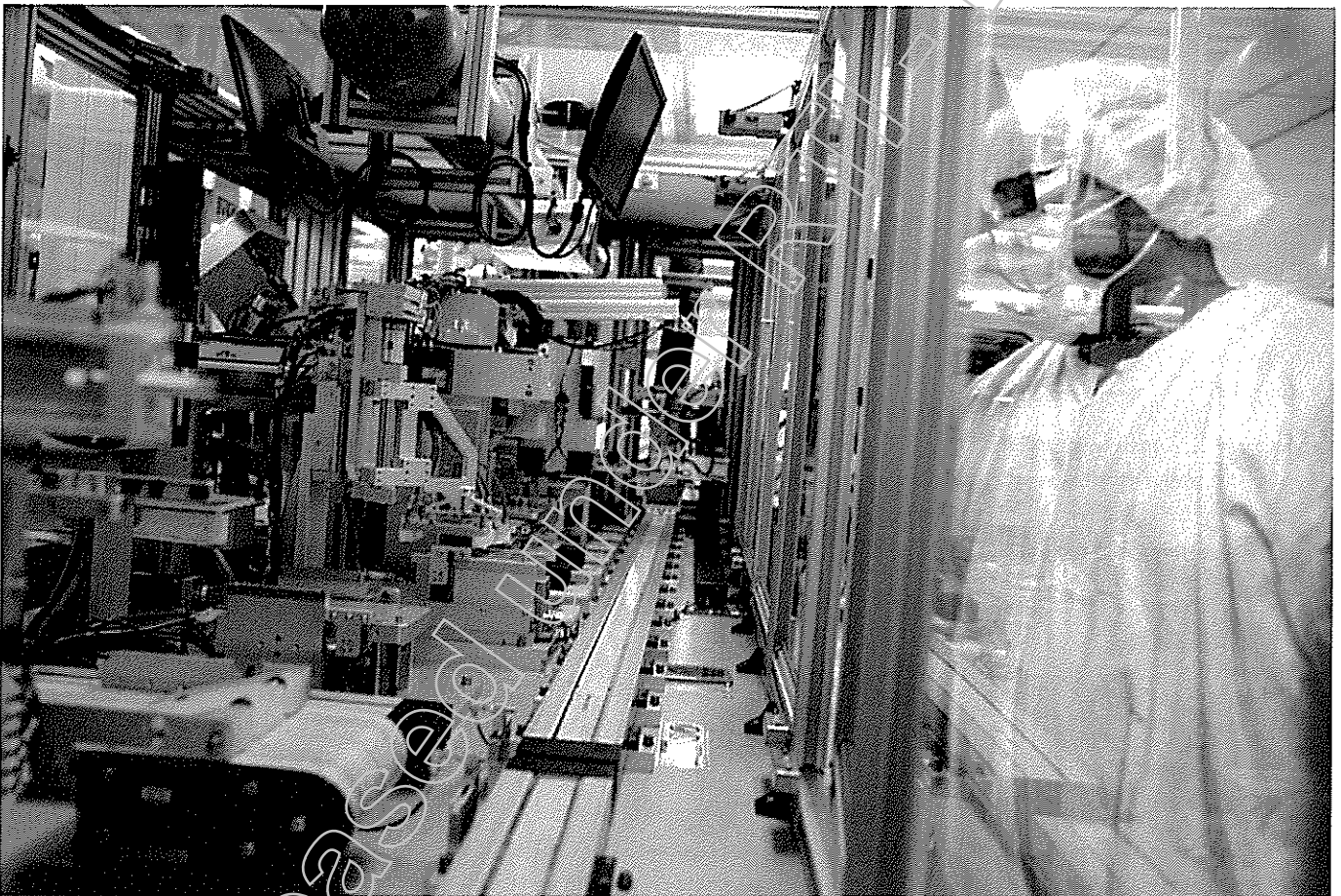
The result was the first lithium-ion cell, which Sony commercialized in 1991. Two years later followed the TR1 8mm Camcorder, the first lithium-ion-operated video camera. Both were blockbuster commercial products for Sony, and ignited furious competition.

But Sony also had to quickly figure out how to manufacture this new kind of battery on a commercial scale. Providence stepped in: As it happened, increasingly popular compact discs were beginning to erode the market for cassette tapes, of which Sony was also a major manufacturer. The tapes were made on long manufacturing lines that coated a film with a magnetic slurry, dried it, cut it into long strips, and rolled it up. Looking around the company, Sony's lithium-ion managers now noticed much of this equipment, and its technicians, standing idle.

It turned out that the very same equipment could also be used for making lithium-ion batteries. These too could be made by coating a slurry on to a film, then drying and cutting it. In this case the result isn't magnetic tape, but battery electrodes.

This equipment, and those technicians, became the backbone of the world's first lithium-ion battery manufacturing plant, and the model for how they have been made ever since. Today, factories operating on identical principles are turning out every commercial lithium-ion battery on the planet.

For Sony, the idle magnetic tape machines were a piece of good fortune. But Chiang regarded them as an ungainly legacy. The machines were big, and their process was slow and expensive. They were a large part of the reason batteries couldn't compete with gasoline. It was time to correct that mistake and figure out a new way to make the battery. "We got sidetracked by a historical accident and a reluctance to switch to something that works (better)," Chiang said.



A 24M employee checking the conveyor belt production of batteries. Kieran Kesner for Quartz.(Kieran Kesner for Quartz.)

## Going with the flow

At first, Chiang thought the best solution was an arcane and eccentric technology known as a "flow battery." His interest flummoxed many of the people he talked to.

A battery is superficially fairly simple. It essentially consists of two electrodes, which are the source of the electric charge, embedded in an electrolyte, through which the charge flows. In a conventional lithium-ion battery, the electrodes are solids, all stored in a single cell or pack.

A diagram of a redox flow battery.(Benboy00 via

Wikimedia Commons/CC 3.0)

A flow battery, by contrast, consists of chemicals suspended in liquid. This liquid is held in two separate tanks, from which they are pumped through a cell. There they meet, separated by a membrane. The act of pumping them generates a current that flows between them across the membrane.

To increase the capacity of a battery, you need to either boost its energy density, or make it bigger. For lithium-ion batteries, increasing the energy density—by tweaking the battery chemistry or finding a new kind—is the holy grail scientists are starting to despair of ever finding. Making them bigger is easy; Tesla has done just that for its cars. But they get expensive fast, because they require more of the costly metals, like nickel and cobalt, that go into the electrodes of lithium-ion cells.

By contrast, making a flow battery bigger is just a matter of bolting on larger storage tanks with more liquid inside. But the device would quickly become far too big to fit inside a car, and the liquid chemicals in a flow battery have a much lower energy density than a lithium-ion battery.

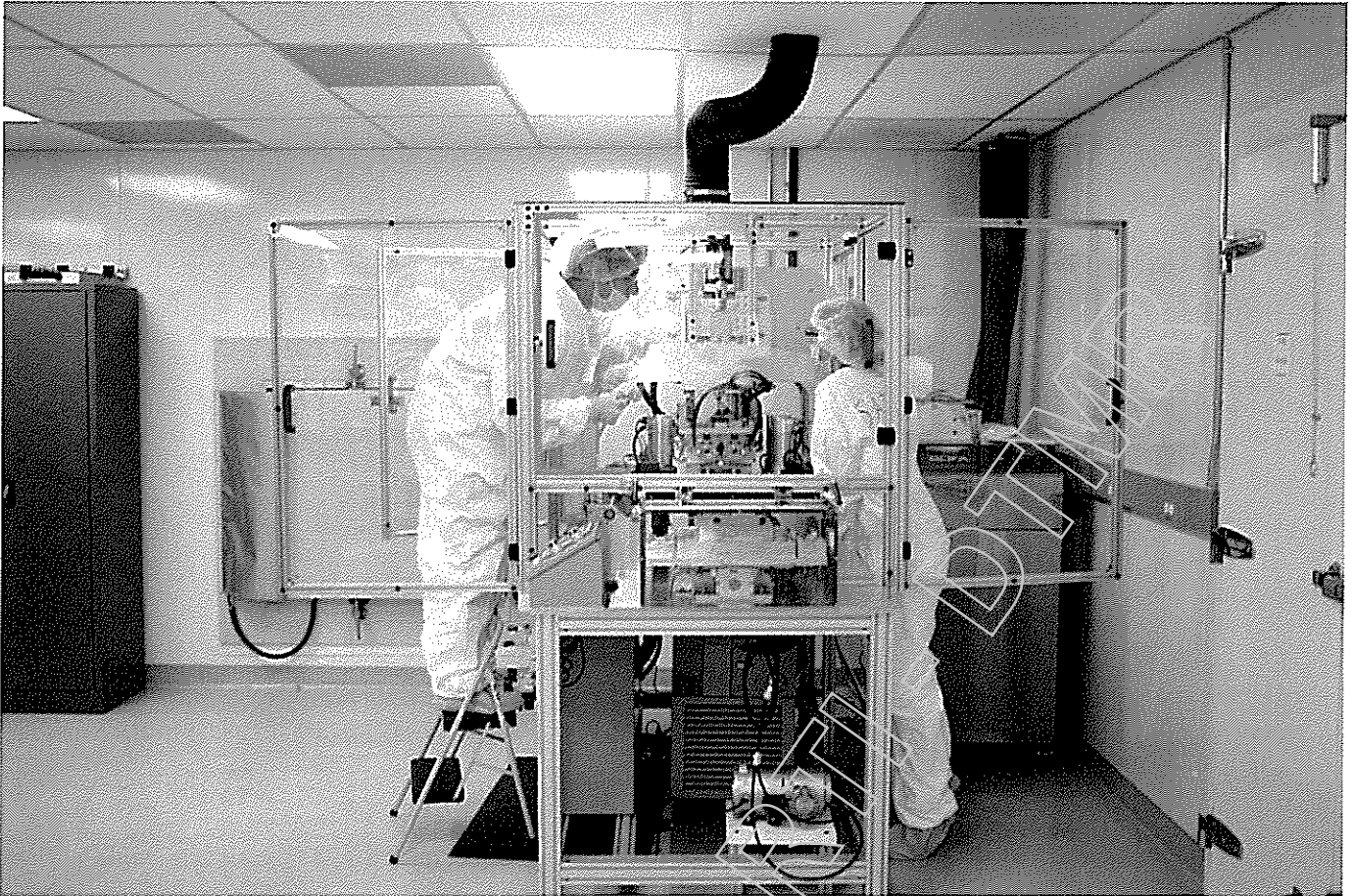
But what if you could have the best of both worlds? That was the original thesis of Chiang's new venture. If you could make a flow battery with lithium-ion chemistry—and its energy density—it would have smaller tanks than a regular flow battery. Above a certain size, the cost per kilowatt-hour would be below that of static batteries, and begin to compete with the economics of fossil fuels.

At MIT, Chiang assigned a Romanian undergraduate named Mihai Duduta to study the problem. A month later, Duduta had a working prototype. The rapid result was a surprise, and also evidence that Chiang was on to something. It was sufficient to attract \$10 million in funding from Boston venture capital firms, and another \$2.5 million from the Department of Energy. With that, Chiang opened 24M for business. Duduta was employee No. 1.

The company was operating in stealth mode, so little was released publicly. But in a 2011 paper in the journal *Advanced Energy Materials*, Duduta explained an order-of-magnitude increase in energy density through a "semi-solid" approach to flow—a lithium-ion battery that worked through "percolating networks of nanoscale conductors." Now, as far as the world was concerned, Chiang's latest startup was a quixotic hunt for a world-beating flow battery.

But that would soon change.





24M employees working on a machine that contributes to their battery production.(Kieran Kesner for Quartz.)

## An economic quandary

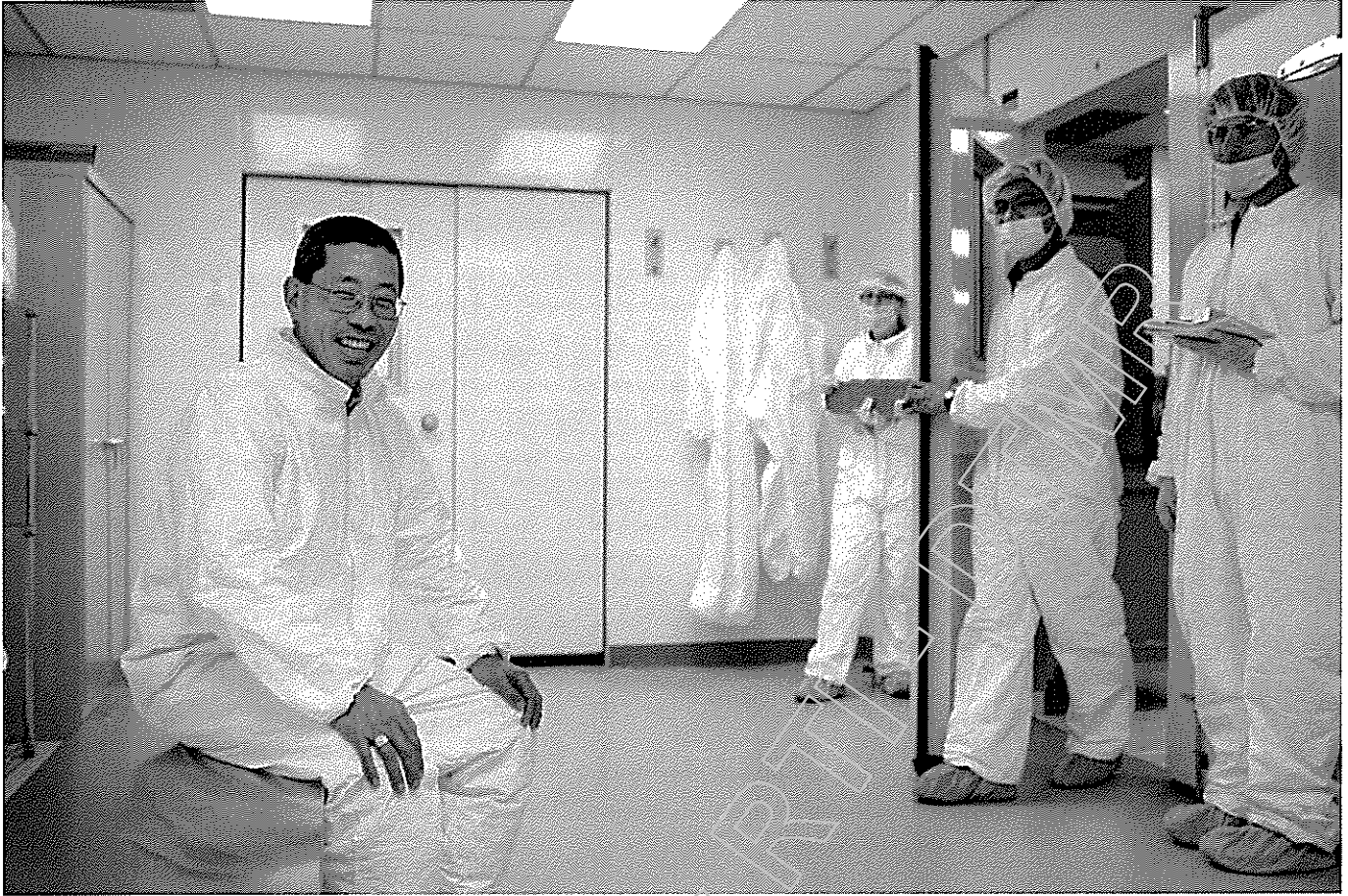
The success or failure of Chiang's idea was in part a function of size. How big would the tanks of lithium-ion flow batteries need to be in order for their cost per kilowatt-hour to drop below that of static batteries?

By late 2010, this problem weighed on Craig Carter, Chiang's long-time collaborator at MIT. When original 24M employees gathered for weekly meetings to parse their data, no one seemed to know what size tanks, test cells and other equipment to buy and make. The cost model they were using did not make it clear enough when the economic crossover from static batteries would occur.

That wasn't the only problem 24M was facing. Nobody had ever made a lithium-ion flow battery. Chiang's engineers were having trouble figuring out how to pump the electrolyte liquid through the system. The denser they made the slurry, to increase its energy density, the thicker and more sluggish it became. Potential customers, after being briefed by senior executives, offered little encouragement. Conventional static batteries already worked fine; why did anyone need a new kind of lithium-ion battery that also required a pump?

Meanwhile, a side experiment within 24M was starting to attract the attention of Chiang's junior researchers. For comparison purposes, Chiang had instructed them to create static lithium-ion cells alongside the flow project. "We can learn from them," he said. The results were interesting: the team had used the same liquid slurries as they had in the flow battery to make hundreds of static cells, and they put them through thousands of charge-discharge cycles. Their capacity remained stable. Unlike the flow experiment, they worked superbly.

After work, some of the junior staff including Duduta would troop downstairs for milkshakes at an eatery called Friendly Toast. There, they discussed the results from the static cells. These younger researchers were less invested than Chiang and the senior staff in the idea of flow, recalled one of them, Tristan Doherty, a former race engineer for Dale Coyne's Indy 500 racing team. Gradually they became convinced that the new manufacturing process they were developing should be devoted to making static, not flow, batteries. But how to get that message across to their elders?



Chiang in the control room where employees suit up before going to work. (Kieran Kesner for Quartz.)

## The moment when it all fell apart

It was in this environment that Carter was trying to figure out at what point flow batteries would become economical. Chiang did not seem to think it was a problem. “You may be wasting your time,” he told Carter. Carter persisted, and finally decided to put aside the cost model they were using and build his own. He enlisted one of the young staff—Jeff Disko, a Wyoming native who favors cowboy boots and self-carved silver belt buckles. “Let’s build it from scratch,” Carter told the younger man.

What he didn’t do was tell Chiang what he and Disko were up to. “He might have seen it as a distraction from going forward since we already had a working tool,” Carter said.

Disko worked around the clock for two weeks on the data while Carter created software that could visually display almost any battery variable—energy density, speed of charge, cost of parts, and so on. **To be competitive, a flow battery would have to be large enough to back up a facility the size of a nuclear power plant.** When they were done, they had a tool that finally revealed the crossover point at which Chiang’s battery would prove economical.

To say it would require enormous tanks would be an understatement. To be competitive with fossil fuels, a lithium-ion flow battery would have to be large enough to back up a stationary facility the size of a nuclear power plant serving tens of thousands of people. It was such a jaw-dropping result that neither Carter nor Disko believed it initially. They spent two weeks redoing the numbers and discussing the results. Disko began to vet it with the rest of the group. But there was no getting around it—the idea on which the company had been founded did not make financial sense.

In early 2011, they held what Disko called a “come-to-Jesus meeting.” He presented the visual tool. Until then, there had been the grumblings, but no brutally concrete juxtaposition of flow and static batteries. Now it seemed clear—unless you were aiming to back up the electricity system of a small city, it was better to build a static battery.

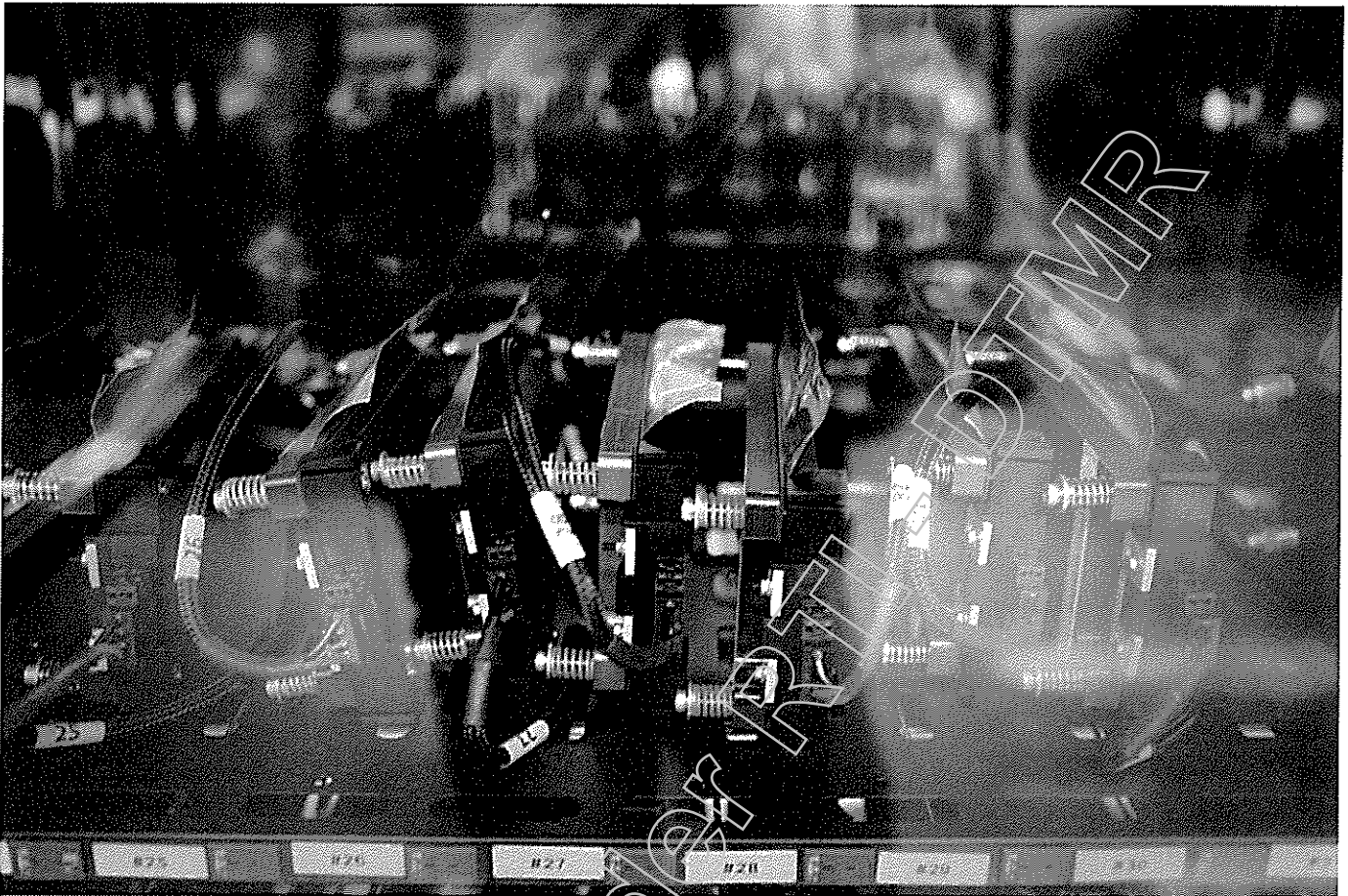
Chiang stared at the results. “So are you willing to bet the company?” he asked Carter.

“Yes,” Carter replied.

“Okay,” Chiang replied simply. He would think about it.

Two days later, an email went to all employees. Flow was out. The company would build a static battery.

It was a typical shift for a startup, in which initial notions rarely survive through the commercial stage of development. For his part, Disko felt “relieved. I think a lot of people did.” The manufacturing problems still needed to be solved. But now they would attack them differently. The cost model had proven its value. “There are benefits of changing direction—of turning on a dime,” Carter said. “Now we had something in which you could plant a flag and know it would stick.”



Batteries in their units at 24M.(Kieran Kesner for Quartz)

## Starting from zero

Now the researchers could return, metaphorically, to the age of the Camcorder and pose the question: If Sony hadn't had those magnetic tape machines lying around and had started from a blank slate, what would have been the most natural and best way to manufacture a lithium-ion battery?

Pumps intended to initiate the flow of electron juice started to disappear from the 24M lab. Then Duduta, the conceiver of the original 24M flow cell, waited a few weeks, before declaring, “I am going to make these [static] cells myself.”

There was no machine for this task, so Duduta stuck his arms into the black rubber gloves of an airless research box—known as a glove box—and began to hand-make cells. That meant mixing up the goop, or slurry, that comprises the two electrodes—the anode and cathode—and slapping them onto a thin film, separated by another plastic film.

A couple of the others joined him. Soon, six or seven researchers had their hands in the rubber gloves. They had created their own manual assembly line. They became good at it—they were producing automobile battery-size cells in just six minutes. Compared to the day-long process required in a conventional factory, that was lightning fast. But it was nothing to the speed with which Chiang would eventually want the process to go.

In the conventional process, the application of the slurry is relatively quick, but the drying stage can take 22 or more hours. You start out with wet slurry, then coat it onto film—using glue-like substances to make it hold—press it flat to make the electrodes denser, and finally dry it in an oven along the long, slow assembly line. Finally, electrolyte is injected into the battery cell, thus making it wet all over again.

**The final method was “a total shot in the dark” and involved a tube, a plunger, and some Teflon.** Apart from this slow process, conventional batteries have a second problem: 35% of their interior space is filled with material that doesn't contribute to generating electricity. That includes the binder that holds the slurry to the film; a separator that keeps the anode and cathode from shorting each other out; and a current collector that brings the charge to an electronic device.



Chiang wanted to reduce the manufacturing process to a single hour. And he wanted to shrink the space filler to almost nothing.

He started out by whacking out whole parts of the filler. His researchers developed a way to make the electrodes without the glue-like binder. Lithium-ion cells typically contain 14 separate material layers; Chiang simplified them, allowing him to reduce the layers to just five. He reduced the filler to 8% of the battery cell. Finally, he overturned the foundations of lithium-ion manufacturing by figuring out how to dispense entirely with the drying process; instead, he would inject the wet electrolyte into the cell from the start.

These were defining improvements. But, while he was at it, Chiang made some tweaks to the science of the battery, too. Most significantly, he made the electrodes four times thicker—500 microns, or half a millimeter, in diameter—which added a lot to the cells' energy density.

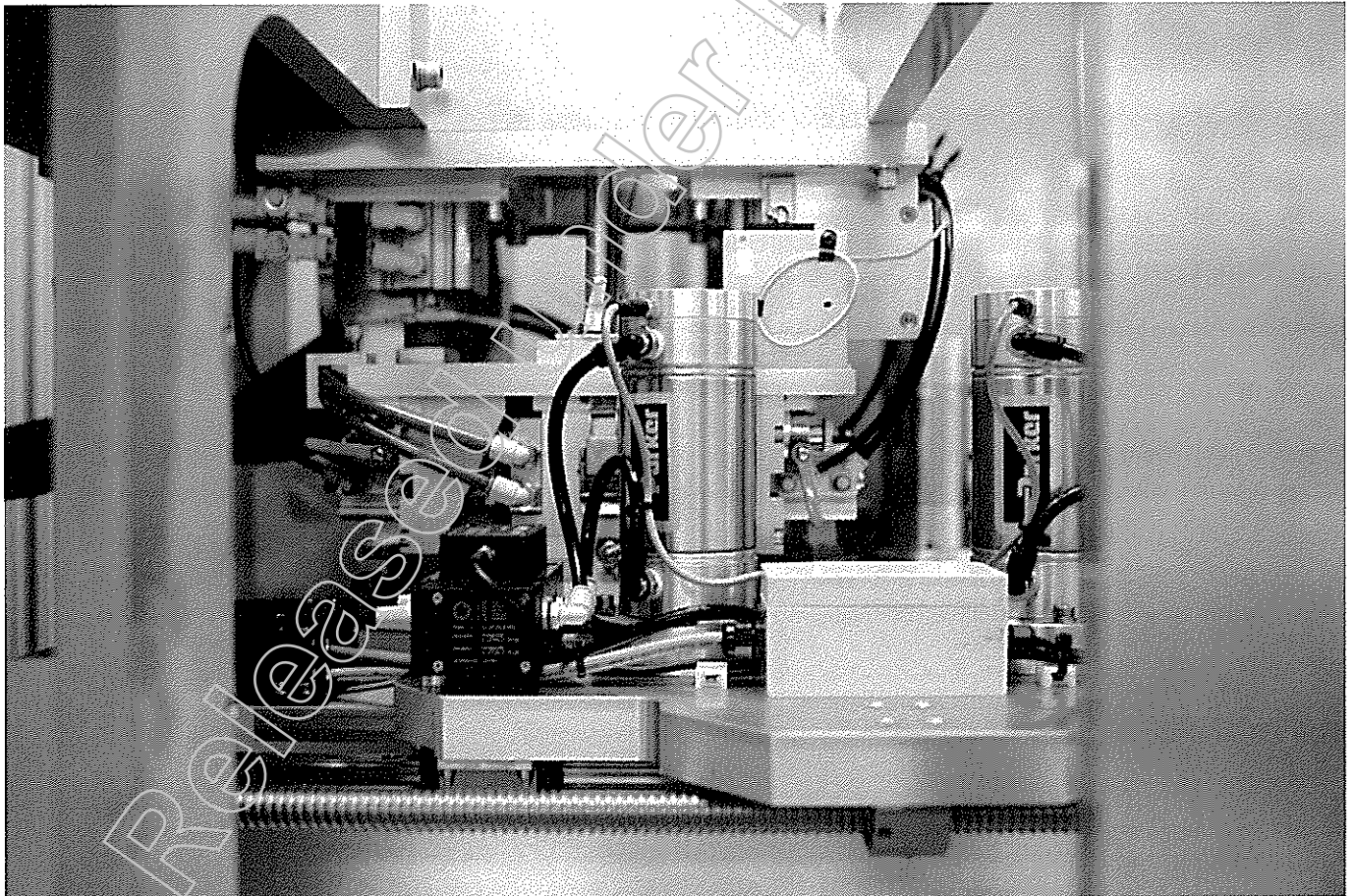
Still, there was the matter of how to actually get the wet electrode slurry onto film in a uniform density, thickness, continuity and rectangular shape, and to do so fast and in a way that could be replicated over and over again.

Some three dozen ways were attempted to get the slurry right. The final method was "a total shot in the dark," Doherty said, and involved a tube, a plunger, and some Teflon.

But the result was a manufacturing platform that currently spits out a battery cell in about two and a half minutes. The machine that does it isn't the size of a factory floor, but of a large refrigerator (see image below). As for the cells, Chiang calls them "semi-solid," a nod to their birth in research into flow batteries.

When I was visiting their lab recently, Chiang and 24M's CEO, Throop Wilder, stood around the machine as it spit out a fast cell in a perfect rectangle. Wilder started doing jumping jacks. "That's huge. That's what investors want to see," he said, shouting.

Chiang's sudden pivot to static batteries doesn't appear to have unnerved 24M's investors. In 2013, Chiang raised another round of \$25 million in cash, and last year PTT, the Thai oil company, invested \$15 million. In all, 24M has raised \$54.5 million. "They are able to introduce a novel battery that's 50% like bringing the economics of Moore's Law into an industry that doesn't have that," said Izhar Armony of Charles River Ventures, one of Chiang's VC investors.



The refrigerator-sized machine at the heart of 24M's manufacturing process.(Kieran Kesner for Quartz.)

## What it means for manufacturing

The push to improve the manufacturing, as opposed to the chemistry, of lithium-ion batteries has caught on with US government officials. The Department of Energy (DOE) is currently running a competition for three-year grants worth \$6 million to \$8 million for researchers promising

better manufacturing techniques. If they can make such progress, and add it to any advance on the scientific side, "then you've double-dipped," said David Howell, who runs the DOE battery research program. Howell said that is how he expects to make electric cars equivalent, in dollars per kilowatt-hour, with gasoline.

The advanced manufacturing movement has spread to solar as well. **The solar-panel industry's standard manufacturing method "is reminiscent of how the Greeks made glass."** Frank Van Mierlo, founder of a Massachusetts solar panel company called 1366, said that his own industry's standard manufacturing method "is reminiscent of how the Greeks made glass." He said his company has devised a new way to make panels that chops out much of the inefficiency.

In a new report, McKinsey describes a broad new age of manufacturing that it calls Industry 4.0. The consulting firm says the changes under way are affecting most businesses. They are probably not "another industrial revolution," it says, but together, there is "strong potential to change the way factories work."

For decades, the US has watched its bedrock manufacturing industries wither away, as they've instead grown thick in Japan, in South Korea, in China, Taiwan and elsewhere in Asia. According to the Economic Policy Institute, the US lost about 5 million manufacturing jobs just from 1997 to 2014. This includes the production of lithium-ion batteries, which, though invented by Americans, were commercialized in Japan and later South Korea and China.

So Chiang's innovation could be a poster-child for a new strain of thinking in the US. This says that, while such industries are not likely to return from Asia, the US can possibly reinvent how they manufacture. The country wouldn't take back nearly as many jobs as it has lost. But there could be large profits, as the country once again moves a step ahead in crucial areas of technology.

To be clear, this is not Chiang's goal. He is a professed universalist, divorced from scientific realpolitik. But should he succeed, as he plans to, then in addition to helping to decode the perplexing problem of batteries, he might contribute to continuing America's political and economic dominance.



24M employee working in the Cambridge lab.(Kieran Kesner for Quartz)

## The road ahead

Chiang and Wilder are about to embark on a third round of investment, seeking \$20 million to \$30 million. They would spend the money to scale up to production of a new machine that makes a cell every two to ten seconds. This machine, to be available for sale in two years, would be for stationary electric batteries—used to power businesses, neighborhoods and utilities, rather than cars.

The machine would have a capacity of 79 megawatt-hours a year and produce any kind of lithium-ion battery for a cost of about \$160 per kilowatt-hour. By 2020, Chiang says, that will be down to about \$85, 30% below where conventional lithium-ion batteries—whose cost is also dropping—may be by then. But most importantly, the machine would be priced at about \$11 million. Hence, the startup cost of getting into lithium-ion battery manufacturing would plummet. “It’s so far out of the paradigm, you just don’t believe it,” said Wilder.

If 24M creates this machine, and if it can sell it into the market—an entirely different question—it will clearly shake up big industries, including stationary and electric car batteries, not to mention utilities. How quickly is anyone’s guess.

Chiang seems ambivalent as 24M begins to disclose what it’s been doing all these years. Until now, the entire industry has had a singular idea of how batteries are manufactured. Chiang’s own rivals were, until today, convinced that he was on a far-fetched crusade to figure out flow batteries.

But now, if they look hard at what he is really doing, and accept his approach, they may attempt to copy him. “If you haven’t seen the movie play out before, you don’t have the confidence it can be done,” he said. But staying a step ahead is also part of the startup game.

**You may also like: The man who brought us the lithium-ion battery at the age of 57 has an idea for a new one at 92**

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#### Attachments

- 24m-feature-2.jpeg (160.61 KB)
- 24m-img\_9340.jpg (114.66 KB)
- 24m-img\_9625.jpg (194.12 KB)
- ap4912619573881.jpg (71.17 KB)
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- 24m-img\_9403.jpg (132.33 KB)
- 24m-img\_9516.jpg (168.07 KB)
- 24m-img\_9342.jpg (145.53 KB)
- 24m-img\_9467.jpg (163.65 KB)

Released under RTI - DIMP

**Subject:** Fwd: Solar wars: How networks discriminate against solar households : Renew Economy  
**From:** Sch 4 CTPI  
**To:** mangocube6@yahoo.co.uk;  
**Date:** Sunday, 5 July 2015, 11:21

this is critical analysis

Begin forwarded message:

**From:** Sch 4 CTPI  
**Subject:** Solar wars: How networks discriminate against solar households : Renew Economy  
**Date:** 25 June 2015 3:38:22 pm AEST  
**To:** Mark Bailey <mangocube6@yahoo.co.uk>

Hi Mark.. a bit of a technical wade, but good analysis for your a  
<http://reneweconomy.com.au/2015/solar-wars-how-networks-discriminate-against-solar-households-80029>

## Solar wars: How networks discriminate against solar households

The Australian Energy Regulator (AER) has rejected SA Power Network's (SAPN's) proposal to charge households with rooftop solar higher prices than they charge households without. An exciting day for the tariff tragics amongst us. Others might ask why the big fuss – households don't see the network charge (retailers absorb it and then pass it on, not necessarily in the same way that they charged). Stick with it, sweating the details will reward.

SAPN suggested that households with rooftop solar should pay higher prices than non-solar households because it said their evening peak demands are a few watts higher than households without solar. The AER said the difference is not meaningful (or demonstrated) and so SAPN's argument for discriminating between households with and without PV on this basis does not pass muster. They have invited SAPN to sharpen their pencils and try again.

Whether or not solar households' evening peak demands are a few watts per hour higher is not the point anyway. The bulk of the cost of a distribution network is not in its residential feeders but in its zone and distribution substations and in the higher voltage ring mains and meshed network. It simply does not matter whether households with rooftop PV consume a little more in the evening than households without PV.

In fact if you look at the situation more closely you find that a quarter of South Australia's households with solar panels on their roofs are getting no credit for the third of their PV capacity that is producing electricity at the time of the simultaneous peak on SAPN's network. It is at the time of this simultaneous peak demand that, by definition, the network is being used to the greatest extent. "Cost reflective" tariffs should mean *lower* not higher network prices for households (or businesses) with PV, whose panels inject electricity into the grid in the opposite direction to the prevailing flows, when it is most needed.

So, why then did SAPN propose to raise prices for households with PV? Quite simply households with PV consume less electricity from the grid than they did when they did not have the panels and SAPN wants to get back as much from them as they used to. This has nothing to do with "cost reflective" tariffs. It is about the recovery of SAPN's historic expenditures (and SAPN's profits thereon).

SAPN is not alone in this. Figure 1 below compares how the average price for network services for households with PV compares to the average price for households without, with this difference expressed as a percentage of the network tariff.

**Figure 1. Difference between network price for households with rooftop solar compared to households without (positive difference means households with rooftop solar are paying more)**

*Source: Rooftop solar PV and network tariffs: Information and discussion. Prepared for UnitingCare Australia.*

The tick-up in SAPN's proposed solar tariffs for 2015/16 (the red line) is visible. But it is also clear that SAPN is not the worst offender and that other distributors have been at this game – particularly AusNet and CitiPower in Victoria – for some time. CitiPower in particular charge households with PV that receive the premium feed-in tariff (of which I am one) about 50% more than they charge households without PV.

Also, to SAPN's credit, unlike other distributors, they are not trying to foist higher fixed charges onto households with PV, but have instead proposed higher variable charges. Even if SAPN has erred in setting higher prices, they have at least proposed an economically sensible price structure.

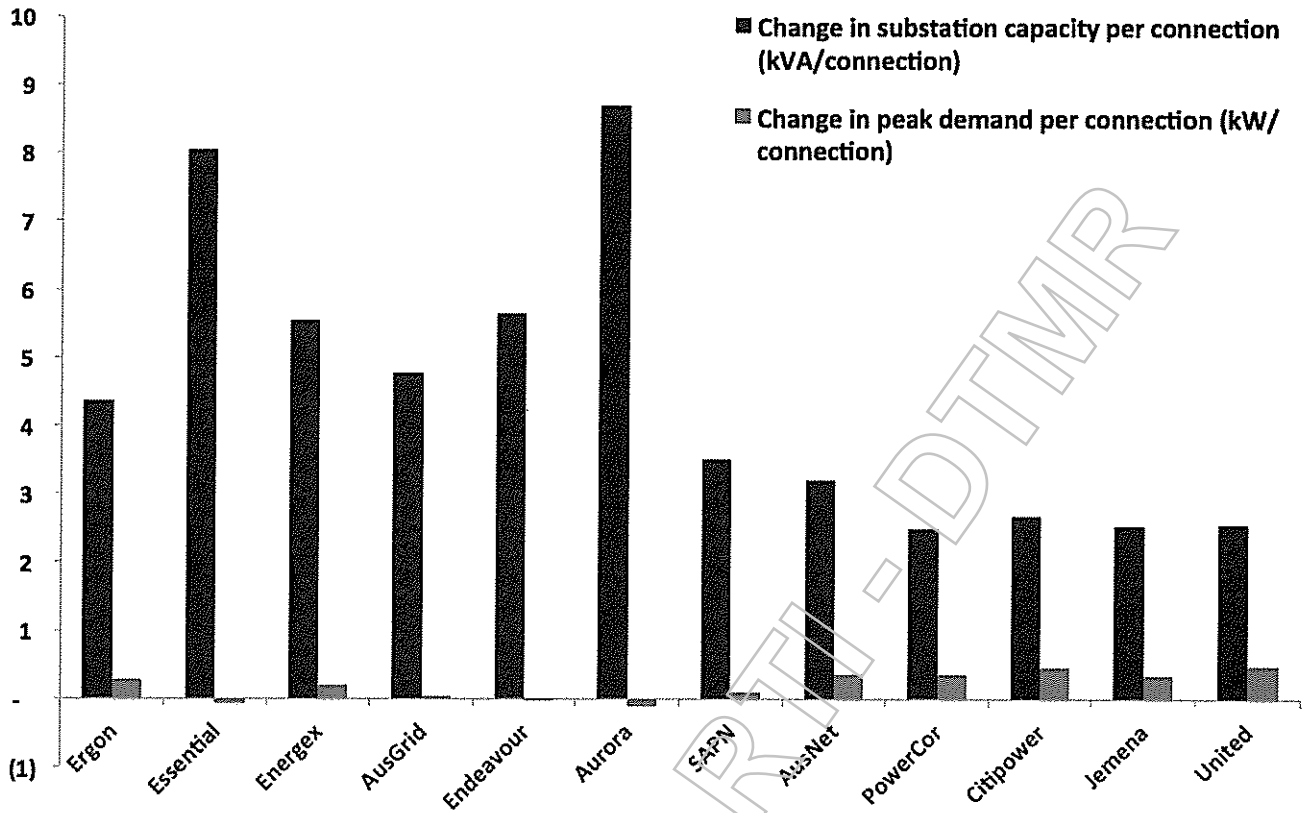
The AER's decision to reject this solar network tariff is a first. But AusNet Services, CitiPower, Powercor and AusGrid have discriminatory network tariffs for Premium Feed-in Tariff recipients. AusGrid's was at one time "cost reflective" and so meant lower network prices as it should. The Victorian distributors went the other way and AusNet Services persists with a significantly adverse network tariff for solar customers, as Figure 1 shows. The AER will now need to direct its attention to those distributors who are clearly discriminating against households with rooftop solar, whose tariffs the AER has in the past approved.

Prices, when you look at them carefully, can tell you so much. The distributors' attempt to charge PV customers more, is a reflection of the challenge that the industry is facing of technology change (PV and soon also batteries) that is providing consumers with the opportunity for greater self-sufficiency. Many are grabbing this opportunity, as they should, and long-standing monopolies are being undermined.

This technology change is occurring after the distributors have been on a protracted spending spree, vastly augmenting network capacity that is now not needed. Figure 2 shows the additional substation capacity that distributors in the National Electricity Market installed between 2006 and 2013 and compares it to the change in demand over this period, both expressed per connection. Many economists have spent their lives thinking about regulatory arrangements that try to prevent outcomes such as this.



Figure 2. Change in substation capacity and peak demand per connection between 2006 and 2013 (kVA/kW per connection)



Source: Regulatory Information Notices, CME analysis

Such massive expenditure (in combination with the other capital expenditures) has left Australia’s distributors – particularly its government-owned distributors – with regulated assets per connection far above those of peers in other countries as shown in Figure 3.

Figure 3. Regulated asset base per connection for distributors with more than 35,000 connections in Australia, New Zealand, Ontario, Great Britain and Norway

Source: Data from national and regional energy regulators, CME analysis

Network service providers like to characterise the problem as one of subsidy to free-riding households who have installed PV. It is understandable that they would want to characterise it that way, they are losing business to those customers that are going their own way. The distributors are right that there is a subsidy, but it is not to households with PV. The subsidy is from consumers to distributors allowing the distributors to profit on many years of deeply wasteful expenditure.

Mistakes of the past should not be allowed to undermine economically sensible futures. The AER’s decision to reject SAPN’s discrimination against households with rooftop solar is a welcome first step in the right direction.

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**Attachments**

- button-print-blu20.png (1.92 KB)
- Trina-5.0kW-Solar-System1.jpg (224.58 KB)
- rsz\_screen\_shot\_2015-06-25\_at\_23742\_pm.jpg (48.85 KB)
- Screen-Shot-2015-06-25-at-2.37.55-pm.png (77.72 KB)
- rsz\_screen\_shot\_2015-06-25\_at\_23806\_pm.jpg (36.97 KB)

Released under RTI - DTMR

**Subject:** it's called the 'headroom charge'

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Sunday, 5 July 2015, 11:25

<http://reneweconomy.com.au/2013/graph-of-the-day-why-australian-households-hate-energy-companies-42376>

## Graph of the Day: Why Australian households hate energy companies

Is there anything less loyal than an energy customer? The Australian energy market boasts one of the highest rates of “market churn” – the number of customers who change their energy providers – in the world. In 2011, Victoria had the highest in the world with more than one in four customers changing utilities, and it seems that the churn rate – as our graph of the day shows – is increasing, at least on a national basis.

Energy retailers say this is a sign of competition – Victoria has Australia’s only deregulated retail energy market, although the churn rates remain high in other states.

That may be, but it’s costly to customers. AGL last year said it cost nearly \$200 to “buy a customer” – relating to the size of the discount offered to new customers. And someone has to pay for it. Guess what, it’s the other customers.

In Queensland, for instance, the Queensland Competition Authority calculates an appropriate “headroom” for electricity retailers to play the market. This is over and above the normal “retail margin” that the energy utilities enjoy, and is paid for by all consumers.

In fact, the total amount of headroom proposed by the QCA is greater than the cost of green energy schemes. So even though the majority are paying extra so that the utilities can offer discounts to a minority of consumers, you don’t hear (conservative) governments complaining about this as much as they do about green energy schemes. Is there an inconsistency here?

This Graph of the Day is provided by Origin Energy, to highlight how they had capped their rate of churn in the gas and electricity retail markets – except for the NSW market. Another of the big three energy retailers, EnergyAustralia this week said its churn rates were also below average in NSW and Victoria, and AGL said today its churn rates of 18.9 per cent were well below the national average of 23.2 per cent (up from 22.2 per cent last year).

Which makes you wonder, who is losing market share? It certainly stumped leading analyst John Hirjee from Deutsche Bank, who last year noted that all three energy retailers had claimed below market churn

rates. "We continue to scratch our heads as to how" this is so, he said in a note to clients.

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**Attachments**

- button-print-blu20.png (1.92 KB)
- Screen-Shot-2013-02-21-at-10.46.04-AM.png (36.36 KB)

Released under RTI - DTMR

**Subject:** This explains the Headroom charge: Great big tax on electricity: The money-go-round on discounts

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Sunday, 5 July 2015, 11:28

<http://reneweconomy.com.au/2013/great-big-tax-on-electricity-the-money-go-round-on-discounts-25196>

## Great big tax on electricity: The money-go-round on discounts

A few weeks ago at the A2SE Summer Study conference in Sydney, there was a vigorous discussion about the role of the media in the policy debate about clean energy and energy efficiency. Just why was it so hard to get the message across about the value of new technologies? One answer may be that we are obsessed with the price of everything, and the value of nothing.

John Rolfe, from the Daily Telegraph, gave a solid defence of his paper's focus on cost of living issues when addressing issues such as climate policies and clean energy initiatives. He was particularly proud of his role in killing off solar feed in tariffs in NSW, which he noted had caused bills for all households, and particularly his paper's readers, to increase. And he was equally proud of his paper's support of the One Big Switch program, which had helped tens of thousands of consumers find cheaper electricity contracts with a new provider.

But should he really be proud of that achievement? Is switching really one in the eye for the electricity retailers? Not as much as you would think: The discounts paid to a fraction of the electricity users, and the fees paid to the likes of One Big Switch, and encouraged by the retailers themselves under the name of "competition", is funded by a massive cross subsidy on all households, including those who either can't switch suppliers, or are just not aware that they could.

In Queensland, this subsidy is set at 5 per cent of electricity bills to be paid by all. That 5 per cent is added to the bills of every consumer – and it is one and a half times *more* than the cost of the renewable energy target and other green energy schemes, according to the data provided by the Queensland Competition Authority.

The trouble is, switching between suppliers on the basis of cost only – and funded by a cross subsidy – does absolutely zero to help the energy system evolve from the inefficient, centralised model that rewards dirty and polluting fossil fuels. It merely encourages retailers, networks and generators to produce, transport and sell as many electrons as they can – to the perpetually rising cost of the consumer.

This 5 per cent addition to the electricity bill is known as "headroom", and is additional to the normal retail "margin", which is designed to give electricity retailers enough money to pay their costs and get a

decent return. In fact, retail costs, including this “headroom”, account for 20 per cent of the average Queensland electricity bill.

The electricity retailers want this headroom, in Queensland and another regulated state such as NSW, to be made much, much bigger, in the “interests of competition”. The bigger the headroom, the higher the bills paid by all consumers, so the bigger the discount to be offered to a minority of users – to no cost of the retailers.

“Competition in the electricity market is based on discounting – without headroom it will be difficult for retailers to induce customers to switch,” AGL Energy wrote in a submission. It wants a “much higher headroom” allowance than the 5 per cent recommended by the QCA, so it can receive more revenue and use that to offer bigger discounts. The Energy Retailers Association agrees with the principal of this money-go-round. It says “sufficient head room is essential to offer customers with a competitive market offer whilst maintaining costs.”

Large users and consumer groups say this is absurd.

Some groups such as cane growers, who deal with a monopoly regional retailer and have no avenue to switch providers or obtain discounts, are livid that they are being hit with extra costs and subsidising discounts to other users.

MSF Sugar said in a recent submission to the Queensland Competition Authority that the headroom was delivering “millions of dollars’ in extra profits to regional utility, Ergon Energy. AgForce, which represents agricultural employees, said much the same thing: Users in rural and regional areas paying this headroom were simply cross-subsidising other users or delivering extra profits to Ergon.

The Queensland Council of Social Services has questioned the headroom, saying it was neither economically efficient or consistent with the overall transition to more cost-reflective price signals. It could see “no additional longer term benefits”, said it would merely force prices up until competition drove them back down to where they were before, and disadvantaged those who had no access to competitive offers, or lacked “awareness or understanding” of the other options available to them.

The Public Interest Advocacy Centre is also dismissive of the logic of “increasing prices in order to increase competition and thereby place downward pressure on prices”. It says allowing for headroom in such a way “seems to place the interests of retailers above those of consumers.”

Even the QCA seems to agree with that: “While the Authority notes that including an explicit allowance for headroom in notified prices provides a “free kick” to those retailers with large numbers of non-market customers, those customers able to access a market contract can avoid this additional cost.”

So that’s just too bad for those who can’t. It’s a little like the massive cross subsidies paid by those who don’t have, or can’t afford, air conditioning units to those who do – again to the benefit of the network providers who get paid more money to build more poles and wires, or provide more electricity. It perpetuates a business model that is becoming redundant, or at least should be.

Meanwhile, the value of new technologies – energy efficiency and decentralized generation, such as solar – that could reduce the spiraling costs of the centralized hub and spoke models continue to be ignored. Maybe it's time that The Daily Telegraph took up the story and did the battler a real favour on cost of living.

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**Attachments**

- button-print-blu20.png (1.92 KB)

Released under RTI - DTMR

Subject: FW: TransLink feedback form- ^ [Sch 4 CTPI] ^ \_

From: [Sch 4 CTPI]

To: mangocube6@yahoo.co.uk

Cc: [Sch 4 CTPI]

Date: Sunday, 5 July 2015, 1:08:52 pm AEST

Dear Mark

Following the incident with my [Sch 4 CTPI] last week I am forwarding my response to Translink for your information.

I am not satisfied that effective action has been taken to ensuring long term change to the Translink system and simply do not want this to occur to anyone else. Through informal discussions I am already getting feedback from friends regarding similar incidents and believe this is one of many.

I hope we can work together for change.

Thanx

[Sch 4 CTPI]

From: [Sch 4 CTPI]

To: translink@translink.com.au

Subject: RE: TransLink feedback form- [Sch 4 CTPI]

Date: Sun, 5 Jul 2015 13:03:38 +1000

Dear Jamie

Apologies for the delay in responding to this. [Sch 4 CTPI]

I would like to respond to the action being taken to highlight that I believe it is inappropriate. I do not wish to cause Translink trouble but believe that more effective action is required to ensure this does not ever happen to another family with more dire consequences.

Some of the things I would like to see happen are:

- 1. Policy and practise to incorporate that no minor is ever left at an unattended station.
- 2. Processes for emergencies and being able to contact someone for assistance are changed to respond to this type of crisis immediately and not taken as an "urgent complaint" to sit in the system for days.

3 [Sch 4 CTPI]  
4

Could you please advise how we can progress these issues to ultimately ensure a safer and more reliable Translink system?

Regards

[Sch 4 CTPI]

From: TransLink@translink.com.au

To: [Sch 4 CTPI]

Subject: TransLink feedback form- [Sch 4 CTPI]

Date: Tue, 30 Jun 2015 02:48:10 +0000

Dear [Sch 4 CTPI]



Thank you for taking my call today, and for your patience while we investigated this incident. I understand it was a

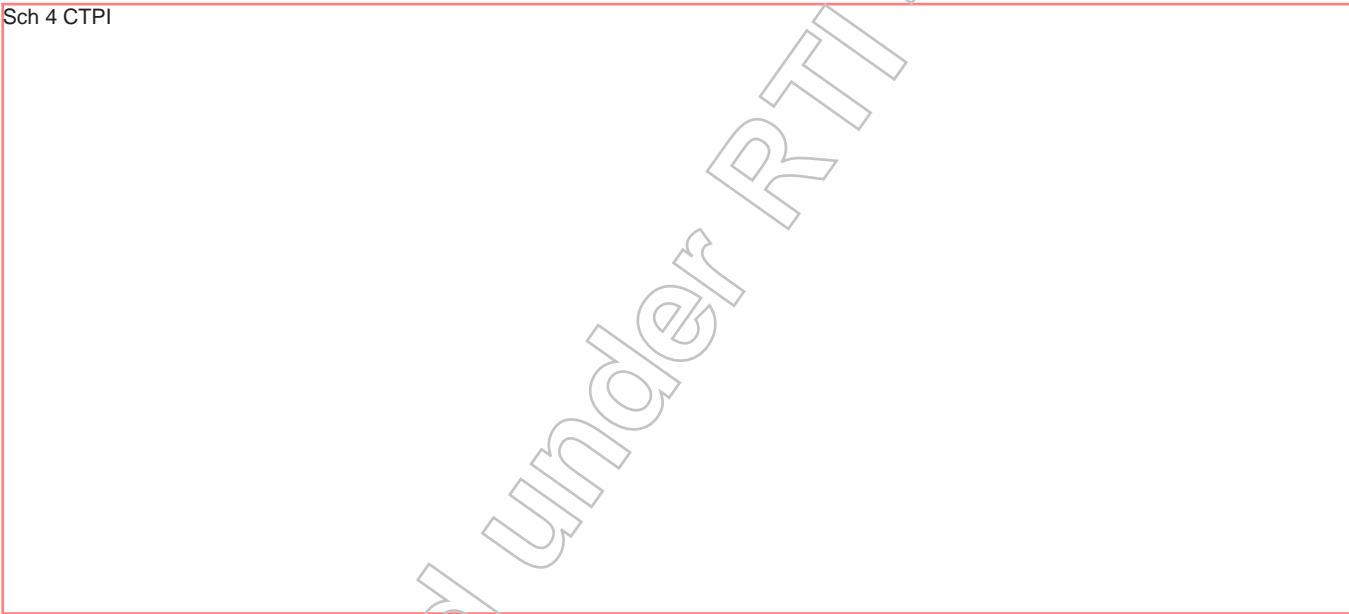
Sch 4 CTPI

Let me start by again apologising for the failure to adhere to process that has resulted in your Sch 4 CTPI being left at Sch 4 CTPI on Friday, and we'd like to thank you for pointing out the lack of a process for children left at an unattended station.

As I mentioned in our phone call, TransLink and our service providers take incidents like this very seriously and we do our best to minimise the impact this can have on customers. We currently have a process in place that ensures children left behind by a bus can be picked up by what we call a "sweeper bus"- a replacement bus that picks up children who have missed their intending bus. You've pointed out that there's a lack of a process with Queensland Rail and you're correct, we'll be in talks with Queensland Rail to ensure we and they are communicating the fact that there are emergency buttons at stations, and ensuring these buttons are visible and functioning at all times.

In regards to the Senior Network Officer (SNO) who your Sch 4 CTPI spoke to, they have not followed their process in the first instance and this has resulted in your Sch 4 CTPI. If a juvenile is intercepted without a valid ticket on rail and with no valid excuse, Senior Network Officers would typically take the course of action of issuing a warning notice. A warning notice is not a formal penalty infringement notice (we do not issue these for juveniles), but is valid for travel purposes to the nominated destination station. As I said on the phone earlier, warning notices are also used as an education tool for passengers and a record is kept on file to assist in identifying any repeat behaviour.

Sch 4 CTPI



If you have any further information you'd like from us, or anything further we can do for you, please don't hesitate to let us know.

Kind regards

Jamie

TransLink Customer Relations

\*\*\*\*\*

WARNING: This email (including any attachments) may contain legally

**Subject:** Re: TransLink feedback form- Sch 4 CTPI

**From:** Mark Bailey (mangocube6@yahoo.co.uk)

**To:** Sch 4 CTPI

**Cc:**

**Date:** Sunday, 5 July 2015, 15:48

Sch 4 CTPI  
Hi

Thanks for your email. I'll certainly take this up further on your behalf and am happy to work together with you to ensure it doesn't happen again.

I'll be in touch.

Mark Bailey

On Sunday, 5 July 2015, 13:08, Sch 4 CTPI > wrote:

Dear Mark

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**To:** translink@translink.com.au

**Subject:** RE: TransLink feedback form- Sch 4 CTPI

**Date:** Sun, 5 Jul 2015 13:03:38 +1000

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3.

Sch 4 CTPI

4.

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To: Sch 4 CTPI

Subject: TransLink feedback form- Sch 4 CTPI

Date: Tue, 30 Jun 2015 02:48:10 +0000

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In regards to the Senior Network Officer (SNO) who your Sch 4 CTPI spoke to, they have not followed their process in the first instance and this has resulted in your Sch 4 CTPI

Sch 4 CTPI. If a juvenile is intercepted without a valid ticket on rail and with no valid excuse, Senior Network Officers would typically take the course of action of issuing a warning notice. A warning notice is not a formal penalty infringement notice (we do not issue these for juveniles), but is valid for travel purposes to the nominated destination station. As I said on the phone earlier, warning notices are also used as an education tool for passengers and a record is kept on file to assist in identifying any repeat behaviour.

Sch 4 CTPI

If you have any further information you'd like from us, or anything further we can do for you, please don't hesitate to let us know.

Kind regards

Jamie  
TransLink Customer Relations



\*\*\*\*\*

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**Attachments**

- image005.jpg (6.85 KB)

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\*\*\*\*\*

Released under RTI - DTMR

Subject: Fw: TransLink feedback form- ^ Sch 4 CTPI ^ \_

---

From: mangocube6@yahoo.co.uk

To: mark.bellaver@ministerial.qld.gov.au

Date: Sunday, 5 July 2015, 3:50:59 pm AEST

---

Hey Mark,

Just got this in from Sch 4 CTPI who isn't yet convinced Translink has fully responded to her concerns. Could your office and or the department have another look at it to see if her concerns can be resolved?

Thanks again...

Mark Bailey

Released under RTI - DTPMR

Subject: Fw: ^\_QLD^\_^\_EV^\_fast^\_charger^\_wins top automotive, transport award :  
Renew Economy

---

From: mangocube6@yahoo.co.uk

To: denise.spinks@ministerial.qld.gov.au

Date: Sunday, 5 July 2015, 3:54:38 pm AEST

---

Hey Denise,

Let's arrange a visit to see Tritium in Brisbane some time after I get back.

They're doing interesting stuff.

M

On Sunday, 5 July 2015, 11:22

Sch 4 CTPI

wrote:

<http://reneweconomy.com.au/2014/australian-ev-wins-top-automotive-transport-award-51391>

## Australian EV fast charger wins top automotive, transport award

An Australian-made Electric Vehicle charger has taken the prestigious Good Design Award, beating strong competition from products such as the Audi A3 sedan and the new Melbourne e-class tram. The Veefil fast charger as it is known, is the work of Brisbane-based company Tritium and is the culmination of 10 years of technological development.

Released under the RTI - DTMR

Veefil® Electric  
Vehicle Fast Charger

The charger can add 50km range to an EV battery in just 10 minutes, something which would take a standard wall socket 3 hours to achieve. It is also the first liquid-cooled charger in the international EV fast charger sector, which mean it can withstand extreme temperatures almost anywhere in the world.

This on top of its small footprint and light-weight design, gives it a unique market advantage and making it more accessible to install in different locations and Tritium expects the charger to make an impact in more areas of convenience for motorists, such as airports, coffee shops, service and shopping centres to name a few.

“Our intention in developing Veefil® was to produce not only the most technologically-advanced fast charger for the EV market, but one that was easy to install, easy to use and easy to own,” explains Tritium Managing Director, David Finn.

“The size, design and visual appearance of the unit was an important aspect of the product’s development and I am delighted this was recognised by the judging panel, in what was an extremely competitive award.”

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**Subject:** Re: QLD EV fast charger wins top automotive, transport award : Renew Economy

**From:** Mark Bailey (mangocube6@yahoo.co.uk)

**To:** Sch 4 CTPI

**Date:** Sunday, 5 July 2015, 15:55

Thanks Sch 4 CTPI Great to know! M

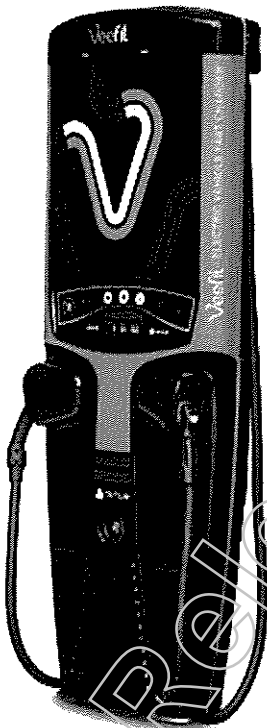
On Sunday, 5 July 2015, 11:22, Sch 4 CTPI > wrote:

<http://reneweconomy.com.au/2014/australian-ev-wins-top-automotive-transport-award-51391>

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**Attachments**

- button-print-blu20.png (1.92 KB)
- image004.png (83.86 KB)

Released under RTI - DMP

**Subject:** Re: QLD EV fast charger wins top automotive, transport award : Renew Economy

**From:** Mark Bailey (mangocube6@yahoo.co.uk)

**To:** Sch 4 CTPI

**Date:** Sunday, 5 July 2015, 15:58

Just tweeted it ;-)

On Sunday, 5 July 2015, 11:22, Sch 4 CTPI wrote:

<http://reneweconomy.com.au/2014/australian-ev-wins-top-automotive-transport-award-51391>

## Australian EV fast charger wins top automotive, transport award

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Newsletter**

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**Attachments**

- button-print-blu20.png (1.92 KB)
- image004.png (83.86 KB)

Subject: Re: ^\_QLD^\_^\_EV^\_fast^\_charger^\_wins top automotive, transport award :  
Renew Economy

From: Denise.Spinks@ministerial.qld.gov.au

To: mangocube6@yahoo.co.uk

Date: Sunday, 5 July 2015, 4:27:48 pm AEST

Ok - good idea

Sent from my iPhone

On 5 Jul 2015, at 3:54 pm, "Mark Bailey" <mangocube6@yahoo.co.uk> wrote:

Hey Denise,

Let's arrange a visit to see Tritium in Brisbane some time after I get back.

They're doing interesting stuff.

M

On Sunday, 5 July 2015, 11:22, Sch 4 CTPI > wrote:

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button-print-blu20.png  
1.9kB



image004.png  
83.9kB

Released under RTI - DTMR

**Subject:** Re: some ideas  
**From:** Mark Bailey (mangocube6@yahoo.co.uk)  
**To:** Sch 4 CTPI  
**Date:** Monday, 6 July 2015, 8:47

Thx Sch 4 CTPI

Sent from my iPhone

On 6 Jul 2015, at 8:18 am, Sch 4 CTPI wrote:

Hi Mark,

Nice to chat the other nite.

One thing I forgot to mention is the importance of *signals*. They don't have to be large, but they are incredibly important for the *perception* they provide.

One of the most disappointing aspects of our economy is that there are very few signals that 'cleaner is better'. The carbon price was one, but that is now in the bin. If we really want to have this thing called 'sustainable development', then we really need good signals that 'cleaner is better'.

So here's some ideas to make that happen.

#### 1. EV charging

EV sales in Australia are very low compared to other developed countries and one reason is the lack of charging stations. There is a very good opportunity to deploy a network of charging stations between Byron and the Sunshine Coast for not much money AND using Australian technology. This can and should be done under the Qld infrastructure development programme and marketed as 'infrastructure for the 21st century'. The former government was quite keen to build a rail line for fossil fuels - infrastructure for the 20th century, but your government can take a giant leap with an announcement like this.

#### 2. Headroom charge

This 5% charge on everyone's bill so that retailers can compete is simply ludicrous in an industry that's had a lot of years to compete. It's about \$150 a year and could be used for many other purposes. One is simply lowering and capping the 'fixed charges' that have been going up. Low hanging political fruit and one that will put you on sides with everyone except the retailers.

#### 3. Making the battery revolution happen that avoids the pitfalls of the insulation and solar schemes

A lot of mistakes were made in the past and now there is an opportunity to do better. A Qld government backed initiative to establish a centre of excellence in battery technology could dramatically foster this new industry. The Centre - maybe at a uni in a regional area - could work with Ergon and Energex to identify opportunities and technology. It could also be in charge of a programme to install battery storage at Government facilities in a 5 year plan. The Centre would also work with TAFE to ensure everyone is trained up and standards are set and enforced.

4. Make Energex and Ergon justify capex on network charges AGAINST all other alternatives.. not just grid extensions or upgrades.

This means storage options and energy efficiency with demand management to reduce the need for such capex. Experts from the Centre of Excellence could review these proposals as well as Treasury.

5. Get Prof Alan Pears to give you a briefing.

He is in Melbourne but the expert's expert on energy efficiency who wrote and developed most of the labelling schemes. He's forgotten more about energy efficiency than everyone else has ever remembered.

We can discuss over dinner.. see you about 7.

Best, Sch 4  
CTPI

Released under RTI - DTMR



**Subject:** Re: Sch 4 CTPI  
**From:** Mark Bailey (mangocube6@yahoo.co.uk)  
**To:** Sch 4 CTPI  
**Date:** Monday, 6 July 2015, 12:14

Being looked at Jim. Will advise. M

On Monday, 6 July 2015, 12:04, Jim Soorley Sch 4 CTPI wrote:

Mark  
Here is a summary of the issue.  
Sch 4 CTPI



I also suspect it is illegal and discriminatory.  
Can you have a look at it and let me know.....Jim

Released under RTI - DTMR

**Subject:** The grid is at a fork in the road - which way to turn? : Renew Economy

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Monday, 6 July 2015, 15:43

This will explain in one article of the challenges of the grid and responses to it. As the title of the article suggest especially here in Queens land, We are at a fork in the road.

<http://reneweconomy.com.au/2015/the-grid-is-at-a-fork-in-the-road-which-way-to-turn-74787>

Released under RTI - DTMP

**Subject:** RE: TransLink feedback form- Sch 4 CTPI  
**From:** Sch 4 CTPI  
**To:** mangocube6@yahoo.co.uk;  
**Date:** Monday, 6 July 2015, 16:39

Thanx Mark

Much appreciated.

---

**Date:** Sun, 5 Jul 2015 05:48:36 +0000  
**From:** mangocube6@yahoo.co.uk  
**To:** Sch 4 CTPI  
**CC:** Sch 4 CTPI  
**Subject:** Re: TransLink feedback form- Sch 4 CTPI

Hi Sch 4 CTPI

Thanks for your email. I'll certainly take this up further on your behalf and am happy to work together with you to ensure it doesn't happen again.

I'll be in touch.

Mark Bailey

On Sunday, 5 July 2015, 13:08 Sch 4 CTPI wrote:

Dear Mark

Following the incident with my Sch 4 CTPI last week I am forwarding my response to Translink for your information.

I am not satisfied that effective action has been taken to ensuring long term change to the Translink system and simply do not want this to occur to anyone else. Through informal discussions I am already getting feedback from friends regarding similar incidents and believe this is one of many.

I hope we can work together for change.

Thank  
Sch 4 CTPI

---

**From:** Sch 4 CTPI  
**To:** translink@translink.com.au  
**Subject:** RE: TransLink feedback form- Sch 4 CTPI  
**Date:** Sun, 5 Jul 2015 13:03:38 +1000

Dear Jamie

Apologies for the delay in responding to this. Sch 4 CTPI  
Sch 4 CTPI

I would like to respond to the action being taken to highlight that I believe it is inappropriate. I do not wish to cause Translink trouble but believe that more effective action is required to ensure this does not ever happen to another family with more dire consequences.

Some of the things I would like to see happen are:

1. Policy and practise to incorporate that no minor is ever left at an unattended station.
2. Processes for emergencies and being able to contact someone for assistance are changed to respond to this type of crisis immediately and not taken as an "urgent complaint" to sit in the system for days.

Sch 4 CTPI

Could you please advise how we can progress these issues to ultimately ensure a safer and more reliable Translink system?

Regards

Sch 4 CTPI

---

From: TransLink@translink.com.au

To: Sch 4 CTPI

Subject: TransLink feedback form-

Sch 4 CTPI

Date: Tue, 30 Jun 2015 02:48:10 +0000

Dear Sch 4 CTPI

Thank you for taking my call today, and for your patience while we investigated this incident. I understand it was a very distressing time for you and your Sch 4 CTPI

Let me start by again apologising for the failure to adhere to process that has resulted in your Sch 4 CTPI being left at Sch 4 CTPI on Friday, and we'd like to thank you for pointing out the lack of a process for children left at an unattended station.

As I mentioned in our phone call, TransLink and our service providers take incidents like this very seriously and we do our best to minimise the impact this can have on customers. We currently have a process in place that ensures children left behind by a bus can be picked up by what we call a "sweeper bus" - a replacement bus that picks up children who have missed their intending bus. You've pointed out that there's a lack of a process with Queensland Rail and you're correct, we'll be in talks with Queensland Rail to ensure we and they are communicating the fact that there are emergency buttons at stations, and ensuring these buttons are visible and functioning at all times.

In regards to the Senior Network Officer (SNO) who your Sch 4 CTPI spoke to, they have not followed their process in the first instance and this has resulted in your Sch 4 CTPI being left at Sch 4 CTPI. If a juvenile is intercepted without a valid ticket on rail and with no valid excuse, Senior Network Officers would typically take the course of action of issuing a warning notice. A warning notice is not a formal penalty infringement notice (we do not issue these for juveniles), but is valid for travel purposes to the nominated destination station. As I said on the phone earlier, warning notices are also used as an education tool for passengers and a record is kept on file to assist in identifying any repeat behaviour.

Sch 4 CTPI

Sch 4 CTPI



If you have any further information you'd like from us, or anything further we can do for you, please don't hesitate to let us know.

Kind regards

Jamie  
TransLink Customer Relations



\*\*\*\*\*

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## Attachments

- image005.jpg (6.85 KB)

Released under RTI - DTMR

**Subject:** Alan Pears: Powerful incumbents have left us with dumb energy efficiency policies : Renew Economy

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Tuesday, 7 July 2015, 12:13

<http://reneweconomy.com.au/2015/powerful-incumbents-have-left-us-with-dumb-energy-efficiency-policies-36995>

## Powerful incumbents have left us with dumb energy efficiency policies

We also need to incorporate automated diagnostic monitoring into new appliances, so they tell us if they are not working properly. This is not hard for modern products that include sophisticated monitoring and computing capabilities. One example that does this is the Siddons Bolt-on heat pump hot water service.

We need to sort out the consistency of messaging via labels. A 4 Star fridge is very efficient, while the best TV or air conditioner is 7 Stars. Our 6 Star homes would be illegal in many countries. No wonder people are confused. And lack of effective promotion of what labels mean allows confusion to be misused by salespeople. For example, a home salesperson might tell potential buyers that a house is 6 Stars, so they don't need to think any more about energy efficiency. Unfortunately that's not the case.

Our mandatory performance standards are generally weak, as shown by the wide range of Star ratings of products on the market. We could adopt stronger approaches. For example, the Japanese 'top runner' program requires all products to be at least as efficient as today's best performer within a few years. Or we could just say that anything using more than twice as much energy as 'best on market' is illegal!

We need to look beyond new products. Many people buy secondhand products, but there is no information on their energy performance. As a basic step, requiring energy labelling consumption data to be included on appliance specification plates seems obvious. At least the secondhand retailer or enthusiastic buyer could gain access to the information. We could go further and require all registered secondhand sales agents to place clear information on energy use on appliances they sell—using the information on the specification plate as a source.

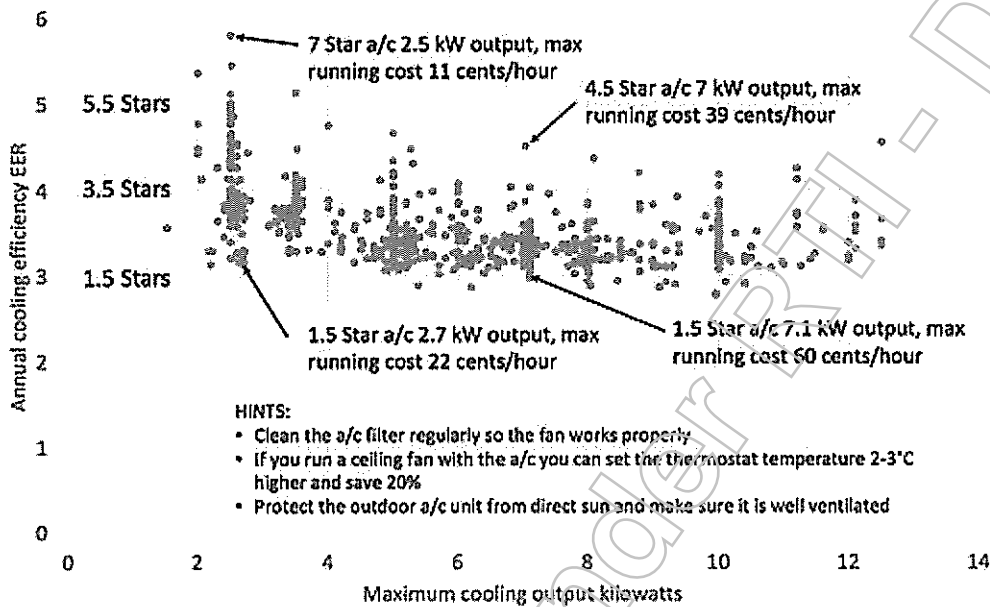
We also need to remove old, inefficient equipment from the stock. Old, often faulty fridges can use up to eight times as much energy as modern equivalent products. Many industrial boilers are up to 50 years old, and appallingly inefficient.

Replacing (and recycling the materials from) these items would deliver big environmental and economic benefits, while cutting consumer energy costs. But we need to be able to identify such disasters. This can be done by analysing energy usage data, but it will require some effort by governments and energy companies. At present, energy suppliers have little incentive to do this.

Lastly, we need to be thinking in lifecycle terms. Apple, for example, includes full lifecycle analyses of all their products on their website. For efficient products such as iPads, embodied emissions comprise over half of lifecycle impacts. Operating energy use is only 15%.

More broadly, one Australian study suggested that effective recovery and recycling of waste materials, particularly metals, would cut Australian greenhouse gas emissions by over 5%. And the concentration of valuable rare metals and other materials in wastes can be tens of times higher than in ores we now mine. Failure to capture and use these valuable resources and energy savings is just dumb.

But when neo-classical economic theory and powerful incumbent groups drive policy, it's not surprising that we end up with dumb policies.



The graph illustrates the difference in energy use for reverse-cycle air conditioners in cooling mode for 1.5 Star to 7 Star appliances (for single-phase units under 3.6 kilowatt input). EER=energy efficiency ratio; units of cooling per unit of electricity used. An EER of 3 is 1.5 Stars, each increase of +0.5 in EER earns an extra Star.

*Alan Pears is one of Australia's best regarded sustainable energy experts. He is a senior industry fellow at RMIT University and associate consultant at Buro North. This article was first published in Renew magazine, reprinted with permission of author.*

## Attachments

- rsz\_screen\_shot\_2015-06-30\_at\_21634\_pm.jpg (56.73 KB)



**Subject:** Stanford researchers make breakthrough with aluminum-ion battery : Renew Economy

**From:**

Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Tuesday, 7 July 2015, 12:15

<http://reneweconomy.com.au/2015/stanford-researchers-make-breakthrough-with-aluminum-ion-battery-55615>

## Stanford researchers make breakthrough with aluminum-ion battery

*CleanTechnica*

A team of Stanford researchers led by chemistry professor Hongjie Dai has developed an aluminum-ion battery that offers many significant advantages over the conventional lithium-ion batteries currently used in most electronic devices and today's electric cars. Let's take a look at what makes the Stanford aluminum-ion battery such an important breakthrough.

### **Not a fire hazard**

The aluminum battery won't burst into flame the way a lithium battery can. "[L]ithium batteries can go off in an unpredictable manner – in the air, the car or in your pocket," says professor Dai.

That's important because in automobiles, a lithium-ion battery needs a heavy shield around it to protect the car from damage if the battery ignites. And because of that shielding, a lithium-ion battery needs its

own dedicated cooling system, which adds even more weight and cost. Extra pounds mean automobile manufacturers have to specify larger batteries and larger motors to lug around the increased weight. That raises the cost of the car, which raises its price in the marketplace.

## **Fast charging**

The Stanford aluminum battery can be recharged in far less time than a lithium-ion battery -- in as little as one minute in some applications. The implications for laptop computers and cell phones are huge, but the impact on electric and hybrid cars could be even bigger.

One of the biggest drawbacks to electric and hybrid cars today, besides high cost, is the number of hours it takes to recharge a depleted battery. If a driver knew recharging the battery would take no longer than the time it takes to pump a tankful of gas, that would break down one of the biggest remaining barriers to the widespread adoption of such environmentally friendly vehicles.

## **Long life**

A typical lithium-ion battery usually lasts for about 1000 discharge cycles before it must be replaced. The Stanford aluminum battery shows no sign of losing performance after 7,500 discharge cycles. Lots of drivers have concerns about having to spend a lot of money to replace the battery in their EV after a few years. That worry could now be a thing of the past. The aluminum-ion battery could actually last longer than the car itself.

## **Cost**

Aluminum is abundant and costs less than lithium. That could drive down the cost of batteries and that would be another factor working in favor of electric cars going mainstream sooner rather than later.

## **Environmental Advantages**

Lithium is toxic and must be disposed of with care. Aluminum is non-toxic and can be recycled repeatedly. Billions of small lithium batteries power our assortment of electronic gadgets that we can't live without. Replacing them with aluminum batteries would rid the environment of hazards from discarded lithium batteries.

Another advantage of the aluminum battery is it is flexible, so it can be shaped and molded to fit a variety of applications that can't use a lithium battery encased in a hard protective shell.

## **Disadvantages**

There is no free lunch, of course. For now, the Stanford aluminum battery can only supply about half the voltage of a lithium battery. “But improving the cathode material could eventually increase the voltage and energy density,” professor Dai says.

“Otherwise, our battery has everything else you’d dream that a battery should have: inexpensive electrodes, good safety, high-speed charging, flexibility and long cycle life. I see this as a new battery in its early days. It’s quite exciting.”

“Exciting” is an understatement.

*Source: CleanTechnica. Reproduced with permission.*

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**Attachments**

- button-print-blu20.png (1.92 KB)
- Aluminum-Battery-1-600x360-570x342.jpg (23.99 KB)
- Aluminum-Battery-2-270x162.jpg (12.12 KB)

**Subject:** Fw: follow up

**From:** Mark Bailey (mangocube6@yahoo.co.uk)

**To:** Sch 4 CTPI

**Date:** Tuesday, 7 July 2015, 13:41

Thanks Sch 4 CTPI I'll def follow up. N/R M

On Tuesday, 7 July 2015, 12:19, Sch 4 CTPI wrote:

Hi Mark,

Sch 4 CTPI

Anyway, here's some info from last nite for the memory banks:

- 1. your sustainability advocate may be Sustainable Queensland headed by Ian Lowe.
- 2. Alan Pears' details attached. I will also send a recent article he wrote

3. Batteries: energy density = amount of energy per kg... usually expressed as watt-hours/kg.  
 Best lithium batteries are about 200 watt-hours per kg  
 specific energy (power) = watts or kilowatts per litre.. this is the amount of power that can be delivered . usually expressed as watts or kilowatts per litre  
 charge cycles: number of times batteries can be charged and discharged from empty to full.  
 Most batteries can only deliver about 80% of the rated capacity.

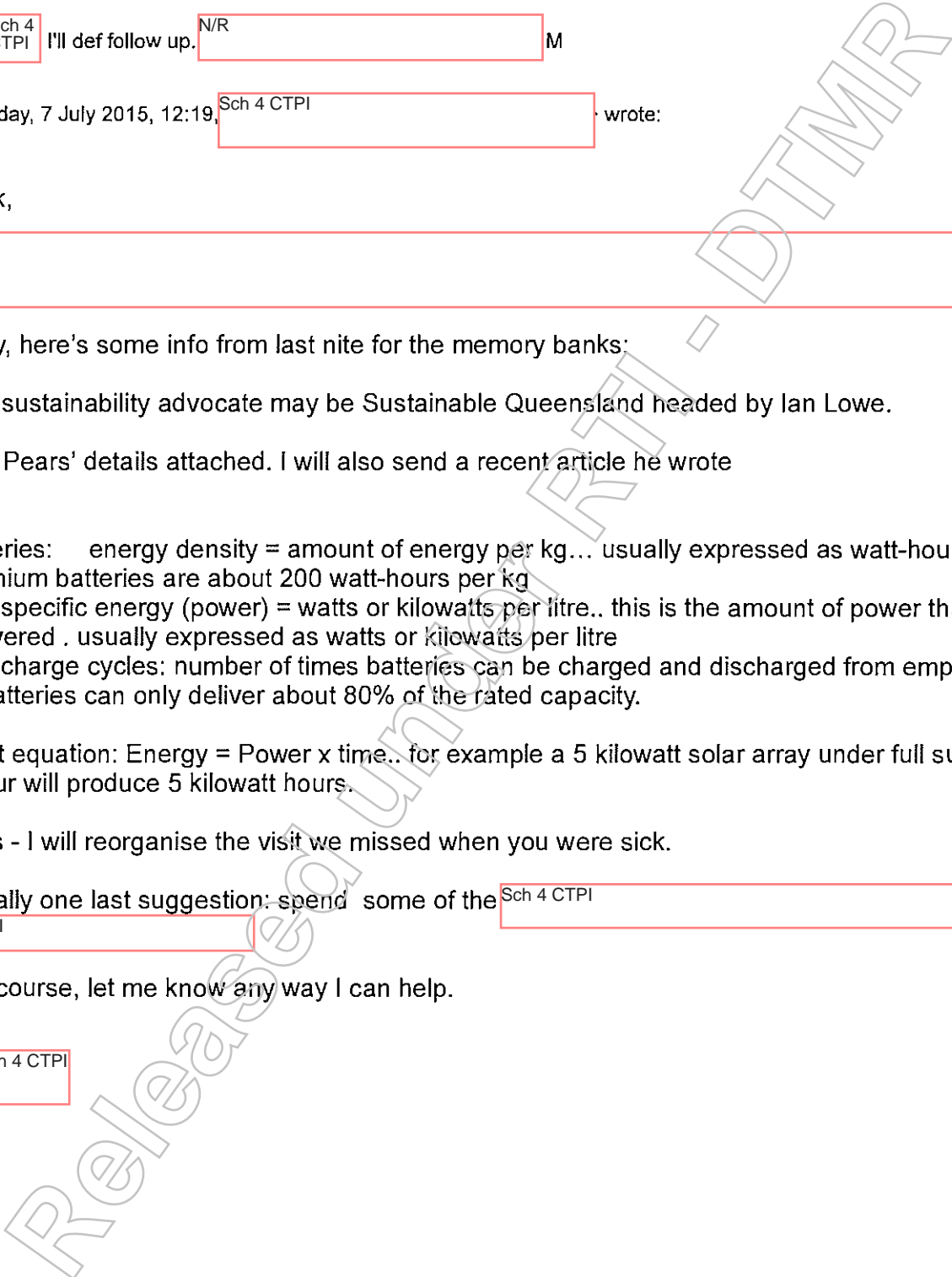
one last equation: Energy = Power x time.. for example a 5 kilowatt solar array under full sun for one hour will produce 5 kilowatt hours.

- 4. Visits - I will reorganise the visit we missed when you were sick.

And finally one last suggestion: spend some of the Sch 4 CTPI

And of course, let me know any way I can help.

best, Sch 4 CTPI



Subject: ^\_Fwd^\_: ^\_South^\_ ^\_Australia^\_ ^\_pushes^\_ ^\_battery^\_ ^\_storage^\_ in  
^\_government^\_ ^\_buildings^\_: ^\_Renew^\_ ^\_Economy^\_

---

From: mangocube6@yahoo.co.uk

To: Sch 4 CTPI

Date: Wednesday, 8 July 2015 07:31:54 PM AEST

---

SA setting the pace... M

Sent from my iPhone

Begin forwarded message:

○

Released under RTI - DTMR

**Subject:** Fwd: Network charges may penalise uptake of battery storage, as well as PV : Renew Economy  
**From:** Mark Bailey (mangocube6@yahoo.co.uk)  
**To:** Sch 4 CTPI  
**Date:** Wednesday, 8 July 2015, 19:43

Hey Dave... Domestic batteries en masse will both reduce the peak and reduce grid output and hence revenue. How then to do we manage that? To what extent will they cancel each other out? M

Sent from my iPhone

Begin forwarded message:

**From:** Sch 4 CTPI  
**Date:** 8 July 2015 9:02:35 am AEST  
**To:** Mark Bailey <mangocube6@yahoo.co.uk>  
**Subject:** Network charges may penalise uptake of battery storage, as well as PV : Renew Economy

a bit techy but here's the meat:

Aust PV assoc proposes a "real cost-reflective tariff" with a demand charge/reward component that would be applied only over the peak demand months and only for three hours a day – which would create a better incentive for households to implement options that actually reduce their demand during the time of the network peak.

<http://reneweconomy.com.au/2015/network-charges-may-penalise-uptake-of-battery-storage-as-well-as-pv-34881>

## Network charges may penalise uptake of battery storage, as well as PV

In an analysis of recent tariff proposals by South Australia Power Networks, which included a since-rejected attempt to apply a surcharge to solar households, the Australian PV Institute says SAPN now seems intent on penalising households that install battery storage, despite their obvious network benefits.

"SAPN admit that batteries will reduce network peaks but still wish to charge PV households that install batteries as if they are increasing the peak," the APVI, an independent institute, says in a newly released discussion paper.

The issue is important in Australia, which leads the world in the adoption of household rooftop solar. South Australia has the highest rate of adoption in Australia, with 28 per cent of available homes adding rooftop solar, which now contributes more than 6 per cent of the state's electricity demand over a year.

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Hence the importance of battery storage to balance the output, and to ensure some of it used to reduce peak demand. The state government has announced a tender to install battery storage on its buildings, including Parliament House and the key arts precinct, and the City of Adelaide is also providing incentives.

The APVI says its issues with SAPN are applicable to other networks, because they face similar issues in dealing with solar and storage, and their response with tariff design.

The APVI says that SAPN recognises that the next big development is battery storage, and perhaps electric vehicles. SAPN says the "battery storage has the potential to soak up a lot of the excess energy being generated during sunshine and shift that to later in the day when the network peaks".

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The APVI criticism extends to SAPN's proposed "cost reflective" tariffs for rooftop solar, which the APVI argues is not cost reflective at all. That's because the the proposed demand tariff on household loads shows very little correlation between the costs charged to the customer and the customer's demand at the time of the network peak.

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The SAPN submissions says: "The network challenges are different today, with problems of low load during days with mild but sunny weather. In summer, the peaks that used to occur between 2pm and 5pm have moved to become slightly *lower* peaks between 5pm and 8pm." (APVI's emphasis added)

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The APVI makes a damning critique of the assumptions used by SAPN, including its claims that solar households have dramatically different load profiles. It says this is not true, and any changes that are evident are probably caused by metering methods than consumption patterns.

Released under RTI - DTMR



Subject: Re: ^\_Fwd^\_ : ^\_South^\_ ^\_Australia^\_ ^\_pushes^\_ ^\_battery^\_ ^\_storage^\_ in ^\_government^\_ ^\_buildings^\_ : ^\_Renew^\_ ^\_Economy^\_

---

From: Sch 4 CTPI

To: mangocube6@yahoo.co.uk

Date: Wednesday, 8 July 2015 09:36:26 PM AEST

---

Yes. We have not got panels on our buildings yet.

Mark Bailey wrote:

○

Released under RTI - DTMR

**Subject:** Re: US trip  
**From:** Mark Bailey (mangocube6@yahoo.co.uk)  
**To:** Sch 4 CTPI  
**Date:** Wednesday, 8 July 2015, 10:35

Not going now. M

Sent from my iPhone

On 8 Jul 2015, at 10:27 am, Sch 4 CTPI wrote:

for your trip to the US, you may want to stop in Austin. The local utility just signed a contract for solar power at US 4 cents per kilowatt hour.. that's cheaper than coal.... if you do, let me know as I have some good contacts there...

On 7 Jul 2015, at 1:41 pm, Mark Bailey <mangocube6@yahoo.co.uk> wrote:

Thanks Sch 4 CTPI I'll def follow up. N/R

On Tuesday, 7 July 2015, 12:19, Sch 4 CTPI wrote:

Hi Mark,

N/R

Anyway, here's some info from last nite for the memory banks:

1. your sustainability advocate may be Sustainable Queensland headed by Ian Lowe.
2. Alan Pears' details attached. I will also send a recent article he wrote

3. Batteries: energy density = amount of energy per kg... usually expressed as watt-hours/kg. Best lithium batteries are about 200 watt-hours per kg  
 specific energy (power) = watts or kilowatts per litre.. this is the amount of power that can be delivered . usually expressed as watts or kilowatts per litre  
 charge cycles: number of times batteries can be charged and discharged from empty to full. Most batteries can only deliver about 80% of the rated capacity.

one last equation: Energy = Power x time.. for example a 5 kilowatt solar array under full sun for one hour will produce 5 kilowatt hours.

4. Visits - I will reorganise the visit we missed when you were sick.

And finally one last suggestion: spend some of the good bucks in your pay on a massage each week. You really need that.

And of course, let me know any way I can help.

best, Sch 4 CTPI

Released under RTI - DTMR

**Subject:** Abbott government's 'blue tape' costs consumers billions, report finds

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Wednesday, 8 July 2015, 10:43

another new phrase.. blue tape...

<http://www.smh.com.au/environment/abbott-governments-blue-tape-costs-consumers-billions-report-finds-20150707-gi6p0v.html>

## Abbott government's 'blue tape' costs consumers billions, report finds



Unplugged: electricity savings momentum is running out, new report finds.

- Emissions for energy sector accelerate post-carbon price

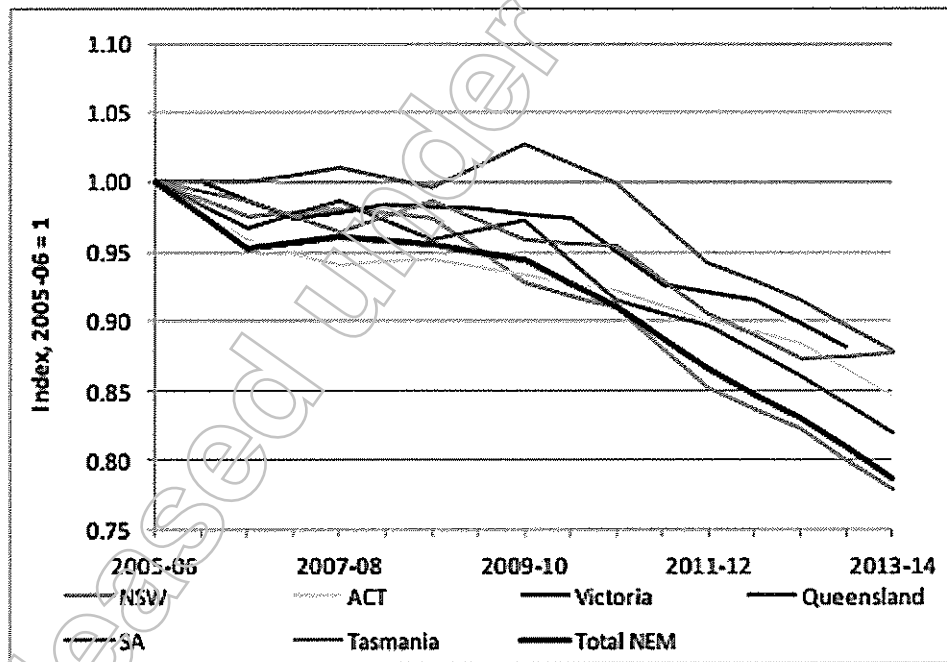
A drop in energy use by Australians has slashed billions of dollars from energy bills since 2010, but those savings are threatened by the introduction of "blue tape" policies by the Abbott government and some conservative state governments, a report by The Australia Institute finds.

In 2014, households alone used 13 per cent less electricity than in 2010, saving on average \$295\*, or \$2.5 billion nationally, according to the *Power Down II* report written by Hugh Saddler, principal consultant with Pitt & Sherry.



Electricity pick-up will likely boost carbon emissions. *Photo: Bloomberg*

**Figure 11: Relative changes in residential electricity demand per customer since 2005-06, by state**



Advertisement

Businesses taking part in the federal Energy Efficiency Opportunities (EEO) were on track to save \$786 million a year from implemented or intended investments to curb energy use, the report notes, citing Industry Ministry figures.

However, the 2014 axing of the EEO by the Abbott government – for an annual saving in regulatory burden worth just \$17.7 million – and other moves to cull efficiency efforts mean future energy savings are likely to fizzle out.

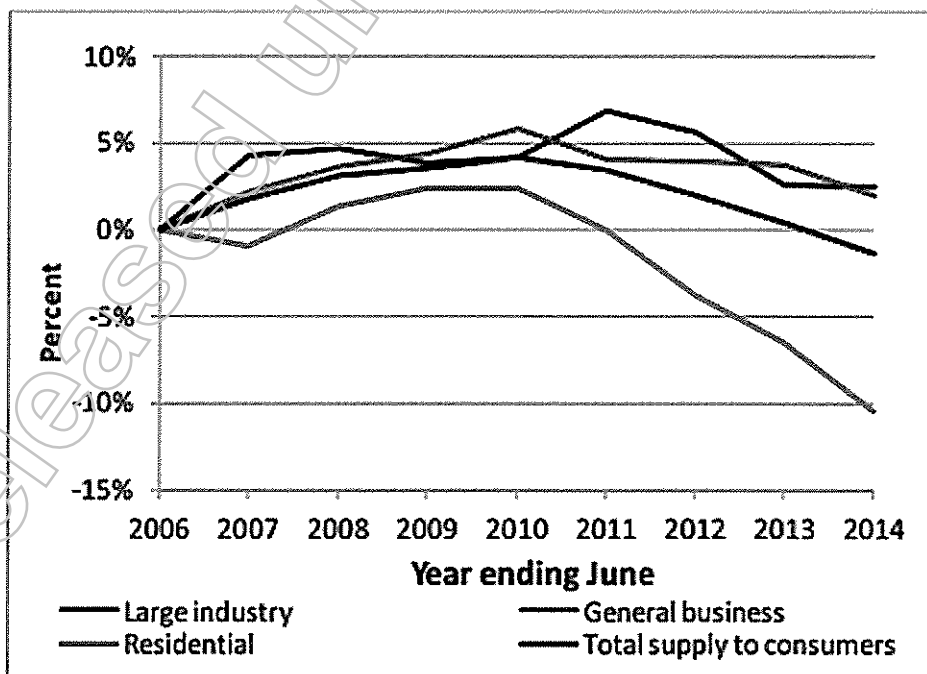


Solar PV on a rooftop doesn't necessarily point to smart energy use. *Photo: Rohan Thomson*

"The government has created a new colour of tape – blue tape, which ties the hands of regulators from making good rules to the benefit of business and the community," Dr Saddler said, adding that "ideology is trumping sensible economic policy".

For instance, the federal policy requiring any new regulation to be offset by the abolition of other rules limited the ability to extend energy savings efforts, the report said.

**Figure 3: Relative changes in electricity demand since 2005-06, by consumer group**



Demand starts to rise



The slide in Australia's electricity demand is now reversing, with the latest annual figures pointing to a 1.4 per cent increase in 2014-15, partly erasing the 2.1 per cent drop in the previous year.

While it is too early to attribute the switch to policy rollbacks, a reduced interest in energy productivity will start to play a role, Dr Saddler said.

"It's not being pushed at the national level," he said, adding the same was true of states under conservative governments "with the honourable exception of NSW".

The now-scraped EEO scheme, for instance, forced senior managers at companies to give a greater priority to potential energy savings than they had previously, since its introduction during the Howard government in 2006.

Similarly, minimum energy performance standards that prevented the sale of sub-standard appliances and equipment needed to be constantly tightened to ensure deeper savings in both energy use and resulting carbon emissions were achieved.

"Savings from existing regulations will be exhausted within the lifetime of the products," Dr Saddler said, referring to fridges, air-conditioners and other appliances.

"To keep going, you need to have all these new regulations...because technology keeps on moving on, other countries are moving on, and we're standing still," he said.

### **Enforcement first**

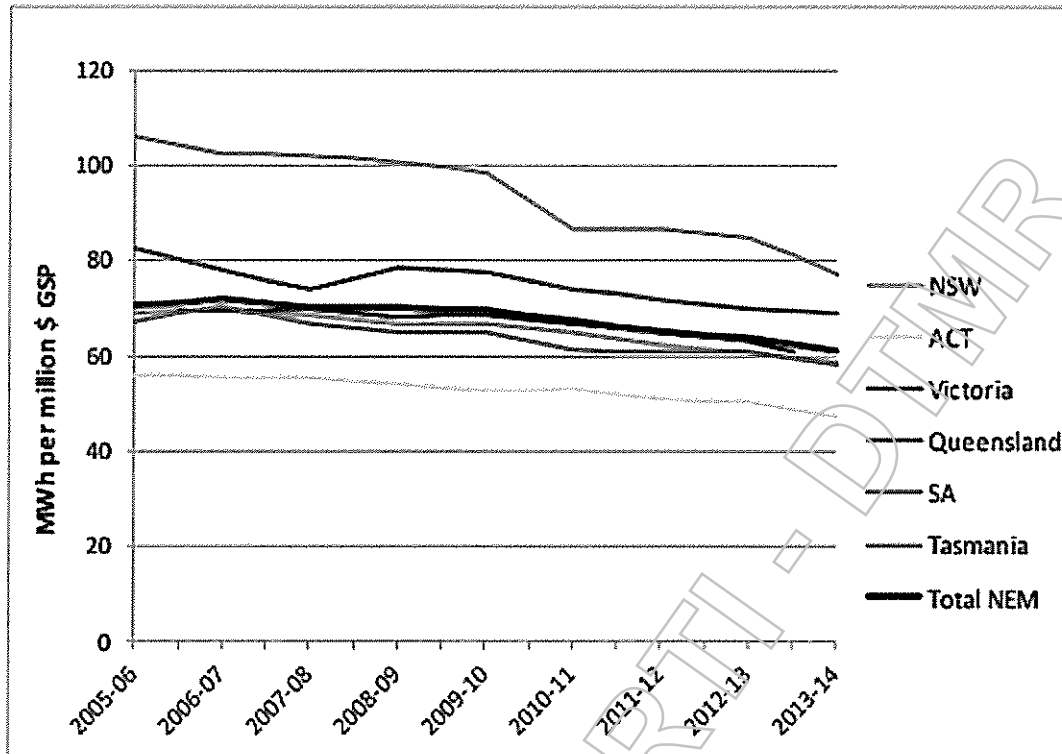
All states, meanwhile, were failing to secure achievable savings by their failure to enforce energy-efficiency requirements for new homes.

As Fairfax Media reported in December, a separate Pitt & Sherry study for state and federal governments found "a virtual total absence of checking of anything" when it came to compliance with the star ratings, according to its author.

Dr Saddler said poor construction and materials would lock in energy wastage for decades, and that higher star ratings were less a priority than enforcing those already in place.

The drop in electricity use had been achieved without halting economic growth, with the average electricity needed for each million dollars of gross state product diving from 70 megawatt-hours in 2006 to 60 MWh in 2014, Dr Saddler's report found.

**Figure 6: General business electricity demand per unit of Gross State Product since 2005-06, by state (MWh per million \$ real GSP)**



The loss of further savings would mean power use – and resulting emissions from the electricity sector – will increase along with population and energy use.

Some of that rise is showing up in the latest emissions data, which saw carbon pollution jump by 6.4 million tonnes in the 12 months since the end of the carbon price, Pitt & Sherry reported on Monday.

While part of the increase was prompted by rising demand, most of the emissions jump came from a surge in the share of coal-fired power, with the trend accelerating, the consultancy said.

\*An earlier version of this article cited lower savings (\$67 per household, \$1.4 billion in total) before the *Power down II* report was amended.

## Attachments

- 1436303200938.jpg (26.56 KB)
- 1436303200938.jpg (66.06 KB)
- ee1.PNG (100.29 KB)
- 1436303200938.jpg (40.34 KB)
- ee2.PNG (91.12 KB)
- ee3.PNG (101.30 KB)



**Subject:** South Australia pushes battery storage in government buildings : Renew Economy

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Wednesday, 8 July 2015, 12:16

As we discussed... oh, and Energex is undergoing a new battery trial according to Mark Leckenby the developer of the Auzimax monitoring and control system who was invited.

Might be useful to get more info from them...

<http://reneweconomy.com.au/2015/south-australia-pushes-battery-storage-in-government-buildings-52721>

## South Australia pushes battery storage in government buildings

South Australia is rapidly emerging as the leading state in battery storage, with the Labor government announcing a \$1.1 million tender to install battery storage in several key government buildings, including parliament house and its flagship arts buildings in the North Terrace precinct.

In what is being billed as a first in Australia for a state government, tenders are being called for battery storage to be installed in up to nine government buildings that already have solar arrays, including Parliament House, the Art Gallery of South Australia, the state museum, the state library, a railway station and various schools.

The initiative follows that of the City of Adelaide last week, which became the first in local government group Australia to offer financial incentives to households and businesses to install battery storage systems. It will offer an incentive of up to \$5,000 to homes, schools, businesses and community organisations to install battery storage.

Energy Minister Tom Koutsantonis says the battery storage initiative is linked with plans to make Adelaide the world's "first" carbon neutral city, in an initiative that will include a "Green Zone" where electric and hybrid vehicles, along with driverless cars, will be the preferred form of transport and petrol cars restricted.

“Battery energy storage is an emerging global market, and storage systems offer particular benefits when combined with solar photovoltaics allowing for solar generation to be better matched to the building’s energy demands,” he said in a statement.

“With a high uptake of renewables in South Australia, including rooftop solar, South Australia is well positioned to be a strong ‘early market’ for battery storage systems.”

South Australia currently sources around 7 per cent of its energy demand from rooftop solar, and overall nearly 40 per cent from the combination of large-scale wind and small-scale solar.

The state is also looking to build Australia’s, and quite possibly the world’s, largest non-hydro energy storage installation at one of three locations to balance the output of its variable renewable sources. Within a decade, for instance, the state is forecast enough energy just from rooftop solar to meet its total grid demand on some days.

Hence the need for battery storage. Koutsantonis notes that the state government owns 150 buildings in the Adelaide CBD, many of these already with rooftop solar, and battery storage could help meet their demand profiles and cut energy costs.

“Through this exciting project, the State Government will be demonstrating how integrating battery storage with solar photovoltaics can deliver multiple benefits of greenhouse gas reduction, energy load management and energy cost reductions,” Koutsantonis said.

He said the North Terrace arts precinct sites offered a great opportunity to publicly showcase battery storage technology, and the public schools in the city could also show the community how solar photovoltaics and battery storage technologies can be combined to provide energy-smart solutions in smaller buildings.

The tender documents also note that the chosen buildings had attractive consumption profiles (including after-hours usage) to offer potential cost savings opportunities from battery storage.

The tender also calls for applicants to identify and prioritise any other SA government-owned sites in the Adelaide City Council area, with installed solar PV, that could offer attractive locations to reduce energy costs by installation of battery storage systems.

The sites identified in the first round have solar systems ranging from 20kW – 30kW on parliament house and the three major arts building, 21kW on the Adelaide railway station, and arrays of 2.3kW to 15kW on various schools. (This list below does not include Sturt Street Community School with a 4.5kW solar array.

## RenewEconomy Free Daily Newsletter

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### Attachments

- button-print-blu20.png (1.92 KB)
- sa-parliament-house-300x169.jpg (19.86 KB)
- tender-update-590x234.jpg (34.98 KB)

Released under RTI - DTMR

**Subject:** Re: Network charges may penalise uptake of battery storage, as well as PV : Renew Economy  
**From:** Mark Bailey (mangocube6@yahoo.co.uk)  
**To:** Sch 4 CTPI  
**Date:** Thursday, 9 July 2015, 23:10

Thx Dave. M

Sent from my iPhone

On 8 Jul 2015, at 9:35 pm, David Shankey <Sch 4 CTPI> wrote:

In my view, its by spending far less on the network. In the future the network is going to be merely a back up to local generation - not like it is at the moment supplying all the power. You don't need the network to be as reliable as it is at the moment when people are using it far less - so there is a big saving in not continually upgrading and maintaining the network to provide premium reliable service. At some point the order is going to go out to all the networks - only maintain networks - no more augmentation - batteries only to be deployed to manage demand and some intermittency is acceptable.

I think the battery you will see tomorrow is an example of that. Ergon don't really look to change their business practice though - they just do these trials but they don't turn into core business. And you have to ask - this is all being driven by consumers - what are they doing to become the electricity company of the future.

I think of the networks connections in the future will be seen like the the landline is today. Not really necessary for a lot of people. People like to have it as a back up. Really needs to be bundled with a lot of other services to be worth you keeping it. Everyone is using another method of communicaitng which is cheaper and more convenient (mobiles) but it still important for pensioners and when there is weather emergencies.

Will that saving on network spending mentioned above make up for all the lost demand? It could do. The problem is that someone is going to loose and you can bet private operators are trying hard to make sure its not them. Every submitter we will get to the tariff review will be about looking after their own interests, and the community doesn't really know about all the cost structures except they are paying too much. And there is a lot of pressure from within Treasury to look after the generators and the networks too, rather than the interests of the community.

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Sent from my iPhone

Begin forwarded message:

**From:** Sch 4 CTPI  
**Date:** 8 July 2015 9:02:35 am AEST  
**To:** Mark Bailey <mangocube6@yahoo.co.uk>  
**Subject:** Network charges may penalise uptake of battery storage, as well as PV : Renew

## Economy

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# Network charges may penalise uptake of battery storage, as well as PV

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Subject: Re: South Australia pushes battery storage in government buildings :  
Renew Economy

---

From: mangocube6@yahoo.co.uk

To: Sch 4 CTPI

Date: Thursday, 9 July 2015 11:12:16 PM AEST

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We're losing a few cbd bldgs going to 1 William St but must be a lot of potential govt building capacity across state... M

Sent from my iPhone

On 8 Jul 2015, at 9:36 pm, David Shankey <Sch 4 CTPI> wrote:

Yes. We have not got panels on our buildings yet.

Mark Bailey wrote:

SA setting the pace... M

Sent from my iPhone

Begin forwarded message:

**From:** Sch 4 CTPI  
**Date:** 8 July 2015 12:15:02 pm AEST  
**To:** Mark Bailey <mangocube6@yahoo.co.uk>  
**Subject:** South Australia pushes battery storage in government buildings : Renew Economy

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<image.png>

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<image.jpg>

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<image.jpg>

**RenewEconomy Free Daily  
Newsletter**

Released under RTI - DTMR

Subject: ^\_Bruce^\_^\_1^\_

---

From: Mark.Bailey@ministerial.qld.gov.au

To: mangocube6@yahoo.co.uk

Date: Thursday, 9 July 2015, 5:23:17 pm AEST

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FullSizeRender.jpg  
166.2kB



ATT00001.txt  
25B

Released under RTI - DTMR

Sch 4 CTPI



Subject: ^\_Bruce^\_^\_2^\_

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From: Mark.Bailey@ministerial.qld.gov.au

To: mangocube6@yahoo.co.uk


Date: Thursday, 9 July 2015, 5:23:46 pm AEST


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25B

Released under RTI - DTMR



Subject: Sch 4 CTPI

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From: Mark.Bailey@ministerial.qld.gov.au

To: mangocube6@yahoo.co.uk

Cc: Sch 4 CTPI


Date: Thursday, 9 July 2015, 5:24:48 pm AEST


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89.7kB

 ATT00001.txt  
25B

Released under RTI - DEMO







Subject: Sch 4 CTPI

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From: Mark.Bailey@ministerial.qld.gov.au

To: mangocube6@yahoo.co.uk


Date: Thursday, 9 July 2015, 5:49:18 pm AEST


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 IMG\_0130.JPG  
123.6kB

 ATT00001.txt  
25B

Released under RTI - DTMR



**Subject:** Smart charging in Seattle, the city of electric vehicle dreams : Renew Economy

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Friday, 10 July 2015, 14:26

Rocky Mountain Institute is helping..

notice you are speaking at the Disruption conference in Sept. Do you need any help with your speech?

<http://reneweconomy.com.au/2015/smart-charging-in-seattle-the-city-of-electric-vehicle-dreams-81260>

## Smart charging in Seattle, the city of electric vehicle dreams

*RMI*

*Photo: City of Seattle*

Seattle, Washington, has one of the highest adoption rates of electric vehicles (EVs) in the nation. With just over one percent of the nation's population, the Seattle metropolitan area has eight percent of U.S. EV sales. There are over 12,000 electric vehicles registered in the state of Washington, more than half of which are in Seattle.

With such a huge interest in EVs, this coastal northwest city is a perfect test bed to expand their use. That is exactly what Seattle's utility, Seattle City Light, wants to do—increase adoption of EVs in the area, while harnessing the benefits EVs stand to offer customers and the larger energy system. The utility turned to RMI's second annual Electricity Innovation Lab (eLab) to help jump-start the program.

## SMART CHARGING

While the program includes some commercial users, Seattle City Light wanted to focus on smart charging technologies for residential customers. There are 449 public charging stations in the state of Washington, the majority of which are in the Seattle area. The Seattle Department of Planning and Development has issued 394 permits for AC, level II charging stations in commercial zones.

The city also has 14 chargers in city-owned or -managed garages that are open to the public, and there are six DC fast chargers located throughout the metro area. However, most EV owners still charge at home the majority of the time. With a smart charging network, the utility hopes to make it easier for customers to invest in EVs and provide more benefits in terms of charging.

Smart charging involves charging EV batteries (and in advanced vehicle-to-grid cases, discharging them) based on utility-, third-party-, and user-defined criteria (such as electricity prices and renewable energy output) while still maintaining sufficient charge to meet EV drivers' needs. With smart charging, customers can charge their EVs in response to more granular price signals from the utility and so can sync with lower-cost times.

This is especially important in Seattle as Seattle City Light doesn't offer a special rate plan specific to EV drivers, as some other utilities do. "A smart-charging program can benefit both customers and the utility, as it allows charging during off-peak hours when the utility has excess power and prices are lower," says RMI Senior Associate and eLab Team Facilitator Martha Campbell.

In addition, "during the day, when solar panels are generating more power than consumers demand, the cars' batteries serve as a sink to be drawn upon during a peak demand event. Smart charging creates what we refer to as 'load flexibility,' which is critical for maximizing EV benefits to the grid and consumers."

## DESIGNING A PLAN AT E-LAB ACCELERATOR

But going from the idea to actual implementation is the tricky part. "We had an idea of smart charging as an option, but we didn't know exactly how to roll it out to customers and what a pilot project would look like," says Jeff Bishop, CFO of Seattle City Light. That's why Bishop, along with Michael Pesin, chief technology advisor for the utility; Andrea Pratt, green fleet coordinator for the city of Seattle; Gustavo Collantes, assistant director of the Policy Institute for Energy, Environment, and the Economy; and Jerry Weiland, managing director of RMI's transportation practice, formed a team and joined eLab Accelerator.

At eLab Accelerator, the team developed a list of the main outcomes they want to see from a new EV program along with increased EV adoption—improved customer economics, emissions reductions, improved mobility, peak load avoidance, economic development, and increased consumer choice. To meet all these objectives, three main program elements need to be addressed: technology and infrastructure, enabling policies, and new utility business models.

Seattle City Light plans to roll out a small smart-charging pilot with the city's EV fleet within the next couple of months to test the technology and explore the infrastructure that will be required to implement the program on a larger scale. The next stage after the pilot program will be to target public charging

stations. “Utilities have a huge role to play in proliferating the adoption of EVs,” says Pratt. “They will benefit by selling more electrons, but they also have to be strategic as to the new load coming on to the grid.” Therefore, the pilot must be structured to test EV storage as a load reduction tool and an enabler of greater distributed energy resource (DER) integration.

New business models will take the form of new value streams for consumers and the utility. This will include determining the rate structure to use to provide more granular price signals. “A lot of studies and organizations are talking about what benefits EVs can bring to the grid,” says Campbell. “Understanding those benefits beyond their theoretical form and properly monetizing them will be key to creating a program with longevity while enabling the city to achieve its EV and DER adoption goals.”

There are also policy barriers that complicate a large-scale roll out of a smart charging program, notes Bishop. For example, since Seattle City Light is a public utility, it is more restricted in what it can do with ratepayer funds. The state also narrowly views incentivizing fuel switching, something utilities are not allowed to do, which makes promoting EV adoption a bit tricky for Seattle City Light.

However, Pratt believes that Seattle is the perfect place to roll out a program such as this. “Seattle is one of the best places in the nation to drive an EV. Our electricity is cheap and green.” In fact, Seattle City Light is one of the few utilities in the entire nation that is carbon neutral—90 percent of the utility’s electricity comes from hydropower, with the rest coming from wind and carbon offsets. And recently the governor signed into law legislation that allows utilities in the state to rate-base investments in electric-vehicle charging stations. This is an important enabling development that enhances Seattle City Light’s ability to embrace EV customers and help build out transportation infrastructure, something utilities historically haven’t done but will increasingly do as our transportation system electrifies.

Pratt is no stranger to electric vehicles. She manages 79 Nissan LEAFs, one of the largest municipal fleet of EVs in the nation, and her only family car (for her, her husband, two small kids, and two dogs) is also a Nissan LEAF. Seattle City Light invited Pratt to join the team at eLab Accelerator to share her local policy knowledge and on-the-ground experience with the utility as they navigate the space.

## **RAINMAKING**

While the team originally thought of the three-legged stool as being composed of discrete elements, at eLab Accelerator the team realized it needed to engage many critical actors across the three program categories to design the most effective program. In other words, it needed to activate its rainmaking network. That’s the next step in the process, engaging all actors, from city officials to customers, and making sure the smart-charging program aligns with both the city’s and the utility’s ongoing EV initiatives. “At eLab, we took a concept and truly came up with a full plan,” says Bishop. “We fine-tuned how we would implement a pilot project, and how we would work with stakeholders, customers, and policy makers.” As smart charging becomes a reality in Seattle, the utility is poised to greatly accelerate EV and DER adoption. According to Weiland, “Seattle’s innovative EV pilot can help lead the way and show that EVs can be integrated into the grid with benefits to both customers and the utility.”

*Source: RMI. Reproduced with permission.*

## RenewEconomy Free Daily Newsletter

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### Attachments

- button-print-blu20.png (1.92 KB)
- rsz\_blog\_2015\_07\_08-1.jpg (57.59 KB)

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Subject: GUN 2

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From: mangocube6@yahoo.co.uk

To: mangocube6@yahoo.co.uk

Date: Saturday, 11 July 2015, 2:33:58 pm AEST

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Sent from my iPhone



IMG\_6962.JPG

93.3kB

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Subject: Gun 3

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From: mangocube6@yahoo.co.uk

To: mangocube6@yahoo.co.uk

Date: Saturday, 11 July 2015, 2:35:57 pm AEST

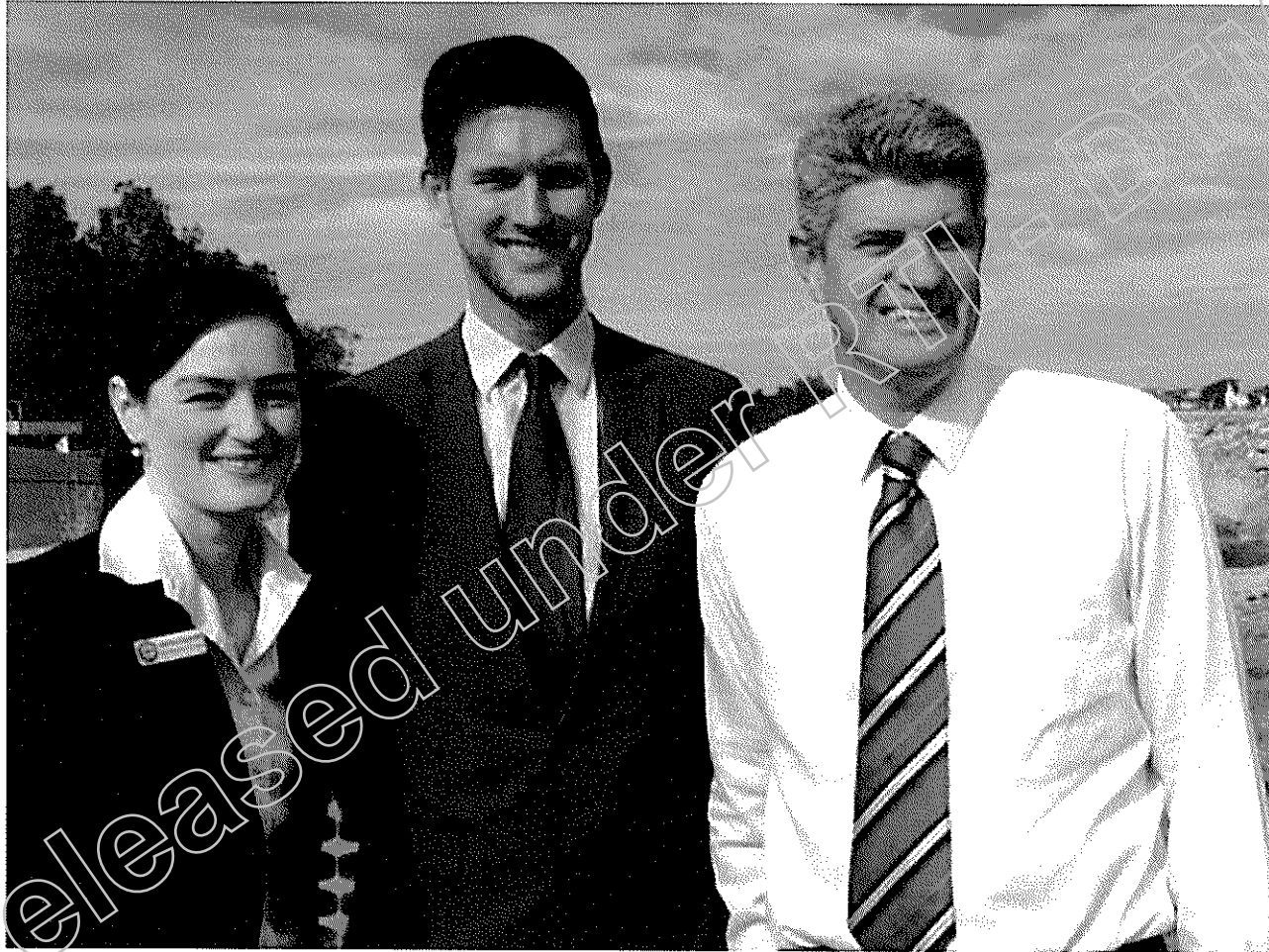
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Sent from my iPhone



IMG\_6934.JPG  
101.1kB

Released under RTI - DTMR



Subject: Gun 1

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From: mangocube6@yahoo.co.uk

To: mangocube6@yahoo.co.uk

Date: Saturday, 11 July 2015 02:38:26 PM AEST

---

Sent from my iPhone



IMG\_6969.JPG  
119.3kB

Released under RTI - DTMR



**Subject:** Fossil fuels are finished – the rest is just detail : Renew Economy

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Monday, 13 July 2015, 15:28

This is the most likely scenario in my opinion.

<http://reneweconomy.com.au/2015/fossil-fuels-are-finished-the-rest-is-just-detail-71574>

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**Subject:** World's most advanced home EV charger = just \$499 : Renew Economy

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Monday, 13 July 2015, 15:58

<http://reneweconomy.com.au/2015/worlds-most-advanced-home-ev-charger-just-499>

Released under RTI - DTMR

Subject: Fwd: ^\_Budget^\_ ^\_Sell^\_ ^\_Sites^\_

From: Mark.Bailey@ministerial.qld.gov.au

To: mangocube6@yahoo.co.uk

Date: Tuesday, 14 July 2015, 5:22:01 pm AEST

Sent from my iPhone

Begin forwarded message:

**From:** Tam van Alphen <Tam.VanAlphen@ministerial.qld.gov.au>  
**Date:** 14 July 2015 4:31:09 pm AEST  
**To:** Denise Spinks <Denise.Spinks@ministerial.qld.gov.au>, Mark Bailey <Mark.Bailey@ministerial.qld.gov.au>, Stephen Johnson <Stephen.Johnson@ministerial.qld.gov.au>, Kate Griffiths <Kate.Griffiths@ministerial.qld.gov.au>, David Shankey <David.Shankey@ministerial.qld.gov.au>  
**Subject:** RE: Budget Sell Sites

How about some cycling:

- Government announced the expansion of the existing south east Queensland Cycling Infrastructure Program state-wide at the end of June 2015.
- The expanded program allocates an additional \$12 million from 2015-16 to 2017-18 and makes grant funding available to local governments outside of south east Queensland for infrastructure on the local transport network
- Local governments that have endorsed their region's Principal Cycle Network Plan (PCNP) are eligible to apply for matched capital grants from 2015-16 onwards.

Will check out status of PCNP for all (Mackay is good to go, Townsville not quite yet etc).

Also might be some good safety infrastructure works, and FSLs, which will collate.

T

**From:** Denise Spinks  
**Sent:** Tuesday, 14 July 2015 3:49 PM  
**To:** Mark Bailey; Stephen Johnson; Tam van Alphen; Kate Griffiths; David Shankey  
**Subject:** Budget Sell Sites

Hi – for planning/thinking – here are the budget items for main potential visit locations – first cut.

What have I missed

**Mackay**

Vines street bridge

Mackay ring road

Maritime Infra fund

Lookout restoration program?

TIDs

**Townsville**

Berth 4 upgrade at Townsville Port

Townsville ring road

Maritime infra fund

Lookout restoration program?

TIDS

**Cairns**

Upper Barron Rd

Yarrabah jetty

Maritime Infrass fund (Cannonvale boat ramp)

Lookout restoration program

Cape York Regional Package

TIDS

**Mt Isa/Cloncurry**

WRUP

Lookout restoration program??

TIDS

**Maryborough**

St Helens

Lookout restoration

TIDS

**Rockhampton**

Bruce Hwy

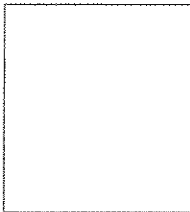
Maritime infra fund

TIDS

Released under RTI - DTMR



Springwood  
Underwood Rd  
TIDS



**Denise Spinks**

Chief of Staff

Office of the Minister for Main Roads, Road Safety and Ports

Minister for Energy and Water Supply

---

P 07 3719 7300 M N/R

Capital Hill Building 85 George Street Brisbane QLD 4000

PO Box 15185 City East QLD 4002

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image003.png  
20.4kB

**Subject:** Select Solutions  
**From:** Peter Simpson (ETU) (simmo@etu.org.au)  
**To:** peter.billing@ergon.com.au;  
**Cc:** cmcgaw@etu.org.au;  
**Date:** Tuesday, 14 July 2015, 18:22

Peter,

SS were supposed to come back to Wendel over the outstanding rostering issues etc, just letting you know that they haven't come back and tomorrow was the deadline for that. Just about over this mob thumbing their noses

Fyi

Simmo

Regards,

Peter Simpson

State Secretary

N/R

[simmo@etu.org.au](mailto:simmo@etu.org.au)

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Subject: ^\_Need^\_ ^\_QWN^\_ ^\_hard^\_ ^\_copy^\_ ^\_soon^\_

---

From: mangocube6@yahoo.co.uk

To: Stephen.Johnson@ministerial.qld.gov.au

Date: Wednesday, 15 July 2015 02:19:03 PM AEST

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Sent from my iPhone

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Subject: ^\_Need^\_^\_QWN^\_^\_hard^\_^\_copy^\_^\_soon^\_^\_

---

From: mangocube6@yahoo.co.uk

To: Stephen.Johnson@ministerial.qld.gov.au

Cc: denise.spinks@ministerial.qld.gov.au

Date: Wednesday, 15 July 2015 02:19:23 PM AEST

---

Sent from my iPhone

Released under RTI - DTMR

Subject: Bug Tweet

---

From: mangocube6@yahoo.co.uk

To: denise.spinks@ministerial.qld.gov.au

Date: Wednesday, 15 July 2015, 9:09:54 pm AEST

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@cbdbug: #qldbudget \$2.9m for North Bris Bikeway, \$6m for SE Bikeway stage C & D. A positive move for the future  
@AnnastaciaMP @Curtis\_Pitt\_MP

Sent from my iPhone

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Subject: ^\_Tweet^\_ ^\_from^\_ ^\_Brisbane^\_ ^\_CBD^\_ ^\_BUG^\_ (@cbdbug)

From: mangocube6@yahoo.co.uk

To: denise.spinks@ministerial.qld.gov.au

Date: Wednesday, 15 July 2015, 8:51:52 pm AEST



**Brisbane CBD BUG (@cbdbug)**

14/07/2015 4:47 pm

#qldbudget \$2.9m for North Bris Bikeway, \$6m for SE Bikeway stage C & D. A positive move for the future @AnnastaciaMP @Curtis\_Pitt\_MP

Download the official Twitter app [here](#)

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**Subject:** FYI - World Nuclear Industry Status Report 2015  
**From:** D.Sweeney@acfonline.org.au (D.Sweeney@acfonline.org.au)  
**To:** mangocube6@yahoo.co.uk;  
**Date:** Friday, 17 July 2015, 11:27

Greetings Mark – thought that this might interest you – annual, analytical and authoritative

The full report is here: [www.worldnuclearreport.org/IMG/pdf/201507wnisr2015-v1-hr.pdf](http://www.worldnuclearreport.org/IMG/pdf/201507wnisr2015-v1-hr.pdf)

Solidarity,

Dave

## **Nuclear Fades as Renewables Dominate Race to Decarbonize Electricity**

London, 15 July 2015. In the run-up to the vital Paris Climate Summit in December, new research shows that compared to base year 1997 when the Kyoto Protocol on Climate Change was signed, in 2014 solar power added 26 percent more electricity to the global grid than nuclear power, while wind outpaced nuclear by a factor of five over the same comparison.

This is one of the key findings of the 2015-Edition of the *World Nuclear Industry Status Report (WNISR2015)*, released during a launch event at the UK House of Commons by a team of independent experts coordinated by Paris-based international energy and nuclear policy consultant Mycle Schneider. Presentations were also given by the other WNISR lead author Antony Froggatt, Senior Research Fellow at Chatham House (Royal Institute of International Affairs) in London and contributing author Steve Thomas, Professor for Energy Policy at Greenwich University.

Convening lead author Mycle Schneider declared: "The gap between the perception of the nuclear sector by decision-makers, the media and the public and the general declining trend as well as the deep crisis that threatens the very existence of some of the largest players is puzzling. A thorough reality check is urgently needed, especially in countries like the U.K., where new nuclear investments—like Hinkley Point C—with huge public subsidies are still on the table." Lead author Antony Froggatt added: "In this crucial year for a global climate change deal, political leaders need to assess their support to technologies such as solar and wind, where costs are falling quickly and deployment rates are escalating. As investing in new nuclear has shown to be slow and increasingly expensive."

### **Key Insights in Brief**

- Japan without nuclear power for a full calendar year for the first time since the first commercial nuclear power plant started up in the country 50 years ago.
- Nuclear plant construction starts plunge from fifteen in 2010 to three in 2014.
- 62 reactors under construction—five fewer than a year ago—of which at least three-quarters delayed. In 10 of the 14 building countries *all* projects are delayed, often by years. Five units have been listed as “under construction” for over 30 years.
- Share of nuclear power in global electricity mix stable at less than 11% for a third year in a row.

- AREVA, technically bankrupt, downgraded to “junk” by Standard & Poor's, sees its share value plunge to a new historic low on 9 July 2015—a value loss of 90 percent since 2007

- China, Germany, Japan—three of the world's four largest economies—plus Brazil, India, Mexico, the Netherlands, and Spain, now all generate more electricity from non-hydro renewables than from nuclear power. These eight countries represent more than three billion people or 45 percent of the world's population.

- In the UK, electricity output from renewable sources, including hydropower, overtook the output from nuclear.

#### Lead Authors' Contact Information

Mycle Schneider

45, allée des deux cèdres

91210 Draveil (Paris)

France

Phone: +33-1-69 83 23 79

Email: [mycle@orange.fr](mailto:mycle@orange.fr)

Antony Froggatt

53a Nevill Road

London N16 8SW

United Kingdom

Ph: +44-79 68 80 52 99

E: [antony@froggatt.net](mailto:antony@froggatt.net)



**AUSTRALIAN  
CONSERVATION  
FOUNDATION**

**Dave Sweeney**

Nuclear Free Campaigner

Australian Conservation Foundation

Level 1 - 60 Leicester Street, CARLTON VIC 3053, Australia

Ph +61 3 9345 1130 Mob +61 N/R Fax +61 3 9345 1166

[d.sweeney@acfonline.org.au](mailto:d.sweeney@acfonline.org.au)

[www.acfonline.org.au](http://www.acfonline.org.au)

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**Subject:** Re: Pedal needing your backing on street closure  
**From:** Mark Bailey (mangocube6@yahoo.co.uk)  
**To:** pedalbrisbane@gmail.com;  
**Date:** Friday, 17 July 2015, 15:42

Do send to Ministerial inbox please Mara. Will get to it when I can. M

Sent from my iPhone

On 17 Jul 2015, at 2:54 pm, Pedal Brisbane <pedalbrisbane@gmail.com> wrote:

Just a heads up, we have been mainly dealing with Mark Pattemore, however, the people at the meeting yesterday:

**Mark Pattemore**

Project & Program Manager

Transport Planning & Strategy  
**BRISBANE CITY COUNCIL**

**Chris McCahon**

Transport Network Operations Manager |  
Transport Planning and Strategy

Brisbane Infrastructure |  
**BRISBANE CITY COUNCIL**

Shani Tubb (congestion control unit BCC)  
Shani.Tubb@brisbane.qld.gov.au

Kate Bailey (Qld Police)

Tomiko Lee (Cycling Brisbane, BCC)

and possibly these people:

Geoffrey Howath (BCC)  
Jonathon Conroy (BCC)  
Cody Grosert (BCC)

And there was someone from Brisbane Transport - however, I'm not sure who he was, he may be included in the above three possibles.

Should I sent this to your ministerial inbox?

Thanks Mark,

Mara

Founding Directors  
Mara Quinn |

Ciara Denham |

[pedalbrisbane.com.au](http://pedalbrisbane.com.au)  
Facebook /pedalbne  
Instagram @pedalbne  
Twitter @pedalbrisbane

***Pedal. Riding is freedom..***

On Fri, Jul 17, 2015 at 2:30 PM, Pedal Brisbane <pedalbrisbane@gmail.com> wrote:

Hi Mark,

I hope you are well.

Mara from Pedal here.

I thought I'd try to get you on this email as well as your minister email.

Pedal are in a spot of bother.

We plan to close some streets in the CBD on Sunday 13 September (8.5 weeks away) as one of the events in our program for the bicycle fringe festival we're holding for the Asia-Pacific Cycle Congress. The aim to create a large area where thousands of people can ride in from the suburbs (on multiple group rides) and enjoy the closed grid for a whole day. There will be DJs, some live music, and street performance entertainment. With a successful event this series of closures could end up being a regular event - annually, monthly, or even weekly like Ciclovía in Bogota.

Such a large and leisurely closure would really impact the city - giving citizens a taste for sustainable transport and potentially inspiring thousands of people to ride their bikes regularly.

At a meeting yesterday with Council, Old Police, and Brisbane Transport - the idea was not supported. But this closure *could* still happen with backing from the right people. I thought the costs to control traffic, do signage, and hire police would be absorbed within council, but this seems not so and looks as though it could end up being up to 50K to make it happen. We have a 5K budget.

I am waiting to hear back from Graham Quirk, as he has been a Pedal supporter in the past, however, he, like you, is a very busy and hard to reach leader. I am also planning to contact Jackie Tradd and get her support.

I've attached the street closure proposal and this image below shows the streets we want to close. I know it's ambitious, but you know that for change to occur, bold decisions and ideas must be made and supported.

<Stree Closure 1 zoomed out.jpg>

I have contacted your Ministerial office, and am hoping they will let you know ASAP - I believe you are in parliament today.

I hope you also see how amazing this could be and you think you can help.

Thank you so much for your time,

Mara

Founding Directors

Mara Quinn |

Ciara Denham

[pedalbrisbane.com.au](http://pedalbrisbane.com.au)  
Facebook /pedalbne  
Instagram @pedalbne  
Twitter @pedalbrisbane

*Pedal. Riding is freedom..*

Released under RTI - DTMR

Subject: Ergon considers partial buy-back of \$1.5bn solar feed-in tariffs: Renew Economy

From: Sch 4 CTPI

To: mangocube6@yahoo.co.uk

Date: Monday, 20 July 2015 04:36:36 PM AEST

Hi Mark.. hope you are well. Looks like the Budget went OK.

you may already be aware of this, but a good signal coming from Ergon... best,

Sch 4 CTPI

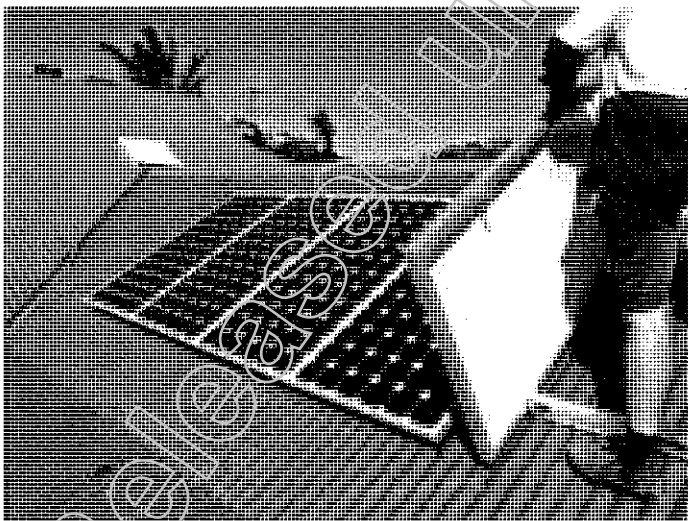
<http://reneweconomy.com.au/2015/ergon-considers-partial-buy-back-of-1-5bn-solar-feed-in-tariffs-67211>

## Ergon considers partial buy-back of \$1.5bn solar feed-in tariffs



Queensland state-owned utility Ergon Energy is considering a proposal to “buy back” at least part of the 44c/kWh feed-in tariffs in a bid to try to change consumer behaviour and deal with some of the major grid constraints that it has on its huge network.

The Queensland state feed-in tariff is predicted by some to cost up to \$3.4 billion before it expires in 2028/29, in one of the most generous tariff schemes set up in Australia.



But while the cost burden on consumers is one issue, the 44c/kWh tariff is causing consumption behaviour that is creating major problems on the Ergon Energy grid, many of which are thin wires that are struggling to cope with rising peak demand.

Ergon CEO Ian McLeod says his network has 80,000 households on the 44c/kWh tariff, and because of that tariff they are more likely to maximise their earnings by using little electricity through the day (maximising exports), and then switch on their appliances during the evening peak.

In some areas, such as those around Hervey Bay, one of the areas with the highest solar penetration, Ergon Energy is facing a \$30 million bill to upgrade sub-stations and lines to deal with the rising peak demand.

This is causing massive head-aches. So much so that McLeod says it could be cheaper for the network to “buy out” the feed-in tariff from the households, and put them on the 6.5c/kWh tariffs, which would encourage them to use appliances such as pool pumps in daylight hours to get the benefits of consuming solar electricity, rather than exporting it, and to avoid grid charges.

McLeod says a buy back could be paired with initiatives such as home energy management schemes, which could include the installation of battery storage and other demand management devices.

Ergon considered the issue last year, but put the idea on hold when the then LNP government talked of shifting the \$3.4 billion feed-in tariff bill (the tariffs last until 2028 unless a household is sold).

Since the LNP is no longer in power, McLeod says Ergon staff are now crunching the numbers on a buyout, focusing on some highly constrained areas to see if the idea makes economic sense.

Ergon Energy, which covers 97 per cent of Queensland by land area, faces a \$1.5 billion bill from the 44c/kWh feed in tariff out to 2028, with more than one in 10 of its residential customers on that rate. The total bill for the state is put at more than \$3.4 billion.

McLeod says the problem of constrained grids is particularly acute on 35°C days, in areas with a high level of solar PV penetration. He said “hundreds of feeders” are being looked at.

“We want to see if a buyout on the net present value of the tariffs, combined with home energy management systems to help shift the load, ...is the cheapest option.” Battery storage, to shift grid demand away from the peaks, was also an option.

“This is where change happens,” he said. “Instead of building transformers and wires and all that sort of stuff ... the value goes into the analytics, understanding the data, and understanding the problem and the technology solution.

“Can I manage that constrained grid – can I manage that for two years until when I know the battery nexus point is coming in two years time?”

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Subject: ^\_Fwd^\_: ^\_Ergon^\_ ^\_considers^\_ ^\_partial^\_ ^\_buy^\_-back of  
\$^\_1.5bn^\_ solar ^\_feed^\_-in ^\_tariffs^\_: ^\_Renew^\_ ^\_Economy^\_

---

From: mangocube6@yahoo.co.uk

To: denise.spinks@ministerial.qld.gov.au

Date: Monday, 20 July 2015 10:21:24 PM AEST

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Interesting... Interesting that I read it on Renew Economy and not via a brief! Catch you tmrw arvo... M

Sent from my iPhone

Begin forwarded message:

○

Released under RTI - DTMR



Subject: Re: Ergon considers partial buy-back of \$1.5bn solar feed-in tariffs : Renew Economy

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From: Denise.Spinks@ministerial.qld.gov.au  
To: mangocube6@yahoo.co.uk  
Date: Tuesday, 21 July 2015 12:11:55 AM AEST

---

!! - see u in morning --- we are going west together :)

Sent from my iPhone

On 20 Jul 2015, at 10:21 pm, "Mark Bailey" <mangocube6@yahoo.co.uk> wrote:

Interesting... Interesting that I read it on Renew Economy and not via a brief! Catch you tmrw arvo... M

Sent from my iPhone

Begin forwarded message:

From: Sch 4 CTPI  
Date: 20 July 2015 4:36:43 pm AEST  
To: Mark Bailey <mangocube6@yahoo.co.uk>  
Subject: Ergon considers partial buy-back of \$1.5bn solar feed-in tariffs : Renew Economy

Hi Mark.. hope you are well. Looks like the Budget went OK.

you may already be aware of this, but a good signal coming from Ergon...  
best, Sch 4 CTPI

<http://reneweconomy.com.au/2015/ergon-considers-partial-buy-back-of-1-5bn-solar-feed-in-tariffs-67211>

## Ergon considers partial buy-back of \$1.5bn solar feed-in tariffs

<button-print-blu20.png>

Queensland state-owned utility Ergon Energy is considering a proposal to "buy back" at least part of the 44c/kWh feed-in tariffs in a bid to try to change consumer behaviour and deal with some of the major grid constraints that it has on its huge network.

The Queensland state feed-in tariff is predicted by some to cost up to \$3.4 billion before it expires in 2028/29, in one of the most generous tariff schemes set up in Australia.

<qldsolar1.jpg>

But while the cost burden on consumers is one issue, the 44c/kWh tariff is causing consumption behaviour that is creating major problems on the Ergon Energy grid, many of which are thin wires that are struggling to cope with rising peak demand.

Ergon CEO Ian McLeod says his network has 80,000 households on the 44c/kWh tariff, and because of that tariff they are more likely to maximise their earnings by using little electricity through the day (maximising exports), and then switch on their appliances during the evening peak.

In some areas, such as those around Hervey Bay, one of the areas with the highest solar penetration, Ergon Energy is facing a \$30 million bill to upgrade sub-stations and lines to deal with the rising peak demand.

This is causing massive head-aches. So much so that McLeod says it could be cheaper for the network to "buy out" the feed-in tariff from the households, and put them on the 6.5c/kWh tariffs, which would encourage them to use appliances such as pool pumps in daylight hours to get the benefits of consuming solar electricity, rather than exporting it, and to avoid grid charges.

McLeod says a buy back could be paired with initiatives such as home energy management schemes, which could include the installation of battery storage and other demand management devices.

Ergon considered the issue last year, but put the idea on hold when the then LNP government talked of shifting the \$3.4 billion feed-in tariff bill (the tariffs last until 2028 unless a household is sold).

Since the LNP is no longer in power, McLeod says Ergon staff are now crunching the numbers on a buyout, focusing on some highly constrained areas to see if the idea makes economic sense.

Ergon Energy, which covers 97 per cent of Queensland by land area, faces a \$1.5 billion bill from the 44c/kWh feed in tariff out to 2028, with more than one in 10 of its residential customers on that rate. The total bill for the state is put at more than \$3.4 billion.

McLeod says the problem of constrained grids is particularly acute on 35°C days, in areas with a high level of solar PV penetration. He said “hundreds of feeders” are being looked at.

“We want to see if a buyout on the net present value of the tariffs, combined with home energy management systems to help shift the load, ...is the cheapest option.” Battery storage, to shift grid demand away from the peaks, was also an option.

“This is where change happens,” he said. “Instead of building transformers and wires and all that sort of stuff ... the value goes into the analytics, understanding the data, and understanding the problem and the technology solution.

“Can I manage that constrained grid -- can I manage that for two years until when I know the battery nexus point is coming in two years time?”

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button-print-blu20.png  
1.9kB



qldsolar1.jpg  
16.3kB

**Subject:** WA 'electric highway' links Perth to south-west via network of 12 EV fast chargers : Renew Economy

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Tuesday, 21 July 2015, 19:17

<http://reneweconomy.com.au/2015/wa-electric-highway-links-perth-to-south-west-via-network-of-12-ev-fast-chargers-81854>

## WA 'electric highway' links Perth to south-west via network of 12 EV fast chargers



Western Australia has installed a network of 12 electric vehicle fast charging stations, connecting Perth to Augusta – the most south-westerly town in Australia – that can fully charge an EV in just 30 minutes.

The 310km “electric highway” was co-funded by the RAC – the charging technology was supplied by locally-based firm, E-Station – and is being billed as a first of its kind for Australia.



The route was strategically chosen, according to reports, to encompass popular tourist spots around the region, with chargers also planned for Nannup, Busselton and Margaret River.

It is hoped the publicly accessible chargers – which are free to use until the end of the year – will encourage more WA drivers to buy electric vehicles. Currently, the state has fewer than 150 EV owners.

According to the MotorReport, local councils along the route have either agreed or are in talks with the RAC to maintain the chargers once they are installed, but whether they will offer free electricity to drivers or charge them to use the facilities (\$3-\$5 per charge) is unclear.

RAC president Esme Bowen said she hoped the bright yellow charging stations – supplied by e-station would at least get people talking about EVs.

“I think it’s just about getting people exposed to them and I think this highway will give people the opportunity to think, ‘What’s that car doing? What does it do? What does it mean?’,” Bowen told the ABC Online.

A 430km “fast cities network” is also being planned to link northern NSW and Queensland, featuring 12 of local Brisbane company Tritium’s industry-leading Veefil fast chargers, installed at points strategically located along major transport corridors between Noosa and Byron Bay (NSW).

**RenewEconomy Free Daily  
Newsletter**

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**Attachments**

- button-print-blu20.png (1.92 KB)
- 6563226-3x2-340x227.jpg (27.30 KB)

Released under RTI - DTMR

Subject: ^\_Apols^\_...

---

From: mangocube6@yahoo.co.uk

To: gai.duffy@ministerial.qld.gov.au

Date: Wednesday, 22 July 2015, 10:54:36 pm AEST

---

Just realised I texted you instead of emailed you re accom. My apols. Been a long day! No-one's fault etc so don't stress. M

Sent from my iPhone

Released under RTI - DTMR

Subject: RE: ^\_Apols^\_...

---

From: Gai.Duffy@ministerial.qld.gov.au

To: mangocube6@yahoo.co.uk

Date: Thursday, 23 July 2015, 6:59:57 am AEST

---

Not a problem. I can imagine your frustration. But I will start keeping a note of hotels to avoid and hotels of preference.

-----Original Message-----

From: Mark Bailey [mailto:mangocube6@yahoo.co.uk]

Sent: Wednesday, 22 July 2015 10:55 PM

To: Gai Duffy <Gai.Duffy@ministerial.qld.gov.au>

Subject: Apols...

Just realised I texted you instead of emailed you re accom. My apols. Been a long day! No-one's fault etc so don't stress. M

Sent from my iPhone

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Released under IPIT - DTMR

Subject: ^\_Fwd^\_: ^\_Mediaportal^\_ ^\_Alert^\_ - ^\_Minister^\_ ^\_Mark^\_ ^\_Bailey^\_ ^\_Media^\_Alert

---

From: Mark.Bailey@ministerial.qld.gov.au  
To: mangocube6@yahoo.co.uk  
Date: Friday, 24 July 2015 03:55:31 PM AEST

---

Sent from my iPhone

Begin forwarded message:

From: <mediaportal.au@isentia.com>  
Date: 24 July 2015 3:41:01 pm AEST  
To: <mark.bailey@ministerial.qld.gov.au>  
Subject: **Mediaportal Alert - Minister Mark Bailey Media Alert**

MEDIAPORTAL ALERT: Minister Mark Bailey Media Alert

=====  
Social Networks (1 item)  
=====

Having a lovely lunch talking about local issues with Shadow Mini...

- 24 Jul 2015 1:09PM  
- Social Networks: Facebook, by 170480423075251

Copyright - access via inspection only

- Item ID: 439672588

- Keywords:  
Fiona Simpson(1); Local Government(1); Main Roads(2); Shadow Minister(2)

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Released under RTI/DI/MR

Subject: ^\_Fwd^\_: ^\_Mediaportal^\_ ^\_Alert^\_ - ^\_Minister^\_ ^\_Mark^\_ ^\_Bailey^\_ ^\_Media^\_Alert

---

From: Mark.Bailey@ministerial.qld.gov.au  
To: mangocube6@yahoo.co.uk  
Date: Friday, 24 July 2015 05:10:25 PM AEST

---

Sent from my iPhone

Begin forwarded message:

**From:** <mediaportal.au@isentia.com>  
**Date:** 24 July 2015 4:41:04 pm AEST  
**To:** <mark.bailey@ministerial.qld.gov.au>  
**Subject:** Mediaportal Alert - Minister Mark Bailey Media Alert

MEDIAPORTAL ALERT: Minister Mark Bailey Media Alert

=====  
Social Networks (1 item)  
=====

Advance Cairns and The Cairns Chamber of Commerce welcome recent ...

- 24 Jul 2015 3:43PM  
- Social Networks: Facebook, by 204175819597004

Copyright - access via inspection only

- Item ID: 439704077

- Keywords:  
Curtis Pitt(1); Minister(1); Queensland(5); Treasurer(1)

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Subject: ^\_Fwd^\_: ^\_Mediaportal^\_ ^\_Alert^\_ - ^\_Minister^\_ ^\_Mark^\_ ^\_Bailey^\_ ^\_Media^\_Alert

---

From: Mark.Bailey@ministerial.qld.gov.au  
To: mangocube6@yahoo.co.uk  
Date: Friday, 24 July 2015 06:13:03 PM AEST

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Sent from my iPhone

Begin forwarded message:

**From:** <mediaportal.au@isentia.com>  
**Date:** 24 July 2015 5:41:00 pm AEST  
**To:** <mark.bailey@ministerial.qld.gov.au>  
**Subject:** Mediaportal Alert - Minister Mark Bailey Media Alert

MEDIAPORTAL ALERT: Minister Mark Bailey Media Alert

=====  
Social Networks (1 item)  
=====

Today with Minister Mark Bailey MP for Yeerongpilly in Mount Isa,...

- 24 Jul 2015 3:53PM  
- Social Networks: Facebook, by 590171327666970

Copyright - access via inspection only

- Item ID: 439709081

- Keywords:  
Main Roads(2); Mark Bailey(2); Minister(3); MP(2); QLD(2); Queensland(3)

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Released under RTI - D1M/R

**Subject:** Queensland plans 1,600km string of fast-charging stations for electric cars | Australia news | The Guardian

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

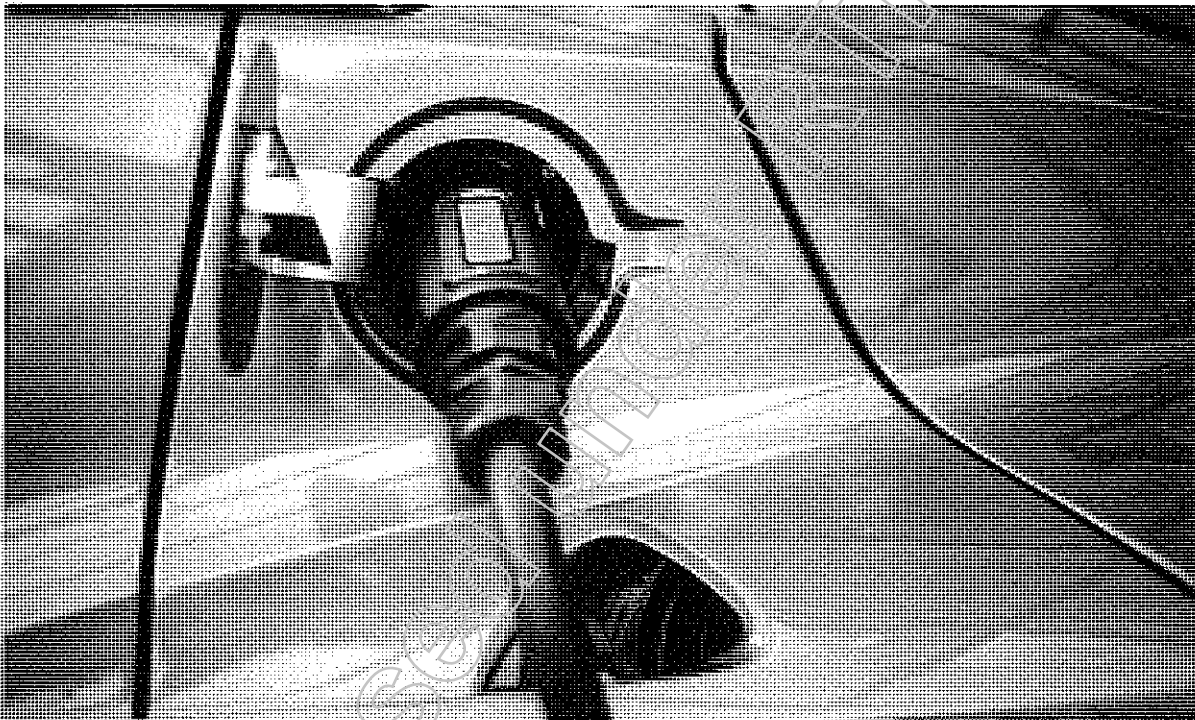
**Date:** Monday, 27 July 2015, 7:42

Hi Mark, great initiative.. disappointed your name wasn't mentioned..

hope you are well.

[http://www.theguardian.com/australia-news/2015/jul/25/queensland-to-encourage-fast-charging-stations-to-service-electric-cars-statewide?CMP=soc\\_567](http://www.theguardian.com/australia-news/2015/jul/25/queensland-to-encourage-fast-charging-stations-to-service-electric-cars-statewide?CMP=soc_567)

## Queensland plans 1,600km string of fast-charging stations for electric cars



Queensland wants to build a string of charging stations for electric cars stretching more than 1,600km along the Bruce Highway.

The state government has called for expressions of interest to build Australia's first solar-powered fast-charging station for electric cars in Townsville and says this is just the first of many.

"Our vision is for this to be the start of an electric superhighway," the minister assisting the premier on north Queensland, Coralee O'Rourke, said on Saturday.

"This is a really exciting initiative for Townsville – and could pave the way for a new era in Australia's motoring history.

“Our vision is for this to be the start of an electric superhighway by facilitating fast-charging service locations for drivers travelling up and down the length of Queensland.”

The development would give motorists the option of filling up their car with fuel at a standard bowser or plugging in their electric car for fast charging.

“Up to two electric vehicles could charge at the same time, with an expected average charge time of 15 to 30 minutes,” O’Rourke said.

“We understand that for small businesses, pioneering a new technology can be expensive so we have developed a business model to help reduce costs.

“Ergon Energy is offering the business owner the opportunity to 100% lease 25kW of solar panels and Economic Development Queensland will provide support for EV charger equipment leasing.”

The Australasian Convenience and Petroleum Marketers Association CEO, Mark McKenzie, said retail fuel businesses had to accommodate alternative forms of transport energy to survive.

“Petrol station businesses must accommodate technological change to remain viable,” he said. “By incorporating solar facilities into the design of service stations, annual business costs can be reduced.”

---

## Attachments

- 7360.jpg (71.97 KB)

**Subject:** Re: Queensland plans 1,600km string of fast-charging stations for electric cars | Australia news | The Guardian

**From:** Mark Bailey (mangocube6@yahoo.co.uk)

**To:** Sch 4 CTPI

**Date:** Monday, 27 July 2015, 19:05

Thx <sup>Sch 4</sup>CTPI. It was s good one for Coralee as NQ Minister. You'll see me in plenty others. :- ) M

Sent from my iPhone

On 27 Jul 2015, at 7:42 am, <sup>Sch 4</sup>CTPI wrote:

Hi Mark, great initiative.. disappointed your name wasn't mentioned..

hope you are well.

[http://www.theguardian.com/australia-news/2015/jul/25/queensland-to-encourage-fast-charging-stations-to-service-electric-cars-statewide?CMP=soc\\_567](http://www.theguardian.com/australia-news/2015/jul/25/queensland-to-encourage-fast-charging-stations-to-service-electric-cars-statewide?CMP=soc_567)

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<7360.jpg>

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The Australasian Convenience and Petroleum Marketers Association CEO, Mark McKenzie, said retail fuel businesses had to accommodate alternative forms of transport energy to survive.

“Petrol station businesses must accommodate technological change to remain viable,” he said. “By incorporating solar facilities into the design of service stations, annual business costs can be reduced.”

Released under RTI - DTMR

Subject: ^\_Tweet^\_^\_from^\_^\_Transport^\_^\_Main^\_^\_Roads^\_^\_(@^\_TMRQld^\_^\_)

---

From: mangocube6@yahoo.co.uk  
To: tam.vanalphen@ministerial.qld.gov.au  
Cc: kate.griffiths@ministerial.qld.gov.au  
Date: Tuesday, 28 July 2015, 12:08:21 pm AEST

---



**Transport Main Roads (@TMRQld)**

28/07/2015 12:00 pm

Following this major briefing, regional seminars with more local focus will be held at various locations across the state.

Do we have these locations and times Tam? Am thinking our local MP's need to know etc... M

Download the official Twitter app [here](#)

Sent from my iPhone

Released under RTI - DTMR

Subject: RE: ^\_Tweet^\_^\_from^\_^\_Transport^\_^\_Main^\_^\_Roads^\_^\_(@^\_TMRQld^\_^\_)

---

From: Kate.Griffiths@ministerial.qld.gov.au

To: mangocube6@yahoo.co.uk; Tam.VanAlphen@ministerial.qld.gov.au

Date: Tuesday, 28 July 2015, 12:10:23 pm AEST

---

We sure do, dates below:

Maroochydore – 13 August 2015

Nerang – 14 August 2015

Townsville – 18 August 2015

Toowoomba – 27 August 2015

I am advising local MPs who are within range of these events.

Kate

Released under RTI - DTMR

Subject: Re: ^\_Tweet^\_^\_from^\_^\_Transport^\_^\_Main^\_^\_Roads^\_^\_(@^\_TMRQld^\_^\_)

---

From: mangocube6@yahoo.co.uk

To: Kate.Griffiths@ministerial.qld.gov.au

Date: Tuesday, 28 July 2015, 5:16:02 pm AEST

---

Thanks Kate... M

( )

Released under RTI - DTMR

Subject: MBike 1

---

From: mangocube6@yahoo.co.uk

To: mangocube6@yahoo.co.uk

Date: Tuesday, 28 July 2015 06:21:17 PM AEST

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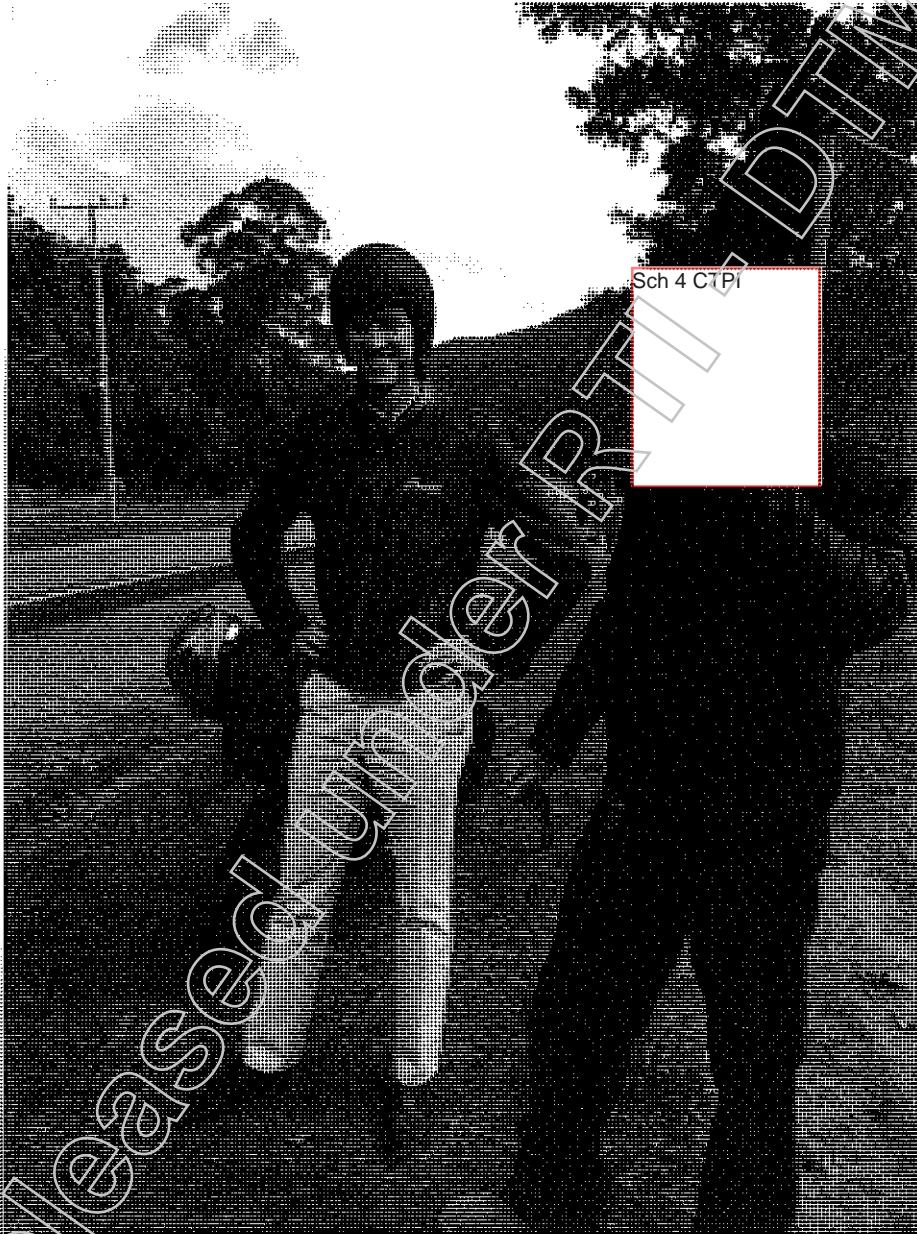
Sent from my iPhone



IMG\_7357.JPG

134.4kB

Released under RTI - DTMR



Subject: Mbike 2

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From: mangocube6@yahoo.co.uk

To: mangocube6@yahoo.co.uk

Date: Tuesday, 28 July 2015 06:21:47 PM AEST

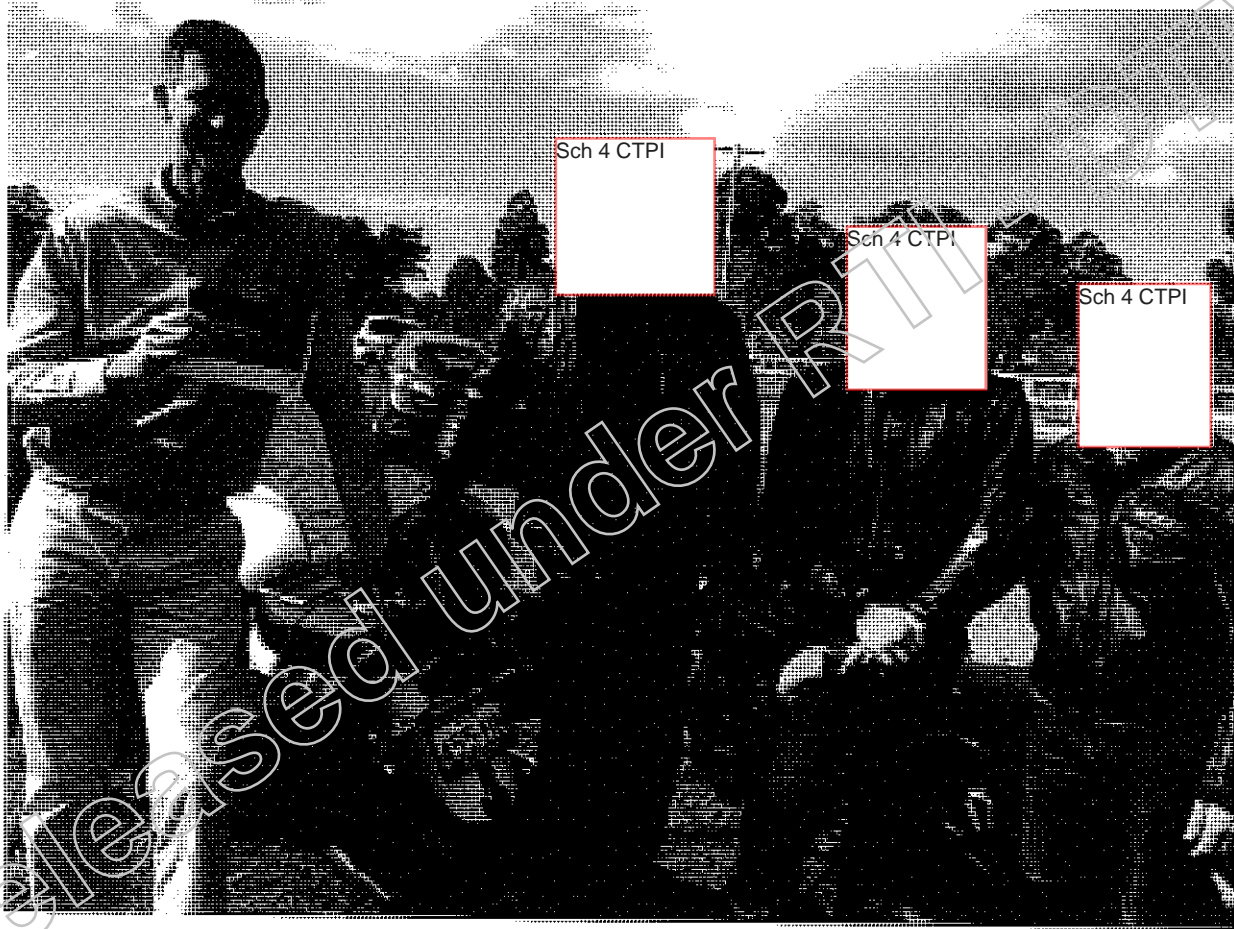
---

Sent from my iPhone



IMG\_7355.JPG  
135.9kB

Released under RTI - DTMR





Subject: Mbike 3

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From: mangocube6@yahoo.co.uk

To: mangocube6@yahoo.co.uk

Date: Tuesday, 28 July 2015 06:22:22 PM AEST

---

Sent from my iPhone



IMG\_7360.JPG  
182.5kB

Released under RTI - DTMR



**Subject:** RE: Issues with Department inspectors at Lauren FCS out past Chinchilla  
**From:** Peter Simpson (ETU) (simmo@etu.org.au)  
**To:** mangocube6@yahoo.co.uk;  
**Date:** Wednesday, 3 June 2015, 8:46

I'm meeting with Evan this morning about the broader issue, a few of us are starting to get the roaring shits with no consultation, feedback etc across the board, so heads up on that eh

In our case we've given the Govt the time to settle in, as was requested, only to find out there are some in the movement having daily/weekly meetings with Ministers and having their views actually listened too and a few of us that did the right thing, us, Rohan etc, are seeing fuck all.

Not pointing all of this at you, it's more Pitt and Co but on the amalgamation, I had lunch with a GOC Board member yesterday who told me where the amalgamation is up to and as you know, I've had one meeting with you about it, handed you our view of the world and have heard fuck all since

There are obviously things happening within Treasury etc and as we saw with Gordon Jardines' appointment to the ENERGEX board shows, our views mean fuck all!

Simmo

---

**From:** Mark Bailey [mailto:mangocube6@yahoo.co.uk]  
**Sent:** Wednesday, 3 June 2015 12:31 AM  
**To:** Peter Simpson (ETU)  
**Subject:** Re: Issues with Department inspectors at Lauren FCS out past Chinchilla

Right. Will follow it up with Treasurer"s office in morn. M

Sent from my iPhone

On 2 Jun 2015, at 2:54 pm, Peter Simpson (ETU) <simmo@etu.org.au> wrote:

Haven't heard a fucking thing back

Sent from my iPhone

On 2 Jun 2015, at 2:49 pm, Mark Bailey <mangocube6@yahoo.co.uk> wrote:

Just got to this. Will be Treasurer"s area. Let me know if I can help. M

Sent from my iPhone

On 1 Jun 2015, at 1:20 pm, Peter Simpson (ETU) <[simmo@etu.org.au](mailto:simmo@etu.org.au)> wrote:

Comrades,

Fyi

Simmo

---

**From:** Peter Simpson (ETU)  
**Sent:** Monday, 1 June 2015 1:17 PM  
**To:** 'imogen.beynon@ministerial.qld.gov.au'  
**Subject:** FW: Issues with Department inspectors at Lauren FCS out past Chinchilla  
**Importance:** High

Imogen,

Please see below and attached major issues we are having with the Dept of Workplace Health & Safety.

Whilst we don't expect a free kick, we do expect these Officers to act in the interests of workplace health and safety, as you can clearly see (and hear) in the attached, this is most definitely NOT the case in this instance, these Officers are a disgrace to the Dept & the Government.

We ask, with the utmost urgency, that something is done about this. It is waste of all of our time and efforts in policing safety if this is the attitude we are going to receive back.

Simmo

---

**From:** Beau Malone (ETU)  
**Sent:** Monday, 1 June 2015 12:59 PM  
**To:** Peter Simpson (ETU)  
**Cc:** Chris Lynch; Daniel McGaw

**Subject:** Issues with Department inspectors at Lauren FCS out past Chinchilla

G'day Simmo,

Last Wednesday 27/5/15 Dan McGaw, Chris Lynch and I entered the Lauren FCS site at around 12.30pm to inspect some alleged breaches of the WHS Act. Leighton's had by this stage rejected our right of entry under section 117 of the WHS Act due to it being non-compliant in their view (see attached email 'Entry Notices'). Arguably the safety roe should have been more specific in identifying the exact area to which the suspected contravention related to. Leighton's suggested that they did not have to discuss the two mentioned alleged breaches for two reasons, the first that the safety roe was not compliant and two because the WHS Department had inspectors carry out an audit of the site the day earlier. Turns out the department were still on site. I advised Leighton's that although they had notified us that the safety roe's were non-compliant in their view, we still wanted to work through the alleged contraventions under Sec 81 (3) of the WHS Act (see 'RE: Entry Notices' for Leighton's email notifying us of their views).

Chris spoke with the department and did not have much luck getting the WHS department inspectors to make a ruling as to whether or not we had a right to inspect the suspected contraventions under Sec 81 (3) of the WHS Act (see attached 'Issue resolution fact sheet' for more info on sec 81 (3)). Leighton's still of the view that Dan, Chris and I had no right to enter site to inspect the suspected contraventions, I thought it best to talk once again with department inspectors about rights of a representative under the WHS Act.

I spoke with [Sch 4 CTPI] mostly, [Sch 4 CTPI] was also present. The discussions went for some time, essentially what I was after is for the WHS department to confirm with me why as representatives for the workers on site we could not be authorised to exercise sec 81 (3) of the WHS Act. I did also explain to the inspectors that the very reason we found it hard to note specific areas on the safety roe to which the suspected contraventions existed, was due largely to the casual workforce that existed and the fear the workers held of retribution if they were found to have raised the issues. [Sch 4 CTPI] proceeded to tell me that the suspected contraventions around emergency evacuation signage and lighting did not exist on site and that we would have to have other issues to exercise our rights under sec 81 (3). I asked [Sch 4 CTPI] if the department found the suspected contraventions not to exist, does that then take away a representatives rights away under Sec 81 (3). [Sch 4 CTPI] refused to answer the question and repeated that the issues did not exist on the site. This is when I notified [Sch 4 CTPI] that I would have to record the discussions to re-cover what we had just discussed (see attached Lauren mp3). Hopefully the attached recording is clear in showing the difficulty Dan, Chris and I had trying to get the inspectors to both answer a question as to whether their having looked through the

site over road a representatives ability to exercise their rights under sec 81 (3) and in resolving any of the issues.

You will see in the attached email 'Lauren actions' that issues ended up being identified with the emergency evacuation plan after Dan, Chris and I ran through sec 81 (3) with Leighton's in more detail (to access the muster point you had to cross a roadway and it was beside a fuel storage area). Certain areas on the site had left Leighton's existing emergency evacuation plan insufficient as far as getting workers out of areas safely (these areas got excluded until Leighton's could come up with a safe means of getting workers from these areas). Also some emergency lighting was required and agreed to be installed on site. Other issues were addressed also whilst we worked on suspected contraventions that we initially set out to investigate and resolve.

All of these issues were again revisited on the 28<sup>th</sup> as a follow up and this is when the agreed 'Lauren action' items came about. The entry to site was again under sec 81 (3) of the WHS Act

In the past if ever there have been suspected contraventions of the WHS Act in remote areas, I have been advised to notified by the WHS Department to notify the WHS Department in advance to prevent any access issues to site. Having been notified the day prior to arriving on site that the WHS Department was on site, I saw no reason to make contact with the WHS Department being of the view that they would be on site, which they were. It was extremely disappointing that both [Sch 4 CTPI] did not seem capable of enforcing the WHS Act in a way that it intended to be put into practice. Instead they seemed more interested in hindering anyone who held rights under the WHS Act other themselves.

Chris has also mentioned that earlier when he first met [Sch 4 CTPI] (around 12.45pm), he was asked to show his ROE permits which Chris readily handed over to [Sch 4 CTPI] to inspect. After several minutes (enough time to make note of any information from Chris's permits) [Sch 4 CTPI] took out a camera to photograph his permits. When Chris asked him what he was doing, he became very defensive and made accusations that Chris had something to hide.

After finding a major safety breach (see below pic) of a switch board with a cover not secured allowing access to live parts in a crib shed (also sighted by 2 Leighton's employees), Chris made the area safe by isolating the board. Chris then went to get the 2 Inspectors to investigate. On entering the site office where [Sch 4 CTPI] was located, Chris raised the breach with [Sch 4 CTPI] and asked him to investigate to which he replied words to the affect "I am not interested". Chris tried convincing him for 10 odd minutes that it was a serious issue and that an improvement notice may need to be issued. [Sch 4 CTPI] ignored Chris. On leaving the office that [Sch 4 CTPI]

Sch 4 CTPI was in, Chris came across Sch 4 CTPI and asked him to come and have a look and even take some photos. Sch 4 CTPI said words to the affect "I will come out and take photos, if you let me take a photo of your permits". Chris suggested to Sch 4 CTPI that this was blackmail although agreed and began to take out his permits. Chris went to hand Sch 4 CTPI his permits for him to photograph, but he laughed and walked into the office with Sch 4 CTPI

<image008.jpg>

I believe that these Inspectors are potentially in the wrong roles and I am genuinely concerned that they are not capable and/or will not enforce the WHS Act/Regs.

On the 28/5/15 the second day on site following up with both issues resolution processes and finalising any inspections that needed carrying out to check the suspected contraventions, Leighton's called Kym Tollenaere from the WHS Department who seemed more than helpful in assisting both us and Leighton's management reach agreement on the way forward around issue resolution. Kym assisted with both making changes to the emergency evacuation plan (how best notify workers) and access to amenities. Not all of Kym's views were shared by myself (acceptable distance to working amenities whilst on site ones where getting fixed), although she did make a call and assist both parties.

On a side note Sch 4 CTPI and I have a history from some suspected contraventions of the WHS Act that existed at the Wagner site in Pinkenba (around May 2014). Sch 4 CTPI dismissed all of the concerns that had been raised by the workers to myself after I had found that the very contraventions did exist on site. Another inspector Pat from the department substantiated that suspected contraventions the very next day after I made a complaint the afternoon earlier about Sch 4 CTPI disregard for genuine safety breaches of the WHS Act. Seems to be a trend occurring with Sch 4 CTPI inability to identify breaches of the WHS Act, one would ask if his role suits his skill set.

Hopefully something can be done about the poor performance of these two inspectors.

**Cheers**  
**Beau Malone**

<image011.jpg>

**Gold Coast Organiser**

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Electrical Trades Union

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Queensland

Or call

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1800ETUYES

F. (07) 5532 690

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<image009.png> <image010.png>

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<mime-attachment>

<mime-attachment>

<Issue resolution fact sheet.pdf>

<Lauren.m4a>

<mime-attachment>

Released under RTI - 5011MR



# Workplace Health and Safety Queensland

## Issue resolution

The issue resolution provisions are located in Part 5 of the *Work Health and Safety Act 2011* (WHS Act) which aim at providing for fair and effective workplace representation, consultation, co-operation arrangements at the workplace level. An 'issue' is any matter about health and safety at the workplace that remains unresolved after it is discussed by parties to the issue.

The provisions outline how a health and safety issue can be resolved, with the aim of resolving issues as soon as can reasonably be achieved to avoid further dispute or a recurrence of the issue or a similar issue. The intention is that issues should be resolved 'once and for all' to the extent that is possible in the circumstances. The existence of an issue does not necessarily mean there is a dispute on the matter.

### Who can be involved in issue resolution?

Parties in relation to an issue are limited to:

- persons conducting a business or undertaking (PCBUs) or their representative (or other PCBUs if the issue involves more than 1 business);
- health and safety representatives (HSRs) – where there are workers affected by the issue in a work group; or
- for workers who are not in a work group that are affected by the issue – the worker/s or their representative ('representative' is defined in the WHS Act as 'HSR, a union representing the worker or any other person the worker authorises to represent them').

(Note: a PCBU must ensure, if they nominate a representative, that the person is not a HSR, has an appropriate level of seniority and is sufficiently competent to act as their representative).

### Initial reporting and discussion of a health and safety matter

Where there is a health and safety matter, it is expected that parties will communicate, consult and co-operate to discuss the matter. For example, the initial reporting of a health and safety concern may involve:

- if they are in a work group, a worker raising the matter with the HSR, who should then raise the issue with the PCBU or their representative;
- if there is no work group, a worker raising the matter directly with the PCBU or their representative (e.g. a supervisor); or
- if there is no work group, a worker raising the matter with their representative, who should then raise the matter with the PCBU or their representative.

It is recommended that the outcome of the initial discussions be documented as a record of the matter being raised and discussed.

### When do the issue resolution provisions apply?

Only where the matter remains unresolved through initial discussions does the matter become an 'issue' and the issue resolution process in the WHS Act and WHS Regulation will apply.

**Subject:** Fwd: Political Alert - Electricity Network Assets (Authorised Transactions) Bill 2015 (NSW)

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Wednesday, 3 June 2015, 9:09

NSW legislation

Sent from my iPhone

Begin forwarded message:

From: "CCH Parliament" <politicalalert@cch.com.au<mailto:politicalalert@cch.com.au>>  
To: "politicalalert@cch.com.au<mailto:politicalalert@cch.com.au>"  
<politicalalert@cch.com.au<mailto:politicalalert@cch.com.au>>  
Subject: Political Alert - Electricity Network Assets (Authorised Transactions) Bill 2015 (NSW)

Please find attached:ELECTRICITY NETWORK ASSETS (AUTHORISED TRANSACTIONS) BILL 2015 (NSW)Bills Debated - NSW Legislative Council153S2011 Total number of pages 61 SUPPORT: politicalalert@cch.com.au<mailto:politicalalert@cch.com.au> or 02 6273 2070. Twitter: [https://twitter.com/political\\_alert](https://twitter.com/political_alert)

Sch 4 CTPI

**Attachments**

- 153S2011.PDF (618.43 KB)
- ATT00001.htm (168 B)

Released under RTI DTMR

**TABLED PAPERS NOT ORDERED TO BE PRINTED**

**The Hon. Niall Blair** tabled, pursuant to Standing Order 59, a list of all papers tabled in the previous month and not ordered to be printed.

**SELECT COMMITTEE ON THE LEASING OF ELECTRICITY INFRASTRUCTURE****Report**

**Reverend the Hon. Fred Nile**, as Chair, tabled the report entitled, "Leasing of Electricity Infrastructure", together with transcripts of evidence, tabled documents, submissions, and correspondence in answer to questions taken on notice, dated June 2015.

**Report ordered to be printed on motion by Reverend the Hon. Fred Nile.**

**Reverend the Hon. FRED NILE** [2.37 p.m.]: I move:

That the House take note of the report.

I am very pleased to table the report in the Legislative Council this day. The decision whether to lease the State's poles and wires is an important issue for the people of New South Wales. The consequences of this decision will be significant and wide-ranging for the State's financial position, as well as consumers, electricity workers and the electricity industry more generally. The chief purpose of this inquiry was to examine the claims made by key stakeholders on both sides of the debate, and to get to the truth as to whether the Government's proposal is in the best interests of the State.

Just days before this committee was due to table its report, the Government introduced into Parliament the Electricity Network Assets (Authorised Transactions) Bill 2015 and the Electricity Retained Interest Corporations Bill 2015, the enabling legislation for the partial leasing of the State's poles and wires. This occurred despite the Premier telling the committee that we would not be provided with a draft of the legislation for the purpose of our deliberations. This denied the committee the opportunity to consider the legislation earlier in formulating our findings and recommendations, and denied the Government the benefit of considering the committee's findings and recommendations before finalising the bills.

A key issue in the debate was the impact of the leasing of the poles and wires on the State's fiscal position. In promoting the benefits of the lease, the Government argued that the associated \$20 billion infrastructure investment would result in a forecast \$300 billion boost to the State's economy by 2035-36, thereby increasing taxation revenue to the State. This \$300 billion boost to the State's economy was forecast in a Government-commissioned report by Deloitte Access Economics. Given how pivotal this forecast is to the Government's case for reform, and in light of concerns about the report and the long-term fiscal impact of the Government's proposal, the committee believes that the Deloitte report should be subject to an additional layer of scrutiny. We have therefore recommended an independent review of the report by a qualified independent authority prior to the enactment of the enabling legislation.

Amidst all the complex economic arguments presented to this committee, it is important to remember that electricity is an essential service. The impact of the Government's proposal on consumers has been at the forefront of the committee's considerations. Our inquiry found that the leasing of electricity infrastructure is unlikely to negatively impact on electricity prices, safety and reliability. In fact, we found that electricity network prices and retail prices are likely to fall, at least in part, because of the role the Electricity Price Commissioner will play in reviewing the lease transactions. However, to ensure that consumers continue to be protected in the long term, we have also recommended that the powers of the Electricity Price Commissioner be reviewed within 12 months of the completion of the lease transactions. This is to ensure that the Commissioner's role and powers provide the best model for enforcing the price guarantee.

Another critical issue for the inquiry was the impact of the leasing transaction on workers in the sector. While the electricity industry is facing a challenging time, largely as a result of the Australian Energy Regulator's recent determination and its impact on jobs, it is clear that workers are worried about how they will be affected. We have therefore recommended that the enabling legislation include strong employment protection guarantees, such as at least five years continued employment with the new employer; transfer of all accrued employee entitlements, including annual, long service and sick leave, and recognition of prior service. We have

also recommended that the legislation provide for a sufficient number of apprenticeship opportunities, given the critical role they play in securing the industry's future and avoiding a future skills gap in the workforce.

After examining all the arguments and the evidence, the committee recommended that the Government implement its proposal to lease 100 per cent of TransGrid and 50.4 per cent of each of Ausgrid and Endeavour Energy. The committee believes that the Government's proposal is in the best interest of the State, taking into account the State's fiscal position, the need to maintain a triple-A credit rating and the economic benefits arising from the significant investment in infrastructure, which was one of the most persuasive aspects of our inquiry.

On behalf of the committee, I would like to acknowledge the valuable contribution made by all inquiry participants to the work of this committee. I would also like to express my thanks to my colleagues on the committee, and to the secretariat staff—Stewart Smith, Tina Higgins, Sharon Ohnesorge and Angeline Chung—for their hard work and professionalism.

**Debate adjourned on motion by Reverend the Hon. Fred Nile and set down as an order of the day for a later hour.**

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## BUSINESS OF THE HOUSE

### Routine of Business

*[During the giving of notices of motions.]*

**The Hon. Duncan Gay:** On a point of clarification: A bill relating to this matter is currently before the House. Would that make this motion out of order?

**The PRESIDENT:** Order! I will allow Mr Jeremy Buckingham to finish his notice of motion and then rule on the matter. I thank the Leader of the Government for drawing this matter to my attention.

*[Further during the giving of notices of motions.]*

**The PRESIDENT:** Order! The motion is in order. The rule about anticipation only applies to debate or question time, if a question is asked about something that is the subject of a bill before the House. As this is only a notice of motion, it is not out of order.

<5>

## BUSINESS OF THE HOUSE

### Postponement of Business

**Government Business Orders of the Day Nos 1 and 2 postponed on motion by the Hon. Duncan Gay and set down as an order of the day for a later hour.**

### ELECTRICITY NETWORK ASSETS AUTHORISED TRANSACTIONS BILL 2015

### ELECTRICITY RETAINED INTEREST CORPORATIONS BILL 2015

**Bills received from the Legislative Assembly, and read a first time and ordered to be printed on motion by the Hon. Duncan Gay.**

**Motion by the Hon. Duncan Gay agreed to:**

That standing orders be suspended to allow the passing of the bills through all their remaining stages during the present or any one sitting of the House.

**Second readings set down as an order of the day for a later hour.**

## BUSINESS OF THE HOUSE

### Precedence of Business

#### Motion by the Hon. Duncan Gay: agreed to:

That Government Business take precedence of debate on committee reports this day.

### BUSINESS OF THE HOUSE

#### Order of Business

#### Motion by the Hon. Duncan Gay agreed to:

That according to sessional order Government Business Orders of the Day Nos 3 to 10 relating to the appointment of joint statutory committees and joint standing committees be considered in globo.

### PARLIAMENTARY COMMITTEES

#### Appointment and Membership

#### Motion by the Hon. Duncan Gay agreed to:

That the following motions for the appointment of parliamentary committees be agreed to:

##### Committee on Children and Young People

- (1) That under section 36 of the Advocate for Children and Young People Act 2014 a joint committee, to be known as the Committee on Children and Young People be appointed.
- (2) That under section 38 of the Act, Mr Greg Donnelly, Mr Paul Green and Ms Bronnie Taylor be appointed to serve on the committee as members of the Legislative Council.

##### Committee on the Health Care Complaints Commission

- (1) That under section 64 of the Health Care Complaints Act 1993, a joint standing committee, to be known as the Committee on the Health Care Complaints Commission be appointed.
- (2) That under section 67 (1) (a) of the Act, Mr Lou Amato, Ms Jan Barham and Mr Walt Secord be appointed to serve on the committee as members of the Legislative Council.

##### Committee on the Independent Commission Against Corruption

- (1) That under section 63 of the Independent Commission Against Corruption Act 1988, a joint committee known as the Committee on the Independent Commission Against Corruption be appointed.
- (2) That under section 65 (i) (a) of the Act, Mr Trevor Khan, Reverend the Hon. Fred Nile and Ms Lynda Voltz be appointed to serve on the committee as members of the Legislative Council.

##### Committee on the Ombudsman, the Police Integrity Commission and the Crime Commission

- (1) That under section 31A of the Ombudsman Act 1974, a joint committee known as the Committee on the Ombudsman, the Police Integrity Commission and the Crime Commission be appointed.
- (2) That under section 31C (1) (a) of the Act, Mr Scott Farlow, Mr Trevor Khan and Mr Adam Searle be appointed to serve on the committee as members of the Legislative Council

##### Legislation Review Committee

- (1) That under section 4 of the Legislation Review Act 1987, a joint committee known as the Legislation Review Committee be appointed.
- (2) That under section 5 (1) (a) of the Act, Mr Shaoquett Moselmane, Mr Greg Pearce and Mr David Shoebridge be appointed to serve on the committee as members of the Legislative Council.

##### Joint Standing Committee on Electoral Matters

- (1) That this House agrees to the resolution in the Legislative Assembly's message of Thursday 28 May 2015 relating to the appointment of a Joint Standing Committee on Electoral Matters.
- (2) That the representatives of the Legislative Council on the Joint Standing Committee be Mr Robert Borsak, Mr Ben Franklin, Ms Courtney Houssos, Dr Peter Phelps and Mr Peter Primrose.

- (3) That the time and place for the first meeting be Thursday 4 June 2015 at 9.00 a.m. in room 1254.

**Joint Standing Committee on Road Safety**

- (1) That this House agrees to the resolution in the Legislative Assembly's message of Thursday 28 May 2015 relating to the appointment of a joint standing committee to inquire into and report on road safety in New South Wales.
- (2) That the representatives of the Legislative Council on the joint standing committee be Dr Mehreen Faruqi, Mr Scot MacDonald and Mr Daniel Mookhey.
- (3) That the time and place for the first meeting be Wednesday 3 June 2015 at 1.00 p.m. in the Waratah Room.

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**Joint Standing Committee on the Office of the Valuer-General**

- (1) That this House agrees to the resolution in the Legislative Assembly's message of Thursday 28 May 2015 relating to the appointment of a Joint Standing Committee on the Office of the Valuer-General.
- (2) That the representatives of the Legislative Council on the Joint Standing Committee on the Office of the Valuer-General be Mr Greg Pearce and Mr Ernest Wong.
- (3) That the time and place for the first meeting be Wednesday 3 June 2015 at 9.30 a.m. in the Waratah Room.

Messages forwarded to the Legislative Assembly advising it of the resolutions regarding the joint committees.

**ELECTRICITY NETWORK ASSETS (AUTHORISED TRANSACTIONS) BILL 2015**

**ELECTRICITY RETAINED INTEREST CORPORATIONS BILL 2015**

**Second Readings**

**The Hon. DUNCAN GAY:** I move:

That these bills be now read a second time.

I seek leave to incorporate the second reading speech in *Hansard*.

**Leave granted**

**Rebuilding NSW**

Today the New South Wales Government takes another very important and historic step in delivering our Rebuilding NSW plan that will boost the economy and improve the lives of people right across this great State.

We have demonstrated that we are a Government that delivers—a government that does what it says it will do—and we have wasted no time in bringing to this place these initiatives that will positively change our cities and our regions for the better.

The legislation is being presented as two cognate bills.

The Electricity Network Assets (Authorised Transactions) Bill 2015 (the Transactions Bill) will allow the Government to proceed with its election commitment to undertake a long term lease of 49 per cent of the electricity network and deliver on its mandate to Rebuilding NSW by investing \$20 billion in new infrastructure.

The Electricity Retained Interest Corporations Bill 2015 ensures the State's interests are protected into the future.

It is a privilege to introduce bills that will make such a profound difference to this State and to the lives of the people of New South Wales.

The Rebuilding NSW Plan will boost the economy by around \$300 billion over the next 20 years and create over 120,000 new jobs.

This \$20 billion investment in infrastructure will be funded and fast tracked by recycling capital from the State's electricity businesses—through the long term lease of 49 per cent of the State's electricity network.

Using the lease proceeds, rather than new debt, to pay for infrastructure allows capital expenditure to grow while containing the absolute growth in State debt. This reduces risk and importantly underpins the maintenance of the State's triple-A credit rating in accordance with the Fiscal Responsibility Act.

Leasing the 49 per cent share in the State's electricity businesses means billions can be invested upfront to improve the quality of life of every person in this State, whether they live in our cities or in the regions.

Uncorrected *Hansard* Proof: Available to Authorised Persons Only.

With the proceeds of the lease we will build roads, rail, hospitals and schools together with other infrastructure, including for sports and culture, and vital water infrastructure in our regions.

We will address the increasingly crippling impact of congestion, which will cost \$8 billion a year by 2020. Both our quality of life and the productivity of our workplaces will improve. To do nothing is not an option.

Our roads and rail networks, our schools and hospitals, and our water infrastructure have not kept up with our growing population.

#### Long term lease

The Electricity Network Assets (Authorised Transactions) Bill 2015 authorises the Government to undertake a long term lease of 49 per cent of the electricity networks, introducing private investment and management into TransGrid, Ausgrid and Endeavour.

As we outlined, Essential Energy will remain 100 per cent in government hands.

The 49 per cent is calculated based on the forecast closing regulatory asset base of the businesses on 30 June 2015, as set out in the final determination of the Australian Energy Regulator, published on 30 April 2015.

I now refer to specific protections in the legislation.

#### Price Guarantee

Building on the Government's previous commitments, the bill clearly outlines our commitment to lower electricity prices for consumers.

The successful bidder must provide a guarantee that total network charges for the financial year ending 30 June 2019 will be lower than for the financial year ending 30 June 2014.

This guarantee is to be overseen and enforced by the Price Commissioner who will report to the Government to confirm that the long-term leases will not put upward pressure on prices.

Without the approval of the Price Commissioner, each of the three transactions will not proceed.

#### Proceeds

The transaction bill confirms that the transaction proceeds will be directed to the Restart NSW Fund and a Residual Liabilities Fund. The Residual Liabilities Fund will be established to hold funds to discharge liabilities connected with a transaction under this Act.

#### Employees

The transaction bill allows for the transfer of employees to the employment of private sector entities with the terms and conditions contained in their enterprise bargaining agreements.

Once transferred, employees may continue to be a contributor to their existing superannuation fund, retain rights to annual leave, sick leave, extended or long service leave accrued or accruing immediately before the transfer.

#### Licence conditions

As announced by the Premier earlier this month, the lessees of 49 per cent of the "poles and wires" will be required to hold a licence.

The licences will impose strict conditions on the electricity network businesses and protect the interests of the State and consumers.

The licences will:

- Give the State control over the suitability and capability of the network operators;
- Require a continued substantial operational presence in Australia, and
- Set conditions to manage business continuity and reliability, network performance and safety.

The Independent Pricing and Regulatory Tribunal will be empowered to ensure compliance with all licence conditions, including safety and reliability standards. It will appoint inspectors for electrical installations and equipment and to investigate any serious electricity network accidents.

Additionally, IPART will monitor compliance with a new Environmental Planning Code of Practice, to make sure that electricity network developments comply with certain environmental safeguards and community consultation requirements. Compliance with this code will be a licence condition.

Breaches of the licence conditions and other obligations will attract maximum penalties that are much higher than those currently faced for some safety and other breaches. In some cases these penalties will be in excess of \$1 million.

The energy Minister and IPART will also be given new "step in rights" should a breach of licence or electricity regulatory obligation threaten the safe, secure or reliable supply of electricity.

Under the energy Minister's powers as to step in and assumption of control of a business that has breached certain conditions of a licence, IPART may become the network administrator and is to appoint a "step-in operator" until the Minister or IPART determines that it is no longer required.

These additional protections exist over and above the already stringent regulatory framework that sets out the obligations of the network businesses regarding the safety and reliability of the electricity network.

For example, the obligation upon network operators to have an audited safety management system in place against which it measures and reports on performance annually. These obligations will continue to be monitored and enforced.

The existing regulatory framework includes incentives for distribution and transmission businesses to improve their level of service performance compared to historic outcomes over time, as well as penalties if their performance level deteriorates.

#### Electricity Retained Interest Corporations Bill

As mentioned earlier, the Electricity Retained Interest Corporations Bill 2015 will facilitate effective stewardship and oversight of the retained interest of the State in Ausgrid and Endeavour Energy. The bill makes clear how the State's retained interest will be managed and protected following the commencement of the lease.

To avoid potential conflicts of interest, individual corporations will be constituted for each part of the retained interest—that is, one corporation for Ausgrid and another for Endeavour—to effectively manage potential conflict of interest by Board members and safeguard commercial in confidence information.

Each corporation will be an independent statutory corporation, and the initial boards of governors will be appointed by the Treasurer.

The corporations will retain veto rights on matters critical to maintain the value of the State's retained holding, such as with respect to change in the dividend policy or additional borrowings that would result in the credit rating of these businesses falling below an investment grade.

Through these corporations the State retains effective stewardship and oversight of the relevant retained interest to protect the value to the State.

#### Summary

In summary, I would like to reiterate that New South Wales has waited decades for this opportunity and we believe the time is right and the conditions are right.

The Government has been prosecuting this case publicly for about the last 12 months including during the very robust process of an election campaign.

We have the support of experts, highly regarded commentators from all sides of the political spectrum, as well as strong backing from the community, as evidenced by the election result.

This is a once-in-a-generation opportunity for the people of this State.

Whether for our citizens living in rural and regional areas or whether in our cities, everybody will be better off should we proceed with these transactions.

We simply cannot let this opportunity pass. We believe very strongly, as a government, that we have the mandate, and we also believe it is our responsibility to do what is in the best interests of the people of this State.

We do not take this responsibility lightly. Good governments make strong decisions and ensure the community has an opportunity to consider them.

The Parliament and the public can be assured that we will continue to have this open conversation during the transaction process and of course during the delivery of Rebuilding NSW.

We look forward to getting on with the job that the people of New South Wales have elected us to do.

I commend the bills to the House.

**The Hon. ADAM SEARLE** (Leader of the Opposition) [3.20 p.m.]: On behalf of the Labor Opposition, I speak in debate on the Electricity Network Assets (Authorised Transactions) Bill 2015 and the cognate bill, the Electricity Retained Interest Corporations Bill 2015, and indicate at the outset that Labor members will oppose both bills. The Labor members who have been elected to this Parliament will act in accordance with their commitment throughout the 2015 State election campaign to oppose legislation to privatise the State's electricity network in this Parliament. There are many theories about mandates in politics. Labor members in this House and in the other place also have a mandate from those people who voted for them.



**The Hon. Robert Brown:** As do the crossbench.

**The Hon. ADAM SEARLE:** I acknowledge that interjection. Every Labor candidate at this election campaigned on the party policy in favour of retaining the monopoly part of the State's electricity network in public hands—public ownership, public control. The 34 Labor members of Parliament in the other place, including the 14 who won seats from the Liberal Party, made commitments to their constituents that they would vote in favour of public ownership of the electricity network. Labor candidates elected to this place at the 2015 election, including me, made that same commitment and will act in accordance with our mandate from the people who sent us here. It is a ridiculous proposition to suggest that the party that has lost the election should simply roll over and support, without scrutiny, every piece of legislation that is introduced by the Government. That has never been the case and it never will be the case, particularly in New South Wales.

**The Hon. Dr Peter Phelps:** Hear, hear!

**The Hon. ADAM SEARLE:** I acknowledge that interjection. Parties are entitled to their policies but, more importantly, all members are entitled, and indeed have an obligation, to scrutinise propositions put before them by the Executive. The Executive puts forward proposals but we do not have to take those proposals at face value; we are entitled to evaluate them and to test the supporting evidence. If we find that evidence wanting we are entitled to vote against the legislation. The Labor Party in this State has a policy of retaining the monopoly electricity network in public control, as well as public ownership. That is our policy and Labor members are proud to vote in accordance with that policy. Labor believes it is not sound policy to rob the State budget of the lucrative dividends and other payments that flow into State coffers from the electricity distribution and transmission businesses.

There has been much analysis of what is proposed in these bills by the Government that suggests that the assets to be disposed of for 99 years—for at least 99 years—will attract a price equivalent of about 17 years of dividend payments or about only eight years of the total payments now received by the State from these profitable businesses. Put simply, we do not believe it is in the interests of the State budget—it is not a sensible long-term budget strategy—to dispose of those profitable assets and to retain or to build unprofitable assets, an issue to which I will return later.

Such a significant financial transaction has never been embarked upon on the basis of such little information. What information did the electorate have in March 2015 to pass judgement on the Government's proposal? In a press release from the Premier dated 10 June 2014 he promised that electricity network prices would be discounted by 1 per cent of the forecast regulated prices until 2019—not my words but the words of the Premier. It is a matter of record that these bills contain no price discount off the price to be regulated by the Australian Energy Regulator [AER]. However, the Government is currently engaged in appealing the Australian Energy Regulator's final determination in a desperate attempt to drive up network costs and to realise a higher sale price for these assets. What the Government is doing is completely contrary to the commitment made by the Premier in June last year.

Another commitment made by the Premier was that the jobs of permanent award employees would be "protected and treated consistently with previous transactions". Not a word has been said about that in this legislation. There is the protection of accrued leave entitlements and superannuation protection, but none of the other protections and benefits provided in other like transactions have been afforded to people working in the electricity distribution and transmission network to offset the fact that the historical employment security and other employment conditions will no longer apply in the future. A third commitment that was made by the Premier that is completely missing from this legislation is "The regional presence of the network businesses will be maintained." There is nothing about that in these bills and the Government has been silent on that part of the Premier's commitment that was made last year.

Two other key commitments in the Premier's press release are contestable. The first was that all net proceeds of the transaction would be invested in what was described as new and productive infrastructure. However, the infrastructure plan upon which the Government campaigned and upon which it rests its case, will not make money for the State; rather it will cost this State money. There will be not only construction costs but also ongoing maintenance and operation costs—costs that have not been provided for in any budgetary arrangements.

Whether or not this infrastructure is productive will be in the eye of the beholder. It might well be desirable and sought after but it will constitute a net drain on the State's coffers and the Government has not explained where the money will come from to make those payments. Another matter that is dealt with in the committee report and on which committee members differed was that the transaction would have no adverse impact on electricity reliability—an issue to which I will return later in my contribution.

On 18 December 2014, a week before Christmas, there was a four-page document entitled "Rebuilding NSW Update on Electricity Networks" in which the Government gave what I would describe as a sparse overview of its proposal to sell a 49 per cent interest in the State's transmission and distribution businesses, what it would do with it, how it would be structured and governed—although no actual or real detail was provided—and how the proceeds would be applied through the infrastructure strategy.

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Interestingly, the claimed benefits of the transaction—which are listed on page 3—have nothing to do with the privatisation proposal embedded in the legislation before the House. In fact, they flow directly from decisions to be made by the Australian Energy Regulator. That was the only other piece of material—apart from the Government's florid claims in favour of its infrastructure plan—before the people of this State when they were invited to pass judgement on the Government. Nevertheless, the Government has achieved re-election and it is entitled to put its proposal to the Parliament. As I indicated, the Opposition is also entitled to test the propositions.

Little detail about how the transactions will be undertaken is yet known, because the bills before the House, the statements made by the Premier and former Treasurer, and evidence given by Government officials and Ministers in the recent Legislative Council Select Committee on the Leasing of Electricity Infrastructure hearings failed to pierce the veil of opaqueness that rests over the proposed transactions. I will deal with that point a little later. Of course, the Government is proposing privatisation by any other name. I note an interjection made earlier when I used the word "sale". It was claimed that it was only a lease. In fact, the Premier says and Government members claim that the transactions involve the lease of only 49 per cent of the transmission and distribution networks. The bills before the House contain a definition of how that is achieved, and the percentage is found at page 4 in clause 6, subclauses (2) and (3) of the Electricity Network Assets (Authorised Transactions) Bill 2015.

The plan is to lease the businesses or the assets for 99 years. The economic evidence received by the select committee was to the effect that, for all practical purposes, a 99-lease was indistinguishable from a sale. The two were the same except in one material respect: A lease induces greater uncertainty in the transaction for both the vendor and the purchaser. Economically—possibly even legally—it makes no difference. The current Treasurer and the Treasury secretary were questioned about this in the committee hearings, particularly in respect of the way in which similar transactions, such as the desalination plant transaction and the ports transaction—both of which were for 99 years—were treated in the budget papers and were regarded by Government officials as a sale. That is stated in the budget papers of the respective years. This fencing about terms does the Government no credit. It is a sale for all practical purposes and, indeed, is legally regarded as such in the budget papers.

I turn now to the structure of the lease. The Government's plan is to sell or to lease 100 per cent of the transmission company TransGrid. There is only one such entity in the State and it services about 70 per cent of electricity customers, including those in rural and regional locations. The notion that leaving Essential Energy out of the Government's proposal somehow exempts rural and regional New South Wales and that somehow the bush will emerge unscathed by this proposal is nonsense when one looks at even the barest level of detail. The proposal will also see a majority share in two of the three distribution companies—Ausgrid and Endeavour Energy—pass into private hands. It is patent nonsense to suggest that there will be majority ownership and that control will be retained by the State when the State will retain zero per cent interest in the transmission businesses and only a minority share in Ausgrid and Endeavour Energy. Clearly—there is no doubt about this—control is being handed to the private sector.

We know the assets will be gone not only for 99 years but for good. No political party will go to a future election promising to renationalise these businesses. That will never happen. If this legislation is passed the Government will be able to sell, once and forever, the entirety of the transmission businesses and the businesses that distribute power to the vast majority of people in this State. I note the commitments made by the Premier and other Liberal Party figures when campaigning with regard to employee protections. Again drawing on the Premier's statement in the press release, they reiterated that commitment time and again but they have not

delivered. I note, as the Assistant-President noted when tabling the recent select committee report, that the committee recommended that the employment protection guarantees sought by the relevant workforces and their unions be included in any enabling legislation. Mr Assistant-President, you outlined a number of matters, but three mentioned in the committee's recommendation No. 4 were not addressed.

Job location guarantees relate to the ongoing location of jobs in rural and regional New South Wales in order to protect not only the workers, their families and communities but also regional economies. The committee also endorsed that there be, as there have been for other similar transactions, a payment on transfer from the security of the public sector into the uncertainties of the private sector, and also that such transfers occur only on a consensual basis. The legislation before the House provides for the transfer of workers currently employed by the State-owned network operators to the private sector without their consent. I refer honourable members to page 11 and clause 19 (2), which provides—in contravention of hundreds of years of common law—forced servitude. Workers will be transferred against their will to an employment arrangement that they may or may not accept. Of course, workers could simply abandon their employment and walk out the door with no security and no payment. That is the stark choice being presented to them by the Government.

I note that the Government is about to embark upon an argument in court that, if successful, will result in higher power prices for every household and business in New South Wales, and it will do so using taxpayers' money. This Government appears to be happy to run a protection racket to increase power prices for every household and business in this State. Why? It is not because it is concerned about the jobs of people now working for those network operators. Its only concern is to fatten the asset for sale. It knows the Australian Energy Regulator's determination will put negative and downward pressure on the price that the businesses will achieve at sale. Therefore, it is in the Government's interest to drive up electricity prices chargeable by the networks in order to get a higher sale price. So far only one party in this Parliament is fighting for lower power prices for every household, and that is the Australian Labor Party. However, we will see what happens during the remainder of this debate.

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The Government is using taxpayer funds to mount what it claims will be an expensive legal appeal to increase the power prices of the very taxpayers who are being asked to fund that case. We think this is wrong because, as I have said, the Government is simply seeking to fatten the pig for market day. On this side of the Chamber, we are proud to stand for lower power prices for every household and for every business in every town, every suburb and every region across this great State. It was revealing that on three occasions during question time in the other place last week the Minister for Industry, Resources and Energy referred to "our appeal". Until that point the Government had been hiding behind the State-owned corporations, saying, "No, this appeal has nothing to do with us; it is the State-owned corporations that are self-governing."

At least the Government seems to have come clean and owned up to the fact that it is appealing to increase power prices for eight million electricity customers simply to ensure a higher sale price for these assets. The fact is that pensioners will be required to pay more for their power so the Government can transfer money from their wallets to whoever purchases the assets. This is one of the reasons we will not support this legislation. There will be more energy poverty and more disconnections, and poor and vulnerable people will suffer if the Government's appeal succeeds.

During the election campaign we warned of the ramifications of the Government's privatisation proposal and now the Government is taking direct action to increase power prices for every household and business in this State. We are proud to stand up in this Parliament for the settled policy of our party in which we believe. The monopoly part of the electricity network that provides power to every home and business in New South Wales should remain in public hands and under public control for the wider public good. That is why every Labor member in this Parliament will be proud to vote in accordance with the mandate given to us by the people who sent us here. We will vote against the legislation and in favour of retaining the assets in public hands and under public management.

We do not believe the proposal to lease the electricity businesses and assets is desirable or in the public interest. According to the uncontradicted evidence of the Australian Energy Market Commission and the Australian Energy Regulator to the recent select committee inquiry, any claimed benefits that can be derived from private ownership or private operation can be achieved under public control in line with the regulatory determination made by the Australian Energy Regulator. Mr John Pierce, former secretary of the New South Wales Treasury, and other persons from the AER made it clear that in their view, as people who set the rules and determine the regulations that govern the National Electricity Market in this country, it does not matter

whether electricity assets are publicly owned or privately owned in terms of the efficiency with which the regulation requires the businesses to be operated. Any notion that there is some residual economic rent or benefit that can be squeezed from these entities under the regulatory determined revenue envelope over the four years is simply illusory.

The proposition I am advancing is consistent with the evidence given by Mr Vince Graham, the Chief Executive Officer of Networks NSW and, essentially, the moving mind of Ausgrid, Endeavour Energy and Essential Energy. He gave evidence about the significant cost reductions and efficiencies derived from the existing businesses under his stewardship. He conceded that all the great strides had been made under public ownership and public control. Put simply, there is no need for this leasing proposal—economic, financial or however the argument is constructed—for privatisation other than to indulge the sensitivities of Government members. They simply want to do it for reasons of ideology and to engage in a short-term cash grab to fund pet projects to try to secure yet another term in office even though, on all the objective evidence, this is contrary to the public interest.

On this side of the House, we believe the Government has failed to make the case that its proposal is economically sound or adequately protects the public interest. Although the issue of the transaction was the centrepiece of the recent election, comparatively few of the details were made available to the committee, the Parliament or the wider community, and I have identified some of the shortcomings. In the circumstances and in the absence of all that information, we believe it is unsafe—and, indeed, unwise—to approve of the transactions. We are concerned that there has been no modelling for the impact of the transactions on the New South Wales budget. Given the scale and importance of the transactions proposed, we regard this as negligent.

Claims made by the Premier and by the Treasury secretary regarding expectations of growth in revenue over the next 20 years, on pressing, were found not to come from the Deloitte Access Economics report upon which the Government has based so much of its case but simply were an extrapolation of historical correlations between State revenues and gross State product. This extrapolation does not involve any examination of expected growth in specific and existing sources of government revenue. In particular, there has been no evaluation of whether any stimulation associated with the proposed infrastructure spending would increase activity in those areas of the economy from which the Government derives its revenue. Before legislation is enacted and certainly before any transaction is entered into we believe, in the interests of economic conservatism and prudence, there must be a rigorous analysis of the impact of the proposed transactions on the New South Wales budget.

According to evidence received by the inquiry and available on the public record, the proposed transactions will negatively impact the State budget. There will be a loss of valuable revenues. On past experience, this is likely to amount to a loss of more than \$1 billion a year to the State budget in shareholder dividends, tax equivalent payments and the so-called TCorp guarantee payments. There have been two explanations for these guarantee payments. First, the Government has said the payments reflect the risk to the State of guaranteeing the loan borrowings for the State-owned corporations, so they are a risk payment. The second explanation given over the years is that these payments are a competition neutrality payment because the State secures funding for State-owned corporations at submarket rates and on-loans them to these companies and to offset that benefit they pay a certain amount of money. The payments that will be lost to the budget as a result of these transactions, reflecting on historical returns, total about \$1 billion a year.

The Government claims that there will be no real loss of money as this will be an upfront payment of the existing revenue stream in one lump sum at today's value bringing the expected 99 years of that revenue. However, the current revenue being spent each year is currently applied to recurrent expenditure. The Government proposes to spend the proceeds on infrastructure or capital items only, which means that money currently used on recurrent spending will disappear from the budget altogether, creating a significant hole in State revenue. Presently these assets pay their own way as well as providing a significant additional return to the State. The sale proceeds will be spent on assets that will require additional money from the budget for operating costs as well as maintenance and repair across their lifespan. This will constitute an ongoing financial loss for the budget, which has not been prepared for. This is a second budget hole.

Those who support this plan say that it will improve the productive capacity of the economy, but even they acknowledge privately that any benefits will be over the long term, cannot really be quantified and will not go back to the State Government that is expected to finance the transaction. We think from whatever angle one looks at the proposal, the State of New South Wales and therefore the community will lose money on this transaction. It is noteworthy that the Deloitte Access Economics report upon which the Government has built its

case is so lacking in robustness and credibility that even the Government members on the committee said "an additional layer of scrutiny needs to be applied to this report." It needs to be re-examined independently because it is so unreliable.

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The third impact on the budget of New South Wales will be through debt. According to the Government, the whole of any sale proceeds will be spent on paying out the debt of the electricity companies and leveraging the Government's infrastructure plan. The second part certainly is economically irresponsible as it will leave the State with the same total level of debt it currently has with more assets for which it will have ongoing costs, but less revenue. The situation will be worsened as, inevitably, interest rates on the remainder of the government debt increase. The true windfall from any sale will only be the amount received over and above the retention value. The evidence to the inquiry was that this amount would be only a small fraction of the total sale proceeds. To be financially responsible, the retention value should not be spent but used to retire State debt. Instead, the Government proposes merely to park the proceeds in Restart NSW, temporarily reducing net State debt, and then spending the totality of the proceeds, returning State debt to the present levels only, as I said before, with less revenue to meet the ongoing interest bill.

What is also concerning, from evidence given by the Treasurer, the Treasury secretary and other Treasury officials, is that even the repayment of the debt of the State-owned corporations is uncertain. We know that the TransGrid debt will be paid out upon the transaction being entered into, but the debt of Ausgrid and Endeavour Energy, particularly Ausgrid, may take some time and a time frame could not be put on it, despite the fact that in supplementary answers to questions on notice Treasury conceded that early payment of the debt of these companies would not incur any penalty payments. The supplementary answers also revealed there would be interest rate matching to ensure that the value of the proceeds was not frittered away. But we do not know at what interest rates all the debt profiles have been engaged in or what real level of returns the Government will be able to secure. Given that current interest rates are at historical lows, there is a real possibility that the Government will be paying out higher interest on the debt of these companies while getting a lower rate of return, therefore reducing the value of the transaction in the hands of the Government.

The Government also claims that revenues from these businesses will significantly decline—the Premier put on a slideshow when he appeared before the committee. But the Government also claims that the proposed transactions will yield a significant sale price. Any sale price on a business is a multiple of the revenue that can be extracted from it, so the two propositions are clearly in complete conflict with each other. If you can get a good sale price then the ongoing returns will be healthy, and vice versa: If the returns are going to disappear in the way projected by the Government and the Premier, there will be no sale price worth achieving; there will be no benefit in engaging in the transaction.

Despite the decline in revenues that is expected from the recent Australian Energy Regulator's determination, these businesses are likely, on the evidence we have seen, to remain very profitable for the foreseeable future. There are other dangers for the budget inherent in the proposed transactions. The equivalent of company tax is currently paid by the electricity companies to the New South Wales Government. That exemption from Commonwealth company tax applies only to an entity that is 100 per cent owned by a State government. Evidence to a recent Senate inquiry suggested that this proposal would lead to the total loss of the tax equivalent payments. The Premier said he has advice that that is not so, but he offered no evidence to support his claim that New South Wales will be able to keep a proportionate share of tax equivalent payments.

We note the electricity retained interest corporations, through which the Government will manage its retained interests, will be entirely government owned. But what seems to have been omitted is that the operating entity for the businesses, because it is not 100 per cent government owned, will be subject to Commonwealth company tax. We do not know how or whether the means they propose will achieve the public policy outcomes. The Government's submission to the Legislative Council inquiry also acknowledges that the largest aspect of revenue lost through this proposal is from the loss of the guarantee payments made each year by the electricity companies to the Treasury Corporation. Despite that, the Government has not factored the lost revenue into the calculation of the retention value of the businesses.

The Government claims this is because the payments reflect risk and arise from the Government's role as a financier rather than its role as a business owner. But that argument is simply a device and does not bear scrutiny, because an alternative explanation has also been offered over the years, which is the competition neutrality objective, and therefore it does not reflect any risk at all. But, more importantly—and I think definitively—the revenue has been spent each year by successive governments of both major parties like any

other source of revenue, like any other form of taxation: It goes into consolidated revenue and is spent, not put aside against any risk. Labor agrees with Emeritus Professor Bob Walker that failure to include this lost revenue from the retention calculation will lead to a significant undervaluation of the businesses to be sold and a consequent short-changing of the people of New South Wales.

As I indicated, the proposed sale is to fund the New South Wales infrastructure plan. But the uncontradicted economic evidence before the committee was that the conflation of these two matters—whether or not to sell the assets and whether or not to build the proposed infrastructure—was financially unsound. The evidence was also clear that Infrastructure NSW has not independently verified the costs of any project, nor did it perform any of the cost benefit analyses. The evidence was that not one project was investment-decision ready. In its present form, therefore, the infrastructure plan is not a sound basis upon which to base the transactions.

There is also the issue about whether the Government intends to make any regulatory concessions to any purchaser, which is, again, not addressed in the bills or in any of the material provided publicly. The emerging technology, such as the Tesla battery, may constitute a significant threat not only to the network but also to the value of the investment of any purchaser or lessee of the assets. All benefits conferred on any purchaser or lessee should be fully disclosed to the public before the transaction is entered into. The Premier claimed that the detail of the transactions would be included in the legislation, but the bills fail to disclose important aspects of the transactions, including exactly how they will be structured and governed. There is a bewildering array of possibilities. Created in the legislation are transaction State-owned corporations, transaction companies and retained interest corporations, but we do not know exactly how the transactions will be structured because clause 12 provides:

There are no limitations as to the nature of the transactions or arrangements that can be entered into or used for the purposes of an authorised transaction.

So how it is all going to be done is completely opaque and uncertain. Key drivers in the legislation, such as the new licensing conditions for network operators—of supreme importance, according to the Government's announcements—are not revealed. The terms of the leases to be entered into have not been made available. The effectiveness of these measures will depend entirely upon their drafting, not merely their stated intent. The failure of the Government to provide these crucial details while inviting the Parliament to pass the authorising legislation is troubling.

The Government claims that the price guarantee and the Electricity Price Commissioner will protect consumers, but the legislation does not live up to the hype. While the network charges will have to be lower at 30 June 2019 than they were at 30 June 2014, the bill does not say by how much—presumably even \$1 or 1¢ will suffice. There is nothing in the legislation about charges by the transmission and distribution businesses between those two points in time—nothing in the bill that requires savings from greater efficiency to be passed on to consumers. Of course, if the Government wanted prices to households and small businesses to be lower it would not be taking legal action to block the price reductions arising from the AER determination. One of the tasks for the price commissioner is to report on whether the private investment to acquire an interest in the network assets is likely to increase network charges. But that misses the point. A range of other factors put upward pressure on costs and they should also be reflected in the legislation.

Despite the claims by the Premier that the legislation will do this, it does not give the price commissioner the power to refer concerns to the Australian Competition and Consumer Commission. The provisions add nothing to the protections already in place through the Federal regulatory regime. The proposal is mere political gimmickry without real substance. The evidence before the committee was that network costs in South Australia are higher than for Ausgrid and Endeavour Energy and comparable to Essential Energy. While Victorian costs are lower than those in New South Wales, the overall end-user electricity costs on a cents per kilowatt basis are, and always have been, higher in both South Australia and Victoria, despite the privatisation in those States. While electricity prices dropped in Victoria after privatisation, it was only because the Kennett Government had substantially increased the sale price to realise a higher market sale price and prices soon adjusted as the market found its equilibrium.

Whatever benefits may come from private ownership or operation of electricity businesses, low overall end-user electricity prices are not amongst them, and the weight of evidence also does not show that the privatised networks are more efficient than publicly owned networks. Given the regulatory framework, we do not accept that private companies will have a greater incentive to reduce costs than publicly owned companies, leading to lower network prices or lower retail prices.

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Even where reductions in costs are achieved they are likely to be pocketed by the operating companies for the balance of the regulatory period rather than passed on immediately to consumers because of a lack of competition for the monopoly businesses and there being no requirement on retail electricity companies to pass on reductions in network costs. The Energy and Water Ombudsman NSW has found repeatedly that there is no real competition in the New South Wales retail market. Accordingly, we believe the powers of the Electricity Price Commissioner should be widened in this respect.

Labor supports investment in New South Wales, including from overseas, but investment by foreign governments or their commercial arms carries risks as well as opportunities. While private investors have only commercial interests, nations and their Governments also have strategic and diplomatic interests. Labor believes any authorised transaction or any subsequent transfer of a lease should be subject to ratification by each House of the New South Wales Parliament. The shortcomings of this legislation include the failure to make good the commitments to workers in the industry and the failure to make good the commitments to consumers and taxpayers. I will leave my comments there and address the balance of what I have to say in the committee stage, which I am sure will be prosecuted with vigour and enthusiasm by all members of the Labor team that I have the privilege to lead in this place.

### DISTINGUISHED VISITORS

**The PRESIDENT:** I welcome into the public gallery the Hon. Aijlon Jasper Nasiu, Speaker of the National Parliament of the Solomon Islands, accompanied by Mr Clezy Rore, the Clerk. The Speaker and Clerk are new to their roles and are here as part of the twinning arrangements between our parliaments. The Speaker and Clerk will take this opportunity to meet and share experiences with their counterparts, Madam Speaker, myself and, of course, our Clerk.

Pursuant to sessional orders business interrupted at 4.00 p.m. for questions.

### QUESTIONS WITHOUT NOTICE

#### LOBBYIST CHRIS HARTCHER

**The Hon. ADAM SEARLE:** My question is directed to the Leader of the Government and the Vice-President of the Executive Council. In light of the former Liberal Minister Chris Hartcher becoming a registered lobbyist, will the Minister give the guarantee that he, his fellow ministers and parliamentary secretaries from the Legislative Council will not meet with him?

**The Hon. DUNCAN GAY:** I thank the honourable member for his question. There are strict protocols on whom you can and cannot meet with and under what circumstances. As a stickler for protocol and proper process, I would be sticking to each one of those processes and adhering to the rules of lobbyists to within a millimetre.

**The Hon. ADAM SEARLE:** I ask a supplementary question. Having regard to the answer he just gave, can the Minister elucidate with respect to whether or not he will meet with Chris Hartcher?

**The Hon. DUNCAN GAY:** I do not meet with anyone who has not asked for a meeting.

**The Hon. Greg Donnelly:** Has he asked?

**The Hon. DUNCAN GAY:** No, he has not asked. As far as meeting anyone who is a lobbyist in this State, they have to adhere to the proper protocol and be on the lobbyist register. There are rules that dictate who I can and cannot meet with and the procedures that should be followed, and I will be following them exactly, as I suspect will the Premier and every other Minister in this State.

### LOCAL GOVERNMENT INFRASTRUCTURE

Ordered to be printed on motion by the Hon. Duncan Gay.

**GENERAL PURPOSE STANDING COMMITTEE NO. 4**

**Reference: Inquiry into the Ombudsman's Operation Prospect Inquiry**

**The Hon. ROBERT BORSAK:** I inform the House that in accordance with the resolution of the House relating to the establishment of committees, General Purpose Standing Committee No. 4 resolved today to adopt the following reference:

- (1) That General Purpose Standing Committee No. 4 inquire into and report on the progress of the Ombudsman's Operation Prospect inquiry into police bugging and, in particular:
  - (a) the delay in finalising the report on the Operation Prospect inquiry into police bugging;
  - (b) the cost of Operation Prospect;
  - (c) the consequences of the conclusion of the term of office of the current Ombudsman on 30 June 2015 on both the inquiry and report and its ongoing impact on NSW Police;
  - (d) the circumstances in which the potential and/or proposed prosecution of a deputy police commissioner arising from Operation Prospect was divulged to the media;
  - (e) the role of the Attorney General's office in considering any referral from the Ombudsman relating to the inquiry; and
  - (f) any other related matters.
- (2) The Committee report on or before 20 July 2015.

**ELECTRICITY NETWORK ASSETS (AUTHORISED TRANSACTIONS) BILL 2015**

**ELECTRICITY RETAINED INTEREST CORPORATIONS BILL 2015**

**Second Reading**

**Debate resumed from an earlier hour.**

**The Hon. WALT SECORD** (Deputy Leader of the Opposition) [5.05 p.m.]: As the Deputy Leader of the Opposition, I make a contribution to debate on the Electricity Network Assets (Authorised Transactions) Bill 2015 and the cognate Electricity Retained Interest Corporations Bill 2015. This issue has been on the political landscape for almost 20 years and it has been canvassed extensively by all sides. As the member for Prospect said in the Legislative Assembly on 28 May 2015, everyone who tried previously to privatise electricity in New South Wales failed "because it was a bad idea". I also note that my colleagues the shadow Minister for Industry, Resources and Energy, the Hon. Adam Searle, and the shadow Treasurer, Mr Michael Daley, have both dealt extensively with the machinery of the bills. But in simple terms the bills and their 110 pages facilitate the transfer of the State's electricity network to the private sector for the next 99 years. Despite the Government's claims, this is a sale—pure and simple. I know the Government says it is a lease, but if you lease something until beyond my, your or anyone else's lifetime I think most people would regard it as sold forever. Furthermore, the budget papers have previously treated other privatisations, such as the ports, as a sale.

This week we are participating in an historic and important debate. It will probably be the most important debate of the Fifty-sixth Parliament of New South Wales as the Liberals and The Nationals are set to embark on one of the largest privatisations ever undertaken in the history of this State. Without a doubt, if the legislation proceeds—and I call on crossbenchers to reject these bills—and passes through this Chamber, it will be the largest privatisation in Australia this financial year. Once our electricity network is sold, it is gone for good. Make no mistake: There is no turning back. That is why it is so egregious that this legislation has been rushed through the two Chambers of this Parliament.

These are decisions that will last well beyond our generation, and the legislation has been rammed through by the Liberals and The Nationals with all the review and scrutiny of a takeaway order made late on a boozy Saturday night. This is a clear case of acting in haste and repenting at leisure. I repeat for the benefit of Reverend the Hon. Fred Nile: This is a clear case of acting in haste and repenting at leisure. But Reverend the



Hon. Fred Nile has given his blessing and waved his hand over the legislation so it will go ahead. I heard him say on ABC Sydney radio at 7.00 a.m. today that Premier Mike Baird should be pleased with the findings. Reverend the Hon. Fred Nile said:

Well, he'd be happy with the report.

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I remind Reverend the Hon. Fred Nile that he is here to be part of a house of review and to scrutinise Executive Government. He is not here to please the Premier and the Liberal-Nationals. Reverend the Hon. Fred Nile is here to stand up for families and businesses of New South Wales.

**The Hon. Dr Peter Phelps:** Point of order: The Hon. Walt Secord is fully aware that he should be addressing his remarks through the Chair, not directly to Reverend the Hon. Fred Nile.

**DEPUTY-PRESIDENT (The Hon. Natasha Maclaren-Jones):** Order! I uphold the point of order and remind the Hon. Walt Secord to address his comments through the Chair.

**The Hon. WALT SECORD:** Through the Chair, Reverend the Hon. Fred Nile, you are here to stand up for families and businesses.

**The Hon. Dr Peter Phelps:** Point of order: The honourable member is deliberating flouting your ruling and should be called to order.

**DEPUTY-PRESIDENT (The Hon. Natasha Maclaren-Jones):** Order! I remind the Hon. Walt Secord to consider his comments and to address his remarks through the Chair, rather than directly to another member.

**The Hon. WALT SECORD:** The legislation was debated in the Legislative Assembly before the parliamentary committee report into the sale of the electricity network had been completed. That is a downright broken promise to the community and a slap in the face to the select committee. That is why in this Chamber on 6 May I spoke strongly about the need for a comprehensive, fulsome and proper parliamentary inquiry into the Liberal-Nationals proposed sell-off of our electricity network. It was important that this occurred before we debated the legislation. The normal process is: committee examination, followed by recommendations from the committee informed by the committee process, and then legislation—not legislation drafted and introduced and the committee reports after that. I point to the reporting date of the parliamentary inquiry—it is a full six days after the legislation was rammed through the Legislative Assembly. That report was tabled only at 2.30 this afternoon, with a dissenting report from the Hon. Adam Searle and the Hon. Peter Primrose.

**Dr John Kaye:** And me.

**The Hon. WALT SECORD:** And Dr John Kaye. I note that the Hon. Adam Searle has foreshadowed that he will move amendments in Committee to secure a strong guarantee of lower prices for New South Wales and protections for workers in the electricity industry. The Opposition amendments will also promote greater transparency in the transaction process and protection of the public interest. These bills were passed by the Legislative Assembly before the 2 June reporting date. That shows utter contempt for the parliamentary process, utter contempt for our roles as elected representatives and utter contempt for the community, who wanted to have a proper examination of this process. As indicated in the Legislative Assembly by the Leader of the Opposition, Luke Foley, and the shadow Treasurer, Michael Daley, Labor will oppose this legislation. However, this morning the Leader of the Opposition acknowledged the minor adjustment of some short-term worker protections and welcomed them as a small step forward by the Government.

I acknowledge that the Liberal-Nationals appear to have a majority in this Chamber to pass the electricity privatisation legislation. But Labor members gave a public commitment that we would oppose the legislation to privatise the State's electricity network—win, lose or draw. While some believe the Premier, Mike Baird, is entitled to claim a mandate and to act on it, Labor members also have a mandate to vote against the legislation. Every single one of the 14 new Labor Legislative Assembly members campaigned against it, as did the seven Labor Legislative Council members who were returned, including me. Yes, every Labor candidate campaigned at the election on the party policy in favour of retaining the monopoly part of the State's electricity network in public hands.

**Reverend the Hon. Fred Nile:** Did that include Mr Foley? Did he campaign on that?

**The Hon. WALT SECORD:** Yes, he did. As the Leader of the Opposition, Luke Foley, said in the Legislative Assembly:

It is, frankly, an absurd suggestion that a party that has lost an election should roll over and support each and every piece of legislation brought by the governing party. It has never been the case—and it never will be. If that were the case, Labor members, who have been continuously sitting in this House in every Parliament since 1891, would, on that theory, be required to vote for each and every piece of conservative legislation, even when it is in total violation or contrasts with the settled policy of the Labor Party. Parties are entitled to their policies. The Labor Party in New South Wales has a policy in favour of retaining a monopoly electricity network in public hands. That is our policy; and Labor members are proud to be here to vote in accordance with the policy of the Labor Party.

During the election campaign arguments were put for and against privatisation. Labor believed, and still believes, that it does not make economic sense to lose the lucrative dividends that flow into the State Treasury from the electricity distribution and transmission businesses. New South Wales is the greatest consumer of electricity in the nation compared with other States and Territories. These revenue streams fund our doctors, police, teachers, nurses, paramedics and more. Each year New South Wales receives dividends from electricity companies to fund infrastructure and staff because our State owns the electricity network. Last year New South Wales received \$1.7 billion in dividends and other payments, but if we sell our poles and wires this funding source will go to the new owners as profit, not to provide essential services and pay the salaries of doctors, police, teachers, nurses, paramedics and more. We know that the sale prices currently floated do not represent good value on the up-front versus ongoing return analysis.

Labor does not believe it is in the interests of the families of New South Wales to sell the electricity network for 99 years, and for a price equivalent to less than 17 years of dividends. Who would believe that is a good deal? To put it in everyday terms, it is like leasing your house for a year and getting a couple of months rent in return for doing so. As the profits go to private owners rather than State services and infrastructure, a funding hole will open in the State budget. This is the very point that UBS made in its report initially entitled "Bad for the Budget, good for the state," which the Baird Government and the Premier's personal ministerial staff interfered with during the election campaign. The Liberal-Nationals are selling a profitable asset. The sale is not in the interests of the State budget and therefore not in the interests of families. Like the Leader of the Opposition and the shadow Treasurer, I will be looking closely at the Treasurer's budget speech to see how the Baird Government will fill the hole in the recurrent budget that will open up when the current electricity network dividends are gone.

I am concerned also about the price hikes that have occurred overseas when other networks have been sold off or tampered with. In California in 2000 and 2001 a partial deregulation allowed private operators to game the system to push up prices. In California they created a shortage of electricity supply through market manipulations and illegal shut-downs, which cost the community billions of dollars. That is just one example of how private ownership of essential services can be a very poor mix. The Council of Social Service of New South Wales and the Public Interest Advocacy Centre have expressed concerns about the impacts on the most vulnerable and those on tight incomes. Labor shares their view. We all know that the privatisation of our electricity network will result in higher power bills for families across New South Wales. Even the Premier knows this; hence his feeble claim that the appointment of Professor Allan Fels as the Electricity Price Commissioner will ensure lower prices until 2019. This is, at best, a short-term stop-gap solution. Like the boy with his finger in the dam wall, the appointment of the professor will, at best, delay by mere months the inevitable caused by selling the New South Wales electricity network. He may hold back the flood until the next State election in 2019. But what happens for the next 95 years in New South Wales?

As I have often said, the past practice of this Government is an indicator of its future actions. Since the Liberal-Nationals came into power in April 2011 the average household electricity bill has increased by \$629 a year, or by 42.6 per cent. As for rural and regional families, bills from Country Energy and Essential Energy have increased by \$669 on average. Under the Liberal-Nationals, electricity prices have gone in only one direction—and that is up. Higher electricity prices for New South Wales families will mean that the Baird Government can achieve a higher sale price from potential buyers. This is simply a case of the Liberal-Nationals fattening the electricity businesses for sale rather than working in the best interests of New South Wales families. After the sale prices will go in only one direction—you can guarantee that. On the flip side, the Premier is refusing to guarantee a higher sale price. Perhaps the Premier does not know how much he will get from the proceeds of the sale. Perhaps the Premier is afraid the community will realise that he will not be able to honour all his extravagant promises. As I said on 6 May during the address-in-reply debate on the Governor's Speech, during the 2015 State election campaign the Premier was:

absolutely flamboyant, committing more than \$5 billion over four years to hospitals and ambulance station upgrades with an additional \$1 billion earmarked for new hospitals in south-western Sydney, all of which totalled more than \$6 billion.

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Then, as if to outdo himself, the Premier stood outside Prince of Wales Hospital and promised that the Liberal-Nationals Government would spend \$70 billion on health over the next two terms.

So for the Liberals and The Nationals, the sale of the electricity network is the linchpin in its infrastructure strategy, with the Premier committing to travel around the State telling voters and the *Australian Financial Review* in February about his "\$20 billion plan for rebuilding NSW". So the calf the Premier has fattened at the expense of every New South Wales household had better provide a hell of a lot of choice cuts. As the shadow Minister for the North Coast, I will make some specific observations about the conduct of The Nationals in rural and regional areas in regard to the sale of the electricity network. The Nationals' role and activity in this whole debate has been disingenuous and downright dishonest. They misled rural and regional communities.

In his 10 June media statement the Premier promised that "the regional presence of the network businesses will be maintained". However, the bills do not deliver on that promise. The bills are silent on protecting jobs in rural and regional New South Wales. Furthermore, the Premier also promised "the jobs of permanent award employees will be protected". Again, the legislation does not deliver on this promise. Instead, regional workers will be compulsorily transferred. That is not a guarantee of jobs in the future. In Victoria we saw the loss of 8,000 jobs after the privatisation of its electricity network. Furthermore, The Nationals claimed that the State will continue to hold at least a 51 per cent interest in the New South Wales electricity networks. That is another broken promise. These bills propose the sale of 50.4 per cent of Ausgrid, 50.4 per cent of Endeavour Energy and 100 per cent of TransGrid. So the taxpayer does not maintain a controlling stake in any of those three electricity entities.

Worst of all, during the 2011 election campaign The Nationals organised thousands of direct mail-outs and published paid advertisements saying, "Our poles and wires will remain 100 per cent publicly owned". The Nationals' statements on the proposed electricity sell-off were completely untrue. There is also the January 2015 letter from the Leader of the Government in this place, the Hon. Duncan Gay, in which he claimed that Sydney, Wollongong and Newcastle will take the hit from the electricity sale; rural and regional areas will be protected. In the letter the Hon. Duncan Gay told country voters that the electricity privatisation had flaws and risks. He wrote, "I know that country people, in particular, are worried about how a private operator might handle maintenance and emergency blackout response in more remote areas." There you have it: The Nationals are worried about the privatisation and the reduction in service yet they will still vote for the bills.

Furthermore, North Coast election material from The Nationals even carried a map of New South Wales and claimed erroneously that the sale would apply only to Sydney, Newcastle and Wollongong. This information was published in full-page advertisements in the *Tweed Daily News*, direct mailed to North Coast residents and on pamphlets pushed into the hands of voters at pre-poll and polling booths along the North Coast. I note for the benefit of The Nationals members that Ausgrid supplies electricity in Orange and 50.4 per cent of it is up for sale and that Lithgow is supplied by Endeavour Energy and, again, 50.4 per cent of it is up for sale. Clearly, The Nationals' election material was false; it was just a lie to get them through the election campaign. They peddled similar claims about Murwillumbah District Hospital. The Nationals, in particular the member for Lismore, said there were no plans to close parts of the hospital. Then last Friday the birthing centre was closed. That is an example of saying one thing before the election and doing another after it. All the North Coast election material was authorised by one Ben Franklin of Sydney, who now sits in this Chamber.

**The Hon. Catherine Cusack:** Drama and drum roll.

**The Hon. WALT SECORD:** Ease up, Catherine. You should not be angry at me; I was not the one who stopped you being promoted. He authorised and distributed this material in the electorates of Tweed, Ballina, Lismore and Clarence. This material kills the notion of any "mandate" to sell off regional electricity assets. I will be interested to hear the Hon. Ben Franklin's contribution to the debate and his explanation of the advertisements. As it stands, he is the architect of misinformation and downright untruths. It will be interesting to see how he votes.

**The Hon. Duncan Gay:** Point of order: The Hon. Walt Secord has transgressed into attacking the character of a member in this place.

**The Hon. WALT SECORD:** He doesn't have any character.

**DEPUTY-PRESIDENT (The Hon. Natasha Maclaren-Jones):** Order! I call the Hon. Walt to order for the first time.

**The Hon. Duncan Gay:** The normal procedure if a member wishes to go down that abhorrent track is to do so by way of substantive motion. The Hon. Walt Secord is using this debate to attack another member, which is not the proper vehicle.

**The Hon. WALT SECORD:** It is by the time I prove it.

**The Hon. Duncan Gay:** Do you mind? I have not finished.

**The Hon. WALT SECORD:** I can smell the alcohol over here.

**DEPUTY-PRESIDENT (The Hon. Natasha Maclaren-Jones):** Order! I call the Hon. Walt Secord to order for the second time. The member's time has expired.

**The Hon. Walt Secord:** I seek an extension of time of 10 minutes.

**DEPUTY-PRESIDENT (The Hon. Natasha Maclaren-Jones):** Order! There is no provision for an extension of time.

**The Hon. Duncan Gay:** I seek an apology from the Hon. Walt Secord, who sought to imply that I have been drinking.

**The Hon. Walt Secord:** I withdraw.

**Dr JOHN KAYE [5.26 p.m.]:** This evening Parliament will take New South Wales one step one closer to being a State where the protection of public interest is abandoned in favour of the reign of corporate greed. This is truly a triumph of ideology over the common good. There is no doubt that there will be winners. The salaries of corporate executives will skyrocket and banks, advisers, consultants and other parasites will extract their fat fees for giving the Government exactly the advice it wanted to hear. The multinational utility corporations that are circling the world looking for governments that do not know what they have got and are selling it off will get it at a cheap price. And all this will be at the expense of the people of New South Wales.

Some players and actors will lose out. Certainly after 2019 low income households will see higher prices. The renewable energy future that promises so many jobs in New South Wales will inevitably be frustrated and delayed, and the environment and the workforce will suffer. The network corporation employees, and the communities they come from, will see downwards pressure on their conditions, wages and lives. The budget will lose out but, most importantly, the New South Wales community will lose control of its future—of which the renewable energy future is a critical ingredient. All of this is for a fistful of dollars so that Mike Baird and Duncan Gay can don their hard hats and cut the ribbons in the lead-up to the next election.

**The Hon. Dr Peter Phelps:** Point of order: Dr John Kaye is aware that he should refer to members by their correct titles.

**DEPUTY-PRESIDENT (The Hon. Natasha Maclaren-Jones):** Order! I uphold the point of order.

**Dr JOHN KAYE:** The Hon. Duncan Gay and the Hon. Mike Baird will be able to cut ribbons and put on hard hats in the lead-up to the next election. Labor opened the floodgates to this particular kind of ideological poison in New South Wales but it is The Nationals and the Liberal Party who are completing the job on the people of New South Wales. The Government asserts that the sale of the leases will not hurt the budget—it will not adversely affect the money available for current spending on critical services such as public education and public health.

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They claim this on the basis that any loss of recurrent income from the assets that are being leased out will be compensated for by the growth in the economy.

**The Hon. Dr Peter Phelps:** More than compensated for.

**Dr JOHN KAYE:** I hear the Government Whip saying, "More than compensated for". This will flow on to the State budget through taxation receipts. This was not the view of UBS in the so-called independent research report that concluded, in its first draft, that while the transactions might be good for the economy, they would be bad for the budget—that is, before they realised that they risked alienating their clients and that the \$35 million contract that they shared with Deutsche Bank might be at risk if they did not redact that accusation.

The Government bases its claim that this will be okay for the budget on a report by Deloitte Access Economics of November 2014 that argued that the gross state product [GSP], that is, the total economic activity of the State, will increase by more than \$300 billion to 2035-36. They base that on a Treasury official's claim that the ratio of tax receipts to gross state product has remained constant at 12.8 per cent. There are substantial reasons to believe that the Deloitte report is not correct. Indeed, even the upper House committee chaired by Reverend the Hon. Fred Nile recognised that there were problems with the Deloitte report. But even if it is correct, there are still reasons to suggest that there remain serious threats to the State's budget.

The transactions are based on selling income-bearing assets and replacing them with new infrastructure which will supposedly attract people and keep them in New South Wales. The Deloitte report suggests that the population growth is a major component of the growth in GSP and that the additional 26,200 people will pay more tax. The problem is that those people will also require additional recurrent expenditure from the State budget. They will have children who will go to school, and they will get sick and will need the services of a public hospital. Furthermore, the income-bearing assets that we are losing are being replaced by infrastructure that itself will impose recurrent costs on the State budget. The reliance on the historic ratio of tax receipts to GSP to predict the impact of the specific stimulus is simplistic and dangerous. Individuals attracted to New South Wales, for example, might gamble less than the average, thus returning less revenue through poker machines and wagering taxes. New South Wales collects taxes only on a small part of the economy. If this infrastructure stimulates another part of the economy, then indeed there will be a hit to the budget, even if the Deloitte report is correct—and we doubt that it is.

The Government's analysis is unsound and proceeding with these transactions is very likely to impose a long-term cost on the recurrent budget. In the end, the sale price is never more than the net present value of the revenue stream. It is a sugar hit. It takes a future income stream and converts it into a current cash stream. The corporations that are going to purchase this asset are not stupid. They will know and have an expectation of the profits to be gained from this asset and they will pay no more than that amount. Historically public assets have been privatised for far less than they are worth. Professor John Quiggin of the Queensland University School of Economics observes:

In general, the price received for assets has been less than their value in continued public ownership. And conversely, in cases where privatisation was proposed but did not go ahead, the actual earnings received have been more than the return from the estimated sale price.

Never has that been truer than with Labor's privatisation of the electricity retailers and the output of the generators. It was estimated to bring in \$5.3 billion to the budget at a profit of \$1.2 billion. That is far less than half the carrying value of the applicable power station assets at the time of sale. As Mr Richard Denniss, Executive Director of the Australia Institute put it, "The reason they—private bidders—want to buy is probably the reason we should not sell".

There is also a clear contradiction between the Government's claim that the revenue stream from these assets will diminish over time and the Premier's and Treasurer's confidence in a robust sale price. If the dividends and tax equivalent payments are diminishing by a factor of ten—as the Premier told the upper House inquiry it would—it is highly likely that the private sector interest in purchasing those assets will diminish by about the same amount. That is, not \$13 billion but \$1.3 billion—unless, of course, the private sector is prepared to reduce costs by cutting the workforce, suppressing wages and conditions, or reducing or eliminating apprenticeships. That will bring with it a loss of expertise together with a loss of quality and reliability in supply. Alternatively, it might seek to extract additional revenue, either by increasing prices or by increasing the volumes traded or it might increase market power by way of ownership. None of these outcomes is desirable and all are bad.

There is a great truism of privatisation: that governments are always tempted to privatise the profits and socialise the losses. The sugar hit is paid for by the community for decades to come. The leases and other agreements can always contain nasties. I doubt whether we will ever get to see those leases. I have an amendment that I will move at the committee stage to try to get the leases into the public domain. We know

what Neville Wran did to the State—he tied us, for three decades, to two aluminium smelters with contracts that have below-market prices for electricity. New South Wales consumers paid for the aluminium subsidies in their power bills for three decades—and they are probably still paying. Madam-Deputy President, I ask you to call the Government Whip to order.

**DEPUTY-PRESIDENT (The Hon. Natasha Maclaren-Jones):** Order! There are a number of members interjecting and I remind all members that it is disorderly at all times.

**Dr JOHN KAYE:** There is another aspect of this privatisation that is deeply alarming, that is the loss of control over essential infrastructure. The State Owned Corporations Act at sections 20N, 20C and 20P provide for a capacity for the New South Wales Minister for Energy to issue directives to the board, to issue public sector policies to the board and to make directives to the board in the public interest—in the latter case, with no compensation required. That is an expression of the capacity of the people of New South Wales—through their democratically elected representative—to make changes that might not be in the commercial interest of the operators of those undertakings but which are definitely in the best interests of the people of New South Wales. Those provisions have not always been used as wisely as one might hope but they are critical provisions, particularly as we face an uncertain future. Those provisions enable the New South Wales Government to maintain a workforce which will be necessary as we move to an era of distributed generation technology—cleaner, cheaper technology that will require a new workforce with new skills. That might not be in the best interests of the distribution agencies but it is in the best interests of the community.

We will need a workforce that will innovate safely and keep the network operating with a two-way flow of power. We will need a workforce with a knowledge and skills base that is protected and nourished. That will not happen if these undertakings are purely run for the commercial interest of their owners. We know that the Australian Energy Regulator's [AER] determination will cost jobs because private ownership will take jobs out of the workforce. Inevitably, if this legislation goes ahead, we will see a depleted workforce with huge consequences for the capacity of this State to maintain a quality energy system.

The Government relies heavily on its price guarantee. The price guarantee says that the revenue collected by the transacted network operators cannot be greater in 2019 than it was in 2014. What a hollow promise. We already know from the Australian Energy Regulator that, in some cases, it will be 30 per cent less. It is a promise to deliver a promise that is already locked in. It is meaningless. It would have been meaningful if the Treasurer and the Premier had been prepared to say that they gave that price guarantee for 2020. But no, they understand how the AER works; they understand the timescales of the regulatory reset; and they knew that they could promise that because the Australian Energy Regulator would deliver for them—end of story. But what is not said is what will happen in the next regulatory reset where, if this legislation passes, the information fed to the Australian Energy Regulator will come from privatised distributors. The capacity to order the distributors to charge less than the AER determines will be lost, because sections 20N, 20O or 20P of the State Owned Corporations Act will no longer apply.

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There is another way in which the loss of control will be catastrophic for the State and that is the new technologies. A week before the parliamentary inquiry began the United States vehicle manufacturer Tesla released details of its home and utility business-scale batteries. The point at which the grid connection becomes more expensive than going it alone is expected by most commentators now to arrive within the next three years, if it has not already. The corporate owners of the grid leases will not want to forgo profits to reconfigure their infrastructure to allow local trading of electricity. They will seek to frustrate opportunities to maximise the value of rooftop solar and batteries by frustrating interconnections between households and communities that will require smart links to allow two-way trading.

Together with wind and large-scale solar, a reconfigured and re-invented electricity grid could become the backbone of a lower cost zero-emissions future, but that future will be delayed and frustrated by private sector leaseholders who will not wish to invest because it would not necessarily provide a financial return to themselves even though it would be a substantial economic return to the State.

There is another way in which privatisation is such bad news for the people of New South Wales and that is what happens in the event where high-income, high-net-worth households begin to disconnect from the grid because they see grid charges as too high. At that point the burden of the putative \$13 billion will fall on fewer and fewer shoulders. We know the way the Australian Energy Regulator regulates. They allow a certain amount of revenue to be collected for each of the years in the regulatory offset. We could see five years of sheer

hell for low-income households with them shouldering more and more of that debt and not able to escape because they do not have north-facing roofs or the money to buy batteries or solar panels.

What could have been an invitation to create a much fairer and cheaper electricity industry, and one which conforms to the principles of social democracy, has been squandered by this Government and it will be low-income households who will face the future of being in energy ghettos where the private owners rip off profits and recover costs out of those who can least afford to pay. It is a loss of control over our energy future through the loss of public ownership that will have a huge impact on the future of this State, which is deeply frightening.

There is a final risk from the sell-off taking away public control and that is the Trans-Pacific Partnership [TPP]. There is a risk that any attempt to impose conditions that improve the public benefit out of the distribution or transmission network could result in substantial financial penalties for New South Wales. The Trans-Pacific Partnership is being negotiated in secret and without—as I understand, from a failure of ministers to answer my questions on this matter—any input from the New South Wales Government.

The best I got from the Treasurer's office was a statement that said, "The lease agreements to the transactions will consider precedent transactions in an endeavour to accommodate future changes in regulatory and economic frameworks as far as possible." That is their response to the threat of the TPP. That is not good enough. There is a real risk that these assets could end up controlled by a foreign government, especially a foreign government that is deeply undemocratic, treats its people with utter disrespect and has no concern for human rights. This is not about China—it would be just as bad if it were Russia. This is not a statement of racism; this is a statement of concern about the future of New South Wales.

This transaction is entirely unnecessary. There are far better ways of raising the capital. Reinstating the vendor duty cancelled by Premier Iemma but put in place by Treasurer Michael Egan, reinstating the marginal poker machine tax cancelled by Premier Iemma, put in place by Treasurer Egan and maintaining the stamp duties on certain business transactions—the so-called inter-governmental agreement taxes—would raise \$1.4 billion a year on average over the next four years, enough to service a loan of more than \$20 billion.

The Premier and the Treasurer refer to this as a once-in-a-generation opportunity. It is actually the very definition of an unsustainable transaction. If it is being done to satisfy population growth, what will be done to build the infrastructure needed to satisfy population growth? What will be done next? What will be sold next? We will run out of assets to sell.

The reality is we do need new infrastructure to service a growing population but that infrastructure should be paid for by this generation, not by future generations. It should be paid for democratically. It should be paid for by those who can most afford to pay it—the extremely wealthy clubs, the property speculators and the large corporations. Instead this infrastructure is to be paid for by low-income households and those who can least afford to do it. It is the most regressive form of taxation that one can possibly imagine and all privatisation has turned out to be exactly that.

The Government claims they have a mandate for these transactions. They claim to have a mandate based on their election win. However, that is an imperfect instrument. Their election win was no more than a hangover from the days of Obeid, Macdonald, Roozendaal and Costa. Their election win was the fear of the people of New South Wales returning to the bad old days.

The National Party knows full well and the Leader of the Government knows full well this transaction brings with it significant risk. In fact, he told his voters in the same letter that the Hon. Walt Secord quoted from that by keeping Essential Energy in public hands they would get all of the rewards with none of the risk.

The risks for the people of New South Wales are substantial; not just to those who live in the franchise areas where these undertakings are being transacted, but Essential Energy is next on the block. We will be voting against the legislation. *[Time expired]*

**The Hon. ROBERT BROWN** [5.46 p.m.]: I realise there will be lots of speakers on this, so I am not going to eat into their time. I will just quickly put points on the table. I assured the Leader of the House that I would be gracious.

**The Hon. Duncan Gay:** But grumpy.

**The Hon. ROBERT BROWN:** But grumpy, yes. We have heard lots of talk tonight about the economic arguments for and against—everybody has their experts. I tend to think that the position that the Shooters and Fishers Party took into the election was the right one—that is, we oppose the sale of this Government monopoly and we will be voting that way in the debate.

I will put on record, however, that we have been in discussion with the Christian Democratic Party in relation to some amendments that they might put to soften the blow on the workers involved in these industries. I give Reverend the Hon. Fred Nile my assurance that we will support him in that 100 per cent.

We have heard speakers tonight talk about mandates. As I said in a speech the other day, the Shooters and Fishers Party could claim we had a mandate because we increased our vote by double digits.

**The Hon. Shaoquett Moselmane:** And the Labor Party as well.

**The Hon. ROBERT BROWN:** The Labor Party increased its vote—not by double digits, but you did. The Greens might have a bit of trouble arguing the mandate case. I do not feel that our position we took into the election opposing the sale of the poles and wires was wrong. I think we took the right decision into the election and fought an election on it. We did not get our second member elected or anywhere near it, but we did increase our vote and I am very happy we did so.

There is some debate within our party about the polls that showed about 60 per cent of people in New South Wales did not want the sale of the poles and wires and about 40 per cent did. That probably is reflected in the fact that in some electorates, notably Sydney electorates, our vote did go down but in the bush it went through the roof.

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Our argument throughout this process has been that, yes, New South Wales desperately needs infrastructure, particularly in north-western Sydney. The people living in that area were promised during the election campaign and have been promised since that their transport links would be improved. That is a very strong argument and I suspect that on that basis many of them would have voted in support of the sale of the poles and wires.

However, the arguments put by the Leader of the Opposition were very well constructed. He put his experts' side of the argument as opposed to the Government's experts' side of the argument. That is what we are arguing about; that is the nub of the issue. The Premier's plan A should not have been the sale of the poles and wires. That should have been plan B, but that is not what happened. Even with my shoes and socks off, I can count to 20—perhaps not 21 because I do not come from Tasmania. My apologies to my Tasmanian colleagues.

**The Hon. Duncan Gay:** I bet Wait Secord could get to 21.

**The Hon. ROBERT BROWN:** I do not know; perhaps those in the frozen north can. I will not be distracted by interjections. I reiterate that the Shooters and Fishers Party will oppose the legislation. However, we will support any amendment moved by Reverend the Hon. Fred Nile to give the workers in these industries some certainty and job protection. Discussion has been had about how long the job protection will be in place. I recall that during the debate on the sale of the generators we negotiated with the then Government in good faith to provide workers with four years of protection. Various amounts have been thrown around, but the proceeds of the sale will be in the tens of billions of dollars. Given that, the cost of providing some certainty to the workers is miniscule. Even if, as the Premier postulates, it will cost \$250 million, given that we are talking about a sale involving \$13 billion net or \$30 billion gross, it is a tiny amount to give workers some certainty about their future.

Whether or not the sale affects the price of power, at the end of the day the Australian Energy Regulator will determine the price. It is up to the potential purchasers to work out how best they can make a profit from that capped price. Yes, subject to the courts rejecting any appeal, the consumers of New South Wales probably will have some guarantee about consumer price caps for four to five years. What happens after that is in the lap of the gods. However, if the sale does not proceed, the Australian Energy Regulator will still regulate the price cap. Irrespective of whether the sale goes ahead, someone must find efficiencies within the price structure to operate and to maintain the system to deliver the level of service required by consumers and to make a profit if it is a private operator or a contribution to government revenue if it is not. It does not matter whether it is a private or public operator, under the regulator's rules the operator will have to cut their garment to



fit their cloth. I repeat, the Shooters and Fishers Party will vote against the legislation, but will support sensible amendments to ensure employee protection.

**The Hon. PETER PRIMROSE** [5.53 p.m.]: I oppose the Electricity Network Assets (Authorised Transactions) Bill 2015 and the cognate Electricity Retained Interest Corporations Bill 2015. My detailed reasons for doing so are contained in the minutes and the dissenting report of the Legislative Council Select Committee on the Leasing of Electricity Infrastructure. Even though we disagreed on a number of matters, I commend Reverend the Hon. Fred Nile for his chairing of the inquiry.

I take this opportunity to put a few points on the record in this debate. At its heart, at least two general narratives about this privatisation became clear from the evidence presented to the inquiry. The first is the notion that the electricity network is losing value and that returns to the public purse will decline over time. Accordingly, the narrative goes, we must find some whimsical billionaire who will not realise that they are buying a dud asset, and will pay us much more money than the asset is worth. That is patently nonsense. The purchaser will pay what they and their well-healed corporate advisers believe the asset is worth and will factor in a healthy profit margin. No-one will buy the electricity network unless they think it will make money for them for a long time. The only difference this legislation will make to that equation is that these profits will be privatised.

The second narrative is that this privatisation will make available magic money that otherwise would not have existed. This is the money that will be used to provide various pieces of infrastructure. It would always have become available from the dividends and other payments associated with the State-owned corporations. However, Premier Baird used the equivalent of 99 years worth of future earnings to buy an election. After they are spent, these earnings will not be available to future governments. Nor will they be available to help pay the recurrent expenses of future governments.

**The Hon. Dr Peter Phelps**: Nor will we have the liabilities.

**The Hon. PETER PRIMROSE**: I always told my good friend the Hon. Charlie Lynn, who has left this place, that he was my moral compass. Whenever I was worried about what I should oppose, I would listen to what the Hon. Charlie Lynn said. Having done so, I knew that if I did the opposite I would be heading in the right direction. That now applies to the stance taken by the Government Whip. I thank him for reassuring me that the Opposition is headed in the right direction.

Premier Baird and his colleagues in the Liberal Party and The Nationals intend to blow the proceeds of the sale in one go. It will be like a firework that sparkles and shines for a short time, and then nothing is left but smoking, burnt paper. They sacrificed 99 years of earnings to buy the 2015 election. When presented with a choice, for four years this Government has chosen not to disclose. It is the same with these bills. The Government is not transparent; it is trying to keep crucial details secret. Many of the provisions that Premier Baird promised would be in the bills are missing. For instance, in his evidence at the 11 May hearings of the Select Committee on the Leasing of Electricity Infrastructure, the Premier advised that details of the structure of the transaction and governance arrangements would be provided in the legislation. However, of course, that information has not been provided in the bills before the House. It is still unclear how each transaction will be structured and governed.

The bills authorise a lease of network infrastructure assets to the private sector for up to 99 years. The lease may then be renewed, but with "no limitations as to the nature of the transactions or arrangements that can be entered into or used for the purposes of an authorised transaction". While the bills provide for transaction State-owned corporations and transaction companies, which may be created by formation, acquisition or the conversion of existing electricity network State-owned corporations or transaction State-owned corporations, there is no clear indication in the legislation or the speeches made by Ministers that provides any guidance as to how the Government intends to arrange and execute these significant transactions if this legislation is enacted. The lack of detail and transparency makes it impossible for this House to confirm whether or not the arrangements will protect the public interest adequately.

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Mr Philip Gaetjens, Secretary to NSW Treasury, advised the committee that the Government is seeking to form a structure that operates within the tax laws of Australia, so that the State's holdings in each lease entity will still receive State tax-equivalent payments. At present, the equivalent of company tax is paid by the State-owned electricity companies to the New South Wales Government. That exemption from Commonwealth

company tax applies only to an entity that is 100 per cent owned by a State government. Presumably the objective of retaining for the State a share of tax-equivalent payments commensurate with its retained interest is sought through the vehicle of the electricity retained interest corporations, which is created in one of bills that is now before us. These entities will hold and advance what remains of the State interest in the electricity network assets. The Premier stated in his evidence that he had advice that there was a way for the State to retain a proportionate share of tax-equivalent payments. Answers to supplementary questions from the Treasurer disclosed that this advice was provided by Ernst and Young, but that it was commercial-in-confidence.

Commercial-in-confidence is a designation given to information that, if disclosed, may result in damage to a party's commercial interests, intellectual property or trade secrets. Given the advice relates to a matter that involves an area where the State is not in commercial competition with any other business, such advice cannot legitimately be regarded as commercial-in-confidence. We cannot evaluate its quality and so cannot determine whether the "preferred structures presented by the State" to the Australian Taxation Office are likely to achieve the aim of protecting State revenues, as we have seen it.

Another concern of members involves the Government's valuation of future returns from the network assets, in that they do not include loan guarantee payments paid by the networks to Treasury Corporation. These payments represent the government fee from the businesses that compensates the State for the risk of guaranteeing the electricity networks debt, which the Government acknowledged was the largest component of the reduction in revenue.

The Government claims that the loss of the loan guarantee payments should not be factored into the calculation of the retention value of the businesses, and should not be factored in as losses to State revenue, because they only reflect risk of guaranteeing the loans, which risk will be removed, and that relate to the State's role as a financier and not the owner of the businesses. However, this source of revenue has specifically not been set aside to meet any risk but has been spent each year by successive governments of both major parties, like any other source of revenue. This revenue loss should be factored in as a negative impact on the State's budget and as part of the retention value calculation. I believe that a failure to do so will lead to a significant undervaluation of the businesses to be leased.

The report speaks at length about consumer protections. As the businesses are monopoly businesses, there is no good reason why the New South Wales Government's key requirements of any successful lessee should not be disclosed fully and clearly, but in this legislation the Government has provided no information regarding the potential impact of the transactions on access to and exit from the network: that is, what effect will the transactions have on ensuring ongoing connectivity to the network for existing and new dwellings, and what impact will those transactions have on customers who seek to disconnect from the network—for example, because they have self-generated electricity and on-site storage capability? While this uncertainty could be factored into any price paid for the leases, it could also be covered in any lease agreement which will not be made public. Any concessions made for the benefit of any purchaser or lessee should be fully disclosed to the public before any transaction is entered into.

These bills give almost unfettered power to the Treasurer to do, in effect, whatever she wants with the electricity assets currently owned by the people of New South Wales. According to clauses 11 and 12, she may do and effect anything she wants. We have heard that there will be an automatic reversion to the people of New South Wales after a 99-year lease, but clause 5 (1) (b) says that the electricity assets will be leased for an initial term of 99 years. There could have been a clause mandating a return to the people of New South Wales upon the expiry of those leases, but that clause is not in this legislation. Why is that important? Under the South Australian lease provisions if the private owner undertakes any improvements, repairs or maintenance that asset then belongs to the private owner. No-one can seriously tell me that after 99 years much of the current infrastructure will still be available: it will be owned lock, stock and barrel but a provision could be inserted to say that what exists reverts back to the public. I believe that would not have adversely affected the sale price.

In clause 6 there is an interesting calculation of the 49 per cent of assets that will be disposed of. The clause states that it is an average of 49 per cent. It is apparent from these bills that, while 100 per cent of TransGrid is going and 50.4 per cent of both Ausgrid and Endeavour Energy are going, the Government is yielding 100 per cent of control of all the entities that are presently government-owned. The structure set up by the cognate bill, the Electricity Retained Interest Corporations Bill 2015, is to establish corporations called electricity retained interest corporations. All the assets of TransGrid, Ausgrid and Endeavour Energy will be disposed of under this legislation.

The Electricity Retained Interest Corporations will then hold a 49 per cent interest. However, the nature of the shareholding is not set out and the entitlements of the shareholding are not set out, but apparently will be in documents that we will not see. These corporations will have boards appointed for them but there will be no requirement for public representation on those boards. The boards will not be subject to the direction of the Treasurer or the Government. So although the people of New South Wales will own these electricity retained interest corporations they will have no right to control them or even to know what is going on behind closed doors with respect to the billions of dollars in assets that they will continue to hold. The legislation provides for no guaranteed place on the board of the newly privatised entity. Apparently that will all be embodied in transaction documents, which will also be kept secret.

The message to the people of New South Wales is that billions of dollars of their money will be locked away in these assets and they will have no say in the running of them and no right to know. They will have no right of governance or duty to report matters to the Parliament. We are told that the boards will have some reserve powers. But that is not in the principle bill; it will be in the transaction documents, the contracts and the constitution, which will be set up either in secret or post facto the transactions. All this should have been released so the people of New South Wales could inspect the documents before these transactions proceeded.

On 10 June last year the Premier indicated in a media release that there would be employment guarantees in this legislation. However, when we look through this legislation we can see no job guarantees, as a number of members have indicated. In fact, the legislation says that they do not even have to consent; the Treasurer can issue a direction in writing to all these current workers and say, "You do not work for the Government anymore. Start with the privately owned entity on Monday." There is no issue of consent. That is not a job guarantee. The legislation could have required the private entities, once they buy these assets, to keep these workers on for a number of years. The Treasurer had the opportunity to insert that provision into this bill and she failed. The Opposition will address this and other issues should this legislation make it to the Committee stage.

Proposed section 76A contains step-in rights. Most of that is dealt with under the rules of the National Electricity Market. There are no details in the legislation and apparently we are also going to have to wait for this information that might be provided in the future. I oppose the bills.

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**Mr JEREMY BUCKINGHAM** [6.09 p.m.]: On behalf of The Greens and the people in country and regional New South Wales I contribute to debate on the Electricity Network Assets (Authorised Transactions) Bill 2015 and the cognate Electricity Retained Interest Corporations Bill 2015 and state from the outset that The Greens oppose these bills. No-one is fooled by the promise of The Nationals in particular that the electricity assets and networks will remain in public ownership. The Nationals moved from a position of opposing the privatisation of the electricity networks to leading the community up the garden path. During the polls and at the election it was obvious and people saw what was happening. An asset that is worth so much to the people of New South Wales and so much culturally—literally hundreds of billions of dollars in revenue to the State over the next 99 years—is being sold off without the consent of the people who built these essential assets: the county councils, State governments and local government.

I do not have an ideological point of view on this issue of privatisation. In the past I have supported public-private partnerships and the like. For example, the Orange health campus was a difficult issue but I thought that a public benefit would be gained by the community partnering with the private sector. However, with this transaction there is no public interest. The public interest is not served in privatising these assets now and this fire sale gives much away to the private sector. Ultimately the most disadvantaged in the community and workers in those industries will suffer when there is a potential for blossoming new enterprise—renewable energy—which offers so much to the people of New South Wales and in particular regional New South Wales.

These bills will enable the Baird Government to proceed with its proposed lease of 49 per cent of the transmission and distribution assets. I note that in his contribution the Hon. Peter Primrose said considerable power would be vested in the hands of the Treasurer, that the management of these electricity retained interest corporations would be in the hands of the Treasurer and that it would be a moveable feast. Under the proposed lease, 50.4 per cent of both Ausgrid and Endeavour Energy and 100 per cent of TransGrid will be leased to the private sector for a period of 99 years. The State Government will forego an estimated \$1.7 billion worth of dividends and, over time, much of what helps bankroll essential services—health, education and transport infrastructure in this State. Selling off the farm is madness and will only involve asset recycling.

During the election campaign The Nationals members were in the regions promising to fund everything that moved. They were going to fund this highway, upgrade that hospital and there would be \$10 million for health infrastructure. In particular, \$1 billion was going towards regional water security. What will we get for our \$1 billion worth of asset recycling? We will get a pipeline from the Murray River back to Broken Hill. Water from the Darling River will flow from Queensland past Broken Hill and Menindee and all the way to the Murray River so that we can pipe it back up. This most stupid idea in the history of water infrastructure in Australia was brought to us by none other than the Hon. Kevin Humphries in the other place—\$500 million worth of asset recycling.

The other proposal I think is for Cranky Rock dam. I do not know what the dam will be called and I do not know where it will be located but there will be a dam on Belubula River that will cost \$300 million, \$500 million or \$700 million. No-one knows where it will be located and no-one knows who will use it, but the Government will build it with this money from the electricity networks transaction. That money is already spent on a plan that was written on the back of a beer coaster—asset recycling that is a waste, a folly and absolute madness.

As Dr John Kaye said in his contribution, it is not in this State's interests to forego so much in dividends and tax equivalent payments to the New South Wales Government. There is no doubt that these tax equivalent payments have declined, but in the long term they will recover. To say that there is a short-term downturn in tax equivalent payments is irresponsible economic modelling and the predictions that they will continue to go down are false. Ultimately there will be a healthy return back to the State in the long term. Traditionally, whenever these major public utilities are privatised the State gets duded. Professor John Quiggin of the Queensland University School of Economics observes:

In general, the price received for assets has been less than their value in continued public ownership. And conversely, in cases where privatisation was proposed but did not go ahead, the actual earnings received have been more than the return from the estimated sale price.

Proceeds from the sale of the electricity retailers and the output from the generators by Labor between 2008 and 2010 were estimated at \$5.3 billion, resulting in a profit of \$1.2 billion. This was thought to be only 41.9 per cent of the carrying value of applicable power station assets at the time of sale. There is a risk that the Baird Government will fail to achieve the \$13 billion indicative price for the network leases. Commentators have also questioned how the \$13 billion will be invested to create an additional \$5 billion in interest before the capital is spent on infrastructure. We have seen how \$1 billion is proposed to be spent on regional water security on John Cobb's proposal for Cranky Rock dam which was written on the back of a beer coaster and Kevin Humphries' panic pipeline from the Murray River to Broken Hill.

Asset recycling is based on the false premise that the proceeds from the sale or lease will be greater than the foregone revenue from the asset ownership and any costs associated with privatisation. In general, private owners will not pay more than the net present value of the assets future income, less costs. It is hard to conceive of an asset being more valuable to a private owner than it is to the public unless the private owner can reduce costs by suppressing wages and conditions—

**The Hon. Dr Peter Phelps:** Yes, exactly.

**Mr JEREMY BUCKINGHAM:** I note the interjection of the Government Whip. He gets very excited when I speak of suppressing wages. It is like Pavlov's dog: whenever I say—

**The DEPUTY-PRESIDENT (The Hon. Trevor Khan):** Order! I remind the Government Whip that he is already on one call to order. This debate is proceeding in an orderly manner. Mr Jeremy Buckingham should be allowed to make his contribution without interruption.

**Mr JEREMY BUCKINGHAM:** Let me see if I can do it again by referring to suppressing wages. Government members say that guarantees are enshrined in the legislation to ensure that those workers will be protected, but ultimately they will not be. Ultimately, conditions and wages by what has been a good employer, particularly in regional New South Wales, will be diminished.

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There is no doubt that regional jobs will go. Wages are not suppressed just by the wages people earn each week but by people being sacked. That is what they are really talking about. The private sector does not have an interest in keeping people in good jobs. In 2014 TransGrid had 1,071 employees in Australia. The head

office of TransGrid was located in the Sydney central business district, with various sites around New South Wales including Eastern Creek, Orange, Wagga Wagga, Yass, Tamworth and Newcastle. As sure as night follows day, jobs will be lost in those regional centres and The Nationals should be held to account for that. Ultimately Essential Energy will be the next entity on the block and again jobs will be lost. Essential Energy will be the last publicly controlled grid operator in New South Wales, Victoria and South Australia; its long-term future as a publicly owned entity is placed at risk by privatisation of other assets.

A key element of this debate and one that is not dealt with in these bills is the emergence of the clean energy economy. The Greens love technology and clean energy. Indeed, it is fundamental to all life that we seek out cheap, clean energy, and there is so much on the table in New South Wales. Premier Mike Baird's plan to privatise 49 per cent of the publicly owned electricity distribution and transmission assets will lock New South Wales into an expensive, outdated and inefficient network. It will drive out innovation. It will drive out the great disruption that is coming through energy supply, distributed energy, regional energy, community-based energy and even the big players from the corporate sector coming in and investing in regional New South Wales. The electricity sector is in a state of flux. The impending retirement of old coal-fired power stations and the emergence of the solar and wind industries require a flexible, responsive and innovative electricity sector.

Private owners keen to recoup on their investment will frustrate the rollout of clean technologies and will not be prepared to invest in smart grid reforms. In 2013-14 the Australian Energy Market Commission and the Australian Energy Association began agitating to charge solar households increased penalties and tariffs to make up for lost revenue due to reduced power consumption. Solar Citizens, a great organisation, ran a campaign against this push at the time but these types of issues are likely—they are inevitable—to be reinvigorated under a privatised network.

To achieve the full economic, social and environmental benefits of distributed generation, network investment and operation decisions will be required that might not be in the best commercial interests of the businesses that control them. That is, we need entities that put the public interest first, not that of shareholders. Examples include investment in the smart grid, energy management that reduces total utilisation of the network infrastructure and the recreation of mini-grids that allow households and businesses to trade between themselves. That is an area that is booming in the United States. People are connected to mini-grids. They have solar panels and batteries and they are trading that energy themselves; they are not locked out by tariffs, network charges and the like. We are taking a massive risk in locking that innovation and clean energy out of the system.

The loss of public control over essential services also prevents opportunities to incubate new and innovative ways of generating and supplying electricity. Until such time as emerging technologies are commercially viable, the public sector provides the support necessary to enable these technologies to bear fruit. Under private ownership a lack of immediate returns may see such technological innovation forsaken. I notice that the bills make no reference to clean energy. This should have been included in part 2 under the heading "The authorised transactions". This part requires the Treasurer to ensure that the private lessees meet certain responsibilities in delivering electricity services called an electricity price guarantee. Clause 8 (b) of the principal bill states:

- (b) The authorised network operator will promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers of electricity with respect to price, quality, safety, reliability and security of supply of electricity,

This subclause could have been used to specify that the new private owners must promote investment in renewable energy technologies, including much-needed changes to the grid to facilitate peer-to-peer trading, an excellent initiative that is enormous in California and growing around the world but is locked out by these bills. This legislation is a fire sale. It was done to re-elect the Government. It was done on a promise to provide infrastructure but I believe that an incredibly important asset will be squandered, an asset that was built up over generations by hundreds of thousands of hardworking New South Wales people. This asset should not be privatised. Invariably these bills will lock out one of the most exciting innovative elements in our economy, that is, renewable energy. The Greens oppose these bills and I know that my colleague Dr John Kaye will move significant amendments in Committee.

**The Hon. MARK PEARSON** [6.25 p.m.]: The Animal Justice Party opposes the Electricity Network Assets Authorised Transactions Bill 2015 and Electricity Retained Interest Corporations Bill 2015. We oppose these bills because the essentials of life—energy, water and air—should be always kept under the Government's watch. The people of New South Wales have entrusted the Government to ensure that their health, warmth and

access to the necessities of life can be guaranteed and in no way compromised, threatened or placed in danger through privatisation. With privatisation, a whole series of elements and issues come into the equation.

Private companies will always only want to make a profit and flourish. There are many examples where that has happened at the expense of the public. For example, following the privatisation of electricity in Victoria those companies are facing very serious offences in the courts because their cost-cutting measures and cost-saving methods were important factors in causing some of the Victorian fires where people were burnt to death. This happened because those private companies were not interested in ensuring that the ethical standards required of government to provide essential environmental safeguards were not thwarted in any way.

Another issue of concern in the current landscape is that we must move away from fossil fuels. This may be necessitated through important, intelligent and visionary government policies. No private company will adopt a policy to move away from fossil fuels while they remain the cheapest. Filthy, dirty energy causes enormous impacts on the environment and on human health. Indeed, the very nature of fossil fuel sourcing is deleterious to the environment, to human health and to animal wellbeing and welfare through poisoning of water, through the destruction of habitat and through adverse impacts on the environment in which they live. The Animal Justice Party opposes the bills on those grounds.

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**The Hon. MICK VEITCH** [6.30 p.m.]: I refer to the Electricity Network Assets (Authorised Transactions) Bill 2015 and the Electricity Retained Interest Corporations Bill 2015 [ERIC]. I note with some degree of, I guess, comedic relief that someone on the Government's side does have an eye to history and has indulged in a bit of a comedy by giving a bill such an acronym. Those who have been members of this Chamber for some time will know my long-held view on the sale of public assets, but particularly around the sale to the private sector of electricity assets. Indeed, Mr Deputy President would well recall when we were in Government and the principle of my own party to undertake such a transaction. I, along with a number of my colleagues—

**The Hon. Dr Peter Phelps:** Name them.

**The Hon. MICK VEITCH:** I can name them. Indeed, some of them have already spoken and some will speak in this debate but, have no doubt, we were going to cross the floor. At the time I believe there were bets going around about whether we would. On our side it was a very serious threat and we were going to cross the floor. My position on this matter is long-held because of the impact such transactions have on regional New South Wales. If someone with such long-held views changes his or her position I think it would be quite prudent to stand up in either Chamber and put on the public record the reasons why that view has changed. A number of members of The Nationals have in the past made their views well known about the sale of electricity assets in New South Wales. I thought there would be a long line of Nationals members of Parliament in the Legislative Assembly who would be prepared to speak when these bills were introduced.

**The Hon. Greg Donnelly:** A conga line?

**The Hon. MICK VEITCH:** Almost a conga line. However, only two speakers from The Nationals spoke in the Legislative Assembly on these bills. Analysis of their contributions did not take long as they spoke for a total of 12 minutes, that is, about 1,300 words. Why is that interesting? The Electricity Network Assets (Authorised Transactions) Bill 2015 refers to a transfer to the private sector. In 2011 the member for Orange, Mr Andrew Gee, and the member for Bathurst, Mr Paul Toole, both members of The Nationals issued a joint press release. Mr Gee stated:

... there is no guarantee that privatising the poles and wires will lead to greater efficiencies or a drop in electricity prices.

Mr Gee continues:

It's hard to see how transferring ownership of a gold-plated monopoly to a private operator will increase competition and bring down electricity prices.

What did Mr Paul Toole state?

I would be very concerned about selling a natural monopoly that is currently a nice little earner for NSW to a private company—whether that company was Australian or foreign.

I thought they would have said why they have changed their position and why they supported the bills. Those members represent electorates in the Central West where there have been significant job losses. One would have

thought they would have advocated quite hard for the retention of jobs in their electorates. The reality is that this transaction will put at risk 120 local electricity jobs in Lithgow and Kandos, and in TransGrid at Orange. However, neither of those members had the courage to stand up and put on the record why they have changed their views on electricity sale in New South Wales. I think that is an appalling way for a local member to behave. They say something to the media in their electorates but do something quite different in this place. That is not what a member of Parliament should be about. I am glad the Hon. Ben Franklin has entered the Chamber because in 2013 when he was the secretary of The Nationals, at its State conference The Nationals unanimously voted against selling poles and wires. He said:

The membership has a strong view about that and that's obviously something that the party room will be taking into account when it marks its determination on the policy down the line.

**The Hon. Catherine Cusack:** This is where you look shocked, Ben, because they have worked really hard to get this together.

**The Hon. MICK VEITCH:** I thought, Catherine, you would enjoy me having a go at The Nationals. In April 2014 the then Leader of The Nationals and Deputy Premier, Mr Andrew Stoner, stated in the *Daily Telegraph* that there was majority opposition in the National Party room to any sale of the assets. Apparently not, because only two members of The Nationals had the courage to speak in the Legislative Assembly. In June 2014 a poll was conducted of the views of people about the sale of electorates in some regional electorates. In the poll, in Ballina 73.5 per cent of 675 residents polled opposed privatisation; in Dubbo of the 706 residents polled 69.4 per cent opposed privatisation; in Port Macquarie of the 721 residents polled 68 per cent were opposed to privatisation; and in Tamworth of the 790 residents polled 70.4 per cent were opposed to privatisation. People in those regional electorates do not want their electricity assets sold at all.

The member for Tamworth had the courage to speak in the debate on these bills. He spoke at length about the TransGrid job losses in his electorate but the Government is selling 100 per cent of TransGrid and he had the chance not to vote for this bill. Did he vote against the bills? No, he did not. He says one thing in Tamworth and does something different in Sydney but that does not cut the mustard in regional New South Wales. At the last State conference of The Nationals a motion was passed unanimously not to support the privatisation of the poles and wires when they said, "Across the board we are as one." But the member for Coffs Harbour said:

My electorate is telling me "don't sell", my party is telling me "don't sell" ... this is an easy decision for me.

But what did the member for Coffs Harbour do? He voted to sell. He says something in the bush and when he comes to Sydney he does the opposite. Will it be noticed? Will The Nationals be held to account? I think they will be. Apparently, The Nationals have cut some fantastic deal for the proceeds of the sale. I am quite concerned about the long-term impact on the State budget of this transaction. I will not repeat the eloquent words of the Hon. Peter Primrose but I will say that the proceeds of this sale will not assist jobs in regional New South Wales.

A more significant issue around jobs is apprenticeships. In days gone by in regional New South Wales one of the greatest providers of vocational and apprenticeship training was the State Government via a number of entities but as each of those has been privatised and put into private hands the number of apprentices taken on by those entities has declined and, in most cases, is nil. Where will the youth of regional New South Wales get apprenticeship training in a trade? They will have to move to the city.

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One would think The Nationals would be advocating for regional jobs and regional apprenticeships. I have not heard anyone speak about what this transaction going through will mean for apprenticeships in regional New South Wales. That is another indictment on The Nationals for failing at the regional representation they say they give. Their regional constituency will hold them to account. I want to know: Where are the guarantees for further apprenticeship training? I have not heard one person speak about that in the other place.

I am a tad annoyed that the report on this transaction was tabled in this place by Reverend the Hon. Fred Nile at 2.30 p.m. and then we started debating the bills immediately. Where is the respect for the committee processes of the New South Wales Legislative Council? There is none from the Government. If there were we would have been given time to peruse, dissect, analyse and comment on Reverend the Hon. Fred Nile's

committee report. I guarantee that only five members in this Chamber have had a chance to read the report—and that is a couple fewer than served on the committee. Members can draw their own conclusions about that.

The bills should have been held over until we had a chance to debate Reverend the Hon. Fred Nile's committee report—but, no, we are going to truncate the processes of this place. The committee work that we do is always fantastic. But this sort of activity tells me that is the respect Government members will show the New South Wales committee process for the next four years. That is a disgrace and a further indictment on the Government. I will be opposing these bills. I have opposed similar transactions for a long time, and I am yet to be convinced by anyone that this transaction will be good for the people of New South Wales, particularly the people of regional New South Wales. The Nationals should hang their heads in shame.

**Dr MEHREEN FARUQI** [6.41 p.m.]: On behalf of The Greens I contribute to debate on the Electricity Network Assets (Authorised Transactions) Bill 2015 and the cognate Electricity Retained Interest Corporations Bill 2015. I thank The Greens members and activists; Dr John Kaye, who has led the fight on The Greens' side; and all the hardworking "Stop the Sell Off" campaigners and union members who have been leading a strong campaign against the sell-off of our public electricity network. It is a disgrace that the arrogance of this Government means it is not willing to listen to sense or public opinion on this issue. This legislation will enable the lease of 49 per cent of the State's electricity network. The word "lease" is misleading; it is de facto privatisation. It is telling that the lease is so long—99 years, in fact—that no-one voting on the bill today will be alive to see this asset revert to public hands, if it ever does. The decision made today robs our children and our grandchildren of public assets. It is a very bad strategy to get rid of these assets and forfeit the resulting revenue that would otherwise flow into the State budget to be used to benefit the people of New South Wales.

Not many in this Chamber will be surprised to hear me describe this move for what it is: completely backward policy. Privatisation of public assets and services fails the community and the "public good" test. Public assets must remain in public hands for the good of us all and for the good of our State. These are assets that generations of Australians have paid for. Once they are sold off, they will not be able to be brought back into public ownership. Handing over our electricity assets to private operators will effectively rule out any large-scale move towards compatibility with innovative energy systems—systems that are green, clean and renewable. Dr Kaye wrote in the *Guardian* this week that the Baird Government ignores the recent "sea change of technology" in the energy distribution area at its peril. The release of Tesla's battery units is a game changer for everyone. The profit model of the corporate owners of the grid leases will simply not be compatible with supporting a shift towards the local trading of electricity. There is an incentive not to make our grid more efficient and more sustainable.

Members in both Houses have described as a sham the inquiry into this issue that has taken place over the past few weeks. It was an investigation with a predetermined outcome, with narrow terms of reference and no real expectation that it would produce anything other than a positive story for the Government. Indeed, why would the Government have agreed to such a process if there was any serious risk of it jeopardising its privatisation agenda? The issue at the heart of this matter is that this is short-term thinking by a Government that sees benefit in flogging off public assets and getting some short-term cash in advance. That leads me to the issue of expenditure. Perhaps just as worthy as criticism of the lease itself is what the Government is putting on the table as potential investments in order to justify the sell-off. I am concerned that much of the proceeds of the sale will go towards projects that are ill suited to the needs of our State. Particularly close to my heart is the expenditure on roads and transport.

The Government intends to spend almost half of the \$20 billion raised by the sell-off of poles and wires on transport infrastructure that will not work for Sydney and will not work for New South Wales. It will not work and it is not in the interests of the long-term future of New South Wales because it effectively locks down a future of road congestion and pollution for the State, and locks us all into a privately operated, unintegrated rail network along the way. Like the electricity sell-off itself, these plans are not in the public interest; they are in the private interest. They are in the interest of the Liberals and The Nationals and their mates. A massive \$7 billion will be directed to the Sydney Rapid Transit line. This line is possibly the biggest rail con job in the history of the State. Sydney Rapid Transit involves the extension of the private North West Rail Link shuttle through North Sydney and the city and onto the Bankstown line, with entirely single-deck trains, privately operated and separated from the current Sydney Trains network.

It seems very recently that the Government had us all scratching our heads over its plans to rip up the recently opened Epping to Chatswood line for its private metro service and incorporate the line into the North West Rail Link. The Epping to Chatswood line was only opened in 2009—as many in this Chamber would



remember—for \$2.4 billion, under the previous Labor Government. Despite the bloated price tag and the failed ambition of extending the line all the way to Parramatta, this is a good service. It works for people, especially those in the North Ryde and Macquarie Park industrial areas and students attending Macquarie University. It is well patronised and efficient, but the Government wants to rip it up to make way for the privately operated shuttle.

With Sydney Rapid Transit on the table, thanks to the sell-off, we know that the Government's ambitions do not stop there. It also wants to rip up the Bankstown line completely and put the privately operated network through there too. This will cause unnecessary and painful disruptions for people on many parts of the network. But the "short-term pain for long-term gain" argument does not hold much weight here either. Unfortunately, there is going to be short-term pain for more long-term pain. There is no doubt that we will need a second harbour rail crossing in the future. We need to look at new services and new capacity. This can be achieved in some part through technology, such as automated signalling, and in some part by expanding the current public transport system, not cannibalising it. The single-deck, low-capacity Sydney Rapid Transit is probably the worst way possible of achieving what we want. It puts in train the wholesale privatisation of the rail system in Sydney, from Rouse Hill to Epping, to St Leonards, to the central business district, to Sydenham, to Marrickville, and all the way through to Bankstown. What is worse, the single-deck service does not even make sense capacity-wise for much of that journey.

**The DEPUTY-PRESIDENT (The Hon. Trevor Khan):** Order! I note that, while wide latitude is extended to members speaking during the second reading debate, Dr Mehreen Faruqi should ensure her comments are within the leave of the long titles of the bills. I have allowed the member to continue for some time, but I now invite her to consider the legislation that is before the House rather than rail lines.

**Dr MEHREEN FARUQI:** Thank you, Mr Deputy-President. Of the constituents the Government spoke to regarding the sell-off of the poles and wires, I doubt many knew about the second harbour rail crossing being a private line and cannibalising their current train line. Moving on to the wasteful expenditure of the money acquired from the privatisation of poles and wires, \$1.1 billion will go to the WestConnex extensions and a new western harbour tunnel, which will spew further traffic into more of Sydney.

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It is not enough that billions of dollars are being totally wasted on toll roads that are not solving Sydney's transport problems but more money from the sell-off of a public asset will be thrown into producing more congestion in the city and destroying our environment.

In essence, the community loses profits from a public asset and these will be spent on private motorways for the benefit of private companies. The Transurban Group, which owns roads in all the eastern seaboard capital cities, made a profit of \$282 million in the last financial year. This is a textbook example of corporate greed—the transfer of wealth from the public to benefit only a few. Fortunately, there is another way. During the 2015 election campaign The Greens outlined our own way of financing \$20 billion through a range of measures, including reinstating the vendor duty, restoring marginal poker machine tax rates and maintaining stamp duties on certain business transactions. This money would be invested in schools, hospitals, energy, housing and transport of the twenty-first century. The Greens showed that through smarter spending we can divert \$4.5 billion being wasted on the NorthConnex and WestConnex projects to public and active transport that expands access for the people of New South Wales. We do not have to sell the electricity network. We can get the infrastructure that New South Wales wants and needs by keeping its electricity network in public hands. The Greens strongly oppose the legislation.

**The Hon. COURTNEY HOUSSOS [6.50 p.m.]:** Tonight I speak in debate on a significant issue of public importance for the State of New South Wales—the privatisation of our electricity network. I speak against the Electricity Network Assets (Authorised Transactions) Bill 2015 and the Electricity Retained Interest Corporations Bill 2015. This issue is not new. Indeed, this Government's privatisation plan was the key issue during the recent election campaign and has been a fiercely debated topic around the State for many months. This plan is as unpopular now as it was then. We have only to look into the Chamber of the other place to substantiate the unpopularity of the Government's plan. In an election campaign largely fought on the issue of electricity privatisation, the Government suffered large-scale swings against it in the order of 20 per cent; it suffered a frontbench and backbench revolt from members of The Nationals who know this is a bad plan; and, most importantly, the Government lost 15 seats in the other place to candidates who publicly opposed its plan. In this context, the talk of mandates from members opposite becomes impossible to endure. Equally, members

on this side of the House make the case that we have a mandate of our own to respect and a much-agreed case to prosecute against this sale.

I will speak about the staggering inconsistencies evident in the Government's privatisation plan. The contradictions between Liberal members and the contributions of The Nationals were not lost on members on this side of the Chamber. On the one hand, an argument was coming thick and fast from Liberal candidates that selling off the electricity network would be hugely beneficial to the State. On the other hand, in varying degrees of forcefulness and subtle indifference, The Nationals candidates were saying the opposite. They were spruiking that they had saved regional areas from the devastating effects of the privatisation plan. In fact, the Hon. Duncan Gay made it easy for us when he stated the devastating effects of privatisation in a letter dated January last year, in which he wrote:

I know that country people, in particular, are worried about how a private operator might handle maintenance and emergency blackout responses...

That's why The Nationals have negotiated to keep Essential Energy (the regional part of our electricity network) 100 per cent publicly owned ... all of the rewards with none of the risk.

If it is bad for country areas, it is bad for the State. If the Hon. Duncan Gay can acknowledge the risk of maintenance quality and emergency blackout responses due to electricity privatisation, why can the rest of his team not do so? If half the State needs its local electricity network protected from this dud privatisation deal, why has the other half been thrown to the wolves? It does not make sense, and members opposite surely know this. Opposition members are well aware that it is not only The Nationals who object to the sale. A clear majority of the electricity network's current owners—the people of New South Wales—do not want it sold.

Recent published polling has shown that following the election 60 per cent of people still have significant concerns about this Government's plan to flog off its electricity assets. Only a few days ago members opposite tried to convince us that they were proud of a 53 per cent vote in Tweed and a 52 per cent vote in Lismore. So what do they make of 60 per cent? It seems they do not make a great deal of the massive group of people statewide who still do not trust the Government with selling off their electricity network. These bills have been rushed to Parliament in spite of the 60 per cent disapproval rating and contrary to the commitment the Government gave to Reverend the Hon. Fred Nile. It is not difficult to appreciate why these bills have been rushed to Parliament. The growing concern in the community regarding the sale and the method by which the Government intends to sell has frightened the architects of these bills, who seek to limit public debate and inquiry. They know the people of New South Wales did not approve of the plan to privatise before the election and that they still do not approve. We can be sure that the people of New South Wales will not appreciate the significant and lasting consequences of this sale well into the future.

For the benefit of members, I will mention some of the consequences. Currently our electricity distribution network is a State-run natural monopoly. This makes sense. Customers cannot choose which powerlines to use because only one set exists in our streets. Unlike the Leader of the Opposition, I am not an ideologue on privatisation. I am prepared to accept that instances exist where privatisation is beneficial to the State and to customers, and that proper regulation provides appropriate safeguards to consumers. However, the sale of the electricity network by this Government transfers the profits of a natural monopoly from the State Treasury to the back pockets of corporate investors. Profits from the electricity network now fund hospitals, schools, roads, police, paramedics and firefighters. After the sale, they will not. Money will be ripped out of essential services for local communities and handed over to the highest bidder.

It makes no sense to sell a profit-generating natural monopoly asset that currently funds essential services and therefore reduces the tax burden on the people of New South Wales. One blinding omission from this Government's plan to sell off the electricity network is how it intends to replace foregone revenue. The \$1.7 billion flowing into State coffers annually from this network has to be replaced by new or increased taxes or government services must be cut. This Government has form because it has cut billions of dollars from the Health budget. I am reminded of the newspaper headlines from September 2012, when the Minister for Health announced \$3 billion worth of savings—also known as cuts—from the Health budget. This Government also has form cutting billions of dollars from schools and TAFEs around the State.

**The Hon. John Ajaka:** Point of order: My point of order is relevance. The Hon. Courtney Houssos' remarks are not within the long title of the bill.

**The Hon. Greg Donnelly:** To the point of order: Government members, including the experienced Minister, know that wide latitude is extended to members during the second reading debate. The Hon. Courtney Houssos has said nothing that is outside any reasonable understanding of what would ordinarily be raised during the second reading debate.

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**The DEPUTY-PRESIDENT (The Hon. Trevor Khan):** Order! I agree that wide latitude is given to members in the second reading debate. However, I remind the honourable member that she must speak to the long titles of the bills. She is being relevant, but if she continues with this discourse for a lengthy period, she will be called to order.

**The Hon. COURTNEY HOUSSOS:** Of course, this Government has form when it comes to cutting billions of dollars from school and TAFE budgets, given the \$1.7 billion worth of cuts inflicted across New South Wales in its last term in office. We know that this Government has form in cutting and closing community services such as women's shelters. This is a shameful reminder of the Government's first four years in office. If more of this is part of its plan, it should be upfront and say so. Whenever this Government makes the case for more cuts in future, we will know why: It will be because it is selling a revenue-generating asset and funnelling the one-off proceeds into things that will continue to cost us money well after they are built. It does not make sense, and the people of New South Wales know it.

I turn to regional New South Wales and The Nationals so-called "deal" to protect regional communities from the lasting impacts of this privatisation plan. Some part of me wants to congratulate The Nationals on standing up for regional New South Wales for once. However, as is often the case with The Nationals, all is not quite what it appears to be. While Essential Energy has been excluded from the sale, TransGrid has not. In fact, as previous speakers have said, 100 per cent of TransGrid will be sold. It is incorrect to say that the regional electricity network will remain State owned. TransGrid's entire network of 12,000 kilometres of high-voltage transmission wires connecting regional towns and cities to the grid will be gone.

Is it any wonder that TransGrid hardly got a mention from members opposite during the election campaign? The Nationals claimed to all and sundry during the campaign that they had stood up to the Liberals and negotiated the exclusion of the regional electricity network from the sale. Not only did they reinforce the Opposition's argument that the sale is risky and that it will be bad for the State, but they also misled the public by neglecting to mention that all of TransGrid's regional poles and wires would be sold—all 12,000 kilometres of them across this State. Any privatisation plan that needs to be hidden from the public or, indeed, disguised as something it is not, is clearly not a plan worthy of consideration. The sale of the regional poles and wires has been disguised by members opposite in this debate.

What will happen to TransGrid's 1,083 workers across the State, including 63 workers in Orange, 65 workers in Tamworth, and 57 workers in Wagga Wagga? What will happen to their jobs after TransGrid is sold? We have heard a great deal from the Opposition's side of the divide on this issue both in this place and the other place last week. Therefore, I thought it might be useful to break up things a little and to remind members of the contributions made by some on the opposite side of the divide. On 6 June 2014, the member for Murray and Deputy Leader of The Nationals was quoted in the *Daily Telegraph* as saying:

I know in my electorate people have made it very clear they don't want their local electricity poles and wires to be sold, and I agree with them.

Pursuant to sessional orders business interrupted to permit a motion to adjourn the House if desired.

The House continued to sit.

**The Hon. COURTNEY HOUSSOS:** Good on the member for Murray in times past. On 9 June last year, the member for Monaro, and now Minister for Regional Development, spoke of the potential price rises following a privatisation and also its effect on service reliability in regional communities. He said:

What we are now seeing in Victoria [is] issues around price, issues around jobs and service delivery.

Furthermore, on 10 June last year, the member for Clarence said:

There's no good in selling the poles and wires as far as I'm concerned. We will lose jobs through the privatisation process. Of that I am sure.

Given that contribution, the member for Clarence should join the Opposition. However, the member for Coffs Harbour's contribution on 6 June last year really takes the cake. He said:

My attitude is do not sell. I don't care what they put on the table, or what they promise, I don't believe the numbers stack up.

I wonder what the people of Coffs Harbour think of their fighting lion in Parliament now. Their crusader in this place has voted to sell off TransGrid, and the majority of Ausgrid and Endeavour Energy. I imagine that they are not amused. I could go on and on for the benefit of the House, but I am sure that I have made my point. It is not only the Labor Party, but also 60 per cent of the public and almost 100 per cent of the affected workers who oppose the privatisation. Honourable members sitting opposite in this House and their colleagues in the other place know that this deal is a dud and that the people of New South Wales will be worse off because of it.

**Mr SCOT MacDONALD** (Parliamentary Secretary) [7.04 p.m.]: I strongly support the Electricity Network Assets (Authorised Transactions) Bill 2015 and the cognate Electricity Retained Interest Corporations Bill 2015. We have been engaging in this debate for four or more decades. Labor Premiers Bob Carr and Morris Iemma and Labor Treasurers Michael Egan and Michael Costa wanted to privatise these assets. Premiers and Treasurers have lost their jobs over this issue; the Labor Party has torn itself apart over it. The people of this State have now given the Government a mandate to get on with reform, and we must pass this legislation tonight. If we do not, we should at least pass it this week. The anti-privatisation campaign has been dishonest. I saw that front and centre in the Hunter and on the Central Coast during the election campaign. In fact, it has been one of the most dishonest and aggressive campaigns that I have ever experienced. People came from Queensland to campaign. It was a shocker.

**The Hon. John Ajaka**: Point of order: Members opposite were afforded the opportunity to make their contributions without interjection. I ask that they extend the same courtesy to the Hon. Scot MacDonald.

**DEPUTY-PRESIDENT (The Hon. Paul Green)**: Order! I note that the Hon. Dr Peter Phelps is not in the Chamber, so members were heard in silence. Mr Scot MacDonald deserves to be heard in silence.

**Mr SCOT MacDONALD**: As I said, it was probably the most dishonest campaign that I have experienced in my political life. The price scare campaign was not borne out by the evidence. Study after study has demonstrated that electricity prices in States that have privatised networks have increased more slowly than prices in States that have government-owned networks. The figures were twisted and used dishonestly by members opposite. The fact remains that the States that have had privatised networks for some time, such as Victoria, are enjoying lower prices rises.

The reds-under-the-bed argument prosecuted by the Leader of the Opposition was bizarre. I gave an adjournment speech on this topic a couple of weeks ago. We were told to beware of Chinese investment in our networks. Members opposite forget that the Chinese have invested about \$30 billion in Australia every year in recent times. The Chinese are very good customers of our cotton farmers, our woolgrowers and our meat producers. The Leader of the Opposition's contribution was a disgraceful and bizarre last roll of the dice in the dying weeks of the campaign. He was suitably castigated by his fellow members of the Labor Party, and most notably by Michael Costa and Morris Iemma. They tore him to shreds.

The member for Cessnock in the other place said that the Government could not implement this legislation because the proposal is Sydney centric. Of course, he forgot to mention that \$6 billion from the proceeds will go to the regions, and the Hunter will be one of the main beneficiaries. Members opposite conducted a scare campaign saying that the proposal was all about Sydney and that the rest of New South Wales was forgotten. The commitments obtained by my friends The Nationals ensured that the love and infrastructure will be spread around the State. I congratulate them on that achievement. The member for Charlestown cited Ausgrid's response, and said that there were 225,000 power interruptions or calls to Ausgrid.

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In any scare campaign one only ever gets half the story. If the member for Wyong had bothered to attend the emergency meetings, as I did, he would have known that Ausgrid had said publically that contractors were key to getting many of reconnections done in a timely manner. Indeed, the private sector was working hand in glove to provide a quick response to those interruptions. The private sector has always been, and will continue to be, an important part of the network. The member for Wyong also failed to mention reliability. I was

amazed to hear Dr Mehreen Faruqi say that these assets should always remain with the Government because it will control their reliability. The Australian Energy Regulator and government agencies control reliability. Reliability, response times and community service obligations are determined by the Government and those sanctions will apply whether they are privately or public owned—in fact, the Government is talking about even stronger sanctions.

Mr Tim Crakanthorp, the member for Newcastle, took an interesting approach. He suggested that the leasing of our poles and wires will change the weather and used the recent storms in the Hunter as the bogeyman. But the member failed to understand that much of the response to those storm events by Ausgrid involved contractors. Ms Sonia Hornery, the member for Wallsend, was probably the most honest of the Labor responders in the lower House. There is no disingenuous halfway house with the member for Wallsend—everything the public sector does is good, everything the private sector does is bad. It is a shame that my good friend the member for Wallsend has not spoken to former Prime Ministers Paul Keating or Bob Hawke, or many of those other great Labor reformers who are scratching their heads and wondering what has happened to the Labor Party, which has been left behind in New South Wales.

Mr David Mehan, the member for The Entrance, made the startling claim that "the bills are nothing more than a mechanism for the Government to raise the money it needs to meet its election promises." What revolutionary insight! The Government has been campaigning on that platform for about a year; I am pleased that the member for has finally caught up. Ms Kate Washington, the member for Port Stephens, also implied that the transaction will change the weather and we will not be able to cope. I particularly liked the contribution of Mr Jamie Parker, the member for Balmain. He was tied up in knots about renewables. First he said we should get rid of the networks because they are dirty and fossil fuels; then he said we should not get rid of them because they are publically owned. It was great stand-up comedy; however I am not so sure it was a very insightful speech. Time prevents me from going on.

In conclusion, the contributions of those opposite have not so much been heartfelt speeches but, rather, what I would call preselection insurance—their hearts are not in it. Indeed, in the *Sydney Morning Herald* last weekend the Leader of the Opposition belled the cat. Labor well knows that we will be moving on. Recycling assets is a proven way to go—we have been talking about it for decades. Over the next 20 years our economy will grow by \$300 billion and this will enable the Government to deliver aged care, health care and other essential services our community needs. In this world there are two types of people: The first are those who get up in the morning and wonder if they are going to be hit by a meteorite, those who think small and thrive on fermenting fear and scaremongering—I am, of course, referring to those opposite; the second are like those on this side of the House who look forward to rebuilding New South Wales.

**The Hon. SHAOQUETT MOSELMANE** [7.14 p.m.]: I make a brief contribution to the Electricity Network Assets Authorised Transactions Bill 2015 and the cognate Electricity Retained Interest Corporations Bill 2015. If there is one thing everyone in New South Wales agrees on—and surely members in this Chamber will also agree—it is that the cost of living in this State is continuing to spiral upwards. Working families in New South Wales continue to suffer from high consumer prices for petrol and other essential household items whilst juggling mortgages, child care, et cetera. It is a shame that the Baird Government is continuing to ram through plans that will only raise the cost of living further and increase the financial burden on our working families. The privatisation of our electricity assets is guaranteed to do two things: raise prices and retrench workers—loss of jobs. This has happened in South Australia and it will soon happen in New South Wales. Everyone in this State will be affected by the privatisation of our electricity assets.

Families in places like Albury and Wagga Wagga will not be exempt from the pain of privatisation, nor will families living in metropolitan areas like Hurstville, Rockdale or the Northern Beaches. Working families are going through enough—areas like the Hunter and some suburbs in Sydney have endured disastrous flooding recently. But when those people are in desperate need of a helping hand, the Government will slug them with increased electricity bills. The Baird Government is trying to pull the wool over the public's eyes with big promises of infrastructure. The sad truth is that this privatisation plan is not in the best interests of the public. Will household electricity prices go up? Of course they will. The private sector only ever enters the market to increase its profits, which usually results in retrenchments and/or increased prices. The price of electricity will increase because the private operator will want to make money off its asset—and the Government and its big business buddies know that.

South Australia is the best example. Families in South Australia paid the highest electricity bills in Australia following the privatisation of its electricity assets, whilst the owners of the network made an annual

profit of \$420 from every household in the State. That is cold comfort to families with higher electricity bills who, in the middle of winter, are too scared to turn on their heaters because electricity bills are about to skyrocket out of control. Will New South Wales be better off? No, it will not. There will be more funding cuts to schools and hospitals. Premier Baird has been unable to explain how he will fill the black hole when electricity profits are lost to this State, but the Government's track record shows it is comfortable with funding cuts to schools and hospitals.

In public hands our electricity network has returned more than \$1.7 billion to this State annually. That money has been used to fund teachers, nurses and police. Indeed, our public assets should be used to fund frontline services for the benefit of families and communities in this State. This monopoly asset should be kept in public hands. Flogging off a major public asset for short-term gain is not the act of a responsible government; it is short-sighted and irresponsible. Privatisation of our electricity assets will result in higher prices. The public should not be fooled by the Government's extravagant infrastructure promises. An increase in electricity prices will be the first and greatest impact to be felt by families in this State as a result of this privatisation. Once the grid is gone, as the slogan says, it is gone for good. It would be interesting to know why the Baird Government sought to influence the UBS report if the benefits of this privatisation are to be so great. The *Sydney Morning Herald* of 19 March 2015 reported:

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UBS—one of two banks handling the electricity privatisation plan for the government—said in the initial report it would damage the budget in the long term due to the loss of billions of dollars in dividends and other payments.

That is a fact—there is \$1.7 billion in profits being made but this will be gone if the privatisation goes through. The article continued:

But the bank—which stands to benefit by earning millions of dollars in fees if the transaction proceeds—reissued the report with an addendum removing a statement the transaction was "bad for the budget".

This is not a matter of contention; the Premier himself has openly admitted that his office contacted UBS before the reissuing of the report. This is not only embarrassing for the Baird Government but also shows the spirit in which this Government operates—it is deceitful and dishonest. The New South Wales Labor Opposition opposes these cognate bills to privatise the electricity network for the reasons I have mentioned. This is an ill-fated privatisation plan that will end up having a negative effect on the household budget of working families throughout New South Wales and bring cuts to essential front-line services. Surely the people of New South Wales deserve better.

**Mr DAVID SHOEBRIDGE** [7.19 p.m.]: On behalf of The Greens, I acknowledge the work of my colleague Dr John Kaye as a continuous advocate for public ownership of great public enterprises in New South Wales and his work not only in this Chamber but also, along with other colleagues, on the committee inquiry. That soulless inquiry delivered the inevitable outcome of recommending the privatisation of the electricity network. I also commend the work of my colleagues Dr Mehreen Faruqi and Mr Jeremy Buckingham in their opposition to this legislation, the Electricity Network Assets (Authorised Transactions) Bill 2015 and the Electricity Retained Interest Corporations Bill 2015.

I have been listening to the debate in this House and the other place. There is a philosophical difference of opinion between the Coalition, The Greens and the Labor Opposition. The philosophical difference of opinion is whether or not public enterprises—wonderful state-owned public enterprises—have a special place in these kind of monopoly market institutions. There is no doubt that the asset proposed to be sold here, the electricity transmission system in New South Wales, in an archetypal monopoly. It is a natural monopoly. People will have access to only one key electricity distribution network.

Every neoclassical economist knows that those natural monopolies have a dysfunction when they are in the hands of private corporations because the owner of a monopoly can charge whatever they like. They can simply charge whatever they like because there is no competition. The absence of competition means that the so-called benefits from the invisible hand of the market will not play out. The only way the Government can even suggest that this will not be a profiteering exercise by whoever gets the benefit of these assets is by tacking onto it a whole series of ways of controlling and regulating the price.

I note the contribution of previous speakers about the essential flaws in that regulation process—they are time limited; they are limited in how they can meaningfully regulate the price. This is a government that is so committed to privatisation as a goal that it has forgotten that it is meant to have a commitment to free, open

markets. Rather than delivering free, open markets, it is potentially delivering a natural monopoly to an overseas corporation which could reach into the households of millions of residents in New South Wales. It is a comprehensive, ideological fail on the part of the Government.

Nobody in New South Wales believes the Government when it says this will be good for householders. Everybody recognises a big lie when they are being told a big lie. The big lie here from the Government is that if we hand over a natural monopoly to a private corporation then suddenly consumers will benefit. Everybody knows that is rubbish. They know for a fact that this is a government trying to get a one-off cash infusion to shower around in New South Wales. Everybody in New South Wales will pay for that over the coming years and decades. They will pay for it through higher prices for their electricity, they will pay for it through lower services from the electricity network on foot, and they will pay for it through job losses and the loss of quality jobs in the electricity distribution system. Jobs will be downgraded. The quality of the work will be downgraded. It is a lose-lose-lose for the people of New South Wales.

The fact that the Government had to work with its own investment bank advisers to rework their report in order to sell this to the people of New South Wales before the election should have been a warning sign to the ideologues in the Baird Government that this was a poor outcome for New South Wales. But even when its own advisers say this will be bad for the budget—and they said so in unambiguous terms: this will be bad for the budget—it sails on regardless because it is so ideologically committed to privatisation.

There is one aspect I would like to pay particular attention to—that is, the deeply disrespectful way that the Government's legislation proposes to deal with the transfer of staff. First of all, we know that security of employment in this industry is already under attack from the pricing determination. Thousands of jobs are at risk as we speak because the pricing determination effectively requires the distribution networks to shed thousands of staff to meet that pricing. I have heard the Labor Party say that is a good thing. I have heard the Government question whether that is a good thing or a bad thing.

On behalf of The Greens I say it is a bad thing when we see so many high-quality jobs being lost, when we see a first-rate public institution being stripped back and pared down and when we see the potential for a significant downgrading of what has been billions of dollars of public investment. We are not only seeing thousands of jobs being lost through that dynamic; the Government said it would protect staff. It has put in arrangements in part 4 of the Electricity Network Assets (Authorised Transactions) Bill 2015 that are meant to protect staff. If they transfer within the public sector, the Treasurer may, for the purposes of an authorised transaction, by order in writing transfer a network employee from A to B. That is in proposed section 18. Clause 19 (1) says:

(1) The Treasurer may, for the purposes of an authorised transaction, by order in writing transfer the employment of a networks employee (a transferred employee) to the employment of a private sector entity (the new employer).

There is no requirement for the Treasurer ever to exercise these powers. It is only if the Treasurer exercises those powers under proposed section 18 or 19 that there will be protection of an employee's entitlements—that is, the existing employee entitlements they have working for a public sector institution will be protected either to another public sector entity or to a private sector entity. Nothing compels the Treasurer to issue such an order.

Why would the Government produce a piece of legislation that allows such discretion in the hands of the Treasurer? If it was serious about protecting the conditions of public sector workers, why would the Government just leave it in the hands of the Treasurer? The Treasurer could say, "I might protect that guy over there but I won't protect that lady. I might protect those others over there. I won't protect those ones over there." Why would the Government come up with a piece of legislation that creates so much uncertainty and angst for public sector employees and that hands so much discretionary power to the Treasurer? When I search for potential motives, the only one that comes to me is that the Government does not really care if employees' entitlements are protected. It does not really care if they live in a state of significant uncertainty. I think that surely is a core demonstration of how little regard the Government has for the real impacts of this privatisation proposal.

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The other aspect of the transfer of these employees is that the Treasurer can by order transfer these employees from the public entity to a private entity. Under clause 19 (2), a transfer of employment does not require the consent of the network's employee being transferred. They might not want to be transferred. They might want to work for the public sector and not for a large overseas corporation controlled by a corrupt, authoritarian government. They might say, "I never would have taken a job with a corporation owned by a corrupt, authoritarian foreign government." However, this Government will give those employees no option at

all as they will be forced to work potentially for a corporation they find ideologically grossly distasteful. Does the Government care? No, the Government does not care; it will order the transfer of the employee. The employee does not have the option to say, "Morally, I cannot work for such a bunch; I want to be made redundant." They will be forced to transfer. This Government, as a conservative Government, is meant to respect individual's rights. Being transferred by order to a company they are opposed to would have to be one of the greatest affronts to a worker's rights.

These bills, taken together, cruel the opportunity we have as a society to direct these networks into a genuine clean-energy economy. We have not seen the contracts, and almost certainly we will not see the contracts. The Government is privatising these assets under secret arrangements and, no doubt, secret provisions that will say to the new private owners—they are called lessees in the legislation but they are owners—that they should not worry: "We will not take steps to allow for a degrading of your assets. We will not allow anybody to set up a new decentralised distribution network. We will not allow anybody to set up a community-owned solar plant or wind plant to compete with your distribution network." This will be put in the contract to ensure the Government gets a maximum price for the sale and the new private owner does not have any unpleasant competition from the new green economy, which we know is coming.

I ask the Minister: Do we get a guarantee from the Government that these kinds of provisions will not be in the sale contract? Previous governments did this. The Labor Government did it when road networks were privatised, such as the Cross City Tunnel. Contractual provisions in the Cross City Tunnel documents prevented public transport from competing with the privately owned tunnel. Will we see similar contractual provisions prohibiting the green economy, the zero-carbon economy, from competing when these distribution networks are privatised? I assume the terms will be in the sale but almost certainly the people of New South Wales will not find out about them until the next scandal hits the papers.

Why would the Government cruel the chance to decarbonise the electricity system by not keeping the future of the electricity system in public ownership so that we can actively assist in the transition to a clean, green economy? This Government does not believe in a clean, green economy. This Government believes in a nineteenth-century or early-twentieth-century, carbon-intensive, coal-based electricity system. It is perfectly happy to sell out the future of our children with this privatisation legislation. This legislation fails on a narrow neoclassical economic analysis and when you look at the impact it will have on crueing a green-energy solution for New South Wales. It also fails on a simple test of what is good or bad for the budget.

Historically these assets have provided something like \$1.7 billion a year in ongoing revenue. It is unlikely to continue at that level and estimates suggest it will be less than that going forward. However, it is certain that a new private owner or bidder will only be willing to pay at best the net present value of those assets less the costs of the acquisition and the transaction. The new private owner will base returns on stripping out employees and entitlements. What does that mean? That means the price the Government will get will almost certainly be less in terms of net present value than the ongoing income that retaining the assets would have provided to the New South Wales budget. Also, the Government will capture the discounted net present value of the assets in a one-off capital influx and spend it primarily on non-income-producing assets.

That means we will inevitably be poorer in the future. The Government will no doubt cut a few ribbons and feel a bit better about road projects. But who will pay for the repair of these roads in the future? Who will maintain the bridges? Where will the money come from for the next round of infrastructure projects? It will not come from the non-income-producing assets. Future generations and future budgets will be poorer, all for this anti-intellectual, anti-environmental, anti-market ideological commitment to privatisation.

Passing this legislation in this manner will be a shameful day for this Parliament. This legislation will be bad for the families, the environment, the budget and the future of New South Wales. It will only be good for a few well-heeled advisors in investment banks and a bunch of big-end-of-town lawyers who will get to sign off on the contracts. If they cut a deal for the right price, potentially a couple of well-funded investment vehicles of foreign corporations will squeeze some profits out of ordinary householders in New South Wales. These bills should not pass this House.

**The Hon. PENNY SHARPE** [7.36 p.m.]: I will speak briefly against the Electricity Network Assets (Authorised Transactions) Bill 2015 and the Electricity Retained Interest Corporations Bill 2015. Members of the House who have been here for a while will know that I have never been a fan of electricity privatisation and have spoken out against it in debates under a previous government. With these bills the issues remain the same



and my opposition continues. I speak against these bills because this legislation is not in the public interest and does not advance the public good for the people of New South Wales.

Our electricity network is a monopoly asset. It is a revenue-generating asset that brings over \$1 billion of revenue into the New South Wales budget every year, with those dollars invested by the Government into infrastructure and also into recurrent funding every year. This funding supports services that cannot, will not and should not generate revenue—services like teachers in our schools, nurses in our hospitals, child protection workers and national parks and wildlife officers, as just some examples. This asset is worth a lot of money—money that is channelled into the public good through the provision of public infrastructure and services. The loss of this revenue stream will have a profound impact on the funding available for recurrent spending.

The Government has dodged this issue throughout this entire debate and continues to do so. I have listened carefully to today's debate on these bills. Not one government speaker has made any attempt to talk about the impact—

**The Hon. Greg Donnelly:** They have been gagged.

**The Hon. PENNY SHARPE:** We have not heard anything from The Nationals yet, but we will see. They should not have been gagged but should have defended these bills. If they believe this legislation is in the interests of New South Wales, where have they been in the debate?

How will the recurrent expenses be paid for in the future? How will the State Government fund the things it needs to fund? There will never be self-funding and the Government must provide for the care, support and education of the people of New South Wales. Privatisation of the electricity network is not in the long-term financial interest of New South Wales. The Government has made much of the headline figure in "unlocking"—to use a government term—\$20 billion of funding for infrastructure.

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The amount that will be raised is highly debatable and we will wait to see how much money is actually released. However, it is clear that no matter what happens 99 years of dividends will be sold off for a much lower amount. That is not a good deal for taxpayers; it is a quick fix with long-term implications for the State. These bills enable a quick and dirty sale, which the Government promised in order to win the 2015 election.

If electricity privatisation is such a great idea, why is there only the halfway house of the so-called 49 per cent sale? I recognise along with many other speakers that the 49 per cent sale in fact sells 100 per cent of the State's transmission business TransGrid and majority shares in two of the three distributors, Ausgrid and Endeavour Energy. If electricity privatisation is in the best interests of the people of New South Wales, why have The Nationals insisted on a carve out for Essential Energy and argued vociferously against electricity privatisation?

The Nationals spent the last election campaign telling people the big lie that privatisation was bad and that they had saved regional New South Wales from it. If privatisation is not okay for the bush, why is it okay anywhere else in New South Wales? The Nationals compounded the lie by telling regional communities that they were safe, all the while knowing that all of TransGrid, those regional jobs and the training that goes with them were gone. I commend the Hon. Mick Veitch for his comments on that matter. We must understand where skills and training are delivered in regional areas. These bills set that back a long way.

We must also acknowledge—although The Nationals will not—that plenty of their Liberal colleagues are ready to go the whole hog for a full sale sometime in the future; they just have not got there yet. During the election campaign they were too scared to take the proposal that far, even though they fundamentally believe in it. It is coming and The Nationals will have nothing left, given their willingness to compromise on these bills. These bills continue the Government's form by not providing clear and transparent processes to give the community any modicum of confidence that the bills are in their best interests. The inquiry into these bills was rushed, as was the introduction of the bills into Parliament.

The Government has failed to provide modelling on the impact of the sale on the State budget and to explain how New South Wales will be able to keep Federal tax equivalent payments, which will have another significant impact on our budget. The Government has failed to provide the cost of the infrastructure projects that may be funded by the proceeds in the magic pudding world of this sale. The Government has identified a range of infrastructure projects with no business cases and no costings. We do not know how much the projects

will cost. Yet Government members ran around the State promising every community that they would get the money they need. That is not right and it is another reason not to support these bills. If the case for privatisation is so robust, those matters should have and would have been addressed. Members on the other side of the Chamber have not taken the opportunity to address the issues. Instead, they have allowed all contributions from members on our side to pass by without comment. It says a lot that not one member of The Nationals has spoken in the debate in this Chamber.

In finalising my contribution, I will make some points about the impact of these bills on innovation and the continued growth of renewable energy. Whoever buys our electricity network will do it for one reason and one reason only: to make money. Disruptive technology is coming. Renewable energy is growing and, despite the best efforts of the Coalition federally, will continue to grow. Changes to technology and the growth of renewable energy fundamentally challenge the business model for energy businesses. A private for-profit electricity network will not want to collaborate on any project that will diminish its profits. Privatisation will stifle innovation and make it harder to grow the renewable sector.

If we are serious about focusing on the future in New South Wales, we should acknowledge that there is no guarantee that innovation will move forward under a for-profit arrangement. That is another short-sighted part of these bills. The case for selling assets that the public already own and derive much benefit from has not been made. It is a very high-risk strategy that will have very long-term consequences. I do not believe the Parliament should support it. I oppose these bills.

**The Hon. JOHN AJAKA** (Minister for Ageing, Minister for Disability Services, and Minister for Multiculturalism) [7.43 p.m.]: I support the Electricity Network Assets (Authorised Transactions) Bill 2015 and the Electricity Retained Interest Corporations Bill 2015. These bills are proof that the Government is focused on delivery and the long-term interests of this great State. We secured the mandate at the 28 March election and will now deliver on our commitment to the people of New South Wales to lease 49 per cent of the poles and wires.

As I travelled the State during the election campaign—in Coogee, Cronulla, Heathcote, Holsworthy, Kiama, Lismore, Penrith and Tweed and other electorates I visited with great local members—it was clear that the people were backing the Mike Baird team and its plan to turbocharge New South Wales. The Rebuilding NSW plan will fundamentally improve this State for all residents. It is only with the 49 per cent lease of the poles and wires that the Government can unlock sufficient capital to invest in the economy on a scale that will make a real difference to people's lives.

Within my areas of ministerial responsibility I see people every day who will benefit from the investment the Government intends to make under the Rebuilding NSW plan. We all know that people with disabilities and older people have greater difficulty accessing the job market. How fantastic for them that the Government has a plan to grow the job market as a whole. The Rebuilding NSW plan will boost the economy by around \$300 billion over the next 20 years and create more than 120,000 new jobs. The billions of dollars that the Government will unlock will be invested to improve the quality of life of every person in this State, including people with disabilities, seniors, members of culturally and linguistically diverse communities and our youth.

A lack of investment in infrastructure has affected nobody more than the multicultural communities of Western Sydney—the people I speak to every day in my new portfolio of Multiculturalism. Western Sydney is arguably home to Australian multiculturalism, with the two local government areas of Auburn and Fairfield being more than 50 per cent comprised of people born in a non-English speaking country. It is also home to the State's greatest infrastructure backlog, which I am proud to say will finally be addressed as part of the Government's historic Rebuilding NSW plan.

Our excellent education system is a key factor in attracting migrant communities to our shores. The Government intends to invest in education to the tune of \$1 billion under the Rebuilding NSW plan. That investment will ensure that we have better schools in both metropolitan and regional areas for students from all cultural backgrounds. The additional \$1 billion that we will invest in health under our plan to rebuild New South Wales will also be of great assistance to our communities. It will include \$300 million for the construction of a new hospital at Rouse Hill as well as the \$300 million that has been put aside to continue the redevelopment of Campbelltown Hospital to provide enhanced paediatric capacity and mental health services for south-western Sydney.

Members will also note that I have taken on responsibility for volunteering, which is yet another area where the Rebuilding NSW plan will have a profound and positive impact. Volunteers are the lifeblood of our State's cultural and sporting institutions. With the passage of these bills, our wonderful, hardworking volunteers will benefit from a \$600 million investment in stadia and a \$600 million allocation for a cultural infrastructure program. Finally, I have the privilege of being assigned to the vital portfolio area of youth, which includes responsibility for the Advocate for Children and Young People Act 2014. If we pass these bills, for no other reason it should be for the youth of this State. These bills are a once-in-a-generation opportunity to build the infrastructure that will serve future generations of New South Wales. They should not be constrained by the same challenges we have faced in the past. If we do not act now, by 2020 more than \$8 billion will be wasted each year due to crippling congestion.

I have made my comments as a member of this House who has a duty to ensure that we work for the best interests of the people of New South Wales. The Government fought for a mandate on its commitment and it does not take it lightly. We thank the people of New South Wales for not only their mandate but also their trust. We will not let them down.

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**The Hon. GREG DONNELLY** [7.49 p.m.]: At the commencement of my contribution to debate on the Electricity Network Assets (Authorised Transactions) Bill 2015 and the Electricity Retained Interest Corporations Bill 2015, I indicate that my colleagues and I will not support the cognate bills and are urging all members of the House to also vote against them. To the extent that other members are not prepared to do that, as this legislation moves to the Committee stage tomorrow I ask them to look very closely at the amendments that will be moved by the Opposition, consider their significance and take a position of supporting them.

The circumstances in which we find ourselves are that the Government is determined to bulldoze this legislation through Parliament this week. I will discuss that matter in greater detail later. The Opposition has been placed in the position of trying to improve what we believe are two very poor pieces of legislation that have been received by this House. Before we reach the Committee stage tomorrow, overnight I encourage members to reflect on the amendments that will be available tomorrow to improve the legislation in some respects. It is incumbent upon all members to take the opportunity that the Committee stage provides to improve the bills. Of course, in my view, it would be a great outcome if the bills were defeated at the second reading stage, but it appears that the Government has sufficient crossbench support to have the second reading of the legislation passed by the House.

As I understand it, the Government's plan is to complete the second reading stage this evening and tomorrow deal with the Committee stage and take the legislation through the third reading to complete its passage through the House. I note that in both this House and the other place a number of Opposition members have spent significant time critiquing the shortcomings of the bills from both policy and technical points of view. I do not intend to canvass all of those matters again because that would make no sense. In my view, the presentations of the Opposition's case by the Leader of the Opposition and the Deputy Leader of the Opposition contain the most salient points. I intend to concentrate on a few matters and draw out some observations that I think are relevant.

I acknowledge two pieces of research in the public domain that I and no doubt many other members have used to bring a critical eye to the matters being debated tonight. The first is a discussion paper written by Stephen Koukoulas and Thomas Devlin from the McKell Institute, which commissioned the research paper entitled, "Nothing to gain, plenty to lose: Why the government, households and businesses could end up paying a high price for electricity privatisation", and dated December 2014. The second is a briefing paper written by two individuals in the State who over a long period have scrutinised with a high level of detail matters dealing with the privatisation of electricity and its different dimensions, Emeritus Professor Bob Walker and Dr Betty Con Walker. Their paper is entitled, "Electricity Privatisation: Bad Financial Management" and is dated February 2015. From time to time I have had the opportunity to have conversations with those authors. Those of us who have read their papers appreciate that they bring into sharp focus the implications of the privatisation of State assets and particularly in this case electricity assets.

No doubt the Government will try—as it did in the other House and I would be very surprised if it does not do so in this House, either tonight or tomorrow—to besmirch and criticise those two papers for being jaundiced and lacking objectivity. That is to be expected. However, I urge members to acknowledge that any fair reading of those documents raises a number of issues that the Government cannot or will not confront in this debate. The Government could not and would not confront those issues during debate in the other place and,

given the dearth of contribution by Government members to debate in this House, it is very clear that they cannot or will not confront the issues in this Chamber. I find that to be quite extraordinary, given the great weight that the Premier, in particular, and the Cabinet put on their claim that the move to privatise electricity assets was a key issue that had been staked out in the election campaign. Beyond the Premier and Cabinet members exercising Cabinet solidarity by supporting the legislation, other Government members have been almost silent. It is almost as though one can hear a pin drop. That makes one wonder what is going on.

Why are Government members not prepared to make a contribution to the debate, defend the legislation and argue the Government's case? It is very hard to understand the great reluctance to discuss something that Government members promoted as so significant in the election campaign and in the Government's victory. Now that the bills have come before the Parliament, essentially, the vast majority of Government members are missing in action. An observation that members here have made and members in the other place made last week, and one that I will make, is the obscene haste in which the Government is ramming the legislation through this Parliament. The bills were introduced in the Legislative Assembly last Tuesday, which is a week ago from today, and were pushed through by Thursday. The usual procedure of laying the bills on the table for five calendar days is intended not only to enable members of Parliament to review legislation but also, importantly, to give the public an opportunity to examine what is being proposed. That procedure was completely bypassed. It seems to me that that shows what has been fairly described as contempt by the Government towards not only the processes of this Parliament but also the citizens of the State, who clearly have a very big vested interest in this legislation.

As we all know, debate in the other place was concluded without the select committee's report having been tabled. The report was tabled today at approximately 2.30 p.m. and a copy became available on the parliamentary intranet at approximately 3.00 p.m. In the other place debate was commenced, undertaken and completed with members of, shall I say, the people's House being denied an opportunity to inform themselves of a range of issues that were considered during the inquiry. Those members have been denied the opportunity to reflect and comment on the findings of the committee. The process of scrutinising the legislation in the lower House was all over for Legislative Assembly members before they had the benefit of studying the select committee's report.

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I note that the inquiry report was tabled today. I find it extraordinary that in such a short time—the report was placed on the Parliament's intranet about three hours ago—we are expected to be able to synthesise and comment on all the matters raised in the report and make a contribution in this place that I think the people of this State would expect us to make, whether they voted for the Labor Party, the Coalition or members on the crossbenches. Members of the committee obviously had the benefit of sitting through the evidence presented to them, but the rest of us are relying on the report to provide us with an opportunity to deal in detail with a number of issues and to make a contribution to this debate. We have been denied that opportunity. We have had to scurry to find some basic facts and details on which we can reflect and incorporate in our contributions.

The Government claims that it has a mandate for this legislation but I have never heard—I do not believe any of my colleagues have heard—the Premier and his Cabinet members or candidates who ran for The Nationals or the Liberal Party at the last State election seeking a blank cheque from the citizens of New South Wales. The language used by the Premier last year when the matter was brought into the public domain and argued with more vigour during the course of the election campaign was very deliberate. The Premier often made explicit comments such as the legislation would be "subject to the scrutiny of the Parliament"; that there would be checks and balances, and there would be careful consideration of the impact of what was being proposed. He used deliberate language to assure and comfort the citizens of this State for the purpose of the election.

Having secured a victory on 28 March the Government seems to believe that it can set aside the explicit promises it made regarding the privatisation proposal—and those promises are on the record—and pretend that they were not made at all. The Government believes it can walk away from those promises and ignore them, and even when it is reminded of them it chooses not to acknowledge them. If that is not out and out dishonesty I am not sure what is. The Premier was not shy in making explicit promises to members of the public who I think everyone would acknowledge were wary and who are still wary of the privatisation plans. To counter that, the Premier thought it was politically smart to carefully craft his comments and his arguments. I note that in a media release on 10 June 2014 the Premier said:

Electricity network prices will be discounted by 1 per cent off the forecast regulated prices until 2019.

The jobs of permanent award employees will be protected and treated consistently with previous transactions.

The regional presence of network businesses will be maintained.

I have picked three quotes from a media release but I could pick many others. If we put them under scrutiny we clearly find that the Government is walking away from its promises. The Government does not want to acknowledge that those statements were made deliberately and consciously to help persuade people that they should support this matter in principle. When the real test is applied, in other words, this matter is looked at in detail by this House we have found its promises wanting.

It is extraordinary that there is no acknowledgement that those promises were made. It is as though the Government is in denial that those undertakings were ever given. It has walked away from this matter because it believes that is the way in which business is done in this State. It is clear that once the Government disposes of these monopoly assets they are gone forever. It is completely disingenuous of the Government to continue to hold out that this transaction is not a sale. Those people to whom I have spoken—I am talking about people who may be legally qualified through to laypersons in the street—simply give me a wry smile and say that they know we are talking about a sale and that once these assets have been moved from the books of this State they will be gone forever.

I and many other people find it impossible to accept that it is good public policy to dispose of assets that deliver such a large and regular income stream to this State. Once the assets are moved from the Government's books that income stream will be lost forever. State and Territory governments are finding that they are income challenged; it is a serious economic reality that none of the State and Territory leaders deny, and it makes no sense to forego a significant income that can be used to provide important government services. There can be no doubt that the loss of income to the State will have a deleterious impact on New South Wales State budgets year after year in the future.

Another area of major concern is what conditions will be written into the contracts that will be signed with the purchaser of the assets? An area of concern that I and other Opposition members have is that we know the commercial-in-confidence blanket will be thrown over not just the negotiations but also those elements of the contract that will form part of the negotiations. That will not enable fair and reasonable scrutiny of a significant act by this Government—the disposal of the largest asset that has ever been transacted in this State. If this Government were open and transparent and it did not mind scrutiny it would give us an opportunity to examine the contract. There might well be a way in which that could be done. There are people around who would be able to bring some serious brain power together to work out how that could be done so that people's confidence is maintained and they are able to sit down, look at what is being proposed and participate in that process.

But the Government's attitude is that the winner takes all. It will simply progress this legislation in the way in which it sees fit. On reading the utterances of the Premier and other Government speakers—and there were very few of them—one realises that they are proud of the fact that through this legislation they have given themselves enough wriggle room, as they describe it, to manoeuvre and to work out this transaction in the way in which they want. So much for transparency and enabling full consideration of this proposal. I will not support these bills and I ask all members not to support them.

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**The Hon. BEN FRANKLIN** [8.09 p.m.]: I am proud to speak in debate on the Electricity Network Assets (Authorised Transactions) Bill 2015 and the Electricity Retained Interest Corporations Bill 2015. These bills represent value for the taxpayers of New South Wales, deliver unprecedented investment in the State's infrastructure and represent a once-in-a-generation deal for regional New South Wales. They are bills that were ultimately endorsed by the people of New South Wales at the election. Electricity privatisation has always been a hard issue to approach. It is an issue that is particularly susceptible to misinformation and fear-mongering. So many myths, tales and bogey-man stories can be told about privatisation that it is often hard to have an honest debate about the pros and the cons.

The policy that the Premier and Deputy Premier put to the electorate at the last election is a sensible, moderate but visionary approach. This Government intends to lease, not sell, 49 per cent of the State's distribution networks, providing the necessary protections and using the proceeds to fund \$20 billion in infrastructure. But why do this? The Government is doing this because the State's infrastructure backlog is real and has been allowed to stagnate for too long. In regional areas we have deteriorating roads and bridges, water and transport projects sitting idle on the drawing board, and people still have to travel too far to access their

proper government services. The New South Wales Liberals and Nationals have been cleaning up the mess but solving these issues by negotiation or moving the budget around just is not enough. We need that capital expenditure. We need a proper funding solution that does not spend away our children's future and that maintains the State's triple-A credit rating.

At the election this Government offered that solution. It is a bold plan, a plan that shows the courage and vision that have been missing in Australian politics. Best of all, the Government was open and transparent about the policy, announcing it 10 months before the election and engaging in proper community consultation on the Rebuilding NSW plan. The Baird-Grant Government saw this as a huge economic opportunity, but unfortunately Labor and the unions saw this only as a campaign opportunity. If they had thought of what is good for the State instead of attack points for their re-election, they would have come to the same conclusions as Labor heavyweights like Michael Costa, Morris Iemma, Mark Latham, Paul Keating, Bob Carr and Martin Ferguson. What they recognised is that this is sensible and moderate reform that delivers a massive windfall for the people of New South Wales; that this is the solution the State needs.

Instead Labor members sought to frighten the electorate to win votes while offering what they called a modest infrastructure package that solves none of the State's social and transport infrastructure backlog. But despite all this—the misinformation, the fear-mongering, the rhetoric and the sinister advertisement campaigns paid for by union funds—the voters still know a good deal when they see it. The Baird-Grant Government went to this election seeking a mandate for a 49 per cent lease of electricity distribution networks—it was the single biggest election issue across the State—and the voters of New South Wales endorsed the plan with a resounding majority.

So here we are today debating these bills. I am proud to commend these bills because they represent the Baird-Grant Government keeping faith with the electorate and fundamentally getting on with the job. But the proof is in the pudding. Regional New South Wales will benefit from a staggering \$6 billion in investment, including \$4.1 billion for regional transport, \$1 billion for regional water security and \$300 million for regional tourism and the environment. This is the infrastructure New South Wales has been crying out for and this Government intends to deliver it. These are not just impressive dollar figures. This money has been allocated to make the day-to-day lives of people right across this State easier and better.

It will improve the roads they drive on, it will improve the public transport they use, it will bring better health services closer to their homes and it will improve the learning outcomes for their children. They will be able to have confidence that their Government is securing their future, that their area will have a secure water supply well into the future, that their schools, hospitals and roads can manage the population growth that comes with job creation. As for the lease itself, multiple independent reports and stakeholders have supported the benefits of part private ownership putting downward pressure on prices.

As added protection there will be a requirement for bidders to sign a price guarantee. The lessee will have to hold a conditional licence, the Government will appoint an Electricity Price Commissioner and network prices and service standards will still be regulated by the national Australian Energy Regulator. I am proud to speak in debate on these bills. They represent a game-changer for regional New South Wales. We have a once-in-a-generation opportunity to fix what is broken in this State and look to the future instead of trying to keep up with the present. I challenge those opposite to break away from the control of their unions and accept the mandate for change. These bills are the solution that this State needs and, importantly, the solution they voted for. I commend the bills to the House.

**The Hon. SOPHIE COTSIS** [8.15 p.m.]: I speak in debate on these important bills and, as my Labor colleagues have stated, Labor will oppose the Electricity Network Assets (Authorised Transactions) Bill 2015 and the Electricity Retained Interest Corporations Bill 2015. First I ask: why are these bills being rushed through the Parliament? The bills were introduced and the Minister gave her second reading speech last Tuesday. The second reading debate was rushed through on Wednesday before the State of Origin. The committee released its report today but members and the people of New South Wales have not had an opportunity to go through the report. Why is this legislation being rushed through the Parliament and why is the Government not providing details and answers to questions being asked by consumers?

Despite the assertions of the Government following the election, I do not believe it has a mandate. I have travelled through New South Wales, down the South Coast to Bega where I have campaigned with a number of electricity workers and consumers. Government members and candidates refused to talk about the electricity sell-off. They were embarrassed because they knew it was a bad deal. Very few Government

members and particularly Nationals members have spoken on these bills. In the lower House I understand the Deputy Premier and Kevin Anderson spoke but the other Nationals did not have the guts to speak. They were too embarrassed because they know it is not a good deal. I acknowledge that one Nationals member of this House spoke on the bills. The Hon. John Ajaka also made a contribution but he did not speak to the bills. Rather, he spoke on a range of issues that had nothing to do with the bills. He did not explain how the transaction would work but spoke about how the deal would benefit Western Sydney. Let me talk about Western Sydney, the numbers and the people of Londonderry, Mount Druitt, Fairfield, Granville and particularly Penrith.

**The Hon. Dr Peter Phelps:** We won Penrith.

**The Hon. SOPHIE COTSIS:** Yes, but there was a 10 per cent swing against the Government in Penrith. The Government Whip has not had a look at the swings; have a look at the swings in regional New South Wales, on the South Coast, in Bega, Goulburn and Port Macquarie. The Government talks about the past 10 months. I have travelled across the State over the past 10 months and not one person came to me and said, "I agree with this transaction." Not one consumer, employee, community member, pensioner or housing tenant came to me and said that this is a good deal for New South Wales. Not one person said this because they know what the joke is about; they know the Government is fooling the public.

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If the Government is so proud of this complex and large transaction it should have fully disclosed the details. It is a bad deal. The Government and the Premier are rushing through this legislation. During the Select Committee on the Leasing of Electricity Infrastructure inquiry the Premier kept talking about his board, which demonstrated his arrogance. The Premier needs to give further details. We do not hear many members of the Government talk about this very important transaction. It is because they are embarrassed.

**The PRESIDENT:** Order! Members will cease interjecting. I do not want to call members to order at this late time of the night, particularly when some members are already on calls to order.

**The Hon. SOPHIE COTSIS:** This privatisation presents long-term risks to the budget. It will create a funding hole that will have serious consequences for the provision of essential government services like health and education. Before the election the Premier made a number of promises about the privatisation of the electricity assets. In his media release of 10 June 2014 he said:

Electricity network prices will be discounted by 1 per cent off the forecast regulated prices until 2019.

This promise has been broken. In fact, the Government is appealing the AER determination on regulated network prices. The jobs of permanent award employees will be protected and treated consistently with previous transactions. The legislation does not mention permanent award employees and creates no guarantees that employees will be protected—another broken promise. He continued:

The regional presence of Network Businesses will be maintained.

The legislation provides no guarantees about regional depots, jobs and offices—another broken promise. This legislation was meant to impose these strict conditions but it does not. The Government has walked away from its promises on prices, jobs and regional interests. As some of my colleagues have said in the Legislative Assembly, workers are not just concerned about their jobs and their community but about maintenance, safety and the community interest. The Government is not being truthful. It is not providing the detail in these bills. It is very concerning that the Government is rushing through this legislation when the inquiry reported today and each member has not been given the opportunity to speak to the committee's very important report.

A fundamental issue is the financial impact of the sale. The Government is proposing to spend the proceeds, regardless of the revenue hole that will be created by selling the dividends from the electricity company. This will have impacts on the rest of the budget—health, education, police and all the other functions that the people of New South Wales rely on. Spending all the proceeds on things that will not generate the same revenues that the electricity assets generate is fiscally dangerous. The Government is betting everything on interest rates staying low forever, which is a dangerous way to manage the State's finances. Disregarding the future impact that the loss of revenue will have is also dangerous. It is based on reckless assumptions and exposes New South Wales to financial risk. Everyone knows that and that is what the evidence before the upper House inquiry clearly brought out.

The issue of debt and the prudent allocation of proceeds was a key issue for the inquiry. The Government should consider the evidence and submissions of respected economists such as Steven Kakoulas, Professor John Quiggin, Professor Bob Walker and Dr Betty Con Walker. The need to address the revenue hole is critical. What the Government offers is just hope that the revenues will be found when they are needed. It is not a sound approach to public finance.

In relation to my concern about the increase in the price of electricity, since this Government came to office four years ago electricity bills have increased by \$629 per year, or 42 per cent. The Government is currently appealing the latest determination by the AER even though it would have delivered major savings for electricity consumers. The latest AER determination would have saved households on average between \$165 and \$313 per year. The risks of this privatisation and the danger it poses are exacerbated by the Premier's decision to take legal action. The decision of the AER which the Premier is opposing will save New South Wales households \$6.2 billion through lower electricity prices. New South Wales customers know they have been paying too much for electricity. These are the facts but this Government is pushing through this very important and complex legislation.

Households have already had an increase in their power bills. The Government is currently spending taxpayers' money to oppose the independent regulator's efforts to lower prices. Whatever private interests buy these companies they will be unrelenting in pushing power prices higher in order to maximise a return on their investment. Whatever claims the Government might make about protections for consumers against price gouging, there is no denying these two facts. First, whoever buys these companies will have paid potentially billions of dollars, and they will be working every day to maximise the return on their investment.

**The Hon. Dr Peter Phelps:** Yes.

**The Hon. SOPHIE COTSIS:** I acknowledge that interjection.

**The Hon. Dr Peter Phelps:** By cutting costs.

**The Hon. SOPHIE COTSIS:** But they will maximise their profits.

**The Hon. Dr Peter Phelps:** By cutting costs, not raising prices.

**The Hon. SOPHIE COTSIS:** Second, the electricity distribution companies are a natural monopoly. This means consumers do not have the choice to go somewhere else if prices are too high. Most markets work well because there is a balance between the interests of businesses and consumers. In a market where there are multiple buyers and multiple sellers, people can exercise choice, consumers can opt for higher quality or lower prices, and the businesses that best respond to consumer demand are rewarded with higher profits. Competition and choice are what makes most markets work. However, this is not how the electricity market works. Electricity distribution is a natural monopoly. There is only one grid and if the price is too high one cannot just cross the street and use a different distribution company.

These transactions are all about gifting private interests with a licence to print money. Currently the proceeds from the distribution companies go back to the State budget to fund our schools and hospitals. Under the Government's plan the budget will lose this revenue and, instead, private interests will be eligible for this windfall. This fact is best expressed by the Government's own adviser UBS. A number of my colleagues have spoken about the report of the Government's advisers. The electricity distribution companies are worth billions of dollars which the Government says the private sector will spend to buy them. Surely those distribution companies are also valuable enough for the Government not to sell. But do not take my word for it; just ask The Nationals how bad is this deal.

**The Hon. Dr Peter Phelps:** I bet they vote for it, Soph.

**The Hon. SOPHIE COTSIS:** They did vote for it but they did not speak to it because they were embarrassed. If someone is passionate about something and believe in it and they have said "We have got a mandate. We have been supported by the people", they should speak about their belief in it with conviction. But The Nationals are embarrassed.

**The PRESIDENT:** Order! I warn the Hon. Dr Peter Phelps for the very last time to cease interjecting.



**The Hon. SOPHIE COTSIS:** This is the Government's signature legislation but only 2 per cent of its party room members have spoken because they are too embarrassed. On 9 June 2014 the member for Monaro, John Barilaro, a member of The Nationals told the ABC that he had concerns about potential price rises following a privatisation and also its effect on service reliability in regional communities.

**The Hon. Duncan Gay:** I am a National and I assure you I am not embarrassed.

**The Hon. SOPHIE COTSIS:** Yes, you are a National in Redfern heights.

**The Hon. Duncan Gay:** So you have put that on the record. I am not embarrassed, nor are the others.

**The Hon. SOPHIE COTSIS:** In Redfern Heights. Mr Barilaro said:

What we are now seeing in Victoria is issues around price, issues around jobs and service delivery.

On 10 June 2014 the member for Clarence, Mr Chris Gulaptis, a member of The Nationals told the ABC:

There's no good selling the poles and wires as far as I'm concerned. We will lose jobs through the privatisation process. Of that I am sure.

On 6 June 2016 The Nationals member for Coffs Harbour, Mr Andrew Fraser, told the ABC:

The National Party conference last year voted unanimously not to sell. My attitude is do not sell. I don't care what they put on the table, or what they promise, I don't believe the numbers stack up. I don't believe the returns that are being promised can be made, and therefore why sell something at this stage.

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Have a look at his margin in the electorate of Clarence. How many votes did The Nationals lose there? They lost close to 20 per cent in Clarence. What proportion of the votes did they lose in the Tweed, Coffs Harbour and Port Macquarie electorates? Andrew Fraser—I hate to say it—is right, and The Nationals are 100 per cent correct to oppose the privatisation of the electricity distribution companies because of the effect this privatisation will have on country New South Wales.

**The Hon. Greg Pearce:** You're the only one to say Andrew Fraser is right.

**The Hon. SOPHIE COTSIS:** In this context only is he right, I say without prejudice. Whatever claims The Nationals might make about protecting Essential Energy—they thought they were really good because they did a deal—we know that that is going to be next. But The Nationals cannot deny that they have supported the complete sale of TransGrid. TransGrid is the operator of the high-voltage transmission network. It operates across the State, including country New South Wales.

The Nationals in the other place have all voted to sell TransGrid and The Nationals in this place, as well, are going to vote to sell TransGrid. They cannot claim to have protected country New South Wales from this terrible deal which so many of them have publicly acknowledged is bad for country New South Wales. They talked about how bad this transaction is for country New South Wales but they are still going to vote for it. A privatised TransGrid will inevitably seek to reduce its costs by laying-off locally based workers in country New South Wales and centralising its operations in Sydney. The Nationals know this—they have said as much on the record—yet they are going to vote for it. It is a bad deal. I thought that members of that party were good negotiators, but this is a bad deal.

I would also like to draw the attention of members in this place to some very good submissions to the inquiry. It was a shame that this inquiry was rushed because the Government wanted this issue to be over and done with. People did not have the opportunity to read the very good submissions from both sides of the debate. I also acknowledge the dissenting reports of my colleagues the Hon. Adam Searle and the Hon. Peter Primrose. Those reports were very comprehensive and provided very good information. I draw the House's attention to the submission by Local Government NSW. It said:

... in principle, LGNSW does not support the privatisation of strategic public infrastructure (e.g. electricity, water, transport). In summary, it is sufficient to say that the chequered history of privatisation does not provide compelling evidence that privatisation maximises benefits to consumers and taxpayers ...

Local Government NSW made a very comprehensive submission, which talked about the Government's funding priorities. One of its concerns—I also raised this in the media last year, along with a number of regional councils—was street lighting. In the submission Local Government NSW says:

L.GNSW has identified a number of concerns over the regulatory regime applied to electricity network service providers that need to be addressed before any leases proceed.

The submission goes on:

The provision of public street lighting services by electricity distribution network providers in NSW has been unsatisfactory and causing significant concern to Local Government for a number of years. Without regulatory reform, unresolved challenges are likely to come to a head with the proposed partial leasing of Ausgrid and Endeavour Energy.

My time is running out but I would be happy to table part of this document because I think the Government needs to have a look at the issue of street lighting and the cost that will be imposed on rate payers. I also acknowledge the many people across the State who have fought hard, and will continue to fight hard, on this issue. There were many workers, Unions NSW and the ETU, consumers and people across New South Wales who were very concerned about this very bad deal. [*Time expired*]

**The Hon. PAUL GREEN** [8.34 p.m.]: I speak on behalf of the Christian Democratic Party in the debate on the Electricity Network Assets (Authorised Transactions) Bill 2015 and the cognate Electricity Retained Interest Corporations Bill 2015. I note that my colleague will be speaking later in this debate. We support the bill and will be moving some amendments.

As noted by the Hon. Adam Searle, the Labor Party went to the election seeking a mandate to oppose the bill. We went to the election with a policy which said, basically, that we would hold an inquiry. In the midst of the noise of an election we said that we would try to get at the truth through an inquiry from all sides. We were able to produce a report, which was tabled late this afternoon.

The Electricity Network Assets (Authorised Transactions) Bill 2015 will allow the Government to undertake a long-term lease of 49 per cent of the electricity network. With the proceeds, the Government aims to rebuild New South Wales by investing \$20 billion in new infrastructure such as roads, rail, hospitals, schools sports and cultural and water infrastructure. The legislation includes a price guarantee for consumers and allows for the transfer of employees. The Electricity Retained Interest Corporations Bill 2015 ensures that the State's interests are protected into the future.

The networks in New South Wales are currently 100 per cent State owned and comprise TransGrid, a transmission business with a regulated asset base of about \$6.1 billion and 12,800 kilometres of transmission lines; Ausgrid, a distribution business with 1.6 million customers, a regulated asset base of about \$14.4 billion and 41,000 kilometres of distribution lines; Endeavour Energy, a distribution business with 890,000 customers and a regulated asset base of \$5.3 billion and 34,500 kilometres of distribution lines; and Essential Energy, a distribution business with 800,000 customers, a regulated asset base of \$6.8 billion and 200,000 kilometres of distribution lines.

The State has also imposed four conditions on the partial privatisation, which are stated to be designed to promote public interest and address community concerns. These are that electricity network prices will be discounted by 1 per cent of regulated prices until 2019; the jobs of permanent award employees will be protected and treated consistently with previous transactions; there be no adverse impact on electricity reliability; and the regional presence of businesses will be maintained.

The lessees of 49 per cent of the poles and wires will be required to hold a licence. The licences will impose strict conditions on the electricity network businesses and protect the interests of the State and consumers. The licences aim to give the State control over the suitability and capability of the network operators and also require continued substantial operational presence in Australia and set conditions to manage business continuity and reliability, network performance and safety.

If this bill passes it will allow for the largest shift in ownership since the Victorian Government sold off all that State's power assets in the mid-1990s. This topic has brought about a backlash from unions and the downfall of political parties. The Christian Democratic Party's concern lies with whether the Government will be responsible for putting profits before consumer interests, delivering higher prices, less reliable service and job cuts. The Christian Democratic Party's main aim is similar to that of ElectraNet—to deliver reliable

electricity transmission services to customers at the lowest long-run cost but also to ensure electricity employment guarantees and protections are maintained.

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The Electrical Trades Union and, in particular Unions NSW secretary Mark Lennon, expressed great concerns surrounding employment guarantees and protections. The Christian Democratic Party is aware of this and the likely significant impact of the number and location of jobs following any privatisation transaction. The Electrical Trades Union represents approximately 20,000 electricians and power industry workers across New South Wales and the Australian Capital Territory. In its submission to the inquiry on the leasing of electricity infrastructure, it expressed concerns about the negative impacts that may arise from privatisation, including the loss of recurrent income to the New South Wales budget; the impact on employment across metropolitan and regional locations, including future apprentice opportunities; the potential for higher consumer prices; a reduction in reliability and slower emergency response times; the loss of State control of an essential service and monopoly; the failure of regulation and lack of accountability on the part of private owners; the loss of social and community benefits; the impact on future technology; and the purchase of strategic essential services by foreign governments or foreign corporations.

It further stated that the New South Wales electricity network businesses currently employ more than 14,500 workers across New South Wales—that is, approximately 5,116 at Ausgrid; 4,468 at Endeavour Energy; 3,979 at Essential Energy; and 1,074 at TransGrid. The breakdown between metropolitan and regional employees is approximately 60 per cent versus 40 per cent, with more than 750 apprentices currently employed by the four network businesses. The Christian Democratic Party has been working with Mark Lennon, representing Unions NSW, to ensure that this legislation provides salary and employment guarantees, leave provisions and continued recognition of services, protection for apprentices, cadets, trainees and graduate engineers, and fixed and contract employees.

The proceeds from the lease of poles and wires will enable the Government to unlock \$20 billion of capital to be reinvested in new infrastructure. Deloitte Access Economics examined the Rebuilding NSW plan and found that it will boost the economy by almost \$300 billion in just over 20 years. Rebuilding NSW will also generate more than 122,500 jobs by 2035-2036. In 2012 Infrastructure NSW identified an infrastructure backlog of \$31 billion. In response to this dilemma, Infrastructure NSW released its State Infrastructure Strategy and recommended that the projects include such things as \$8.9 billion for urban public transport to connect people to jobs and improve the existing network, including \$7 billion for Sydney Rapid Transit; \$2.4 billion for urban roads to address congestion and address growing population growth, including \$1.1 billion for the northern and southern extensions of WestConnex; \$4.1 billion for regional transport to improve the regional freight network and meet the needs of an increasing regional population; \$1 billion for water security, including in high-priority regional towns; \$1 billion for health to service an ageing population and adapt to new technologies; and \$1.5 billion to provide appropriate cultural sporting and tourism facilities.

Sydney is growing and currently congestion costs \$5 billion per annum. If nothing is done, the cost of congestion is expected to grow to \$8 billion annually by 2020. We must grasp opportunities that will disperse the urban pressures of Sydney. The Christian Democratic Party has worked with the Government to support many regional and rural projects. We support infrastructure projects such as NorthConnex and WestConnex to accommodate the future growth of Sydney. As a former regional mayor, I realise that outlying areas may miss out on the proceeds of this opportunity, such as Grafton, which desperately needs \$182 million for a new bridge. Dubbo Base Hospital requires an upgrade and the town is in need of a bridge to ensure that its hospital continues to operate when flooding occurs. In 2012 the Government was increasing the productivity of New South Wales with initiatives such as the Oatfen Ford Bridge, which will open the south-western side of New South Wales to Port Kembla. Opportunities created from the lease of poles and wires will include the increased movement of freight, tourism benefits and safe passage for Defence Force personnel who travel daily on the road to Canberra.

The Christian Democratic Party will not apologise for helping to make New South Wales number one. We supported the leasing of the ports to help stimulate our economy. Our triple-A credit rating was vulnerable at the time and in danger of being downgraded to double-A, which would have created a massive interest bill of approximately \$3.75 billion for New South Wales. The Christian Democratic Party is making another decision to stimulate our economy and enable it to provide infrastructure and job security, and help local government to balance available resources. The local government sector has a \$7.4 billion asset backlog across New South Wales. While the Government is not necessarily investing money to resolve that backlog, it is addressing the critical needs of regional areas. It is investing \$6 billion in regional New South Wales to build better bridges, roads and freight corridors to ensure safe passage between our towns and communities. There is no doubt that this is needed desperately and the release of \$20 billion will continue to create jobs for tomorrow.

The 2015 election was a referendum on whether to lease the electricity network. Signs were everywhere, suggesting that the privatisation bogeyman would catch us if we did not submit to the Opposition's agenda. The people of New South Wales made a choice on 28 March, just as the people of Queensland made theirs. Our result was different: The people of New South Wales have trusted this Government with a mandate to continue. It does not mean that a blank cheque will be signed. The Legislative Council is a house of review and Reverend the Hon. Fred Nile did a great job conducting the inquiry on the leasing of electricity infrastructure. The Christian Democratic Party committed to being a circuit-breaker to ensure the lease of poles and wires is the best thing for New South Wales, not only for today but also for the future. We know that approximately \$300 billion can be made from future productivity outcomes.

Reverend the Hon. Fred Nile has scrutinised the privatisation of the electricity industry through conducting the inquiry and the Christian Democratic Party is confident that the inquiry has resulted in the right outcomes. One issue raised was the total loss of dividends. Obviously we will not lose all dividends because the Government will still have ownership. The Christian Democratic Party was also entitled to contest the propositions put forward by the Opposition. It is of the view that many of those propositions were answered throughout the inquiry, and Reverend the Hon. Fred Nile will speak about that issue later.

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I thank the Hon. Walt Secord for acknowledging Reverend the Hon. Fred Nile's efforts and his commitment to the families and communities of New South Wales. Reverend the Hon. Fred Nile's great concern is ensuring that the people of this State have lower electricity prices in the long term. He has worked hard to protect the jobs of electricity workers, and he wants them to be treated fairly and equitably. Amendments designed to achieve that end will be circulated for members' consideration tomorrow. Of course, they will be in line with what has been requested by the stakeholders we have been representing—that is, the unions and others who have expressed concerns.

This legislation is not the result of a rush job; it has been in the making for well over 20 years. Many have tried and many have failed to ensure the passage of this type of legislation. We have had 16 years of Labor and four years of Liberal-Nationals governments proposing this policy to the House. For the sake of the people of New South Wales, I hope that the projected financial infrastructure injection that this legislation will provide will be a gift that keeps on giving. I commend the bills to the House.

**The Hon. LYNDIA VOLTZ** [8.50 p.m.]: I assume that it will come as no surprise to members, particularly those who were in this place when the Labor Party was in government, to learn that like my colleagues I oppose the Electricity Network Assets (Authorised Transactions) Bill 2015 and the cognate Electricity Retained Interest Corporations Bill 2015. In the past I have spoken in opposition to my own party when it tried to privatise the State's electricity assets, and I stand by that opposition. It is not because the Labor Party believes all privatisation is bad per se. The Labor Party certainly does not believe that; it has privatised a number of assets. However, a significant question mark hovers over the implications of privatising monopolies, particularly monopoly utilities that provide essential services to the State.

We have not yet heard from a couple of members. I am interested to hear the Hon. Greg Pearce explain why Essential Energy was not part of this privatisation proposal. Nor did the Hon. Ben Franklin explain why Essential Energy was not included when he defended this privatisation. Perhaps that is how the Government arrived at 49 per cent. It might have achieved that by leaving Essential Energy off the list. It might have decided to do a con job and tell the people of this State that it intended to privatise only 49 per cent of the State-owned assets. The fact that 100 per cent of Essential Energy is being retained has not been raised. I await the Hon. Greg Pearce's contribution to the debate.

The privatisation of monopolies and utilities has raised problems in the past, and I suspect that it will continue to do so. Many economists believe governments have a vital role to play in utilities, particularly energy and water utilities. They are fundamentally important to our community and for our economic growth. Electricity transmission becomes more expensive the further away we get from urban centres, and the further electricity travels over wires the more energy it loses. It is said that economies of scale can be achieved in cities and that they experience a larger uptake of renewable energy technology. That is not necessarily true in rural and regional areas, and that is why governments have a role to play.

However, the more important question for the House to consider is one that seems to occupy the minds of members of the Liberal Party, but perhaps not members of The Nationals. I refer to the sale of the assets. Government members say constantly that they will raise \$20 billion from the sale of the State's electricity assets.

The report of the Legislative Council Select Committee on the Leasing of Electricity Infrastructure contains a list of how the Government plans to spend that \$20 billion. The list surprisingly includes \$600 million for the upgrade of Allianz Stadium. I would like someone to explain why that is fundamentally important.

I point out to members opposite that they will not get \$20 billion from the sale of the State's electricity assets. A number of members have said that when an asset is sold the vendor must get the difference between the revenue stream and what the asset is worth. Anything more than that can be deemed a profit. There is no way the Government can have it both ways given the projections in the committee's report showing diminishing returns from dividends and tax equivalent payments. It cannot say that the returns are diminishing and at the same time the assets will be so attractive to overseas investors that they will spend \$20 billion.

**Reverend the Hon. Fred Nile:** The figure is \$13 billion.

**The Hon. LYNDIA VOLTZ:** Reverend the Hon. Fred Nile says the figure is \$13 billion, but the Government's list covers \$20 billion worth of spending. I cannot understand how the Government expects to raise that much from the sale. A number of members have quoted Michael Egan's contribution to the hearings conducted by the Select Committee on the Leasing of Electricity Infrastructure. He said:

The Government was happy to convey the impression that by selling the poles and wires it would get a windfall of \$13 billion.

That is the source of that figure. He continued:

That, too, is wrong. To the extent that there is a windfall, and I believe there will be, it will be a fraction of the expected net sale price of \$13 billion. That is because the \$13 billion is not all new money plucked from a newly discovered money tree. Most of it will simply be the current value of the dividend stream that is to be sold off. In other words, the real windfall will simply be the difference between the sale price and the retention value. To the extent that any new public works expenditure exceeds that windfall or what is already funded in the budget, it will involve an additional cost that needs to be funded by cutting other expenditures, increasing debt or increasing taxes. You cannot sell income-earning assets and replace them with non-income-earning assets without leaving a budget hole that needs to be filled in one way or another.

That is the fundamental issue that the Labor Party has raised time and again. At the end of the day, these assets produce dividends, and they pay for the underlying recurrent costs in the budget. I am sure the Hon. Greg Pearce will agree that recurrent costs are a problem for State budgets. The Government has not explained why it is divesting itself of these assets for non-income earning assets. It is not as though an investment of \$600 million in Allianz Stadium will return funds to the State Government. We know there is already an oversupply of stadiums.

I want to know how the Government will fill the hole in the State budget that this proposal will create. The Hon. Ben Franklin said that the Government is selling these assets so it can provide services. It is a great leap from promising to build infrastructure to suggesting that the proceeds will provide services, particularly given that services have recently been cut in regional areas. I am sure that the people of Woy Woy, who are losing their Roads and Maritime Services office, do not believe they are getting additional services from this Government. The Government can build new schools—although it does not appear it intends to do so—but recurrent revenue is vital to ensure that they continue to operate.

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Once we divest ourselves of monopoly assets such as utilities they are gone forever. In sales such as this I am always concerned about the infrastructure of utilities—for example, when Telstra was sold some members on this side of House argued that retail should have been sold off separately to infrastructure. Technology continues to change. The National Broadband Network has now been introduced and the Federal Government has had to invest billions of dollars to gain access to infrastructure that it previously owned but which is now in the private sector. If the Government had held on to those assets it would not have been necessary to go back to try to fix the problem.

In 50 years we might be asking ourselves why we did not hang on to this infrastructure that may not seem so important now. Why did we hand that infrastructure over to a monopoly when, as a provincial government, we no longer have the capacity to get the investment to do what we need to do to grow our economy? It is vital for the Government to continue to hold on to important assets such as wires and poles, electricity generation, and water supply. Labor does not have a carte blanche view on privatisation—some privatisations make sense—but we do not agree with the privatisation of utilities with recurrent revenues when assets may be vitally important in the future, particularly for those communities outside the metropolitan area.

Indeed, The Nationals opposed the privatisation of Essential Energy because they well know these assets should be held by government.

**The Hon. GREG PEARCE** [9.01 p.m.]: I support the Electricity Network Assets (Authorised Transactions) Bill 2015 and cognate Electricity Retained Interest Corporations Bill 2015, which will give effect to the central commitments this Government took to the 2015 election. There can be no doubt that in winning the election as decisively as we did, that the Government received an unequivocal mandate for the polls and wires proposals taken to the people. The foundation of that victory included four years of successful, competent and transparent government under Barry O'Farrell and then Mike Baird, leading to trust in the Liberal-Nationals Coalition and a continuing rejection of Labor.

There was an understanding of the Premier's proposal for a long-term lease of 49 per cent of the polls and wires network, excluding Essential Energy, and the investment of the proceeds in much-needed infrastructure. However, opinion polls continued to show that as many as three-quarters of the people did not support privatisation of the electricity assets as a stand-alone proposal. It is understandable that the election did not diminish the noisy opposition to the electricity transactions and will not in itself convince the doubters in the community. Given that the proposal was announced with the budget in June last year, the Government is in a position to demand that its policies be implemented and to claim the endorsement of the people.

The conviction that assets such as the electricity assets, some refer to them as the crown jewels, be kept in public hands is felt deeply. Some argue that the electricity assets, particularly the major transmission assets such as water supply, represent essential services that should not be entrusted to the private sector, and definitely should not be entrusted to overseas owners. They point to the necessity of supply to consumers, particularly to the elderly and the needy. I am firmly in the camp of those who believe that governments should not undertake risky businesses when the private sector can do so and that scarce government resources should be directed to public works and services that the private sector cannot or will not provide efficiently. I am committed to the process of asset recycling, which we commenced with the long-term lease of the desalination plant when I was the portfolio Minister for Sydney Water.

If there is any criticism of the proposals, it is that the transactions should be for 100 per cent of these assets. The formula that has been adopted—the 49 per cent and the long-term lease structure—regrettably reflects the need to camouflage these transactions because of the politics and ongoing opposition. It is contrary to the public interest to have reform emasculated to mollify the demands of vested interests led by unions and their allies. It is a pity that we could not apply the lessons from the gentrader transactions. I cannot see any long-term benefit in the structure, particularly if one accepts the notion that at the end of the 99 years the assets will be returned to the public at no cost. In my view the proposition can be tested by asking a simple question: Assuming these assets were presently in the hands of the private sector and the owners decided, perhaps because they wished to diversify their investments, to sell down 49 per cent, would the State Government, or indeed any responsible and competent government, spend the \$10 billion or more to acquire that 49 per cent? I am certain the answer is that no competent government would do so.

The Government has strenuously argued there is a public benefit in the proposal that consumers may expect lower electricity prices, or at least slow the increase in prices, if the assets are leased and privately managed. Much of the argument has been based on the expert report by Ernest & Young, which concluded that the privately owned assets in South Australia and Victoria performed better than the New South Wales Government assets. However, many in the community remain sceptical about these claims, and even a close examination of the Ernest & Young report demonstrates how limited the evidence is. The report notes that many factors influence prices and that the South Australian and Victorian assets, which are in private hands, have benefited from being at a different point in the asset renewal cycle. New South Wales networks have seen very significant investment over the past five to eight years, whereas South Australia and Victoria have not. In addition, the geography of South Australia, with a significant proportion of its assets located in a relatively small geographic area around Adelaide, and the geography in Victoria, with a much more compact system based around Melbourne and a few regional cities, have different investment requirements to New South Wales.

More compelling is the evidence that the New South Wales companies have been allowed expenditure funded by consumers based on gold plating the infrastructure, excessive and overly generous staffing and unproductive work practices, as well as a culture of waste. The Australian Energy Regulator's determination of future pricing for New South Wales network companies, if implemented, will produce significant price reductions—around an average of 10 per cent—which would be achieved by very significant reductions—around 35 per cent—in allowable operating and capital expenditure of the network companies. If members are

interested in the detail I suggest that they look at the Australian Energy Regulator's submission of 22 May 2015 to the inquiry chaired by Reverend the Hon. Fred Nile.

The Australian Energy Regulator's process has been mischievously used by opponents who have claimed that the resistance of Networks NSW is in some way an attempt by the Government to fatten profits and thus obtain a better price for the long-term leases. That argument is fallacious and misrepresents the dynamics of the network companies. In fact, any acquirer of the network businesses well knows that it will have a very significant medium-term task in cutting out inefficiencies and waste as well as changing the culture of the organisations to make them competitive in the longer term—the private sector will be applauding the extent to which the Government can do this prior to the leasing transaction. However, it is understandable that the management of Networks NSW wishes to proceed on a cautionary basis to transition the businesses, as massively reducing its costs will mean reducing employee numbers.

Significant savings have been made already through the Government's networks reform, which began in the O'Farrell Government when I was Minister for Finance and Services. These savings have been achieved by combining the management and back offices of the three network companies, eliminating some of the worst of the excesses of work practices, and the reprioritisation of capital expenditure. It is to be hoped that the long-term lease structure does not reverse these reforms, particularly as Essential Energy management and back offices will effectively have to be reinstated. Another important issue that has attracted discussion is the proposition, primarily put forward by voodoo economists, that the asset transaction does not make sense because of the rich dividends that have flown to the Government that they say could be used to fund infrastructure in the future.

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This issue needs to be better explained. There is no magic pudding that creates the dividends. The dividends are effectively a tax on electricity consumers.

**The Hon. Dr Peter Phelps:** A regressive tax.

**The Hon. GREG PEARCE:** Exactly. This tax includes distortions because residential customers, representing more than 80 per cent of consumers, generally do not have the capacity to negotiate their bills whereas most business consumers do. The tax is further distorted because it is levied on some of the most needy in the community—on whom the Government then has to routinely spend hundreds of millions of dollars to provide rebates. In other words, it is a ludicrous round robin. Further, the dividends are a great temptation to governments of all persuasions and it is not uncommon to see governments siphoning off dividends. This might explain why the debate became focused on an inflated dividend number of \$1.7 billion, when the longer-term prospects for dividends are nothing like this.

Whilst Essential Energy is to be retained, it will not be a cash cow given the significant revenue reductions required by the Australian Energy Regulator, which will mean the pain of regional job cuts for the Government, and the fact that the assets of the network companies generally have an effective life of 20 or 30 years or so. In the case of Essential Energy many of the assets are older and in the shorter term will have to be renewed across the very broad geographic area of its operations. Clearly the retirement of the network borrowings, which total about \$20 billion, and the interest rate savings that will flow to customers also make a major difference. However, the impact of retaining the State's interest in a future fund also needs further elaboration. Also the case for a massive injection of infrastructure funding needs to be made, further explained and understood in the community. I think a great start was made in the material the Government put out leading up to the election.

I have one final point to make in favour of private ownership and management—that is, the private sector is more likely to be able to better manage demand through innovation and technology and more likely to put the time and effort into the development of new technologies, particularly better batteries and the like, than the public sector. This capacity will be vital in a new environment where regulators, providers and customers recognise that efficient investment is needed to meet growth in demand—and not a repeat of the huge investment of more than \$40 billion of capital outlays by the networks from 2007 to 2013 to meet peak demand and absolute reliability. I commend these bills to the House.

**The Hon. DANIEL MOOKHEY [9.11 p.m.]:** The Electricity Network Assets (Authorised Transactions) Bill 2015 and the cognate Electricity Retained Interest Corporations Bill 2015 presume that the businesses that trade under the names Ausgrid, Essential Energy, and TransGrid are akin to the Plymouth Roadking car. Once it was the totem of modernism, a symbol of social progress, and an example of the

abundance and plenty available in middle-class democracy. Now it is quaint and its very antiquity a source of embarrassment to its owner. This is the attitude the Baird Government has towards this State's transmission and distribution networks.

Like the Plymouth Roadking car, these networks were built in the 1930s. In the eyes of this Government, they have become the lead weighing down the public's balance sheet, and their mission to provide equity in the energy market is complete. These networks are now merely assets to be liquidated to fund the flights of infrastructure fancy of this Premier, the Treasurer and whoever else dazzles the Government with a slick presentation redolent with 3D animation and a shiny prospectus. The Government protests that these bills do not provide for a sale; they only enable a lease. It claims that this lease will have no deleterious effects.

But there is a simple fact that the Government denies: The transmission and distribution assets hitherto owned by the people of New South Wales that these bills will sell are monopoly assets. Their tremendous scale is their insulation from the disciplines of market competition—meaning they alone are left to decide who receives power as well as the time and price at which people receive it. They alone decide whether the network receives investment, and they decide from whom the cost of that investment is recovered. It is this power that makes these networks a unique class of business with unique power over every New South Wales household and every New South Wales business.

If this bill passes, this power will escape the taming influence of democracy. That influence will be at the mercy of a private monopoly that will have unprecedented powers to decide how the people of this State will be treated in the energy market. This is the argument that has been made so eloquently by all my fellow Labor colleagues in discussing the effects private monopolies have had on our energy in the past and why those effects will return if these bills receive this Chamber's sanction. The question to which I turn is what effect an untamed monopoly will have on our energy future.

Will a monopolist decide which power generation technology will receive technical permission to join the grid? Will a monopolist decide the speed at which those technologies, which threaten their monopoly, will be permitted to spread? Will a monopolist decide whether the cost of the transition to these technologies is shared fairly? Or will the alternative prevail—that is, will price be used to contain the spread of new technologies not to amplify them? All these questions allude to questions about market design. They make those allusions because rather than these bills providing a schematic to steer energy markets through the disruption that is resulting from the explosion of renewable energy they instead provide only for an abdication.

These bills abdicate their responsibility to decide how power distributors will treat the newest class of power generators—the people who have put solar panels on their roofs. These bills abdicate their responsibility to use this moment to update Australia's energy laws so that the pace of disruption in our power markets is not settled merely by reference to which market factor has the most power, but instead subordinates the interests of all the players in the energy market to the public's interest. If this Parliament proceeds to pass these bills with these questions unanswered then this Parliament is adopting a market design for our energy market already known to have failed. It is the market design that prevailed between 1997 and 2010 in the telecommunications industry.

The design stemmed from the Howard Government's preference for a high sale price rather than the higher principle of structural separation and market regulation. The design left it to a private monopoly called Telstra to decide the pace of technological change—when Australia would receive broadband and whether it would be fibre-to-the-home or fibre-to-the-node. The design ceded the first-mover advantage available for whoever organised the uptake of these new technologies the fastest to countries like South Korea and Finland. They then built competitive and comparative advantages by being the first to trigger the effect of agglomeration in cities like Seoul and Helsinki. The design left it to a future Parliament and a future Government to clean up the consequences of their abdication.

Energy markets today are akin to the telecommunication market of a decade ago. Like the telecommunications industry, the dominant business model is being disrupted by the emergence of new technology, new players and new interests. The business model being threatened in the energy market is the business model where power is carried from the point of electricity production, a power station, to the point of electricity consumption—a home, business, library or other public places. The power stations that generated electricity in this model were, and still are, big businesses. The transmission and distribution networks that pipe the power they produce to 9.5 million households on the eastern seaboard were, and are, also big businesses. Both reflected the flavour of the industrial age that efficiency resulted from economies of scale and that



obtaining that scale required high levels of capital investment—prohibitively high levels of capital investment so high that the natural condition that results is a monopoly.

Having economies of scale is no longer the core concept of new entrants to the energy market. Now the proximity between the point of production and the point of consumption for many is the distance between their roofs and their living rooms. Since 2008 more than 280,000 solar photovoltaic systems have been installed on the roofs of homes in New South Wales. Nationwide approximately 1.4 million systems are now in operation. These systems constitute the greatest investment in electricity-creating capacity in a generation. The power they create is clean and green and most importantly communal—because the arrival of what is termed "distributive energy" is reflective of a social design. People are coming together to pool their power. Farmers are forming co-ops to share risk. Apartment buildings are making a collective choice to go down the path of clean energy. Indeed distributed energy marks the revival of a movement long considered extinct—the cooperative movement.

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After all, collaborative consumption is simply the latest form of cooperation. And it is a threatening form: so threatening that the energy market is in flux with a political contest as furious as the contest joined by the legendary Speaker of the US House of Representatives Sam Rayburn to establish the Tennessee Valley Authority; as furious as the fight Lyndon Johnson had to wage to have the Tennessee Valley Authority connect the Texas Hill Country to the Texan power grid.

This contest is furious because over the next 10 years, whoever owns the grid will be making impactful decisions. If an unfettered privately-owned monopolist is making these decisions then an unfettered privately-owned monopolist will decide which technologies—solar, wind, natural gas or biomass—can connect to the grid as well as the price they will pay for their connection. An unfettered privately-owned monopolist will decide the price paid for a person's surplus power, and how often they will be paid this price. An unfettered privately-owned monopolist will decide the energy market's response to the earth-shaking revolution in battery technology, and whether it will be priced to encourage uptake or it will be priced out of the market. An unfettered privately-owned monopolist will have the power to decide if a rival business model is allowed to survive, let alone thrive.

No member should delude themselves about the stance of these bills on those questions: The bill is silent. The bill provides little of the fetters that ordinarily apply to privately-owned monopolies: no separate provision of a third-party access regime that would let competitors access the transmission networks; no attempt to update the mandates of the Australian Energy Regulator in supervising the energy market to require the AER to provide annual adjustments in consumption forecasts, forecasts that determine the level of cost recovery for the level of capital spending, require the AER to account for the rise of solar-generating capacity in forecasting peak demand and subject the choice, pace and speed of technology uptake to a public interest test. If these bills had provided for more than a mere disposal of assets or if the bills gave effect to a new market design, they would be much improved bills. They would have placed New South Wales at the forefront of the clean-energy revolution.

If members seek an example of a jurisdiction that has gotten the regulatory model right then I point them to Hawaii. Hawaii now leads the United States in energy transformation. The Aloha State has experienced explosive growth in solar power, from 0.8 per cent of the renewable energy sector in 2007 to 29 per cent in 2014, with 53,409 systems providing 392.8 megawatt hours per annum. The reason is that Hawaii has a structurally separated power industry. The generator is different from the transmission networks and the transmission network, by law, is required to be independent, answerable to a regulator on the questions I have just asked. The network is mandated to make access to its networks available to all selling power—renewable and non-renewable alike.

**The Hon. Dr Peter Phelps:** Is it government owned?

**The Hon. DANIEL MOOKHEY:** Yes, it is. Hawaii is an example of a state getting it right, but if these bills pass, New South Wales will get it wrong. They will lock our energy markets into a dying past, rather than positioning them to embrace an exciting future. They will leave individuals who are self-organising to meet their own power needs to the mercy of a monopoly, with no independent umpire to mediate and settle their points of conflict. The self-interest of a monopolist to check the advance of an alternative business model that renders the monopolist redundant will triumph over the common interest we all have to provide real competition in our energy markets. This Parliament should say no to this reality. We should reject these bills.

**Reverend the Hon. FRED NILE** [9.22 p.m.]: On behalf of the Christian Democratic Party I speak in support of the Electricity Network Assets (Authorised Transactions) Bill 2015 and the Electricity Retained Interest Corporations Bill 2015. I was pleased that my proposal for a select committee of this House to conduct an inquiry into the matter was successful. As members know I tabled the report of the committee today in the upper House and in due course members will have the opportunity to debate the report. I believe that the leasing of the electricity infrastructure will not have any negative impact on electricity prices, safety or reliability. In fact, I believe that electricity network and retail prices will fall, as has occurred in other States.

However, to ensure that consumers continue to be protected in the long term, I support the proposition that the powers of the Electricity Price Commissioner be reviewed within 12 months of the completion of the lease transactions. If that is not proposed by the Government, I will move that as an amendment. I also support that the key report by Deloitte Access Economics relied on by the Government in promoting the benefits of the proposed lease be independently reviewed prior to the enactment of enabling legislation. If the Government does not move that amendment, I will move it tomorrow.

While the electricity industry is facing a challenging time, largely as a result of the Australian Energy Regulator's recent determination and its impact on jobs, it is clear that workers are worried about how they will be affected. Therefore I intend to move strong employment protection guarantees in a series of amendments, such as: to protect for at least 5 years continued employment with the new employer; transferrable accrued employee entitlements including annual, long-service and sick leave; recognition of prior service; and a sufficient number of apprenticeship opportunities. Overall I believe the Government's implementation of its lease proposals will be of benefit to the people of this State and in the best interests of the State, taking into account the State's fiscal position, the need to maintain a triple-A credit rating and the economic benefits arising from significant investment in infrastructure.

This issue has been alive in the upper House for nearly 20 years with most of the propositions for privatisation of electricity assets moved by the Labor Party in government. In fact, the idea of selling electricity assets has been in the political arena since 1997, when then Labor Party Treasurer, the Hon. Michael Egan, AO, released a discussion paper proposing the sale of the State's generators, transmission, distribution and retail electricity assets. As members know, this transaction did not proceed. Former Treasurer Egan agreed to be a witness to our inquiry so we could get the views of a prominent member of the Labor Party who supported similar propositions when in power. I tried to get other prominent Labor Party members, such as Michael Costa, to attend as witnesses, but Mr Costa was unable to attend.

In his evidence Mr Egan was very strong in his criticism of both the Labor and Liberal parties, but he admitted he had supported power privatisation since the 1990s. He told the inquiry that Labor was wrong to suggest that power prices would skyrocket if the Government went ahead with plans to lease 49 per cent of the State's poles and wires to the private sector for 99 years. He also stated leasing the State's electricity businesses would mean billions of dollars could be invested upfront to improve the quality of life of every person in this State, and that is what governments are elected to do. The Hon. Walt Secord had a lot to say about me in his contribution so it is only fair that I draw to his attention the views of some prominent Labor leaders in regard to the privatisation of the State's electricity assets.

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I also noted that in 2011 Premier Barry O'Farrell said he expected to respond to an inquiry recommending further privatisation of the power sector by the end of that year. Mr O'Farrell appointed Justice Brian Tamberlin to examine the sell-off and consider future actions to promote competitive electricity prices. Justice Tamberlin made a number of recommendations, including that the government offer all New South Wales electricity generators for sale or long-term lease. This issue has been before both Houses of Parliament for nearly 20 years. I am pleased that tonight the second reading debate will come to an end in a positive way and tomorrow we will conclude our dealings with these bills in Committee.

During that 20-year period New South Wales Premier Morris Iemma also attempted to privatise the State's electricity industry, which he described as "the most important microeconomic reform in this State in decades." Obviously, he had the support of then Treasurer Michael Costa as they pushed for the sale. Interestingly, while it was being debated Labor Prime Minister Kevin Rudd gave his full support for the privatisation and New South Wales Leader of the Opposition Barry O'Farrell initially strongly supported the privatisation in his 2007 budget reply speech.

As a member of the upper House at that time I thought that we were at last getting to the end of the debate. The Labor Government was moving for the leasing and the Liberal Opposition said it would support it.

The legislation should have been passed but in the meantime the Coalition made a number of requests of Labor Premier Iemma saying that they were supportive but they wanted inquiries and they wanted the Auditor-General to conduct an investigation. I realise now that much of that was a delay tactic.

On the day the bill was introduced and we assumed it would pass the Liberal Party announced that it would not support the legislation. That was a great shock to Michael Costa. He almost could not believe it because he had been led to understand that the Opposition would support his legislation. Crossbench members were going to vote for the legislation and we thought that the matter would be finalised. It was a great shock when Mr O'Farrell reversed the Liberal Party position without warning. Only he knows why he did that, but a suggestion was made that the Liberal Party thought that the Labor Party should not get all the political benefit of the privatisation and so they decided to sabotage the Labor proposition and do it themselves at a later date. Perhaps that is what has happened tonight.

For the information of the Hon. Walt Secord, who is not in the House, the latest person to make some important points about the privatisation was none other than Leader of the Opposition Luke Foley, who we all know so well. Luke Foley, who transferred from this House to the other place, has on his website these words:

The Party I lead will be a party of solutions, and never a mere Party of protest.

I bring to this job ideas, energy and, above all, my Labor values.

Those values are timeless:

- A fair go for all;
- A decent life for everyone; and
- A helping hand to those most in need.

I acknowledge his courage in declaring in a recent interview that he will not go in for a fake consensus with trade unions and for saying that it was time the party moved on from its obsessive focus on electricity privatisation. In that interview Luke Foley went on to stress that he had the greatest respect for the role of unions within the Australian Labor Party but highlighted his disagreement with the Electrical Trades Union over job cuts to electricity network businesses following the latest determination of the Australian Energy Regulator. We know what that meant. Mr Foley went on to say, "I will not go for a fake consensus ... Where, as in the case of the AER determination the wider public interest conflicts with the relevant union interest, I'll plonk for the public interest." I mention that particularly for benefit of the Hon. Walt Secord and the Hon. Lynda Voltz. The article I am reading goes on to state:

Mr Foley said following the March election, Labor needed to accept that the "electricity privatisation war is lost". Labor would continue to vote against the Baird government's privatisation legislation in Parliament. "But we then have to move on from an obsessive focus on this issue," he said.

Mr Foley said there was "a whole host of other issues and debates that are important for the future of our state. The debate around power privatisation has gone on for the best part of 20 years now. And it's been settled."

It is being settled tonight. During our inquiry we noted the benefits that will come from the electricity asset leasing such as \$8.9 billion for urban public transport to connect people to jobs and improve the existing network. That includes \$7 billion for the Sydney Rapid Transit. It also includes \$2.4 billion for urban roads to address congestion and increased population growth, which includes \$1.1 billion for the WestConnex northern and southern extensions. In addition, it includes \$4.1 billion for regional transport—I emphasise regional transport—to improve the regional freight network and meet the needs of a growing regional population. There is \$1 billion for water security including in high priority regional towns and \$1 billion for health to service an ageing population and adapt to new technologies. There is also \$1.5 billion to provide appropriate cultural sporting and tourist facilities.

At page 22 of the committee report those amounts are broken down into their components. For example, the urban public transport sector amount is composed of \$7 billion for the Sydney Rapid Transit, \$1 billion for Sydney's Rail Future 2 Upgrades, \$600 for the Parramatta Light Rail and \$300 million for a bus rapid transit and bus priority infrastructure. The urban roads sector allocation is made up of \$1.1 billion for the WestConnex northern and southern extension and the Western Harbour Tunnel, \$400 million for smart motorways, \$300 million for the Gateway to the South Project and \$200 million for traffic management upgrades.

Other items outlined in the table on page 22 of the report include \$2 billion for the Regional Road Freight Corridor Program, \$1 billion for the Regional Growth Roads Program, \$500 million for the Fixing Country Roads project for The Nationals, \$400 million for the Fixing Country Rail project and \$200 million for Bridges for the Bush. The table also includes \$1 billion for the Regional Water Security and Supply Fund, \$700 million for Future Focused Schools program, \$300 million for the Regional Schools Renewable program, \$600 million for the Hospital Growths Program, \$300 million for regional multipurpose facilities, \$100 million for the Care Co-location Program, \$600 million for culture and arts, \$600 million for sports stadia, \$300 million for the Regional Environment and Tourist Fund and \$100 million for corridor identification and reservation. I could go on.

The question is: Are members of the House going to vote against each of those propositions? That is what the Labor Party will do tonight. It will vote no for each of those propositions. I am sure the people of the western suburbs and elsewhere will be interested to see how Labor members vote on these bills. The Christian Democratic Party will vote for these bills and I hope the Labor Party will follow Luke Foley's lead.

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**The Hon. DUNCAN GAY** (Minister for Roads, Maritime and Freight, and Vice-President of the Executive Council [9.39 p.m.], in reply: I thank all members who contributed to debate on the Electricity Network Assets (Authorised Transactions) Bill 2015 and the Electricity Retained Interest Corporations Bill 2015 and I thank them for the vigour with which they delivered their individual contributions. Reverend the Hon. Fred Nile, in his contribution, summed it up and cut a hole through this debate, the like of which has not been seen all week. Somewhere in the debate weird logic appeared that the Government did not have a mandate and the Opposition did. Labor lost the election and the Coalition won, yet Labor had a mandate to oppose these bills. It is a strange and weird science.

**Mr Scot MacDonald:** Point of order: I cannot hear the pearls of wisdom of the Minister.

**The Hon. Adam Searle:** To the point of order: Mr Scot MacDonald should not be deploying irony.

**Mr Jeremy Buckingham:** Pearls before swine.

**The PRESIDENT:** Order! I thank members for their contribution. The Minister has the call. Members will confine their interjecting to a bare minimum, given the stage reached in the evening.

**The Hon. DUNCAN GAY:** Increasingly I admire Mr Scot MacDonald and the contribution he is making to this House. As indicated by a member on the crossbench, pearls before swine—but perhaps not. I was making the point that the Opposition employed some sort of weird science to indicate that Labor had a mandate to oppose this legislation because Labor lost the election.

**The Hon. Sophie Cotsis:** But The Nationals—

**The Hon. DUNCAN GAY:** The Hon. Sophie Cotsis had her opportunity to speak earlier. I do not understand Labor's weird logic. The Coalition went out with an honest proposal to the people of New South Wales.

**The Hon. Sophie Cotsis:** Ha, ha.

**The Hon. DUNCAN GAY:** The Hon. Sophie Cotsis would laugh at that because she does not know about honest proposals. Her Opposition went with a proposal to support light rail. Where is it?

**The Hon. Adam Searle:** Point of order—

**The PRESIDENT:** Order! The Minister will resume his seat. I call the Hon. Sophie Cotsis to order for the first time.

**The Hon. Adam Searle:** If the Minister wishes to reflect on a member of the House, he should do so by way of substantive motion, not by way of gesture and responding to interjections.

**The PRESIDENT:** Order! There is no point of order. The Leader of the Opposition will resume his seat. The Minister is well advised to ignore interjections from the Opposition.

**The Hon. DUNCAN GAY:** Honesty in government is something that the Opposition does not understand. The Coalition went with a hard proposal to the people of New South Wales. We were up-front about it and we probably took a couple of hits along the way. Labor says it has a mandate because it had a swing. We more honestly have a mandate from the people of New South Wales because we went to the election with a proposal. According to the logic of the Labor Party, the Coalition should not have said anything and sneak up on the people of the State in the same way that Labor has over the years and, in the same way as Labor, adopt whatever policy it takes. But that is not the way of this Government. We put a proposal to the people for the good of the State to fix the 16 years of neglect that has existed in New South Wales.

The bills follow decades of debate on the issue. The Electricity Network Assets (Authorised Transactions) Bill 2015 and the Electricity Retained Interest Corporations Bill 2015 are the enactment of a policy that has been through the most robust debates and forensic examinations of any policy, including throughout the election campaign and a very deceitful dog whistle campaign. The last 12 months included the release of very clear and detailed information about how the 49 per cent to be leased will be determined across TransGrid, Ausgrid, Endeavour Energy and Essential Energy, with Essential Energy remaining 100 per cent in government hands. The 49 per cent has been calculated based on the forecast closing regulatory asset base of the businesses on 30 June 2015, as set out in the final determination of the Australian Energy Regulator, which was published on 30 April 2015.

Perhaps unsurprisingly, much of the Opposition's criticism of this bill throughout the debate has been based on misleading information. It is incredible that a party that oversaw in government electricity prices increase 60 per cent in five years would have the hide to pontificate on the issue of electricity prices, but that is the Labor Party for you. As Labor knows, the Australian Energy Regulator will continue to regulate prices, regardless of whether the assets are government or privately operated. Leasing the network businesses will put further downward pressure on electricity network prices. The cases of South Australia and Victoria are real world examples of this. In addition to this compelling evidence and supportive comments from the likes of the Australian Competition and Consumer Commission chairman, Rod Sims, the successful bidder for the network leases will be required to sign a price guarantee that total network prices will be lower in 2019 than they were in 2014.

Central to that commitment is the appointment of Professor Allan Fels as the Electricity Price Commissioner, who will report to the Government to confirm that the long-term lease will not put upward pressure on prices. Without the sign-off of Professor Fels, the transactions will not go ahead. There has been much debate and commentary around dividends and tax equivalent payments generated by the network businesses. I welcome this opportunity to reiterate the facts of this matter. Historically, dividends and taxes—collectively, distributions from the businesses—have varied significantly. The Labor Party's claim of a loss of dividends that the Government will lose as a result of leasing 49 per cent of the network is completely misleading. On many occasions Labor did not indicate that only half of the electricity assets were being released. Its actuarial data indicated that the whole lot was being leased and that is what Opposition members said we would lose.

As the Government has stated many times, supported by publicly available data, the current income stream from the network businesses is far from guaranteed and is currently declining. The legislation and licences will impose strict conditions on electricity network businesses and protect the interests of the State and consumers. The Electricity Retained Interest Corporation [ERIC] legislation mandates the board to protect "the value of the State of that part of the retained interest and seeking to maximise returns to the State from that part of the retained interest". This is the entire purpose of the Electricity Retained Interest Corporations Bill. Through this transaction and beyond, the State's interests are protected in a number of ways: through the ERIC legislation, which will house the State's retained interest; through its board where members are appointed by the Treasurer and future appointees are subject to the Treasurer's approval; and through the future rights of the State's interest in the operational companies. This will include veto powers over specified financial decisions and board membership requirements that represent the State's interests.

The lessees of 49 per cent of the poles and wires also will be required to hold a licence. The licences will impose strict conditions on electricity network businesses and protect the interests of the State and consumers. The licences will give the State control over the suitability and capability of the network operators, require a continued substantial operational presence in Australia, and set conditions to manage business continuity, reliability, network performance and safety.

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The Independent Pricing and Regulatory tribunal will be empowered to ensure compliance with all licence conditions, including safety and reliability standards. It will appoint inspectors for electrical installations and equipment and investigate any serious electricity network accidents. The energy Minister will also be given new step-in rights should a breach of licence or electricity regulatory obligation threaten the safe, secure or reliable supply of electricity in the State.

In summary, the analysis by Deloitte Access Economics shows that the Rebuilding NSW plan will boost the State's economy by almost \$300 billion and deliver an additional 122,000 full-time jobs by 2035. We will lease the use of only 49 per cent of poles and wires to the private sector. They will pay us rent and they will pay it in advance. This means we can spend \$20 billion on building new assets which will be owned by the people of this State.

The State will still own the poles and wires and will get them back at the end of the lease. But we will build new assets for the State—and not, like The Greens, rely on rock crystal and chook entrails—which will be owned by the people of the State. That means new roads, rail, hospitals and schools and vital water infrastructure in our regions, which will all be new assets owned by the State. All these electricity assets remain in public ownership but the people of New South Wales will get the new infrastructure the State needs to make our community, our regions and our cities stronger. Today is an historic day for the State. I commend the bills to the House.

**Question—That these bills be now read a second time—put.**

**The House divided.**

**Ayes, 19**

Mr Ajaka  
Mr Amato  
Mr Blair  
Mr Colless  
Ms Cusack  
Mr Farlow  
Mr Gallacher

Mr Gay  
Mr Green  
Mr Khan  
Mr MacDonald  
Ms Maciaren-Jones  
Mr Mallard  
Mrs Mitchell

Reverend Nile  
Mr Pearce  
Mrs Taylor

*Tellers,*  
Mr Franklin  
Dr Phelps

**Noes, 18**

Ms Barham  
Mr Borsak  
Mr Brown  
Mr Buckingham  
Ms Cotsis  
Dr Faruqi  
Mrs Houssos

Dr Kaye  
Mr Mookhey  
Mr Pearson  
Mr Primrose  
Mr Searle  
Mr Secord  
Ms Sharpe

Mr Shoebridge  
Mr Veitch

*Tellers,*  
Mr Donnelly  
Mr Moselmane

**Pairs**

Mr Clarke  
Mr Mason-Cox

Ms Voltz  
Mr Wong

**Question resolved in the affirmative.**

**Motion agreed to.**

**Bills read a second time.**

**Consideration in Committee set down as an order of the day for a future day.**

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**STATUTE LAW (MISCELLANEOUS PROVISIONS) BILL 2015**

**Subject:** Distractions And Opportunities For Tesla Batteries: Cars, Home Storage, Now Commercial Storage - Tesla Motors (NASDAQ:TSLA) | Seeking Alpha

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Wednesday, 3 June 2015, 9:57

good info on battery competitors.

hope you are well..

<http://seekingalpha.com/article/3229586-distractions-and-opportunities-for-tesla-batteries-cars-home-storage-now-commercial-storage>

## Distractions And Opportunities For Tesla Batteries: Cars, Home Storage, Now Commercial Storage

Tesla (NASDAQ:TSLA) is again facing significant questions about what sort of company it is. It is best known as the company pioneering confident (range-anxiety-free) Electric Vehicle (EV) motoring, which doesn't involve an internal combustion engine. However, this has involved accessing lithium batteries that are not small (55-85 kWh) and this has meant pioneering these big batteries for a moving vehicle. This in turn led to the decision to build the world's first giga-battery factory in Nevada, with Panasonic (OTCPK:PCRFY) having a big role. Panasonic was the number 1 supplier of lithium batteries for EVs (Tesla) in 2014. The gigafactory was expected to approximately double the output of lithium batteries when it opens in 2016. I'm not convinced that this will be true any more, as there seems to be a stampede of giga-battery factories on the way (see below).

### What market(s) for stationary batteries?

In recent weeks the revolutionary aspect of the Tesla gigafactory is becoming appreciated. The competition for its batteries is now heating up with the release of a stationary battery for various storage applications to complement solar PV power generation at a price point that is astonishing. At first this was envisaged to complement its sister company Solar City (NASDAQ:SCTY) which Elon Musk co-founded. Solar City will be offering solar PV/battery options for small scale solar (residential) products. On announcing the PowerWall battery, the response was so dramatic that \$800 million of expressions of interest were received within a week.

Now Tesla has announced a partnership with Southern Company (NYSE:SO), a major power utility, with a focus on commercial level battery storage.

This is big as it takes Tesla beyond cars, beyond home storage. Elon Musk is not one to do things by halves. It isn't clear to me that the significance for battery production has been digested by the market as

yet.

## The EV market

The EV market is real and huge, but there is a major battle to be fought with the oil industry, the world's most powerful fossil fuel lobby group. To be successful in the motor vehicle market requires much education about EVs, as well as building out charging infrastructure. All of these things take time. And cost of batteries is a major determinant for the speed of development of the EV industry. A recent report in *Nature Climate Change* indicates that the price of EV batteries has already fallen to levels not expected to be reached until 2020, and the giga-factory will push them down further. It is hard to get a clear figure on the price, although it is probably in the range \$180-300/ kWh.

While the industry grew 37% year on year last year, EVs still represent less than 1% of new car registrations worldwide.

## Good news from Norway

Norway has been a major supporter of the development of the EV industry, with 30% of European EV sales achieved in Norway in 2014. However, generous subsidies made available to put 50,000 EVs on the roads recently (April) achieved their goal. This led to apprehension about what the Government would do going forward. It is becoming clear that there is still very strong support for EV adoption in Norway and that substantial subsidies will not be phased out before 2017.

Indeed 19% of new cars purchased so far in 2015 in Norway are EVs (compared with 13% in 2014), with Tesla a major beneficiary. It seems likely that special privileges (use of bus lanes, parking and toll exemptions) for EVs will be extended in Norway. This is good news for Tesla, although it might become more competitive as smaller, cheaper EVs may get better treatment.

## Cars, home storage and now commercial storage?

Where is this going? I imagine that there is already creative tension within Tesla about how 50GWh battery capacity from the gigafactory will be apportioned. With conjecture about how the split will be made between batteries for EVs and home storage, suddenly we have a third competitor (commercial applications) for the same supply of batteries. Something will have to give. I wouldn't be surprised to see plans for a second Tesla giga-factory (in California?) accelerated to start to address this issue.

There is no doubt that other companies are joining the stationary storage race, with LG Chem, already the number 3 supplier in 2014 of lithium batteries for EVs (GM, Renault, Kia, Hyundai, Audi, Daimler), stating recently that it will match Tesla's battery capacity going forward. LG Chem announced a partnership with Eguana Technologies (OTCPK:STGYF) (power control for distributed energy solutions) on residential energy storage in the US market. Canadian Eguana has a strong position in power control systems in Germany.



Panasonic has just announced partnerships with 3 Australian utilities (Ergon, ActewAGL and Red Energy) on residential battery storage. This follows on from its backup storage systems for the Japanese market. Note that both the Australian and Japanese battery storage deals are separate from Panasonic's involvement in the Tesla giga-factory.

Private Swiss group Alveo is moving forward on its \$billion investment in novel lithium battery chemistry, to establish its own giga-factory in North Carolina, although the focus of Alveo is more towards enterprise level battery storage.

Then there is AES, with a focus on larger scale lithium battery storage projects (86MW in operation and 260MW in late stage development).

These are just some of the energy storage competitors mentioned in a recent article.

Those bullish about Tesla won't be worried about opening up a third major battery market (commercial with Southern Company) for the gigafactory, but I don't see how Tesla can satisfy demand since it will already be stretched in balancing the tension between EV batteries and household storage. Elon Musk is well known to have an insatiable appetite for big challenges. I think putting three balls in the air for large batteries will be a challenge.

## Conclusion

One's head can't help but spin when you begin to come to grips with the scale of what Tesla is taking on, but the market is back in love with Tesla, up from \$190 at the start of April to just under \$250 now.

Wherever one looks, Tesla is taking on major established players and transforming the game by building big batteries for motoring and cheaper batteries to take on the centralized power grid (both at household scale as well as now at a commercial level). Of course it is all about execution, but the opportunities are truly visionary and exciting.

There are a number of powerful competitors stirring, but the scale of the markets is so huge I suspect competitors will just help everyone do better (or at least those with quality execution capacity). Tesla looks to me to stay a major player in continuing to help shape the battery market for EVs (cars), homes and commercial storage.

**Subject:** Re: Grattan Institute wrong on solar PV: John Quiggin | Crikey

**From:** Mark Bailey (mangocube6@yahoo.co.uk)

**To:** Sch 4 CTPI

**Date:** Thursday, 4 June 2015, 0:07

Not sure if they have it! Will find out. M

Sent from my iPhone

On 3 Jun 2015, at 10:46 am, Sch 4 CTPI wrote:

Whoops.,I don't have crikey access so I might have to access it via your media team.

Sent from my iPhone

On 3 Jun 2015, at 12:32 am, Mark Bailey <mangocube6@yahoo.co.uk> wrote:

Won't let me read it. Any chance u can downland and send to me?? M Sch 4 CTPI

Sent from my iPhone

On 1 Jun 2015, at 8:21 pm, Sch 4 CTPI wrote:

Grattan Institute wrong on solar PV: John Quiggin | Crikey

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Sent from my iPhone

Released under RTI - DTMR

**Subject:** Re: Distractions And Opportunities For Tesla Batteries: Cars, Home Storage, Now Commercial Storage - Tesla Motors (NASDAQ:TSLA) | Seeking Alpha

**From:** Mark Bailey (mangocube6@yahoo.co.uk)

**To:** Sch 4 CTPI

**Date:** Thursday, 4 June 2015, 0:30

Thx Sch 4 CTPI I am!

Sent from my iPhone

On 3 Jun 2015, at 9:57 am, Sch 4 CTPI wrote:

good info on battery competitors.

hope you are well..

<http://seekingalpha.com/article/3229586-distractions-and-opportunities-for-tesla-batteries-cars-home-storage-now-commercial-storage>

## Distractions And Opportunities For Tesla Batteries: Cars, Home Storage, Now Commercial Storage

Tesla (NASDAQ:TSLA) is again facing significant questions about what sort of company it is. It is best known as the company pioneering confident (range-anxiety-free) Electric Vehicle (EV) motoring, which doesn't involve an internal combustion engine. However, this has involved accessing lithium batteries that are not small (55-85 kWh) and this has meant pioneering these big batteries for a moving vehicle. This in turn led to the decision to build the world's first giga-battery factory in Nevada, with Panasonic (OTCPK:PCRFY) having a big role. Panasonic was the number 1 supplier of lithium batteries for EVs (Tesla) in 2014. The gigafactory was expected to approximately double the output of lithium batteries when it opens in 2016. I'm not convinced that this will be true any more, as there seems to be a stampede of giga-battery factories on the way (see below).

### What market(s) for stationary batteries?

In recent weeks the revolutionary aspect of the Tesla gigafactory is becoming appreciated. The competition for its batteries is now heating up with the release of a stationary battery for various storage applications to complement solar PV power generation at a price point that is astonishing. At first this was envisaged to complement its sister company Solar City (NASDAQ:SCTY) which Elon Musk co-founded. Solar City will be offering solar PV/battery options for small scale solar (residential) products. On announcing the PowerWall battery, the response was so dramatic that \$800 million of expressions of interest were received within a week.

Now Tesla has announced a partnership with Southern Company (NYSE:SO), a major power utility, with a focus on commercial level battery storage.

This is big as it takes Tesla beyond cars, beyond home storage. Elon Musk is not one to do things by halves. It isn't clear to me that the significance for battery production has been digested by the market as yet.

## The EV market

The EV market is real and huge, but there is a major battle to be fought with the oil industry, the world's most powerful fossil fuel lobby group. To be successful in the motor vehicle market requires much education about EVs, as well as building out charging infrastructure. All of these things take time. And cost of batteries is a major determinant for the speed of development of the EV industry. A recent report in *Nature Climate Change* indicates that the price of EV batteries has already fallen to levels not expected to be reached until 2020, and the giga-factory will push them down further. It is hard to get a clear figure on the price, although it is probably in the range \$180-300/ kWh.

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Subject: Fwd: Conversation - ^\_Three^\_ ^\_Life^\_ ^\_Savers^\_

---

From: Mark.Bailey@ministerial.qld.gov.au  
 To: mangocube6@yahoo.co.uk  
 Date: Friday, 5 June 2015, 2:44:46 pm AEST

---

Sent from my iPhone

Begin forwarded message:

**From:** Denise Spinks <Denise.Spinks@ministerial.qld.gov.au>  
**Date:** 5 June 2015 2:22:52 pm AEST  
**To:** Mark Bailey <Mark.Bailey@ministerial.qld.gov.au>, Ellen McIntyre <Ellen.McIntyre@ministerial.qld.gov.au>, Tam van Alphen <Tam.VanAlphen@ministerial.qld.gov.au>, David Shankey <David.Shankey@ministerial.qld.gov.au>, Stephen Johnson <Stephen.Johnson@ministerial.qld.gov.au>, Kate Griffiths <Kate.Griffiths@ministerial.qld.gov.au>, Gai Duffy <Gai.Duffy@ministerial.qld.gov.au>, Vivienne Burton <Vivienne.Burton@ministerial.qld.gov.au>, Sarah K Stibbard <Sarah.K.Stibbard@tmr.qld.gov.au>, FARRANT Alana <Alana.Farrant@dews.qld.gov.au>, Patrick Lloyd <Patrick.Lloyd@ministerial.qld.gov.au>  
**Subject:** FW: Conversation - Three Life Savers

Some nice feedback for Karen

Denise Spinks  
 Chief of Staff  
 Office of the Minister for Main Roads, Road Safety and Ports  
 Minister for Energy and Water Supply

-----  
 P 07 3719 7300 M N/R  
 Capital Hill Building 85 George Street Brisbane QLD 4000  
 PO Box 15185 City East QLD 4002

-----Original Message-----

From: Wendy Bourne  
 Sent: Wednesday, 3 June 2015 1:00 PM  
 To: Karen Robinson; External - Redcliffe Electorate Office  
 Cc: Denise Spinks; James Sullivan  
 Subject: Conversation - Three Life Savers

Hi Karen/Eddie

Attached is a great article in which Mr Ray Borradale from Scarborough thanks you both very much for the assistance you provided him. It's so nice to see such a positive story. Well done to you both.

Regards.

Wendy Bourne  
 Principal Advisor  
 Office of the Hon. Anastacia Palaszczuk MP Premier of Queensland and Minister for the Arts

-----  
 P 07 3719 7034 M N/R  
 Executive Building 100 George Street Brisbane QLD 4000 PO Box 15185 City East QLD 4002

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03 Jun 2015  
Redcliffe & Bayside Herald, Brisbane

Section: General News • Article type : News Item • Audience : 34,238 • Page: 9  
Printed Size: 120.00cm<sup>2</sup> • Market: QLD • Country: Australia • ASR: AUD 508  
Words: 162 • Item ID: 415572261



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Subject: Fwd: Conversation - ^\_Three^\_ ^\_Life^\_ ^\_Savers^\_

From: mangocube6@yahoo.co.uk

To: Sch 4 CTPI

Date: Sunday, 7 June 2015, 12:20:43 pm AEST

Hey Karen,

Hope you are well. Your good work got a mention in despatches. Well done and thanks. M

**From:** Denise Spinks <Denise.Spinks@ministerial.qld.gov.au>

**Date:** 5 June 2015 2:22:52 pm AEST

**To:** Mark Bailey <Mark.Bailey@ministerial.qld.gov.au>, Ellen McIntyre <Ellen.McIntyre@ministerial.qld.gov.au>, Tam van Alphen <Tam.VanAlphen@ministerial.qld.gov.au>, David Shankey <David.Shankey@ministerial.qld.gov.au>, Stephen Johnson <Stephen.Johnson@ministerial.qld.gov.au>, Kate Griffiths <Kate.Griffiths@ministerial.qld.gov.au>, Gai Duffy <Gai.Duffy@ministerial.qld.gov.au>, Vivienne Burton <Vivienne.Burton@ministerial.qld.gov.au>, Sarah K Stibbard <Sarah.K.Stibbard@tmr.qld.gov.au>, FARRANT Alana <Alana.Farrant@dews.qld.gov.au>, Patrick Lloyd <Patrick.Lloyd@ministerial.qld.gov.au>

**Subject:** FW: Conversation - Three Life Savers

Some nice feedback for Karen

Denise Spinks  
Chief of Staff  
Office of the Minister for Main Roads, Road Safety and Ports  
Minister for Energy and Water Supply

-----  
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Capital Hill Building 85 George Street Brisbane QLD 4000  
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Cc: Denise Spinks; James Sullivan  
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Regards,

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Principal Advisor  
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QLD 4002

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03 Jun 2015  
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Section: General News • Article type : News Item • Audience : 34,238 • Page: 9  
Printed Size: 120.00cm<sup>2</sup> • Market: QLD • Country: Australia • ASR: AUD 508  
Words: 162 • Item ID: 415572261



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**Subject:** Interesting

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Tuesday, 9 June 2015, 9:21

[http://www.theguardian.com/sustainable-business/2015/jun/01/can-bladeless-wind-turbines-mute-opposition?CMP=new\\_1194&CMP=](http://www.theguardian.com/sustainable-business/2015/jun/01/can-bladeless-wind-turbines-mute-opposition?CMP=new_1194&CMP=)

--

Sch 4 CTPI

N/R

Sch 4 CTPI

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Subject: ^\_Tmrw^\_

---

From: mangocube6@yahoo.co.uk

To: denise.spinks Sch 4 CTPI

Date: Thursday, 11 June 2015, 8:34:35 pm AEST

---

Let's talk Citizens Taskforce tmrw. Referring to it in corro signing to LNP MP. M

Sent from my iPhone

Released under RTI - DTMR

Subject: ^\_Energex^\_^\_Pic^\_^\_Staff^\_

---

From: Mark.Bailey@ministerial.qld.gov.au

To: mangocube6@yahoo.co.uk

Date: Friday, 12 June 2015, 6:28:29 pm AEST

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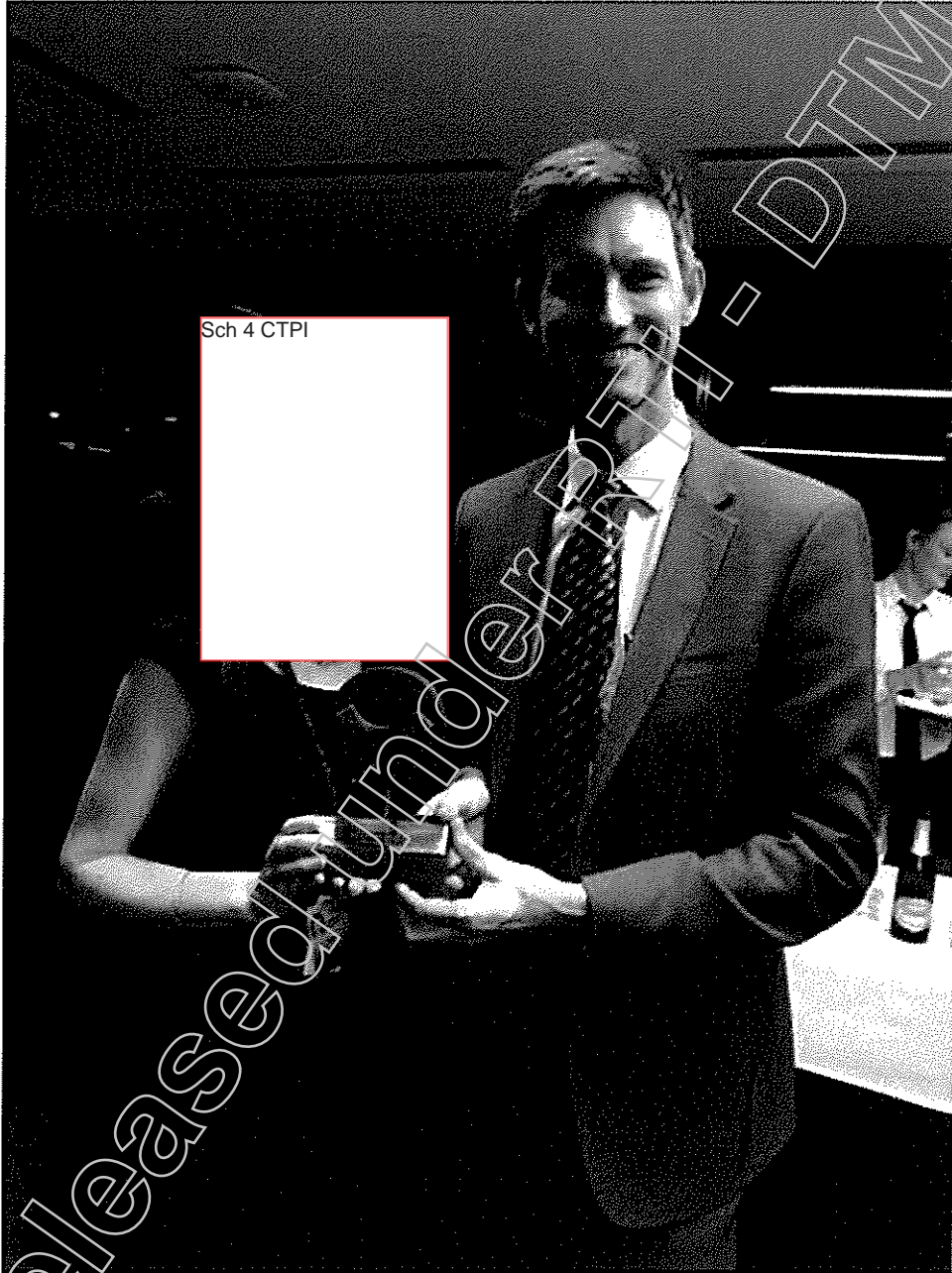


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IMG\_0081.JPG  
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Subject: ^\_Energex^\_ ^\_Control^\_ ^\_Room^\_

---

From: Mark.Bailey@ministerial.qld.gov.au

To: mangocube6@yahoo.co.uk

Date: Friday, 12 June 2015, 6:30:21 pm AEST

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**Subject:** [Mark Bailey MP for Yeerongpilly] New message from Sch 4 CTPI  
**From:** Facebook (notification+o=\_2cfsy@facebookmail.com)  
**To:** mangocube6@yahoo.co.uk;  
**Date:** Friday, 12 June 2015, 21:59

Conversation between Mark Bailey MP for Yeerongpilly and Sch 4 CTPI

Sch 4 CTPI

12 June 21:29

Sch 4 CTPI Sch 4 CTPI

12 June 21:29

Hi Mark can you advise if any Kayak Fishermen consulted or present in the meeting for the changes outlined in the attached article? I hope so having just spent \$3000 on a Hobie Kayak specifically to fish this lake?

See all messages

Sent from Facebook.

This message was sent to mangocube6@yahoo.co.uk. If you don't want to receive these emails from Facebook in the future, please unsubscribe.

Facebook, Inc., Attention: Department 415, PO Box 10005, Palo Alto, CA 94303

Released under RTI - CTMR

**Subject:** Fwd: Ergon's "Privatised" Roames technology awarded for innovation  
**From:** Peter Simpson (ETU) (simmo@etu.org.au)  
**To:** mangocube6@yahoo.co.uk;  
**Date:** Monday, 15 June 2015, 14:52

Wankers

Sent from my iPhone

Begin forwarded message:

**From:** Andrew Irvine <andrew@etu.org.au>  
**Date:** 15 June 2015 2:49:41 pm AEST  
**To:** Stuart Traill <stuart@etu.org.au>  
**Cc:** "Peter Simpson (ETU)" <simmo@etu.org.au>  
**Subject:** Ergon's "Privatised" Roames technology awarded for innovation

<http://www.themorningbulletin.com.au/news/ergon-awarded-for-its-innovation/2671632/>

Andrew Irvine

Media and Research Officer

Mob <sup>N/R</sup>

Office 07 3010 0317

Email [Andrew@etu.org.au](mailto:Andrew@etu.org.au)



**Join Online**

[www.etuyes.com](http://www.etuyes.com)

Or call

**1800ETUYES**



NOT4SALE campaign Links



I respectfully acknowledge the past and present traditional custodians of the land on which we stand

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**Attachments**

- image002.jpg (1.48 KB)
- image003.jpg (1.08 KB)
- image008.jpg (1.31 KB)
- image009.jpg (1.14 KB)

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Subject: ^\_Fwd^\_: ^\_Big^\_ ^\_Bob^\_

---

From: Mark.Bailey@ministerial.qld.gov.au

To: mangocube6@yahoo.co.uk

Date: Tuesday, 16 June 2015, 10:25:03 pm AEST

---

Sent from my iPhone

Begin forwarded message:

From: Ellen McIntyre <Ellen.McIntyre@ministerial.qld.gov.au>

Date: 16 June 2015 7:49:46 pm AEST

To: Mark Bailey <Mark.Bailey@ministerial.qld.gov.au>

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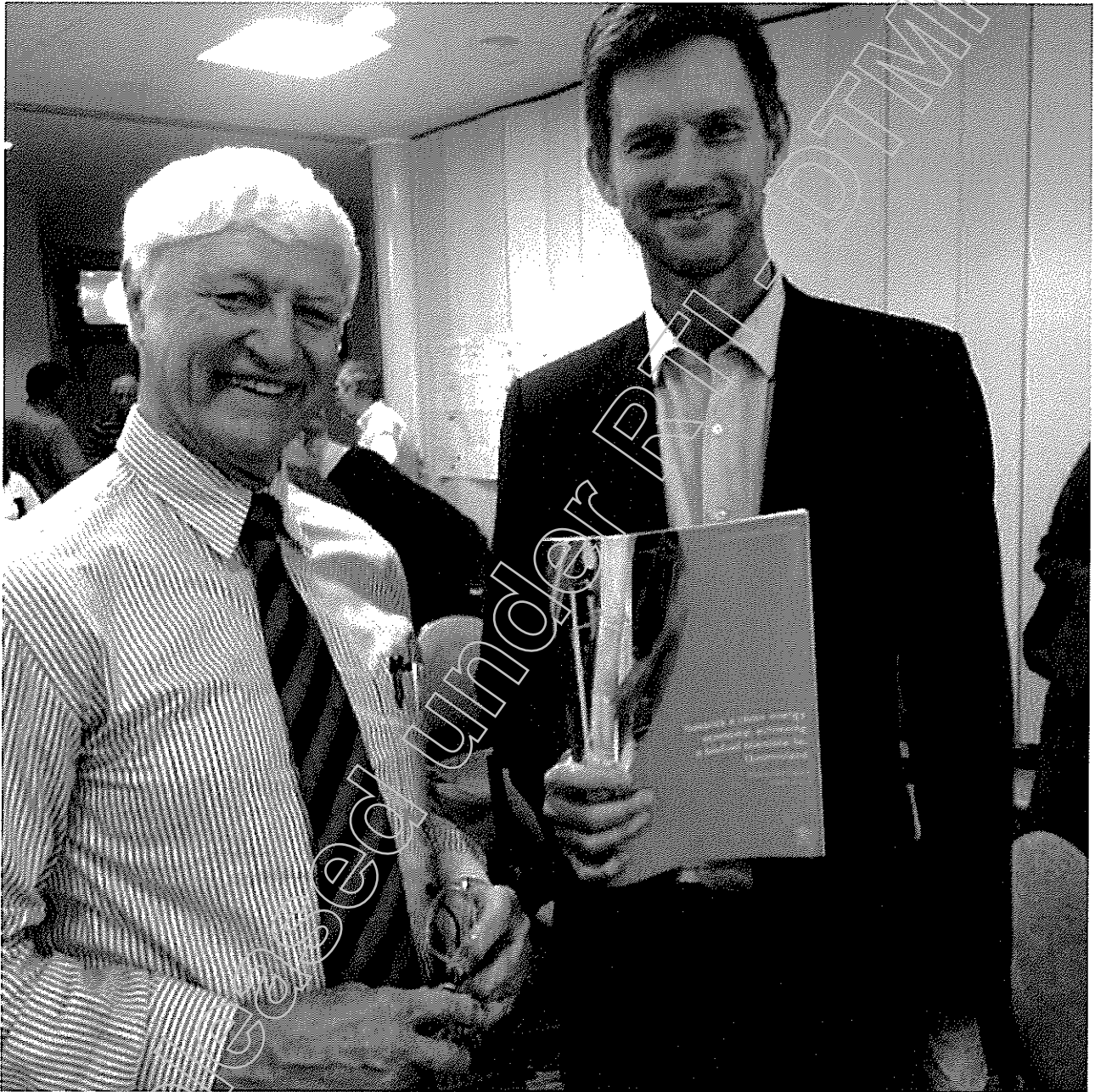
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139.4kB

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Subject: Re: ^\_Ethanol^\_^\_Forums^\_

---

From: mangocube6@yahoo.co.uk

To: denise.spinks [Sch 4 CTPI]

Date: Tuesday, 16 June 2015, 11:40:58 pm AEST

---

Agreed. I'm fine... Just need to keep honing it down as we go. M

Sent from my iPhone

> On 16 Jun 2015, at 10:56 pm, Denise Spinks <denise.spinks [Sch 4 CTPI]> wrote:

>

> Hi - understand on all counts but i will send a few other emails for contxt.

> Always just gotta keep refining this stuff - but i think we are ok placed on both counts.

> Sleep well

>

> Sent from my iPhone

>

>> On 16 Jun 2015, at 10:45 pm, Mark Bailey <mangocube6@yahoo.co.uk> wrote:

>>

>> Heya... 2 Things on My Mind...

>>

>> 1. Branchies & Big Bob rallied today & I just caught up with Bris Times article earlier re Bundy. Not fab though we got some good response lines up. Any public consultation schedule needs to be workshopped by our office in future before green lighting. Daytime was never going to work. Re future forums - Kate or dept needs a program tmrw of calls to all regional stakeholders re Thurs night, and some liaison with party office needed too.

>>

>> 2. We should all have been up in previous media on Twba 2nd Range. LNP have already led with their chin on it. Our risk is much lower as a result. Let's factor in previous LNP positioning on major projects in future.

>>

>> Talk in the morn. M

>>

>> Sent from my iPhone

Released under FOI - DTMR

**Subject:** Hazelwood owner issues 'call to arms' against coal : Renew Economy

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Wednesday, 17 June 2015, 15:26

Hope you are well.

Interesting article and some good quotes to support transition out of coal..

best, Sch 4 CTPI

<http://reneweconomy.com.au/2015/hazelwood-owner-issues-call-to-arms-against-coal-12342>

## Hazelwood owner issues 'call to arms' against coal

The French company that owns the Hazelwood brown coal generator in Victoria – the dirtiest power station in Australia – has issued a “call to arms against coal.”

Gerard Mestrallet, the chairman CEO of GDF Suez, which now calls itself Engie as part of a major corporate make-over, signalled a big push against coal-fired generation in a series of meetings earlier this month at a major gas conference and a pre-Paris business seminar.

The comments were made as Europe's major gas companies – of which Engie is one – called for a switch from coal to gas, and for a significant carbon price to be imposed to hasten that transition.

Engie – which owns plants ranging from coal, gas and nuclear, to increasing investments in wind, solar and hydro – is also forecasting the decline of centralised fossil fuel generation.

It argues that 50 per cent of all generation will be sourced locally, rather than from centralised coal or nuclear generators. It is forecasting a massive energy transition as generation becomes decentralised and digitised.

“Technical progress is powering an energy transition that is not just European, but global,” chief operating officer Isabelle Kocher told the World Gas Conference in Paris earlier this month.



“As energy solutions become smaller and smaller, so energy itself is becoming increasingly local: looking to the future, more than 50 per cent of energy generation will rely on local sources. The sun is local, and so is the wind.”

That view conforms with the outlook of other major European and US utilities. Australian utilities are also seeing the transition taking place, although they differ on just how profound it will be.

Engie has also pulled out of bidding to build a new 1,000MW coal-fired power plant in South Africa. A report in finance journal IJGlobal said no official reason had been given for the withdrawal, but quoted a source that said Engie was “purely exiting due to new concerns over supporting new coal generation.”

Engie recently opened a new wind farm in South Africa and is leading a consortium that is building the Kathu solar park, also in South Africa – a 100MW concentrated solar plant along with a storage system.

The company has declined to comment on the South Africa coal decision, but recently Mestrallet said this about quitting the coal industry in Europe: “The choice we have made is very clear. We have stopped investing .... in thermal power generation in Europe and we are investing in renewables.”

At the WGC, Mestrallet and Total CEO Patrick Pouyanne issued what the official program described as a “call to arms against coal”, pushing for gas to be adopted and helped by an international carbon price.

But what does this mean for Australia, where Engie owns the 1.5GW Hazelwood power station and the 1GW Loy Yang B coal generator, along with other assets such as the Pelican Point gas generator in South Australia? Can Engie say one thing on the international stage, and do another in its portfolio?

The Hazelwood coal mine fire in February, 2014.

The 44-year-old Hazelwood power station is the dirtiest coal generator in Australia and the third-dirtiest in the world, with a carbon intensity of 1.4 tonnes/MWh. The new Victorian Labor state government is coming under pressure to push for the closure of the generator, given its health impacts, the fire last year and the damning follow-up report, as well as the huge amount of excess capacity in the network.

Currently it has a licence to keep operating until 2026, although an analysis by two Harvard fellows estimated the cost of the plant’s emissions at \$900 million a year.

Given Engie’s new rhetoric about climate change in the lead-up to Paris; its ownership by a government desperate to seal a climate deal, its own push to dump coal, its push to impose a carbon price, the

falling profits of the generator, the controversy and costs of the mine fire and its impact on local communities, and the company's recognition that the world is changing rapidly to decentralised generation, it is hard to imagine how they could justify any moves that call for the long-awaited closure.

As Mestrallet himself noted when speaking to analysts earlier this year, there is no doubt about the pace of the "energy transition" across the world.

"It is really a global trend. It is an irreversible movement pushed by the technology, at the same time through the digital revolution and also the renewable revolutions in technologies for wind, for solar, for heat and miniaturisation of the equipments."

Mark Wakeham, from Environment Victoria, said pressure will increase on Engie in the upcoming inquiry into the Hazelwood fire, which has already cost them hundred of millions of dollars in lost income and repairs, and the potential liability that the company faces in future.

"You would think it will concentrate some minds in Paris," he said. "That highlights the need for a Victorian government plan for the future of the region," he said, noting the abrupt closures of smaller power stations in Anglesea in Victoria and Port Augusta in South Australia.

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**Attachments**

- button-print-blu20.png (1.92 KB)
- hazelwood\_emissions.jpg (7.17 KB)
- hazelwood-300x200.jpg (14.82 KB)

Subject: ^\_Fwd^\_: ^\_Rob^\_ ^\_P^\_ ^\_Biz^\_

---

From: Mark.Bailey@ministerial.qld.gov.au

To: mangocube6@yahoo.co.uk

Date: Wednesday, 17 June 2015, 5:00:25 pm AEST

---

Sent from my iPhone

Begin forwarded message:

From: Ellen McIntyre <Ellen.McIntyre@ministerial.qld.gov.au>

Date: 17 June 2015 3:28:54 pm AEST

To: Mark Bailey <Mark.Bailey@ministerial.qld.gov.au>

Sent from my iPhone

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Released Under RTI - DTMR

Subject: FW: Media Release - Government reaches agreement with Labor on taxation of biodiesel and fuel ethanol  
 From: Sch 4 CTPI  
 To: mangocube6@yahoo.co.uk;  
 Date: Thursday, 18 June 2015, 8:05

---

From: The Hon Joe Hockey MP [mailto:noreply@tspace.gov.au]  
 Sent: Wednesday, 17 June 2015 7:01 PM  
 To: Sch 4 CTPI  
 Subject: Media Release - Government reaches agreement with Labor on taxation of biodiesel and fuel ethanol

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## Government reaches agreement with Labor on taxation of biodiesel and fuel ethanol

The Government has today come to an agreement with Labor to implement the 2014-15 Budget measures to gradually increase the excise payable on domestically produced biodiesel and fuel ethanol. The Government will table amendments next week in the Senate to phase in the excise payable for biodiesel producers in equal increments over 16 years, from a rate of zero in 2015-16 ...

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Sch 4 CTPI

Released Under RTI - DTMR

**Subject:** For Automakers, Fuel Economy Targets May Be Less of a Stretch - The New York Times

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Saturday, 20 June 2015, 6:28

<http://www.nytimes.com/2015/06/19/automobiles/wheels/for-automakers-a-coming-fuel-economy-mountain-has-become-a-molehill.html?hpw&rref=business&action=click&pgtype=Homepage&module=well-region&region=bottom-well&WT.nav=bottom-well>

## For Automakers, Fuel Economy Targets May Be Less of a Stretch

Photo



David Key's new Ford F-150 pickup, with a V6 engine and aluminum body, has better mileage and more power than his old F-150. Credit Jeremy M. Lange for The New York Times

WHEN David Key drove his new mostly aluminum-body Ford F-150 pickup home this year, he knew he had made the right choice.

Mr. Key, of Holly Springs, N.C., outside Raleigh, previously owned a 2007 version of the truck with a beast of an engine — a 5.4-liter V8 — that gave him all the power he craved. But the new F-150 featured a

much smaller, 3.5-liter V6, as well as a body made largely from aluminum instead of steel. He was intrigued, but a little nervous.

Could the new truck measure up?

"It's been fantastic," he said. "I can't even believe it's got a V6 in there because it gets more power" than the older truck. "And the gas mileage is incredible."

Mr. Key, 47, said his new truck got more than 23 miles per gallon on a recent family vacation to Florida, a substantial improvement over the 18 m.p.g. he used to get.

When Ford first put a 6-cylinder turbo in the most popular vehicle in America several years ago, critics questioned whether consumers would accept the change. They did. When the company decided to then shed hundreds of pounds of weight by using aluminum, questions again were raised. Although sales have lagged the pickup market this year, Ford has blamed supply issues and not demand.

Such innovations in engine technology and lighter, yet stronger materials are likely to power the entire auto industry as it strives to meet the looming 2025 fuel economy standards, a sweeping new report commissioned by the National Highway Traffic Safety Administration has found.

In fact, the 600-page report, released Thursday, found that hitting those fuel targets of a corporate average of 54.5 miles per gallon could most likely be done without as much difficulty as the industry had feared. For years, the industry has warned that the goals will be all but impossible to meet without widespread adoption of zero-emission technologies like electric cars.

While the study focused primarily on midsize vehicles, it concluded that existing technology like 8-speed transmissions, advanced turbochargers and lighter materials were most likely enough, on their own, to allow automakers to meet the 2025 standards. Electric or fuel-cell vehicles might still be bonuses for automakers, but they were unlikely to be necessary to reach the goal.

The study was conducted by the National Research Council of the National Academy of Sciences, which brought together experts from the auto industry, academia and environmental groups. It evaluated more than 100 combinations of fuel-saving technologies to measure both fuel savings and economic cost.

The cost of carrying out the new rules, the study found, would be significantly less than expected — roughly half of what a previous 2011 report by the same group had estimated.

"This is a good early indication that things are on track to meet the fuel efficiency goals on time and at a reasonable cost," said Roland Hwang, director of the Natural Resources Defense Council's energy and transportation program. "There were lots of claims flying back and forth early on about how much this would cost, and now we know it's going to be very affordable by comparison."

In calculating the cost to automakers of getting a typical midsize car to meet the 2025 target, the study offered two estimates: \$1,200 or \$1,700, depending on certain assumptions. By comparison, the 2011 study had estimated those costs could be higher than \$3,000.

"This is great news," said Dan Becker, a director at the Center for Auto Safety, an advocacy group. "It shows that you can achieve these fuel economy targets with a conventional vehicle, using normal engines, and to do so cost effectively."

Automakers, however, remained skeptical.

Mitch Bainwol, chief executive of the Auto Alliance, a trade group representing several automakers, said that car manufacturers would review the report's findings to "see how they square with the real-world challenges faced by engineers in our testing labs."

"Today, automakers are using every technology available that can improve mileage and still keep vehicles affordable for Americans," Mr. Bainwol said in a statement. "Looking ahead, we will need to see much greater sales of our most energy-efficient vehicles, including electric vehicles, to meet the steep fuel economy standards."

Julia Rege, director of environment and energy affairs at Global Automakers, another industry trade group, said that "significant challenges remain" for manufacturers to reach the 54.5 miles per gallon fleet average by 2025. The current average is 25.5, according to the University of Michigan Transportation Research Institute.

"Greater flexibilities will be necessary for the industry to meet the future standards," Ms. Rege said in a statement, adding that automakers "look forward to continuing our work with the regulatory agencies."

In 2011, when the Obama administration announced its plan to nearly double American automobiles' corporate average fuel economy to 54.5 miles per gallon, the industry resistance behind the scenes was significant. As part of negotiations, the administration agreed to what was called a "midterm review" of the regulations in 2017 — a chance for automakers to take stock of where they are six years later and argue for possible weakening of the rules.

With regulators expected to complete that review by November 2017, the jockeying has already begun, and the safety agency commissioned the new report to act as a vital resource to guide its decision.

"The industry keeps saying we need to change the rules at the midterm review because no one wants to buy an electric car," said Mr. Becker of the Center for Auto Safety. "But the rules don't require selling electric cars, and this report shows you really don't need them to get there."

Automakers disagree and point out that the study focused largely on midsize vehicles, while manufacturers' larger offerings like trucks and S.U.V.s could need no-emissions electric vehicles to balance them out.

John O'Dell, senior editor at Edmunds.com, said that while automakers might have a point that more alternative fuel vehicles could be needed, the adoption of relatively simple, available technology like stop-start (which turns the engine off when a car stops) could make the difference.

Gasoline and diesel engines are becoming so good at squeezing every drop from a gallon of fuel that the cars of 2025 are likely to seem quite familiar, he said.

"They might drive themselves by then," Mr. O'Dell said. "But they're likely to be driving themselves using an efficient internal combustion engine combined with lighter materials."

He pointed to Ford's new F-150 as proof that automakers were already moving in that direction with even their largest vehicles, and that consumers were not only accepting, but flocking to them.

Mr. Key, the North Carolina truck owner, said he enjoyed how the lighter weight not only saved gas, but also made the truck more nimble on the road while he was driving.

At this point, he has yet to get any dings on the new aluminum body. In an effort to keep things that way, Mr. Key said he did not plan to give his two teenage daughters the keys anytime soon.

"Neither one of them are going to drive it," he said. "This one is for me."

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### Attachments

- 19WHEELS-master675.jpg (78.86 KB)

Released under RTI - DTPMR



**Subject:** Re: greetings and uranium roundabouts and swings.....attention requested

**From:** Mark Bailey (mangocube6@yahoo.co.uk)

**To:** D.Sweeney@acfonline.org.au;

**Date:** Sunday, 21 June 2015, 18:06

Hi Dave,

Have heard nothing at all recently Dave. This "NW Qld is different and let regional communities decide" was being run in the week or two after new palaszczuk govt was formed as a way around the ban. We didn't bite. Will check around and see if there is anything new but I really doubt it. Talk soon. M

On Sunday, 21 June 2015, 11:19, "D.Sweeney@acfonline.org.au" <D.Sweeney@acfonline.org.au> wrote:

Hi Mark – trust that you are doing well amidst it all.

Two things comrade

- (i) Thanks for any and all efforts you have made re the proposed weakening of federal Labors national platform re uranium/nuclear issues – not fully confirmed but there has been recent and positive news that this potential meltdown has been averted.
- (ii) Unfortunately though I am hearing a bit of chatter that the same is not necessarily the case in relation to uranium in NW Qld – apparently industry is expecting that a forthcoming NWQ Mineral Province policy/development plan/framework (not sure of exact title) will not preclude uranium developments in the region. Hearing that the Tony McGrady/Robbie Katter 'we're different in the NW' line is or has gained traction in government and a regional exception to the state uranium ban is possible or imminent.....clearly not at all good news. Wondered if you were aware of this talk and its status?

Welcome any insights or a chat if possible,

Solidarity and all best wishes,

Dave



**AUSTRALIAN  
CONSERVATION  
FOUNDATION**

Dave Sweeney  
Nuclear Free Campaigner  
Australian Conservation Foundation  
Level 1 - 60 Leicester Street, CARLTON VIC 3053, Australia  
Ph +61 3 9345 1130 Mob +61 N/R Fax +61 3 9345 1166  
d.sweeney@acfonline.org.au

[www.acfonline.org.au](http://www.acfonline.org.au)  
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**Subject:** RE: greetings and uranium roundabouts and swings.....attention requested  
**From:** D.Sweeney@acfonline.org.au (D.Sweeney@acfonline.org.au)  
**To:** mangocube6@yahoo.co.uk;  
**Date:** Sunday, 21 June 2015, 22:58

All checking out greatly appreciated Mark – thanks comrade!



**AUSTRALIAN  
 CONSERVATION  
 FOUNDATION**

**Dave Sweeney**  
 Nuclear Free Campaigner  
 Australian Conservation Foundation  
 Level 1 - 60 Leicester Street, CARLTON VIC 3053, Australia  
 Ph +61 3 9345 1130 Mob +61 N/R Fax +61 3 9345 1166  
 d.sweeney@acfonline.org.au

[www.acfonline.org.au](http://www.acfonline.org.au)  
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**From:** Mark Bailey [mailto:mangocube6@yahoo.co.uk]  
**Sent:** Sunday, June 21, 2015 6:10 PM  
**To:** Dave Sweeney  
**Subject:** Re: greetings and uranium roundabouts and swings.....attention requested

Will also check out national arena for you as well Dave... M

On Sunday, 21 June 2015, 11:19, "D.Sweeney@acfonline.org.au" <D.Sweeney@acfonline.org.au> wrote:

Hi Mark – trust that you are doing well amidst it all.

Two things comrade

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NWQ Mineral Province policy/development plan/framework (not sure of exact title) will not preclude uranium developments in the region. Hearing that the Tony McGrady/Robbie Katter 'we're different in the NW' line is or has gained traction in government and a regional exception to the state uranium ban is possible or imminent.....clearly not at all good news. Wondered if you were aware of this talk and its status?

Welcome any insights or a chat if possible,

Solidarity and all best wishes,

Dave



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Dave Sweeney

Nuclear Free Campaigner

Australian Conservation Foundation

Level 1 - 60 Leicester Street, CARLTON VIC 3053, Australia

Ph +61 3 9345 1130 Mob +61 N/R Fax +61 3 9345 1166

[d.sweeney@acfonline.org.au](mailto:d.sweeney@acfonline.org.au)

[www.acfonline.org.au](http://www.acfonline.org.au)

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Released Under RTI - DTMR

**Subject:** Fwd: SHORTEN, BOWEN & ALBANESE - MEDIA RELEASE - REGIONAL ROADS TO GET \$1.1 BILLION BOOST UNDER LABOR PLAN - TUESDAY, 23 JUNE 2015  
**From:** Sch 4 CTPI  
**To:** mangocube6@yahoo.co.uk;  
**Date:** Tuesday, 23 June 2015, 13:08

Not main roads.... But still roads.

Sent from my iPhone

Begin forwarded message:

From: "Moore, Andrew (B. Shorten, MP)" <Andrew.Moore@aph.gov.au<mailto:Andrew.Moore@aph.gov.au>>  
Date: 23 June 2015 11:16:48 am AEST  
To: Undisclosed recipients;;  
Subject: SHORTEN, BOWEN & ALBANESE - MEDIA RELEASE - REGIONAL ROADS TO GET \$1.1 BILLION BOOST UNDER LABOR PLAN - TUESDAY, 23 JUNE 2015

[cid:image001.png@01D0ADA5.F1B53C60]

THE HON BILL SHORTEN

LEADER OF THE OPPOSITION

MEMBER FOR MARIBYRNONG

THE HON CHRIS BOWEN MP

SHADOW TREASURER

MEMBER FOR MCMAHON

THE HON ANTHONY ALBANESE MP

SHADOW MINISTER FOR INFRASTRUCTURE AND TRANSPORT

SHADOW MINISTER FOR CITIES

MEMBER FOR GRAYNDLER

REGIONAL ROADS TO GET \$1.1 BILLION BOOST UNDER LABOR PLAN

Labor will seek to secure more than \$1.1 billion in additional funding for regional roads as part of a compromise to pass the Government's re-introduction of indexation for fuel excise.

It's now up to the Abbott Government to decide whether it supports Labor's initiative that will see roads across all of Australia upgraded.

The Abbott Government's cuts to local government have had a devastating effect on economic activity in regional areas with unemployment high and many regions currently experiencing youth unemployment over 20 per cent.

The \$1.1 billion boost to the Roads to Recovery program will stimulate regional economies, generating much needed jobs and a boost for vital local infrastructure.

The Government has smashed confidence since it came to office and undermined the transition in our economy.

In its first Budget, the Prime Minister froze local government assistance grants for three years, cutting \$925 million from communities over three years.

With sub-trend growth persisting, Australia urgently needs a kick start to bring our unemployment rate down.

With estimates there is a \$15 billion local government infrastructure deficit, this funding boost extracted by Labor is critically needed in regional areas.

As a result of a trick to bypass the Senate on the excise indexation, the Abbott Government has threatened to return the additional fuel excise it has collected from Australian motorists over the last 8 months back to oil companies.

This was a difficult decision but the prospect of billions of dollars of being returned to oil companies was clearly unacceptable for Labor – we'd prefer this money be spent on roads in regional and outer suburban areas rather than handed back to multinational companies.

Labor will hold the Government to its announced position that every dollar raised by re-introducing excise indexation is directed to building new and upgrading existing road infrastructure.

The Australian Local Government Association estimated that 11 per cent of roads managed by councils were in a poor or very poor condition. Overall councils manage 670,000km of roads which is about 75 per cent of all roads by length.

TUESDAY, 23 JUNE 2015

MEDIA CONTACT: LEADER'S OFFICE MEDIA UNIT – 02 6277 4053

Sch 4 CTPI

### Attachments

- image001.png (6.44 KB)

**Subject:** FW: Political Alert - RET Cuts Shameful: Majority Want A Solar Future (FED)  
**From:** Sch 4 CTPI  
**To:** mangocube6@yahoo.co.uk;  
**Date:** Wednesday, 24 June 2015, 9:07

-----Original Message-----

**From:** CCH Parliament [mailto:politicalalert@cch.com.au]  
**Sent:** Wednesday, 24 June 2015 7:57 AM  
**To:** politicalalert@cch.com.au  
**Subject:** Political Alert - RET Cuts Shameful: Majority Want A Solar Future (FED)

Please find attached:

**RET CUTS SHAMEFUL: MAJORITY WANT A SOLAR FUTURE (FED)**

The passing in the Senate of legislation to slash the RET last night is an outrageous setback for the sector but there's no stopping the momentum and public support for more solar in Australia's energy mix, according to Solar Citizens. National Director Claire O'Rourke said a recent survey of Solar Citizens members found that when it comes to energy issues 96% of people said the government was protecting the interest of big power companies over Australians. With an overwhelming 92% of people saying it is important for Australia to be supporting the installation on household solar and 95% were more likely to vote for a party with good solar policies.

175S1004

Total number of pages 1

SUPPORT: politicalalert@cch.com.au or 02 6273 2070. Twitter: https://twitter.com/political\_alert

Sch 4 CTPI



**Attachments**

- 175S1004.DOC (23.50 KB)

**MEDIA RELEASE**  
**24 June 2015**

## **RET Cuts Shameful: Majority Want A Solar Future**

The passing in the Senate of legislation to slash the RET last night is an outrageous setback for the sector but there's no stopping the momentum and public support for more solar in Australia's energy mix, according to Solar Citizens.

National Director Claire O'Rourke said a recent survey of Solar Citizens members found that when it comes to energy issues 96% of people said the government was protecting the interest of big power companies over Australians.

With an overwhelming 92% of people saying it is important for Australia to be supporting the installation on household solar and 95% were more likely to vote for a party with good solar policies.

"The slashing of the Renewable Energy Target has seen the Federal Government place the vested interests of the big power companies above sensible policy. We are demanding that our politicians look to a more ambitious future for clean energy, not put jobs, growth and investment in the shade," Ms O'Rourke said.

"The relief for people who want to take control of their power bills is that there have been no changes to the household solar part of the RET, the SRES, which helps with the cost of installing a system."

"Solar and renewables should be a non-partisan issue. Solar is supported by most Australians as the best way to take control over their bills and produce their own clean energy.

"Polls and surveys consistently demonstrate that Australians want more solar panels installed on suitable rooftops across the nation and fair reward for the energy generated by solar households.

"As I travel around the country as part of our Stand Up for Solar campaign, I'm meeting people from all walks of life who are excited by the opportunities presented by rooftop solar, and storage technology.

"It's time our politicians took strong action to turn this bright, shared vision for the future of solar into a reality," Ms O'Rourke said.

**Claire O'Rourke available for interview.**

**More on Stand Up for Solar: [www.standupforsolar.org.au/](http://www.standupforsolar.org.au/)**

**Media contact: Amy Gordon**



Subject: FW: Political Alert - Renewable energy crisis is over (^\_FED^\_)

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From: Sch 4 CTPI

To: mangocube6@yahoo.co.uk

Date: Wednesday, 24 June 2015 09:08:06 AM AEST

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-----Original Message-----

From: CCH Parliament [mailto:[politicalalert@cch.com.au](mailto:politicalalert@cch.com.au)]

Sent: Tuesday, 23 June 2015 11:36 PM

To: [politicalalert@cch.com.au](mailto:politicalalert@cch.com.au)

Subject: Political Alert - Renewable energy crisis is over (FED)

Please find attached:

RENEWABLE ENERGY CRISIS IS OVER (FED)

The legislation for a bipartisan deal on the Renewable Energy Target (RET) has passed through the Australian Parliament tonight, opening the way for Australia to now unlock the massive potential for renewable energy investment and jobs over the next decade. Clean Energy Council Chief Executive Kane Thornton said the return to bipartisanship was the critical factor that would allow investment to resume and for major renewable energy projects to move forward.

174S1029

Total number of pages 1

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Sch 4 CTPI



174S1029.DOC

70kB



## Media Release: Renewable energy crisis is over

Tuesday 23 June 2015

The legislation for a bipartisan deal on the Renewable Energy Target (RET) has passed through the Australian Parliament tonight, opening the way for Australia to now unlock the massive potential for renewable energy investment and jobs over the next decade.

Clean Energy Council Chief Executive Kane Thornton said the return to bipartisanship was the critical factor that would allow investment to resume and for major renewable energy projects to move forward.

"While this has been a challenging process, and we are disappointed by the level of reduction of the target for large-scale renewable energy, the passage of this legislation provides the platform for a doubling of renewables over the next five years," Mr Thornton said.

"The legislation also removes the two-yearly reviews of the scheme and ensures no changes to the Small-scale Renewable Energy Scheme, which is great news for thousands of people working in the rooftop solar and solar hot water sectors.

"We have fought hard for a resolution of this review over the last 18 months and are confident this will see a return to work for our industry, with between 30-50 major renewable energy projects and hundreds of medium-sized projects to be built over the next five years.

"This legislation will lead to more than \$40 billion of investment and the creation of 15,200 jobs over the life of the RET. Importantly it will also protect the livelihoods of the 20,000 Australians directly employed by the renewable energy industry, whose jobs have been under a cloud for the last 18 months," he said.

Mr Thornton said the final bipartisan deal was only possible due to a huge effort by the industry's supporters in the Federal Government, the federal Labor Party, the Greens and key cross-bench senators.

The final negotiation to secure passage of this deal through the Senate involved a government commitment to a range of initiatives and measures relating to the regulation of the wind sector and promotion of the solar sector.

"We are disappointed about moves to introduce further red tape on the wind sector, given the stringent and robust regulatory framework already in place for wind energy in Australia. The industry will however work closely with the government to ensure these measures genuinely improve the regulatory framework and are developed based on credible scientific research by independent expert bodies," Mr Thornton said.

"This commitment also includes a range of welcome initiatives to further support and promote solar power in Australia, and we look forward to working with the government on these initiatives.

"The renewable energy industry is now looking forward to exceeding expectations and realising the huge potential of this industry over the next five years. Australians overwhelmingly want more renewable energy, and our industry is now ready to start delivering that."

**Please contact Clean Energy Council Media Manager Mark Bretherton on 0413 556 981 for more information or to arrange an interview.**

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Released under RTI - DTMR

**Subject:** RE: Select Solutions  
**From:** Peter Simpson (ETU) (simmo@etu.org.au)  
**To:** mangocube6@yahoo.co.uk; denise.spinks Sch 4 CTPI  
**Cc:** stuart@etu.org.au;  
**Date:** Thursday, 25 June 2015, 11:53

Sorry, Tuesday now, will get Stu to keep you in the loop

**From:** Peter Simpson (ETU)  
**Sent:** Thursday, 25 June 2015 10:11 AM  
**To:** 'mangocube6@yahoo.co.uk'; 'denise.spinks' Sch 4 CTPI  
**Subject:** FW: Select Solutions  
**Importance:** High

This is going to blow up in the morning, I've given Stuey the imprimatur to kick the absolute shit out of them first up tomorrow

This will get ugly

Fyi

**From:** Peter Simpson (ETU)  
**Sent:** Thursday, 25 June 2015 10:09 AM  
**To:** Stuart Traill; BOWES Geoff (FN)  
**Cc:** LEIGHTON Steve (CA); MONTGOMERY Brad (NQ); WINTERS Matthew (SW); BLOOM Greg (NQ) (Greg.Bloom@ergon.com.au); CONWAY Jason (CA) (Jason.Conway@ergon.com.au); Ergon - McGAW Chris; Hilly; RIX Ian (MK) (ian.rix@ergon.com.au); scott.sologinkin@ergon.com.au  
**Subject:** RE: Select Solutions

If they can't and won't do anything about it, we will.

This is a disgrace! This mob should never have even been considered for this important contract and all you clowns have succeeded in doing is pissing off a decent contractor and outsourcing the work to an overseas multinational that obviously couldn't organise jack!

Given your reluctance to address this issue months ago when it was raised with you, we will address it, I would have thought that someone was left in Ergon management with half an ounce of common sense but this clearly shows I was wrong.

Stuey, whatever needs to happen eh

Simmo

**From:** Stuart Traill  
**Sent:** Thursday, 25 June 2015 9:59 AM  
**To:** BOWES Geoff (FN)  
**Cc:** LEIGHTON Steve (CA); MONTGOMERY Brad (NQ); WINTERS Matthew (SW); Peter Simpson (ETU); BLOOM Greg (NQ) (Greg.Bloom@ergon.com.au); CONWAY Jason (CA) (Jason.Conway@ergon.com.au); Ergon - McGAW Chris; Hilly; RIX Ian (MK) (ian.rix@ergon.com.au); scott.sologinkin@ergon.com.au  
**Subject:** RE: Select Solutions

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In disgust,

Stuey.

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3/4

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**Attachments**

- image001.jpg (63.44 KB)

Released under RTI - DTMR

# Ergon Energy Customers Forced to Pay More



Ergon has outsourced permanent jobs to Foreign Companies that can't do the Job

**Ergon Energy** have awarded a contract to **Select Solutions** a wholly owned subsidiary of

**Ausnet (formerly SP Ausnet)**

which is majority owned by

**China State Grid and**

**Singapore Power.**



**Queensland electricity customers are now being forced to pay for the failings of Select Solutions and Ergon does Nothing.**

With the Federal Government's China Free trade agreement what could this mean for Queensland workers?

- **Fewer Jobs for locals and unfettered access for overseas workers.**

**Electricity Customers should contact Ian McLeod to voice their disgust. CONTACT ERGON TODAY – [Ian.McLeod@ergon.com](mailto:Ian.McLeod@ergon.com) Ph:**

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Subject: Fwd: Select Solutions  
 From: Mark Bailey (mangocube6@yahoo.co.uk)  
 To: denise.spinks Sch 4 CTPI  
 Date: Thursday, 25 June 2015, 13:44

This is Tues now. Talk soon. Likely see Simmo soon. M

Sent from my iPhone

Begin forwarded message:

From: "Peter Simpson (ETU)" <simmo@etu.org.au>  
 Date: 25 June 2015 10:10:46 am AEST  
 To: "mangocube6@yahoo.co.uk" <mangocube6@yahoo.co.uk>, "denise.spinks Sch 4 CTPI" <denise.spinks Sch 4 CTPI>  
 Subject: FW: Select Solutions

This is going to blow up in the morning, I've given Stuey the imprimatur to kick the absolute shit out of them first up tomorrow

This will get ugly

Fyi

From: Peter Simpson (ETU)  
 Sent: Thursday, 25 June 2015 10:09 AM  
 To: Stuart Trill; BOWES Geoff (FN)  
 Cc: LEIGHTON Steve (CA); MONTGOMERY Brad (NQ); WINTERS Matthew (SW); BLOOM Greg (NQ) (Greg.Bloom@ergon.com.au); CONWAY Jason (CA) (Jason.Conway@ergon.com.au); Ergon - McGAW Chris; Hilly; RIX Ian (MK) (ian.rix@ergon.com.au); scott.sologinkin@ergon.com.au  
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**Attachments**

- image001.jpg (63.44 KB)

Released Under RTI - DTMR

Subject: Re: Select Solutions  
From: Peter Simpson (ETU) (simmo@etu.org.au)  
To: mangocube6@yahoo.co.uk;  
Date: Thursday, 25 June 2015, 13:45

N/R - Party Political

On 25 Jun 2015, at 1:43 pm, Mark Bailey <mangocube6@yahoo.co.uk> wrote:

N/R - Party Political

On 25 Jun 2015, at 12:01 pm, Peter Simpson (ETU) <simmo@etu.org.au> wrote:

The entrée fyj

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<image001.jpg>

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<ETU-Ergon-Ausnet\_M6x3-3.pdf>

Released Under RTI - DTMR



**Subject:** Solar wars: How networks discriminate against solar households : Renew Economy  
**From:** Sch 4 CTPI  
**To:** mangocube6@yahoo.co.uk;  
**Date:** Thursday, 25 June 2015, 15:38

Hi Mark.. a bit of a technical wade, but good analysis for your advisors

<http://reneweconomy.com.au/2015/solar-wars-how-networks-discriminate-against-solar-households-80029>

## Solar wars: How networks discriminate against solar households

The Australian Energy Regulator (AER) has rejected SA Power Network's (SAPN's) proposal to charge households with rooftop solar higher prices than they charge households without. An exciting day for the tariff tragics amongst us. Others might ask why the big fuss – households don't see the network charge (retailers absorb it and then pass it on, not necessarily in the same way that they charged). Stick with it, sweating the details will reward.

SAPN suggested that households with rooftop solar should pay higher prices than non-solar households because it said their evening peak demands are a few watts higher than households without solar. The AER said the difference is not meaningful (or demonstrated) and so SAPN's argument for discriminating between households with and without PV on this basis does not pass muster. They have invited SAPN to sharpen their pencils and try again.

Whether or not solar households' evening peak demands are a few watts per hour higher is not the point anyway. The hulk of the cost of a distribution network is not in its residential feeders but in its zone and distribution substations and in the higher voltage ring mains and meshed network. It simply does not matter whether households with rooftop PV consume a little more in the evening than households without PV.

In fact if you look at the situation more closely you find that a quarter of South Australia's households with solar panels on their roofs are getting no credit for the third of their PV capacity that is producing electricity at the time of the simultaneous peak on SAPN's network. It is at the time of this simultaneous peak demand that, by definition, the network is being used to the greatest extent. "Cost reflective" tariffs should mean *lower* not higher network prices for households (or businesses) with PV, whose panels inject electricity into the grid in the opposite direction to the prevailing flows, when it is most needed.

So, why then did SAPN propose to raise prices for households with PV? Quite simply households with PV consume less electricity from the grid than they did when they did not have the panels and SAPN wants to get back as much from them as they used to. This has nothing to do with "cost reflective" tariffs. It is about the recovery of SAPN's historic expenditures (and SAPN's profits thereon).

SAPN is not alone in this. Figure 1 below compares how the average price for network services for households with PV compares to the average price for households without, with this difference expressed as a percentage of the network tariff.

**Figure 1. Difference between network price for households with rooftop solar compared to households without (positive difference means households with rooftop solar are paying more)**

*Source: Rooftop solar PV and network tariffs: Information and discussion. Prepared for UnitingCare Australia.*

The tick-up in SAPN's proposed solar tariffs for 2015/16 (the red line) is visible. But it is also clear that SAPN is not the worst offender and that other distributors have been at this game – particularly AusNet and CitiPower in Victoria – for some time. CitiPower in particular charge households with PV that receive the premium feed-in tariff (of which I am one) about 50% more than they charge households without PV.

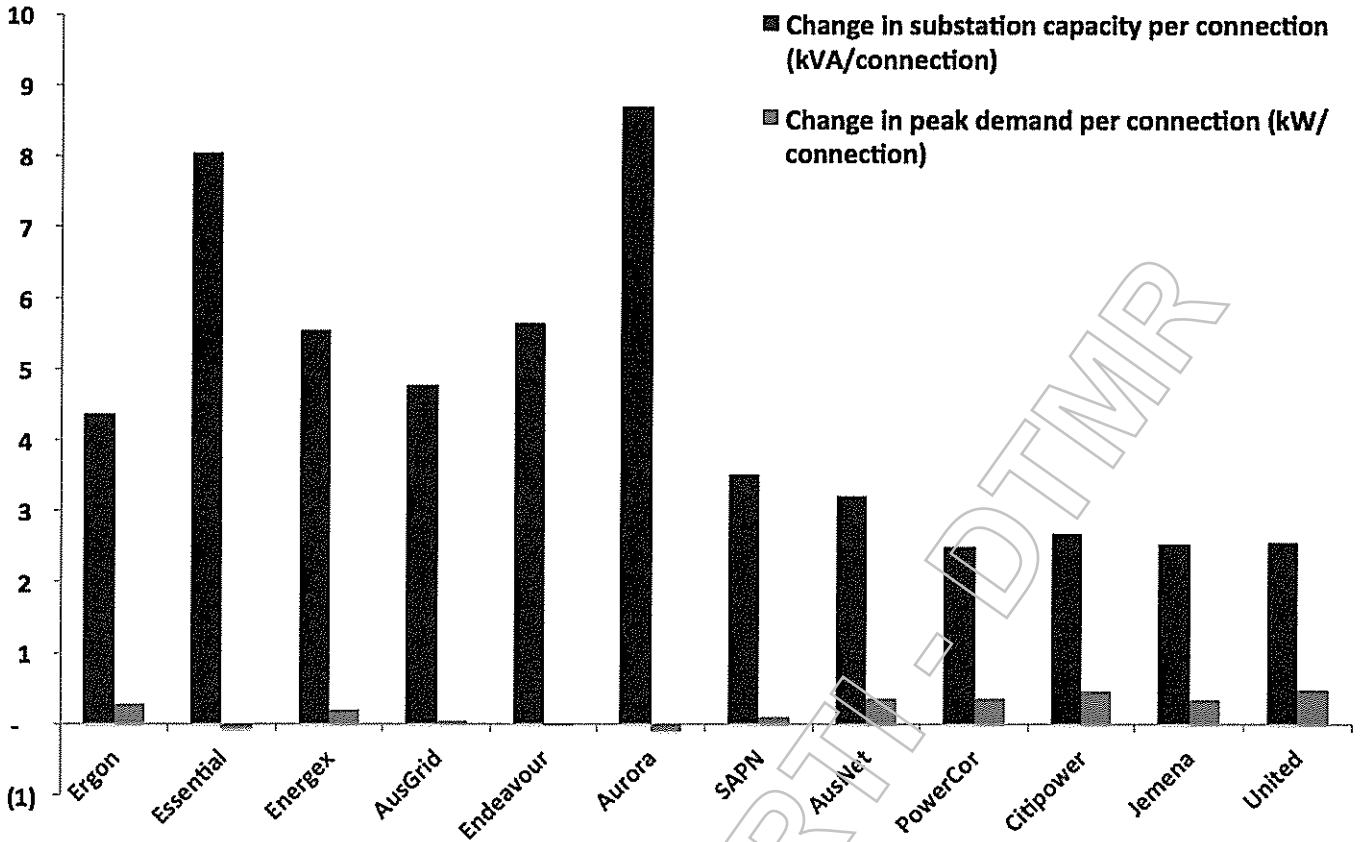
Also, to SAPN's credit, unlike other distributors, they are not trying to foist higher fixed charges onto households with PV, but have instead proposed higher variable charges. Even if SAPN has erred in setting higher prices, they have at least proposed an economically sensible price structure.

The AER's decision to reject this solar network tariff is a first. But AusNet Services, CitiPower, Powercor and AusGrid have discriminatory network tariffs for Premium Feed-in Tariff recipients. AusGrid's was at one time "cost reflective" and so meant lower network prices as it should. The Victorian distributors went the other way and AusNet Services persists with a significantly adverse network tariff for solar customers, as Figure 1 shows. The AER will now need to direct its attention to those distributors who are clearly discriminating against households with rooftop solar, whose tariffs the AER has in the past approved.

Prices, when you look at them carefully, can tell you so much. The distributors' attempt to charge PV customers more, is a reflection of the challenge that the industry is facing of technology change (PV and soon also batteries) that is providing consumers with the opportunity for greater self-sufficiency. Many are grabbing this opportunity, as they should, and long-standing monopolies are being undermined.

This technology change is occurring after the distributors have been on a protracted spending spree, vastly augmenting network capacity that is now not needed. Figure 2 shows the additional substation capacity that distributors in the National Electricity Market installed between 2006 and 2013 and compares it to the change in demand over this period, both expressed per connection. Many economists have spent their lives thinking about regulatory arrangements that try to prevent outcomes such as this.

**Figure 2. Change in substation capacity and peak demand per connection between 2006 and 2013 (kVA/kW per connection)**



Source: Regulatory Information Notices, CME analysis

Such massive expenditure (in combination with the other capital expenditures) has left Australia's distributors – particularly its government-owned distributors – with regulated assets per connection far above those of peers in other countries as shown in Figure 3.

Figure 3. Regulated asset base per connection for distributors with more than 35,000 connections in Australia, New Zealand, Ontario, Great Britain and Norway

Source: Data from national and regional energy regulators, CME analysis

Network service providers like to characterise the problem as one of subsidy to free-riding households who have installed PV. It is understandable that they would want to characterise it that way, they are losing business to those customers that are going their own way. The distributors are right that there is a subsidy, but it is not to households with PV. The subsidy is from consumers to distributors allowing the distributors to profit on many years of deeply wasteful expenditure.

Mistakes of the past should not be allowed to undermine economically sensible futures. The AER's decision to reject SAPN's discrimination against households with rooftop solar is a welcome first step in the right direction.

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**Attachments**

- button-print-blu20.png (1.92 KB)
- Trina-5.0kW-Solar-System1.jpg (224.58 KB)
- rsz\_screen\_shot\_2015-06-25\_at\_23742\_pm.jpg (48.85 KB)
- Screen-Shot-2015-06-25-at-2.37.55-pm.png (77.72 KB)
- rsz\_screen\_shot\_2015-06-25\_at\_23806\_pm.jpg (36.97 KB)

Released under RTI - DTMR

**Subject:** Qld battery tech company raises \$3.7m, attracts 'guru' investors : Renew Economy

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Thursday, 25 June 2015, 16:12

and this..

<http://reneweconomy.com.au/2015/qld-battery-tech-company-raises-3-7m-attracts-guru-investors>

## Qld battery tech company raises \$3.7m, attracts 'guru' investors

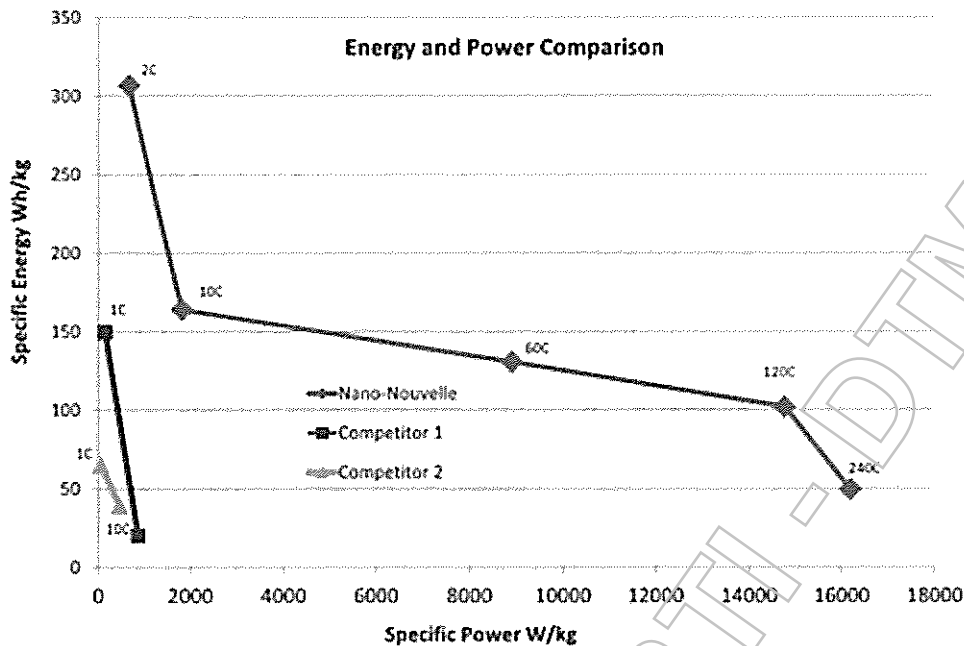


Queensland battery materials start-up Nano Nouvelle has successfully closed a \$3.7 million funding round, after its promising battery electrode technology attracted the interest of several high profile cleantech investors.

According to a company statement, investment was led by existing shareholder Terra Rossa Capital, with the substantial participation of well known cleantech supporters Simon Hackett and Bradley Maguire, together with nine other new and existing investors.

Nano-Nouvelle's "Nanode" – which is working towards commercialisation from being purely conceptual in 2011 – is a three-dimensional nano-structured, porous electrode aimed at overcoming the limitations of current batteries, by allowing them to charge faster and last longer than current commercial competitors (see graph below).

# Performance



Nano-Nouvelle Pty Ltd

8

According to the below video, the technology – which has the potential for a broad range of applications – is currently targeting a select few, including micro-hybrid energy storage and grid smoothing, and the mobile phone and tablet market; both of which are currently being tested in house, on a pilot scale.

It appealed to tech guru (and Tesla owner) Hackett for its potential to fast charge batteries in electric cars and in personal electronic devices.

“Nano-Nouvelle’s disruptive technology could change the way that we interact with battery-operated electronic devices,” Hackett said in a statement on Wednesday. Hackett has also invested in Queensland battery storage developer RedFlow, and is taking his Adelaide offices off-grid.

“The (Nano-Nouvelle) team understands this problem space very well and they are well advanced on the path to realising their vision,” he said.

Nano-Nouvelle was also awarded a top gong in the Investment Category of the annual IC Business Pitch Competition on the Sunshine Coast last August.

Judges were reportedly impressed by CEO Stephanie Moroz’s investment pitch, which they said clearly outlined a scalable business with innovative intellectual property, global licencing opportunities and a clear exit strategy.

Terra Rossa Capital, which first invested in Nano-Nouvelle back in 2011, said the company had continued to impress, and was now “progressing commercial relationships with the leading players in the global battery industry.”

Nano-Nouvelle says it will put the funding towards collaborations with customers, developing manufacturing processes, and ongoing product development.

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**Attachments**

- button-print-blu20.png (1.92 KB)
- Screen-Shot-2015-06-25-at-12.33.31-pm-590x445.png (87.83 KB)

Released under RTI - DTMR

Subject: ^\_Fwd^\_: ^\_Select^\_ ^\_Solutions^\_

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From: simmo@etu.org.au

To: mangocube6@yahoo.co.uk

Date: Thursday, 25 June 2015, 5:09:42 pm AEST

---

As per my text mate

Sent from my iPhone

Begin forwarded message:

**From:** Stuart Traill <stuart@etu.org.au>

**Date:** 25 June 2015 5:03:42 pm AEST

**To:** "BOWES Geoff (FN)" <geoff.bowes@ergon.com.au>

**Cc:** "LEIGHTON Steve (CA)" <steve.leighton@ergon.com.au>, "MONTGOMERY Brad (NQ)" <brad.montgomery@ergon.com.au>, "Peter Simpson (ETU)" <simmo@etu.org.au>

**Subject:** Re: Select Solutions

No surprises in that response from a bunch of incompetent Ergon Managers.

There was never any discussion about transitions or Ergon still doing the work during the FWC dispute or mandatory consultation, this all going on whilst your contract mates can't deliver on their obligations.

Why the hell did Ergon employees get made redundant if there was a staged implementation?????????

You and I know that ergon has raised significant concerns about their performance/resourcing and has formalised these concerns, despite the ongoing non conformance Ergon from the CEO down continues to make excuses for an ex Ergon manager.

Our members won't accept this weak as piss response.

Sent from my iPhone

On 25 Jun 2015, at 4:50 pm, BOWES Geoff (FN) <geoff.bowes@ergon.com.au> wrote:

Dear Stuart,

I refer to your recent email correspondence regarding Ergon Energy's contract with Ausnet Electricity Services (Select Solutions) for the provision of Metering and Customer Services.

In regard to Select Solutions' staff being paid correctly for overtime work, we confirm that Select Solutions has a current Enterprise Agreement in place which applies to their employees engaged in the roles undertaking metering and customer service work and that this agreement includes provision for payment of penalty rates for after-hours work. The contractor has confirmed that it has been paying the appropriate penalty rates in accordance with the terms of their enterprise agreement.

Ergon Energy has followed up with Select Solutions and reviewed relevant time and wages records which supports that Select Solutions are paying in accordance with the entitlements under the terms of their enterprise agreement. As part of the management and advice regarding employment terms and conditions Select Solutions has dedicated human resource management specialists and expertise in the organisation which assist with the relevant procedures and conditions being followed.



Select Solutions also advises that they had recently experienced an issue during the change-over to the SAP payroll system whereby overtime payments for some employees were missed in one pay run however this has subsequently been addressed with outstanding amounts already paid, or scheduled to be paid in the next pay run. They also advise that impacted staff were advised of this matter and timeframe for resolution.

Whilst Ergon Energy is satisfied that Select Solutions' staff are being paid in accordance with the relevant EA any future anomalies identified by any of your members employed by Select Solutions should be directed to Select Solutions in the first instance. If you are not satisfied with the response and have concerns about any potential contractual breaches we would be happy to investigate.

In general terms regarding the status of the contract with Select Solutions, Ergon Energy is not aware of any contract performance issues or breaches that would require suspension of the contract and accordingly will not be taking any such action.

Ergon Energy has been transitioning works to Select Solutions under a staged implementation process between 4<sup>th</sup> May and 15<sup>th</sup> June 2015. During this time Select Solutions have engaged and mobilised 22 local and regional employees under the contract as well as introducing a small number of subcontractors.

All employees and subcontractors performing works under the contract are required to be appropriately authorised as Meter Readers or Meter Reconnection Officers prior to commencement.

During the first 3 to 6 months of the contract it was anticipated that there would be a small number of transitional activities that may require appropriate support from Ergon Energy crews as new contractor staff became familiar with the "local knowledge". As it has been less than 2 months since the contract first started we expect that further issues will be identified and addressed over the coming months. Accordingly we would also expect that any future reliance on Ergon Energy back-up capability will reduce during this period. However Ergon Energy will continue to utilise both its internal workforce and contractor workforce to ensure the delivery of customer services to the required standards and timeframes as necessary.

During the week ending 22<sup>nd</sup> June (the first full week after transition of all relevant services), the contractor successfully completed more than 2,000 service orders with better than 99% on-time compliance.

There have been no significant safety incidents or issues identified to date. Ergon Energy will continue to monitor the contractor's safety performance and safety management systems via routine audit programs.

The contractor has been addressing concerns raised by Ergon Energy regarding staff availability to respond to after-hours reconnections. This work is in scope of the contract, and the contractor has identified some localities where they have experienced difficulty in recruiting suitable staff. However they are progressively addressing these gaps through on-going recruitment activity and, where necessary, via local sub-contractor arrangements advised to Ergon Energy. Ergon Energy is very mindful of the impacts on local crews and our customers in regard to after-hours call-out activities and have prioritised this issue with the contractors. We are satisfied that the contractor understands our requirements and their obligations and is working towards satisfactory arrangements for all locations.

In summary upon reviewing the concerns raised further it is Ergon Energy's view that there are no genuine grounds to consider suspension of the contract and trust that the responses provided addresses the concerns raised.

Ergon Energy is committed to resolving issues in regard to the operation and performance of the Customer and Metering Service contract by engaging in reasonable and constructive discussion on these matters as they arise. It is however important to note that such an approach can only be achieved with the genuine commitment from both parties and attempts to threaten ultimatums runs counterproductive to achieving a reasonable and effective relationship.

We are happy to address any future issues via the Customer Service Consultative Committee forum or by direct discussion.

Regards.

Geoff

**Geoff Bowes**

Customer Delivery Manager Connections Relations & Metering  
Ergon Energy

109 Lake Street, Cairns QLD 4870  
PO Box 358, Cairns QLD 4870  
P 07 4080 4992 M N/R F 07 4080 4704  
E [geoff.bowes@ergon.com.au](mailto:geoff.bowes@ergon.com.au)

[ergon.com.au](http://ergon.com.au)

<image004.png>



<image006.png>

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**From:** Stuart Traill [<mailto:stuart@etu.org.au>]  
**Sent:** Thursday, 25 June 2015 9:59 AM  
**To:** BOWES Geoff (FN)  
**Cc:** LEIGHTON Steve (CA); MONTGOMERY Brad (NQ); WINTERS Matthew (SW); Peter Simpson (ETU); BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB)  
**Subject:** RE: Select Solutions

Geoff,

My concern is that Ergon will obtain some weak as piss legal advice to try and cover their arse from being sued by a large multi national instead of having the guts to stand your ground and say "you haven't delivered on your contractual obligations, until you can you are suspended".

This weak approach will continue to apply unnecessary oncosts to internal operations and overheads further allowing Ergon to argue for future contracts on the basis that Ergon staff can't do it as cheap as the shitbag contractors.

It has also been noted by our members that this looks like certain Managers are trying to do whatever they can to keep this contract going to justify their jobs.

Maybe this afternoon you will prove me wrong but I won't be holding my breath because it seems again like Contractors are running the show, particularly a contractor with long term friendships within Ergon. This stinks to high heaven and I promise if this is not resolved today to expose the level of deceit throughout this contract from the CEO down.

Brad, save yourself the time of an email, I know you don't want me to use colourful language in emails but when Managers are making decisions to hand money to overseas companies that refuse to comply with their obligations at our expense we no doubt get the shits.

In disgust,

Stuey.

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**From:** BOWES Geoff (FN) [mailto:[geoff.bowes@ergon.com.au](mailto:geoff.bowes@ergon.com.au)]  
**Sent:** Thursday, 25 June 2015 9:44 AM  
**To:** Stuart Traill  
**Cc:** LEIGHTON Steve (CA); MONTGOMERY Brad (NQ)  
**Subject:** RE: Select Solutions

Dear Stuart,

Thanks for your email. I understand that you have discussed the issues further with Brad Montgomery this morning.

We are currently investigating the issues you have raised and will respond to you by close of business today as requested in your email yesterday.

Regards.

Geoff

**From:** Stuart Traill [<mailto:stuart@etu.org.au>]  
**Sent:** Thursday, 25 June 2015 8:37 AM  
**To:** LEIGHTON Steve (CA); BOWES Geoff (FN)  
**Cc:** WINTERS Matthew (SW); BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB)  
**Subject:** FW: Select Solutions

Steve, Geoff,

More now from Toowoomba on the back of Bundaberg, this Company is a disgrace, we advised Ergon at the start that there would be problems and we were ignored. It seems like China State Grid, Select and Rick Higginson is dictating terms to a Queensland Government owned Corporation and you mob are letting them.

This is about to erupt into the biggest blew that we have ever had against a contractor and Ergon I can assure you.

COB today is the deadline to suspend them or it's on.

Stuey.

---

**From:** WINTERS Matthew (SW) [<mailto:matthew.winters@ergon.com.au>]  
**Sent:** Wednesday, 24 June 2015 1:40 PM  
**To:** Stuart Traill  
**Subject:** FW: Select Solutions

Stuey

I have some specific recent examples from our blokes who are in fact doing work which I believe should be covered by Select Solutions.

Bloke 1 was sent to do a reconnect after hours only recently to Sch 4 CTPI Dr which was not the correct address. He was then directed to Sch 4 CTPI Dr which does not exist. After much perseverance from our member he was able to determine the correct address was Sch 4 CTPI Dr. He then reconnected this premis as requested.

Bloke 2 Performed a reconnect after hours earlier this month as requested Sch 4 CTPI Dr 10-6-15

Bloke 3 was sent to do a reconnect at a commercial premise 2 to 3 weeks ago at a live meter. This reconnect was to be reconnected by Select Solutions however they refused to do it because of the requirement to have 2 people to perform a safe system of work and refused to reconnect it. This job was then given to our member in customer service to do.

About 1 month ago the same situation was encountered at another commercial premise. This job was also completed by our Ergon member.

Considering Ergon decided to send this internal work out to this company and making 3 of our internal customer service employees redundant questions why our internal workforce is expected to again perform this work with reduced staff. We are absolutely disgusted and disillusioned that this practice is allowed to happen.

Because of the Field Force Automation now here I cannot give exact dates as this info goes back with the job unless they write details down somewhere. If you need any more detailed info I'm sure Ergon could supply you with the info you require from the FFA department.

Regards

Matt

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**From:** Stuart Traill [<mailto:stuart@etu.org.au>]  
**Sent:** Wednesday, 24 June 2015 11:41 AM  
**To:** MONTGOMERY Brad (NQ); LEIGHTON Steve (CA)  
**Cc:** WINTERS Matthew (SW); wendel Moloney; BOWES Geoff (FN); BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB)  
**Subject:** Select Solutions

Brad, Steve,

I have left you both messages regarding the ongoing Select Solutions fiasco.

Despite our repeated requests for wages and timesheet audits to be done by Ergon to ensure Ergon is complying with its obligations under Schedule 8 and Ergons ongoing refusal today it has been reported that Select staff are refusing to work O/T on weekdays or weekends as a result of Select allegedly refusing to pay penalty rates. If this in fact correct Ergon is in breach of the UCA. We are no doubt gathering evidence for a potential breach of agreement dispute in the Federal magistrates Court.

Steve,

I have previously given you feedback that Select was approaching Contractors to provide additional resources due to them failing to recruit to their contractual obligations, you confirmed that Select had been given a directive to fulfil the contract requirements. Today I have been advised that they are using subcontractors, fair chance they haven't consulted or had that approved by Ergon.

Our members are fuming that they are now required to pick up the workload during workhours and after hours due to Select continuing to not comply with their obligations. This on top of the fact that Ergon made internal jobs redundant as a result of outsourcing this work. Ergons argument was that it is cheaper to use contractors for this work, of course it's cheaper if they don't pay the appropriate penalty rates. What a F\$%&ing disgrace that not only Select but also Ergon is now implicated in this attack on Industry conditions.

As I stated in the message, if I can't get a confirmation that Select's contract will be suspended by COB tomorrow and internal resources will be employed to address the increased workload I will escalate to the Shareholders to expose Ergon's apparent agenda to outsource permanent internal jobs and then hand contracts to grubby employers that are intent to undermine long standing Industry provisions at our members expense.

Questions have also been asked by our members as to why excuses continue to be made by Ergon Managers allowing Select to continue operations despite constant non compliance particularly given the previous employment within Ergon of the Select State Manager.

The clock is ticking.

Regards,

Stuart Trill,

Supply Industry Coordinator,

N/R

[stuart@etu.org.au](mailto:stuart@etu.org.au).



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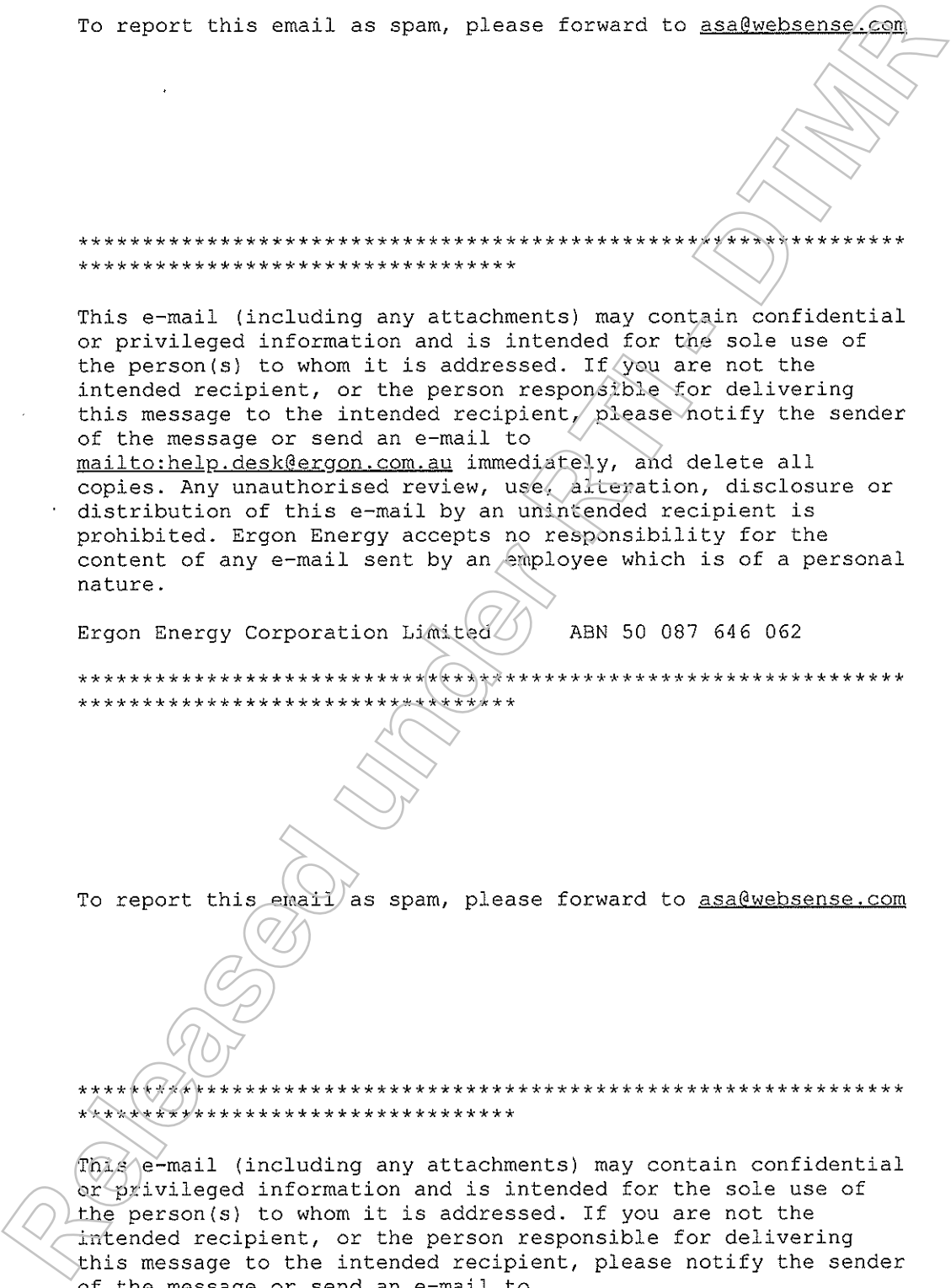
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Ergon Energy Corporation Limited

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**Qld Thank You  
for Voting to  
Save Our Assets**

Authorised P.J. Chepson, CEO, 41 Peel Street, South Brisbane, 4101



Released under RTI



Subject: Fwd: Select Solutions  
 From: Mark Bailey (mangocube6@yahoo.co.uk)  
 To: denise.spinks Sch 4 CTPI  
 Date: Friday, 26 June 2015, 9:00

Fyi. Need to work this one and the Ergon solar reduction limit to 3.5 kva solar assessments. M

Sent from my iPhone

Begin forwarded message:

From: "Peter Simpson (ETU)" <simmo@etu.org.au>  
 Date: 26 June 2015 8:39:31 am AEST  
 To: "mangocube6@yahoo.co.uk" <mangocube6@yahoo.co.uk>, "denise.spinks Sch 4 CTPI" <denise.spinks Sch 4 CTPI>  
 Subject: FW: Select Solutions

Fyi

From: Stuart Trill  
 Sent: Friday, 26 June 2015 8:09 AM  
 To: BILLING Peter (MK) (Peter.BILLING@ergon.com.au)  
 Cc: LEIGHTON Steve (CA); BOWES Geoff (FN); MONTGOMERY Brad (NQ); WINTERS Matthew (SW); wendel Moloney; Peter Simpson (ETU); TSU - Rebecca Girard; Scott Stanford; BLOOM Greg (NQ) (Greg.Bloom@ergon.com.au); CONWAY Jason (CA) (Jason.Conway@ergon.com.au); Ergon - McGAW Chris; Hilly; RIX Ian (MK) (ian.rix@ergon.com.au); scott.sologinkin@ergon.com.au; Beau Malone (ETU); Craig Giddins (ETU); Daniel McGaw; Glenn Hall (ETU); Paul Kirby; Billy; daniel; Michael Haire; Wal  
 Subject: RE: Select Solutions

Peter,

I understand you are aware of this issue but have again blindly supported the lack of appropriate action from your Managers.

At no stage has Ergon addressed any of our concerns just merely quoting figures with no supporting evidence. This rubbish below is nothing more than a slap in the face to ETU members that actually do the real work in this organisation.

Please respond specifically to the following questions

1. When did Ergon first raise concerns with Select Solutions regarding their resource strategy?
2. Was there a formal directive to increase resources?
3. Did Select meet the deadlines set by Ergon?
4. Is their current resourcing and failure to perform the work they are contracted in accordance with their contract?
5. Why were these jobs listed below handed back to Ergon, please respond to every one listed in the original email below?
6. When will Select comply with their obligations under the contract?
7. Why were Ergon jobs made redundant if Ergon expected non conformance as part of the so called transition plan mentioned below?
8. Is Select Solutions using sub contractors?
9. Were these contractors authorised by Ergon?
10. Why was the ETU not consulted regarding the sub contractors?
11. Are these sub contractors being paid in accordance with Schedule 3 of the Ergon UCA?
12. Did Ergon CEO meet with Select Solutions in Melbourne?
13. What was the discussions about?
14. Did Ergon CEO advise Select Solutions to ignore the ETU's concerns?
15. Was the conflict of interest regarding the Select Solutions Qld Manager having intimate internal knowledge of Ergon's processes, contractor engagement and pricing structures ever declared?
16. Has Ergon threatened staff for raising their concerns in relation to these matters with their elected representatives?

From the start Ergon have lied to our members, ETU members were made redundant on the back of claims that contractors could do it cheaper, there was NO mention of transition plans, there was NO mention of our blokes now being lumbered with additional workload as a result of Ergon and Select's incompetence, there was NEVER an accurate cost comparison done taking into account the true oncosts as result of this mismanagement.

We also have another contractor issue with the Meter maintain contract again handed on a platter at our members expense, despite ongoing commitments to have local consultation to ensure our members are fully utilised this has not occurred and as of today you have stranded resources due to another mismanaged contract and failure to genuinely consult with our members.

Sch 4 CTPI

Sch 4 CTPI

This is further evidence that You and Ergon have no intention of genuinely consulting with our Union, as such we formally withdraw from all consultation with Ergon and will now dispute each and every issue in accordance with the disputes procedure. It is obvious that you and others haven't realised that the LNP and their anti worker, anti union agenda were defeated earlier this year.

Whilst this is not our preference your ignorance and total disregard for our members concerns has left us with no other alternative.

Cheers,

Stacy.

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From: BOWES Geoff (FN) [mailto:[geoff.bowes@ergon.com.au](mailto:geoff.bowes@ergon.com.au)]  
Sent: Thursday, 25 June 2015 4:51 PM  
To: Stuart Fraill  
Cc: LEIGHTON Steve (CA); MONTGOMERY Brad (NQ)  
Subject: RE: Select Solutions

Dear Stuart,

I refer to your recent email correspondence regarding Ergon Energy's contract with Ausnet Electricity Services (Select Solutions) for the provision of Metering and Customer Services.

In regard to Select Solutions' staff being paid correctly for overtime work, we confirm that Select Solutions has a current Enterprise Agreement in place which applies to their employees engaged in the roles undertaking metering and customer service work and that this agreement includes provision for payment of penalty rates for after-hours work. The contractor has confirmed that it has been paying the appropriate penalty rates in accordance with the terms of their enterprise agreement.

Ergon Energy has followed up with Select Solutions and reviewed relevant time and wages records which supports that Select Solutions are paying in accordance with the entitlements under the terms of their enterprise agreement. As part of the management and advice regarding employment terms and conditions Select Solutions has dedicated human resource management specialists and expertise in the organisation which assist with the relevant procedures and conditions being followed.

Select Solutions also advises that they had recently experienced an issue during the change-over to the SAP payroll system whereby overtime payments for some employees were missed in one pay run however this has subsequently been addressed with outstanding amounts already paid, or scheduled to be paid in the next pay run. They also advise that impacted staff were advised of this matter and timeframe for resolution.

Whilst Ergon Energy is satisfied that Select Solutions' staff are being paid in accordance with the relevant EA any future anomalies identified by any of your members employed by Select Solutions should be directed to Select Solutions in the first instance. If you are not satisfied with the response and have concerns about any potential contractual breaches we would be happy to investigate.

In general terms regarding the status of the contract with Select Solutions, Ergon Energy is not aware of any contract performance issues or breaches that would require suspension of the contract and accordingly will not be taking any such action.

Ergon Energy has been transitioning works to Select Solutions under a staged implementation process between 4<sup>th</sup> May and 15<sup>th</sup> June 2015. During this time Select Solutions have engaged and mobilised 22 local and regional employees under the contract as well as introducing a small number of subcontractors.

All employees and subcontractors performing works under the contract are required to be appropriately authorised as Meter Readers or Meter Reconnection Officers prior to commencement.

During the first 3 to 6 months of the contract it was anticipated that there would be a small number of transitional activities that may require appropriate support from Ergon Energy crews as new contractor staff became familiar with the "local knowledge". As it has been less than 2 months since the contract first started we expect that further issues will be identified and addressed over the coming months. Accordingly we would also expect that any future reliance on Ergon Energy back-up capability will reduce during this period. However Ergon Energy will continue to utilise both its internal workforce and contractor workforce to ensure the delivery of customer services to the required standards and timeframes as necessary.

During the week ending 22<sup>nd</sup> June (the first full week after transition of all relevant services), the contractor successfully completed more than 2,000 service orders with better than 99% on-time compliance.

There have been no significant safety incidents or issues identified to date. Ergon Energy will continue to monitor the contractor's safety performance and safety management systems via routine audit programs.

about:blank

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The contractor has been addressing concerns raised by Ergon Energy regarding staff availability to respond to after-hours reconnections. This work is in scope of the contract, and the contractor has identified some localities where they have experienced difficulty in recruiting suitable staff. However they are progressively addressing these gaps through on-going recruitment activity and, where necessary, via local sub-contractor arrangements advised to Ergon Energy. Ergon Energy is very mindful of the impacts on local crews and our customers in regard to after-hours call-out activities and have prioritised this issue with the contractors. We are satisfied that the contractor understands our requirements and their obligations and is working towards satisfactory arrangements for all locations.

In summary upon reviewing the concerns raised further it is Ergon Energy's view that there are no genuine grounds to consider suspension of the contract and trust that the responses provided addresses the concerns raised.

Ergon Energy is committed to resolving issues in regard to the operation and performance of the Customer and Metering Service contract by engaging in reasonable and constructive discussion on these matters as they arise. It is however important to note that such an approach can only be achieved with the genuine commitment from both parties and attempts to threaten ultimatums runs counterproductive to achieving a reasonable and effective relationship.

We are happy to address any future issues via the Customer Service Consultative Committee forum or by direct discussion.

Regards.

Geoff

**Geoff Bowes**

Customer Delivery Manager Connections Relations & Metering  
Ergon Energy

109 Lake Street, Cairns QLD 4870  
PO Box 358, Cairns QLD 4870  
P 07 4080 4992 M N/R F 07 4080 4704  
E [geoff.bowes@ergon.com.au](mailto:geoff.bowes@ergon.com.au)

[ergon.com.au](http://ergon.com.au)




---

From: Stuart Traill (<mailto:stuart@etu.org.au>)  
Sent: Thursday, 25 June 2015 9:59 AM  
To: BOWES Geoff (FN)  
Cc: LEIGHTON Steve (CA), MONTGOMERY Brad (NQ), WINTERS Matthew (SW); Peter Simpson (ETU), BLOOM Greg (NQ), CONWAY Jason (CA), McGAW Chris (SW), HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB)  
Subject: RE: Select Solutions

Geoff,

My concern is that Ergon will obtain some weak as piss legal advice to try and cover their arse from being sued by a large multi national instead of having the guts to stand your ground and say "you haven't delivered on your contractual obligations, until you can you are suspended".

This weak approach will continue to apply unnecessary oncosts to internal operations and overheads further allowing Ergon to argue for future contracts on the basis that Ergon staff can't do it as cheap as the shitbag contractors.

It has also been noted by our members that this looks like certain Managers are trying to do whatever they can to keep this contract going to justify their jobs.

Maybe this afternoon you will prove me wrong but I won't be holding my breath because it seems again like Contractors are running the show, particularly a contractor with long term friendships within Ergon. This stinks to high heaven and I promise if this is not resolved today to expose the level of deceit throughout this contract from the CEO down.

3/15/2018

Print

Brad, save yourself the time of an email, I know you don't want me to use colourful language in emails but when Managers are making decisions to hand money to overseas companies that refuse to comply with their obligations at our expense we no doubt get the shits.

In disgust,

Stuey.

From: BOWES Geoff (FN) [mailto:geoff.bowes@ergon.com.au]  
Sent: Thursday, 25 June 2015 9:44 AM  
To: Stuart Traill  
Cc: LEIGHTON Steve (CA); MONTGOMERY Brad (NQ)  
Subject: RE: Select Solutions

Dear Stuart,

Thanks for your email. I understand that you have discussed the issues further with Brad Montgomery this morning.

We are currently investigating the issues you have raised and will respond to you by close of business today as requested in your email yesterday.

Regards.

Geoff

From: Stuart Traill [mailto:stuart@etu.org.au]  
Sent: Thursday, 25 June 2015 8:37 AM  
To: LEIGHTON Steve (CA); BOWES Geoff (FN)  
Cc: WINTERS Matthew (SW); BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB)  
Subject: FW: Select Solutions

Steve, Geoff,

More now from Toowoomba on the back of Bundaberg, this Company is a disgrace, we advised Ergon at the start that there would be problems and we were ignored. It seems like China State Grid, Select and Rick Higginson is dictating terms to a Queensland Government owned Corporation and you mob are letting them.

This is about to erupt into the biggest blew that we have ever had against a contractor and Ergon I can assure you.

COB today is the deadline to suspend them or it's on.

Stuey.

From: WINTERS Matthew (SW) [mailto:matthew.winters@ergon.com.au]  
Sent: Wednesday, 24 June 2015 1:40 PM  
To: Stuart Traill  
Subject: FW: Select Solutions

Stuey

I have some specific recent examples from our blokes who are in fact doing work which I believe should be covered by Select Solutions.

Bloke 1 was sent to do a reconnect after hours only recently to Sch 4 CTPI Dr which was not the correct address. He was then directed to Sch 4 Dr which does not exist. After much perseverance from our member he was able to determine the correct address was Sch 4 CTPI Dr. He then reconnected this premise as requested.

Bloke 2 Performed a reconnect after hours earlier this month as requested Sch 4 CTPI Dr 10-6-15

Bloke 3 was sent to do a reconnect at a commercial premise 2 to 3 weeks ago at a live meter. This reconnect was to be reconnected by Select Solutions however they refused to do it because of the requirement to have 2 people to perform a safe system of work and refused to reconnect it. This job was then given to our member in customer service to do.

About 1 month ago the same situation was encountered at another commercial premise. This job was also completed by our Ergon member.

about:blank

4/6

Considering Ergon decided to send this internal work out to this company and making 3 of our internal customer service employees redundant questions why our internal workforce is expected to again perform this work with reduced staff. We are absolutely disgusted and disillusioned that this practice is allowed to happen.

Because of the Field Force Automation now here I cannot give exact dates as this info goes back with the job unless they write details down somewhere. If you need any more detailed info I'm sure Ergon could supply you with the info you require from the FFA department.

Regards

Matt

---

From: Stuart Traill [mailto:stuart@etu.org.au]  
Sent: Wednesday, 24 June 2015 11:41 AM  
To: MONTGOMERY Brad (NQ); LEIGHTON Steve (CA)  
Cc: WINTERS Matthew (SW); wendel Moloney; BOWES Geoff (FN); BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB)  
Subject: Select Solutions

Brad, Steve,

I have left you both messages regarding the ongoing Select Solutions fiasco.

Despite our repeated requests for wages and timesheet audits to be done by Ergon to ensure Ergon is complying with its obligations under Schedule 8 and Ergons ongoing refusal today it has been reported that Select staff are refusing to work O/T on weekdays or weekends as a result of Select allegedly refusing to pay penalty rates. If this is in fact correct Ergon is in breach of the UCA. We are no doubt gathering evidence for a potential breach of agreement dispute in the Federal magistrates Court.

Steve,

I have previously given you feedback that Select was approaching Contractors to provide additional resources due to them failing to recruit to their contractual obligations, you confirmed that Select had been given a directive to fulfil the contract requirements. Today I have been advised that they are using subcontractors, fair chance they haven't consulted or had that approved by Ergon.

Our members are fuming that they are now required to pick up the workload during workhours and after hours due to Select continuing to not comply with their obligations. This on top of the fact that Ergon made internal jobs redundant as a result of outsourcing this work. Ergons argument was that it is cheaper to use contractors for this work, of course it's cheaper if they don't pay the appropriate penalty rates. What a F\$%&ing disgrace that not only Select but also Ergon is now implicated in this attack on Industry conditions.

As I stated in the message, if I can't get a confirmation that Select's contract will be suspended by COB tomorrow and internal resources will be employed to address the increased workload I will escalate to the Shareholders to expose Ergon's apparent agenda to outsource permanent internal jobs and then hand contracts to grubby employers that are intent to undermine long standing Industry provisions at our members expense.

Questions have also been asked by our members as to why excuses continue to be made by Ergon Managers allowing Select to continue operations despite constant non compliance particularly given the previous employment within Ergon of the Select State Manager.

The clock is ticking.

Regards,

Stuart Traill,

Supply Industry Coordinator,

N/R

stuart@etu.org.au



**Subject:** FYI - go well Mark  
**From:** D.Sweeney@acfonline.org.au (D.Sweeney@acfonline.org.au)  
**To:** mangocube6@yahoo.co.uk;  
**Date:** Friday, 26 June 2015, 10:13



**AUSTRALIAN  
CONSERVATION  
FOUNDATION**

Dave Sweeney  
Nuclear Free Campaigner  
Australian Conservation Foundation  
Level 1 - 60 Leicester Street, CARLTON VIC 3053, Australia  
Ph +61 3 9345 1130 Mob +61 N/R Fax +61 3 9345 1166  
d.sweeney@acfonline.org.au

[www.acfonline.org.au](http://www.acfonline.org.au)  
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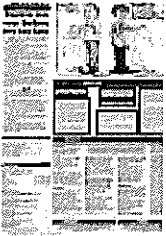
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## Attachments

- MT ISA Dave S 26-6-15.pdf (161.52 KB)



26 Jun 2015  
North West Star, Mount Isa QLD

Section: General News • Article type : News Item • Audience : 1,889 • Page: 6  
Printed Size: 134.00cm<sup>2</sup> • Market: QLD • Country: Australia • ASR: AUD 459  
Words: 245 • Item ID: 425638195



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Page 1 of 1

## LETTERS TO THE EDITOR

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Released under RTI ACT 2010



**Subject:** The story of the invention that could revolutionize batteries—and maybe American manufacturing as well -  
**From:** Sch 4 CTPI  
**To:** mangocube6@yahoo.co.uk;  
**Date:** Sunday, 28 June 2015, 13:38

Good reading.. this is what Queensland could do..

<http://qz.com/433131/the-story-of-the-invention-that-could-revolutionize-batteries-and-maybe-american-manufacturing-as-well/>

## The story of the invention that could revolutionize batteries—and maybe American manufacturing as well - Quartz



The world has been clamoring for a super-battery.

Since about 2010, a critical mass of national leaders, policy professionals, scientists, entrepreneurs, thinkers and writers have all but demanded a transformation of the humble lithium-ion cell. Only batteries that can store a lot more energy for a lower price, they have said, will allow for affordable electric cars, cheaper and more widely available electricity, and a reduction in greenhouse gas emissions. In the process, a lot of gazillionaires will be created.

But they have been vexed. Not only has nobody created a super-battery; a large number of researchers have lost faith in their powers to do so—perhaps ever. Entrepreneurs such as Tesla's Elon Musk continue to tinker with off-the-shelf batteries for luxury electric cars and home power-storage systems, but industry hands seem generally to doubt that their cost will drop enough to attract a mass market any time soon. Increasingly, they are concluding that the primacy of fossil fuels will continue for decades to come, and probably into the next century.

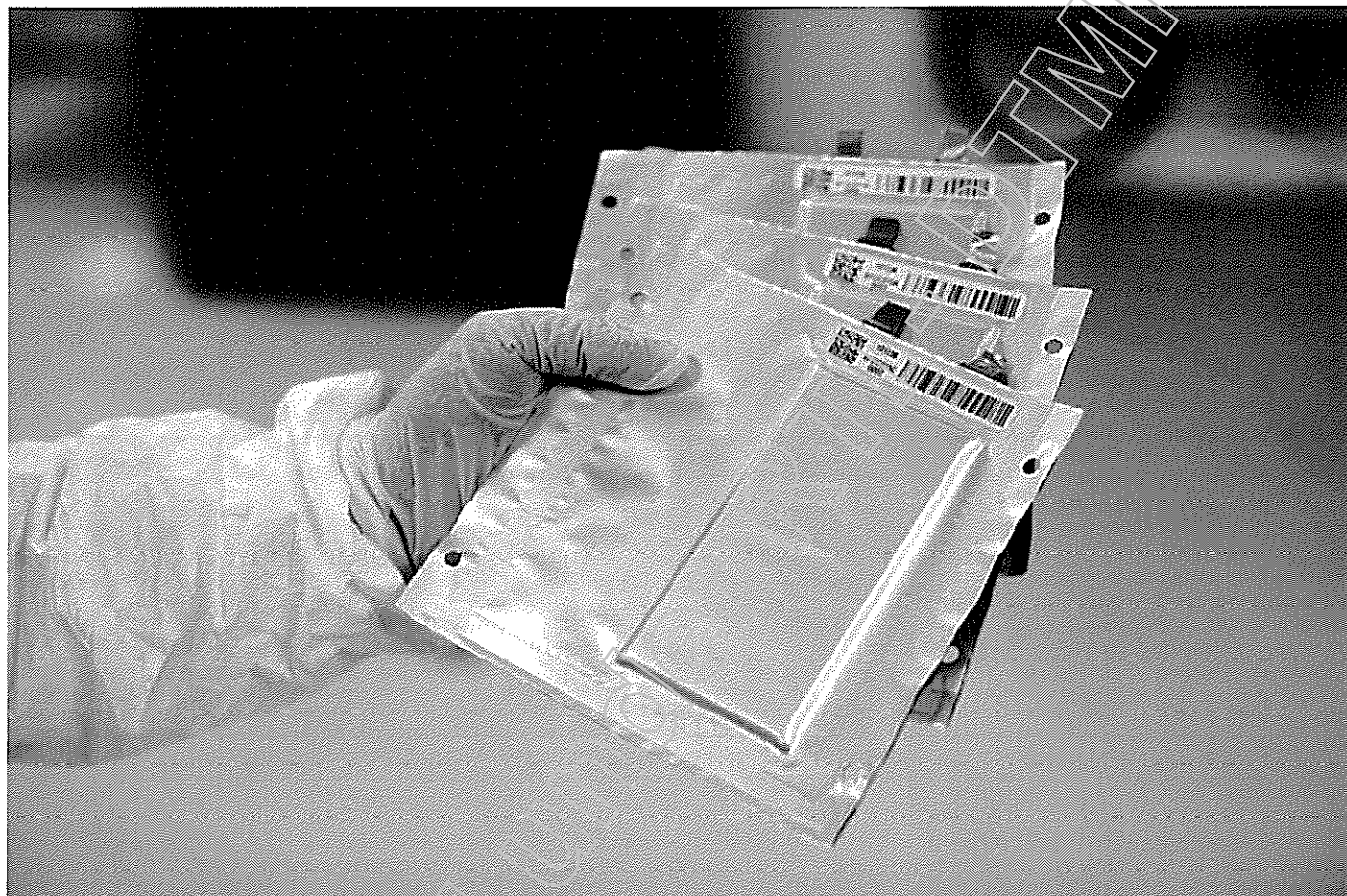
This is where Yet-Ming Chiang enters the picture. A wiry, Taiwanese-American materials-science professor at the Massachusetts Institute of Technology (MIT), Chiang is best known for founding A123, a lithium-ion battery company that had the biggest IPO of 2009. The company ended up filing for bankruptcy in 2012 and selling itself in pieces at firesale prices to Japanese and Chinese rivals. Yet Chiang himself emerged untainted.

In 2010, having rounded up \$12.5 million from Boston venture capital firms and federal funds, Chiang launched another company. Again, it was in batteries. And today, after five years in "stealth mode," he is going public. There may be a way to revolutionize batteries, he says, but right now it is not in the laboratory. **There may be a way to revolutionize batteries, but right now it is not in the laboratory. Instead, it's on the factory floor.** Instead, it's on the factory floor. Ingenious manufacturing, rather than an ingenious leap in battery chemistry, might usher in the new electric age.

When it starts commercial sales in about two years, Chiang says, his company will slash the cost of an entry-level battery plant 10-fold, as well as cut around 30% off the price of the batteries themselves. That's thanks to a new manufacturing process along with a powerful new cell that adds energy while stripping away cost. Together, he says, they will allow lithium-ion batteries to begin to compete with fossil fuels.

But Chiang's concept is also about something more than just cheaper, greener power. It's a model for a new kind of innovation, one that focuses not on new scientific invention, but on new ways of manufacturing. For countries like the US that have lost industries to Asia, this opens the possibility of reinventing the *techniques* of manufacture. Those that take this path could own *that* intellectual property—and thus the next manufacturing future.

This is the story of how that came about.



24M batteries.(Kieran Kesner for Quartz.)

## Manufacturing, the new frontier of innovation

Traditionally, big innovations have happened at the lab bench. A discovery is made and patented, then is handed off to a commercial player who scales it up. With luck, it turns out a blockbuster product.

But, according to a report published in February by the Brookings Institution, researchers are increasingly skeptical of the delineation between innovation and production. Breakthrough-scale invention, they say, happens not only in the lab, but also in factories.

This is not a new idea. Until 1856, for instance, steel was an ultra-expensive niche product. It was far more robust than iron, but no one knew how to make it economically. Its use was confined to specialty hand tools and eating utensils for the rich. But then British inventor Henry Bessemer, stirred by French gripes about the fragility of cast-iron cannons, devised a process that reduced the cost of steel by more than 80%, roughly equivalent to iron. Steel—along with oil—went on to propel the latter part of the Industrial Revolution, along with the gargantuan 20th century economic boom.

If Bessemer had made his breakthrough today, it would be called “advanced manufacturing”—a label that has been broadly applied to next-generation fabrication methods such as 3D printing, modular construction of skyscrapers, and robotics. There is some hype around this term: The Brookings report identifies 50 industries in the US alone as “advanced,” and historic factory hubs such as the English city of Sheffield are renaming themselves as variants of “advanced manufacturing cluster.”

Nonetheless, entrepreneurs who develop genuinely novel manufacturing processes can enjoy the advantage of a patent and standing ahead of the crowd. While others will inevitably copy them, it will be a race to catch up. To the degree that such authentic advanced manufacturing moves



forward, and can offer the US a chance to reinstate its prowess as a manufacturing hub, it's led in part by a few clean energy companies like Yet-Ming Chiang's.



Yet-Ming Chiang, 24M's founder. (Kieran Kesner for Quartz)

## The birth of an idea

At 57, Chiang has short-cropped, gray-flecked black hair, and almost always wears blue, long-sleeved check shirts. He speaks in a soft, even cadence, and is prone to finishing his sentences with a disarming, open-jawed grin.

But if unassuming, Chiang is also tremendously driven. His science-centered business sense has earned tens of millions of dollars for his investors. He and his family live on a farm on the affluent outskirts of Boston, where he raises bees and chickens, and hunts and fishes nearby.

Chiang was born in Taiwan, where his father, a locomotive engineer, managed to save enough money to make a start in the United States. When the boy was 6, he found himself in Brooklyn, living with his family in an apartment with what he regarded as astonishingly high ceilings. When it was time for college, Chiang was admitted to MIT, and never left. His wife, Jeri, a Japanese-American from Hawaii, also has an MIT degree, as do his older sister and her husband.

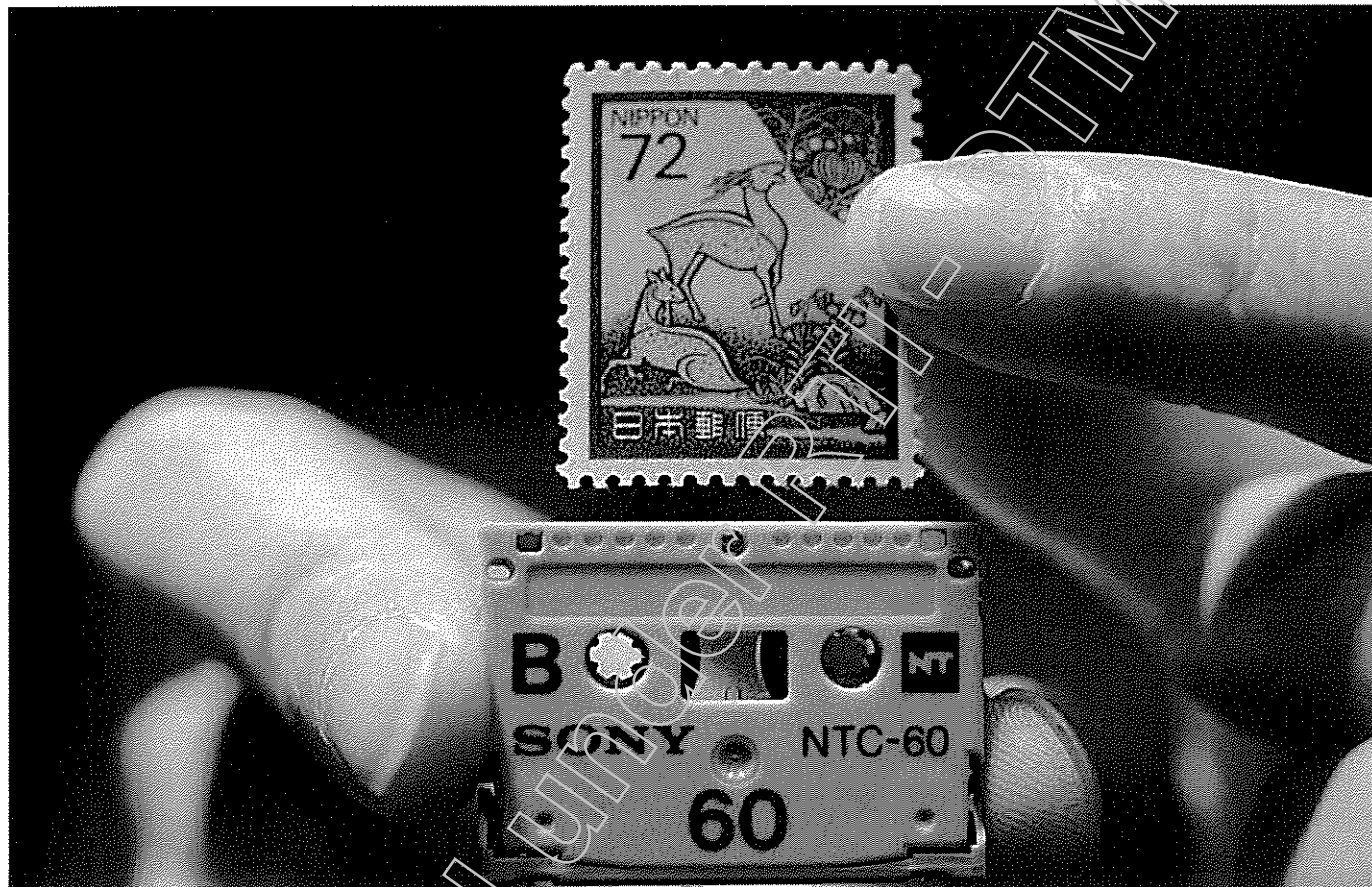
Like Stanford University now and the University of Copenhagen in the 1920s, MIT is a maw of discovery and celebrity scientists. **The cost for an entry-level battery plant is more than \$100 million.** Chiang calls it a "meritocracy"—a "praise-free zone" where "you are what you do and what you create. You should continue to try to prove yourself." Chiang has used his own MIT perch to launch four venture-capital-funded startups, including his latest, a battery company called 24M.

Manufacturers are secretive, but analysts say a lithium-ion battery pack costs an average of roughly \$500 per kilowatt-hour, a measure of the energy a battery can store. That's four times the price needed to compete directly with gasoline. Only about 30% of that \$500 is the cost of materials. The largest portion, 40%, goes to manufacturing.

Battery factories themselves are typically cavernous buildings the size of aircraft hangars. They contain assembly-line machines dozens of yards in length, often stacked one atop the other. The cost for an entry-level plant is more than \$100 million. In Midland, Michigan, XALT runs one of the most efficient and modern lithium-ion plants in the US. But, built with \$300 million in federal and state grants and credits, it is also sprawling—just under a quarter of its 400,000-square-foot (37,000 sq m) facility is devoted to the equipment, a space the size of six soccer fields. Tesla is embarked on the mother of battery plant buildouts, a \$5 billion lithium-ion factory in Nevada.

Such costs not only make batteries expensive. They also stifle innovation. Who, even with a promising new idea for a better battery chemistry, can build or borrow a \$100 million plant to try it out?

Chiang's goal is to bring production costs down below \$100 a kilowatt-hour. That would allow startup plants to be built for much, much less, unleashing innovation. And it would also create a genuine contest with gasoline.



A cassette tape—the origin, incredibly, of how batteries are made.(AP Photo)

## The battery's ungainly legacy

The reason battery factories are so huge—and why Chiang's business model seems to have substance—goes back to a chance event at the birth of lithium ion.

The rise of lithium-ion chemistry in the early 1990s owes a lot to the peak and slow decline of two big consumer technologies—magnetic audio tape and nickel cadmium batteries. These two collided in the Camcorder, Sony's entry into the nascent market for lightweight video cameras.

Sony realized that, if video cameras were to take off, they needed both to shrink—to more or less fit snugly into a consumer's hand—**“We got sidetracked by a historical accident and a reluctance to switch to something that works (better)”**—Yct-Ming Chiang and to last longer on a single charge. The only way to accomplish that was to find a far more powerful, smaller battery.

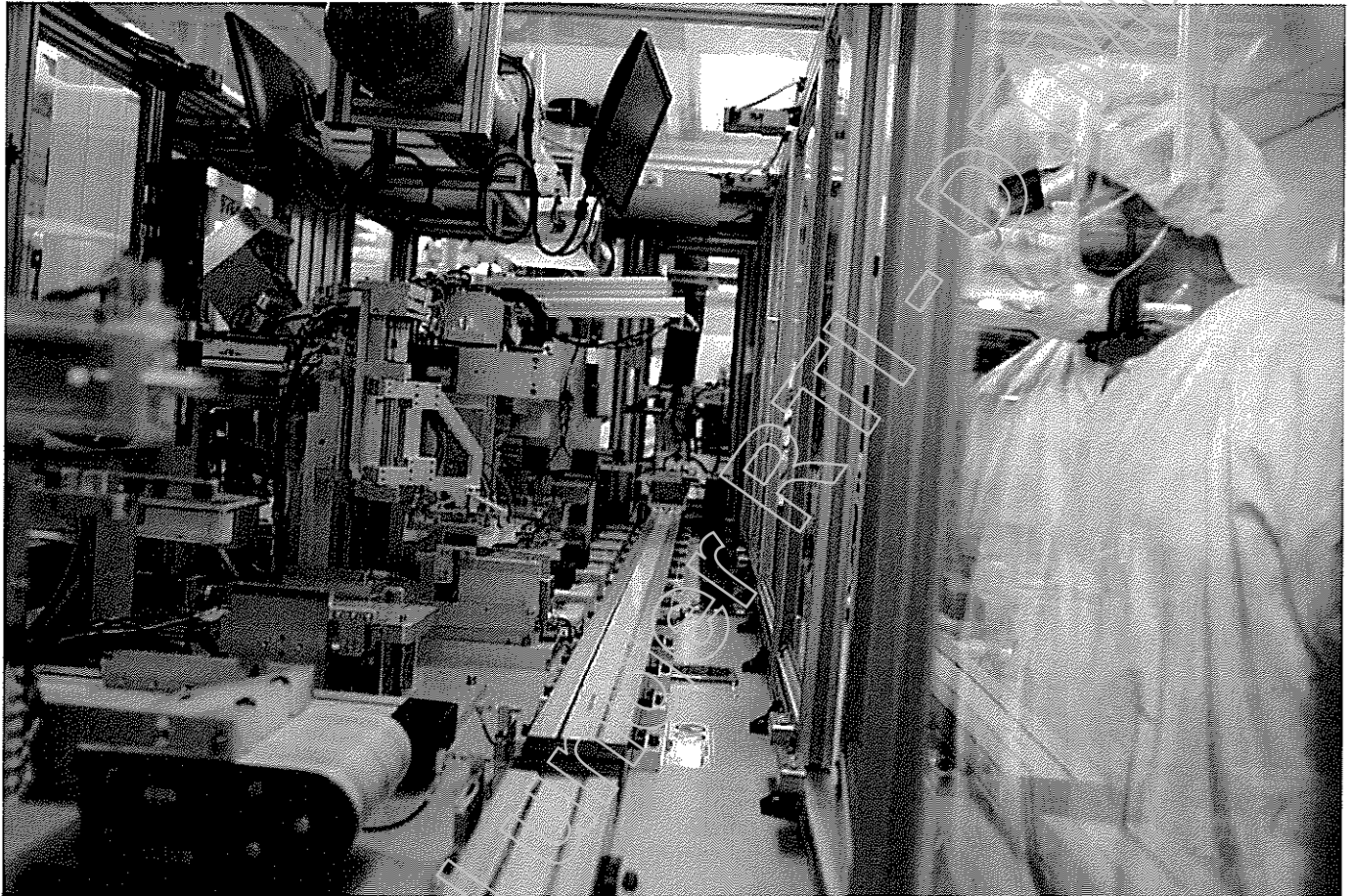
The result was the first lithium-ion cell, which Sony commercialized in 1991. Two years later followed the TR1 8mm Camcorder, the first lithium-ion-operated video camera. Both were blockbuster commercial products for Sony, and ignited furious competition.

But Sony also had to quickly figure out how to manufacture this new kind of battery on a commercial scale. Providence stepped in: As it happened, increasingly popular compact discs were beginning to erode the market for cassette tapes, of which Sony was also a major manufacturer. The tapes were made on long manufacturing lines that coated a film with a magnetic slurry, dried it, cut it into long strips, and rolled it up. Looking around the company, Sony's lithium-ion managers now noticed much of this equipment, and its technicians, standing idle.

It turned out that the very same equipment could also be used for making lithium-ion batteries. These too could be made by coating a slurry on to a film, then drying and cutting it. In this case the result isn't magnetic tape, but battery electrodes.

This equipment, and those technicians, became the backbone of the world's first lithium-ion battery manufacturing plant, and the model for how they have been made ever since. Today, factories operating on identical principles are turning out every commercial lithium-ion battery on the planet.

For Sony, the idle magnetic tape machines were a piece of good fortune. But Chiang regarded them as an ungainly legacy. The machines were big, and their process was slow and expensive. They were a large part of the reason batteries couldn't compete with gasoline. It was time to correct that mistake and figure out a new way to make the battery. "We got sidetracked by a historical accident and a reluctance to switch to something that works (better)," Chiang said.

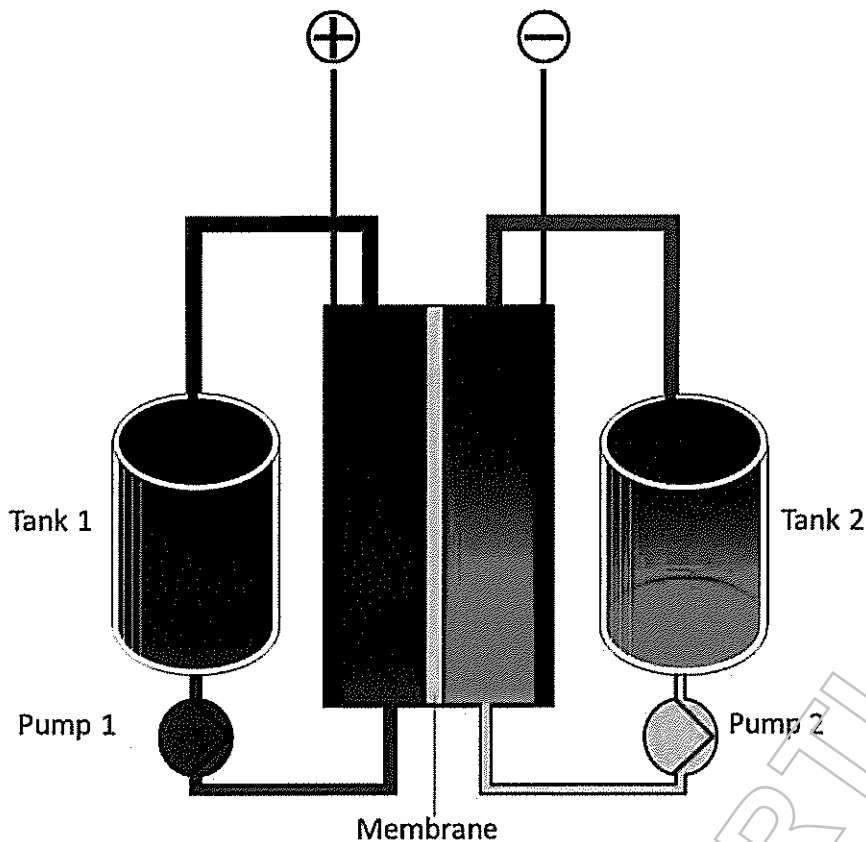


A 24M employee checking the conveyor belt production of batteries. Kieran Kesner for Quartz.(Kieran Kesner for Quartz.)

## Going with the flow

At first, Chiang thought the best solution was an arcane and eccentric technology known as a "flow battery." His interest flummoxed many of the people he talked to.

A battery is superficially fairly simple. It essentially consists of two electrodes, which are the source of the electric charge, embedded in an electrolyte, through which the charge flows. In a conventional lithium-ion battery, the electrodes are solids, all stored in a single cell or pack.



A diagram of a redox flow battery.(Benboyoo via

Wikimedia Commons/CC 3.0)

A flow battery, by contrast, consists of chemicals suspended in liquid. This liquid is held in two separate tanks, from which they are pumped through a cell. There they meet, separated by a membrane. The act of pumping them generates a current that flows between them across the membrane.

To increase the capacity of a battery, you need to either boost its energy density, or make it bigger. For lithium-ion batteries, increasing the energy density—by tweaking the battery chemistry or finding a new kind—is the holy grail scientists are starting to despair of ever finding. Making them bigger is easy; Tesla has done just that for its cars. But they get expensive fast, because they require more of the costly metals, like nickel and cobalt, that go into the electrodes of lithium-ion cells.

By contrast, making a flow battery bigger is just a matter of bolting on larger storage tanks with more liquid inside. But the device would quickly become far too big to fit inside a car, and the liquid chemicals in a flow battery have a much lower energy density than a lithium-ion battery.

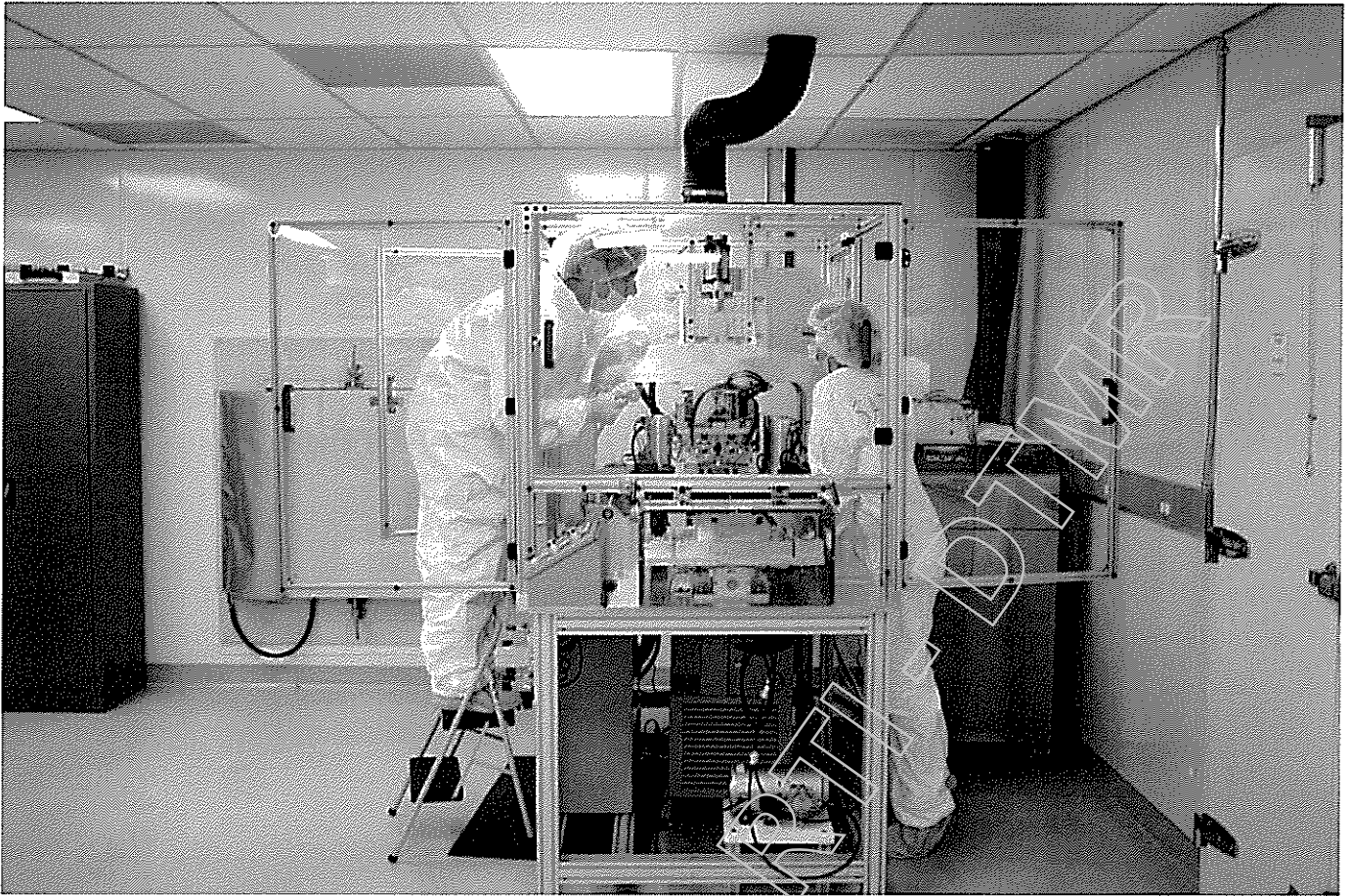
But what if you could have the best of both worlds? That was the original thesis of Chiang's new venture. If you could make a flow battery with lithium-ion chemistry—and its energy density—it would have smaller tanks than a regular flow battery. Above a certain size, the cost per kilowatt-hour would be below that of static batteries, and begin to compete with the economics of fossil fuels.

At MIT, Chiang assigned a Romanian undergraduate named Mihai Duduta to study the problem. A month later, Duduta had a working prototype. The rapid result was a surprise, and also evidence that Chiang was on to something. It was sufficient to attract \$10 million in funding from Boston venture capital firms, and another \$2.5 million from the Department of Energy. With that, Chiang opened 24M for business. Duduta was employee No. 1.

The company was operating in stealth mode, so little was released publicly. But in a 2011 paper in the journal *Advanced Energy Materials*, Duduta explained an order-of-magnitude increase in energy density through a "semi-solid" approach to flow—a lithium-ion battery that worked through "percolating networks of nanoscale conductors." Now, as far as the world was concerned, Chiang's latest startup was a quixotic hunt for a world-beating flow battery.

But that would soon change.





24M employees working on a machine that contributes to their battery production. (Kieran Kesner for Quartz.)

## An economic quandary

The success or failure of Chiang's idea was in part a function of size. How big would the tanks of lithium-ion flow batteries need to be in order for their cost per kilowatt-hour to drop below that of static batteries?

By late 2010, this problem weighed on Craig Carter, Chiang's long-time collaborator at MIT. When original 24M employees gathered for weekly meetings to parse their data, no one seemed to know what size tanks, test cells and other equipment to buy and make. The cost model they were using did not make it clear enough when the economic crossover from static batteries would occur.

That wasn't the only problem 24M was facing. Nobody had ever made a lithium-ion flow battery. Chiang's engineers were having trouble figuring out how to pump the electrolyte liquid through the system. The denser they made the slurry, to increase its energy density, the thicker and more sluggish it became. Potential customers, after being briefed by senior executives, offered little encouragement. Conventional static batteries already worked fine; why did anyone need a new kind of lithium-ion battery that also required a pump?

Meanwhile, a side experiment within 24M was starting to attract the attention of Chiang's junior researchers. For comparison purposes, Chiang had instructed them to create static lithium-ion cells alongside the flow project. "We can learn from them," he said. The results were interesting: the team had used the same liquid slurries as they had in the flow battery to make hundreds of static cells, and they put them through thousands of charge-discharge cycles. Their capacity remained stable. Unlike the flow experiment, they worked superbly.

After work, some of the junior staff including Duduta would troop downstairs for milkshakes at an eatery called Friendly Toast. There, they discussed the results from the static cells. These younger researchers were less invested than Chiang and the senior staff in the idea of flow, recalled one of them, Tristan Doherty, a former race engineer for Dale Coyne's Indy 500 racing team. Gradually they became convinced that the new manufacturing process they were developing should be devoted to making static, not flow, batteries. But how to get that message across to their elders?



Chiang in the control room where employees suit up before going to work. (Kieran Kesner for Quartz.)

## The moment when it all fell apart

It was in this environment that Carter was trying to figure out at what point flow batteries would become economical. Chiang did not seem to think it was a problem. “You may be wasting your time,” he told Carter. Carter persisted, and finally decided to put aside the cost model they were using and build his own. He enlisted one of the young staff—Jeff Disko, a Wyoming native who favors cowboy boots and self-carved silver belt buckles. “Let’s build it from scratch,” Carter told the younger man.

What he didn’t do was tell Chiang what he and Disko were up to. “He might have seen it as a distraction from going forward since we already had a working tool,” Carter said.

Disko worked around the clock for two weeks on the data while Carter created software that could visually display almost any battery variable—energy density, speed of charge, cost of parts, and so on. **To be competitive, a flow battery would have to be large enough to back up a facility the size of a nuclear power plant.** When they were done, they had a tool that finally revealed the crossover point at which Chiang’s battery would prove economical.

To say it would require enormous tanks would be an understatement. To be competitive with fossil fuels, a lithium-ion flow battery would have to be large enough to back up a stationary facility the size of a nuclear power plant serving tens of thousands of people. It was such a jaw-dropping result that neither Carter nor Disko believed it initially. They spent two weeks redoing the numbers and discussing the results. Disko began to vet it with the rest of the group. But there was no getting around it—the idea on which the company had been founded did not make financial sense.

In early 2011, they held what Disko called a “come-to-Jesus meeting.” He presented the visual tool. Until then, there had been the grumblings, but no brutally concrete juxtaposition of flow and static batteries. Now it seemed clear—unless you were aiming to back up the electricity system of a small city, it was better to build a static battery.

Chiang stared at the results. “So are you willing to bet the company?” he asked Carter.

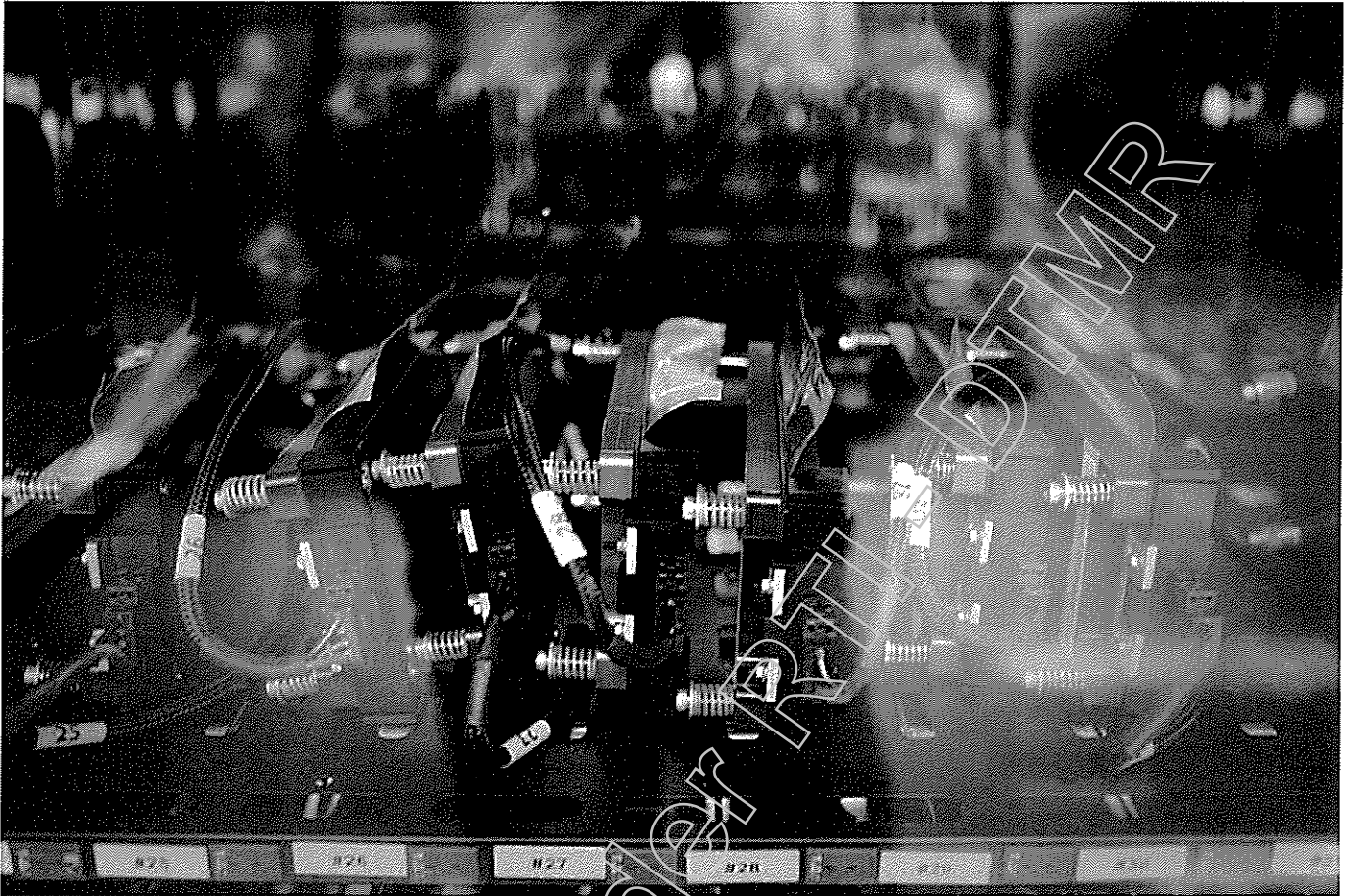
“Yes,” Carter replied.

“Okay,” Chiang replied simply. He would think about it.

Two days later, an email went to all employees. Flow was out. The company would build a static battery.



It was a typical shift for a startup, in which initial notions rarely survive through the commercial stage of development. For his part, Disko felt “relieved. I think a lot of people did.” The manufacturing problems still needed to be solved. But now they would attack them differently. The cost model had proven its value. “There are benefits of changing direction—of turning on a dime,” Carter said. “Now we had something in which you could plant a flag and know it would stick.”



Batteries in their units at 24M.(Kieran Kesner for Quartz)

## Starting from zero

Now the researchers could return, metaphorically, to the age of the Camcorder and pose the question: If Sony hadn't had those magnetic tape machines lying around and had started from a blank slate, what would have been the most natural and best way to manufacture a lithium-ion battery?

Pumps intended to initiate the flow of electron juice started to disappear from the 24M lab. Then Duduta, the conceiver of the original 24M flow cell, waited a few weeks, before declaring, “I am going to make these [static] cells myself.”

There was no machine for this task, so Duduta stuck his arms into the black rubber gloves of an airless research box—known as a glove box—and began to hand-make cells. That meant mixing up the goop, or slurry, that comprises the two electrodes—the anode and cathode—and slapping them onto a thin film, separated by another plastic film.

A couple of the others joined him. Soon, six or seven researchers had their hands in the rubber gloves. They had created their own manual assembly line. They became good at it—they were producing automobile battery-size cells in just six minutes. Compared to the day-long process required in a conventional factory, that was lightning fast. But it was nothing to the speed with which Chiang would eventually want the process to go.

In the conventional process, the application of the slurry is relatively quick, but the drying stage can take 22 or more hours. You start out with wet slurry, then coat it onto film—using glue-like substances to make it hold—press it flat to make the electrodes denser, and finally dry it in an oven along the long, slow assembly line. Finally, electrolyte is injected into the battery cell, thus making it wet all over again.

**The final method was “a total shot in the dark” and involved a tube, a plunger, and some Teflon.** Apart from this slow process, conventional batteries have a second problem: 35% of their interior space is filled with material that doesn't contribute to generating electricity. That includes the binder that holds the slurry to the film; a separator that keeps the anode and cathode from shorting each other out; and a current collector that brings the charge to an electronic device.

Chiang wanted to reduce the manufacturing process to a single hour. And he wanted to shrink the space filler to almost nothing.

He started out by whacking out whole parts of the filler. His researchers developed a way to make the electrodes without the glue-like binder. Lithium-ion cells typically contain 14 separate material layers; Chiang simplified them, allowing him to reduce the layers to just five. He reduced the filler to 8% of the battery cell. Finally, he overturned the foundations of lithium-ion manufacturing by figuring out how to dispense entirely with the drying process; instead, he would inject the wet electrolyte into the cell from the start.

These were defining improvements. But, while he was at it, Chiang made some tweaks to the science of the battery, too. Most significantly, he made the electrodes four times thicker—500 microns, or half a millimeter, in diameter—which added a lot to the cells' energy density.

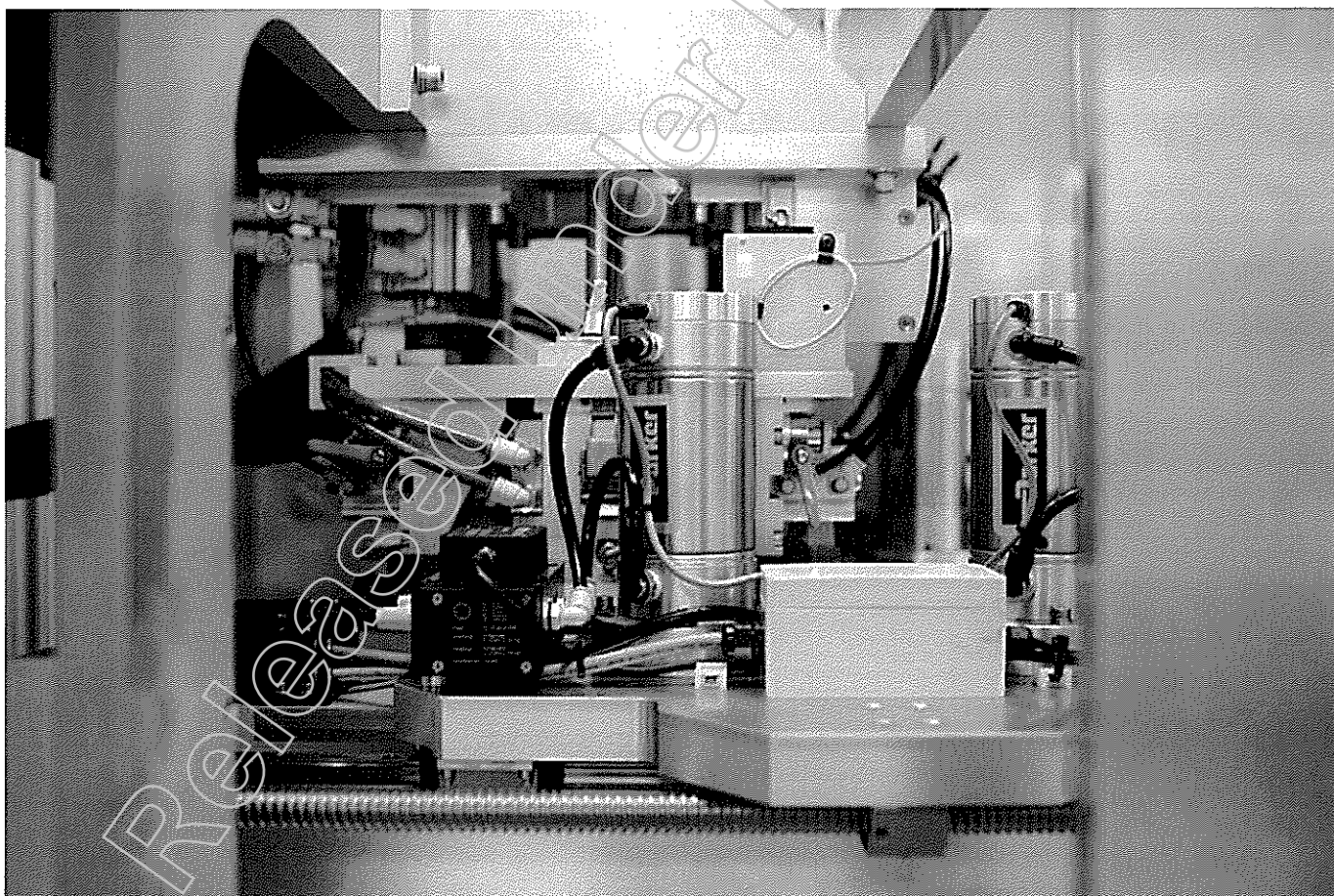
Still, there was the matter of how to actually get the wet electrode slurry onto film in a uniform density, thickness, continuity and rectangular shape, and to do so fast and in a way that could be replicated over and over again.

Some three dozen ways were attempted to get the slurry right. The final method was "a total shot in the dark," Doherty said, and involved a tube, a plunger, and some Teflon.

But the result was a manufacturing platform that currently spits out a battery cell in about two and a half minutes. The machine that does it isn't the size of a factory floor, but of a large refrigerator (see image below). As for the cells, Chiang calls them "semi-solid," a nod to their birth in research into flow batteries.

When I was visiting their lab recently, Chiang and 24M's CEO, Throop Wilder, stood around the machine as it spit out a fast cell in a perfect rectangle. Wilder started doing jumping jacks. "That's huge. That's what investors want to see," he said, shouting.

Chiang's sudden pivot to static batteries doesn't appear to have unnerved 24M's investors. In 2013, Chiang raised another round of \$25 million in cash, and last year PTT, the Thai oil company, invested \$15 million. In all, 24M has raised \$54.5 million. "They are able to introduce a novel battery that's 50% like bringing the economics of Moore's Law into an industry that doesn't have that," said Izhar Armony of Charles River Ventures, one of Chiang's VC investors.



The refrigerator-sized machine at the heart of 24M's manufacturing process.(Kieran Kesner for Quartz.)

## What it means for manufacturing

The push to improve the manufacturing, as opposed to the chemistry, of lithium-ion batteries has caught on with US government officials. The Department of Energy (DOE) is currently running a competition for three-year grants worth \$6 million to \$8 million for researchers promising

better manufacturing techniques. If they can make such progress, and add it to any advance on the scientific side, “then you’ve double-dipped,” said David Howell, who runs the DOE battery research program. Howell said that is how he expects to make electric cars equivalent, in dollars per kilowatt-hour, with gasoline.

The advanced manufacturing movement has spread to solar as well. **The solar-panel industry’s standard manufacturing method “is reminiscent of how the Greeks made glass.”** Frank Van Mierlo, founder of a Massachusetts solar panel company called 1366, said that his own industry’s standard manufacturing method “is reminiscent of how the Greeks made glass.” He said his company has devised a new way to make panels that chops out much of the inefficiency.

In a new report, McKinsey describes a broad new age of manufacturing that it calls Industry 4.0. The consulting firm says the changes under way are affecting most businesses. They are probably not “another industrial revolution,” it says, but together, there is “strong potential to change the way factories work.”

For decades, the US has watched its bedrock manufacturing industries wither away, as they’ve instead grown thick in Japan, in South Korea, in China, Taiwan and elsewhere in Asia. According to the Economic Policy Institute, the US lost about 5 million manufacturing jobs just from 1997 to 2014. This includes the production of lithium-ion batteries, which, though invented by Americans, were commercialized in Japan and later South Korea and China.

So Chiang’s innovation could be a poster-child for a new strain of thinking in the US. This says that, while such industries are not likely to return from Asia, the US can possibly reinvent how they manufacture. The country wouldn’t take back nearly as many jobs as it has lost. But there could be large profits, as the country once again moves a step ahead in crucial areas of technology.

To be clear, this is not Chiang’s goal. He is a professed universalist, divorced from scientific realpolitik. But should he succeed, as he plans to, then in addition to helping to decode the perplexing problem of batteries, he might contribute to continuing America’s political and economic dominance.



24M employee working in the Cambridge lab.(Kieran Kesner for Quartz)

## The road ahead

Chiang and Wilder are about to embark on a third round of investment, seeking \$20 million to \$30 million. They would spend the money to scale up to production of a new machine that makes a cell every two to ten seconds. This machine, to be available for sale in two years, would be for stationary electric batteries—used to power businesses, neighborhoods and utilities, rather than cars.

The machine would have a capacity of 79 megawatt-hours a year and produce any kind of lithium-ion battery for a cost of about \$160 per kilowatt-hour. By 2020, Chiang says, that will be down to about \$85, 30% below where conventional lithium-ion batteries—whose cost is also dropping—may be by then. But most importantly, the machine would be priced at about \$11 million. Hence, the startup cost of getting into lithium-ion battery manufacturing would plummet. “It’s so far out of the paradigm, you just don’t believe it,” said Wilder.

If 24M creates this machine, and if it can sell it into the market—an entirely different question—it will clearly shake up big industries, including stationary and electric car batteries, not to mention utilities. How quickly is anyone’s guess.

Chiang seems ambivalent as 24M begins to disclose what it’s been doing all these years. Until now, the entire industry has had a singular idea of how batteries are manufactured. Chiang’s own rivals were, until today, convinced that he was on a far-fetched crusade to figure out flow batteries.

But now, if they look hard at what he is really doing, and accept his approach, they may attempt to copy him. “If you haven’t seen the movie play out before, you don’t have the confidence it can be done,” he said. But staying a step ahead is also part of the startup game.

## **You may also like: The man who brought us the lithium-ion battery at the age of 57 has an idea for a new one at 92**

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### **Attachments**

- 24m-feature-2.jpeg (160.61 KB)
- 24m-img\_9340.jpg (114.66 KB)
- 24m-img\_9625.jpg (194.12 KB)
- ap4912619573881.jpg (71.17 KB)
- 24m-img\_9377.jpg (204.08 KB)
- redox\_flow\_battery\_english\_colorcorrected.jpeg (27.86 KB)
- 24m-img\_9398.jpg (159.45 KB)
- 24m-img\_9403.jpg (132.33 KB)
- 24m-img\_9516.jpg (168.07 KB)
- 24m-img\_9342.jpg (145.53 KB)
- 24m-img\_9467.jpg (163.65 KB)

Released under RTI - DTPM

**Subject:** Catch up

**From:** Sch 4 CTPI via LinkedIn (member@linkedin.com)

**To:** mangocube6@yahoo.co.uk;

**Date:** Monday, 29 June 2015, 12:18



Sch 4 CTPI

Hi mark,

I'm going to be in Brisbane on the 8th July - I was hoping to catch up and have a chat about a client i wanted you to meet - Sch 4 CTPI

My number is N/R

Cheers

Sch 4 CTPI

Reply to Sch 4 CTPI

Repeating via your email application will message everyone in the conversation.

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**Subject:** FW: Select Solutions  
**From:** Stuart Traill (stuart@etu.org.au)  
**To:** denise.spink; Sch 4 CTPI; mangocube6@yahoo.co.uk;  
**Cc:** simmo@etu.org.au;  
**Date:** Monday, 29 June 2015, 12:28

Comrades,

This is about to erupt tomorrow if our concerns aren't dealt with satisfactorily by Ergon.

All they have to do is suspend them until they comply.

This is a watershed moment for us.

Cheers,

Stuey.

---

**From:** Stuart Traill  
**Sent:** Monday, 29 June 2015 8:05 AM  
**To:** 'MONTGOMERY Brad (NQ)'; WATTON Belinda (Ergon)  
**Cc:** LEIGHTON Steve (CA); BOWES Geoff (FN); WINTERS Matthew (SW); Peter Simpson Bigpond; Rebecca Girard; BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB); BILLING Peter (NQ); wendel Moloney; Scott Stanford; Beau Malone (ETU); Craig Giddins (ETU); Daniel McGaw; Glenn Hall (ETU); Paul Kirby; Billy; daniel; Michael Haire; Wal  
**Subject:** RE: Select Solutions

Brad, Belinda,

When is Ergon going to answer the questions below.

Until you are prepared to respond to our members genuine concerns in writing I see little reason to have another talkfest. Our members are asking for responses.

1. When did Ergon first raise concerns with Select Solutions regarding their resource strategy?
2. Was there a formal directive to increase resources?
3. Did Select meet the deadlines set by Ergon?
4. Is their current resourcing and failure to perform the work they are contracted in accordance with their contract?
5. Why were these jobs listed below handed back to Ergon, please respond to every one listed in the original email below?
6. When will Select comply with their obligations under the contract?
7. Why were Ergon jobs made redundant if Ergon expected non-conformances as part of the so called transition plan mentioned below?
8. Is Select Solutions using sub contractors?
9. Were these contractors authorised by Ergon?
10. Why was the ETU not consulted regarding the sub contractors?
11. Are these sub contractors being paid in accordance with Schedule 8 of the Ergon UCA?
12. Did Ergon CEO meet with Select Solutions in Melbourne?
13. What was the discussions about?
14. Did Ergon CEO advise Select Solutions to ignore the ETU's concerns?
15. Was the conflict of interest regarding the Select Solutions Qld Manager having intimate internal knowledge of Ergon's processes, contractor engagement and pricing structures ever declared?
16. Has Ergon threatened staff for raising their concerns in relation to these matters with their elected representatives?

Regards,

Stuey.

---

**From:** MONTGOMERY Brad (NQ) [mailto:brad.montgomery@ergon.com.au]  
**Sent:** Friday, 26 June 2015 5:47 PM  
**To:** Stuart Traill; WATTON Belinda (Ergon)  
**Cc:** LEIGHTON Steve (CA); BOWES Geoff (FN); WINTERS Matthew (SW); Peter Simpson Bigpond; Rebecca Girard; BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB); BILLING Peter (NQ); wendel Moloney; Scott Stanford; Beau Malone (ETU); Craig Giddins (ETU); Daniel McGaw; Glenn Hall (ETU); Paul Kirby; Billy; daniel; Michael Haire; Wal  
**Subject:** RE: Select Solutions

Stuart

about:blank

I am looking to schedule this meeting on Tuesday 7<sup>th</sup> July can you please confirm whether this date is suitable. I will send out a meeting request with the relevant details following confirmation.

Regards

### Brad Montgomery

Principal Industrial Relations Advisor  
Ergon Energy

420 Flinders Street, Townsville QLD 4810  
PO Box 1090, Townsville QLD 4810  
P 07 4432 8537 M N/R F 07 4432 8060  
E [brad.montgomery@ergon.com.au](mailto:brad.montgomery@ergon.com.au)

[ergon.com.au](http://ergon.com.au)




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From: Stuart Traill (<mailto:stuart@etu.org.au>)

Sent: Friday, 26 June 2015 12:14 PM

To: WATTON Belinda (Ergon)

Cc: LEIGHTON Steve (CA); BOWES Geoff (FN); MONTGOMERY Brad (NQ); WINTERS Matthew (SW); Peter Simpson (ETU); Rebecca Girard; BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB); BILLING Peter (NQ); wendel Moloney; Scott Stanford; Beau Malone (ETU); Craig Giddins (ETU); Daniel McGaw; Glenn Hall (ETU); Paul Kirby; Billy; daniel; Michael Haire; Wal

Subject: RE: Select Solutions

Thanks Belinda,

I am happy to meet but see little benefit in meeting with Ergon given McLeads latest insulting tripe, nothing will change in our view unless there is a significant shift from the top down.

I am available until the 10<sup>th</sup> July other than next Thursday, all six senior delegates will be in attendance, Willie George(safety) and Troy Coleman(Subs) will also need to be there. Michael Haire will also have to be there at Ergons expense as the relief Organiser whilst I am away.

Regarding the ongoing issues, nothing has been resolved from our end until we are confident that the attitude of management has changed, until this occurs the campaign will continue to escalate.

Over to Ergon now.

Cheers,

Stuey.

---

From: WATTON Belinda (Ergon) (<mailto:belinda.watton@ergon.com.au>)

Sent: Friday, 26 June 2015 11:58 AM

To: Stuart Traill

Cc: LEIGHTON Steve (CA); BOWES Geoff (FN); MONTGOMERY Brad (NQ); WINTERS Matthew (SW); Peter Simpson Bigpond; Rebecca Girard; BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB); BILLY Donald (ERGON); BILLING Peter (NQ); wendel Moloney; Scott Stanford; Beau Malone (ETU); Craig Giddins (ETU); Daniel McGaw; Glenn Hall (ETU); Paul Kirby; Billy; daniel; Michael Haire; Wal

Subject: FW: Select Solutions

Stuart,

As just agreed let's set up a meeting to discuss both the select solutions and isolated systems issues as soon as possible. Can you please let me know of a time that suits and your preferred attendees – appreciating they may be different for the two issues.

Thanks

Belinda

### Belinda Watton

General Manager Human Resources  
Ergon Energy

825 Ann Street, Fortitude Valley QLD 4006  
PO Box 264, Fortitude Valley QLD 4006  
P 07 3851 6524 M N/R F 07 3851 6611  
E [belinda.watton@ergon.com.au](mailto:belinda.watton@ergon.com.au)

[ergon.com.au](http://ergon.com.au)



From: Stuart Traill [<mailto:stuart@etu.org.au>]

Sent: Friday, 26 June 2015 8:09 AM

To: BILLING Peter (NQ)

Cc: LEIGHTON Steve (CA); BOWES Geoff (FN); MONTGOMERY Brad (NQ); WINTERS Matthew (SW); wendel Moloaey, Peter Simpson (ETU); Rebecca Girard, Scott Stanford, BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB); Beau Malone (ETU); Craig Giddins (ETU); Daniel McGaw; Glenn Hall (ETU); Paul Kirby; Billy; daniel; Michael Haire; Wai

Subject: RE: Select Solutions

Peter,

I understand you are aware of this issue but have again blindly supported the lack of appropriate action from your Managers.

At no stage has Ergon addressed any of our concerns just merely quoting figures with no supporting evidence. This rubbish below is nothing more than a slap in the face to ETU members that actually do the real work in this organisation.

Please respond specifically to the following questions

1. When did Ergon first raise concerns with Select Solutions regarding their resource strategy?
2. Was there a formal directive to increase resources?
3. Did Select meet the deadlines set by Ergon?
4. Is their current resourcing and failure to perform the work they are contracted in accordance with their contract?
5. Why were these jobs listed below handed back to Ergon, please respond to every one listed in the original email below?
6. When will Select comply with their obligations under the contract?
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11. Are these sub contractors being paid in accordance with Schedule 8 of the Ergon UCA?
12. Did Ergon CEO meet with Select Solutions in Melbourne?
13. What was the discussions about?
14. Did Ergon CEO advise Select Solutions to ignore the ETU's concerns?
15. Was the conflict of interest regarding the Select Solutions Qld Manager having intimate internal knowledge of Ergon's processes, contractor engagement and pricing structures ever declared?
16. Has Ergon threatened staff for raising their concerns in relation to these matters with their elected representatives?

From the start Ergon have lied to our members, ETU members were made redundant on the back of claims that contractors could do it cheaper, there was NO mention of transition plans, there was NO mention of our blokes now being lumbered with additional workload as a result of Ergon and Select's incompetence, there was NEVER an accurate cost comparison done taking into account the true oncosts as result of this mismanagement.

We also have another contractor issue with the Meter maintain contract again handed on a platter at our members expense, despite ongoing commitments to have local consultation to ensure our members are fully utilised this has not occurred and as of today you have stranded resources due to another mismanaged contract and failure to genuinely consult with our members.

about:blank

3/9



Sch 4 CTPI

This is further evidence that You and Ergon have no intention of genuinely consulting with our Union, as such we formally withdraw from all consultation with Ergon and will now dispute each and every issue in accordance with the disputes procedure. It is obvious that you and others haven't realised that the LNP and their anti worker, anti union agenda were defeated earlier this year.

Whilst this is not our preference your ignorance and total disregard for our members concerns has left us with no other alternative.

Cheers,

Stacy.

---

From: BOWES Geoff (FN) [mailto:[geoff.bowes@ergon.com.au](mailto:geoff.bowes@ergon.com.au)]  
Sent: Thursday, 25 June 2015 4:51 PM  
To: Stuart Traill  
Cc: LEIGHTON Steve (CA); MONTGOMERY Brad (NQ)  
Subject: RE: Select Solutions

Dear Stuart,

I refer to your recent email correspondence regarding Ergon Energy's contract with Ausnet Electricity Services (Select Solutions) for the provision of Metering and Customer Services.

In regard to Select Solutions' staff being paid correctly for overtime work, we confirm that Select Solutions has a current Enterprise Agreement in place which applies to their employees engaged in the roles undertaking metering and customer service work and that this agreement includes provision for payment of penalty rates for after-hours work. The contractor has confirmed that it has been paying the appropriate penalty rates in accordance with the terms of their enterprise agreement.

Ergon Energy has followed up with Select Solutions and reviewed relevant time and wages records which supports that Select Solutions are paying in accordance with the entitlements under the terms of their enterprise agreement. As part of the management and advice regarding employment terms and conditions Select Solutions has dedicated human resource management specialists and expertise in the organisation which assist with the relevant procedures and conditions being followed.

Select Solutions also advises that they had recently experienced an issue during the change-over to the SAP payroll system whereby overtime payments for some employees were missed in one pay run however this has subsequently been addressed with outstanding amounts already paid, or scheduled to be paid in the next pay run. They also advise that impacted staff were advised of this matter and timeframe for resolution.

Whilst Ergon Energy is satisfied that Select Solutions' staff are being paid in accordance with the relevant EA any future anomalies identified by any of your members employed by Select Solutions should be directed to Select Solutions in the first instance. If you are not satisfied with the response and have concerns about any potential contractual breaches we would be happy to investigate.

In general terms regarding the status of the contract with Select Solutions, Ergon Energy is not aware of any contract performance issues or breaches that would require suspension of the contract and accordingly will not be taking any such action.

Ergon Energy has been transitioning works to Select Solutions under a staged implementation process between 4<sup>th</sup> May and 15<sup>th</sup> June 2015. During this time Select Solutions have engaged and mobilised 22 local and regional employees under the contract as well as introducing a small number of subcontractors.

All employees and subcontractors performing works under the contract are required to be appropriately authorised as Meter Readers or Meter Reconnection Officers prior to commencement.

During the first 3 to 6 months of the contract it was anticipated that there would be a small number of transitional activities that may require appropriate support from Ergon Energy crews as new contractor staff became familiar with the "local knowledge". As it has been less than 2 months since the contract first started we expect that further issues will be identified and addressed over the coming months. Accordingly we would also expect that any future reliance on Ergon Energy back-up capability will reduce during this period. However Ergon Energy will continue to utilise both its internal workforce and contractor workforce to ensure the delivery of customer services to the required standards and timeframes as necessary.

During the week ending 22<sup>nd</sup> June (the first full week after transition of all relevant services), the contractor successfully completed more than 2,000 service orders with better than 99% on-time compliance.

There have been no significant safety incidents or issues identified to date. Ergon Energy will continue to monitor the contractor's safety performance and safety management systems via routine audit programs.

The contractor has been addressing concerns raised by Ergon Energy regarding staff availability to respond to after-hours reconnections. This work is in scope of the contract, and the contractor has identified some localities where they have experienced difficulty in recruiting suitable staff. However they are progressively addressing these gaps through on-going recruitment activity and, where necessary, via local sub-contractor arrangements advised to Ergon Energy. Ergon Energy is very mindful of the impacts on local crews and our customers in regard to after-hours call-out activities and have prioritised this issue with the contractors. We are satisfied that the contractor understands our requirements and their obligations and is working towards satisfactory arrangements for all locations.

In summary upon reviewing the concerns raised further it is Ergon Energy's view that there are no genuine grounds to consider suspension of the contract and trust that the responses provided addresses the concerns raised.

Ergon Energy is committed to resolving issues in regard to the operation and performance of the Customer and Metering Service contract by engaging in reasonable and constructive discussion on these matters as they arise. It is however important to note that such an approach can only be achieved with the genuine commitment from both parties and attempts to threaten ultimatums runs counterproductive to achieving a reasonable and effective relationship.

We are happy to address any future issues via the Customer Service Consultative Committee forum or by direct discussion.

Regards.

Geoff

### Geoff Bowes

Customer Delivery Manager Connections Relations & Metering  
Ergon Energy

109 Lake Street, Cairns QLD 4870  
PO Box 358, Cairns QLD 4870  
P 07 4080 4992 M/N/R F 07 4080 4704  
E [geoff.bowes@ergon.com.au](mailto:geoff.bowes@ergon.com.au)

[ergon.com.au](http://ergon.com.au)




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From: Stuart Traill [[mailto:stuart@ctu.org.au](mailto:mailto:stuart@ctu.org.au)]  
Sent: Thursday, 25 June 2015 9:59 AM  
To: BOWES Geoff (FN)  
Cc: LEIGHTON Steve (CA); MONTGOMERY Brad (NQ); WINTERS Mathew (SW); Peter Simpson (ETU); BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (W3)  
Subject: RE: Select Solutions

Geoff,

My concern is that Ergon will obtain some weak as piss legal advice to try and cover their arse from being sued by a large multi national instead of having the guts to stand your ground and say "you haven't delivered on your contractual obligations, until you can you are suspended".

This weak approach will continue to apply unnecessary oncosts to internal operations and overheads further allowing Ergon to argue for future contracts on the basis that Ergon staff can't do it as cheap as the shitbag contractors.

It has also been noted by our members that this looks like certain Managers are trying to do whatever they can to keep this contract going to justify their jobs.

3/15/2018

Print

Maybe this afternoon you will prove me wrong but I won't be holding my breath because it seems again like Contractors are running the show, particularly a contractor with long term friendships within Ergon. This stinks to high heaven and I promise if this is not resolved today to expose the level of deceit throughout this contract from the CEO down.

Brad, save yourself the time of an email, I know you don't want me to use colourful language in emails but when Managers are making decisions to hand money to overseas companies that refuse to comply with their obligations at our expense we no doubt get the shits.

In disgust,

Stuey.

---

From: BOWES Geoff (FN) [mailto:geoff.bowes@ergon.com.au]  
Sent: Thursday, 25 June 2015 9:44 AM  
To: Stuart Trill  
Cc: LEIGHTON Steve (CA); MONTGOMERY Brad (NQ)  
Subject: RE: Select Solutions

Dear Stuart,

Thanks for your email. I understand that you have discussed the issues further with Brad Montgomery this morning.

We are currently investigating the issues you have raised and will respond to you by close of business today as requested in your email yesterday.

Regards.

Geoff

---

From: Stuart Trill [mailto:stuart@ctu.org.au]  
Sent: Thursday, 25 June 2015 8:37 AM  
To: LEIGHTON Steve (CA); BOWES Geoff (FN)  
Cc: WINTERS Matthew (SW); BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB)  
Subject: FW: Select Solutions

Steve, Geoff,

More now from Toowoomba on the back of Bundaberg, this Company is a disgrace, we advised Ergon at the start that there would be problems and we were ignored. It seems like China State Grid, Select and Rick Higginson is dictating terms to a Queensland Government owned Corporation and you mob are letting them.

This is about to erupt into the biggest blew that we have ever had against a contractor and Ergon I can assure you.

COB today is the deadline to suspend them or it's on.

Stuey.

---

From: WINTERS Matthew (SW) [mailto:matthew.winters@ergon.com.au]  
Sent: Wednesday, 24 June 2015 1:40 PM  
To: Stuart Trill  
Subject: FW: Select Solutions

Stuey

I have some specific recent examples from our blokes who are in fact doing work which I believe should be covered by Select Solutions.

Bloke 1 was sent to do a reconnect after hours only recently to Sch 4 Dr which was not the correct address. He was then directed to Sch 4 Dr which does not exist. After much perseverance from our member he was able to determine the correct address was Sch 4 Dr. He then reconnected this premises as requested CTPI

Bloke 2 Performed a reconnect after hours earlier this month as requested Sch 4 Dr 10-6-15 CTPI

about:blank

6/9

3/15/2018

Print

Blake 3 was sent to do a reconnect at a commercial premise 2 to 3 weeks ago at a live meter. This reconnect was to be reconnected by Select Solutions however they refused to do it because of the requirement to have 2 people to perform a safe system of work and refused to reconnect it. This job was then given to our member in customer service to do.

About 1 month ago the same situation was encountered at another commercial premise. This job was also completed by our Ergon member.

Considering Ergon decided to send this internal work out to this company and making 3 of our internal customer service employees redundant questions why our internal workforce is expected to again perform this work with reduced staff. We are absolutely disgusted and disillusioned that this practice is allowed to happen.

Because of the Field Force Automation now here I cannot give exact dates as this info goes back with the job unless they write details down somewhere. If you need any more detailed info I'm sure Ergon could supply you with the info you require from the FFA department.

Regards

Matt

---

From: Stuart Traill (mailto:stuart@ctu.org.au)

Sent: Wednesday, 24 June 2015 11:41 AM

To: MONTGOMERY Brad (NQ); LEIGHTON Steve (CA)

Cc: WINTERS Matthew (SW); wendel Moloney; BOWES Geoff (FN); BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB)

Subject: Select Solutions

Brad, Steve,

I have left you both messages regarding the ongoing Select Solutions fiasco.

Despite our repeated requests for wages and timesheet audits to be done by Ergon to ensure Ergon is complying with its obligations under Schedule 8 and Ergons ongoing refusal today it has been reported that Select staff are refusing to work O/T on weekdays or weekends as a result of Select allegedly refusing to pay penalty rates. If this in fact correct Ergon is in breach of the UCA. We are no doubt gathering evidence for a potential breach of agreement dispute in the Federal magistrates Court.

Steve,

I have previously given you feedback that Select was approaching Contractors to provide additional resources due to them failing to recruit to their contractual obligations, you confirmed that Select had been given a directive to fulfil the contract requirements. Today I have been advised that they are using subcontractors, fair chance they haven't consulted or had that approved by Ergon.

Our members are fuming that they are now required to pick up the workload during workhours and after hours due to Select continuing to not comply with their obligations. This on top of the fact that Ergon made internal jobs redundant as a result of outsourcing this work. Ergons argument was that it is cheaper to use contractors for this work, of course it's cheaper if they don't pay the appropriate penalty rates. What a f\$%&ing disgrace that not only Select but also Ergon is now implicated in this attack on Industry conditions.

As I stated in the message, if I can't get a confirmation that Select's contract will be suspended by COB tomorrow and internal resources will be employed to address the increased workload I will escalate to the Shareholders to expose Ergon's apparent agenda to outsource permanent internal jobs and then hand contracts to grubby employers that are intent to undermine long standing Industry provisions at our members expense.

Questions have also been asked by our members as to why excuses continue to be made by Ergon Managers allowing Select to continue operations despite constant non compliance particularly given the previous employment within Ergon of the Select State Manager.

The clock is ticking.

Regards,

Stuart Traill,

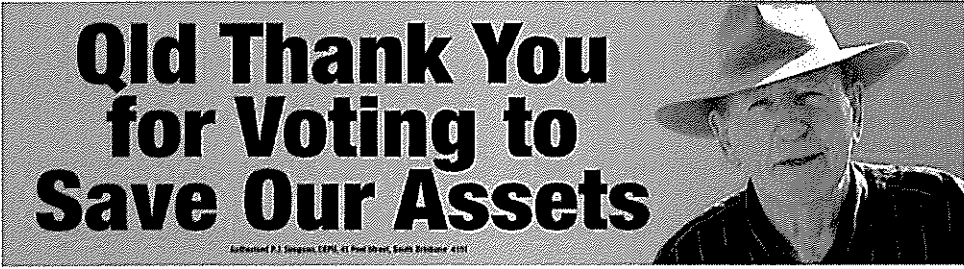
Supply Industry Coordinator,

N/R

[stuart@ctu.org.au](mailto:stuart@ctu.org.au)

about:blank

7/9



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**Attachments**

- Ergon Outsources Ergon Jobs to Singapore Power Owned Contractor.pdf (220.61 KB)
- image001.jpg (1.88 KB)
- image002.jpg (908 B)
- image003.jpg (897 B)
- image004.jpg (1.01 KB)
- image005.jpg (986 B)
- image006.png (15.16 KB)
- image007.png (6.08 KB)
- image008.png (1.12 KB)
- image009.png (1.35 KB)
- image010.png (1.42 KB)
- image011.png (1.53 KB)
- image012.jpg (63.44 KB)

Released under RTI - DfMR



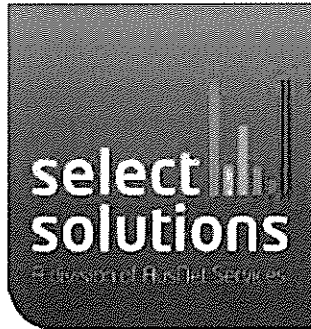
## **Ergon Outsources Ergon Jobs to Singapore Power Owned Contractor (Ergon still does the work)**

Ergon has recently given a contract for Core Customer Service work to Select Solutions, Select are wholly owned by Ausnet Services, which is owned jointly by Singapore Power and China State Grid.

Select Solutions refuses to negotiate an EBA with the ETU Qld Branch. Their current agreement has reduced entitlements than Qld ESI EBA's and ESI Contracting EBA's.

Ergon CEO, Ian McLeod met with Select Solutions Management in Melbourne, he allegedly advised them to ignore the ETU's attempts to negotiate an agreement.

- 5/12/13 Initial proposal by Ergon to go to contract advised to ETU
- May, 2014 SBU consultation outlining 8 redundancies on basis it was work volume beyond internal capacity
- Maryborough (1), Hervey Bay(1), Bundaberg(2), Toowoomba(4)
- Contract Tender to be completed by August 2014
- ETU disputes Contract under Use of Contractors clause
- Ergon argues we don't have the resources and it's cheaper to use Contractors
- Contract Commencement 1<sup>st</sup> quarter, 2015
- Select Solutions advised of significant safety cost cutting by ETU
- Ergon raised concerns with Select Solutions resource strategy
- Select Solutions formally advised by Ergon to increase resources
- Select Solutions still not compliant with Contractual obligations
- Select Solutions pays workers only 2 weeks in first 5 weeks of contract
- Select Solutions only last week provided payslips to staff
- Select Solutions refuses to pay standby allowance
- Select Solutions expect staff to be available but refuse to pay standby allowance(cost cutting)
- Significant numbers of jobs are now being handed back to Ergon workers due to lack of resources or lack of availability after hours due to nobody being on standby
- Other ESI Contractors are livid they have been undercut by Select whilst they pay all the provisions and have crews on standby to ensure GSL's are met
- Ergon notified of our concerns on Wednesday 24<sup>th</sup> June
- Ergon's response was that Select are completing 99% of their jobs and they are apparently on a transition plan to supply adequate resource



If Select is allowed to do what they are doing all under the watchful eye of the pro deregulation of wages and conditions driven Ian McLeod there is nothing stopping them from undercutting all decent EBA contractors and buying a large slice of the contract works at the expense of ETU members.

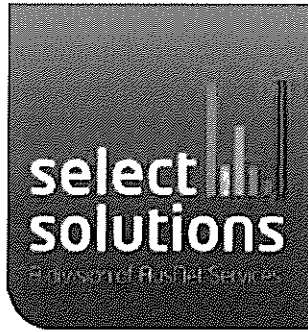
The initial agenda of Select in our view was to undercut and buy themselves a contract with Ergon either through the Select managers close relationship with Ergon or through undermining the Industry to get themselves a foothold prior to the Qld election where they would then be positioned to allow Singapore Power and China State Grid to buy the network if the LNP privatised. Thankfully ETU members defeated the LNP but Selects agenda is still evident.

Members across Ergon and the ESI contractors have every right to be outraged

**ETU has given Ergon a list of questions(below) to respond to by COB 29/6/15**

- When did Ergon first raise concerns with Select Solutions regarding their resource strategy?
- Was there a formal directive to increase resources?
- Did Select meet the deadlines set by Ergon?
- Is their current resourcing and failure to perform the work they are contracted in accordance with their contract?
- Why were these jobs listed below handed back to Ergon, please respond to every one listed in the original email below?
- When will Select comply with their obligations under the contract?
- Why were Ergon jobs made redundant if Ergon expected non conformances as part of the so called transition plan mentioned below?
- Is Select Solutions using sub contractors?
- Were these contractors authorised by Ergon?
- Why was the ETU not consulted regarding the sub contractors?
- Are these sub contractors being paid in accordance with Schedule 8 of the Ergon UCA?
- Did Ergon CEO meet with Select Solutions in Melbourne?
- What was the discussions about?
- Did Ergon CEO advise Select Solutions to ignore the ETU's concerns?
- Was the conflict of interest regarding the Select Solutions Qld Manager having intimate internal knowledge of Ergon's processes, contractor engagement and pricing structures ever declared?
- Has Ergon threatened staff for raising their concerns in relation to these matters with their elected representatives?





Ergon argued that there were NOT the internal resources to do this work, Ergon argued that it was cheaper for contractors to do this work, of course we don't have the resources if Ergon makes them redundant, of course it's cheaper if the contractor doesn't pay the Industry wages and conditions, of course it's cheaper if they are cost cutting on safety, of course it's cheaper if Ergon staff are expected to do the work that was stolen off them(at Ergon customers expense). This will make Ergon always look more expensive if all associated costs of a contract are not taken into account.

Ergon Managers have now threatened staff with discipline if they speak to the ETU about this matter. Obviously Ergon have something to hide.

This is not only an attack on your Industry wages and conditions it's also an attempt to undermine the decent ESI contractors with QLD ETU EBA's.

It's time to stand up and demand answers to legitimate questions.

Released under RTI/OMR

Subject: RE: "Compliance Day"  
 From: Peter Simpson (ETU) (simmo@etu.org.au)  
 To: peter.billing@ergon.com.au;  
 Cc: ian.mcleod@ergon.com.au; stuart@etu.org.au;  
 Date: Monday, 29 June 2015, 13:07

Well it's common knowledge amongst your management team Peter, strange that they all know but you don't?

As you'd be fully aware, the ETU has provided stickers for members for many years to put proudly on their hard hats and work vehicles. As you are fully aware, these are there today and I believe you recently saw some up at Toowoomba, which I suspect has led to "Compliance Day"

If that's the road we're going down now and you want to just keep poking us in the eye with bullshit such as this you will fully expect us to react, as we always do.

Simmo

From: BILLING Peter (NQ) [mailto:peter.billing@ergon.com.au]  
 Sent: Monday, 29 June 2015 1:04 PM  
 To: Peter Simpson (ETU)  
 Cc: McLEOD Ian (NQ); Stuart Traill  
 Subject: RE: "Compliance Day"

Peter,

I have not given any instructions about a compliance day. Your e-mail is the first I have heard of it.

It has been Ergon policy for many year to not allow non-Ergon material to be displayed on our vehicles or assets other than defined notice board. I would expect that our people would comply with this as a matter of course.

Thanks,

Peter

---

From: Peter Simpson (ETU) [mailto:simmo@etu.org.au]  
 Sent: Monday, 29 June 2015 12:44 PM  
 To: BILLING Peter (NQ)  
 Cc: McLEOD Ian (NQ); Stuart Traill  
 Subject: "Compliance Day"  
 Importance: High

Peter,

I understand that tomorrow has been deemed "Compliance Day" and that you have instructed your managers to remove all ETU material from Ergon Energy vehicles? Can I get your reasoning on that before we respond please.

Regards,

Peter Simpson

State Secretary

N/R

simmo@etu.org.au

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Released under RTI - DTMR

Subject: RE: "Compliance Day"  
From: Peter Simpson (ETU) (simmo@etu.org.au)  
To: peter.billing@ergon.com.au;  
Cc: ian.mcleod@ergon.com.au; stuart@etu.org.au;  
Date: Monday, 29 June 2015, 13:27

Jordan has confirmed to our guys that it is Statewide

From: Peter Simpson (ETU)  
Sent: Monday, 29 June 2015 1:23 PM  
To: 'BILLING Peter (NQ)'  
Cc: McLEOD Ian (NQ); Stuart Traill  
Subject: RE: "Compliance Day"

Mmmmm

From: DUNN John (MK)  
Sent: Monday, 15 June 2015 8:14 AM  
To: Lines External Works Contract  
Cc: MARTIN Carolyn (MK)  
Subject: FW: Branding On Ergon Energy Vehicles

Gents,

Please ensure that this action is carried out, and send confirmation of completion to Carolyn for collation. I would like this done by the end of June, please let me know if that date is not achievable.

Thanks,

John

From: JORDON Paul (WB)  
Sent: Friday, 12 June 2015 4:58 PM  
To: Lines Managers  
Subject: Branding On Ergon Energy Vehicles

Team,

I have noted in my travels that a number of our vehicles have stickers attached that are not aligned to our policy, an extract of which I have provided below.

This issue has also been identified to me from other parts of our business.

These stickers include radio station stickers, Union stickers, and a range of other material. Could you please conduct an audit of vehicles within your control and ensure that any stickers not approved by Ergon Energy are removed.

#### 7.1 Branding

All Ergon Energy Vehicles with the exception of Company Vehicles shall have permanent Ergon Energy branding and vehicle numbering displayed on the exterior of the vehicle.

***Branding, logos or stickers other than those approved by Ergon Energy shall not be fitted to vehicles.***

Regards,

Paul Jordon  
General Manager Lines

about:blank

Ergon Energy

From: BILLING Peter (NQ) [mailto:[peter.billing@ergon.com.au](mailto:peter.billing@ergon.com.au)]  
 Sent: Monday, 29 June 2015 1:04 PM  
 To: Peter Simpson (ETU)  
 Cc: McLEOD Ian (NQ); Stuart Traill  
 Subject: RE: "Compliance Day"

Peter,

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It has been Ergon policy for many year to not allow non-Ergon material to be displayed on our vehicles or assets other than defined notice board. I would expect that our people would comply with this as a matter of course.

Thanks,

Peter

---

From: Peter Simpson (ETU) [mailto:[simmo@ctu.org.au](mailto:simmo@ctu.org.au)]  
 Sent: Monday, 29 June 2015 12:44 PM  
 To: BILLING Peter (NQ)  
 Cc: McLEOD Ian (NQ); Stuart Traill  
 Subject: "Compliance Day"  
 Importance: High

Peter,

I understand that tomorrow has been deemed "Compliance Day" and that you have instructed your managers to remove all ETU material from Ergon Energy vehicles? Can I get your reasoning on that before we respond please.

Regards,

Peter Simpson

State Secretary

N/R

[simmo@ctu.org.au](mailto:simmo@ctu.org.au)

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Released under RTI - DTMR

**Subject:** Fwd: Select Solutions  
**From:** Peter Simpson (Sch 4 CTPI)  
**To:** mangocube6@yahoo.co.uk;  
**Date:** Monday, 29 June 2015, 17:30

Don't know if you have met this smug fuck yet but 90% of your ETU issues are coming from him

Game on

Sent from my iPhone

Begin forwarded message:

**From:** "BILLING Peter (NQ)" <peter.billing@ergon.com.au>  
**Date:** 29 June 2015 5:04:42 pm AEST  
**To:** Stuart Traill <stuart@etu.org.au>, "WATTON Belinda (Ergon)" <belinda.watton@ergon.com.au>  
**Cc:** "MONTGOMERY Brad (NQ)" <brad.montgomery@ergon.com.au>, "LEIGHTON Steve (CA)" <steve.leighton@ergon.com.au>, "BOWES Geoff (FN)" <geoff.bowes@ergon.com.au>, "WINTERS Matthew (SW)" <matthew.winters@ergon.com.au>, "Peter Simpson (ETU)" <Sch 4 CTPI>, Rebecca Girard <Rebecca.Girard@theservicesunion.com.au>, "BLOOM Greg (NQ)" <greg.bloom@ergon.com.au>, "CONWAY Jason (CA)" <jason.conway@ergon.com.au>, "McGAW Chris (SW)" <chris.mcgaw@ergon.com.au>, "HILL Robert (FN)" <robert.hill@ergon.com.au>, "RIX Ian (MK)" <ian.rix@ergon.com.au>, "SOLOGINKIN Scott (WB)" <scott.sologinkin@ergon.com.au>, wendel Moloney <wendel@etu.org.au>, Scott Stanford <scott.stanford@amwu.asn.au>, "Beau Malone (ETU)" <beau@etu.org.au>, "Craig Giddins (ETU)" <craig@etu.org.au>, Daniel McGaw <dmcgaw@etu.org.au>, "Glenn Hall (ETU)" <glenn@etu.org.au>, Paul Kirby <kirby@etu.org.au>, Billy <billy@etu.org.au>, daniel <daniel@etu.org.au>, Michael Haire <mhaire@etu.org.au>, Wal <>wal@etu.org.au>  
**Subject:** RE: Select Solutions

Stuart,

I will have responses to your questions below by midmorning tomorrow and will respond then.

Thanks,

Peter

-----Original Message-----

**From:** Stuart Traill [mailto:stuart@etu.org.au]  
**Sent:** Monday, 29 June 2015 9:58 AM  
**To:** WATTON Belinda (Ergon)  
**Cc:** MONTGOMERY Brad (NQ); LEIGHTON Steve (CA); BOWES Geoff (FN); WINTERS Matthew (SW); Peter Simpson (ETU); Rebecca Girard; BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB); BILLING Peter (NQ); wendel Moloney; Scott Stanford; Beau Malone (ETU); Craig Giddins (ETU); Daniel McGaw; Glenn Hall (ETU); Paul Kirby; Billy; daniel; Michael Haire; Wal  
**Subject:** RE: Select Solutions

Belinda,

The failure to respond to the specific questions is unnecessarily delaying the timely resolution of this ongoing dispute. Our members are screaming for answers and Ergon's failure to respond is inflaming the situation. We have serious concerns that despite these ongoing concerns our members are being threatened to not talk about this matter with their Union, this threats are a breach of a number of provisions of the Fair Work Act.

My understanding of a love in was to discuss how we jointly agree to deal with each other instead of the ongoing arrogant attitude by Ergon Managers to ignore legitimate concerns.

I am available on the 7th but as stated our view is

Released under RTI - DTMR



Subject: Fwd: Res
From: Peter Simpson (ETU) (simmo@etu.org.au)
To: mangocube6@yahoo.co.uk;
Date: Tuesday, 30 June 2015, 7:51

Sent from my iPhone

Begin forwarded message:

From: "McGAW Chris (SW)" <chris.mcgaw@ergon.com.au>
Date: 30 June 2015 7:38:53 am AEST
To: "BLOOM Greg (NQ)" <greg.bloom@ergon.com.au>, "BUCKLEY Gavin (SW)" <gavin.buckley@ergon.com.au>, "CLARE Ryan (CA)" <ryan.clare@ergon.com.au>, "COLEMAN Troy (NQ)" <troy.coleman@ergon.com.au>, "CONWAY Jason (CA)" <jason.conway@ergon.com.au>, "CRUMP Robert (FN)" <robert.crump@ergon.com.au>, "DOWD Daniel (NQ)" <daniel.dowd@ergon.com.au>, "GUTSCHLAG Steven (MK)" <steven.gutschlag@ergon.com.au>, "HILL Robert (FN)" <robert.hill@ergon.com.au>, "HUTCHINSON Craig (WB)" <craig.hutchinson@ergon.com.au>, "KRATZ Murray (WB)" <murray.kratz@ergon.com.au>, "RIX Ian (MK)" <ian.rix@ergon.com.au>, "SOLOGINKIN Scott (WB)" <scott.sologinkin@ergon.com.au>, "WINTER Stephen (Outage Co-Ordinator FN)" <stephen.winter@ergon.com.au>, "BRADFIELD Todd (SW)" <todd.bradfield@ergon.com.au>, "BRADFIELD Virgil (SW)" <virgil.bradfield@ergon.com.au>, "CARDILLO Ross (SW)" <ross.cardillo@ergon.com.au>, "CLARKE Gregory (SW)" <gregory.clarke@ergon.com.au>, "COLLINS Gerard (SW)" <gerard.collins@ergon.com.au>, "CROWTHER Tim (SW)" <tim.crowther@ergon.com.au>, "DAVIS Mike (SW)" <mike.davis@ergon.com.au>, "DUNNE Peter (SW)" <peter.dunne@ergon.com.au>, "DWAN Matt (SW)" <matt.dwan@ergon.com.au>, "FORSTER Jim (CA)" <jim.forster@ergon.com.au>, "FRANK Ian (SW)" <ian.frank@ergon.com.au>, "GILLESPIE Gregory (SW)" <gregory.gillespie@ergon.com.au>, "GILLOTT John (SW)" <william.gillott@ergon.com.au>, "HENDRY Mark (SW)" <mark.hendry@ergon.com.au>, "JOHNSON Sean (SW)" <sean.johnson@ergon.com.au>, "KIERNAN Brendan (SW)" <brendan.kiernan@ergon.com.au>, "KILEY Neal (SW)" <neal.kiley@ergon.com.au>, "LAND David (SW)" <david.land@ergon.com.au>, "LEWIS Jeff (SW)" <jeffrey.lewis@ergon.com.au>, "MCLACHLAN Bruce - Design (SW)" <bruce.mclachlan@ergon.com.au>, "McMURTRIE David (SW)" <david.mcmurtrie@ergon.com.au>, "MCPHERSON Guy (SW)" <guy.mcpherson@ergon.com.au>, "PETERSEN Merv (SW)" <merv.petersen@ergon.com.au>, "RIGBY Bradley (SW)" <bradley.rigby@ergon.com.au>, "RYAN Matthew (SW)" <matthew.ryan@ergon.com.au>, "SEYMOUR David (SW)" <david.seymour@ergon.com.au>, "STEWART Andrew (SW)" <andrew.stewart@ergon.com.au>, "STUMER Lyndon (SW)" <lyndon.stumer@ergon.com.au>, "SWINTON Anthony (SW)" <anthony.swinton@ergon.com.au>, "TRONC Jack (ERGON)" <jack.tronc@ergon.com.au>, "VOLL Peter (SW)" <peter.voll@ergon.com.au>, "WINTERS Matthew (SW)" <matthew.winters@ergon.com.au>
Cc: Stuart Traill <stuart@etu.org.au>, "Peter Simpson (ETU) (simmo@etu.org.au)" <simmo@etu.org.au>
Subject: Res

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Attachments

- Letter template.doc (27.00 KB)
• ATTT00001.htm (168 B)



**We the ETU Members of Ergon Energy Toowoomba call on all Ergon Depots affected by the Select Solutions Customer Services contract to join the ETU campaign in Toowoomba to make both Ergon and Select Solutions Senior Management accountable for the mismanagement of the contract. Furthermore we advise that the petty action being undertaken by Ergon Senior management in ordering the removal of ETU stickers for every ETU sticker that is removed it will be replaced by 2 more.**

Released under RTI - DTMR

**Subject:** FW: Select Solutions  
**From:** Peter Simpson (ETU) (simmo@etu.org.au)  
**To:** mangocube6@yahoo.co.uk;  
**Date:** Tuesday, 30 June 2015, 8:38

**From:** Peter Simpson (ETU)  
**Sent:** Tuesday, 30 June 2015 8:38 AM  
**To:** 'BILLING Peter (NQ)'; Stuart Traill  
**Cc:** LEIGHTON Steve (CA); BOWES Geoff (FN); MONTGOMERY Brad (NQ); WINTERS Matthew (SW); wendel Moloney; Rebecca Girard; Scott Stanford; BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB); Beau Malone (ETU); Craig Giddins (ETU); Daniel McGaw; Glenn Hall (ETU); Paul Kirby; Billy; daniel; Michael Haire; Wal  
**Subject:** RE: Select Solutions

You could have saved a lot of words Peter and just said Fuck you

**From:** BILLING Peter (NQ) [mailto:peter.billing@ergon.com.au]  
**Sent:** Tuesday, 30 June 2015 8:29 AM  
**To:** Stuart Traill  
**Cc:** LEIGHTON Steve (CA); BOWES Geoff (FN); MONTGOMERY Brad (NQ); WINTERS Matthew (SW); wendel Moloney; Peter Simpson (ETU); Rebecca Girard; Scott Stanford; BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB); Beau Malone (ETU); Craig Giddins (ETU); Daniel McGaw; Glenn Hall (ETU); Paul Kirby; Billy; daniel; Michael Haire; Wal  
**Subject:** RE: Select Solutions

Stuart,

I committed yesterday afternoon to respond this morning and below is my responses to the questions.

We are committed to work with you on issue you raise and we have offered to meet on the 7th to agree how we get work together in the future. I would hope that you are prepared to meet.

Thanks,

Peter

As outlined by Geoff Bowes in the initial response on Thursday to your enquiries there are no identified contract performance issues that necessitate suspension or termination of the contract at this time with Select Solutions. As you are aware there were several customer service contracts arrangements already in place within Ergon Energy which have successfully operated within central and northern regions for many years. The alignment of the southern area on this arrangement similarly supports the introduction of consistent and expanded contracting arrangements for the delivery of customer service work and we will continue to ensure effective implementation of these arrangements by continuing to work with Select Solutions.

Please see attached relevant responses to those questions. Per our recent correspondence we are happy to discuss any future issues via the Customer Service Consultative Committee forum or by direct discussion.

1. *When did Ergon first raise concerns with Select Solutions regarding their resource strategy?*

Ergon Energy continues to have ongoing discussions with Select Solutions around its resourcing strategy since the commencement of the contract. We would expect on-going discussions into the future as volumes of work can vary on a seasonal basis or as a result of increased levels of Retail market activity. This is part of the normal contract start-up process and would be expected for the expansion of this type of contract arrangement.

2. *Was there a formal directive to increase resources?*

Resourcing of the contract is a matter for the contractor. The contractor is required to provide sufficient resources to meet the delivery outcomes for the contract.

3. *Did Select meet the deadlines set by Ergon?*

Ergon Energy has not imposed any deadlines for resourcing levels. We are working with the contractor to ensure that the resource levels are appropriate to safely and efficiently deliver the required services. There is a need to coordinate contractor recruitment and training activities and the start-up of new resources is dependent on successful completion of MRO training and authorisation and completion of relevant inductions.

4. *Is their current resourcing and failure to perform the work they are contracted in accordance with their contract?*

As previously advised, Ergon Energy considers that it will take up to 6 months to fully transition and embed the new contract arrangements and Ergon Energy will continue to work with Select Solutions to ensure a successful transition.

5. *Why were these jobs listed below handed back to Ergon, please respond to every one listed in the original email below?*

Individual jobs may be handed back for various reasons. The main reason for after-hours work being passed back to Ergon Energy crews since contract commencement has been availability of contractor staff. Ergon Energy is working with the contractor to ensure adequate resources are available to perform required after-hours activities.

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Ergon Energy has sufficient internal capability to handle the small number of jobs expected to be referred back during the transitional period. The majority of the work is being completed by the contractor. The eight redundant positions were identified and consulted prior to calling tenders.

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Yes

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Contractor resourcing strategies are provided as part of the tender submission and are "commercial in confidence". Ergon Energy consulted on its intention to engage contractors to perform the Metering and Customer Services work prior to the actual engagement of a specific contractor via a competitive tender process. Any subcontract arrangements proposed by the Principal Contractor are required to be approved by Ergon Energy – this happens during the contract implementation period. We can provide details of approved sub-contract arrangements.

11. *Are these sub-contractors being paid in accordance with Schedule 8 of the Ergon UCA?*

Ergon Energy is seeking further clarification of relevant employment arrangements from Select Solutions.

12. *Did Ergon CEO meet with Select Solutions in Melbourne?*

No

13. *What was the discussions about?*

There was no discussion

14. *Did Ergon CEO advise Select Solutions to ignore the ETU's concerns?*

No

15. *Was the conflict of interest regarding the Select Solutions Qld Manager having intimate internal knowledge of Ergon's processes, contractor engagement and pricing structures ever declared?*

An impartial and competitive tender process was followed in line with Ergon Energy's contract procurement requirements.

16. *Has Ergon threatened staff for raising their concerns in relation to these matters with their elected representatives?*

We are not aware of any alleged threats made to staff. Ergon Energy's expectation is that any operational matters be raised and discussed with the relevant operational manager to resolve locally.

From: Stuart Traill [mailto:stuart@stn.org.au]

Sent: Friday, 26 June 2015 8:09 AM

To: BILLING Peter (NQ)

Cc: LEIGHTON Steve (CA); BOWES Geoff (FN); MONTGOMERY Brad (NQ); WINTERS Matthew (SW); wendel Moloney; Peter Simpson (ETU); Rebecca Girard; Scott Stanford; BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB); Beau Malone (ETU); Craig Giddins (ETU); Daniel McGaw; Glenn Hall (ETU); Paul Kirby; Billy; daniel; Michael Haire; Wal

Subject: RE: Select Solutions

Peter,

I understand you are aware of this issue but have again blindly supported the lack of appropriate action from your Managers.

At no stage has Ergon addressed any of our concerns just merely quoting figures with no supporting evidence. This rubbish below is nothing more than a slap in the face to ETU members that actually do the real work in this organisation.

Please respond specifically to the following questions

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We also have another contractor issue with the Meter maintain contract again handed on a platter at our members expense, despite ongoing commitments to have local consultation to ensure our members are fully utilised this has not occurred and as of today you have stranded resources due to another mismanaged contract and failure to genuinely consult with our members.

Sch 4 CTPI

This is further evidence that You and Ergon have no intention of genuinely consulting with our Union, as such we formally withdraw from all consultation with Ergon and will now dispute each and every issue in accordance with the disputes procedure. It is obvious that you and others haven't realised that the LNP and their anti worker, anti union agenda were defeated earlier this year.

Whilst this is not our preference your ignorance and total disregard for our members concerns has left us with no other alternative.

Cheers,

Stuey.

From: BOWES Geoff (FN) [mailto:[geoff.bowes@ergon.com.au](mailto:geoff.bowes@ergon.com.au)]  
Sent: Thursday, 25 June 2015 4:51 PM  
To: Stuart Traill  
Cc: LEIGHTON Steve (CA); MONTGOMERY Brad (NQ)  
Subject: RE: Select Solutions

Dear Stuart,

I refer to your recent email correspondence regarding Ergon Energy's contract with Ausnet Electricity Services (Select Solutions) for the provision of Metering and Customer Services.

In regard to Select Solutions' staff being paid correctly for overtime work, we confirm that Select Solutions has a current Enterprise Agreement in place which applies to their employees engaged in the roles undertaking metering and customer service work and that this agreement includes provision for payment of penalty rates for after-hours work. The contractor has confirmed that it has been paying the appropriate penalty rates in accordance with the terms of their enterprise agreement.

Ergon Energy has followed up with Select Solutions and reviewed relevant time and wages records which supports that Select Solutions are paying in accordance with the entitlements under the terms of their enterprise agreement. As part of the management and advice regarding employment terms and conditions Select Solutions has dedicated human resource management specialists and expertise in the organisation which assist with the relevant procedures and conditions being followed.

Select Solutions also advises that they had recently experienced an issue during the change-over to the SAP payroll system whereby overtime payments for some employees were missed in one pay run however this has subsequently been addressed with outstanding amounts already paid, or scheduled to be paid in the next pay run. They also advise that impacted staff were advised of this matter and timeframe for resolution.

Whilst Ergon Energy is satisfied that Select Solutions' staff are being paid in accordance with the relevant EA any future anomalies identified by any of your members employed by Select Solutions should be directed to Select Solutions in the first instance. If you are not satisfied with the response and have concerns about any potential contractual breaches we would be happy to investigate.

In general terms regarding the status of the contract with Select Solutions, Ergon Energy is not aware of any contract performance issues or breaches that would require suspension of the contract and accordingly will not be taking any such action.

Ergon Energy has been transitioning works to Select Solutions under a staged implementation process between 4<sup>th</sup> May and 15<sup>th</sup> June 2015. During this time Select Solutions have engaged and mobilised 22 local and regional employees under the contract as well as introducing a small number of subcontractors.

All employees and subcontractors performing works under the contract are required to be appropriately authorised as Meter Readers or Meter Reconnection Officers prior to commencement.

During the first 3 to 6 months of the contract it was anticipated that there would be a small number of transitional activities that may require appropriate support from Ergon Energy crews as new contractor staff became familiar with the "local knowledge". As it has been less than 2 months since the contract first started we expect that further issues will be identified and addressed over the coming months. Accordingly we would also expect that any future reliance on Ergon Energy back-up capability will reduce during this period. However Ergon Energy will continue to utilise both its internal workforce and contractor workforce to ensure the delivery of customer services to the required standards and timeframes as necessary.

During the week ending 22<sup>nd</sup> June (the first full week after transition of all relevant services), the contractor successfully completed more than 2,000 service orders with better than 99% on-time compliance.

There have been no significant safety incidents or issues identified to date. Ergon Energy will continue to monitor the contractor's safety performance and safety management systems via routine audit programs.

The contractor has been addressing concerns raised by Ergon Energy regarding staff availability to respond to after-hours reconnections. This work is in scope of the contract, and the contractor has identified some localities where they have experienced difficulty in recruiting suitable staff. However they are progressively addressing these gaps through on-going recruitment activity and, where necessary, via local sub-contractor arrangements advised to Ergon Energy. Ergon Energy is very mindful of the impacts on local crews and our customers in regard to after-hours call-out activities and have prioritised this issue with the contractors. We are satisfied that the contractor understands our requirements and their obligations and is working towards satisfactory arrangements for all locations.

In summary upon reviewing the concerns raised further it is Ergon Energy's view that there are no genuine grounds to consider suspension of the contract and trust that the responses provided addresses the concerns raised.

Ergon Energy is committed to resolving issues in regard to the operation and performance of the Customer and Metering Service contract by engaging in reasonable and constructive discussion on these matters as they arise. It is however important to note that such an approach can only be achieved with the genuine commitment from both parties and attempts to threaten ultimatums runs counterproductive to achieving a reasonable and effective relationship.

We are happy to address any future issues via the Customer Service Consultative Committee forum or by direct discussion.

Regards,

about:blank

4/8

Geoff

### Geoff Bowes

Customer Delivery Manager Connections Relations & Metering  
Ergon Energy

109 Lake Street, Cairns QLD 4870  
PO Box 358, Cairns QLD 4870  
P 07 4080 4992 M N/R F 07 4080 4704  
E [geoff.bowes@ergon.com.au](mailto:geoff.bowes@ergon.com.au)

[ergon.com.au](http://ergon.com.au)




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From: Stuart Traill [<mailto:stuart@etu.org.au>]  
Sent: Thursday, 25 June 2015 9:59 AM  
To: BOWES Geoff (FN)  
Cc: LEIGHTON Steve (CA); MONTGOMERY Brad (NQ); WINTERS Matthew (SW); Peter Simpson (ETU); BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB)  
Subject: RE: Select Solutions

Geoff,

My concern is that Ergon will obtain some weak as piss legal advice to try and cover their arse from being sued by a large multi national instead of having the guts to stand your ground and say "you haven't delivered on your contractual obligations, until you can you are suspended".

This weak approach will continue to apply unnecessary oncosts to internal operations and overheads further allowing Ergon to argue for future contracts on the basis that Ergon staff can't do it as cheap as the shitbag contractors.

It has also been noted by our members that this looks like certain Managers are trying to do whatever they can to keep this contract going to justify their jobs.

Maybe this afternoon you will prove me wrong but I won't be holding my breath because it seems again like Contractors are running the show, particularly a contractor with long term friendships within Ergon. This stinks to high heaven and I promise if this is not resolved today to expose the level of deceit throughout this contract from the CEO down.

Brad, save yourself the time of an email, I know you don't want me to use colourful language in emails but when Managers are making decisions to hand money to overseas companies that refuse to comply with their obligations at our expense we no doubt get the shits.

In disgust,

Stuay.

---

From: BOWES Geoff (FN) [<mailto:geoff.bowes@ergon.com.au>]  
Sent: Thursday, 25 June 2015 9:44 AM  
To: Stuart Traill  
Cc: LEIGHTON Steve (CA); MONTGOMERY Brad (NQ)  
Subject: RE: Select Solutions

Dear Stuart,

about:blank

5/8

Thanks for your email. I understand that you have discussed the issues further with Brad Montgomery this morning.

We are currently investigating the issues you have raised and will respond to you by close of business today as requested in your email yesterday.

Regards.

Geoff

---

From: Stuart Traill [mailto:stuart@ctu.org.au]  
 Sent: Thursday, 25 June 2015 8:37 AM  
 To: LEIGHTON Steve (CA); BOWES Geoff (FN)  
 Cc: WINTERS Matthew (SW); BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB)  
 Subject: FW: Select Solutions

Steve, Geoff,

More now from Toowoomba on the back of Bundaberg, this Company is a disgrace, we advised Ergon at the start that there would be problems and we were ignored. It seems like China State Grid, Select and Rick Higginson is dictating terms to a Queensland Government owned Corporation and you mob are letting them.

This is about to erupt into the biggest blew that we have ever had against a contractor and Ergon I can assure you.

COB today is the deadline to suspend them or it's on.

Stuey.

---

From: WINTERS Matthew (SW) [mailto:matthew.winters@ergon.com.au]  
 Sent: Wednesday, 24 June 2015 1:40 PM  
 To: Stuart Traill  
 Subject: FW: Select Solutions

Stuey

I have some specific recent examples from our blokes who are in fact doing work which I believe should be covered by Select Solutions.

Bloke 1 was sent to do a reconnect after hours only recently to Sch 4 Dr which was not the correct address. He was then directed to Sch 4 Dr which does not exist. After much perseverance from our member he was able to determine the correct address was Sch 4 Dr. He then reconnected this premises as requested CTPI

Bloke 2 Performed a reconnect after hours earlier this month as requested Sch 4 Dr 10-6-15 CTPI

Bloke 3 was sent to do a reconnect at a commercial premise 2 to 3 weeks ago at a live meter. This reconnect was to be reconnected by Select Solutions however they refused to do it because of the requirement to have 2 people to perform a safe system of work and refused to reconnect it. This job was then given to our member in customer service to do.

About 1 month ago the same situation was encountered at another commercial premise. This job was also completed by our Ergon member.

Considering Ergon decided to send this internal work out to this company and making 3 of our internal customer service employees redundant questions why our internal workforce is expected to again perform this work with reduced staff. We are absolutely disgusted and disillusioned that this practice is allowed to happen.

Because of the Field Force Automation now here I cannot give exact dates as this info goes back with the job unless they write details down somewhere. If you need any more detailed info I'm sure Ergon could supply you with the info you require from the FFA department.

Regards

Matt

---

From: Stuart Traill [mailto:stuart@ctu.org.au]  
 Sent: Wednesday, 24 June 2015 11:41 AM  
 To: MONTGOMERY Brad (NQ); LEIGHTON Steve (CA)  
 Cc: WINTERS Matthew (SW); wendel Moloney; BOWES Geoff (FN); BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB)  
 Subject: Select Solutions



Brad, Steve,

I have left you both messages regarding the ongoing Select Solutions fiasco.

Despite our repeated requests for wages and timesheet audits to be done by Ergon to ensure Ergon is complying with its obligations under Schedule 8 and Ergons ongoing refusal today it has been reported that Select staff are refusing to work O/T on weekdays or weekends as a result of Select allegedly refusing to pay penalty rates. If this in fact correct Ergon is in breach of the UCA. We are no doubt gathering evidence for a potential breach of agreement dispute in the Federal magistrates Court.

Steve,

I have previously given you feedback that Select was approaching Contractors to provide additional resources due to them failing to recruit to their contractual obligations, you confirmed that Select had been given a directive to fulfil the contract requirements. Today I have been advised that they are using subcontractors, fair chance they haven't consulted or had that approved by Ergon.

Our members are fuming that they are now required to pick up the workload during workhours and after hours due to Select continuing to not comply with their obligations. This on top of the fact that Ergon made internal jobs redundant as a result of outsourcing this work. Ergons argument was that it is cheaper to use contractors for this work, of course it's cheaper if they don't pay the appropriate penalty rates. What a F\$%&ing disgrace that not only Select but also Ergon is now implicated in this attack on Industry conditions.

As I stated in the message, if I can't get a confirmation that Select's contract will be suspended by COB tomorrow and internal resources will be employed to address the increased workload I will escalate to the Shareholders to expose Ergon's apparent agenda to outsource permanent internal jobs and then hand contracts to grubby employers that are intent to undermine long standing Industry provisions at our members expense.

Questions have also been asked by our members as to why excuses continue to be made by Ergon Managers allowing Select to continue operations despite constant non compliance particularly given the previous employment within Ergon of the Select State Manager.

The clock is ticking.

Regards,

Stuart Trail,  
Supply Industry Coordinator,

N/R

[stuart@etu.org.au](mailto:stuart@etu.org.au)



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 \*\*\*\*\*

**Attachments**

- image001.png (6.08 KB)
- image002.png (1.12 KB)
- image003.png (1.35 KB)
- image004.png (1.42 KB)
- image005.png (1.51 KB)
- image006.jpg (63.44 KB)

Subject: FW: Select Solutions  
 From: Peter Simpson (ETU) (simmo@etu.org.au)  
 To: peter.billing@ergon.com.au;  
 Cc: ian.mcleod@ergon.com.au; stuart@etu.org.au;  
 Date: Tuesday, 30 June 2015, 9:21

Peter,

As you know I'd rather stab you in the front than the back, below is for your info

Simmo

From: Peter Simpson (ETU)  
 Sent: Tuesday, 30 June 2015 9:14 AM  
 To: Stuart Traill  
 Subject: FW: Select Solutions

Stuey,

I've read and re-read this response from Billing, it's one of the most disgraceful I've seen in my 18 years in this job.

This man has absolutely NO respect for this Union and in turn its membership, he has no regard for the contractors, some of whom are earning \$15/hour (Meter Readers) and Customer Service workers not being paid overtime, receiving the PPE required for the job or even the provision of wet weather gear, material that this Union has fought for and won many years ago.

In light of this and the Toowoomba Resolution endorsed today (attached) can you please get ALL Delegates in Ergon to endorse the Toowoomba resolution and in addition, the one below. Billing has proved himself not up to the job and for whatever reason he seems to think he's still working for Newman, not good enough!

Simmo

Resolution #2

**Vote of No Confidence in Peter Billing**

We the ETU Members of \_\_\_\_\_ Depot Ergon Energy, in response to the handling of the Select Solutions situation, express our lack of confidence in Peter Billing and call upon the Government to stand him aside, pending a review of his dealing with employees and key industry stakeholders.

We have absolutely NO confidence in Billing in his current role in Ergon Energy

Moved

Seconded

From: BILLING Peter (NQ) [mailto:peter.billing@ergon.com.au]  
 Sent: Tuesday, 30 June 2015 8:29 AM

about:blank

To: Stuart Trill

Cc: LEIGHTON Steve (CA); BOWES Geoff (FN); MONTGOMERY Brad (NQ); WINTERS Matthew (SW); wendel Moloney; Peter Simpson (ETU); Rebecca Girard; Scott Stanford; BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB); Beau Malone (ETU); Craig Giddins (ETU); Daniel McGaw; Glenn Hall (ETU); Paul Kirby; Billy; daniel; Michael Haire; Wal

Subject: RE: Select Solutions

Stuart,

I committed yesterday afternoon to respond this morning and below is my responses to the questions.

We are committed to work with you on issue you raise and we have offered to meet on the 7th to agree how we get work together in the future. I would hope that you are prepared to meet.

Thanks,

Peter

As outlined by Geoff Bowes in the initial response on Thursday to your enquiries there are no identified contract performance issues that necessitate suspension or termination of the contract at this time with Select Solutions. As you are aware there were several customer service contracts arrangements already in place within Ergon Energy which have successfully operated within central and northern regions for many years. The alignment of the southern area on this arrangement similarly supports the introduction of consistent and expanded contracting arrangements for the delivery of customer service work and we will continue to ensure effective implementation of these arrangements by continuing to work with Select Solutions.

Please see attached relevant responses to those questions. Per our recent correspondence we are happy to discuss any future issues via the Customer Service Consultative Committee forum or by direct discussion.

1. *When did Ergon first raise concerns with Select Solutions regarding their resource strategy?*

Ergon Energy continues to have ongoing discussions with Select Solutions around its resourcing strategy since the commencement of the contract. We would expect on-going discussions into the future as volumes of work can vary on a seasonal basis or as a result of increased levels of Retail market activity. This is part of the normal contract start-up process and would be expected for the expansion of this type of contract arrangement.

2. *Was there a formal directive to increase resources?*

Resourcing of the contract is a matter for the contractor. The contractor is required to provide sufficient resources to meet the delivery outcomes for the contract.

3. *Did Select meet the deadlines set by Ergon?*

Ergon Energy has not imposed any deadlines for resourcing levels. We are working with the contractor to ensure that the resource levels are appropriate to safely and efficiently deliver the required services. There is a need to coordinate contractor recruitment and training activities and the start-up of new resources is dependent on successful completion of MRO training and authorisation and completion of relevant inductions.

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As previously advised, Ergon Energy considers that it will take up to 6 months to fully transition and embed the new contract arrangements and Ergon Energy will continue to work with Select Solutions to ensure a successful transition.

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Sent: Friday, 26 June 2015 8:09 AM

To: BILLING Peter (NQ)

Cc: LEIGHTON Steve (CA); BOWES Geoff (FN); MONTGOMERY Brad (NQ); WINTERS Matthew (SW); wendel Moloney; Peter Simpson (ETU); Rebecca Girard; Scott Stanford; BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB); Beau Malone (ETU); Craig Giddins (ETU); Daniel McGaw; Glenn Hall (ETU); Paul Kirby; Billy; daniel; Michael Haire; Wei

Subject: RE: Select Solutions

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Whilst this is not our preference your ignorance and total disregard for our members concerns has left us with no other alternative.

Cheers,

Stuey.

---

From: BOWES Geoff (FN) [mailto:geoff.bowes@ergon.com.au]  
 Sent: Thursday, 25 June 2015 4:51 PM  
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 Subject: RE: Select Solutions

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Ergon Energy has followed up with Select Solutions and reviewed relevant time and wages records which supports that Select Solutions are paying in accordance with the entitlements under the terms of their enterprise agreement. As part of the management and advice regarding employment terms and conditions Select Solutions has dedicated human resource management specialists and expertise in the organisation which assist with the relevant procedures and conditions being followed.

Select Solutions also advises that they had recently experienced an issue during the change-over to the SAP payroll system whereby overtime payments for some employees were missed in one pay run however this has subsequently been addressed with outstanding amounts already paid, or scheduled to be paid in the next pay run. They also advise that impacted staff were advised of this matter and timeframe for resolution.

Whilst Ergon Energy is satisfied that Select Solutions' staff are being paid in accordance with the relevant EA any future anomalies identified by any of your members employed by Select Solutions should be directed to Select Solutions in the first instance. If you are not satisfied with the response and have concerns about any potential contractual breaches we would be happy to investigate.

In general terms regarding the status of the contract with Select Solutions, Ergon Energy is not aware of any contract performance issues or breaches that would require suspension of the contract and accordingly will not be taking any such action.

Ergon Energy has been transitioning works to Select Solutions under a staged implementation process between 4<sup>th</sup> May and 15<sup>th</sup> June 2015. During this time Select Solutions have engaged and mobilised 22 local and regional employees under the contract as well as introducing a small number of subcontractors.

All employees and subcontractors performing works under the contract are required to be appropriately authorised as Meter Readers or Meter Reconnection Officers prior to commencement.

During the first 3 to 6 months of the contract it was anticipated that there would be a small number of transitional activities that may require appropriate support from Ergon Energy crews as new contractor staff became familiar with the "local knowledge". As it has been less than 2 months since the contract first started we expect that further issues will be identified and addressed over the coming months. Accordingly we would also expect that any future reliance on Ergon Energy back-up capability will reduce during this period. However, Ergon Energy will continue to utilise both its internal workforce and contractor workforce to ensure the delivery of customer services to the required standards and timeframes as necessary.

During the week ending 22<sup>nd</sup> June (the first full week after transition of all relevant services), the contractor successfully completed more than 2,000 service orders with better than 99% on-time compliance.

There have been no significant safety incidents or issues identified to date. Ergon Energy will continue to monitor the contractor's safety performance and safety management systems via routine audit programs.

The contractor has been addressing concerns raised by Ergon Energy regarding staff availability to respond to after-hours reconnections. This work is in scope of the contract, and the contractor has identified some localities where they have experienced difficulty in recruiting suitable staff. However they are progressively addressing these gaps through on-going recruitment activity and, where necessary, via local sub-contractor arrangements advised to Ergon Energy. Ergon Energy is very mindful of the impacts on local crews and our customers in regard to after-hours call-out activities and have prioritised this issue with the contractors. We are satisfied that the contractor understands our requirements and their obligations and is working towards satisfactory arrangements for all locations.

In summary upon reviewing the concerns raised further it is Ergon Energy's view that there are no genuine grounds to consider suspension of the contract and trust that the responses provided addresses the concerns raised.

Ergon Energy is committed to resolving issues in regard to the operation and performance of the Customer and Metering Service contract by engaging in reasonable and constructive discussion on these matters as they arise. It is however important to note that such an approach can only be achieved with the genuine commitment from both parties and attempts to threaten ultimatums runs counterproductive to achieving a reasonable and effective relationship.

We are happy to address any future issues via the Customer Service Consultative Committee forum or by direct discussion.

Regards,

Geoff

**Geoff Bowes**

Customer Delivery Manager Connections Relations & Metering  
Ergon Energy

109 Lake Street, Cairns QLD 4870  
PO Box 358, Cairns QLD 4870  
P 07 4080 4992 M N/R F 07 4080 4704  
E [geoff.bowes@ergon.com.au](mailto:geoff.bowes@ergon.com.au)

[ergon.com.au](http://ergon.com.au)



---

From: Stuart Trill [mailto:stuart@stu.org.au]  
Sent: Thursday, 25 June 2015 9:59 AM  
To: BOWES Geoff (FN)  
Cc: LEIGHTON Steve (CA); MONTGOMERY Brad (NQ); WINTERS Matthew (SW); Peter Simpson (ETU); BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB)  
Subject: RE: Select Solutions

Geoff,

My concern is that Ergon will obtain some weak as piss legal advice to try and cover their arse from being sued by a large multi national instead of having the guts to stand your ground and say "you haven't delivered on your contractual obligations, until you can you are suspended".

This weak approach will continue to apply unnecessary oncosts to internal operations and overheads further allowing Ergon to argue for future contracts on the basis that Ergon staff can't do it as cheap as the shitbag contractors.

It has also been noted by our members that this looks like certain Managers are trying to do whatever they can to keep this contract going to justify their jobs.

Maybe this afternoon you will prove me wrong but I won't be holding my breath because it seems again like Contractors are running the show, particularly a contractor with long term friendships within Ergon. This stinks to high heaven and I promise if this is not resolved today to expose the level of deceit throughout this contract from the CEO down.

Brad, save yourself the time of an email, I know you don't want me to use colourful language in emails but when Managers are making decisions to hand money to overseas companies that refuse to comply with their obligations at our expense we no doubt get the shits.

In disgust,

Stuey.

---

From: BOWES Geoff (FN) [mailto:geoff.bowes@ergon.com.au]  
Sent: Thursday, 25 June 2015 9:44 AM  
To: Stuart Trill  
Cc: LEIGHTON Steve (CA); MONTGOMERY Brad (NQ)  
Subject: RE: Select Solutions

Dear Stuart,

Thanks for your email. I understand that you have discussed the issues further with Brad Montgomery this morning.

We are currently investigating the issues you have raised and will respond to you by close of business today as requested in your email yesterday.

Regards.

Geoff

---

From: Stuart Trill [mailto:stuart@stu.org.au]  
Sent: Thursday, 25 June 2015 8:37 AM  
To: LEIGHTON Steve (CA); BOWES Geoff (FN)  
Cc: WINTERS Matthew (SW); BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB)  
Subject: FW: Select Solutions

Steve, Geoff,

More now from Toowoomba on the back of Bundaberg, this Company is a disgrace, we advised Ergon at the start that there would be problems and we were ignored. It seems like China State Grid, Select and Rick Higginson is dictating terms to a Queensland Government owned Corporation and you mob are letting them.

This is about to erupt into the biggest blew that we have ever had against a contractor and Ergon I can assure you.

COB today is the deadline to suspend them or it's on.



Stuey.

---

From: WINTERS Matthew (SW) [mailto:matthew.winters@ergon.com.au]  
 Sent: Wednesday, 24 June 2015 1:40 PM  
 To: Stuart Trail  
 Subject: FW: Select Solutions

Stuey

I have some specific recent examples from our blokes who are in fact doing work which I believe should be covered by Select Solutions.

Bloke 1 was sent to do a reconnect after hours only recently to Sch 4 CTPI Dr which was not the correct address. He was then directed to Sch 4 Dr which does not exist. After much perseverance from our member he was able to determine the correct address was Sch 4 CTPI Dr. He then reconnected this premises as requested PI

Bloke 2 Performed a reconnect after hours earlier this month as requested Sch 4 CTPI Dr 10-6-15

Bloke 3 was sent to do a reconnect at a commercial premise 2 to 3 weeks ago at a live meter. This reconnect was to be reconnected by Select Solutions however they refused to do it because of the requirement to have 2 people to perform a safe system of work and refused to reconnect it. This job was then given to our member in customer service to do.

About 1 month ago the same situation was encountered at another commercial premise. This job was also completed by our Ergon member.

Considering Ergon decided to send this internal work out to this company and making 3 of our internal customer service employees redundant questions why our internal workforce is expected to again perform this work with reduced staff. We are absolutely disgusted and disillusioned that this practice is allowed to happen.

Because of the Field Force Automation now here I cannot give exact dates as this info goes back with the job unless they write details down somewhere. If you need any more detailed info I'm sure Ergon could supply you with the info you require from the FFA department.

Regards

Matt

---

From: Stuart Trail [mailto:stuart@etu.org.au]  
 Sent: Wednesday, 24 June 2015 11:41 AM  
 To: MONTGOMERY Brad (NQ); LEIGHTON Steve (CA)  
 Cc: WINTERS Matthew (SW); wendel Moloney; BOWES Geoff (FN); BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB)  
 Subject: Select Solutions

Brad, Steve,

I have left you both messages regarding the ongoing Select Solutions fiasco.

Despite our repeated requests for wages and timesheet audits to be done by Ergon to ensure Ergon is complying with its obligations under Schedule 8 and Ergons ongoing refusal today it has been reported that Select staff are refusing to work O/T on weekdays or weekends as a result of Select allegedly refusing to pay penalty rates. If this in fact correct Ergon is in breach of the UCA. We are no doubt gathering evidence for a potential breach of agreement dispute in the Federal magistrates Court.

Steve,

I have previously given you feedback that Select was approaching Contractors to provide additional resources due to them failing to recruit to their contractual obligations, you confirmed that Select had been given a directive to fulfil the contract requirements. Today I have been advised that they are using subcontractors, fair chance they haven't consulted or had that approved by Ergon.

Our members are fuming that they are now required to pick up the workload during workhours and after hours due to Select continuing to not comply with their obligations. This on top of the fact that Ergon made internal jobs redundant as a result of outsourcing this work. Ergons argument was that it is cheaper to use contractors for this work, of course it's cheaper if they don't pay the appropriate penalty rates. What a F%&ing disgrace that not only Select but also Ergon is now implicated in this attack on Industry conditions.

As I stated in the message, if I can't get a confirmation that Select's contract will be suspended by COB tomorrow and internal resources will be employed to address the increased workload I will escalate to the Shareholders to expose Ergon's apparent agenda to outsource permanent internal jobs and then hand contracts to grubby employers that are intent to undermine long standing Industry provisions at our members expense.

Questions have also been asked by our members as to why excuses continue to be made by Ergon Managers allowing Select to continue operations despite constant non compliance particularly given the previous employment within Ergon of the Select State Manager.

The clock is ticking.

Regards,

Stuart Trill,  
Supply Industry Coordinator,

N/R

[stuart@etu.org.au](mailto:stuart@etu.org.au).



To report this email as spam, please forward to [asa@websense.com](mailto:asa@websense.com)

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**Attachments**

- Letter template.doc (27.00 KB)
- image001.png (6.08 KB)
- image002.png (1.12 KB)
- image003.png (1.35 KB)
- image004.png (1.42 KB)
- image005.png (1.53 KB)
- image006.jpg (63.44 KB)

Released under RTI - DTMR

We the ETU Members of Ergon Energy Toowoomba call on all Ergon Depots affected by the Select Solutions Customer Services contract to join the ETU campaign in Toowoomba to make both Ergon and Select Solutions Senior Management accountable for the mismanagement of the contract. Furthermore we advise that the petty action being undertaken by Ergon Senior management in ordering the removal of ETU stickers for every ETU sticker that is removed it will be replaced by 2 more.

Released under RTI - DTMR

Subject: FW: Select Solutions  
 From: Peter Simpson (ETU) (simmo@etu.org.au)  
 To: mangocube6@yahoo.co.uk; denise.spinks Sch 4 CTPI  
 Date: Tuesday, 30 June 2015, 13:48

Fyi, Game on

From: Stuart Traill  
 Sent: Tuesday, 30 June 2015 1:48 PM  
 To: BILLING Peter (NQ)  
 Cc: Peter Simpson (ETU)  
 Subject: Re: Select Solutions

Peter,

I acknowledge your responses but we are none the wiser when Select will comply, we have requested confirmation from them and as yet received nothing.

Regarding the auditor we have no confidence in Ergons process as evident by the basket case this contract has become from the very start.

The reason we asked for Mr Algie is that he was a senior IR advisor for Ergon previously and is available.

The dispute still remains unresolved to the extent that we are now heading to get accommodation for the long haul.  
 Cheers,

Stacy.

Sent from my iPhone

On 30 Jun 2015, at 1:25 pm, BILLING Peter (NQ) <peter.billing@ergon.com.au> wrote:

Stuart,

As discussed I have met with Matt Peters, Acting GM Select Solutions and covered the following point.

1. Ensure that Select Solutions comply with the safety issues that have been raised
2. Ergon convene an urgent meeting with select solutions and tell them to resource up appropriately to cover day work.
3. Ergon will also advise select solutions to set up standby crews to ensure after hours work is done to meet the GSL

I have asked Matt to ensure that these issues are dealt with as a matter of priority and Matt has committed to this. He will meet with Riek Higginson this afternoon on these issues.

With regard to your question about sub-contractors (as per below), Ergon will consult and I will ask Geoff Bowes to arrange the appropriate meetings.

Ergon provide an undertaking that it will consult with unions on the sub-contractors being used as they have feedback that appropriate rates are not being paid.

Additionally you asked about conducting an audit into this contract and suggested Mark Algie may be suitable to undertake this work. As discussed Ergon Energy uses EY as our external auditors to conduct independent audits on behalf of our board of directors. I will commit to having EY conduct an audit in line with the standard processes and that they would seek your input into the areas that wish to see the audit address.

I believe that I have addressed the issues and question you have raised. Can you please confirm that he will cease the picket you currently have in place at our Toowoomba depot.

Thanks,

Peter

---

From: BILLING Peter (NQ)  
 Sent: Tuesday, 30 June 2015 8:29 AM

about:blank

1/9

To: Stuart Trill  
 Ce: LEIGHTON Steve (CA); BOWES Geoff (FN); MONTGOMERY Brad (NQ); WINTERS Matthew (SW); wendel Moloney; Peter Simpson (ETU); Rebecca Girard; Scott Stanford; BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB); Beau Malone (ETU); Craig Giddins (ETU); Daniel McGaw; Glenn Hall (ETU); Paul Kirby; Billy; daniel; Michael Haire; Wal  
 Subject: RE: Select Solutions

Stuart,

I committed yesterday afternoon to respond this morning and below is my responses to the questions.

We are committed to work with you on issue you raise and we have offered to meet on the 7th to agree how we get work together in the future. I would hope that you are prepared to meet.

Thanks,

Peter

As outlined by Geoff Bowes in the initial response on Thursday to your enquiries there are no identified contract performance issues that necessitate suspension or termination of the contract at this time with Select Solutions. As you are aware there were several customer service contracts arrangements already in place within Ergon Energy which have successfully operated within central and northern regions for many years. The alignment of the southern area on this arrangement similarly supports the introduction of consistent and expanded contracting arrangements for the delivery of customer service work and we will continue to ensure effective implementation of these arrangements by continuing to work with Select Solutions.

Please see attached relevant responses to those questions. Per our recent correspondence we are happy to discuss any future issues via the Customer Service Consultative Committee forum or by direct discussion.

1. *When did Ergon first raise concerns with Select Solutions regarding their resource strategy?*

Ergon Energy continues to have ongoing discussions with Select Solutions around its resourcing strategy since the commencement of the contract. We would expect on-going discussions into the future as volumes of work can vary on a seasonal basis or as a result of increased levels of Retail market activity. This is part of the normal contract start-up process and would be expected for the expansion of this type of contract arrangement.

2. *Was there a formal directive to increase resources?*

Resourcing of the contract is a matter for the contractor. The contractor is required to provide sufficient resources to meet the delivery outcomes for the contract.

3. *Did Select meet the deadlines set by Ergon?*

Ergon Energy has not imposed any deadlines for resourcing levels. We are working with the contractor to ensure that the resource levels are appropriate to safely and efficiently deliver the required services. There is a need to coordinate contractor recruitment and training activities and the start-up of new resources is dependent on successful completion of MRO training and authorisation and completion of relevant inductions.

4. *Is their current resourcing and failure to perform the work they are contracted in accordance with their contract?*

As previously advised, Ergon Energy considers that it will take up to 6 months to fully transition and embed the new contract arrangements and Ergon Energy will continue to work with Select Solutions to ensure a successful transition.

5. *Why were these jobs listed below handed back to Ergon, please respond to every one listed in the original email below?*

Individual jobs may be handed back for various reasons. The main reason for after-hours work being passed back to Ergon Energy crews since contract commencement has been availability of contractor staff. Ergon Energy is working with the contractor to ensure adequate resources are available to perform required after-hours activities.

6. *When will Select comply with their obligations under the contract?*

We require the contractor to address issues as they arise or are identified. We expect most issues to have been resolved within the first 6 months of the contract. However the volatility of the nature of this work and the dynamic nature of the electricity supply industry generally will necessitate on-going monitoring and liaison with the contractor.

7. *Why were Ergon jobs made redundant if Ergon expected non-conformances as part of the so called transition plan mentioned below?*

Ergon Energy has sufficient internal capability to handle the small number of jobs expected to be referred back during the transitional period. The majority of the work is being completed by the contractor. The eight redundant positions were identified and consulted prior to calling tenders.

8. *Is Select Solutions using sub-contractors?*

Yes

9. *Were these contractors authorised by Ergon?*

Yes

10. *Why was the ETU not consulted regarding the sub-contractors?*

Contractor resourcing strategies are provided as part of the tender submission and are "commercial in confidence". Ergon Energy consulted on its intention to engage contractors to perform the Metering and Customer Services work prior to the actual engagement of a specific contractor via a competitive tender process. Any subcontract arrangements proposed by the Principal Contractor are required to be approved by Ergon Energy – this happens during the contract implementation period. We can provide details of approved sub-contract arrangements.

11. *Are these sub-contractors being paid in accordance with Schedule 8 of the Ergon UCA?*

Ergon Energy is seeking further clarification of relevant employment arrangements from Select Solutions.

12. *Did Ergon CEO meet with Select Solutions in Melbourne?*

No

13. *What was the discussions about?*

There was no discussion

14. *Did Ergon CEO advise Select Solutions to ignore the ETU's concerns?*

No

15. *Was the conflict of interest regarding the Select Solutions Qld Manager having intimate internal knowledge of Ergon's processes, contractor engagement and pricing structures ever declared?*

An impartial and competitive tender process was followed in line with Ergon Energy's contract procurement requirements.

16. *Has Ergon threatened staff for raising their concerns in relation to these matters with their elected representatives?*

We are not aware of any alleged threats made to staff. Ergon Energy's expectation is that any operational matters be raised and discussed with the relevant operational manager to resolve locally.

---

From: Stuart Traill [<mailto:stuart@etu.org.au>]

Sent: Friday, 26 June 2015 8:09 AM

To: BILLING Peter (NQ)

Cc: LEIGHTON Steve (CA); BOWES Geoff (FN); MONTGOMERY Brad (NQ); WINTERS Matthew (SW); wendel Moloney; Peter Simpson (ETU); Rebecca Girard; Scott Stanford; BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB); Beau Malone (ETU); Craig Giddins (ETU); Daniel McGaw; Glenn Hall (ETU); Paul Kirby; Billy; daniel; Michael Haire; Wal

Subject: RE: Select Solutions

Peter,

I understand you are aware of this issue but have again blindly supported the lack of appropriate action from your Managers.

At no stage has Ergon addressed any of our concerns just merely quoting figures with no supporting evidence. This rubbish below is nothing more than a slap in the face to ETU members that actually do the real work in this organisation.

Please respond specifically to the following questions

1. When did Ergon first raise concerns with Select Solutions regarding their resource strategy?
2. Was there a formal directive to increase resources?
3. Did Select meet the deadlines set by Ergon?

4. Is their current resourcing and failure to perform the work they are contracted in accordance with their contract?
5. Why were these jobs listed below handed back to Ergon, please respond to every one listed in the original email below?
6. When will Select comply with their obligations under the contract?
7. Why were Ergon jobs made redundant if Ergon expected non conformance as part of the so called transition plan mentioned below?
8. Is Select Solutions using sub contractors?
9. Were these contractors authorised by Ergon?
10. Why was the ETU not consulted regarding the sub contractors?
11. Are these sub contractors being paid in accordance with Schedule 8 of the Ergon UCA?
12. Did Ergon CEO meet with Select Solutions in Melbourne?
13. What was the discussions about?
14. Did Ergon CEO advise Select Solutions to ignore the ETU's concerns?
15. Was the conflict of interest regarding the Select Solutions Qld Manager having intimate internal knowledge of Ergon's processes, contractor engagement and pricing structures ever declared?
16. Has Ergon threatened staff for raising their concerns in relation to these matters with their elected representatives?

From the start Ergon have lied to our members, ETU members were made redundant on the back of claims that contractors could do it cheaper, there was NO mention of transition plans, there was NO mention of our blokes now being lumbered with additional workload as a result of Ergon and Select's incompetence, there was NEVER an accurate cost comparison done taking into account the true oncosts as result of this mismanagement.

We also have another contractor issue with the Meter maintain contract again handed on a platter at our members expense, despite ongoing commitments to have local consultation to ensure our members are fully utilised this has not occurred and as of today you have stranded resources due to another mismanaged contract and failure to genuinely consult with our members.

Sch 4 CTPI

This is further evidence that You and Ergon have no intention of genuinely consulting with our Union, as such we formally withdraw from all consultation with Ergon and will now dispute each and every issue in accordance with the disputes procedure. It is obvious that you and others haven't realised that the LNP and their anti worker, anti union agenda were defeated earlier this year.

Whilst this is not our preference your ignorance and total disregard for our members concerns has left us with no other alternative.

Cheers,

Stuey.

---

From: BOWES Geoff (FN) [mailto:geoff.bowes@ergon.com.au]  
 Sent: Thursday, 25 June 2015 4:51 PM  
 To: Stuart Traill  
 Cc: LEIGHTON Steve (CA); MONTGOMERY Brad (NC)  
 Subject: RE: Select Solutions

Dear Stuart,

I refer to your recent email correspondence regarding Ergon Energy's contract with Ausnet Electricity Services (Select Solutions) for the provision of Metering and Customer Services.

In regard to Select Solutions' staff being paid correctly for overtime work, we confirm that Select Solutions has a current Enterprise Agreement in place which applies to their employees engaged in the roles undertaking metering and customer service work and that this agreement includes provision for payment of penalty rates for after-hours work. The contractor has confirmed that it has been paying the appropriate penalty rates in accordance with the terms of their enterprise agreement.

Ergon Energy has followed up with Select Solutions and reviewed relevant time and wages records which supports that Select Solutions are paying in accordance with the entitlements under the terms of their enterprise agreement. As part of the management and advice regarding employment terms and conditions Select Solutions has dedicated human resource management specialists and expertise in the organisation which assist with the relevant procedures and conditions being followed.

Select Solutions also advises that they had recently experienced an issue during the change-over to the SAP payroll system whereby overtime payments for some employees were missed in one pay run however this has subsequently been addressed with outstanding amounts already paid, or scheduled to be paid in the next pay run. They also advise that impacted staff were advised of this matter and timeframe for resolution.



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In general terms regarding the status of the contract with Select Solutions, Ergon Energy is not aware of any contract performance issues or breaches that would require suspension of the contract and accordingly will not be taking any such action.

Ergon Energy has been transitioning works to Select Solutions under a staged implementation process between 4<sup>th</sup> May and 15<sup>th</sup> June 2015. During this time Select Solutions have engaged and mobilised 22 local and regional employees under the contract as well as introducing a small number of subcontractors.

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Ergon Energy is committed to resolving issues in regard to the operation and performance of the Customer and Metering Service contract by engaging in reasonable and constructive discussion on these matters as they arise. It is however important to note that such an approach can only be achieved with the genuine commitment from both parties and attempts to threaten ultimatums runs counterproductive to achieving a reasonable and effective relationship.

We are happy to address any future issues via the Customer Service Consultative Committee forum or by direct discussion.

Regards,

Geoff

**Geoff Bowes**

Customer Delivery Manager Connections (Relations & Metering)  
Ergon Energy

109 Lake Street, Cairns QLD 4870  
PO Box 358, Cairns QLD 4870  
P 07 4080 4992 M N/R F 07 4080 4704  
E [geoff.bowes@ergon.com.au](mailto:geoff.bowes@ergon.com.au)

[ergon.com.au](http://ergon.com.au)

<image001.png>    <image005.png>

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From: Stuart Traill [mailto:stuart@etu.org.au]  
Sent: Thursday, 25 June 2015 9:59 AM  
To: BOWES Geoff (FN)  
Cc: LEIGHTON Steve (CA); MONTGOMERY Brad (NQ); WINTERS Matthew (SW); Peter Simpson (ETU); BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB)  
Subject: RE: Select Solutions

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Maybe this afternoon you will prove me wrong but I won't be holding my breath because it seems again like Contractors are running the show, particularly a contractor with long term friendships within Ergon. This stinks to high heaven and I promise if this is not resolved today to expose the level of deceit throughout this contract from the CEO down.

Brad, save yourself the time of an email, I know you don't want me to use colourful language in emails but when Managers are making decisions to hand money to overseas companies that refuse to comply with their obligations at our expense we no doubt get the shits.

In disgust,

Stuey.

---

From: BOWES Geoff (FN) [mailto:geoff.bowes@ergon.com.au]  
Sent: Thursday, 25 June 2015 9:44 AM  
To: Stuart Traill  
Cc: LEIGHTON Steve (CA); MONTGOMERY Brad (NQ)  
Subject: RE: Select Solutions

Dear Stuart,

Thanks for your email. I understand that you have discussed the issues further with Brad Montgomery this morning.

We are currently investigating the issues you have raised and will respond to you by close of business today as requested in your email yesterday.

Regards,

Geoff

---

From: Stuart Traill [mailto:stuart@etu.org.au]  
Sent: Thursday, 25 June 2015 8:37 AM  
To: LEIGHTON Steve (CA); BOWES Geoff (FN)  
Cc: WINTERS Matthew (SW); BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB)  
Subject: FW: Select Solutions

Steve, Geoff,

More now from Toowoomba on the back of Bundaberg, this Company is a disgrace, we advised Ergon at the start that there would be problems and we were ignored. It seems like China State Grid, Select and Rick Higginson is dictating terms to a Queensland Government owned Corporation and you mob are letting them.

This is about to erupt into the biggest blew that we have ever had against a contractor and Ergon I can assure you.

COB today is the deadline to suspend them or it's on.

Stuey.

From: WINTERS Matthew (SW) [mailto:matthew.winters@ergon.com.au]  
Sent: Wednesday, 24 June 2015 1:40 PM  
To: Stuart Traill  
Subject: FW: Select Solutions

Stuey

I have some specific recent examples from our blokes who are in fact doing work which I believe should be covered by Select Solutions.

Bloke 1 was sent to do a reconnect after hours only recently to Sch 4 CTPI Dr which was not the correct address. He was then directed to Sch 4 Dr which does not exist. After much perseverance from our member he was able to determine the correct address was Sch 4 CTPI Dr. He then reconnected this premises as requested.

Bloke 2 Performed a reconnect after hours earlier this month as requested Sch 4 CTPI Dr 10-6-15

Bloke 3 was sent to do a reconnect at a commercial premise 2 to 3 weeks ago at a live meter. This reconnect was to be reconnected by Select Solutions however they refused to do it because of the requirement to have 2 people to perform a safe system of work and refused to reconnect it. This job was then given to our member in customer service to do.

About 1 month ago the same situation was encountered at another commercial premise. This job was also completed by our Ergon member.

Considering Ergon decided to send this internal work out to this company and making 3 of our internal customer service employees redundant questions why our internal workforce is expected to again perform this work with reduced staff. We are absolutely disgusted and disillusioned that this practice is allowed to happen.

Because of the Field Force Automation now here I cannot give exact dates as this info goes back with the job unless they write details down somewhere. If you need any more detailed info I'm sure Ergon could supply you with the info you require from the FFA department.

Regards

Matt

From: Stuart Traill [mailto:stuart@em.org.au]  
Sent: Wednesday, 24 June 2015 11:41 AM  
To: MONTGOMERY Brad (NQ); LEIGHTON Steve (CA)  
Cc: WINTERS Matthew (SW); wendel Moloney; BOWES Geoff (FN); BLOOM Greg (NQ); CONWAY Jason (CA); McGAW Chris (SW); HILL Robert (FN); RIX Ian (MK); SOLOGINKIN Scott (WB)  
Subject: Select Solutions

Brad, Steve,

I have left you both messages regarding the ongoing Select Solutions fiasco.

Despite our repeated requests for wages and timesheet audits to be done by Ergon to ensure Ergon is complying with its obligations under Schedule 8 and Ergons ongoing refusal today it has been reported that Select staff are refusing to work O/T on weekdays or weekends as a result of Select allegedly refusing to pay penalty rates. If this is in fact correct Ergon is in breach of the UCA. We are no doubt gathering evidence for a potential breach of agreement dispute in the Federal magistrates Court.

Steve,

I have previously given you feedback that Select was approaching Contractors to provide additional resources due to them failing to recruit to their contractual obligations, you confirmed that Select had been given a directive to fulfil the contract requirements. Today I have been advised that they are using subcontractors, fair chance they haven't consulted or had that approved by Ergon.

Our members are fuming that they are now required to pick up the workload during workhours and after hours due to Select continuing to not comply with their obligations. This on top of the fact that Ergon made internal jobs redundant as a result of outsourcing this work. Ergons argument was that it is cheaper to use contractors for this work, of course it's cheaper if they don't pay the appropriate penalty rates. What a F\$%&ing disgrace that not only Select but also Ergon is now implicated in this attack on Industry conditions.

As I stated in the message, if I can't get a confirmation that Select's contract will be suspended by COB tomorrow and internal resources will be employed to address the increased workload I will escalate to the Shareholders to expose Ergon's apparent agenda to outsource permanent internal jobs and then hand contracts to grubby employers that are intent to undermine long standing Industry provisions at our members expense.

Questions have also been asked by our members as to why excuses continue to be made by Ergon Managers allowing Select to continue operations despite constant non compliance particularly given the previous employment within Ergon of the Select State Manager.

The clock is ticking.

Regards,

Stuart Trill,  
Supply Industry Coordinator,

N/R

[stuart@etu.org.au](mailto:stuart@etu.org.au)

<image006.jpg>

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\*\*\*\*\*

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**Attachments**

- image001.png (6.08 KB)
- image002.png (1.12 KB)
- image003.png (1.35 KB)
- image004.png (1.42 KB)
- image005.png (1.53 KB)
- image006.jpg (63.44 KB)

Released under RTI - DTMR

Subject: FW: TransLink feedback form- ^ Sch 4 CTPI ^

From: Sch 4 CTPI

To: mangocube6@yahoo.co.uk

Cc: Sch 4 CTPI

Date: Tuesday, 30 June 2015, 4:06:45 pm AEST

Dear Mark

Further to my original email please find below response from Translink. I have expressed my desire to them regarding changes so that no other child or family should have to go through this again. I do not feel enough action is being taken to address this issue or the accountability of the employees adequate.

I do not want this incident to be lost amongst the bureaucratic mass of policies and procedures which could result in the same thing happening again.

Sch 4 CTPI

I have not responded to Translink and will await your advice regarding this matter.

Thanx

Sch 4 CTPI

From: TransLink@translink.com.au

To: Sch 4 CTPI

Subject: TransLink feedback form- Sch 4 CTPI

Date: Tue, 30 Jun 2015 02:48:10 +0000

Dear Sch 4 CTPI

Thank you for taking my call today, and for your patience while we investigated this incident. I understand it was a Sch 4 CTPI

Let me start by again apologising for the failure to adhere to process that has resulted in your Sch 4 CTPI being left at Sch 4 CTPI on Friday, and we'd like to thank you for pointing out the lack of a process for children left at an unattended station.

As I mentioned in our phone call, TransLink and our service providers take incidents like this very seriously and we do our best to minimise the impact this can have on customers. We currently have a process in place that ensures children left behind by a bus can be picked up by what we call a "sweeper bus"- a replacement bus that picks up children who have missed their intending bus. You've pointed out that there's a lack of a process with Queensland Rail and you're correct, we'll be in talks with Queensland Rail to ensure we and they are communicating the fact that there are emergency buttons at stations, and ensuring these buttons are visible and functioning at all times.

In regards to the Senior Network Officer (SNO) who your Sch 4 CTPI spoke to, they have not followed their process in the first instance and this has resulted in your Sch 4 CTPI being left at Sch 4 CTPI. If a juvenile is intercepted without a valid ticket on rail and with no valid excuse, Senior Network Officers would typically take the course of action of issuing a warning notice. A warning notice is not a formal penalty infringement notice (we do not issue these for juveniles), but is valid for travel purposes to the nominated destination station. As I said on the phone earlier, warning notices are also used as an education tool for passengers and a record is kept on file to assist in identifying any repeat behaviour.

Sch 4 CTPI

Sch 4 CTPI

If you have any further information you'd like from us, or anything further we can do for you, please don't hesitate to let us know.

Kind regards

Jamie

TransLink Customer Relations


\*\*\*\*\*  
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\*\*\*\*\*

 oledata.mso  
211.9kB

**Subject:** Translink Issue

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Cc:** Sch 4 CTPI

**Date:** Tuesday, 30 June 2015, 10:56

Dear Mark

My name is Sch 4 CTPI has spoken to you about an incident with my Sch 4 CTPI on Friday.

I appreciate you providing your personal email to follow up on this as I am concerned at how many other children have been affected or that something more sinister could occur in the future.

I am hopeful that you consider a full investigation into this incident and that action occurs around the recruitment process of ticket inspectors, response policy by Translink in emergency situations and policy for treatment of youth on public transport. I would also like the people involved held accountable for their actions.

Please find attached a record of my account and action up until yesterday. What is not included is the follow up from Verity Barton. She has contacted the Deputy Premier's office and advised that an investigation is underway. She was advised that I would be contacted by the end of yesterday and to let her know if I'd heard nothing by 10am today.

I have attached the record so that you have all the information and am more than happy to discuss this further with you. I can be contacted on N/R

Sch 4 CTPI

Thank you so much for taking a personal interest in this. I truly do appreciate it.

Regards  
Sch 4 CTPI

**Attachments**

- Sch 4 CTPI Record.docx (150.47 KB)



Subject: ^\_Fwd^\_: ^\_Translink^\_ ^\_Issue^\_

From: mangocube6@yahoo.co.uk

To: mark.bellaver@ministerial.qld.gov.au

Date: Tuesday, 30 June 2015 08:44:08 PM AEST

Hi Mark,

This one came thru a local. Can you get someone to follow it up for me please? Thx!

One of the Other Mark B's ;-)

Sent from my iPhone

Begin forwarded message:

**From:** Sch 4 CTPI  
**Date:** 30 June 2015 10:56:06 am AEST  
**To:** "mangocube6@yahoo.co.uk" <mangocube6@yahoo.co.uk>  
**Cc:** Sch 4 CTPI  
**Subject:** Translink Issue

Dear Mark

My name is Sch 4 CTPI has spoken to you about an incident with my Sch 4 CTPI on Friday.

I appreciate you providing your personal email to follow up on this as I am concerned at how many other children have been affected or that something more sinister could occur in the future.

I am hopeful that you consider a full investigation into this incident and that action occurs around the recruitment process of ticket inspectors, response policy by Translink in emergency situations and policy for treatment of youth on public transport. I would also like the people involved held accountable for their actions.

Please find attached a record of my account and action up until yesterday. What is not included is the follow up from Verity Barton. She has contacted the Deputy Premier's office and advised that an investigation is underway. She was advised that I would be contacted by the end of yesterday and to let her know if I'd heard nothing by 10am today.

I have attached the record so that you have all the information and am more than happy to discuss this further with you. I can be contacted on N/R

Sch 4 CTPI

Thank you so much for taking a personal interest in this. I truly do appreciate it.

Regards

Sch 4 CTPI





Sch 4  
CTPI Record.docx  
150.5kB

Released under RTI - DTMR

Sch 4 CTPI  
This is [redacted] account of actions following an incident with her  
Sch 4 CTPI [redacted]

Time	Action
------	--------

Sch 4 CTPI

Released under RTI - DTMR

Released under RTI - DTMR

Subject: ^\_Fwd^\_: ^\_hib^\_ ^\_floods^\_ and ^\_Energex^\_ ^\_010515^\_.^\_docx^\_

---

From: Mark.Bailey@ministerial.qld.gov.au  
To: mangocube6@yahoo.co.uk  
Date: Friday, 1 May 2015 06:34:43 PM AEST

---

Sent from my iPhone

Begin forwarded message:

**From:** Ellen McIntyre <Ellen.McIntyre@ministerial.qld.gov.au>  
**Date:** 1 May 2015 5:56:30 pm AEST  
**To:** "@Premiers Media" <premiers.media@ministerial.qld.gov.au>  
**Cc:** Mark Bailey <Mark.Bailey@ministerial.qld.gov.au>, Denise Spinks <Denise.Spinks@ministerial.qld.gov.au>, Kate Griffiths <Kate.Griffiths@ministerial.qld.gov.au>  
**Subject:** hib floods and Energex 010515.docx

Worked up a hib based on latest advice from Energex.

Regards

Ellen

N/R

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ATT00001.htm  
168B



hib floods and Energex 010515.docx  
13.7kB

## Floods and Energex

Energex has advised that flooding rain and more than 1400 lightning strikes since midday have caused power problems during the day.

I understand this is mostly due to tree branches falling on powerlines.

Energex has restored power to approximately 20,000 homes and businesses during the day.

With forecasts of worsening conditions, Energex has placed additional crews on standby to work through the night if needed.

Additional crews will also be available tomorrow and Sunday if required.

At around 6pm tonight (Friday) there are 3200 customers without electricity.

Most are in the Logan (around Cornubia), Burpengary-Morayfield, Eumundi, and Palmwoods areas.

I urge people to take the utmost care on the roads and to look out for any fallen powerlines. These could be live and dangerous. Call Energex on 13 19 62 for help.

### Background:

- If powerlines are brought down or customers see any problems with the network, priority number is 13 19 62. Given the heavy rain, this could also mean inundation into the underground network – a third of the Energex network is underground.
- Customers should ensure batteries on phones and other essential equipment are fully charged in case power goes out.
- Two key messages if power goes out:
- Turn off electrical equipment, especially things like the stove, so that it doesn't switch on when home owners aren't ready. (Leave a light on to ensure you know when power is restored)
- If water gets into equipment, do not use it. Get it properly checked or simply throw it out. It is not worth the risk of shocks.
- Power outage and restoration information is available at the Energex website, or by calling 13 62 62.

Subject: ^\_Fwd^:\_^\_EnergeX^\_^\_Sit^\_^\_Rep^\_-^\_1930^\_^\_hours^\_^\_May^\_^\_1^\_^\_

---

From: Mark.Bailey@ministerial.qld.gov.au  
To: mangocube6@yahoo.co.uk  
Date: Friday, 1 May 2015 08:10:02 PM AEST

---

Sent from my iPhone

Begin forwarded message:

**From:** "WATSON Ron (EnergeX)" <ronwatson@energeX.com.au>  
**Date:** 1 May 2015 7:30:07 pm AEST  
**To:** "mark.bailey@ministerial.qld.gov.au" <mark.bailey@ministerial.qld.gov.au>, "MYERS Matthew (Powerlink) (mmyers@powerlink.com.au)" <mmyers@powerlink.com.au>, "emergency@dews.qld.gov.au" <emergency@dews.qld.gov.au>, "media@dnrm.qld.gov.au" <media@dnrm.qld.gov.au>, Quizar SEHMI <gulzar.sehmi@treasury.qld.gov.au>, "jason.humphreys@ministerial.qld.gov.au" <jason.humphreys@ministerial.qld.gov.au>, Ellen McIntyre - Ministerial <Ellen.McIntyre@ministerial.qld.gov.au>, "Brent.Davidson@ministerial.qld.gov.au" <Brent.Davidson@ministerial.qld.gov.au>, "Jo-Ann.Miller@ministerial.qld.gov.au" <Jo-Ann.Miller@ministerial.qld.gov.au>, "DART Michael (WB)" <michael.dart@ergon.com.au>  
**Cc:** Corporate Communications\* <BSQPD@energeX.com.au>, "HAGER Andrew (EnergeX)" <andrewhager@energeX.com.au>  
**Subject:** RE: EnergeX Sit Rep - 1930 hours May 1

All

Flooding rain continues to fall in south east Queensland.

More than 2500 lightning strikes since midday have caused power problems during the day.

Winds are starting to increase in some areas, particularly in coastal areas.

EnergeX has restored power to more than 20,000 homes and businesses during the day.

With forecasts of worsening conditions, EnergeX has additional crews on standby to work through the night where required. Additional crews will also be available tomorrow and Sunday if required.

A major issue is flooded access routes which is affecting our response times.

At present we have 4600 customers without electricity.

Most of those are in the Logan (around Cornubia), Burpengary-Morayfield, Kallangur, Eumundi, Kenmore, Ipswich, Flinders and Palmwoods areas.

Details of outages are available from our website:

[www.energex.com.au/power-outages/emergency-outages](http://www.energex.com.au/power-outages/emergency-outages)

Regards

**Ron Watson**  
Group Manager  
Corporate Communications  
Energex Limited  
3664 4012 (W)  
N/R (M)

\*\*\*\*\*  
\*\*\*\*\*

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Subject: ^\_Fwd^\_: ^\_DEWS^\_ ^\_Situation^\_ ^\_Update^\_ No. ^\_2^\_

---

From: Mark.Bailey@ministerial.qld.gov.au  
To: mangocube6@yahoo.co.uk  
Date: Friday, 1 May 2015 08:11:04 PM AEST

---

Sent from my iPhone

Begin forwarded message:

From: Daniel Harris <Sch 4 CTPI >  
Date: 1 May 2015 7:25:04 pm AEST  
To: <mark.bailey@ministerial.qld.gov.au>, <emergency@dews.qld.gov.au>, <Ellen.McIntyre@ministerial.qld.gov.au>, <media@dnrm.qld.gov.au>, <melissa.bowerman@dnrm.qld.gov.au>, <ken.sedgwick@dews.qld.gov.au>, <denise.spinks@ministerial.qld.gov.au>, <dan.hunt@dews.qld.gov.au>, <judith.thompson@dews.qld.gov.au>, <peter.allen@dews.qld.gov.au>, <bob.reilly@dews.qld.gov.au>, <paul.walsh@dews.qld.gov.au>, <benn.barr@dews.qld.gov.au>  
Subject: DEWS Situation Update No. 2

All

I am having difficulties connecting to remote access so I will be sending updates from this email address or from my DEWS work phone, until I can restore remote access. Apologies.

Update as follows:

Seqwater:

Current situation

- Continuing rainfall means dam releases are required from the following Seqwater gated dams:
  - Wivenhoe Dam – gate releases expected to commence from 2000 HOURS on Friday 1 May 2015.
  - Somerset Dam – sluice releases are being made from Somerset Dam into Wivenhoe Dam to balance the water storage levels across both dams.
  - North Pine Dam – gate releases commenced 1800 HOURS on Friday 1 May 2015.
- While the Seqwater Flood Operation Centre is mobilised, regular Dam Release Situation Reports will be issued to provide an update on the situations at the above gated dams. The second Situation Report is attached. Situation reports will be provided as the situation changes or at 0700hrs tomorrow morning.
- The flood storage compartments of both Wivenhoe and Somerset dams are available. The high inflows mean that releases are required but impacts are

expected only to relate to closure of minor river crossings (see Situation Report). Releases are expected to occur over the next several days.

- Significant overflows are also possible from Seqwater's un-gated dams. Thirteen un-gated dams are currently spilling (see table in attached talking points or the latest information on [www.seqwater.com.au](http://www.seqwater.com.au)<<http://www.seqwater.com.au>>.

SunWater:

- SunWater advise there are no significant changes to the previous SunWater SitRep. It is anticipated that Paradise dam may reach Emergency Action Plan activation and have a very minor spill overnight. It is likely this spill event will not cause downstream flooding of houses and buildings.

Energex:

- Energex has 5000 customers without electricity.
- Energex has restored power to approximately 20,000 homes and businesses during the day.
- With forecasts of worsening conditions, Energex has placed additional crews on standby to work through the night where required.
- Additional crews will also be available tomorrow and Sunday if required.
- Most of those are in the Logan (around Cornubia), Burpengary-Morayfield, Eumundi, Kenmore, Ipswich, Flinders and Palmwoods areas.

Ergon:

- Ergon remain unaffected by the event.

DEWS Situation Updates will be provided as the situation changes or at 0700hrs tomorrow morning.

Regards

Daniel Harris  
DEWS State Disaster Emergency Team Liaison  
Ph N/R  
[Daniel.haris@dews.qld.gov.au](mailto:Daniel.haris@dews.qld.gov.au)

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Regards

Daniel Harris  
Principal Program Manager  
Floods Inquiry Response and Delivery  
Department Energy and Water Supply

Phone: 07 3166 0142

Mobile: N/R

Sent from my iPhone

Begin forwarded message:

From: Flood Operations Centre  
<[foc@seqwater.com.au](mailto:foc@seqwater.com.au)<<mailto:foc@seqwater.com.au>>>  
Date: 1 May 2015 17:56:58 AEST  
To: Fld-Sit Rep  
<[fldsitrep@seqwater.com.au](mailto:fldsitre@seqwater.com.au)<<mailto:fldsitre@seqwater.com.au>>>  
Subject: Seqwater Flood Operations Centre - Situation Report No. 2

Please find attached Situation Report No. 2 for the current weather event.  
The Seqwater Flood Operations Centre is operating in "STAND UP" status.

John Tibaldi Manager Water Source, Operations and Management

<<http://www.seqwater.com.au/>>

-----  
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-----  
Regards

Daniel Harris  
Principal Program Manager  
Floods Inquiry Response and Delivery  
Department Energy and Water Supply

Phone: 07 3166 0142

Mobile: N/R

Sent from my iPhone

Begin forwarded message:

From: Seqwater Media  
<[Seqwater.Media@seqwater.com.au](mailto:Seqwater.Media@seqwater.com.au)<<mailto:Seqwater.Media@seqwater.com.au>>>  
Date: 1 May 2015 18:46:35 AEST  
To: undisclosed-recipients::;

Subject: Weather event - Seqwater talking points and situation report #2 -  
01 May 2015 1730 HOURS

Good evening everyone

Seqwater's Flood Operations Centre has mobilised and releases from Seqwater's gated dams are in progress due to the weather system.

Current situation

Continuing rainfall means dam releases are required from the following Seqwater gated dams:

- Wivenhoe Dam – gate releases expected to commence from 2000 HOURS on Friday 1 May 2015.
- Somerset Dam – sluice releases are being made from Somerset Dam into Wivenhoe Dam to balance the water storage levels across both dams.
- North Pine Dam – gate releases commenced 1800 HOURS on Friday 1 May 2015.

While the Seqwater Flood Operation Centre is mobilised, regular Dam Release Situation Reports will be issued to provide an update on the situations at the above gated dams. The second Situation Report is attached.

The flood storage compartments of both Wivenhoe and Somerset dams are available. The high inflows mean that releases are required but impacts are expected only to relate to closure of minor river crossings (see Situation Report). Releases are expected to occur over the next several days.

Significant overflows are also possible from Seqwater's un-gated dams. Thirteen un-gated dams are currently spilling (see table below or the latest information on [www.seqwater.com.au](http://www.seqwater.com.au) <<http://www.seqwater.com.au>>. People should take care downstream of these dams. If it's flooded, forget it.

Information on Seqwater's gated and un-gated dams can be obtained on Seqwater's website, [www.seqwater.com.au](http://www.seqwater.com.au) <<http://www.seqwater.com.au>> or our dam release hotline – free call 1800 613 122. To sign up for Seqwater's free Dam Release Notification Service, please visit our website.

South East Queensland dam storage levels

The following table provides the latest available information about the region's dams. Dam levels are updated regularly 24 hours a day. Please note, dam levels are based on automated data which has not been verified. For information about flood levels, contact your local Council. For information about road impacts, contact Transport and Main Roads <<http://www.tmr.qld.gov.au/>>. For information about river levels, please see the Bureau of Meteorology website <<http://www.bom.gov.au/>>.  
01 May 2015

Storage

Full Supply Capacity (ML)\*

Current Capacity (ML)

% Full

Latest Observation

Comment

Atkinson Dam

30,401

7,984

26.3

01/05/2015 03:55PM

Baroon Pocket Dam

61,000

65,164

106.8

01/05/2015 04:04PM

Dam is spilling

Bill Gunn Dam

6,947

5,698

82.0

01/05/2015 12:00PM

Borumba Dam

45,952

46,908

102.1

01/05/2015 04:30PM

Dam is spilling

Cedar Pocket Dam

730

922

126.4

01/05/2015 04:30PM

Dam is spilling

Cooloolabin Dam

13,820

8,631

62.5

01/05/2015 04:30PM

Enoggera Dam

4,567

4,931

108.0

01/05/2015 04:08PM

Dam is spilling

Ewen Maddock Dam

16,587

17,728

106.9

01/05/2015 04:40PM

Dam is spilling

Gold Creek Dam

801

932

116.4

01/05/2015 04:05PM

Dam is spilling

Hinze Dam\*\*

310,730

312,815

100.7

01/05/2015 04:20PM

Dam is spilling

Lake Clarendon Dam

24,276

7,489

30.9

01/05/2015 12:00PM

Lake Macdonald

8,018

9,178

114.5

01/05/2015 04:16PM

Dam is spilling

Lake Manchester Dam

26,217

26,444

100.9

01/05/2015 04:07PM

Dam is spilling

Leslie Harrison Dam\*\*

13,206

14,908

112.9

01/05/2015 04:06PM

Dam is spilling

Little Nerang Dam

6,705

6,658

99.3

01/05/2015 04:48PM

Maroon Dam

44,319

44,214

99.8

01/05/2015 01:40PM

Moogerah Dam

83,765

80,934

96.6

01/05/2015 04:15PM

Nindooibah Dam\*\*

261

221

85.0

01/05/2015 04:09PM

North Pine Dam\*\*

191,271

188,230

98.4

01/05/2015 04:35PM

Poona Dam

655

566

86.5

01/05/2015 04:36PM

Sideling Creek Dam

14,370

17,800

123.9

01/05/2015 04:32PM

Dam is spilling

Somerset Dam

379,849

384,460

101.2

01/05/2015 05:00PM

Wappa Dam

4,694

5,576

118.8

01/05/2015 04:40PM

Dam is spilling

Wivenhoe Dam

1,165,238

1,145,468



98.3

01/05/2015 12:00PM

Wyaralong Dam

102,883

103,113

100.2

01/05/2015 04:20PM

Dam is spilling

\*Full Supply Capacity does not include the flood mitigation storage capacity of Wivenhoe and Somerset dams.

\*\* Please note:

- the capacity of North Pine Dam temporarily decreased from 214,302 ML to 191,271 ML on Monday 8 December 2014
- the capacity of Leslie Harrison Dam temporarily decreased from 24,868 ML to 13,206 ML on Friday 1 August 2014
- the capacity of Nindooinbah Dam temporarily decreased from 322 ML to 261 ML on Saturday 1 March 2014
- the capacity of the Hinze Dam increased from 161,073 ML to 310,730 ML on Friday 15 July 2011.

The current flood storage capacity:  
Dam

Current Flood Storage  
Volume Available

Percentage of Flood Storage  
Volume in Use

Percentage of Flood Storage  
Volume Available

Somerset Dam

721,000 ML

0.6%

99.4%

Wivenhoe Dam

1,967,000 ML

0.0%

100.0%

Regards  
Seqwater Corporate and Community Relations

<<http://www.seqwater.com.au/>>

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Regards

Daniel Harris  
Principal Program Manager  
Floods Inquiry Response and Delivery  
Department Energy and Water Supply

Phone: 07 3166 0142

Mobile: N/R

Sent from my iPhone

Begin forwarded message:

From: "WATSON Ron (Energex)"  
<[ronwatson@energex.com.au](mailto:ronwatson@energex.com.au)<<mailto:ronwatson@energex.com.au>>>  
Date: 1 May 2015 18:29:40 AEST  
To:  
"mark.bailey@ministerial.qld.gov.au<<mailto:mark.bailey@ministerial.qld.gov.au>>"  
<[mark.bailey@ministerial.qld.gov.au](mailto:mark.bailey@ministerial.qld.gov.au)<<mailto:mark.bailey@ministerial.qld.gov.au>>>, "MYERS Matthew (Powerlink)"  
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<[gulzar.sehmi@treasury.qld.gov.au](mailto:gulzar.sehmi@treasury.qld.gov.au)<<mailto:gulzar.sehmi@treasury.qld.gov.au>>>, "[jason.humphreys@ministerial.qld.gov.au](mailto:jason.humphreys@ministerial.qld.gov.au)<<mailto:jason.humphreys@ministerial.qld.gov.au>>"  
<[jason.humphreys@ministerial.qld.gov.au](mailto:jason.humphreys@ministerial.qld.gov.au)<<mailto:jason.humphreys@ministerial.qld.gov.au>>>, Ellen McIntyre - Ministerial  
<[Ellen.McIntyre@ministerial.qld.gov.au](mailto:Ellen.McIntyre@ministerial.qld.gov.au)<<mailto:Ellen.McIntyre@ministerial.qld.gov.au>>>, "[Brent.Davidson@ministerial.qld.gov.au](mailto:Brent.Davidson@ministerial.qld.gov.au)<<mailto:Brent.Davidson@ministerial.qld.gov.au>>"  
<[Brent.Davidson@ministerial.qld.gov.au](mailto:Brent.Davidson@ministerial.qld.gov.au)<<mailto:Brent.Davidson@ministerial.qld.gov.au>>>, "[Jo-Ann.Miller@ministerial.qld.gov.au](mailto:Jo-Ann.Miller@ministerial.qld.gov.au)<<mailto:Jo-Ann.Miller@ministerial.qld.gov.au>>"  
<[Jo-Ann.Miller@ministerial.qld.gov.au](mailto:Jo-Ann.Miller@ministerial.qld.gov.au)<<mailto:Jo-Ann.Miller@ministerial.qld.gov.au>>>, "DART Michael (WB)"  
<[michael.dart@ergon.com.au](mailto:michael.dart@ergon.com.au)<<mailto:michael.dart@ergon.com.au>>>  
Cc: Corporate Communications\*  
<[BSQPD@energex.com.au](mailto:BSQPD@energex.com.au)<<mailto:BSQPD@energex.com.au>>>, "HAGER Andrew (Energex)" <[andrewhager@energex.com.au](mailto:andrewhager@energex.com.au)<<mailto:andrewhager@energex.com.au>>>  
Subject: Energex Sit Rep - 1830 hours May 1

All

Flooding rain continues to fall in south east Queensland.

More than 1700 lightning strikes since midday have caused power problems during the day.

Winds have been variable, mostly light but strong in other areas, particularly in coastal areas.

Energex has restored power to approximately 20,000 homes and businesses during the day.

With forecasts of worsening conditions, Energex has placed additional crews on standby to work through the night where required. Additional crews will also be available tomorrow and Sunday if required.

At present we have 5000 customers without electricity.

Most of those are in the Logan (around Cornubia), Burpengary-Morayfield, Eumundi, Kenmore, Ipswich, Flinders and Palmwoods areas.

Details of outages are available from our website:

[www.energex.com.au/power-outages/emergency-outages](http://www.energex.com.au/power-outages/emergency-outages)<<http://www.energex.com.au/power-outages/emergency-outages>>

Regards

Ron Watson  
Group Manager  
Corporate Communications  
Energex Limited  
3664 4012 (W)  
N/R (M)

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































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This Situation Report was prepared at: 17:30 hours 1 May 2015  
The Next Situation Report will occur before: 23:30 hours 1 May 2015

## Weather situation and catchments

- A low pressure system is currently impacting South East Queensland. For the latest information and warnings from the Bureau of Meteorology see: <http://www.bom.gov.au/qld/warnings/>
- Because the Seqwater Flood Operations Centre has mobilised and Dam Releases from one or more of Seqwater's gated dams is planned, Seqwater's Flood Operations Centre is now operating under a STAND UP status in response to the impacting weather system. Seqwater's Flood Operations Centre will now remain mobilised until a "STAND DOWN" activation level notification is issued.

Released under RTI/ATMP

### WIVENHOE DAM – DAM RELEASE SITUATION REPORT

WIVENHOE DAM – CURRENT FLOOD EVENT STATISTICS	
Date/Time of Flood Event Declaration	12:30pm – 1 May 2015
Date/Time of Commencement of Dam Releases	Planned to commence at 8:00pm – 1 May 2015
Normal Dam Full Supply Level (FSL)	67.00 m AHD
Full Supply Level for Current Flood Event	67.00 m AHD
Current Lake Level	66.87 m AHD
Current Dam Percent Full (based on Normal Dam FSL)	98.8%
Current Estimate of Dam Inflow Rate	100 m <sup>3</sup> /s
Current Estimate of Peak Dam Inflow Rate	750 m <sup>3</sup> /s
Estimate of Dam Inflow Volume to date	4 000 ML
Current Estimate of Total Event Dam Inflow Volume	90 000 ML
Estimate of Catchment Average Rainfall in the last 12 hours	72 millimetres
Forecast Catchment Average Rainfall in the next 12 hours	12 millimetres
Forecast Catchment Average Rainfall in the next 24 hours	12 millimetres
Current Release Rate From the Dam	5 m <sup>3</sup> /s
Strategy Currently in Use	Currently not applicable.

WIVENHOE DAM – CURRENT RADIAL GATE STATUS					
Gate No.	1	2	3	4	5
Opening	Closed	Closed	Closed	Closed	Closed
Mini Hydro Release		5 m <sup>3</sup> /s		Cone Valve Release	Closed

WIVENHOE DAM – CURRENT DOWNSTREAM BRIDGE STATUS							
Bridge	Twin Bridges	Savages Crossing	Colleges Crossing	Burtons Bridge	Kholo Bridge	Mt Crosby Weir Bridge	Fernvale Bridge
Currently Closed	No	No	No	No	No	No	No
Closure Expected	Yes	Yes	Yes	No	No	No	No
Forecast Closure Time	8 pm 1 May 2015	10 pm 1 May 2015	10 am 2 May 2015*	-	-	-	-
Forecast Opening Time		-	6 am 6 May 2015	-	-	-	-

\*May be flooded sooner due to natural flows in the Brisbane River.

WIVENHOE DAM – FUTURE OUTLOOK
Under the current rainfall forecast, releases should continue well into next week.

## SOMERSET DAM – DAM RELEASE SITUATION REPORT

SOMERSET DAM – CURRENT FLOOD EVENT STATISTICS	
Date/Time of Flood Event Declaration	12:30pm – 1 May 2015
Date/Time of Commencement of Dam Releases	9:15am – 1 May 2015
Normal Dam Full Supply Level (FSL)	99.00 m AHD
Full Supply Level for Current Flood Event	99.00 m AHD
Current Lake Level	99.10 m AHD
Current Dam Percent Full (based on Normal Dam FSL)	101.1%
Current Estimate of Dam Inflow Rate	500 m <sup>3</sup> /s
Current Estimate of Peak Dam Inflow Rate	1000 m <sup>3</sup> /s
Estimate of Dam Inflow Volume to date	5 500 ML
Current Estimate of Total Event Dam Inflow Volume	100 000 ML
Estimate of Catchment Average Rainfall in the last 12 hours	100 millimetres
Forecast Catchment Average Rainfall in the next 12 hours	12 millimetres
Forecast Catchment Average Rainfall in the next 24 hours	12 millimetres
Current Release Rate From the Dam	70 m <sup>3</sup> /s
Strategy Currently in Use	Currently not applicable.

SOMERSET DAM – CURRENT GATE AND RELEASE STATUS								
Cone Valve	2		3		12		13	
% Open	0		0		0		100	
Sluice Gate	I	J	K	L	M	N	O	P
Status	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
Crest Gate	I	J	K	L	M	N	O	P
Status	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed

SOMERSET DAM – FUTURE OUTLOOK
Under the current rainfall forecast, releases should continue well into next week.

### NORTH PINE DAM – DAM RELEASE SITUATION REPORT

NORTH PINE DAM – CURRENT FLOOD EVENT STATISTICS	
Date/Time of Flood Event Declaration	12:30pm – 1 May 2015
Date/Time of Commencement of Dam Releases	Planned to commence at 6:00pm – 1 May 2015
Normal Dam Full Supply Level (FSL)	38.50 m AHD
Temporary Dam Full Supply Level for Current Flood Event	38.50 m AHD
Current Lake Level	38.53 m AHD
Current Dam Percent Full (based on Normal Dam FSL)	100.3%
Current Estimate of Dam Inflow Rate	1 100 m <sup>3</sup> /s
Current Estimate of Peak Dam Inflow Rate	1 300 m <sup>3</sup> /s
Estimate of Dam Inflow Volume to date	13 000 ML
Current Estimate of Total Event Dam Inflow Volume	40 000 ML
Estimate of Catchment Average Rainfall in the last 12 hours	125 millimetres
Forecast Catchment Average Rainfall in the next 12 hours	21 millimetres
Forecast Catchment Average Rainfall in the next 24 hours	22 millimetres
Current Release Rate From the Dam	0.5 m <sup>3</sup> /s

NORTH PINE DAM – CURRENT RADIAL GATE AND RELEASE STATUS					
Gate No.	A	B	C	D	E
Opening	Closed	Closed	Closed	Closed	Closed
Low Level Release	0.5 m <sup>3</sup> /s		Cone Valve Release	Closed	

NORTH PINE DAM – CURRENT DOWNSTREAM BRIDGE STATUS		
Bridge	Youngs Crossing	AJ Wylie Bridge
Currently Closed	Yes	No
Closure Expected	MBRC advised crossing was closed at 4:00pm on 1 May 2015	No
Forecast Closure Time	-	-
Forecast Opening Time	3 May 2015	-

NORTH PINE DAM – FUTURE OUTLOOK
Under the current rainfall forecast, releases should cease on 3 May 2015.



This Situation Report was prepared at: 17:30 hours 1 May 2015  
The Next Situation Report will occur before: 23:30 hours 1 May 2015

## Weather situation and catchments

- A low pressure system is currently impacting South East Queensland. For the latest information and warnings from the Bureau of Meteorology see: <http://www.bom.gov.au/qld/warnings/>
- Because the Seqwater Flood Operations Centre has mobilised and Dam Releases from one or more of Seqwater's gated dams is planned, Seqwater's Flood Operations Centre is now operating under a STAND UP status in response to the impacting weather system. Seqwater's Flood Operations Centre will now remain mobilised until a "STAND DOWN" activation level notification is issued.

Released under RTI/ATIA

### WIVENHOE DAM – DAM RELEASE SITUATION REPORT

WIVENHOE DAM – CURRENT FLOOD EVENT STATISTICS	
Date/Time of Flood Event Declaration	12:30pm – 1 May 2015
Date/Time of Commencement of Dam Releases	Planned to commence at 8:00pm – 1 May 2015
Normal Dam Full Supply Level (FSL)	67.00 m AHD
Full Supply Level for Current Flood Event	67.00 m AHD
Current Lake Level	66.87 m AHD
Current Dam Percent Full (based on Normal Dam FSL)	98.8%
Current Estimate of Dam Inflow Rate	100 m <sup>3</sup> /s
Current Estimate of Peak Dam Inflow Rate	750 m <sup>3</sup> /s
Estimate of Dam Inflow Volume to date	4 000 ML
Current Estimate of Total Event Dam Inflow Volume	90 000 ML
Estimate of Catchment Average Rainfall in the last 12 hours	72 millimetres
Forecast Catchment Average Rainfall in the next 12 hours	12 millimetres
Forecast Catchment Average Rainfall in the next 24 hours	12 millimetres
Current Release Rate From the Dam	5 m <sup>3</sup> /s
Strategy Currently in Use	Currently not applicable.

WIVENHOE DAM – CURRENT RADIAL GATE STATUS					
Gate No.	1	2	3	4	5
Opening	Closed	Closed	Closed	Closed	Closed
Mini Hydro Release		5 m <sup>3</sup> /s		Cone Valve Release	Closed

WIVENHOE DAM – CURRENT DOWNSTREAM BRIDGE STATUS							
Bridge	Twin Bridges	Savages Crossing	Colleges Crossing	Burtens Bridge	Kholo Bridge	Mt Crosby Weir Bridge	Fernvale Bridge
Currently Closed	No	No	No	No	No	No	No
Closure Expected	Yes	Yes	Yes	No	No	No	No
Forecast Closure Time	8 pm 1 May 2015	10 pm 1 May 2015	10 am 2 May 2015*	-	-	-	-
Forecast Opening Time	-	-	6 am 6 May 2015	-	-	-	-

\*May be flooded sooner due to natural flows in the Brisbane River.

WIVENHOE DAM – FUTURE OUTLOOK
Under the current rainfall forecast, releases should continue well into next week.

## SOMERSET DAM – DAM RELEASE SITUATION REPORT

SOMERSET DAM – CURRENT FLOOD EVENT STATISTICS	
Date/Time of Flood Event Declaration	12:30pm – 1 May 2015
Date/Time of Commencement of Dam Releases	9:15am – 1 May 2015
Normal Dam Full Supply Level (FSL)	99.00 m AHD
Full Supply Level for Current Flood Event	99.00 m AHD
Current Lake Level	99.10 m AHD
Current Dam Percent Full (based on Normal Dam FSL)	101.1%
Current Estimate of Dam Inflow Rate	500 m <sup>3</sup> /s
Current Estimate of Peak Dam Inflow Rate	1000 m <sup>3</sup> /s
Estimate of Dam Inflow Volume to date	5 500 ML
Current Estimate of Total Event Dam Inflow Volume	100 000 ML
Estimate of Catchment Average Rainfall in the last 12 hours	100 millimetres
Forecast Catchment Average Rainfall in the next 12 hours	12 millimetres
Forecast Catchment Average Rainfall in the next 24 hours	12 millimetres
Current Release Rate From the Dam	70 m <sup>3</sup> /s
Strategy Currently in Use	Currently not applicable.

SOMERSET DAM – CURRENT GATE AND RELEASE STATUS								
Cone Valve	2		3		12		13	
% Open	0		0		0		100	
Sluice Gate	I	J	K	L	M	N	O	P
Status	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
Crest Gate	I	J	K	L	M	N	O	P
Status	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed

SOMERSET DAM – FUTURE OUTLOOK
Under the current rainfall forecast, releases should continue well into next week.

### NORTH PINE DAM – DAM RELEASE SITUATION REPORT

NORTH PINE DAM – CURRENT FLOOD EVENT STATISTICS	
Date/Time of Flood Event Declaration	12:30pm – 1 May 2015
Date/Time of Commencement of Dam Releases	Planned to commence at 6:00pm – 1 May 2015
Normal Dam Full Supply Level (FSL)	38.50 m AHD
Temporary Dam Full Supply Level for Current Flood Event	38.50 m AHD
Current Lake Level	38.53 m AHD
Current Dam Percent Full (based on Normal Dam FSL)	100.3%
Current Estimate of Dam Inflow Rate	1 100 m <sup>3</sup> /s
Current Estimate of Peak Dam Inflow Rate	1 300 m <sup>3</sup> /s
Estimate of Dam Inflow Volume to date	13 000 ML
Current Estimate of Total Event Dam Inflow Volume	40 000 ML
Estimate of Catchment Average Rainfall in the last 12 hours	125 millimetres
Forecast Catchment Average Rainfall in the next 12 hours	21 millimetres
Forecast Catchment Average Rainfall in the next 24 hours	22 millimetres
Current Release Rate From the Dam	0.5 m <sup>3</sup> /s

NORTH PINE DAM – CURRENT RADIAL GATE AND RELEASE STATUS					
Gate No.	A	B	C	D	E
Opening	Closed	Closed	Closed	Closed	Closed
Low Level Release:	0.5 m <sup>3</sup> /s		Cone Valve Release	Closed	

NORTH PINE DAM – CURRENT DOWNSTREAM BRIDGE STATUS		
Bridge	Youngs Crossing	AJ Wylie Bridge
Currently Closed	Yes	No
Closure Expected	MBRC advised crossing was closed at 4:00pm on 1 May 2015	No
Forecast Closure Time	-	-
Forecast Opening Time	3 May 2015	-

NORTH PINE DAM – FUTURE OUTLOOK
Under the current rainfall forecast, releases should cease on 3 May 2015.

Subject: ^\_Fwd^\_: ^\_Energex^\_ ^\_Sit^\_ ^\_Rep^\_ - 21:30 ^\_hours^\_ ^\_May^\_ ^\_1^\_

---

From: Mark.Bailey@ministerial.qld.gov.au  
To: mangocube6@yahoo.co.uk  
Date: Friday, 1 May 2015 10:35:35 PM AEST

---

Sent from my iPhone

Begin forwarded message:

**From:** "DONALD Danny (Energex)" <dannydonald@energex.com.au>  
**Date:** 1 May 2015 9:30:29 pm AEST  
**To:** "WATSON Ron (Energex)" <ronwatson@energex.com.au>, "mark.bailey@ministerial.qld.gov.au" <mark.bailey@ministerial.qld.gov.au>, "MYERS Matthew (Powerlink) (mmyers@powerlink.com.au)" <mmyers@powerlink.com.au>, "emergency@dews.qld.gov.au" <emergency@dews.qld.gov.au>, "media@dnrm.qld.gov.au" <media@dnrm.qld.gov.au>, Qulzar SEHMI <qulzar.sehmi@treasury.qld.gov.au>, "jason.humphreys@ministerial.qld.gov.au" <jason.humphreys@ministerial.qld.gov.au>, Ellen McIntyre - Ministerial <Ellen.McIntyre@ministerial.qld.gov.au>, "Brent.Davidson@ministerial.qld.gov.au" <Brent.Davidson@ministerial.qld.gov.au>, "Jo-Ann.Miller@ministerial.qld.gov.au" <Jo-Ann.Miller@ministerial.qld.gov.au>, "DART Michael (WB)" <michael.dart@ergon.com.au>  
**Cc:** Corporate Communications\* <BSQPD@energex.com.au>, "HAGER Andrew (Energex)" <andrewhager@energex.com.au>  
**Subject:** Energex Sit Rep - 21:30 hours May 1

Energex is still closely monitoring wind which is now reaching the Gold Coast a causing a few more outages.

Damaging winds, with peak gusts of around 90km/h are still likely about the exposed coastal areas tonight. This may affect the Energex network.

More than 4200 lightning strikes since midday in the Energex area have caused power problems during the day.

Energex has restored power to more than 25,000 homes and businesses during the day.

Energex currently has 70 crews who will work through the night where required. Some of the crews working this evening were assisting in with the disaster Newcastle earlier in the week.

Rising flood waters in many parts are restricting access for crews. The Mary River now has a flood warning. If it reaches six metres we will implement our flood plan for Gympie.

At present we have approximately 5,700 customers without electricity.

Most of those are in Noosa, Buderim, Logan (around Greenbank), Burpengary, Morayfield, Narangba, Kenmore, Ipswich, Camira.

Key messages include:

Keep away from fallen powerlines and call Energex on 13 19 62.  
Over the next 24-48 hours soft ground and high winds may cause more trees to fall over powerlines – causing outages. Energex crews will continue working as quickly and safely as possible to restore power.  
We're asking people to remain patient while Energex crews work in very trying conditions

Details of outages are available from our website:

[www.energex.com.au/power-outages/emergency-outages](http://www.energex.com.au/power-outages/emergency-outages)

**Danny Donald**  
Manager Corporate Communications  
Energex Limited  
P. 07 3664 4359 M. N/R  
[energex.com.au](http://energex.com.au) [twitter.com/energex](https://twitter.com/energex) [facebook.com/energex](https://facebook.com/energex)

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<http://www.energex.com.au>

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Released under RTI - DTMR

Subject: ^\_Fwd^\_: ^\_DEWS^\_ ^\_Situation^\_ ^\_Update^\_ No. 3

From: Mark.Bailey@ministerial.qld.gov.au

To: mangocube6@yahoo.co.uk

Date: Saturday, 2 May 2015 07:52:01 AM AEST

Sent from my iPhone

Begin forwarded message:

**From:** Daniel Harris <Sch 4 CTPI >  
**Date:** 2 May 2015 7:29:15 am AEST  
**To:** <mark.bailey@ministerial.qld.gov.au>, <emergency@dews.qld.gov.au>, <Ellen.McIntyre@ministerial.qld.gov.au>, <media@dnrm.qld.gov.au>, <melissa.bowerman@dnrm.qld.gov.au>, <ken.sedgwick@dews.qld.gov.au>, <denise.spinks@ministerial.qld.gov.au>, <dan.hunt@dews.qld.gov.au>, <judith.thompson@dews.qld.gov.au>, <peter.allen@dews.qld.gov.au>, <bob.reilly@dews.qld.gov.au>, <paul.walsh@dews.qld.gov.au>, <benn.barr@dews.qld.gov.au>  
**Subject:** DEWS Situation Update No. 3

All

Summary update as follows:

Seqwater:

- For detailed information please see the attached Seqwater Flood Operations Centre SitRep No. 4
- Continuing rainfall means dam releases are occurring from the following Seqwater gated dams:
  - Wivenhoe Dam:
    - o Current gate release rate is 290 cubic metres per second
    - o Downstream crossings twin bridges, Savages Crossing and Colleges Crossing are closed.
    - o Burtons Bridge, Kholo Bridge, Mount Crosby Bridge and Fernvale Bridge remain open.
    - o Based on the inflow volumes from the rainfall event, releases will occur from Wivenhoe Dam well into next week.
  - Somerset Dam:
    - o Current gate release rate of 600 cubic metres per second
    - o Releases are being made from Somerset Dam into Wivenhoe Dam to balance the water storage levels across both dams.
  - North Pine Dam:
    - o Current gate release rate 185 cubic metres per second.
    - o The downstream Youngs Crossing on Youngs Crossing Road is closed



- o Releases will continue until late on Saturday 2nd May or early Sunday 3rd May.
- o Ongoing spills from Sideling Creek Dam may prolong the closure of Youngs Crossing beyond these times.
- Further updates on Seqwater's ungated dams will be provided later this morning.

SunWater:

- SunWater's latest detailed situation report is attached.
- Since the last update at 7pm last night SunWater has activated the Paradise Dam EAP (Stage 1)
- The LDMGs and Police have been advised that the EAP has been activated.
- A very minor spill event is expected to commence at Paradise Dam today depending on inflows.
- At 7:21 pm (01/05/15) SunWater advised registered downstream land owners that spilling is likely and to refer to the BOM and Local Emergency Management Groups for more information.
- As Paradise Dam is at full supply level it is being monitored frequently.
- SunWater continues with a small release (<5 cubic metres per second) to minimise fish passage over the spillway.

Energex:

- Energex is still closely monitoring wind which is now reaching the Gold Coast a causing a few more outages.
- Damaging winds, with peak gusts of around 90km/h are still likely about the exposed coastal areas tonight. This may affect the Energex network.
- More than 4200 lightning strikes since midday in the Energex area have caused power problems during the day.
- Energex has restored power to more than 25,000 homes and businesses during the day.
- Energex currently has 70 crews who will work through the night where required. Some of the crews working this evening were assisting in with the disaster Newcastle earlier in the week.
- Rising flood waters in many parts are restricting access for crews. The Mary River now has a flood warning. If it reaches six metres we will implement our flood plan for Gympie.
- At present we have approximately 5,700 customers without electricity.
- Most of those are in Noosa, Buderim, Logan (around Greenbank), Burpengary, Morayfield, Narangba, Kenmore, Ipswich, Camira.

Ergon:

- Ergon remain unaffected by the event.

DEWS Situation Updates will be provided as the situation changes or at 1900 Hrs tomorrow morning.

Regards

Daniel Harris  
DEWS State Disaster Emergency Team Liaison  
Ph N/R  
[Daniel.haris@dews.qld.gov.au](mailto:Daniel.haris@dews.qld.gov.au)

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Regards

Daniel Harris  
Principal Program Manager  
Floods Inquiry Response and Delivery  
Department Energy and Water Supply

Phone: 07 3166 0142

Mobile: N/R

Sent from my iPhone

Begin forwarded message:

From: "METCALF Graham (Energex)"  
<[grahammetcalf@energex.com.au](mailto:grahammetcalf@energex.com.au)<mailto:grahammetcalf@energex.com.au>>  
Date: 2 May 2015 06:16:29 AEST  
To: "DONALD Danny (Energex)"  
<[dannydonald@energex.com.au](mailto:dannydonald@energex.com.au)<mailto:dannydonald@energex.com.au>>, "WATSON Ron  
(Energex)" <[ronwatson@energex.com.au](mailto:ronwatson@energex.com.au)<mailto:ronwatson@energex.com.au>>, "  
"mark.bailey@ministerial.qld.gov.au"<mailto:mark.bailey@ministerial.qld.gov.a  
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u>>, "MYERS Matthew (Powerlink)  
([mmyers@powerlink.com.au](mailto:mmyers@powerlink.com.au)<mailto:mmyers@powerlink.com.au>)"  
<[mmyers@powerlink.com.au](mailto:mmyers@powerlink.com.au)<mailto:mmyers@powerlink.com.au>>, "  
"emergency@dews.qld.gov.au"<mailto:emergency@dews.qld.gov.au>"  
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<[media@dnrm.qld.gov.au](mailto:media@dnrm.qld.gov.au)<mailto:media@dnrm.qld.gov.au>>, Qulzar SEHMI  
<[gulzar.sehmi@treasury.qld.gov.au](mailto:gulzar.sehmi@treasury.qld.gov.au)<mailto:gulzar.sehmi@treasury.qld.gov.au>>, "  
"jason.humphreys@ministerial.qld.gov.au"<mailto:jason.humphreys@ministerial.q  
ld.gov.au>"  
<[jason.humphreys@ministerial.qld.gov.au](mailto:jason.humphreys@ministerial.qld.gov.au)<mailto:jason.humphreys@ministerial.q  
ld.gov.au>>, Ellen McIntyre - Ministerial  
<[Ellen.McIntyre@ministerial.qld  
.gov.au](mailto:Ellen.McIntyre@ministerial.qld.gov.au)>>,"  
"Brent.Davidson@ministerial.qld.gov.au"<mailto:Brent.Davidson@ministerial.qld  
.gov.au>"  
<[Brent.Davidson@ministerial.qld.gov.au](mailto:Brent.Davidson@ministerial.qld.gov.au)<mailto:Brent.Davidson@ministerial.qld  
.gov.au>>,"  
"Jo-Ann.Miller@ministerial.qld.gov.au"<mailto:Jo-Ann.Miller@ministerial.qld.g  
ov.au>"

<Jo-Ann.Miller@ministerial.qld.gov.au<mailto:Jo-Ann.Miller@ministerial.qld.gov.au>>, "DART Michael (WB)"  
<michael.dart@ergon.com.au<mailto:michael.dart@ergon.com.au>>, "EFFENEY Terry (Energex)"  
<terryeffeney@energex.com.au<mailto:terryeffeney@energex.com.au>>  
Cc: Corporate Communications\*  
<BSQPD@energex.com.au<mailto:BSQPD@energex.com.au>>, "HAGER Andrew (Energex)" <andrewhager@energex.com.au<mailto:andrewhager@energex.com.au>>  
Subject: Energex Sit Rep - 6.15am May 2

Morning all

Been a busy night for crews but we have managed to get the vast majority of power back on to customers. Crews described the conditions as 'tough'

Below is the latest Facebook message I have put out which has been the basis for a couple of media interviews as well. I will tweet shortly and do another round of radio interviews. Key message will be asking for patience in those tough to get to areas. Gold Coast copped it pretty hard last night but nothing like the conditions around Morayfield/Burpengary.

We have fresh crews hitting the ground early this morning to replace those who worked overnight. Some problems in the Sunny Coast hinterland, Ipswich (Rosewood area) and parts of the Gold Coast and hinterland with roadways underwater still making access a problem.

I will look to do another update about 9am unless things dramatically change. All going well we are expecting to have things wrapped up around lunchtime, early afternoon.

Regards

Graham Metcalf  
Media Relations Manager  
Energex  
07 3664 4382, N/R  
energex.com.au<<http://www.energex.com.au/>>  
twitter.com/energex<<http://www.twitter.com/energex>>  
facebook.com/energex<<http://facebook.com/energex>>

#### SAFETY FIRST

Put safety at the top of your list for 2015. For tips visit [energex.com.au/safety](http://energex.com.au/safety)<<http://energex.com.au/safety>>, like us on Facebook and follow us on Twitter.

[cid:BE23B02CCA63334E96B7DBA5821EA3F5@energex.com.au]

<<https://www.facebook.com/Energex>>

Energex<<https://www.facebook.com/Energex?fref=nf>>

Just now<<https://www.facebook.com/Energex/posts/890304564345082>> ·

Crews have worked through the night to continue the power restoration effort following yesterday's deadly weather. Overall more than 30,000 homes and businesses lost power across South East Queensland, mainly due to tree branches being blown on to wires, lightning strikes or flooding.

This morning crews will be working to reconnect around 2500 customers still off, mostly on the Gold Coast.

Fresh staff will be in the field at first light to replace those who have been in action during the night.

Some access issues are being reported with flooded waterways and sodden ground causing difficulties for repairs. Thanks for your patience while crews naturally take a safely-first approach to repairing the network. Power

restoration information is available at  
<http://bit.ly/1xtleEe><[http://l.facebook.com/l.php?u=http%3A%2F%2Fbit.ly%2F1xtleEe&h=KAQFOci5d&enc=AZOkerGJIWcyWFY7n6ajbiXoX\\_DgaARO8YjDZO-uiwWMT9EtXpvn1bxauCKw9MIsOFZ2mJqecEkz9d6vMiSHH7gDqpLb9xtbAmSQ14xXFTGRIGtjlcwNE1J4bM5CYHdA45WSyWz5ee8YWseiM6RGHFssq1oXsHgYUNtafzV54uwirvrsSeyFT\\_7-WAavYv\\_YjKTI8kr58zWGDBXfoe1H55F7&s=1](http://l.facebook.com/l.php?u=http%3A%2F%2Fbit.ly%2F1xtleEe&h=KAQFOci5d&enc=AZOkerGJIWcyWFY7n6ajbiXoX_DgaARO8YjDZO-uiwWMT9EtXpvn1bxauCKw9MIsOFZ2mJqecEkz9d6vMiSHH7gDqpLb9xtbAmSQ14xXFTGRIGtjlcwNE1J4bM5CYHdA45WSyWz5ee8YWseiM6RGHFssq1oXsHgYUNtafzV54uwirvrsSeyFT_7-WAavYv_YjKTI8kr58zWGDBXfoe1H55F7&s=1)> or by calling 13 62 62.

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From: DONALD Danny (Energex)  
Sent: Friday, 1 May 2015 9:30 PM  
To: WATSON Ron (Energex);  
[mark.bailey@ministerial.qld.gov.au](mailto:mark.bailey@ministerial.qld.gov.au)<<mailto:mark.bailey@ministerial.qld.gov.au>>; MYERS Matthew (Powerlink)  
([mmyers@powerlink.com.au](mailto:mmyers@powerlink.com.au)<<mailto:mmyers@powerlink.com.au>>);  
[emergency@dews.qld.gov.au](mailto:emergency@dews.qld.gov.au)<<mailto:emergency@dews.qld.gov.au>>;  
[media@dnrm.qld.gov.au](mailto:media@dnrm.qld.gov.au)<<mailto:media@dnrm.qld.gov.au>>; Qulzar SEHMI;  
[jason.humphreys@ministerial.qld.gov.au](mailto:jason.humphreys@ministerial.qld.gov.au)<<mailto:jason.humphreys@ministerial.qld.gov.au>>; Ellen McIntyre - Ministerial;  
[Brent.Davidson@ministerial.qld.gov.au](mailto:Brent.Davidson@ministerial.qld.gov.au)<<mailto:Brent.Davidson@ministerial.qld.gov.au>>;  
[Jo-Ann.Miller@ministerial.qld.gov.au](mailto:Jo-Ann.Miller@ministerial.qld.gov.au)<<mailto:Jo-Ann.Miller@ministerial.qld.gov.au>>; DART Michael (WB)  
Cc: Corporate Communications\*; HAGER Andrew (Energex)  
Subject: Energex Sit Rep - 21:30 hours May 1

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Danny Donald  
Manager Corporate Communications  
Energex Limited  
P. 07 3664 4359 M. N/R  
energex.com.au<<http://www.energex.com.au/>>  
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

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  -  ATT00002.htm

┌ 216B

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230.5kB

 ATT00003.htm 168B  Picture (Device Independent Bitmap) 1.jpg 1.3kB

Released under RTI - DTMR

This Situation Report was prepared at: 07:00 hours 2 May 2015  
The Next Situation Report will occur before: 19:00 hours 2 May 2015

## Weather situation and catchments

- A low pressure system has cleared from South East Queensland. For the latest information and warnings from the Bureau of Meteorology see: <http://www.bom.gov.au/gld/warnings/>
- Because the Seqwater Flood Operations Centre has mobilised and Dam Releases from one or more of Seqwater's gated dams are occurring, Seqwater's Flood Operations Centre is now operating under a STAND UP status in response to the impacting weather system. Seqwater's Flood Operations Centre will now remain mobilised until a "STAND DOWN" activation level notification is issued.

Released under RTI/OTMP

### WIVENHOE DAM – DAM RELEASE SITUATION REPORT

WIVENHOE DAM – CURRENT FLOOD EVENT STATISTICS	
Date/Time of Flood Event Declaration	12:30pm – 1 May 2015
Date/Time of Commencement of Dam Releases	8:00pm – 1 May 2015
Normal Dam Full Supply Level (FSL)	67.00 m AHD
Full Supply Level for Current Flood Event	67.00 m AHD
Current Lake Level	67.32 m AHD
Current Dam Percent Full (based on Normal Dam FSL)	103.6%
Current Estimate of Dam Inflow Rate	1,900 m <sup>3</sup> /s
Current Estimate of Peak Dam Inflow Rate	2,000 m <sup>3</sup> /s
Estimate of Dam Inflow Volume to date	76,000 ML
Current Estimate of Total Event Dam Inflow Volume	190,000 ML
Estimate of Catchment Average Rainfall in the last 12 hours	7 millimeters
Forecast Catchment Average Rainfall in the next 12 hours	0 millimeters
Forecast Catchment Average Rainfall in the next 24 hours	0 millimeters
Current Release Rate From the Dam	290 m <sup>3</sup> /s
Strategy Currently in Use	Flood Mitigation Strategy

WIVENHOE DAM – CURRENT RADIAL GATE STATUS					
Gate No.	1	2	3	4	5
Opening	Closed	Closed	3.0 m	Closed	Closed
Mini Hydro Release		5 m <sup>3</sup> /s		Cone Valve Release	Closed

WIVENHOE DAM – CURRENT DOWNSTREAM BRIDGE STATUS							
Bridge	Twin Bridges	Savages Crossing	Colleges Crossing	Burtons Bridge	Kholo Bridge	Mt Crosby Weir Bridge	Fernvale Bridge
Currently Closed	Yes	Yes	Yes	No	No	No	No
Closure Expected	Yes	Yes	Yes	No	No	No	No
Forecast Closure Time	8 pm 1 May 2015	10 pm 1 May 2015	6 am 2 May 2015	-	-	-	-
Forecast Opening Time		-	6 am 8 May 2015	-	-	-	-

WIVENHOE DAM – FUTURE OUTLOOK
Based on the inflow volumes from the rainfall event, releases will occur from Wivenhoe Dam well into next week.



## SOMERSET DAM – DAM RELEASE SITUATION REPORT

SOMERSET DAM – CURRENT FLOOD EVENT STATISTICS	
Date/Time of Flood Event Declaration	12:30pm – 1 May 2015
Date/Time of Commencement of Dam Releases	9:15am – 1 May 2015
Normal Dam Full Supply Level (FSL)	99.00 m AHD
Full Supply Level for Current Flood Event	99.00 m AHD
Current Lake Level	99.16 m AHD
Current Dam Percent Full (based on Normal Dam FSL)	101.8%
Current Estimate of Dam Inflow Rate	500 m <sup>3</sup> /s
Current Estimate of Peak Dam Inflow Rate	800 m <sup>3</sup> /s
Estimate of Dam Inflow Volume to date	35,000 ML
Current Estimate of Total Event Dam Inflow Volume	40,000 ML
Estimate of Catchment Average Rainfall in the last 12 hours	1 millimetres
Forecast Catchment Average Rainfall in the next 12 hours	0 millimetres
Forecast Catchment Average Rainfall in the next 24 hours	0 millimetres
Current Release Rate From the Dam	600 m <sup>3</sup> /s
Strategy Currently in Use	Somerset Dam Strategy

SOMERSET DAM – CURRENT GATE AND RELEASE STATUS								
Cone Valve	2		3		12		13	
% Open	0		0		0		0	
Sluice Gate	I	J	K	L	M	N	O	P
Status	Closed	Closed	Open	Open	Open	Closed	Closed	Closed
Crest Gate	I	J	K	L	M	N	O	P
Status	Open	Open	Open	Open	Open	Open	Open	Open

SOMERSET DAM – FUTURE OUTLOOK
Releases are being made from Somerset Dam to Wivenhoe Dam to control rises in Lake Somerset water levels as inflows continue.

### NORTH PINE DAM – DAM RELEASE SITUATION REPORT

NORTH PINE DAM – CURRENT FLOOD EVENT STATISTICS	
Date/Time of Flood Event Declaration	12:30pm – 1 May 2015
Date/Time of Commencement of Dam Releases	6:00pm – 1 May 2015
Normal Dam Full Supply Level (FSL)	38.50 m AHD
Temporary Dam Full Supply Level for Current Flood Event	38.50 m AHD
Current Lake Level	38.60 m AHD
Current Dam Percent Full (based on Normal Dam FSL)	101.1%
Current Estimate of Dam Inflow Rate	20 m <sup>3</sup> /s
Current Estimate of Peak Dam Inflow Rate	1,250 m <sup>3</sup> /s
Estimate of Dam Inflow Volume to date	23,000 ML
Current Estimate of Total Event Dam Inflow Volume	24,000 ML
Estimate of Catchment Average Rainfall in the last 12 hours	9 millimetres
Forecast Catchment Average Rainfall in the next 12 hours	0 millimetres
Forecast Catchment Average Rainfall in the next 24 hours	0 millimetres
Current Release Rate From the Dam	185 m <sup>3</sup> /s

NORTH PINE DAM – CURRENT RADIAL GATE AND RELEASE STATUS					
Gate No.	A	B	C	D	E
Opening	2 increments	2 increments	2 increments	2 increments	2 increments
Low Level Release	0.0 m <sup>3</sup> /s		Cone Valve Release	Closed	

NORTH PINE DAM – CURRENT DOWNSTREAM BRIDGE STATUS		
Bridge	Youngs Crossing	AJ Wylie Bridge
Currently Closed	Yes	No
Closure Expected	MBRC advised crossing was closed at 4:00pm on 1 May 2015	No
Forecast Closure Time	-	-
Forecast Opening Time	3 May 2015	-

NORTH PINE DAM – FUTURE OUTLOOK
Releases from North Pine Dam will continue until late on Saturday 2 <sup>nd</sup> May or early Sunday 3 <sup>rd</sup> May. Ongoing spills from Siding Creek Dam may prolong the closure of Youngs Crossing beyond these times.

This Situation Report was prepared at: 07:00 hours 2 May 2015  
The Next Situation Report will occur before: 19:00 hours 2 May 2015

## Weather situation and catchments

- A low pressure system has cleared from South East Queensland. For the latest information and warnings from the Bureau of Meteorology see: <http://www.bom.gov.au/qld/warnings/>
- Because the Seqwater Flood Operations Centre has mobilised and Dam Releases from one or more of Seqwater's gated dams are occurring, Seqwater's Flood Operations Centre is now operating under a STAND UP status in response to the impacting weather system. Seqwater's Flood Operations Centre will now remain mobilised until a "STAND DOWN" activation level notification is issued.

Released under RTI/ATMP

### WIVENHOE DAM – DAM RELEASE SITUATION REPORT

WIVENHOE DAM – CURRENT FLOOD EVENT STATISTICS	
Date/Time of Flood Event Declaration	12:30pm – 1 May 2015
Date/Time of Commencement of Dam Releases	8:00pm – 1 May 2015
Normal Dam Full Supply Level (FSL)	67.00 m AHD
Full Supply Level for Current Flood Event	67.00 m AHD
Current Lake Level	67.32 m AHD
Current Dam Percent Full (based on Normal Dam FSL)	103.6%
Current Estimate of Dam Inflow Rate	1,900 m <sup>3</sup> /s
Current Estimate of Peak Dam Inflow Rate	2,000 m <sup>3</sup> /s
Estimate of Dam Inflow Volume to date	76,000 ML
Current Estimate of Total Event Dam Inflow Volume	190,000 ML
Estimate of Catchment Average Rainfall in the last 12 hours	7 millimeters
Forecast Catchment Average Rainfall in the next 12 hours	0 millimeters
Forecast Catchment Average Rainfall in the next 24 hours	0 millimeters
Current Release Rate From the Dam	290 m <sup>3</sup> /s
Strategy Currently in Use	Flood Mitigation Strategy

WIVENHOE DAM – CURRENT RADIAL GATE STATUS					
Gate No.	1	2	3	4	5
Opening	Closed	Closed	3.0 m	Closed	Closed
Mini Hydro Release		5 m <sup>3</sup> /s		Cone Valve Release	Closed

WIVENHOE DAM – CURRENT DOWNSTREAM BRIDGE STATUS							
Bridge	Twin Bridges	Savages Crossing	Colleges Crossing	Burtions Bridge	Kholo Bridge	Mt Crosby Weir Bridge	Fernvale Bridge
Currently Closed	Yes	Yes	Yes	No	No	No	No
Closure Expected	Yes	Yes	Yes	No	No	No	No
Forecast Closure Time	8 pm 1 May 2015	10 pm 1 May 2015	6 am 2 May 2015	-	-	-	-
Forecast Opening Time		-	6 am 8 May 2015	-	-	-	-

WIVENHOE DAM – FUTURE OUTLOOK
Based on the inflow volumes from the rainfall event, releases will occur from Wivenhoe Dam well into next week.

## SOMERSET DAM – DAM RELEASE SITUATION REPORT

SOMERSET DAM – CURRENT FLOOD EVENT STATISTICS	
Date/Time of Flood Event Declaration	12:30pm – 1 May 2015
Date/Time of Commencement of Dam Releases	9:15am – 1 May 2015
Normal Dam Full Supply Level (FSL)	99.00 m AHD
Full Supply Level for Current Flood Event	99.00 m AHD
Current Lake Level	99.16 m AHD
Current Dam Percent Full (based on Normal Dam FSL)	101.8%
Current Estimate of Dam Inflow Rate	500 m <sup>3</sup> /s
Current Estimate of Peak Dam Inflow Rate	800 m <sup>3</sup> /s
Estimate of Dam Inflow Volume to date	35,000 ML
Current Estimate of Total Event Dam Inflow Volume	40,000 ML
Estimate of Catchment Average Rainfall in the last 12 hours	1 millimetres
Forecast Catchment Average Rainfall in the next 12 hours	0 millimetres
Forecast Catchment Average Rainfall in the next 24 hours	0 millimetres
Current Release Rate From the Dam	600 m <sup>3</sup> /s
Strategy Currently in Use	Somerset Dam Strategy

SOMERSET DAM – CURRENT GATE AND RELEASE STATUS								
Cone Valve	2		3		12		13	
% Open	0		0		0		0	
Sluice Gate	I	J	K	L	M	N	O	P
Status	Closed	Closed	Open	Open	Open	Closed	Closed	Closed
Crest Gate	I	J	K	L	M	N	O	P
Status	Open	Open	Open	Open	Open	Open	Open	Open

SOMERSET DAM – FUTURE OUTLOOK
Releases are being made from Somerset Dam to Wivenhoe Dam to control rises in Lake Somerset water levels as inflows continue.

### NORTH PINE DAM – DAM RELEASE SITUATION REPORT

NORTH PINE DAM – CURRENT FLOOD EVENT STATISTICS	
Date/Time of Flood Event Declaration	12:30pm – 1 May 2015
Date/Time of Commencement of Dam Releases	6:00pm – 1 May 2015
Normal Dam Full Supply Level (FSL)	38.50 m AHD
Temporary Dam Full Supply Level for Current Flood Event	38.50 m AHD
Current Lake Level	38.60 m AHD
Current Dam Percent Full (based on Normal Dam FSL)	101.1%
Current Estimate of Dam Inflow Rate	20 m <sup>3</sup> /s
Current Estimate of Peak Dam Inflow Rate	1,250 m <sup>3</sup> /s
Estimate of Dam Inflow Volume to date	23,000 ML
Current Estimate of Total Event Dam Inflow Volume	24,000 ML
Estimate of Catchment Average Rainfall in the last 12 hours	9 millimetres
Forecast Catchment Average Rainfall in the next 12 hours	0 millimetres
Forecast Catchment Average Rainfall in the next 24 hours	0 millimetres
Current Release Rate From the Dam	185 m <sup>3</sup> /s

NORTH PINE DAM – CURRENT RADIAL GATE AND RELEASE STATUS					
Gate No.	A	B	C	D	E
Opening	2 increments	2 increments	2 increments	2 increments	2 increments
Low Level Release	0.0 m <sup>3</sup> /s		Cone Valve Release	Closed	

NORTH PINE DAM – CURRENT DOWNSTREAM BRIDGE STATUS		
Bridge	Youngs Crossing	Al Wylie Bridge
Currently Closed	Yes	No
Closure Expected	MBRC advised crossing was closed at 4:00pm on 1 May 2015	No
Forecast Closure Time	-	-
Forecast Opening Time	3 May 2015	-

NORTH PINE DAM – FUTURE OUTLOOK
Releases from North Pine Dam will continue until late on Saturday 2 <sup>nd</sup> May or early Sunday 3 <sup>rd</sup> May. Ongoing spills from Sideling Creek Dam may prolong the closure of Youngs Crossing beyond these times.

## DEWS Disaster Management SitRep – SunWater

SitRep Time: 7am 02/05/15										
Period Covered										
7pm, Friday 01 May 2015 – 7am, Saturday 02 May 2015										
Current Status of Activations										
<ul style="list-style-type: none"> <li>• SunWater is in contact with the Relevant Local Disaster Coordinators and/or Local Disaster Management groups (who are led by council and comprising of local emergency services) and are the lead agency for coordinating a multi-agency response to a disaster within their area of responsibility</li> <li>• SunWater is closely monitoring inflows into its storages with catchments within the BCM predicted Rainfall Zone</li> <li>• Flood level forecasts are provided by the Bureau of Meteorology.</li> <li>• SunWater's dams are not flood mitigation dams. They are purpose-built to store water to full capacity, and then safely manage any further excess inflows by diverting them through purpose built spillway overflows.</li> </ul>										
Situational Overview – key activities or events last 24-48 hours: (what has happened since last sitrep/notification)										
Water supply scheme	Storage	Full capacity	Current storage		24 Hour Change (%)	Storage Status		Status of EAP	Status of Relevant LDMG	Other Comments/information
			ML & FL(m)	Capacity %		Level above Spillway (m)	Overflow (ML/day)			
Callide Valley	Callide Dam (gated dam)	Temp reduced operating level 136,370 ML 215.50m	123,919ML 215.069m	96.0 <sup>1</sup>	- 0.1% (slight decrease)	n/a	-	Not active	Banana Shire Council LDMG – not active	
	Kroombit Dam (fixed crest dam)	14,600 ML 265.80m	14,325ML 265.7m	98.1	- 0.1% (slight decrease)	n/a	-	Not active	Banana Shire Council LDMG – not active	LDMG advised that Sunwater is at Flood Operation Preparedness for this dam. (as a courtesy)

<sup>1</sup> As a percentage of the storage volume at Temporary Reduced Operating Level

Water supply scheme	Storage	Current storage			Storage Status			Status of EAP	Status of Relevant LDMG	Other Comments/information
		Full capacity	ML & EL(m)	Capacity %	24 Hour Change (%)	Level above Spillway (m)	Overflow (ML/day)			
Three Moon Creek	Cania Dam (fixed crest dam)	88,580ML 331.00m	88,306ML 330.96m	99.8	0% (slight rise)	n/a	-	Not active	North Burnett Regional Council LDMG – not active	LDMG advised that Sunwater is at Flood Operation Preparedness for this dam. (as a courtesy)
Bundaberg	Fred Haigh Dam (fixed crest)	562,045ML 75.56m	558,690ML 75.5m	99.4%	0.1% (slight rise)	n/a	-	Not active	Bundaberg Regional Council LDMG – not active	LDMG advised that Sunwater is at Flood Operation Preparedness for this dam. (as a courtesy)  There were some localized heavy showers this morning but minimal change to the storage level. Rain has all but ceased.
	Paradise Dam (fixed crest)	300,500ML 67.60m	300,500ML 67.58m	100%	0.4% (slight rise)	Supply currently at full crest level	-	EAP ACTIVE – Stage 1	Bundaberg Regional Council – not active  North Burnett Regional Council LDMG – not active	LDMGs and Police have been advised that the EAP has been activated.  A very minor spill event is expected to commence today depending on inflows.  At 7:21 pm (01/05/15) SunWater advised registered downstream land owners that Spilling is likely and to refer to the BOM and Local Emergency Management Groups for more information.  As Paradise Dam is at full supply level it is being monitored frequently.  SunWater continues with a small release (<400ML/d) to minimise fish passage over the spillway.
Upper Burnett	Wuruma Dam (fixed crest dam)	165,411ML 228.29m	163,680ML 228.18m	99%	0.2% (slight rise)	n/a	-	Not active	North Burnett Regional Council LDMG – not active	



Water supply scheme	Storage	Current storage			Storage Status				Status of EAP	Status of Relevant LDMG	Other Comments/information
		Full capacity	ML & EL(m)	Capacity %	24 Hour Change (%)	Level above Spillway (m)	Overflow (ML/day)				
Barker Barambah	Bjelke-Petersen Dam (fixed crest dam)	134,900ML 307.3m	67,238ML 303.55m	47.8%	1.8% (slight rise)	n/a	-	Not active	South Burnett Regional Council LDMG – not active		
Boyne River & Tarong	Boondooma Dam (fixed crest)	204,200ML 280.4m	145,051m 276.54m	71.1%	0.7% (slight rise)	n/a	-	Not active	South Burnett Regional Council – not active North Burnett Regional Council LDMG – not active		
Upper Condamine	Leslie Dam	106,200ML 472.41m	29,762ML 463.82m	28.2%	0.2% (slight rise)	n/a	-	Not active	Southern Downs Regional Council LDMG – not active		
Condamine Balonne	Beardmore Dam	81,700ML 207.12	74,610ML 206.86m	91.3%	0.4% (slight rise)	n/a	-	Not active	Balonne Shire Council LDMG – not active		
Border Rivers	Glenlyon Dam	254,000ML 411.73m	70,682ML 397.03m	27.8%	0.00m (steady)	n/a	-	Not active	Goondiwindi Regional Council LDMG – not active		
MacIntyre Brook	Coolmunda Dam	69,000ML 314.07m	41,542ML 312.076m	60.2%	1.4% (slight rise)	n/a	-	Not active	Goondiwindi Regional Council LDMG – not active		

**Electricity:** (generation capacity, transmission and distribution)

Not applicable.

**Other:** (gas supply, DEWS staff)

Not applicable.

<b>Key Operations or Activities – 24 hours to 1 month</b>
<p><b>Water:</b></p> <ul style="list-style-type: none"> <li>• SunWater’s operators will continue to monitor all inflows into our dam catchment zones and based on available information, operate the dam in line with well established safety-focused operating procedures, and relevant approved Emergency Action Plans where activated.</li> <li>• Operational staff rosters have been developed and rostered staff are on standby to be mobilised to site, if required.</li> <li>• Crews to be available or on standby for post event inspections and repairs.</li> <li>• No works in progress at risk.</li> </ul>
<p><b>Electricity:</b> (generation capacity, transmission and distribution)</p> <p>Not applicable.</p>
<p><b>Staff Impacts:</b></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>
<p><b>Summary of Issues</b></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>
<p><b>Additional Information</b></p> <ul style="list-style-type: none"> <li>• The functions of LDMGs include (but are not limited to): <ul style="list-style-type: none"> <li>○ develop, regularly review and assess effective disaster management;</li> <li>○ assist local government for its area to prepare a local disaster management plan;</li> <li>○ ensuring the community is aware of ways of mitigating the adverse effects of an event, and preparing for, responding to and recovery from a disaster;</li> <li>○ identify, and coordinate the use of resources that may be used for disaster operations;</li> <li>○ manage disaster operations in the area under policies and procedures decided by the State Group; and</li> <li>○ ensuring disaster management and disaster operations in the area are consistent with the State Group’s SPF for disaster management for the State.</li> </ul> </li> </ul>

Source: Queensland Government Disaster Management site (updated 16/3/2015)  
[http://disaster.qld.gov.au/About\\_Disaster\\_Management/DM\\_arrangements.html](http://disaster.qld.gov.au/About_Disaster_Management/DM_arrangements.html)

- SunWater is in contact with the Relevant Local Disaster Management groups and is asking that if they propose to provide any pro-active preparatory warning to the communities, could they please consider including the following messages to ensure that there is no confusion regarding appropriate sources and advices for emergency information:

**Key messages – INSERT NAME HERE LDMG preparedness for severe weather**

- The INSERT NAME HERE Local Disaster Management Groups is prepared for predicted heavy rainfall in the coming days.
- The LDMG, led by council and comprising of local emergency services, is the lead agency for coordinating a multi-agency response to a disaster within their area of responsibility.
- In the lead up to and during any flood event, the LDMG will gather information from throughout the INSERT NAME catchment from the Bureau of Meteorology, SunWater, other agencies and other local sources to inform its disaster coordination and response.
- SunWater will provide the LDMG with information about its infrastructure and operations at INSERT NAME HERE dam during flood events.
- The LDMG is the single point of truth for keeping the community and the media updated in the lead up to and during a flood event. Information provided by other agencies, including SunWater, will be used by LDMG in providing updates to the media and the community in areas that may be potentially inundated by floods.
- The Mayor, or another elected member of the council, is the LDMG chairperson.

**Next Planned Update:** 7pm, if the situation changes

Subject: ^\_Shipping^\_ ^\_Container^\_ ^\_Blocking^\_ ^\_Drain^\_ ^\_UNDER^\_ ^\_Ipswich^\_  
^\_Motorway^\_ ^\_Rocklea^\_

---

From: mangocube6@yahoo.co.uk

To: neil.z.scales@tmr.qld.gov.au

Date: Saturday, 2 May 2015, 12:47:31 pm AEST

---

Hi DG,

This situation not assisting flood waters to recede in Rocklea which persist. Can we have it examined by engineers asap please? M

Sent from my iPhone



FullSizeRender.jpg  
119.3kB

Released under RTI - DTMR



Subject: Re: ^\_Shipping^\_ ^\_Container^\_ ^\_Blocking^\_ ^\_Drain^\_ ^\_UNDER^\_ ^\_Ipswich^\_ ^\_Motorway^\_ ^\_Rocklea^\_

---

From: Neil.Z.Scales@tmr.qld.gov.au

To: mangocube6@yahoo.co.uk

Date: Saturday, 2 May 2015, 3:28:37 pm AEST

---

Of course !

I will keep you in the loop.

Kind regards,

**Neil Scales**

Director-General (Transport and Main Roads) | Executive Directorate

Office Of The Director-General | Department of Transport and Main Roads

Floor 13 | Capital Hill | 85 George Street | Brisbane Qld 4000

GPO Box 1549 | Brisbane Qld 4001

P: (07) 30667316 | F: (07) 30667122

E: [neil.z.scales@tmr.qld.gov.au](mailto:neil.z.scales@tmr.qld.gov.au)

W: [www.tmr.qld.gov.au](http://www.tmr.qld.gov.au)

( )

Released under RTI - DTMR

Subject: IMG\_0051.jpg Comm Recov

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From: mangocube6@yahoo.co.uk

To: mangocube6@yahoo.co.uk

Date: Saturday, 2 May 2015 04:20:40 PM AEST

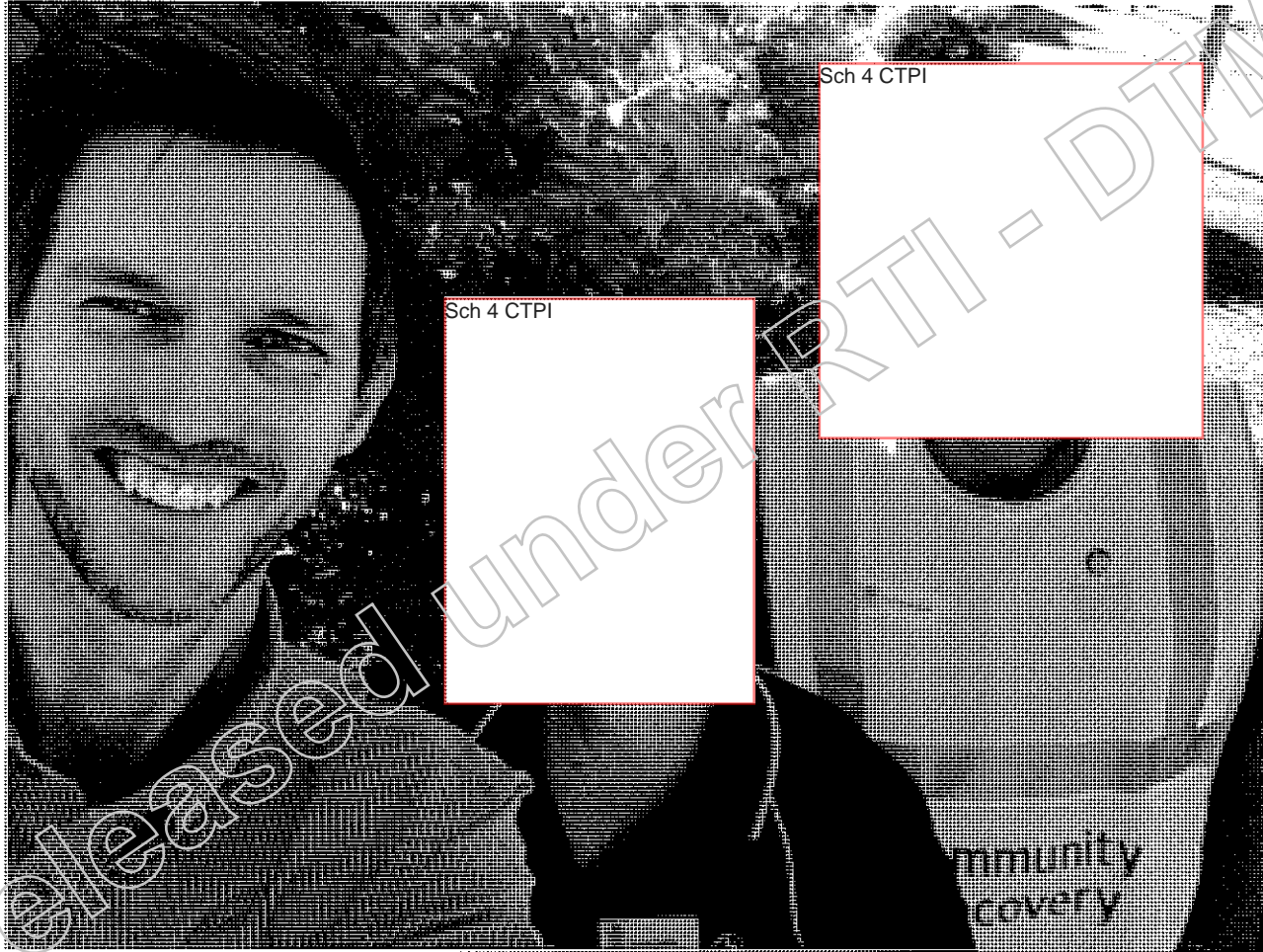
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Sent from my iPhone



IMG\_0051.jpg  
143.8kB

Released under RTI - DTMR





**Subject:** Re: Operation Energise - Rocklea deployment.

**From:** Mark Bailey (mangocube6@yahoo.co.uk)

**To:** keith@etu.org.au;

**Date:** Sunday, 3 May 2015, 18:42

Is there an Operation Energise hotline number Keith? M

On Sunday, 3 May 2015, 16:38, Keith McKenzie (ETU) <keith@etu.org.au> wrote:

thanks Mark

Keith McKenzie  
State Assistant Secretary  
Electrical Trades Union

N/R

> On 3 May 2015, at 4:13 pm, Mark Bailey <mangocube6@yahoo.co.uk> wrote:

>  
> Hi Keith,  
>  
> Streets with extensive flood damage: Major St, Samantha Cr, Embassy St all in Deception Bay.  
Also Sch 4 CTPI McGahey St and Sch 4 CTPI Finnegan st both in Rothwell.

> Also Corella St Rocklea as well.

> Thanks so much for helping people in need Keith, Simmo and crew! M

> Sent from my iPhone

>> On 3 May 2015, at 4:00 pm, Keith McKenzie (ETU) <keith@etu.org.au> wrote:

>> Minister Mark Bailey and Simmo

>> Operation Energise will kick off on Tuesday to assist the local residents in the Rocklea and surrounding suburbs who have been affected by the recent weather events.

>> The Crew will meet at 8am at ElectroGroup Training Office - 9 Railway Tce Moorooka for a briefing prior to deployment

>> Due to the short notice, Powerlink and Electrogrouop will be providing the crews, which we sincerely appreciate.

>> Thanks

>> Keith.

>> Keith McKenzie  
>> State Assistant Secretary  
>> Electrical Trades Union

>> N/R

**Subject:** Re: Operation Energise - Rocklea deployment.  
**From:** Mark Bailey (mangocube6@yahoo.co.uk)  
**To:** keith@etu.org.au;  
**Date:** Monday, 4 May 2015, 16:07

That's right Keith. M

Sent from my iPhone

> On 4 May 2015, at 1:53 pm, Keith McKenzie (ETU) <keith@etu.org.au> wrote:

>

> Mark,

> To be clear, Corella Street is the only street in Rocklea so far.

> The others are on the North side

>

> Cheers

> Keith

>

> -----Original Message-----

> From: Mark Bailey [mailto:mangocube6@yahoo.co.uk]

> Sent: Sunday, 3 May 2015 4:14 PM

> To: Keith McKenzie (ETU)

> Cc: Peter Simpson (ETU); mainroads@ministerial.qld.gov.au; HANAN Brett (Powerlink); Bruce Humphreys; HUMPHREYS Andrew; HARDCASTLE Paul (Powerlink); Stuart Trail; Donna Pickford

> Subject: Re: Operation Energise - Rocklea deployment.

>

> Hi Keith,

>

> Streets with extensive flood damage: Major St, Samantha Crt, Embassy St all in Deception Bay. Also

Sch 4  
CTPI McGahey St and Sch 4  
CTPI Finnegan st both in Rothwell.

Sch 4  
CTPI

>

> Also Corella St Rocklea as well.

>

> Thanks so much for helping people in need Keith, Simmo and crew! M

>

> Sent from my iPhone

>

>> On 3 May 2015, at 4:00 pm, Keith McKenzie (ETU) <keith@etu.org.au> wrote:

>>

>> Minister Mark Bailey and Simmo

>>

>> Operation Energise will kick off on Tuesday to assist the local residents in the Rocklea and surrounding suburbs who have been affected by the recent weather events.

>>

>> The Crew will meet at 8am at ElectroGroup Training Office - 9 Railway Tee Moorooka for a briefing prior to deployment

>>

>> Due to the short notice, Powerlink and Electrogrouop will be providing the crews, which we sincerely appreciate.

>>

>> Thanks

>> Keith.

>>

>> Keith McKenzie

- >> State Assistant Secretary
- >> Electrical Trades Union
- >> N/R

Released under RTI - DTMR

**Subject:** Re: BILL SHORTEN - SPEECH TO THE MCKELL INSTITUTE - SYDNEY - MONDAY, 4 MAY 2015  
**From:** Mark Bailey (mangocube6@yahoo.co.uk)  
**To:** Terri.Butler.MP@aph.gov.au;  
**Date:** Monday, 4 May 2015, 16:08

Ta! M

Sent from my iPhone

On 4 May 2015, at 12:39 pm, Butler, Terri (MP) <Terri.Butler.MP@aph.gov.au> wrote:

Bill made some comments about battery storage in this fyi.

Terri Butler

Begin forwarded message:

**From:** "Stephens, Chelsea (B. Shorten, MP)" <Chelsea.Stephens@aph.gov.au>  
**Date:** 4 May 2015 12:12:16 pm AEST  
**Subject:** BILL SHORTEN - SPEECH TO THE MCKELL INSTITUTE - SYDNEY - MONDAY, 4 MAY 2015



**THE HON BILL SHORTEN MP  
 LEADER OF THE OPPOSITION  
 MEMBER FOR MARIBYRNONG**

**SPEECH TO THE MCKELL INSTITUTE**

**MONDAY, 4 MAY 2015**

**THE UNIVERSITY OF SYDNEY**

**\*\*\* CHECK AGAINST DELIVERY \*\*\***

It's an honour to be here at this great Australian university, at the invitation of the McKell Institute.

I'm here today with three objectives:

about:blank

One, to explain what the transition underway in our economy means for Australian jobs – today and tomorrow – and what this transition demands of our national budget and national leaders.

Two, to outline the tests the next Abbott-Hockey Budget must meet, in our national interest – not just the government’s political interests.

And three, to dedicate Labor to the positive plans and policies Australia needs to succeed in the future.

### **The Australian Economy in Transition**

When William McKell was Governor-General, he delivered the opening address at the “United Nations Economic Commission for Asia and the Far East”.

It was time, he said, for Australians to start thinking of the “*Far East*” as our “*Near North*”.

Back then, this was headline-making rhetoric.

Today, it’s an unremarkable statement of fact.

Seven decades of work has gone into this transformation.

Opening ourselves to mass migration, offering opportunity to people from every faith, culture and tradition.

Dismantling the tariff wall that crippled competition and kept prices high.

Demanding a shift in the national mindset...urging Australians to see ourselves not as a British outpost perched fearfully on the edge of Asia, but as engaged partners in the economic and strategic security of our region.

None of this was without risk or universally popular.

We all know someone dislocated by change, we can all feel anxious about the future - and there are always people prepared to pander to this fear: be that on immigration or economic reform.

But, long ago, we realised that digging ideological trenches and building economic walls was not the answer.

Australians chose optimism over isolationism, renewal over decay, action over complacency, hope over fear.

We looked over the economic horizon and backed ourselves to compete and succeed in the new world.

And there is always another horizon.

Right now, with the biggest mining investment boom in our history drawing to a close, we face the choices and challenges of a new era.

An era defined by clean energy industries, digital and technological innovation, the equal treatment of women, a booming services economy and two generations of retirees alive at the same time.

It’s time to start building for the Australia of 2025.

Time to plan for the next decade: creating jobs today and preparing Australians for the jobs of tomorrow.

Twenty-seven million people will live in the Australia of 2025, five million of us will be over 65 and five million of us will be between 15 and 24.

An extra four and a half million people will live in our capital cities.

A woman aged 60 in 2025 will expect to live for at least another 30 years. A man, at least another 27 years.

We'll have a superannuation pool of \$4 trillion.

And of the two million new jobs created between now and then, two-thirds will need a degree.

These are non-negotiables, they are global shifts, they will be the challenges and opportunities for whoever governs in the decade ahead.

Yet our opponents only ever talk about the future as a dystopian mix of *The Hunger Games* and *Mad Max*.

Their language is always threats, not opportunities.

I take a different view, I think we've had enough negativity.

I'm not daunted by the challenges ahead, I'm energised, I'm ambitious for what Australia can achieve.

The end of the mining investment boom must not mean lowering our expectations or settling for a lesser future.

We weathered the storm of the Global Financial Crisis, and now, in the second decade of the Asian Century we stand as the world's 12<sup>th</sup> biggest economy in the world's fastest growing region.

Australia is uniquely positioned to seize the opportunities of this moment.

We hold a hard-won AAA credit rating from the three major ratings agencies, giving confidence and certainty to business and investors – and we must preserve it.

Our banks are some of the largest and safest in the world, our legal system and institutions are stable and respected.

Our superannuation savings pool is the largest in Asia and the largest per capita in the world.

Our education system supports a high quality, productive workforce, our cities are great, diverse destinations to live.

And we adapt faster and better than most – Australia went from lagging the smartphone revolution to number two in the world in smartphone penetration in just one year.

But a good barrier draw doesn't mean the race is won.

We have to put our hard-earned advantages to work.

As Treasurer, Paul Keating used to talk about 'pulling the levers' of economic reform.

Today, we seek government in a different world, a digital world where we engage with the complexity of an economic touch-screen.

This means being selective and strategic in where we invest and what we prioritise, getting behind our best natural resource: the creativity and genius of our people.

Building an Australia where the bright line of self-improvement runs right through pre-literacy in child care, technology in schools, science at university and re-training for mature-age workers or parents returning to work.

This is my vision for the next generation of Australian prosperity.

We are a fair wage nation, in a low wage region.

We can't win a race to the bottom with our neighbours on pay and conditions - they will always have more people willing to do low-skill work for less.

This is why I'm focused on creating the high-wage, high-skill jobs of the future, nurturing and attracting the best minds.

Competing and succeeding in our region – on our terms.

Nothing matters more to me than creating good jobs, jobs with a future and jobs of the future.

Some of you may have read *The Second Machine Age*, Chris Bowen actually gave it to me for Christmas – there's one passage in there that really made me sit up and think about my kids and their future working lives:

*"There's never been a better time to be a worker with special skills or the right education, because these people can use technology to create and capture value.*

*There's never been a worse time to be a worker with 'ordinary skills' and abilities to offer, because computers, robots and other digital technologies are acquiring these skills and abilities at an extraordinary rate".*

The choice is this stark, it is this simple: get smarter or get poorer.

My vision for Australia is an invention nation, an innovation nation, investing in science to drive new breakthroughs and discoveries in every field and industry.

Just look at how fast solar technology is evolving.

In the last five years alone, the cost of a solar cell has halved.

The cost of battery storage has been halving every 18 months.

On Friday – Tesla released its plans for a rechargeable lithium-ion battery that you can use at home.

Very soon, someone, somewhere, will find a way to make solar power even cheaper and more efficient.

I want that someone to be an Australian.

I want Australia to own that breakthrough and Australians to share its benefits.

I want us to be building, designing and refining solar technology here.

But wanting Australia to do well, believing in our people's potential isn't enough.

Governments have to plan for the future – not just hope something will turn up.

This begins with the Federal Budget.

### **The Tests for the Budget**

Incredibly, a week before this year's budget, we are still talking about last year's budget.

Last year, the Liberals called the economy wrong – and Australians have paid the price.

Unemployment is up, confidence is down and wages are struggling to keep up with the cost of living.

The Liberals called the budget wrong too.

All the harm and hardship came without a sustainable trajectory for improving the budget balance.

Now they want to use last year's failed savings to fund this year's new spending - this is Escher staircase economics.

In the long months of partial backflips and gradual back-downs, 'dull' has become the adjective of choice.

All this shows is the Liberals have learned the wrong lessons from last year's debacle.

The Abbott-Hockey Budget didn't fail because it was too exciting, too visionary or too bold.

It wasn't because Australians are tired of change – or fearful of it.

It failed because it was fundamentally unfair.

The moral of this story is not: 'give up on reform and tell people what they want to hear'.

The real lesson is: do reform right, make change fair.

When we live and work and trade in a global economy changing faster than any time in history, Australia can't afford a 'dull' budget.

We can't afford a 'dull' budget or an 'ordinary' effort, any more than we can afford a re-run of last year's disaster.

We can't afford an outbreak of shallow populism any more than we can afford a repeat of last year's extreme ideology.

We can't afford a budget that puts Tony Abbott's job ahead of Australian jobs.

We need a budget planning for the next ten years, not a plan for Tony Abbott to survive to the end of the year.

My intention today is to set out the tests this next budget must pass.

Labor wants Australia to succeed, we want a strong budget for a growing, job-creating, wealth-creating economy.

This means asking three clear questions on Budget night, on behalf of all Australians:

1. Is this the right plan for the future?
2. Is it honest and responsible?
3. Is it fair?

Planning for the future means a plan for jobs – today and tomorrow.

Helping mature-age workers navigate the transition in our economy, addressing record rates of youth unemployment and investing in schools and universities to drive the skills and knowledge of the next wave of industries.

Delivering essential, productive and competitive infrastructure for our cities and the regions.

Universal healthcare, helping all Australians stay healthy at home and productive at work.



The world's best retirement income system: strong superannuation and a fair pension.

An innovation economy where dynamic Australian entrepreneurs can turn their good ideas into successful start-ups, transforming markets as well as the way we live and work.

A transition to a low pollution economy – making our industries more competitive, harnessing our natural resources and protecting our national estate.

This where the future is heading – and this Budget is the government's last chance to show it understands that.

Being honest and responsible means an end to Hockey-nomics.

No more mugging confidence in the high street, no more hot air about 'Budget emergencies' and 'disasters' behind every corner.

No more blaming Labor for anything and everything.

And no more accounting tricks and funny money, counting revenue from 'dead, buried and cremated' measures like the GP Tax.

Instead, it's time for the government to take responsibility: for restoring confidence and for a sustainable budget trajectory.

We have already offered them a firm foundation.

Labor's responsible policy for tightening tax breaks on the superannuation accounts of the very wealthy, and our plan to make multinationals pay their fair share will deliver more than \$20 billion to the bottom line, without hurting families or smashing confidence.

Unlike the Liberals, Labor is prepared to deal with the structural challenges facing the budget and invest in a growing, wealth-creating, job-creating economy.

Being fair means offering an equal opportunity – and expecting a fair contribution.

It starts with recognising that inequality in Australia today is as high as it's been in three-quarters of a century.

Egalitarianism is under threat.

Being fair means cracking down on tax loopholes for multinationals – not slugging families with \$6000 cuts to their budget.

Fairness is tightening superannuation concessions for the very wealthy, not telling pensioners to tighten their belts.

Fairness means asking those with the broadest shoulders to do the most, not leaving the heavy lifting to those Australians least able to carry the load.

### **The Contrast**

I'm going to do a dangerous thing now – I'm going to engage with a long-running press gallery argument.

Dangerous, but necessary.

Some members of the commentariat say the failure of last year's Budget proves that 'weak' politicians and 'selfish' voters have broken our democracy.

They say Australians lack the wit and wisdom to choose the best future for their nation - and leaders lack the courage to offer it to them.

I don't buy it.

We're better than the cynics and critics would have us believe.

I know Australians haven't lost the ability to make hard choices.

From the very first day of the National Disability Insurance Scheme, Labor acknowledged the complexity, the expense and the difficulty of crafting a solution.

Instead of battering Australians with slogans, we engaged them in an honest conversation.

We gave people a sense of their place on the journey of change, and our destination.

And we won support for our cause through the quality of our ideas, and their moral foundation - backed up by the intellectual authority of the Productivity Commission and their advisory panel.

The Abbott Opposition even voted for an increase in the Medicare levy to fund it.

When Australians recoiled from the unfairness at the heart of the last budget they weren't being selfish, or short-sighted.

Australians rejected the 2014 Budget because they saw it for exactly what it was.

Every day in my job, I am a fortunate witness to the resilience and resolve of the Australian people.

There's a hunger out there for big ideas, a desire for a government willing to do the big things.

But it has to be done the right way – honest and upfront.

Whether it's the GP Tax, \$100,000 degrees or cuts to the pension, we all know the Abbott pattern by now.

Start by making a solemn promise, then break it...dismiss the public backlash and rail against your opponents...then, as reality bites, begin the slow humiliating retreat into consultation.

This is not my style and it's not the Labor way.

Last year, we proved ourselves a strong opposition, united in resistance.

We stood by our principles and we spoke up for millions of Australians the government let down and left behind.

This year, we are putting forward our positive plans for the future:

A constructive proposal to build, maintain and sustain the next generation of submarines here in Australia. An investment in our national security and high-skill Australian jobs – clearly supported by today's Defence Department revelations

Offering certainty for jobs and investors in our renewable energy industry, where Australia should be seizing our natural and competitive advantages.

A new focus on tackling family violence: a national crisis summit within our first 100 days, ending the 'postcode lottery' of unequal services and put the focus on perpetrator accountability, because every woman has the right to be safe in her home and in our community.

The next step in university reform, building the bridge between enrolment and completion, a system converting uni places into degrees, into good jobs.

Greater urgency on constitutional recognition for the first Australians and closing the justice gap – bringing together Indigenous leaders to build a consensus for progress.

Making multinationals pay their fair share of tax in Australia and boosting the fairness and sustainability of retirement incomes, delivering long-term structural improvements to the budget trajectory, without Liberal ram-raids on the family budget.

Laying out detail from Opposition carries risks, I understand that.

Straight-talking guarantees you will say some things people don't want to hear.

There is a risk in amplifying differences, there is a risk in enhancing contrasts.

But to my mind, there is a far greater risk: a second Abbott Government.

More time wasted, more opportunities missed.

More mediocrity born of close-minded, short-termism.

And Australians haven't come this far, we haven't worked this hard to settle for 'ordinary', to accept a lesser future.

Leadership is all about the future: planning for it, building for it, preparing our people to make the most of it. Under my leadership, Labor will seek an honest mandate.

We will offer the Australian people a vision for the future and a plan to make it work.

A vision for a nation strong in the region and the world, safe at home and fair in everything we do.

And a detailed plan for smart people, working in a modern economy, sharing a fair future.

A smart, modern and fair Australia.

***ENDS***

**MEDIA CONTACT: LEADER'S OFFICE MEDIA UNIT 02 6277 4053**

<image001.jpg>

**Subject:** Re: Operation Energise - Rocklea deployment.

**From:** Keith McKenzie (ETU) (keith@etu.org.au)

**To:** mangocube6@yahoo.co.uk;

**Date:** Monday, 4 May 2015, 20:45

no worries. have fun tomorrow...

Keith McKenzie  
State Assistant Secretary  
Electrical Trades Union

N/R

> On 4 May 2015, at 8:44 pm, Mark Bailey <mangocube6@yahoo.co.uk> wrote:  
>  
> Thx mate. Much appreciated but got Parliament prep from early so no go. Will be a rough one. Can u give my apols? M

>  
> Sent from my iPhone

>> On 4 May 2015, at 6:28 pm, Keith McKenzie (ETU) <keith@etu.org.au> wrote:

>>  
>> Mark, not sure if you got my message I left on your phone, but if you were think of coming out to electrogroup in the morning at 8am, there will be bacon and egg rolls for breaky.

>> If not all good.

>> cheers

>> Keith

>>  
>> Keith McKenzie  
>> State Assistant Secretary  
>> Electrical Trades Union

>> N/R

>>> On 4 May 2015, at 4:07 pm, Mark Bailey <mangocube6@yahoo.co.uk> wrote:

>>>  
>>> That's right Keith. M

>>>  
>>> Sent from my iPhone

>>>> On 4 May 2015, at 1:53 pm, Keith McKenzie (ETU) <keith@etu.org.au> wrote:

>>>>  
>>>> Mark,  
>>>> To be clear, Corella Street is the only street in Rocklea so far.  
>>>> The others are on the North side

>>>> Cheers

>>>> Keith

>>>>  
>>>> -----Original Message-----

>>>> From: Mark Bailey [mailto:mangocube6@yahoo.co.uk]

>>>> Sent: Sunday, 3 May 2015 4:14 PM

>>>> To: Keith McKenzie (ETU)

>>>> Cc: Peter Simpson (ETU); mainroads@ministerial.qld.gov.au; HANAN Brett (Powerlink); Bruce Humphreys; HUMPHREYS Andrew; HARDCASTLE Paul (Powerlink); Stuart Traill; Donna Pickford

>>>> Subject: Re: Operation Energise - Rocklea deployment.

>>>>

>>>> Hi Keith,

>>>>

>>>> Streets with extensive flood damage: Major St, Samantha Crt, Embassy St all in Deception Bay. Also

Sch 4 CTPI McGahey St and Sch 4 CTPI Finnegan st both in Rothwell.

>>>>

>>>> Also Corella St Rocklea as well.

>>>>

>>>> Thanks so much for helping people in need Keith, Simmo and crew! M

>>>>

>>>> Sent from my iPhone

>>>>

>>>>> On 3 May 2015, at 4:00 pm, Keith McKenzie (ETU) <keith@etu.org.au> wrote:

>>>>>

>>>>> Minister Mark Bailey and Simmo

>>>>>

>>>>> Operation Energise will kick off on Tuesday to assist the local residents in the Rocklea and surrounding suburbs who have been affected by the recent weather events.

>>>>>

>>>>> The Crew will meet at 8am at ElectroGroup Training Office - 9 Railway Tce Moorooka for a briefing prior to deployment

>>>>>

>>>>> Due to the short notice, Powerlink and Electrogroup will be providing the crews, which we sincerely appreciate.

>>>>>

>>>>> Thanks

>>>>> Keith.

>>>>>

>>>>> Keith McKenzie

>>>>> State Assistant Secretary

>>>>> Electrical Trades Union

Sch 4 CTPI

>>>>>

Released under RTI/OTMR

Subject: ^\_Fwd^\_ : ^\_PDR^\_ ^\_Mein^\_ ^\_Deviation^\_ ^\_DRAFT^\_ ^\_Response^\_

---

From: Neil.Z.Scales@tmr.qld.gov.au

To: mangocube6@yahoo.co.uk

Date: Monday, 4 May 2015 10:28:06 PM AEST

---

Kind regards,

**Neil Scales**

Director-General (Transport and Main Roads) | Executive Directorate  
Office Of The Director-General | Department of Transport and Main Roads

Floor 13 | Capital Hill | 85 George Street | Brisbane Qld 4000

GPO Box 1549 | Brisbane Qld 4001

P: (07) 30667316 | F: (07) 30667122

E: [neil.z.scales@tmr.qld.gov.au](mailto:neil.z.scales@tmr.qld.gov.au)

W: [www.tmr.qld.gov.au](http://www.tmr.qld.gov.au)

Begin forwarded message:

From: Neil Z Scales <[Neil.Z.Scales@tmr.qld.gov.au](mailto:Neil.Z.Scales@tmr.qld.gov.au)>

Date: 4 May 2015 9:43:37 pm AEST

To: "Minister Mark Bailey ([mark.bailey@ministerial.qld.gov.au](mailto:mark.bailey@ministerial.qld.gov.au))"

<[mark.bailey@ministerial.qld.gov.au](mailto:mark.bailey@ministerial.qld.gov.au)>, "[Denise.Spinks@ministerial.qld.gov.au](mailto:Denise.Spinks@ministerial.qld.gov.au)" <

[Denise.Spinks@ministerial.qld.gov.au](mailto:Denise.Spinks@ministerial.qld.gov.au)>

Subject: PDR Mein Deviation DRAFT Response

In response to the letter from the Deputy Prime Minister, dated 4 May 2015 I would comment as follows :-

## 1 Background

In implementing the Cape York Region Package, it has been a key intent of the Department of Transport and Main Roads (TMR) that local Indigenous Cape York businesses be involved to the greatest possible extent.

Six companies have been short-listed to tender for principal contractor of the first major project (Mein Deviation), in compliance with the Australian and Queensland Government procurement processes for road and bridge construction. Tenders will close on 5 May 2015.

Between the close of tenders and awarding of the contract, the short-listed companies will be asked to submit a plan detailing how they are going to achieve a Key Performance Indicator score of 100 per cent in each of the three Key Result Areas (KRAs).

The KRAs are:

- Indigenous and non-Indigenous Employment and Training.
- Indigenous Economic Opportunities.
- Local Industry Participation.

To ensure the success of meeting these KRAs the contract includes incentives to reward increasing levels of achievement.

During the contract, TMR will have a monitoring and reporting process to ensure that these KRAs are met.

## **2 Short Listing**

The short-listed companies were selected from a field of 16 companies which submitted proposals.

These companies demonstrated they will best meet the criteria, including being able to deliver local content and, in particular, Indigenous engagement, employment and training.

All Indigenous businesses or training organisations which submitted EOI's have also been provided contact details for those companies.

This first contract will provide opportunity to test the contract performance against the broader aspirations of local Indigenous business and community engagement leading to local economic opportunities. Learnings would be incorporated into future contracts.

## **3 How local Indigenous suppliers and workers can be involved**

On 21 February 2015, two EOIs were called seeking interest from Indigenous businesses, and Indigenous employment and training providers to provide services and employees to work as sub-contractors on the Mein Deviation project.

On 13 March 2015, TMR called a Registration of Interest for businesses in the Cape York area seeking involvement as sub-contractors in projects associated with the CYRP.

The names of these companies have been provided to the short list of tenderers.

#### 4 Specific information on the probity issues and the tendering process

To help facilitate the evaluation process for short listing, an Advisory Member from the Department of Aboriginal and Torres Strait Islander Partnerships (DATSIP) was appointed to advise the panel in relation to Indigenous employment and training selection criteria and related matters.

A Probity Advisor, Mr Conroy, was appointed to oversee the process and report back to the Project Manager on any perceived probity issues.

As part of the compulsory Pre-lodgement of Tender Conference process, a workshop was held in Weipa on, 9 April 2015 with the six short-listed tenderers.

Discussions at this meeting included TMR's expectations, the contractor's capacity to deliver 100 per cent compliance and whether the value of each KRA is of the right order.

DATSIP has been closely involved in the preparation of relevant contract provisions and this process has also been agreed with by representatives of the Department of Prime Minister and Cabinet and the Department of Infrastructure and Regional Development.

- The following documents and reports are available on request:
  - Probity Plan
  - Tender Evaluation Plan
  - EOI Evaluation Report
  - Probity Advisor's Report
  - Mr Conroy's review of the Applicant's Selection Criteria
- Selection Criteria 2 as detailed in the EOI is as per below:

*The purpose of this selection criteria is to gain an understanding of the effectiveness of your Local Industry*



*Participation Policy to source equipment, materials and services from local organisations on previous civil construction projects.*

*1. In relation to your previous civil construction projects, provide two examples:*

*(a) Of the opportunities you provided for local industry participation in the categories of equipment, materials and services. Describe how using local industry contributed to the outcome of the project and to the local community.*

*(b) Of employment opportunities for Indigenous and non-Indigenous workers, detail the positions offered, the actual duration of employment, the value to the workers, and value to the project.*

*(c) Where fully compliant (and implemented) local industry participation plans for road construction projects were used, describe how the plans provided value to the projects.*

*2. Describe your proposed strategy and initiatives used for engaging locally-based Indigenous and non-Indigenous businesses, organisations and workers for the Mein Deviation Project. What measures will you use to improve the likelihood of success of this strategy and initiatives?*

• Companies that scored highly in this selection criteria showed:

- Good previous examples of the opportunities provided for local industry participation (equipment, materials and services);
- Described the benefits to the projects when local industry was used;
- Detailed the positions and durations of time, Indigenous and non-Indigenous workers were engaged;
- Detailed the value to the workers and the value to the project that resulted from the engagement of Indigenous and non-Indigenous workers;
- Described how compliant and implement local industry participation plans added value to the projects;

- Described a solid proposed strategy and initiatives to be used for engaging locally based Indigenous and non-Indigenous businesses, organisations and workers for the Mein Deviation Project; and
- Described what measures will be used to improve the likelihood of the success of their proposed strategies and initiatives.
- Selection Criteria 2 as detailed in the EOI is as per below:

*The purpose of this selection criteria is to gain an understanding of the effectiveness of your Local Industry Participation Policy to source equipment, materials and services from local organisations on previous civil construction projects.*

*3. In relation to your previous civil construction projects, provide two examples:*

*(d) Of the opportunities you provided for local industry participation in the categories of equipment, materials and services. Describe how using local industry contributed to the outcome of the project and to the local community.*

*(e) Of employment opportunities for Indigenous and non-Indigenous workers, detail the positions offered, the actual duration of employment, the value to the workers, and value to the project.*

*(f) Where fully compliant (and implemented) local industry participation plans for road construction projects were used, describe how the plans provided value to the projects.*

*4. Describe your proposed strategy and initiatives used for engaging locally-based Indigenous and non-Indigenous businesses, organisations and workers for the Mein Deviation Project. What measures will you use to improve the likelihood of success of this strategy and initiatives?*

- Companies that scored highly in this selection criteria showed:

- Good previous examples of the opportunities provided for local industry participation (equipment, materials and services);

- Described the benefits to the projects when local industry was used;
- Detailed the positions and durations of time, Indigenous and non-Indigenous workers were engaged;
- Detailed the value to the workers and the value to the project that resulted from the engagement of Indigenous and non-Indigenous workers;
- Described how compliant and implement local industry participation plans added value to the projects;
- Described a solid proposed strategy and initiatives to be used for engaging locally based Indigenous and non-Indigenous businesses, organisations and workers for the Mein Deviation Project; and
- Described what measures will be used to improve the likelihood of the success of their proposed strategies and initiatives.

## 5 Shortlisted Organisations

Those that have been short listed appear below:

- Albem, Highway Construction, Robinson Civil Group
- Fulton Hogan Construction Pty Ltd
- McIlwain Civil Engineering Pty Ltd (*for example, the company constructed the Bloomfield River bridge and met Indigenous engagement requirements within the Indigenous community*)
- Downer EDI Works Pty Ltd
- Decmil Engineering Pty Ltd
- Civil Mining and Construction Pty Ltd.

These companies best met the criteria and in some cases were considered significantly superior in being able to deliver local content and, in particular, Indigenous engagement, employment and training.

As part of the compulsory Pre lodgement of Tender Conference process, a workshop was held in Weipa between 8am and 9am on Thursday, 9 April 2015 with the six short listed tenderers to discuss the following Key Result Areas (KRAs):

## 6 Unsuccessful Contractors

Tenderers who were unsuccessful have been advised. They have also been advised who the successful proponents were.

Sch 4 CTPI - commercial

Sch 4 CTPI - commercial

Sch 4 CTPI - commercial

## 7 Prequalification

TMR requires contractors to be prequalified for civil roadwork and bridgeworks contracts where the estimated contract value is greater than \$500,000. Once prequalified, contractors are then eligible to bid for TMR contracts in open tender.

To be considered for prequalification, an application needs to be submitted in accordance with National Prequalification System for Civil (Road and Bridge) Construction Contracts. A copy of the National Prequalification System Guideline is available on TMR's website: <http://www.tmr.qld.gov.au/>.

## 8 Capacity Building

A significant outcome of prequalification is to achieve contestable and competitive pricing thus helping to build sustainable businesses which I understand is a prime objective of your organisation.

- All works associated with the \$10 million Endeavour Valley Road (EVR) upgrade project are being conducted with RoadTek as principal contractor and Hope Vale Aboriginal Shire

Council (HVASC) as subcontractor, with the goal of providing HVASC with sufficient experience and upskilling to gain a level of prequalification for road works over four years.

- HVASC is also managing maintenance of the unsealed section of EVR under a stewardship arrangement, with RoadTek as principal contractor.

In this example, TMR have demonstrated they are actively building capacity on the Cape with this council with the ultimate objective of HVASC becoming pre-qualified and in the future being able to bid for road maintenance work on State Roads in the Cape.

### **9 Specific points**

As can be seen from the above, local companies have been offered the opportunity to participate in this work, the EOI process was developed in conjunction with stakeholders on the Cape.

It would be unwise to pause the process now as we are entering the dry season and this work needs to be completed. Your staff are aware of the timetable.

There is a “pipeline” of projects on the PDR and this one is the first. Others are programmed to follow.

Contractors have been fully briefed on TMR’s and also your requirements to tender for this work.

We have briefed unsuccessful contractors on where they have not provided sufficient information or simply have failed to take in account or have not been able to demonstrate Indigenous engagement and employment experience in their bids.

As to communication, the Department has attended numerous meetings and contributed extensively at a senior level throughout this process and will continue to do so. For example the DG has had meetings with HVASC and has also on very short notice made himself available to Mayor Butcher to discuss the tender process.

I hope this helps

Regards

Neil Scales

\*\*\*\*\*  
WARNING: This email (including any attachments) may contain legally privileged, confidential or private information and may be protected by copyright. You may only use it if you are the person(s) it was intended to be sent to and if you use it in an authorised way. No one is allowed to use, review, alter, transmit, disclose, distribute, print or copy this email without appropriate authority.

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It is your responsibility to ensure that this email does not contain and is not affected by computer viruses, defects or interference by third parties or replication problems (including incompatibility with your computer system).

Opinions contained in this email do not necessarily reflect the opinions of the Department of Transport and Main Roads, or endorsed organisations utilising the same infrastructure.  
\*\*\*\*\*

Released under RTI - DTMR

Subject: ^\_Fwd^\_: ^\_PDR^\_ ^\_Mein^\_ ^\_Deviation^\_ ^\_DRAFT^\_ ^\_Response^\_

---

From: mangocube6@yahoo.co.uk

To: denise.spinks@ministerial.qld.gov.au; denise.spinks

Sch 4 CTPI

Date: Monday, 4 May 2015 10:37:48 PM AEST

---

Hi Denise,

This is a good base from Neil but it needs a scalpel taken to it to retain only what is crucial. Can you do some surgery per chance?? M

Sent from my iPhone

Begin forwarded message:

○

Released under RTI - DTMR

Subject: Fwd: PDR Mein Deviation DRAFT Response

---

From: mangocube6@yahoo.co.uk  
To: denise.spinks@ministerial.qld.gov.au  
Date: Tuesday, 5 May 2015 06:51:44 AM AEST

---

Sent from my iPhone

Begin forwarded message:

**From:** Denise Spinks <denise.spinks@tqr.com.au>  
**Date:** 5 May 2015 5:39:38 am AEST  
**To:** Mark Bailey <mangocube6@yahoo.co.uk>  
**Subject:** Re: PDR Mein Deviation DRAFT Response

Morning  
Ok - Leaving soon - will do when get in

Sent from my iPhone

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Sent from my iPhone

Begin forwarded message:

**From:** Neil Z Scales <Neil.Z.Scales@tqr.com.au>  
**Date:** 4 May 2015 10:17:27 pm AEST  
**To:** Mark Bailey <mangocube6@yahoo.co.uk>  
**Subject:** Fwd: PDR Mein Deviation DRAFT Response

Kind regards,

**Neil Scales**  
Director-General (Transport and Main Roads) | Executive Directorate  
**Office Of The Director-General** | Department of Transport and Main Roads

Floor 13 | Capital Hill | 85 George Street | Brisbane Qld 4000  
GPO Box 1549 | Brisbane Qld 4001  
P: (07) 30667316 | F: (07) 30667122  
E: [neil.z.scales@tqr.com.au](mailto:neil.z.scales@tqr.com.au)  
W: [www.tqr.com.au](http://www.tqr.com.au)



Begin forwarded message:

**From:** Neil Z Scales <Neil.Z.Scales@tmr.qld.gov.au>  
**Date:** 4 May 2015 9:43:37 pm AEST  
**To:** "Minister Mark Bailey (mark.bailey@ministerial.qld.gov.au)" <mark.bailey@ministerial.qld.gov.au>, "Denise.Spinks@ministerial.qld.gov.au" <Denise.Spinks@ministerial.qld.gov.au>  
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Begin forwarded message:

**From:** Neil Z Scales <Neil.Z.Scales@tmr.qld.gov.au>  
**Date:** 4 May 2015 9:43:37 pm AEST  
**To:** "Minister Mark Bailey (mark.bailey@ministerial.qld.gov.au)" <mark.bailey@ministerial.qld.gov.au>, "Denise.Spinks@ministerial.qld.gov.au" <Denise.Spinks@ministerial.qld.gov.au>  
**Subject:** PDR Mein Deviation DRAFT Response

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Those that have been short listed appear below:

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Sch 4 CTPI - commercial

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In this example, TMR have demonstrated they are actively building capacity on the Cape with this council with the ultimate objective of HVASC becoming pre-qualified and in the future being able to bid for road maintenance work on State Roads in the Cape.

## 9 Specific points

As can be seen from the above, local companies have been offered the opportunity to participate in this work, the EOI process was developed in conjunction with stakeholders on the Cape.

It would be unwise to pause the process now as we are entering the dry season and this work needs to be completed. Your staff are aware of the timetable.

There is a "pipeline" of projects on the PDR and this one is the first. Others are programmed to follow.

Contractors have been fully briefed on TMR's and also your requirements to tender for this work.

We have briefed unsuccessful contractors on where they have not provided sufficient information or simply have failed to take in account or have not been able to demonstrate Indigenous engagement and employment experience in their bids.

As to communication, the Department has attended numerous meetings and contributed extensively at a senior level throughout this process and will continue to do so. For example the DG has had meetings with HVASC and has also on very short notice made himself available to Mayor Butcher to discuss the tender process.

I hope this helps

Regards

Neil Scales

\*\*\*\*\*  
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If this email was not intended for you and was sent to you by mistake, please telephone or email me immediately, destroy any hardcopies of this email and delete it and any copies of it from your computer system. Any right which the sender may have under copyright law, and any legal privilege and confidentiality attached to this email is not waived or destroyed by that mistake.

It is your responsibility to ensure that this email does not contain and is not affected by computer viruses, defects or interference by third parties or replication problems (including incompatibility with your computer system).

Opinions contained in this email do not necessarily reflect the opinions of the Department of Transport and Main Roads, or endorsed organisations utilising the same infrastructure.  
\*\*\*\*\*

Released under RTI - DTMR

Subject: ^\_Fwd^\_: ^\_PDR^\_ ^\_Mein^\_ ^\_Deviation^\_ ^\_DRAFT^\_ ^\_Response^\_

---

From: mangocube6@yahoo.co.uk

To: denise.spinks@ministerial.qld.gov.au

Date: Tuesday, 5 May 2015 06:51:44 AM AEST

---

Sent from my iPhone

Begin forwarded message:

○

Released under RTI - DTMR



Subject: RE: PDR Mein Deviation DRAFT Response

---

From: Neil.Z.Scales@tmr.qld.gov.au

To: mangocube6@yahoo.co.uk

Date: Tuesday, 5 May 2015 06:52:43 AM AEST

---

Good Morning Minister,

I think it's a load of Wombats, I am checking to make absolutely certain, but I believe it is just plain wrong.

Kind regards,

**Neil Scales**

Director-General (Transport and Main Roads) | Executive Directorate  
Office Of The Director-General | Department of Transport and Main Roads

Floor 13 | Capital Hill | 85 George Street | Brisbane Qld 4000

GPO Box 1549 | Brisbane Qld 4001

P: (07) 30667316 | F: (07) 30667122

E: [neil.z.scales@tmr.qld.gov.au](mailto:neil.z.scales@tmr.qld.gov.au)

W: [www.tmr.qld.gov.au](http://www.tmr.qld.gov.au)



**From:** Mark Bailey [mailto:mangocube6@yahoo.co.uk]

**Sent:** Tuesday, 5 May 2015 12:23 AM

**To:** Neil Z Scales

**Subject:** Re: PDR Mein Deviation DRAFT Response

DPM claims several prequalified companies were not invited to tender without naming them. This seems an extraordinary claim. The EOI process was open and transparent I expect? M

Sent from my iPhone

On 4 May 2015, at 10:17 pm, Neil Z Scales <[Neil.Z.Scales@tmr.qld.gov.au](mailto:Neil.Z.Scales@tmr.qld.gov.au)> wrote:

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Director-General (Transport and Main Roads) | Executive Directorate  
**Office Of The Director-General** | Department of Transport and Main Roads

Floor 13 | Capital Hill | 85 George Street | Brisbane Qld 4000  
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P: (07) 30667316 | F: (07) 30667122  
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**Date:** 4 May 2015 9:43:37 pm AEST  
**To:** "Minister Mark Bailey ([mark.bailey@ministerial.qld.gov.au](mailto:mark.bailey@ministerial.qld.gov.au))" <[mark.bailey@ministerial.qld.gov.au](mailto:mark.bailey@ministerial.qld.gov.au)>, "[Denise.Spinks@ministerial.qld.gov.au](mailto:Denise.Spinks@ministerial.qld.gov.au)" <[Denise.Spinks@ministerial.qld.gov.au](mailto:Denise.Spinks@ministerial.qld.gov.au)>  
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Released under RTI - DTMR

Subject: Re: PDR Mein Deviation DRAFT Response

---

From: mangocube6@yahoo.co.uk

To: Neil.Z.Scales@tmr.qld.gov.au

Date: Tuesday, 5 May 2015 06:57:52 AM AEST

---

Options we should define btw... Occurs to me it wld be to proceed or delay the project 12 months due to the wet season? M

Sent from my iPhone

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<image002.png>

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**To:** Neil Z Scales

**Subject:** Re: PDR Mein Deviation DRAFT Response

DPM claims several prequalified companies were not invited to tender without naming them. This seems an extraordinary claim. The EOI process was open and transparent I expect? M

Sent from my iPhone

On 4 May 2015, at 10:17 pm, Neil Z Scales <[Neil.Z.Scales@tmr.qld.gov.au](mailto:Neil.Z.Scales@tmr.qld.gov.au)> wrote:

Kind regards,

**Neil Scales**

Director-General (Transport and Main Roads) | Executive Directorate  
**Office Of The Director-General** | Department of Transport and  
Main Roads

Floor 13 | Capital Hill | 85 George Street | Brisbane Qld 4000  
GPO Box 1549 | Brisbane Qld 4001  
P: (07) 30667316 | F: (07) 30667122  
E: [neil.z.scales@tmr.qld.gov.au](mailto:neil.z.scales@tmr.qld.gov.au)  
W: [www.tmr.qld.gov.au](http://www.tmr.qld.gov.au)

Begin forwarded message:

**From:** Neil Z Scales <[Neil.Z.Scales@tmr.qld.gov.au](mailto:Neil.Z.Scales@tmr.qld.gov.au)>  
**Date:** 4 May 2015 9:43:37 pm AEST  
**To:** "Minister Mark Bailey  
([mark.bailey@ministerial.qld.gov.au](mailto:mark.bailey@ministerial.qld.gov.au))"  
<[mark.bailey@ministerial.qld.gov.au](mailto:mark.bailey@ministerial.qld.gov.au)>,  
"Denise.Spinks@ministerial.qld.gov.au" <  
[Denise.Spinks@ministerial.qld.gov.au](mailto:Denise.Spinks@ministerial.qld.gov.au)>  
**Subject:** PDR Mein Deviation DRAFT Response

In response to the letter from the Deputy Prime Minister, dated 4 May 2015 I would comment as follows :-

### **1 Background**

In implementing the Cape York Region Package, it has been a key intent of the Department of Transport and Main Roads (TMR) that local Indigenous Cape York businesses be involved to the greatest possible extent.

Six companies have been short-listed to tender for principal contractor of the first major project (Mein Deviation), in compliance with the Australian and Queensland Government

procurement processes for road and bridge construction. Tenders will close on 5 May 2015.

Between the close of tenders and awarding of the contract, the short-listed companies will be asked to submit a plan detailing how they are going to achieve a Key Performance Indicator score of 100 per cent in each of the three Key Result Areas (KRAs).

The KRAs are:

- Indigenous and non-Indigenous Employment and Training.
- Indigenous Economic Opportunities.
- Local Industry Participation.

To ensure the success of meeting these KRAs the contract includes incentives to reward increasing levels of achievement.

During the contract, TMR will have a monitoring and reporting process to ensure that these KRAs are met.

## **2 Short Listing**

The short-listed companies were selected from a field of 16 companies which submitted proposals.

These companies demonstrated they will best meet the criteria, including being able to deliver local content and, in particular, Indigenous engagement, employment and training.

All Indigenous businesses or training organisations which submitted EOI's have also been provided contact details for those companies.

This first contract will provide opportunity to test the contract performance against the broader aspirations of local Indigenous business and community engagement leading to local

economic opportunities. Learnings would be incorporated into future contracts.

### **3 How local Indigenous suppliers and workers can be involved**

On 21 February 2015, two EOIs were called seeking interest from Indigenous businesses, and Indigenous employment and training providers to provide services and employees to work as sub-contractors on the Mein Deviation project.

On 13 March 2015, TMR called a Registration of Interest for businesses in the Cape York area seeking involvement as sub-contractors in projects associated with the CYRP.

The names of these companies have been provided to the short list of tenderers.

### **4 Specific information on the probity issues and the tendering process**

To help facilitate the evaluation process for short listing, an Advisory Member from the Department of Aboriginal and Torres Strait Islander Partnerships (DATSIP) was appointed to advise the panel in relation to Indigenous employment and training selection criteria and related matters.

A Probity Advisor, Mr Conroy, was appointed to oversee the process and report back to the Project Manager on any perceived probity issues.

As part of the compulsory Pre-lodgement of Tender Conference process, a workshop was held in Weipa on, 9 April 2015 with the six short-listed tenderers.

Discussions at this meeting included TMR's expectations, the contractor's capacity to deliver

100 per cent compliance and whether the value of each KRA is of the right order.

DATSIP has been closely involved in the preparation of relevant contract provisions and this process has also been agreed with by representatives of the Department of Prime Minister and Cabinet and the Department of Infrastructure and Regional Development.

- The following documents and reports are available on request:
  - Probity Plan
  - Tender Evaluation Plan
  - EOI Evaluation Report
  - Probity Advisor's Report
  - Mr Conroy's review of the Applicant's Selection Criteria
- Selection Criteria 2 as detailed in the EOI is as per below:

*The purpose of this selection criteria is to gain an understanding of the effectiveness of your Local Industry Participation Policy to source equipment, materials and services from local organisations on previous civil construction projects.*

1. *In relation to your previous civil construction projects, provide two examples:*

(a) *Of the opportunities you provided for local industry participation in the categories of equipment, materials and services. Describe how using local industry contributed to the outcome of the project and to the local community.*



(b) *Of employment opportunities for Indigenous and non-Indigenous workers, detail the positions offered, the actual duration of employment, the value to the workers, and value to the project.*

(c) *Where fully compliant (and implemented) local industry participation plans for road construction projects were used, describe how the plans provided value to the projects.*

2. *Describe your proposed strategy and initiatives used for engaging locally-based Indigenous and non-Indigenous businesses, organisations and workers for the Mein Deviation Project. What measures will you use to improve the likelihood of success of this strategy and initiatives?*

- Companies that scored highly in this selection criteria showed:
  - Good previous examples of the opportunities provided for local industry participation (equipment, materials and services);
  - Described the benefits to the projects when local industry was used;
  - Detailed the positions and durations of time, Indigenous and non-Indigenous workers were engaged;
  - Detailed the value to the workers and the value to the project that resulted from the engagement of Indigenous and non-Indigenous workers;

- Described how compliant and implement local industry participation plans added value to the projects;
  - Described a solid proposed strategy and initiatives to be used for engaging locally based Indigenous and non-Indigenous businesses, organisations and workers for the Mein Deviation Project; and
  - Described what measures will be used to improve the likelihood of the success of their proposed strategies and initiatives.
- Selection Criteria 2 as detailed in the EOI is as per below:

*The purpose of this selection criteria is to gain an understanding of the effectiveness of your Local Industry Participation Policy to source equipment, materials and services from local organisations on previous civil construction projects.*

3. *In relation to your previous civil construction projects, provide two examples:*

(d) *Of the opportunities you provided for local industry participation in the categories of equipment, materials and services. Describe how using local industry contributed to the outcome of the project and to the local community.*

(e) *Of employment opportunities for Indigenous and non-Indigenous workers, detail the positions offered, the actual duration of employment, the value to the workers, and value to the project.*

(f) *Where fully compliant (and implemented) local*

*industry participation plans for road construction projects were used, describe how the plans provided value to the projects.*

4. *Describe your proposed strategy and initiatives used for engaging locally-based Indigenous and non-Indigenous businesses, organisations and workers for the Mein Deviation Project. What measures will you use to improve the likelihood of success of this strategy and initiatives?*

- Companies that scored highly in this selection criteria showed:
  - Good previous examples of the opportunities provided for local industry participation (equipment, materials and services);
  - Described the benefits to the projects when local industry was used;
  - Detailed the positions and durations of time, Indigenous and non-Indigenous workers were engaged;
  - Detailed the value to the workers and the value to the project that resulted from the engagement of Indigenous and non-Indigenous workers;
  - Described how compliant and implement local industry participation plans added value to the projects;
  - Described a solid proposed strategy and initiatives to be used for engaging locally based Indigenous and non-Indigenous businesses, organisations and workers for the Mein Deviation Project; and

- Described what measures will be used to improve the likelihood of the success of their proposed strategies and initiatives.

## 5 Shortlisted Organisations

Those that have been short listed appear below:

- Albem, Highway Construction, Robinson Civil Group
- Fulton Hogan Construction Pty Ltd
- McIlwain Civil Engineering Pty Ltd (*for example, the company constructed the Bloomfield River bridge and met Indigenous engagement requirements within the Indigenous community*)
- Downer EDI Works Pty Ltd
- Decmil Engineering Pty Ltd
- Civil Mining and Construction Pty Ltd.

These companies best met the criteria and in some cases were considered significantly superior in being able to deliver local content and, in particular, Indigenous engagement, employment and training.

As part of the compulsory Pre lodgement of Tender Conference process, a workshop was held in Weipa between 8am and 9am on Thursday, 9 April 2015 with the six short listed tenderers to discuss the following Key Result Areas (KRAs):

## 6 Unsuccessful Contractors

Tenderers who were unsuccessful have been advised. They have also been advised who the successful proponents were.

Sch 4 CTPI - commercial

Sch 4 CTPI - commercial

## **7 Prequalification**

TMR requires contractors to be prequalified for civil roadwork and bridgeworks contracts where the estimated contract value is greater than \$500,000. Once prequalified, contractors are then eligible to bid for TMR contracts in open tender.

To be considered for prequalification, an application needs to be submitted in accordance with National Prequalification System for Civil (Road and Bridge) Construction Contracts. A copy of the National Prequalification System Guideline is available on TMR's website: <http://www.tmr.qld.gov.au/>.

## **8 Capacity Building**

A significant outcome of prequalification is to achieve contestable and competitive pricing thus helping to build sustainable businesses which I understand is a prime objective of your organisation.

- All works associated with the \$10 million Endeavour Valley Road (EVR) upgrade project are being conducted with RoadTek as principal contractor and Hope Vale Aboriginal Shire Council (HVASC) as subcontractor, with the goal of providing HVASC with sufficient experience and upskilling to gain a level of prequalification for road works over four years.
- HVASC is also managing maintenance of the unsealed section of EVR under a stewardship arrangement, with RoadTek as principal contractor.

In this example, TMR have demonstrated they are actively building capacity on the Cape with this council with the ultimate objective of HVASC becoming pre-qualified and in the future being able to bid for road maintenance work on State Roads in the Cape.

## **9 Specific points**

As can be seen from the above, local companies have been offered the opportunity to participate in this work, the EOI process was developed in conjunction with stakeholders on the Cape.

It would be unwise to pause the process now as we are entering the dry season and this work needs to be completed. Your staff are aware of the timetable.

There is a “pipeline” of projects on the PDR and this one is the first. Others are programmed to follow.

Contractors have been fully briefed on TMR’s and also your requirements to tender for this work.

We have briefed unsuccessful contractors on where they have not provided sufficient information or simply have failed to take in account or have not been able to demonstrate Indigenous engagement and employment experience in their bids.

As to communication, the Department has attended numerous meetings and contributed extensively at a senior level throughout this process and will continue to do so. For example the DG has had meetings with HVASC and has also on very short notice made himself available to Mayor Butcher to discuss the tender process.

I hope this helps

Regards

Neil Scales

\*\*\*\*\*  
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\*\*\*\*\*

Released under RTI - DTMR



Subject: RE: PDR Mein Deviation DRAFT Response

---

From: Neil.Z.Scales@tmr.qld.gov.au

To: mangocube6@yahoo.co.uk

Date: Tuesday, 5 May 2015 07:04:55 AM AEST

---

Correct,

We need to proceed

Kind regards,

**Neil Scales**

Director-General (Transport and Main Roads) | Executive Directorate  
Office Of The Director-General | Department of Transport and Main Roads

Floor 13 | Capital Hill | 85 George Street | Brisbane Qld 4000

GPO Box 1549 | Brisbane Qld 4001

P: (07) 30667316 | F: (07) 30667122

E: [neil.z.scales@tmr.qld.gov.au](mailto:neil.z.scales@tmr.qld.gov.au)

W: [www.tmr.qld.gov.au](http://www.tmr.qld.gov.au)



Subject: Fwd: PDR Mein Deviation DRAFT Response

---

From: mangocube6@yahoo.co.uk

To: denise.spinks [Sch 4 CTPI]; denise.spinks@ministerial.qld.gov.au

Date: Tuesday, 5 May 2015 07:11:13 AM AEST

---

Sent from my iPhone

Begin forwarded message:

○

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Subject: FW: Operation Energise hits the ground running

---

From: keith@etu.org.au

To: mangocube6@yahoo.co.uk; simmo@etu.org.au; Kallangur@parliament.qld.gov.au;  
andrew@etu.org.au

Date: Tuesday, 5 May 2015 01:19:54 PM AEST

---

Sent from my cracked screen Windows Phone

---

**From:** HANAN Brett (Powerlink)

**Sent:** 5/05/2015 1:13 PM

**To:** Keith McKenzie (ETU)

**Subject:** Operation Energise hits the ground running

Macca,

After competing a couple of jobs in Rocklea, we are now on the Northside checking on Kallangur and Mango Hill affected properties

Hanno

---

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image1.JPG  
627.8kB



ATT00001.txt  
23B



**Subject:** RE: Operation Energise hits the ground running  
**From:** Peter Simpson (ETU) (simmo@etu.org.au)  
**To:** mangocube6@yahoo.co.uk; keith@etu.org.au;  
**Cc:** Kallangur@parliament.qld.gov.au; andrew@etu.org.au;  
**Date:** Tuesday, 5 May 2015, 15:13

Good stuff

**From:** Mark Bailey [mailto:mangocube6@yahoo.co.uk]  
**Sent:** Tuesday, 5 May 2015 3:12 PM  
**To:** Keith McKenzie (ETU)  
**Cc:** Peter Simpson (ETU); KING Shane; Andrew Irvine  
**Subject:** Re: Operation Energise hits the ground running

Thx crew! Will get a thank u tweet up and talk to my media person. M

Sent from my iPhone

On 5 May 2015, at 1:19 pm, Keith McKenzie (ETU) <[keith@etu.org.au](mailto:keith@etu.org.au)> wrote:

Sent from my cracked screen Windows Phone

---

**From:** HANAN Brett (Powerlink)  
**Sent:** 5/05/2015 1:13 PM  
**To:** Keith McKenzie (ETU)  
**Subject:** Operation Energise hits the ground running

Macca,  
After competing a couple of jobs in Rocklea, we are now on the Northside checking on Kallangur and Mango Hill affected properties

Hanno

---

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<image1.JPG>

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Released under RTI - DTMR

**Subject:** Vector to deploy Tesla storage, as Australian utilities weigh options : Renew Economy

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Tuesday, 5 May 2015, 16:00

Very interesting model - NZ Network Operator rolling out the Tesla battery. Could be a very smart move. Ergon's 100 battery system trial gets a mention and may be a natural partner.

<http://reneweconomy.com.au/2015/vector-to-deploy-tesla-storage-as-australian-utilities-weigh-options-68927>

## Vector to deploy Tesla storage, as Australian utilities weigh options



*Vector to deploy Tesla battery storage. But while Australian utilities weigh their options, Transgrid says competitive battery storage still up to decade away. Hello!*

New Zealand electricity network operator Vector has signed a partnership to bring the Tesla battery storage devices to its home market in Auckland, and Australian networks may also follow.

Vector CEO Simon MacKenzie was one of three senior executives of the company to make the trip to California last week for the announcement of Tesla's battery storage pricing package.

"This is the start of a significant change in the energy industry," MacKenzie told the New Zealand Herald on Monday.

"Tesla is the largest producer of batteries in the world, as well as the most cost effective, and this strong relationship will allow us to take it to the next level across the country."

Vector became the first electricity network operator to offer solar and storage to its customers as part of a leasing plan that helped it defray the cost of grid upgrades.

Mackenzie said the Tesla battery storage options – and the sharp fall in price – would open up opportunities for community based renewable and storage, and for renters and low income households.

"For some communities, communal renewables and storage systems make a great deal of sense," he said.

Vector chairman Michael Stiassny, who also attended the event, said customers wanting choice in the way they produce, use and manage their energy.

“The Vector/Tesla partnership will revolutionise the way the customers consume energy along with real network benefits for Vector and its customers.”

Despite Vector’s innovative program, the network has comparatively few solar and storage units in its network, with only around 300 solar units. (There has been no separate subsidy scheme in New Zealand).

Musk compared the impact of battery storage with that of cell phones on the land line.

“What we’ll see is something similar to what happened with cell phones versus land line where cell phones actually leap-frogged the land lines and there wasn’t the need to put land lines in a lot of countries.”

Tesla said it was in talks with various Australian energy providers, and hoped to make announcements soon.

The major retailers are rolling out battery storage options, with AGL Energy bringing forward its plans for a 6kWh battery, although it has yet to announce its storage partner.

Network operators are also looking to deploy battery storage at grid scale, including as a cheaper option for grid upgrades and for creating local mini-grids, to improve the reliability of power supplies in regional areas, and in major cities.

Ergon is deploying around 100 units of 100kW/h battery systems to offset the cost of upgrades. It says this will reduce its costs by around one third.

But it was interesting to note that Transgrid CEO Peter McIntyre, the monopoly transmission company in NSW, who said on Tuesday that he did not expect storage to become competitive “for another five to 10 years”.

### **RenewEconomy Free Daily Newsletter**

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#### **Attachments**

- button-print-blu20.png (1.92 KB)
- Simon-MacKenzie\_0.jpg (4.87 KB)



**Subject:** 3 essential charts from Treasury and your speech

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Wednesday, 6 May 2015, 16:46

Hi Mark, Attached are three charts from Treasury papers that are part of your challenge and something the solar conference will understand and appreciate. The essential question is how much these numbers could change with new technology (such as battery storage) and policies. Dividends pay for a universal tariff and other things, so how are they replaced if grid defections really ramp up? Borrowings will be substantial for electricity networks, but are Ergon and Energex actively accessing alternatives to grid extensions and upgrades with this new technology in their tenders?

I hope to get you something on the speech by the weekend.

best, Sch 4 CTPI

---

**Attachments**

- treasury trends .docx (261.34 KB)

Released under RTI - DTPR

Public Non-financial Corporations Sector: Budget Paper 2 – Budget Strategy and Outlook (Queensland State Budget 2014-15)

	2013-14 Budget \$ million	2013-14 Est. Act. \$ million	2014-15 Budget \$ million	2015-16 Projection \$ million	2016-17 Projection \$ million	2017-18 Projection \$ million
Electricity Networks	2,652	2,591	2,783	2,341	2,395	2,688
Electricity Generation <sup>2</sup>	81	165	296	496	620	635
Transport	627	635	666	727	799	786
Water	368	313	439	556	643	765
Other	(18)	77	(47)	(23)	(23)	(25)
<b>Total PNFC sector Earnings Before Interest and Tax</b>	<b>3,710</b>	<b>3,780</b>	<b>4,137</b>	<b>4,097</b>	<b>4,434</b>	<b>4,848</b>

Note:  
 1. Numbers may not add due to rounding.  
 2. Includes Stanwell coal revenue sharing arrangements.

	2013-14 Budget \$ million	2013-14 Est. Act. \$ million	2014-15 Budget \$ million	2015-16 Projection \$ million	2016-17 Projection \$ million	2017-18 Projection \$ million
Electricity Networks	889	929	1,007	761	767	878
Electricity Generation	3	70	98	195	267	285
Transport	280	253	264	296	329	318
Water	35	38	51	73	59	70
Other	..	..	..	..	..	..
<b>Total PNFC sector Dividends</b>	<b>1,208</b>	<b>1,289</b>	<b>1,420</b>	<b>1,325</b>	<b>1,421</b>	<b>1,551</b>

Notes:  
 1. Numbers may not add due to rounding.  
 2. The above dividends do not include amounts from the PFC sector.

<b>Table 7.2 Borrowings<sup>1</sup></b>						
	<b>2012-13 Actual \$ million</b>	<b>2013-14 Est. Act. \$ million</b>	<b>2014-15 Budget \$ million</b>	<b>2015-16 Projection \$ million</b>	<b>2016-17 Projection \$ million</b>	<b>2017-18 Projection \$ million</b>
Electricity Networks	15,333	16,035	16,791	17,480	17,981	18,649
Electricity Generation	2,015	1,523	1,588	1,518	1,276	1,079
Transport	3,706	3,628	3,654	3,706	3,876	4,106
Water	9,813	9,931	9,970	10,005	9,912	9,757
Other	282	25	(189)	(113)	(28)	57
<b>Total PNFC sector Borrowings</b>	<b>31,150</b>	<b>31,143</b>	<b>31,814</b>	<b>32,596</b>	<b>33,018</b>	<b>33,649</b>
<b>Note:</b>						
1. Numbers may not add due to rounding.						

Released under RTI - QM

**Subject:** Re: energex

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Tuesday, 5 May 2015, 5:37

The Tesla PowerPack, a 100kWh battery storage array unveiled by Musk that can be readily scaled, will be offered at a capital cost of around \$US250/kWh. For delivered energy, that equates to an extra 2c/kWh on the cost of renewable energy sources.

Question for Energex: at a capital cost above, what network opportunities are there for storage? What network expenditures can be avoided by using storage instead of poles and wires?

On 4 May 2015, at 10:28 pm, Mark Bailey <mangocube6@yahoo.co.uk> wrote:

I will check but I expect 15-20 mins. Will get back to u. M

Sent from my iPhone

On 4 May 2015, at 1:23 pm, Sch 4 CTPI wrote:

Hi Mark. Great to see you the other night I think you're doing a great job. I am going to write that speech for you but could you give me an idea of how many minutes you have to do? Also, I will be sending you some other things and dribs and drabs and try to keep it short so that it doesn't clutter things up. Best, Sch 4 CTPI

Sent from my iPhone

**Subject:** Re: Good summary of Tesla battery announcement

**From:** Mark Bailey (mangocube6@yahoo.co.uk)

**To:** Sch 4 CTPI

**Date:** Tuesday, 5 May 2015, 6:52

Thx Sch 4 CTPI !

Sent from my iPhone

On 5 May 2015, at 5:33 am, Sch 4 CTPI wrote:

great summary, here's something for Energex to comment on:

"In late 2013, the CSIRO predicted that battery storage could be economic in the mass market around 2040. Last year, AGL suggested it might be 2030. UBS suggested going completely off grid might be economic in 2018. Now, it seems, battery storage, is likely to be competitive for the average household in 2016, when the first Tesla battery systems are delivered in Australia. Little wonder then, that AGL – which last month said it would phase out coal fired generation by 2050 – on Friday announced it would fast track its battery storage offering to consumers. Utilities are now realising that they need to act quickly to stay relevant in rapidly changing markets."

<http://reneweconomy.com.au/2015/tesla-battery-storage-will-accelerate-exit-of-coal-generators-88203>

## Tesla battery storage will accelerate exit of coal generators

<button-print-blu20.png>

<teslaelon.jpg>

Elon Musk has created one of the world's most valuable motor companies by doubling the price of electric vehicles and wowing consumers with a high-performance, luxury electric vehicle.

Now he wants to use that cachet to enter the mass market – in home energy systems with solar and storage. While the impact of the Tesla Model S on the global motor industry was considered to be something of a slow burn, the impact of Tesla Energy's battery storage system, the PowerWall, is likely to be dramatic.

It changes everything. In one fell swoop, Tesla has cut the cost of stationary battery storage by more than half, delivering disruption to the doorsteps of incumbent utilities and fossil fuel generators that most did not imagine would emerge for at least another decade.

Deutsche Bank says the Tesla lithium-ion battery pricing (\$US3,500 for a 10kWh system) translates – after inverter costs and installation – to a price of \$US500/kWh, less than half the industry wide costs of \$US1,000-\$US1,250/kWh. (See full pricing here and our other stories: Did Tesla just kill nuclear power, and Tesla just put a bomb under business model of the grid.)

What it means for the consumer – and conventional energy providers – is that the combination of rooftop solar and lithium ion battery storage is now cheaper than the grid – particularly in places with high electricity costs and good sun, and that means countries like Australia.

<neometals-march-300x300.jpg>

According to Deutsche Bank, the Tesla pricing translates into delivered energy at a cost of US6-8c/kWh to a solar system. That means the combined cost of a solar array with battery storage is now in the high teens or low 20s c/kwh.

“This implies that solar + batteries are already competitive in high priced areas like Hawaii,” Deutsche Bank said, adding that further cost reductions can be expected in coming years as production shifts to the new “gigafactory” in Nevada.

It’s a moot point about how quickly this will take off in the US, where the rate of rooftop solar is growing, but still relatively low penetration.

But it has huge implications for Australia, which because of its high retail electricity costs (around 30c/kWh and higher in time of use areas), excellent solar resource, and huge penetration of rooftop solar (one in four houses in some states) finds itself at the cutting edge of this revolution.

In late 2013, the CSIRO predicted that battery storage could be economic in the mass market around 2040. Last year, AGL suggested it might be 2030. UBS suggested going completely off grid might be economic in 2018. Now, it seems, battery storage, is likely to be competitive for the average household in 2016, when the first Tesla battery systems are delivered in Australia.

Little wonder then, that AGL – which last month said it would phase out coal fired generation by 2050 – on Friday announced it would fast track its battery storage offering to consumers. Utilities are now realising that they need to act quickly to stay relevant in rapidly changing markets.

<tesla-powerwall-two-300x245.jpg> Analysts say that even with the foreign exchange and shipping costs, and the inverter and installation costs, the Tesla technology is a step change for Australia. The addition of battery storage to solar arrays in Australia could significantly reduce consumption from the grid, and offer relatively quick pay back times.

This has huge implications for retailers, generators and network operators. Accelerating the entry of battery storage at one end of the business surely means accelerating the exit of coal fired generation at the other end.

One analyst, crunching some numbers for *RenewEconomy*, says adding battery storage to a solar array could mean that the amount could be reduced to less than 2kWh a day – from an average of around 12kWh for non solar houses. Payback times are less than 10 years.

The addition of battery storage is likely to be very attractive to solar households paid little for exports (and particularly nearly 150,000 solar households in NSW that will lose premium tariffs next year), and those who want to avoid blackouts (nearly 200,000 homes lost power in the storms last month, many for more than a week).

The Tesla battery storage array is unlikely to shift homes off-grid, but it could give them a large degree of independence, and the ability to operate basic appliances when the power does go.

The warning from Deutsche Bank was clear: “Utilities that attempt to aggressively counter DG (distributed generation) rooftop solar could be priced out of the market,” its analysts warned.

That’s because these cost reductions are only the beginning. When production begins at Tesla’s Gigafactory in Nevada, being built with Panasonic, battery storage costs are likely to fall by half again.

Steve Blume, the head of the Australian Energy Storage Council, says if Tesla can deliver on these prices, it will be a massively disruptive initiative.

Blume says it will force other battery suppliers to compete at around the same price, and will force the rapid change at network level that has not been apparent to date.

“(It will) put a bomb under the need to transform our unidirectional dumb grids into multi-directional multi-generation type smart grids ASAP,” Blume writes.

There has been huge frustration in the industry about the slow pace of policy change. The recent network price ruling for NSW and Queensland – which sets the revenue levels out to 2019 – virtually ignored solar and storage, yet there is no technology that will have as big an impact.

The incremental savings being offered by reduced spending on poles and wires simply won’t match the savings being offered by new delivery systems, and the ability of households and businesses to generate their own energy, store it, and even share it with neighbours and others.

“The existing network players will simply be unable to manage the commodification of solar and storage at this level,” Blume writes.

“The customer demand will fly far ahead of the cumbersome and glacial pace of change that we have seen so far. That is so in the US and more so in Australia.”

The biggest impact, however, may be on the coal fired generators. Pushing out fossil fuel generators, coal in particular – is Musk’s stated intention (along with making money).

He says he wants to change not just the transport market, but the whole energy system. “It is something we can do,” Musk said at the announcement. “And that is the future we need to have.”

Some utilities already recognise this. The biggest in Europe and the US are either jettisoning their centralised fossil fuel generators, or at least recognising their age of dominance is coming to an end, and focusing their efforts on solar, storage, electric vehicles and micro-grids.

Their future depends on their ability to compete with the likes of Tesla and its sister company Solar City, or forge partnerships with them. The likes of AGL Energy and others in Australia may need to follow. Indeed, there is some talk in Australia that this is in train.

Others say Tesla will not have it its own way. They point to newer battery technologies are currently being released such as LG’s lithium-ion Polymer batteries with higher cycle life and depth of discharge rates at similar price points. Others point to Australia’s Redflow, which is delivering household models of its zinc bromide battery that some say is more suitable to household consumption patters. There are numerous other emerging competitors.

But the main point is that battery storage is coming down quickly. “One thing is certain, the world of home energy storage is upon us and affordable!” said one.

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Subject: Role of traffic signs in preventing flood related deaths

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From: Sch 4 CTPI

To: bailey\_mark@outlook.com

Date: Wednesday, 6 May 2015 03:05:31 AM AEST

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Dear Mark Bailey, I hope this finds you in good health and spirits :)

I have perused your website and so I know that, besides being minister of roads and roads safety, you are a politician who can actually sympathise with my desire to have "a fair go". Thank you.

Traffic signs operate by basic principles of attention. Including salient appearance (e.g. reflective surface), or pavlovian expectation (e.g. at the end of a street). Their ability to be responded to can be a matter of life or death. All perception is based on context, and there is an assumption of a common knowledge shared by all license holders. This is a common sense expectation, as illustrated by the senior officer accusing the driver of ignoring a frequently viewed television flood danger ad. The officer was correct in believing that perception is framed by peripheral knowledge, and that such framing will significantly affect an individual's conscious experience. In this case however the driver does not watch any television, and was not aware that Sch 4 CTPI was expected to do so. The point being illustrated is that all traffic signals are enforced following a common sense assumption; it is fair to expect that all (competent) persons will react in response to the signage.

A similar point may be made about the the officer expressing an expectation of geographical knowledge. The officer was once again correct in believing that such a framing perspective would enhance the visibility of flood warning, but was incorrect in his larger point and knew nothing about the driver's life.

**The issue at stake is, "What are the expectations implicit in traffic sign laws, and furthermore what is the expected role of traffic signs in preventing flood damage?"**

It is always difficult to transcribe an experience, nonetheless:

driving along an 80km/h road,  
been driving around getting dinner and not seen any signs of trouble,  
coming up hill,  
suddenly,  
see the sign as a dark yellow ambiguous object on the opposite side of the road,  
start to try and imagine what the words are,  
there is a brief moment of fortuitous angles when the sign is clearly lit up by the car's lights,  
then immediately it is past,  
shocking the driver at how close it is,  
now the thoughts arrive confused,  
have finally become cognizant of the words that were momentarily seen,

driver confused at why a sign would be placed so irresponsibly,  
driver is shocked per belief that the sign's placing would only be the act of malicious vandals,  
suddenly the road looks strange,  
and suddenly there is water entering the vehicle at an alarming rate.

Having no means of accurately gauging the danger posed by the rising waters as the headlights shone across the surface of endless inky blackness, and fearing for <sup>Sch 4 CTPI</sup> passenger, the driver immediately dialed 000. As the waters rose over the seats, the driver and <sup>Sch 4 CTPI</sup> passenger climbed on top of the vehicle through the sunroof.

One might question the difficulty experienced by the police in understanding the car's location, or perhaps the number of vehicles invoked on the call, or perhaps the "arguably jovial, arguably callous" presentation of the police upon arrival. One might also introduce the points that police should be more proactive in preventing these sorts of accidents, and certainly less punitively one-track minded.

It took a few moments for the driver to understand that <sup>Sch 4 CTPI</sup> was being told off for having the car crash into a flooded river. As if it had been done maliciously. And if not malice, it was implied, then it was willful stupidity, because everyone has seen the tv ads. And even if the sign is hard to see, then the driver should have driven slower even before seeing the sign. An officer helpfully explained, that ever since the Toowoomba floods, new legislation means that what the driver had experienced was a finable experience.

After all, the driver did nothing wrong, and therefore the offense was a matter of fate, i.e. chance plus negligence. The driver is not obligated to conform to a particular lifestyle in addition to following the traffic laws. <sup>Sch 4 CTPI</sup>

Sch 4 CTPI

The matter of negligence arises inevitably once it is acknowledged that traffic laws don't assume more than the laws themselves plus common sense or reason. Let this be acknowledged.

The sign is (elevated and) underneath the street lights at the turn off of the round-a-bout that leads to the flooded road, there are barricades blocking off the potentially lethal flood, and there is a second sign a little way further just in case. There is also a police officer on duty.

**Would be a good use of the cones and barricades and poles that are otherwise seen so liberally sprinkled around all and any road works.**

But actually: low, bad angle, wrong side of road, no lighting. "Arguably" pathetic.

The police officers were acting as if the driver had chosen to drive into the river and destroy <sup>Sch 4 CTPI</sup> The devil's advocate says that yes it makes sense to punish the driver who ignores flood warnings willfully. But then that is not the case here, per the assumption that the driver would never risk <sup>Sch 4 CTPI</sup> car like that.

CTPI

When the driver attempted to (lightly, politely and with respect) communicate <sup>Sch 4</sup>CTPI experience to the senior police officer, <sup>Sch 4</sup>CTPI was threatened with additional fines carrying portentous names and ambiguous meanings.

If you read this with an attentive mind then you will have noticed more than one path of contemplation on the world's imperfections. At the very least there are questions about the role of councils, police officers and their ethos, legislation, communication, expectation, and having a fair go.

*What are the expectations implicit in traffic sign laws? Common sense*

*What is the expected role of traffic signs in preventing flood damage? Better than this*

**What happens when a legal, competent driver is harmed because of institutional misuse of traffic signs?**

If the car had only gone a short distance to the right, then it would have been carried by the currents and the driver and <sup>Sch 4</sup>CTPI passenger would have certainly died, the police officer informed us. Please recontextualize all of the above with this in mind.

Released under RTI/DIMR

Do you see that river in the image above. Neither did the driver on ANY other occasion drove through it. It does not have a bridge. The river apparently doesn't exist except for when it "floods". Wait what does the word "flood" mean. That wasn't a flood, that was a river that filled up. **And! they! didn't! block! it!** Several days after "the" rain. And after many many\* cars have already crashed into the river. And then the police came, breathalysed (level 0.0) and fined the driver.

Sch 4  
CTPI

There is no street lighting in this area, at all, and the speed limit is 80km/h.

Sch 4 CTPI

\* On the way home, wet and despondent, sitting along side the tow-truck driver, I made a voice recording as he told me that he himself had personally towed about 4 cars out of this river over the last few nights, and knew that there was at least one still drowned. He of course, represents only a single member of a single tow-truck company. He confirmed that the sign had been in the same position over that period.

To reiterate: a creek is crossing a road, there is pathetically inadequate signage and no detour equipment, and multiple cars are risking death when they are crashing into this creek.

Yours sincerely,

Sch 4 CTPI

"At least you're alive," gee thanks, but an hour ago I was alive and I had a car, now I have

Sch 4 CTPI

Sch 4 CTPI oh and great I get to pay a tow truck to give me back my ruined car, oh and the police have decided to be.....

It might be discussed how the car

Sch 4 CTPI

Sch 4 CTPI. And now it's just gone.

Sch 4 CTPI

Subject: ^\_Fwd^\_: ^\_Role^\_ of ^\_traffic^\_ ^\_signs^\_ in ^\_preventing^\_ ^\_flood^\_ ^\_related^\_ ^\_deaths^\_

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From: mangocube6@yahoo.co.uk

To: denise.spinks@ministerial.qld.gov.au

Date: Wednesday, 6 May 2015 08:08:27 AM AEST

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Morning Denise... Can we put this one in the system please? Thx! M

Sent from my iPhone

Begin forwarded message:

**Resent-From:** bailey\_mark@outlook.com

**From:** Sch 4 CTPI

**Date:** 6 May 2015 3:04:46 am AEST

**Resent-To:** mangocube6@yahoo.co.uk

**To:** bailey\_mark@outlook.com

**Subject:** Role of traffic signs in preventing flood related deaths

Released under RTI - DTMR

Subject: RE: Role of traffic signs in preventing flood related deaths

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From: Denise.Spinks@ministerial.qld.gov.au

To: mangocube6@yahoo.co.uk

Date: Wednesday, 6 May 2015 09:04:54 AM AEST

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Done

○

Released under RTI - DTMR



**Subject:** Fwd: AEMC draft determination workshop 30 April 2015.pdf  
**From:** Mark Bailey (mangocube6@yahoo.co.uk)  
**To:** denise.spinks [Sch 4 CTPI]  
**Date:** Wednesday, 6 May 2015, 11:13

Sent from my iPhone

Begin forwarded message:

**From:** "Peter Simpson (ETU)" <simmo@etu.org.au>  
**Date:** 6 May 2015 10:55:14 am AEST  
**To:** "mangocube6@yahoo.co.uk" <mangocube6@yahoo.co.uk>, [Sch 4 CTPI]  
<[Sch 4 CTPI]>  
**Subject:** FW: AEMC draft determination workshop 30 April 2015.pdf

Comrades,

Please see below and attached, there is all sorts of buggery going on in our State at present in respect to cutting training, safety and standards.

The QLD Electrical Safety Office is that in name only since the LNP gutted it. I understand from Master Electricians (Bosses Union) that there are meetings on foot this week about the ESO that I have only heard about from employers.

As per my most recent emails and texts on this Curtis, we campaigned to get the Electrical Safety Act under Beattie, including the structure, Legislation and Regulations. We had extensive discussions with Paul Goldsborough and Jacqueline King from the Department during this process and the reality is there would be nothing in this space without this Union.

I am concerned that this and other safety related issues are surfacing with little or no input from us.

Please advise

Simmo

**From:** Peter Simpson (ETU)  
**Sent:** Wednesday, 6 May 2015 10:50 AM  
**To:** 'David Mier'; '[michael@etuaustralia.org.au](mailto:michael@etuaustralia.org.au)'  
**Cc:** john Adley; Steve Butler; bob donnelly; Troy Gray; '[Les@etuwa.com.au](mailto:Les@etuwa.com.au)'; '[lance@etuaustralia.org.au](mailto:lance@etuaustralia.org.au)'; Stuart Traill; Keith McKenzie (ETU)  
**Subject:** AEMC draft determination workshop 30 April 2015.pdf  
**Importance:** High

Comrades,

I've been approached today by an Electricity Industry boss regarding a push by the AEMC to deregulate the fitting of metering systems. He's been advised that AusGrid are currently installing smart meters and metering systems, including "hot meter change outs" with a single person, in what I'd imagine is a contravention of the NSW Safety Regs.

My sources concern is that this is now being pushed as a National issue, with the oversight, if successful, going to a National body that will oversee metering in a deregulated environment.

I'll take it up with our State people obviously, someone will end up dead if this is allowed to continue but it needs to be taken up Nationally obviously (Miersy) and in individual States. The attached is their 30 April presentation to "stakeholders" Please note we were not invited

Simmo

Regards,

Peter Simpson

State Secretary

N/R

[simmo@etu.org.au](mailto:simmo@etu.org.au)

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## Attachments

- AEMC draft determination workshop 30 April 2015.pdf (6.03 MB)

**Subject:** Will Tesla's teaser start an avalanche? – Not likely : Renew Economy

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Wednesday, 6 May 2015, 16:24

dissenting opinion.. bolding is mine. Big news for the Greens, eh?

<http://reneweconomy.com.au/2015/will-teslas-teaser-start-an-avalanche-not-likely-24607>

## Will Tesla's teaser start an avalanche? – Not likely



Having focused on residential storage for the last six years, and the ideal product to handle the future demands, one thing has weighed most on our storage story. The key is when will it become cost effective?

As with solar, early adopters are likely to be the first customers for this technology, these being the renewable tragics, who want to avoid fossil fuels at all costs, and then there are the ones who just want to “stick it to the man”.

The former are already fashioning hybrid and off-grid systems using 48VDC storage based primarily on Lead Acid technology, mostly as a derivation of off-grid systems from decades past. Those who want to go off-grid are pulling back once the limitations and restrictions that come with “cutting the cord” are realized.

Everyone is touting the Tesla Powerwall as a game changer because of price, but we can tell you pricing they offer won't make it work as everyone thinks, our pricing has been at the same level for four years and we still don't have the demand to take the final steps in deployment. Perhaps this will change sooner rather than later.

**The way we see residential storage taking hold is through bulk deployment by energy retailers, those who stand to benefit from claiming not only the four-to-eight cent margin they currently enjoy, but the additional twenty cents per kilowatt in transmission and generation costs they currently collect on behalf of others.**

Those who are on high time of use charges are the most likely to purchase but even if one elects to go on time of use the benefits improve only slightly.

Based on Telsa, and similarly our product, a ten year ownership model, which includes return on capital and maintenance costs, amounts to around twenty-four cents per kilowatt of electricity delivered. So for those on fixed tariffs, the current benefit is marginal at best.

Once you add in the ever increasing network access charges, which are unavoidable if you aren't prepared to become a hippy, the storage case looks nigh on impossible to market.

You have to remember that the huge uptake in solar came about from massive federal and state government subsidies and payback periods of less than three years. Currently solar on it's own returns anywhere from ten to fifteen percent on investment, couple that with storage and the ROI drops to between five and ten percent.

We have shifted our focus recently to using our Sun Sink product to tackle demand fluctuations in commercial and industrial situations, as we see this as an easier market to penetrate. Don't get me wrong, solar plus storage will come but it will only be common once the networks embrace it as a demand management tool, and looking at their record, that won't happen anytime soon.

Another key issue will be the inevitable explosion in electric car ownership, it doesn't make economic or practical sense to charge and electric car battery off another battery, but currently this is the model being talked about.

This will never work in a domestic situation unless swappable batteries become the norm and that's not likely for Mums and Dads.

We see Teslas being Supercharged by solar energy accumulated in subterranean and above ground flywheel "tanks", fed from the rooftops of surrounding buildings with big fossil fuel generators on stand-by for rainy days – not defeatist by any means, it puts reliability into renewables.

So for now at least, as for electric cars, residential storage will remain in the boutique realm for residential customers, awaiting a revolution in cost and/or adoption by the networks.

*Rob Campbell is the managing director of Vulcan Energy Pty Ltd*

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**Attachments**

- button-print-blur20.png (1.92 KB)

**Subject:** Re: 3 essential charts from Treasury and your speech  
**From:** Mark Bailey (mangocube6@yahoo.co.uk)  
**To:** Sch 4 CTPI  
**Date:** Wednesday, 6 May 2015, 21:02

Thanks Sch 4 CTPI M

Sent from my iPhone

> On 6 May 2015, at 4:46 pm, Sch 4 CTPI wrote:  
>  
> <treasury trends .docx>  
> Hi Mark, Attached are three charts from Treasury papers that are part of your challenge and something the solar conference will understand and appreciate. The essential question is how much these numbers could change with new technology (such as battery storage) and policies. Dividends pay for a universal tariff and other things, so how are they replaced if grid defections really ramp up? Borrowings will be substantial for electricity networks, but are Ergon and Energex actively accessing alternatives to grid extensions and upgrades with this new technology in their tenders?  
>  
> I hope to get you something on the speech by the weekend.  
>  
> best, Sch 4 CTPI

Released under RTI/DITMR

**Subject:** Draft speech

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Saturday, 9 May 2015, 9:40

Gday Minister Bailey.. hope you are enjoying a bit of this top solar weather. Attached is a draft of your speech for the ASC conference. You are scheduled for 20 minutes and follow John Hewson.

You can take from the speech anything you want and of course you will need to have your political and media people go through it. If you want to deliver this speech, let me know and I will tweak it some after your review on Monday or Tuesday

The first section includes some history of the Solar group which may be the most useful. Most of the speeches I wrote for the ED of UNEP were not delivered as such (the ED was a great improviser) but were used as a matter of record.

i have some photos of solar one if you want to use it..

I hope this helps. By the way, as much as I enjoy your extreme good manners in thanking me for tidbits I send to you, they aren't necessary. You are far too engaged. Just let me know when you need something.

Bon appetite..

Sch 4  
CTPI

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## Attachments

- Solar speech.docx (306.78 KB)

**Subject:** Transportation Emerges as Crucial to Escaping Poverty - NYTimes.com

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Friday, 8 May 2015, 11:06

Your colleagues may find this interesting.. particularly the idea that increases in fuel excise be invested in public transport.

<http://www.nytimes.com/2015/05/07/upshot/transportation-emerges-as-crucial-to-escaping-poverty.html?hpw&rrref=upshot&action=click&pgtype=Homepage&module=well-region&region=bottom-well&WT.nav=bottom-well&abt=0002&abg=0>

## Transportation Emerges as Crucial to Escaping Poverty

James Baker was pedaling to work along a slick, snow-covered road in Frederick County, Md., when a traffic light changed abruptly. He braked and skidded to the ground, unhurt but making a mess of his clothes before a long day of work and school.

He was on his bicycle that snowy morning last December, about an hour northwest of Washington, because the bus service in Frederick was so erratic. Routes were far apart and the buses often late, making a 30-minute bike ride, whatever the weather, a better option.

His commuting problems highlight a central theme for many low-income people trying to build a better life: A lack of reliable and efficient transportation is often a huge barrier.

In a large, continuing study of upward mobility based at Harvard, commuting time has emerged as the single strongest factor in the odds of escaping poverty. The longer an average commute in a given county, the worse the chances of low-income families there moving up the ladder.

The relationship between transportation and social mobility is stronger than that between mobility and several other factors, like crime, elementary-school test scores or the percentage of two-parent families in a community, said Nathaniel Hendren, a Harvard economist and one of the researchers on the study.

Photo



Andrea Zona, James Baker and their 8-month-old, Quinn, at home in Frederick, Md. Credit Matt Roth for The New York Times

The study notes the connection in places with notoriously long commutes and poverty, including Atlanta, Boston, Dallas, Denver, Los Angeles, New York, Orlando, Fla., and Birmingham, Ala.

A separate report focusing on New York, from New York University's Rudin Center for Transportation, came to a similar conclusion. The study compared neighborhoods by accessibility to mass transit and the number of jobs within an hour's commute. It found that residents of the areas least well served by mass transit relied on personal vehicles. Areas in the middle third — those with some, but insufficient, access to transportation — had the highest rates of unemployment and the lowest incomes, the study found.

For Mr. Baker and his fiancée, Andrea Zona, the lack of good transportation has been one of the few downsides of moving to Frederick County. He grew up in Washington and moved to the city of Frederick four years ago to study at Hood College, where he met Ms. Zona.

Mr. Baker has worked at two \$8-an-hour jobs — one as a lifeguard and another running a student activity room on campus — while interning at the Interfaith Housing Alliance. They live paycheck to paycheck, he said, with a little help from the state in the form of food stamps. Ms. Zona, who hails from northeast Pennsylvania, volunteers and works a \$15-an-hour job in an archaeological laboratory. She hopes to get a job as a volunteer coordinator for AmeriCorps, a national organization focused on community service. Eight months ago she gave birth to their son, Quinn.

"We're working our way up in life," said Mr. Baker, who has lined up a job coordinating financial classes with AmeriCorps after graduation.



The family lives in a one-bedroom apartment, which costs \$900 a month — a rent that would require them to live in a rougher neighborhood in Washington, where he said he wouldn't want to raise his son. "You don't have to worry about getting hurt at night in Frederick, compared to the way I would be living in D.C.," Mr. Baker said.

The couple feels that the town offers Quinn a bright future and that Frederick's school system will set him on a better path. "I want him to have a better education than I had," Mr. Baker said.

The data from the Harvard study supports Mr. Baker's hopes. It has tracked more than five million people who moved as children during the 1980s and 1990s and controlled for a variety of factors in an effort to isolate the way that a place affects children.

The researchers concluded that Washington is roughly an average place for a lower-income child to grow up — but that Frederick is above average. Children who have previously moved from an average place to Frederick end up earning about 8 percent more as adults than similar children who did not move. Moreover, the younger a child is in such an above-average place, the more impact that place has on future earnings and other factors of social mobility.

Frederick does not lift the odds of upward mobility quite so much as Washington's closer-in suburbs, like Montgomery County, Md., or Fairfax, Va. — which have more expensive housing and better public transportation.

But Mr. Baker and Ms. Zona seem to have solved, at least for now, their transportation problems. In January, they discovered a silver 2001 Toyota Corolla listed for \$1,700 on the website of a local nonprofit, Second Chances Garage. Spotted with old stickers for Chicago sports teams, it has changed their daily routines. Commuting is easy, and they can now get to less expensive stores like Walmart and Target.

"The car," Mr. Baker said, "is the key to life in Frederick."

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## Attachments

- 07UP-transportation-articleLarge.jpg (80.38 KB)

Ladies and Gentleman, Delegates

I would first like to thank the organisers of this 53<sup>rd</sup> solar conference and exhibition for their invitation and opportunity to speak with you today. I have only been the Qld Energy Minister for a few months, so I am still on a steep learning curve. I am here to learn, and what a distinguished group to learn from!

The Australian Solar Council has become a strong voice to advocate for a clean energy future in Australia. Your previous incarnation, the Australian and New Zealand Solar Energy Society, was a true trailblazer for renewable energy, with a raft of solar and renewable energy pioneers.

Professor Bill Charters and Wal Read literally wrote the book on solar thermal technologies, while Professor Martin Green pioneered the development of solar cells that were first used by the former Telecom. I'm told that some of the earliest solar panels put in the field by Telecom were still producing electricity after 30 years. That's incredible.

Much of the advanced technology in today's modern solar cells originated in Australian laboratories, although our record of profiting from those innovations has been, ahem, less than stellar.

I note with some pride the contribution that Queensland has made to the development of Australia's renewable energy industry. Professor Steve Szokolay and others at the University of Queensland conducted research that has helped us heat and cool our homes using natural energies. Trevor Berrill and others pioneered the technical education that underpins the thousand of jobs that have evolved in the solar sector.

And of course the Solar One Project on Queensland's Sunshine Coast was the first grid connected home in Australia. Solar One was a combined project of the former ANZES, and the Southeast Queensland Electricity Board, which is now Energex. The Labor Energy Minister at the time, Tony McCrady, opened that project in July, 1994.

Today, just 21 years later, the number of Australian households with solar power exceeds 1.4 million – almost one in four Australian

households. I think it's fair to say that no one – not even the most wide-eyed optimist in this room – thought this was possible.

This incredible outcome was the result of many forces, but mainly due to rapidly declining prices for new, solar technology and rapidly rising prices to buy power from the grid. There was also, of course, Labor government policies and incentives that kickstarted a wave of truly disruptive renewable energy and energy efficiency.

(Pause)

That, as they say, is the good news.

The bad news is .. well, everyone in this room knows the bad news... basically a Federal Government that just doesn't get it and has done everything they could to strangle the renewable energy industry and prevent meaningful action on climate change.

By the way, does anyone else see the incredible irony of a Federal Government trying to reduce the very modest Renewable Energy Target while the community that supports them, the ACT, plans to have 90% renewable energy by 2020?

It would be funny if it wasn't so tragic, along with the Maurie Newmann's 'well kept secret' that the UN is using climate change to take over the world.

Queensland has had to deal with a different Newmann, who made a mockery of The Sunshine State by slashing feed-in tariffs and ignoring the state's formidable solar resource. Apart from the much delayed 44MW "solar booster" at the Kogan Creek power station, there are no large scale renewable energy projects in Queensland apart from some well established biomass projects associated with sugar farming, and some hydro projects.

There are, however, at least a dozen solar PV projects seeking or obtaining planning approval in the hundred-megawatt scale. Getting these projects under construction is part of Labor's aim for a 50 per cent renewable energy target by 2030. Following the lead of the ACT, we intend to kick-start this with a reverse auction for 40MW of baseload renewables.

The government also aims to dramatically expand residential rooftop solar - what some call 'the people's power station'. Labor will more than double the number of solar homes in the State from the current 400,000 to more than a million, and ensure that there is a fair price for solar electricity fed into the grid through an independent body.

Now, it *is* interesting to think of these solar rooftops aggregated into a single power station, which would produce more than 3 Gigawatts of electricity. That would be larger than the combined output of the two largest coal-fired power stations in the state. Could this be achieved by a truly smart grid?

Labor will also encourage local councils to generate their own electricity, and introduce measures to increase storage technologies, to offset the huge costs of transmission

On this, the recent announcement by Tesla, is truly a 'shot across the bow' of traditional electricity generators and distributors, although it is not without its critics. As with the introduction of grid-connected solar, there are serious technical issues, not the least of which are warranty and repairs.

For this reason, some have suggested that the networks themselves should be the main players in this new market, and I note with some interest that a New Zealand network operator has already signed up to be a Tesla distributor.

The Tesla announcement has added more pressure on Australian utilities to not just embrace battery storage, but also to restructure tariffs that allow their customers to be active players in the market if they choose to do so, and simply drive them off the grid. It was more than significant, and slightly amusing to read on the RenewEconomy website that virtually every presentation at the Energy Networks Association conference in Sydney featured a slide of Tesla CEO Elon Musk, standing in front of his newly launched Powerwall energy storage system, looking triumphant.

There is, however, a substantial challenge for utilities – and the Government's who own them – to recoup the huge investments made in the last five year when, brushing aside forecasts of a solar and storage revolution, utilities charged ahead and built an even bigger

and dumber grid designed to service only fossil fuels.

This has not been a well-kept secret.

So I'd like your indulgence for a minute to walk in my shoes through three charts from Qld Treasury - bearing in mind that the Labor Government campaigned on the promise not to sell our power assets.

The first chart is a projection of revenues from State owned corporations.

	2013-14 Budget \$ million	2013-14 Est. Act \$ million	2014-15 Budget \$ million	2015-16 Projection \$ million	2016-17 Projection \$ million	2017-18 Projection \$ million
Electricity Networks	2,652	2,591	2,783	2,341	2,395	2,688
Electricity Generation <sup>2</sup>	81	165	296	496	620	635
Transport	627	635	666	727	799	786
Water	368	313	439	556	643	765
Other	(18)	77	(47)	(23)	(23)	(25)
<b>Total PNFC sector Earnings Before Interest and Tax</b>	<b>3,710</b>	<b>3,780</b>	<b>4,137</b>	<b>4,097</b>	<b>4,434</b>	<b>4,848</b>

Note:  
1. Numbers may not add due to rounding.  
2. Includes Stanwell coal revenue sharing arrangements.

You can see immediately that the actual earnings of the networks were more than \$60 million less than projected in 2013/14. You can also see that in 2017/18, the projection is for almost \$100 million more than estimated earnings in 2013/14.

Here's the second

	2013-14 Budget \$ million	2013-14 Est. Act. \$ million	2014-15 Budget \$ million	2015-16 Projection \$ million	2016-17 Projection \$ million	2017-18 Projection \$ million
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Notes:  
1. Numbers may not add due to rounding.  
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On this chart, several things are interesting: the dividends drop due to changes in the Australian Energy Regulator rules but continue to increase after 2015/16. The Government is also expecting a LOT more from electricity generators.

This is important because these dividends pay for many things, including the universal service obligation where all Queenslanders pay the same for power regardless of where they live.

And the final chart:

	2012-13 Actual \$ million	2013-14 Est. Act. \$ million	2014-15 Budget \$ million	2015-16 Projection \$ million	2016-17 Projection \$ million	2017-18 Projection \$ million
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Borrowing continue to increase in the network business and reduce in the generation business.

The looming question is what could happen to the numbers in the three charts when the number of solar households and energy storage expand? And this is not only a question for Queensland.

How do you turn what could become a crisis into an opportunity? The answer to this question must evolve along with the technology, and I seek your ideas to answer these important questions.

Some things seem certain: a clean energy economy is inevitable, and change will come faster than we think. If we are smart, we can capture a host of benefits.

As the Queensland Premier, Anastasia Palaszczuk recently said “Policies to promote renewable power are not just kinder for the environment, they make sound economic sense and will generate jobs.”

I will finish by saying the power of clean energy may be simply that it is an idea whose time has come. Turning that idea into reality has been the work of the Australian Solar Council and its members for decades. I applaud your efforts and seek your support to create what we all know is not only possible, but essential if we are to provide our children and theirs with a liveable planet.

Released under  
the  
Official  
Information  
Act

**Subject:** Re: Transportation Emerges as Crucial to Escaping Poverty - NYTimes.com

**From:** Mark Bailey (mangocube6@yahoo.co.uk)

**To:** Sch 4 CTPI

**Date:** Friday, 8 May 2015, 12:00

Thx Sch 4 CTPI

Sent from my iPhone

On 8 May 2015, at 11:06 am, Sch 4 CTPI wrote:

Your colleagues may find this interesting.. particularly the idea that increases in fuel excise be invested in public transport.

<http://www.nytimes.com/2015/05/07/upshot/transportation-emerges-as-crucial-to-escaping-poverty.html?hpw&rref=upshot&action=click&pgtype=Homepage&module=well-region&region=bottom-well&WT.nav=bottom-well&abt=0002&abg=0>

## Transportation Emerges as Crucial to Escaping Poverty

James Baker was pedaling to work along a slick, snow-covered road in Frederick County, Md., when a traffic light changed abruptly. He braked and skidded to the ground, unhurt but making a mess of his clothes before a long day of work and school.

He was on his bicycle that snowy morning last December, about an hour northwest of Washington, because the bus service in Frederick was so erratic. Routes were far apart and the buses often late, making a 30-minute bike ride, whatever the weather, a better option.

His commuting problems highlight a central theme for many low-income people trying to build a better life: A lack of reliable and efficient transportation is often a huge barrier.

In a large, continuing study of upward mobility based at Harvard, commuting time has emerged as the single strongest factor in the odds of escaping poverty. The longer an average commute in a given county, the worse the chances of low-income families there moving up the ladder.

The relationship between transportation and social mobility is stronger than that between mobility and several other factors, like crime, elementary-school test scores or the percentage of two-parent families in a community, said Nathaniel Hendren, a Harvard economist and one of the researchers on the study.

Photo

<07UP-transportation-articleLarge.jpg>



Andrea Zona, James Baker and their 8-month-old, Quinn, at home in Frederick, Md. Credit Matt Roth for The New York Times

The study notes the connection in places with notoriously long commutes and poverty, including Atlanta, Boston, Dallas, Denver, Los Angeles, New York, Orlando, Fla., and Birmingham, Ala.

A separate report focusing on New York, from New York University's Rudin Center for Transportation, came to a similar conclusion. The study compared neighborhoods by accessibility to mass transit and the number of jobs within an hour's commute. It found that residents of the areas least well served by mass transit relied on personal vehicles. Areas in the middle third — those with some, but insufficient, access to transportation — had the highest rates of unemployment and the lowest incomes, the study found.

For Mr. Baker and his fiancée, Andrea Zona, the lack of good transportation has been one of the few downsides of moving to Frederick County. He grew up in Washington and moved to the city of Frederick four years ago to study at Hood College, where he met Ms. Zona.

Mr. Baker has worked at two \$8-an-hour jobs — one as a lifeguard and another running a student activity room on campus — while interning at the Interfaith Housing Alliance. They live paycheck to paycheck, he said, with a little help from the state in the form of food stamps. Ms. Zona, who hails from northeast Pennsylvania, volunteers and works a \$15-an-hour job in an archaeological laboratory. She hopes to get a job as a volunteer coordinator for AmeriCorps, a national organization focused on community service. Eight months ago she gave birth to their son, Quinn.

"We're working our way up in life," said Mr. Baker, who has lined up a job coordinating financial classes with AmeriCorps after graduation.

The family lives in a one-bedroom apartment, which costs \$900 a month — a rent that would require them to live in a rougher neighborhood in Washington, where he said he wouldn't want to raise his son. "You don't have to worry about getting hurt at night in Frederick, compared to the way I would be living in D.C.," Mr. Baker said.

The couple feels that the town offers Quinn a bright future and that Frederick's school system will set him on a better path. "I want him to have a better education than I had," Mr. Baker said.

The data from the Harvard study supports Mr. Baker's hopes. It has tracked more than five million people who moved as children during the 1980s and 1990s and controlled for a variety of factors in an effort to isolate the way that a place affects children.

The researchers concluded that Washington is roughly an average place for a lower-income child to grow up — but that Frederick is above average. Children who have previously moved from an average place to Frederick end up earning about 8 percent more as adults than

similar children who did not move. Moreover, the younger a child is in such an above-average place, the more impact that place has on future earnings and other factors of social mobility.

Frederick does not lift the odds of upward mobility quite so much as Washington's closer-in suburbs, like Montgomery County, Md., or Fairfax, Va. — which have more expensive housing and better public transportation.

But Mr. Baker and Ms. Zona seem to have solved, at least for now, their transportation problems. In January, they discovered a silver 2001 Toyota Corolla listed for \$1,700 on the website of a local nonprofit, Second Chances Garage. Spotted with old stickers for Chicago sports teams, it has changed their daily routines. Commuting is easy, and they can now get to less expensive stores like Walmart and Target.

“The car,” Mr. Baker said, “is the key to life in Frederick.”

Released under RTI - DTPR

**Subject:** Re: Draft speech  
**From:** Mark Bailey (mangocube6@yahoo.co.uk)  
**To:** Sch 4 CTPI  
**Date:** Sunday, 10 May 2015, 11:54

:-) M

Sent from my iPhone

- > On 9 May 2015, at 9:40 am, Sch 4 CTPI wrote:
- >
- > <Solar speech.docx>
- > Gday Minister Bailey.. hope you are enjoying a bit of this top solar weather.
- > Attached is a draft of your speech for the ASC conference. You are scheduled for 20 minutes and follow John Hewson.
- >
- > You can take from the speech anything you want and of course you will need to have your political and media people go through it. If you want to deliver this speech, let me know and I will tweak it some after your review on Monday or Tuesday
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- > I hope this helps. By the way, as much as I enjoy your extreme good manners in thanking me for tidbits I send to you, they aren't necessary. You are far too engaged. Just let me know when you need something.
- >
- > Bon appetite.. Sch 4 CTPI

Released under RTI-DTMR

**Subject:** Fwd: Operation Energise Brisbane Rain Event  
**From:** Peter Simpson (ETU) (simmo@etu.org.au)  
**To:** mangocube6@yahoo.co.uk;  
**Date:** Monday, 11 May 2015, 12:07

FYI

Sent from my iPhone

Begin forwarded message:

**From:** "HANAN Brett (Powerlink)" <bhanan@powerlink.com.au>  
**To:** "BEKKER Rikus (Powerlink)" <rbekker@powerlink.com.au>, "BYRNE Timothy (Powerlink)" <tbyrne1@powerlink.com.au>, "HARDCASTLE Paul (Powerlink)" <phardcas@powerlink.com.au>, "EDWARDS Gary (Powerlink)" <gedwards@powerlink.com.au>, "Russell Miers" <RMiers@electrogroup.com.au>, "Keith McKenzie (ETU)" <keith@etu.org.au>, "Yeerongpilly@parliament.qld.gov.au" <Yeerongpilly@parliament.qld.gov.au>, "Peter Simpson (ETU)" <simmo@etu.org.au>  
**Cc:** "HUMPHREYS Andrew (Powerlink - O&FS)" <ahumphre@powerlink.com.au>, "HUMPHREYS Bruce (Powerlink)" <bhumphreys@powerlink.com.au>  
**Subject:** Operation Energise Brisbane Rain Event

Hello from the Operation Energise Crew,

What a week, last week, from the rain event on Friday the 1<sup>st</sup> May.

Saturday 2<sup>nd</sup> May saw a request from the Energy Minister to the ETU, Powerlink and Electro Group for assistance.

Monday 4<sup>th</sup> May and Operation Energise was started at 08:00, an awesome effort by those involved in assembling work crews so quickly.

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Caboolture – Cadaga Pl, Camden St, Dances St, Dundas St, Flowers Rd, Karri Cl, Male Rd.

Rothwell – Anzac Av, Finnegan St, McGahey St, Pamphlett St, Caman St south.

Deception Bay – Arina Pl, Admiral Pl, Major St, Anthony Ct, Embassy St, Samantha Ct, Nellie Ct, Delvene Av, Nadine Pl, Melissa Pl, Natalie Cl.

Kallangur – Allison Dr, Marler Ct.

Mango Hill – Mary St, Chermside Rd, May St, Rose St.

Morayfield – Brundrit Ct, Fennell Ct, Firetail Ct, Grogan Rd, Mandlikova st.

Upper Caboolture – Riflebird Dr, Bristlebird Dr, Tattler Ct.

Rocklea – Corella St, Goburra St, Gallah St.

Again the feedback from people was very humbling, and it was a privilege once again to use our skills to help people in need.

Well done to all those who participated, and also those who released us from our normal duties for the week.

**Brett Hanan**

Substation Section Leader

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T 07 3860 2111 | M N/R | F 07 3860 2225 | E [bhanan@powerlink.com.au](mailto:bhanan@powerlink.com.au) | [www.powerlink.com.au](http://www.powerlink.com.au)



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- IMG\_0816.jpg (304.69 KB)

- IMG\_0817.jpg (134.26 KB)
- IMG\_0818.jpg (153.99 KB)
- IMG\_0820.jpg (117.19 KB)
- IMG\_0821.jpg (147.35 KB)
- IMG\_0823.jpg (259.59 KB)

Released under RTI - DTMR

**Subject:** Bulwer Island Refinery

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Sunday, 10 May 2015, 18:43

Mark, now that BP has decided to close this refinery, has any though been given to building a Port for Cruise ships

Sch 4 CTPI

Released under RTI - DTMR

Subject: Fw: ^\_Draft^\_^\_Solar^\_^\_speech^\_

---

From: mangocube6@yahoo.co.uk

To: denise.spinks@ministerial.qld.gov.au

Date: Tuesday, 12 May 2015, 9:43:52 am AEST

---

Attached is a draft of your speech for the ASC conference. You are scheduled for 20 minutes and follow John Hewson.

You can take from the speech anything you want and of course you will need to have your political and media people go through it. If you want to deliver this speech, let me know and I will tweak it some after your review on Monday or Tuesday

The first section includes some history of the Solar group which may be the most useful. Most of the speeches I wrote for the ED of UNEP were not delivered as such (the ED was a great improviser) but were used as a matter of record.

i have some photos of solar one if you want to use it..

I hope this helps.



Solar speech.docx  
306.8kB

Released under RTI / DMNR



Ladies and Gentleman, Delegates

I would first like to thank the organisers of this 53<sup>rd</sup> solar conference and exhibition for their invitation and opportunity to speak with you today. I have only been the Qld Energy Minister for a few months, so I am still on a steep learning curve. I am here to learn, and what a distinguished group to learn from!

The Australian Solar Council has become a strong voice to advocate for a clean energy future in Australia. Your previous incarnation, the Australian and New Zealand Solar Energy Society, was a true trailblazer for renewable energy, with a raft of solar and renewable energy pioneers.

Professor Bill Charters and Wal Read literally wrote the book on solar thermal technologies, while Professor Martin Green pioneered the development of solar cells that were first used by the former Telecom. I'm told that some of the earliest solar panels put in the field by Telecom were still producing electricity after 30 years. That's incredible.

Much of the advanced technology in today's modern solar cells originated in Australian laboratories, although our record of profiting from those innovations has been, ahem, less than stellar.

I note with some pride the contribution that Queensland has made to the development of Australia's renewable energy industry. Professor Steve Szokolay and others at the University of Queensland conducted research that has helped us heat and cool our homes using natural energies. Trevor Berrill and others pioneered the technical education that underpins the thousand of jobs that have evolved in the solar sector.

And of course the Solar One Project on Queensland's Sunshine Coast was the first grid connected home in Australia. Solar One was a combined project of the former ANZES, and the Southeast Queensland Electricity Board, which is now Energex. The Labor Energy Minister at the time, Tony McCrady, opened that project in July, 1994.

Today, just 21 years later, the number of Australian households with solar power exceeds 1.4 million – almost one in four Australian

households. I think it's fair to say that no one – not even the most wide-eyed optimist in this room – thought this was possible.

This incredible outcome was the result of many forces, but mainly due to rapidly declining prices for new, solar technology and rapidly rising prices to buy power from the grid. There was also, of course, Labor government policies and incentives that kickstarted a wave of truly disruptive renewable energy and energy efficiency.

(Pause)

That, as they say, is the good news.

The bad news is .. well, everyone in this room knows the bad news... basically a Federal Government that just doesn't get it and has done everything they could to strangle the renewable energy industry and prevent meaningful action on climate change.

By the way, does anyone else see the incredible irony of a Federal Government trying to reduce the very modest Renewable Energy Target while the community that supports them, the ACT, plans to have 90% renewable energy by 2020?

It would be funny if it wasn't so tragic, along with the Maurie Newmann's 'well kept secret' that the UN is using climate change to take over the world.

Queensland has had to deal with a different Newmann, who made a mockery of The Sunshine State by slashing feed-in tariffs and ignoring the state's formidable solar resource. Apart from the much delayed 44MW "solar booster" at the Kogan Creek power station, there are no large scale renewable energy projects in Queensland apart from some well established biomass projects associated with sugar farming, and some hydro projects.

There are, however, at least a dozen solar PV projects seeking or obtaining planning approval in the hundred-megawatt scale. Getting these projects under construction is part of Labor's aim for a 50 per cent renewable energy target by 2030. Following the lead of the ACT, we intend to kick-start this with a reverse auction for 40MW of baseload renewables.

The government also aims to dramatically expand residential rooftop solar - what some call "the people's power station". Labor will more than double the number of solar homes in the State from the current 400,000 to more than a million, and ensure that there is a fair price for solar electricity fed into the grid through an independent body.

Now, it *is* interesting to think of these solar rooftops aggregated into a single power station, which would produce more than 3 Gigawatts of electricity. That would be larger than the combined output of the two largest coal-fired power stations in the state. Could this be achieved by a truly smart grid?

Labor will also encourage local councils to generate their own electricity, and introduce measures to increase storage technologies, to offset the huge costs of transmission

On this, the recent announcement by Tesla, is truly a 'shot across the bow' of traditional electricity generators and distributors, although it is not without its critics. As with the introduction of grid-connected solar, there are serious technical issues, not the least of which are warranty and repairs.

For this reason, some have suggested that the networks themselves should be the main players in this new market, and I note with some interest that a New Zealand network operator has already signed up to be a Tesla distributor.

The Tesla announcement has added more pressure on Australian utilities to not just embrace battery storage, but also to restructure tariffs that allow their customers to be active players in the market if they choose to do so, and simply drive them off the grid. It was more than significant, and slightly amusing to read on the RenewEconomy website that virtually every presentation at the Energy Networks Association conference in Sydney featured a slide of Tesla CEO Elon Musk, standing in front of his newly launched Powerwall energy storage system, looking triumphant.

There is, however, a substantial challenge for utilities – and the Government's who own them – to recoup the huge investments made in the last five year when, brushing aside forecasts of a solar and storage revolution, utilities charged ahead and built an even bigger

and dumber grid designed to service only fossil fuels.

This has not been a well-kept secret.

So I'd like your indulgence for a minute to walk in my shoes through three charts from Qld Treasury - bearing in mind that the Labor Government campaigned on the promise not to sell our power assets.

The first chart is a projection of revenues from State owned corporations.

	2013-14 Budget \$ million	2013-14 Est. Act \$ million	2014-15 Budget \$ million	2015-16 Projection \$ million	2016-17 Projection \$ million	2017-18 Projection \$ million
Electricity Networks	2,652	2,591	2,783	2,341	2,395	2,688
Electricity Generation <sup>2</sup>	81	165	296	496	620	635
Transport	627	635	666	727	799	786
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Released under  
FOI

**Subject:** Re: Draft speech  
**From:** Mark Bailey (mangocube6@yahoo.co.uk)  
**To:** Sch 4 CTPI  
**Date:** Tuesday, 12 May 2015, 9:44

Thx heaps Sch 4 CTPI just got to this and we are likely to use a large chunk of it. Hugs! M

On Saturday, 9 May 2015, 9:40, Sch 4 CTPI wrote:

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Bon appetite.. Sch 4 CTPI

**Subject:** Re: Operation Energise Brisbane Rain Event  
**From:** Mark Bailey (mangocube6@yahoo.co.uk)  
**To:** keith@etu.org.au;  
**Date:** Tuesday, 12 May 2015, 21:56

Thanks Keith for the ETU's help of flood affected people. Much appreciated by them I am sure and of course from me. Have asked my local office to send a note of thanks on my behalf to Brett and the crew. Best wishes, Mark

Sent from my iPhone

On 11 May 2015, at 1:51 pm, Keith McKenzie (ETU) <[keith@etu.org.au](mailto:keith@etu.org.au)> wrote:

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Well done to all those who participated, and also those who released us from our normal duties for the week.

## **Brett Hanan**

Substation Section Leader

Powerlink Queensland | 33 Harold Street Virginia QLD 4014 | PO Box 1193 Virginia QLD 4014

T 07 3860 2111 | M N/R | F 07 3860 2225 | E [bhanan@powerlink.com.au](mailto:bhanan@powerlink.com.au) | [www.powerlink.com.au](http://www.powerlink.com.au)

<image002.jpg>

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<IMG\_0816.jpg>

<IMG\_0817.jpg>

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**Subject:** Re: Operation Energise Brisbane Rain Event  
**From:** Peter Simpson (ETU) (simmo@etu.org.au)  
**To:** mangocube6@yahoo.co.uk;  
**Date:** Tuesday, 12 May 2015, 21:58

Good stuff, thanks mate

Sent from my iPhone

On 12 May 2015, at 9:57 pm, Mark Bailey <mangocube6@yahoo.co.uk> wrote:

Thx Simmo to you and ETU crew for yr help of flood affected people. Much appreciated! My office sending a note of thanks to Brett and crew as well. M

Sent from my iPhone

On 11 May 2015, at 12:06 pm, Peter Simpson (ETU) <simmo@etu.org.au> wrote:

FYI

Sent from my iPhone

Begin forwarded message:

**From:** "HANAN Brett (Powerlink)" <bhanan@powerlink.com.au>  
**To:** "BEKKER Rikus (Powerlink)" <rbekker@powerlink.com.au>, "BYRNE Timothy (Powerlink)" <tbyrne1@powerlink.com.au>, "HARDCASTLE Paul (Powerlink)" <phardcas@powerlink.com.au>, "EDWARDS Gary (Powerlink)" <gedwards@powerlink.com.au>, "Russell Miers" <RMiers@electrogroup.com.au>, "Keith McKenzie (ETU)" <keith@etu.org.au>, "Yeerongpilly@parliament.qld.gov.au" <Yeerongpilly@parliament.qld.gov.au>, "Peter Simpson (ETU)" <simmo@etu.org.au>  
**Cc:** "HUMPHREYS Andrew (Powerlink - O&FS)" <ahumphre@powerlink.com.au>, "HUMPHREYS Bruce (Powerlink)" <bhumphreys@powerlink.com.au>  
**Subject:** Operation Energise Brisbane Rain Event

Hello from the Operation Energise Crew,

What a week, last week, from the rain event on Friday the 1<sup>st</sup> May.

Saturday 2<sup>nd</sup> May saw a request from the Energy Minister to the ETU, Powerlink and Electro Group for assistance.

Monday 4<sup>th</sup> May and Operation Energise was started at 08:00, an awesome effort by those involved in assembling work crews so quickly.

## Summary

Operation Energise last week sent crews to perform minor rectification works (make safe) and perform testing to AS3017, to the following areas;

1 community club ( Rothwell Pony Club)

Burpengary – Dale st, Dunbeath Dr, Springfield Dr, Creek rd, Lakewood Dr, Admiral Dr.

Caboolture – Cadaga Pl, Camden St, Dances St, Dundas St, Flowers Rd, Karri Cl, Male Rd.

Rothwell – Anzac Av, Finnegan St, McGahey St, Pamphlett St, Caman St south.

Deception Bay – Arina Pl, Admiral Pl, Major St, Anthony Ct, Embassy St, Samantha Ct, Nellie Ct, Delvene Av, Nadine Pl, Melissa Pl, Natalie Cl.

Kallangur – Allison Dr, Marler Ct.

Mango Hill – Mary St, Chermside Rd, May St, Rose St.

Morayfield – Brundrit Ct, Fennell Ct, Firetail Ct, Grogan Rd, Mandlikova st.

Upper Caboolture – Riflebird Dr, Bristlebird Dr, Tattler Ct.

Rocklea – Corella St, Goburra St, Gallah St.

Again the feedback from people was very humbling, and it was a privilege once again to use our skills to help people in need.

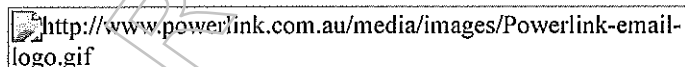
Well done to all those who participated, and also those who released us from our normal duties for the week.

## Brett Hanan

Substation Section Leader

Powerlink Queensland | 33 Harold Street Virginia QLD 4014 | PO Box 1193 Virginia QLD 4014

T 07 3860 2111 | M N/R | F 07 3860 2225 | E [bhanan@powerlink.com.au](mailto:bhanan@powerlink.com.au) | [www.powerlink.com.au](http://www.powerlink.com.au)

 <http://www.powerlink.com.au/media/images/Powerlink-email-logo.gif>

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<OE Crew.jpg>

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<IMG\_0820.jpg>

<IMG\_0821.jpg>

<IMG\_0823.jpg>

Released under RTI - DTMR

**Subject:** Operation Energise BBQ  
**From:** Keith McKenzie (ETU) (keith@etu.org.au)  
**To:** mangocube6@yahoo.co.uk; Kallangur@parliament.qld.gov.au;  
**Cc:** simmo@etu.org.au;  
**Date:** Friday, 15 May 2015, 14:27

Mark and Kingy

Here is a copy of the invite that went out. Looking forwards to the event next Friday.

The plan is this.

11.15am – 11.30am Punters arrive ( The Crew and Employers) and ETU

We have a BBQ.

We then have some presentations.

You guys can speak if you wish.

At the end, time permitting, and your availability, perhaps you could show some of the gust around the house.

Cheers

Macca

**Keith McKenzie**

State Assistant Secretary

Electrical Trades Union

Queensland

Mobile. N/R

Office. 07 38462477

[keith@etu.org.au](mailto:keith@etu.org.au)

[www.etu.org.au](http://www.etu.org.au)

about:blank

**Join Online**

www.etuyes.com

Or call

1800ETUYES



*If you know the enemy and know yourself, you need not fear the result of a hundred battles. If you know yourself but not the enemy, for every victory gained you will also suffer a defeat. If you know neither the enemy nor yourself, you will succumb in every battle.*

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**Attachments**

- Invite Sheik.pdf (879.20 KB)
- image001.png (5.07 KB)
- image002.jpg (1.48 KB)
- image003.jpg (1.08 KB)

**Subject:** [Mark Bailey MP for Yeerongpilly] New message from Sch 4 CTPI  
**From:** Facebook (notification+o=\_2cfsy@facebookmail.com)  
**To:** mangocube6@yahoo.co.uk;  
**Date:** Monday, 18 May 2015, 18:34

Conversation between Mark Bailey MP for Yeerongpilly and Sch 4 CTPI

Sch 4 CTPI Sch 4 CTPI 18 May 18:04  
 Its quiet a story regarding me and SPER .if u cant help i understand . But  
 hopefully u could read it

See all messages

Sent from Facebook.  
 This message was sent to mangocube6@yahoo.co.uk. If you don't want to receive these emails from Facebook in the future, please unsubscribe.  
 Facebook, Inc., Attention: Department 415, PO Box 10005, Palo Alto, CA 94303

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**Subject:** [Mark Bailey MP for Yeerongpilly] New message from Sch 4 CTPI  
**From:** Facebook (notification+o=\_2cfsy@facebookmail.com)  
**To:** mangocube6@yahoo.co.uk;  
**Date:** Tuesday, 19 May 2015, 15:01

Conversation between Mark Bailey MP for Yeerongpilly and Sch 4 CTPI

Sch 4 CTPI

Sch 4 CTPI

19 May 14:30

U passed my email onto departments ..they called to pretty much say im wasting my time ..i suppose thanks . But u didnt really look into it

See all messages

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Facebook, Inc., Attention: Department 415, PO Box 10005, Palo Alto, CA 94303

Released under RTI - DTMR



**Subject:** Fossil fuels subsidies cost world \$5.3 trillion a year – \$10m a minute : Renew Economy

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Tuesday, 19 May 2015, 16:03

<http://reneweconomy.com.au/2015/fossil-fuels-subsidies-cost-world-5-3-trillion-a-year-10m-a-minute-27983>

## Fossil fuels subsidies cost world \$5.3 trillion a year – \$10m a minute



How large are global energy subsidies? The answer: quite a lot larger than we thought, according to new estimates from the International Monetary Fund, which puts the cost of subsidising fossil fuels at an enormous \$US5.3 trillion a year, or around \$US10 million a minute every day.

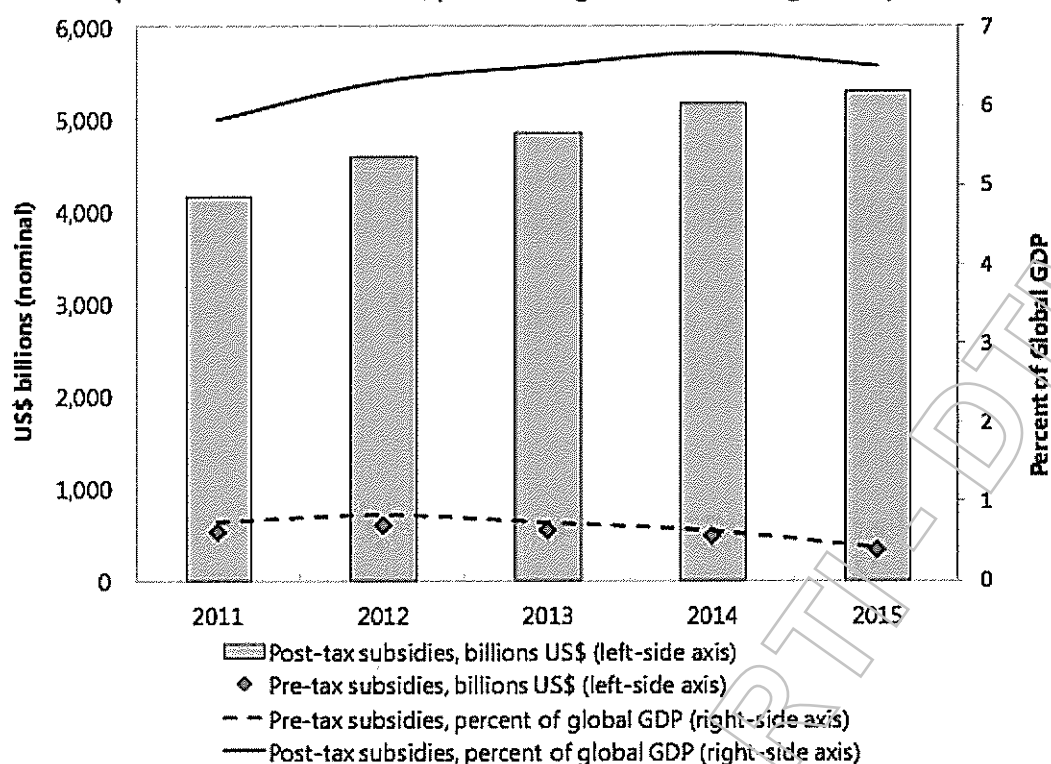
The eye-watering figure, based on calculations the IMF describes as “extremely robust,” is more than double the projected 2014 estimate the IMF released around this time last year, and amounts to more than the total health spending of all the world’s governments.

It is somewhat of an irony, then, that the IMF’s new figure of \$5.3 trillion is largely attributed to polluters not paying the costs – social welfare, health, environmental and broader economic – imposed on governments for the burning of coal, oil and gas.

Released under RTI/DIMR

## Figure 4. Global Energy Subsidies, 2011–15

(US\$ billions on left axis; percent of global GDP on right axis)



Source: Authors' calculations, based on sources in Appendix Table 2.

“Post-tax energy subsidies are dramatically higher than previously estimated — \$4.9 trillion (6.5 per cent of global GDP) in 2013, and projected to reach \$5.3 trillion (6.5 per cent of global GDP) in 2015,” the report says.

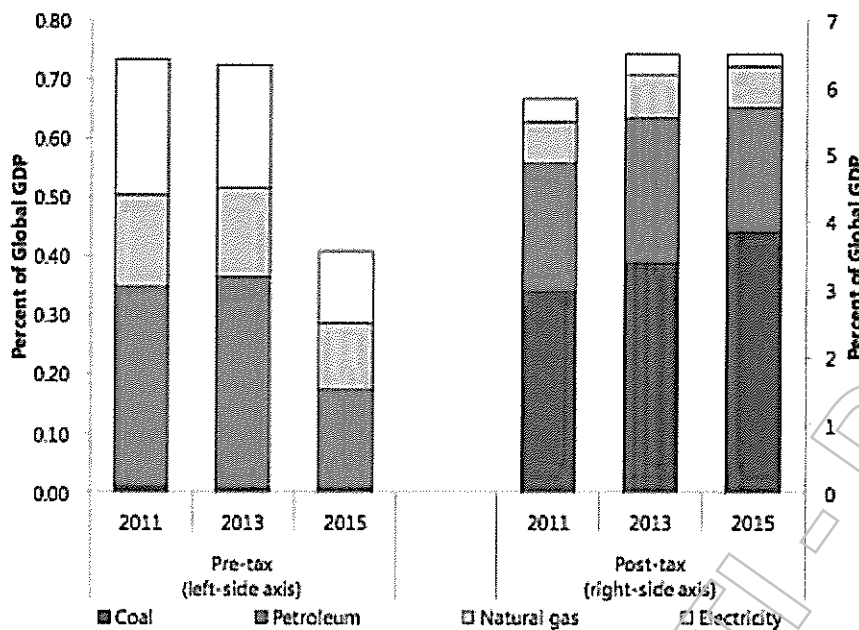
But according to eminent UK economist Nicholas Stern, even this “vast” figure amounts to a significant underestimate.

“A more complete estimate of the costs due to climate change would show the implicit subsidies for fossil fuels are much bigger even than this report suggests,” he said in a statement on Monday.

Unsurprisingly, coal is named as the biggest recipient of the subsidisation, “given its high environmental damage and because (unlike for road fuels) no country imposes meaningful excises on its consumption,” the report says.

## Figure 5. Global Energy Subsidies by Energy Product, 2011–15

(Pre-tax in percent global GDP left axis; post-tax in percent global GDP right axis)



Source: Authors' calculations, based on sources in Appendix Table 2.

Petroleum is the next most heavily subsidised product, the report notes, with the projected subsidy remaining at 1.8 per cent of global GDP in 2015 despite declining petroleum prices.

This is followed by natural gas, and then by electricity, for which the projected post-tax subsidy comes to 0.2 per cent of global GDP in 2015, with environmental impacts attributed to energy inputs rather than power generation itself.

The report also finds that post-tax subsidies are large and pervasive in both advanced and developing economies, but are “especially large (about 13-18 per cent) relative to GDP in emerging and developing countries.

“There is no justification for these enormous subsidies for fossil fuels, which distort markets and damages economies, particularly in poorer countries,” said Lord Stern.

In Australia, a report published in December estimated that the nation’s fossil fuel sector was set to receive \$47 billion in federal government subsidies over the next four years.

In a statement to the Senate inquiry into wind turbines on Tuesday, Director of research at The Australia Institute, Rod Campbell, stressed that every dollar from treasury to the fossil fuel industry was one not being spent on schools, hospitals or public infrastructure.

“We know that over a six-year period, state governments in Australia spent \$17.6 billion supporting the mineral and fossil fuel industries. Enough to fully fund the Gonski education reforms,” Campbell said.

“We know that the diesel fuel rebate (fuel tax credit) costs \$6.2 billion a year. (2015 Federal Budget Paper 1, Statement 5)

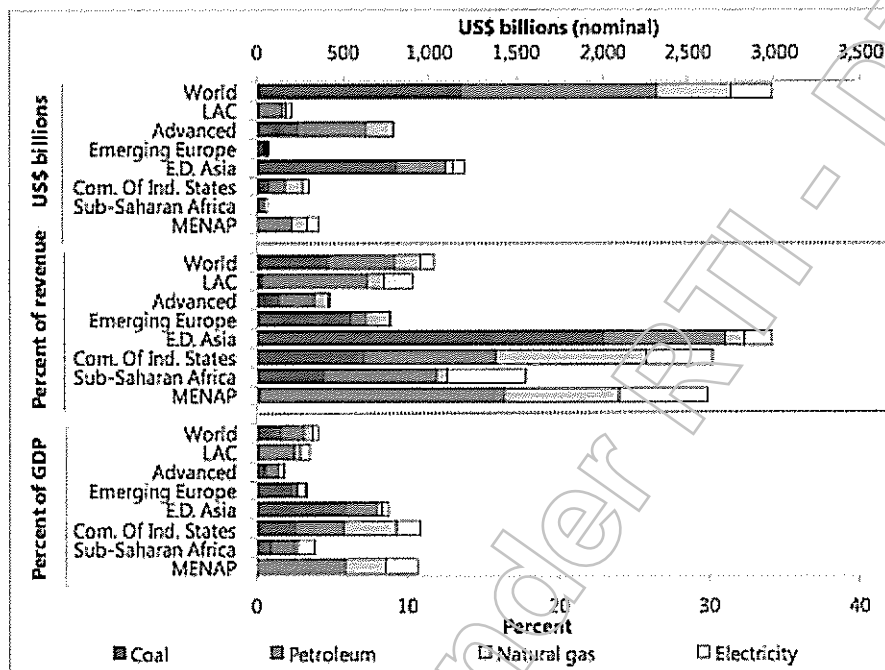
“We know that Galilee coal projects, including Abbot Point terminal, cost Queensland taxpayers \$2 billion.

“The old, false story of ‘cheap’ fossil fuels is bunk. In addition to the health and climate costs that are never accounted for, they’re very directly costing taxpayers billions,” Campbell said.

The good news – there is some – is that “the fiscal, environmental, and welfare impacts of energy subsidy reform are potentially enormous,” says the report.

**Figure 9. Fiscal Gain from Removing Energy Subsidies, 2013**

(US\$ billions on top axis; percent revenues and percent global/regional GDP on bottom axis)



Source: Authors' calculations, based on sources in Appendix Table 2.

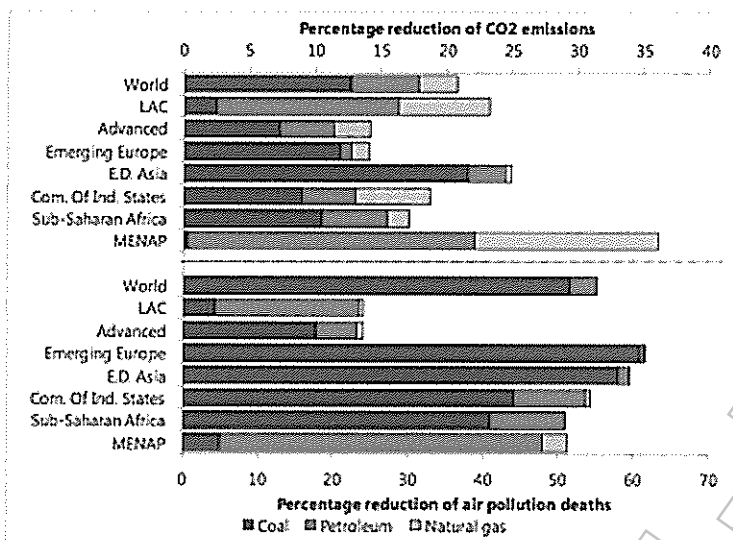
Note: CIS = Commonwealth of Independent States; ED Asia = Emerging and Developing Asia, LAC = Latin America and the Caribbean; MENAP = Middle East, North Africa, Afghanistan, and Pakistan.

The IMF estimates that eliminating subsidies for fossil fuels would cut global carbon emissions by 20 per cent; slash the number of premature deaths from outdoor air pollution by 55 per cent (about 1.6 million lives a year) and deliver projected economic gains of around \$2.9 trillion in 2015 – an amount that could

be an economic “game-changer” for many countries, the report says.

### Figure 11. Environment Gain from Removing Energy Subsidies, 2013

(Percent reductions in CO<sub>2</sub> emissions on top axis; percent reductions in air pollution deaths on bottom axis)



Source: Authors' calculations, based on sources in Appendix Table 2.  
 Note: CIS = Commonwealth of Independent States; ED Asia = Emerging and Developing Asia, LAC = Latin America and the Caribbean; MENAP = Middle East, North Africa, Afghanistan, and Pakistan.

“What really matters for policy – not only for its own sake, but also for convincing policymakers and stakeholders of the need for reform – are the benefits that reform will produce in terms of fiscal balances, the environment, human health, and the economy,” the report says.

Another consequence, as the Guardian has noted here, would be that the need for subsidies for renewable energy – a relatively tiny \$120 billion a year – would also disappear, if fossil fuel prices reflected the true cost of their impacts.

“If we get the pricing of fossil fuels right, the argument for subsidies for renewable energy will disappear,” said David Coady, the IMF official in charge of the report.

“Renewable energy would all of a sudden become a much more attractive option.”

### RenewEconomy Free Daily Newsletter

#### Attachments

- button-print-blu20.png (1.92 KB)
- Screen-Shot-2015-05-19-at-10.32.50-am.png (71.45 KB)
- Screen-Shot-2015-05-19-at-10.33.06-am-590x446.png (164.55 KB)
- Screen-Shot-2015-05-19-at-10.42.05-am.png (184.38 KB)
- Screen-Shot-2015-05-19-at-10.42.21-am-590x415.png (122.15 KB)

**Subject:** Re: From Your CEO: Energex welcomes new Director to Board  
**From:** Peter Simpson (ETU) (simmo@etu.org.au)  
**To:** mangocube6@yahoo.co.uk;  
**Date:** Monday, 25 May 2015, 22:47

It's fucking bullshit

Sent from my iPhone

On 25 May 2015, at 8:01 pm, Mark Bailey <mangocube6@yahoo.co.uk> wrote:

Will call you about this one tmrw. Was a surprise. M

Sent from my iPhone

On 25 May 2015, at 9:19 am, Peter Simpson (ETU) <simmo@etu.org.au> wrote:

Seriously? An anti worker flea?

Sent from my iPhone

Begin forwarded message:

**From:** Stuart Traill <stuart@etu.org.au>  
**Date:** 25 May 2015 7:54:57 am AEST  
**To:** "Peter Simpson (ETU)" <simmo@etu.org.au>  
**Subject:** Fwd: From Your CEO: Energex welcomes new Director to Board

You had any dealings with this bloke?

Sent from my iPhone

Begin forwarded message:

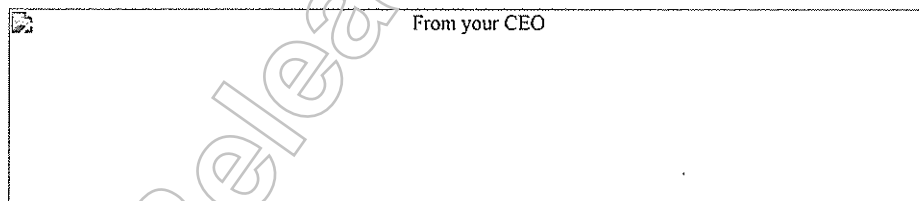
**From:** "TAYLOR John (Energex)" <johntaylor@energex.com.au>  
**Date:** 25 May 2015 6:48:05 am ACST  
**To:** Stuart Traill <stuart@etu.org.au>, "Peter Simpson (ETU) (simmo@etu.org.au)" <simmo@etu.org.au>  
**Subject:** FW: From Your CEO: Energex welcomes new Director to Board

JOHN TAYLOR  
ELECTRICAL TRADES UNION  
STATE SENIOR DELEGATE

N/R

---

**From:** Bulletin Board Messages  
**Sent:** Friday, 22 May 2015 2:39 PM  
**To:** All Users  
**Subject:** From Your CEO: Energex welcomes new Director to Board

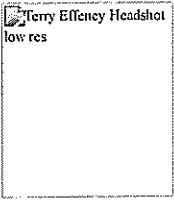


22 May 2015

## Energex welcomes new Director to Board

I am pleased to announce that Gordon Jardine has been

Gordon is also a member of the System Reliability Panel of the National Electricity Market and Chairman of the Australian



TERRY EFFNEY  
CHIEF EXECUTIVE OFFICER

appointed as a Director to the Energex Board.

Gordon brings extensive experience in the Australian electricity industry with him to this role. I'm sure all staff will join with me in congratulating Gordon on his appointment.

National Committee of CIGRE, the premier international body for high-voltage power systems.

He has represented the transmission network service providers in forums that shape the future development of the National Electricity Market

Gordon spent his early career in the computer software industry, where he held a number of national and international roles, and in the mining industry in Queensland and WA.

From 1995 to 2011, Gordon was Chief Executive Officer of Powerlink Queensland. During this time, he was seconded to Energex as Chief Executive Officer for nine months in 2004/05.

Gordon knows our industry well and we welcome his inclusion on the Energex Board. His insights and knowledge will be of great value as we navigate through the changes ahead for our industry.

Since 2011, Gordon has taken up the role of independent Chairman of ElectraNet Pty Limited which owns and operates the high voltage electricity transmission grid in South Australia. He has been an ElectraNet director almost continuously since 2000.

Regards,

Terry Effney  
Chief Executive Officer

POSITIVE\_ENERGY\_D

For more information or feedback contact:

[fbbsupport@energex.com.au](mailto:fbbsupport@energex.com.au)

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<image004.jpg>

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<image006.jpg>

Subject: As Discussed - There Wld be 3 Different Ones. ^\_Have^\_ ^\_added^\_ ^\_LNP^\_ ^\_meme^\_ at ^\_bottom^\_

---

From: mangocube6@yahoo.co.uk

To: Sch 4 CTPI

Cc: denise.spinks Sch 4 CTPI

Date: Tuesday, 26 May 2015, 1:41:40 pm AEST

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Which State Most Expensive for Drivers?

(Graph) - Small Car Annual Fees

Qld \$652  
NSW \$945  
Vic \$757  
SA \$690

Same Old LNP Pork Pies

Which State Most Expensive for Drivers?

(Graph) - Medium Car Annual Fees

Qld \$652  
NSW \$1094  
Vic \$757  
SA \$690

Same Old LNP Pork Pies

Which State Most Expensive for Drivers?

(Graph) - Large Car Annual Fees

Qld \$815  
NSW \$1094

Same Old LNP Pork Pies

Released under RTI - DTMR



**Subject:** hope you are feeling better and other important stuff

**From:** Sch 4 CTPI

**To:** mangocube6@yahoo.co.uk;

**Date:** Wednesday, 27 May 2015, 11:46

Hi Mark,

Was told on the way down to Bris that you were not well. Your assistant, Gai, would have cancelled our appt, but I learned that we didn't have one, although I had confirmed a week ago the time she had suggested.

Anyway, we visited Tritium who make the EV fast chargers and I think there is a good opportunity to get a run on the board without a lot of political danger. There has been a proposal in the works to install a network of fast chargers in the SE corner so that an EV could drive from the Sunshine Coast to Byron and out to Toowoomba.

Announcing an initiative to help make that happen could be winner - combining Qld developed technology that is being used in Europe right here and fed by renewable energy from a variety of sources. This is private sector stuff, BUT an offer from the Govt to connect the chargers to the network for free could really move things along. You would have to twist Energex to do this, but they already know of Tritium and have been working on the EV network I'm told. There is also an opportunity for you to launch an EV fast charger in your own electorate in a block of flats currently being constructed.

Regarding our meeting, Sch 4 CTPI was bringing a draft submission by Sustainable Queensland, which is headed by Dr Ian Lowe, whom I'm sure you know. They would like to launch their vision/report at the end of June - hopefully with you. If you like, I can get Sch 4 CTPI to send you the draft.

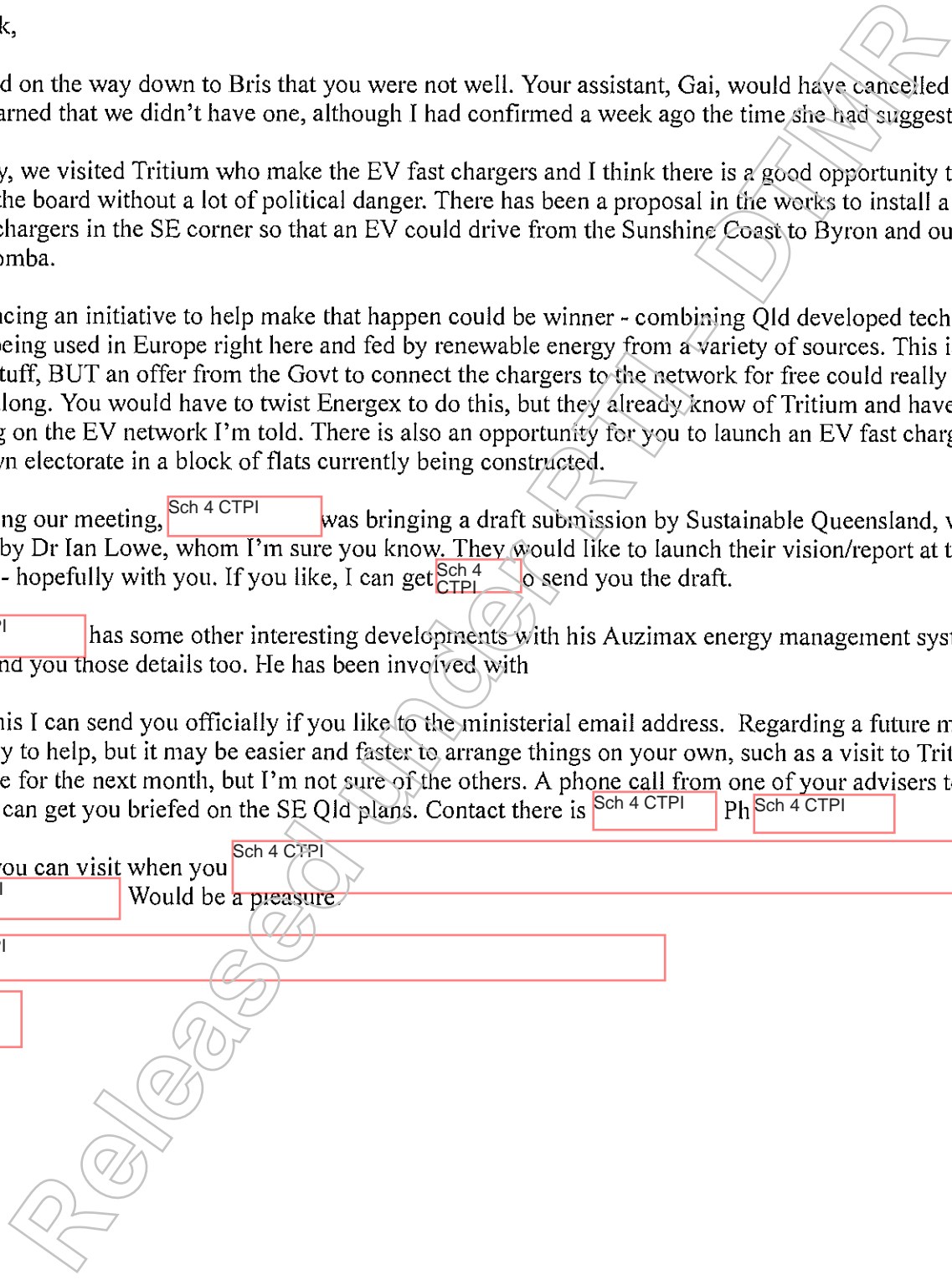
Sch 4 CTPI has some other interesting developments with his Auzimax energy management system, and I can send you those details too. He has been involved with

All of this I can send you officially if you like to the ministerial email address. Regarding a future meeting, I am ready to help, but it may be easier and faster to arrange things on your own, such as a visit to Tritium. I'm available for the next month, but I'm not sure of the others. A phone call from one of your advisers to Tritium can get you briefed on the SE Qld plans. Contact there is Sch 4 CTPI Ph Sch 4 CTPI

I hope you can visit when you Sch 4 CTPI  
Sch 4 CTPI Would be a pleasure

Sch 4 CTPI

Sch 4 CTPI



**Subject:** Re: Green power success stories take the wind out of Tony Abbott  
**From:** Mark Bailey (mangocube6@yahoo.co.uk)  
**To:** Sch 4 CTPI  
**Date:** Wednesday, 27 May 2015, 21:35

Did see this Sch 4 CTPI Thx... A cracker! Referred to it today at Roundtable. Morgan Stanley had bullish research done battery market in Aust I see predicting 2.4m consumers! Talk soon! M

Sent from my iPhone

On 26 May 2015, at 7:36 am, Sch 4 CTPI wrote:

you prob have seen this, but some good stats and a good bashing of the Abbott  
<http://www.smh.com.au/comment/green-power-success-stories-take-the-wind-out-of-tony-abbott-20150525-gh9bd6.html>

## Green power success stories take the wind out of Tony Abbott

<1432541575749.jpg>

Illustration: John Shakespeare

Germany, the world leader in installing renewable energy, had a moment last month. It was producing so much electricity from solar, wind and biomass that more than half of the country's electricity was flowing from these renewable sources.

There was so much, in fact, that the price of electricity actually fell to zero. And the price kept falling. It went negative. There were times on April 17 when wholesale electricity in Germany was selling for minus 14.91 euros for a megawatt hour. So it wasn't free – it was cheaper than free.

Tony Abbott won an election promising to help families cut their power bills by getting rid of the carbon tax. He kept his promise. Electricity prices fell by an average of 9 per cent.

If Abbott wanted to, he could help Australians cut their power bills by much more than 9 per cent. The way to do it, as the German event demonstrated, is with more renewable energy.

Advertisement

But it couldn't happen here, right? Not so. In fact, it has happened here.

There was a day last July when rooftop solar systems sent so much power flowing back into the electricity grid in Queensland that they contributed to a plunge where wholesale electricity prices in that state went negative too, to minus \$100 per megawatt hour.

Households didn't see their power bills suddenly go into reverse and start collecting cash, unfortunately. Because these fluctuations happen in the wholesale market, where prices are constantly changing, while retail customers get their power tariffs set for a year at a time.

South Australia has its moments as well. On average, 40 per cent of the state's electricity is from solar and wind, and on occasion it goes to 100 per cent. "If South Australia were a country," says the eminent economist Ross Garnaut, "it would have more wind and solar than any country on earth."

All this progress has happened despite the Abbott government's ambivalence, and sometimes downright hostility, to renewable energy.

The industry was paralysed by political uncertainty when the Abbott government declared that it would not honour Labor's commitment to the Renewable Energy Target.

The Rudd government had mandated that electricity companies get 20 per cent of their energy from renewable sources by 2020, a percentage which it set it at 41 gigawatt hours of electricity based on forecasts at the time.

The Abbott government said that it would keep to 20 per cent as the target, but a falling trajectory of energy use meant that 20 per cent would now equate to only 26,000 gigawatt hours.

The Clean Energy Finance Corporation' chief, Oliver Yates, said that this had set back investment in renewables to its 2002 level: "So we've gone back about 12 years."

After protracted negotiations, the government and Labor this month agreed on a compromise target of 33,000 gigawatt hours. Even this smaller target will still help drive down wholesale electricity prices, and help drive down carbon emissions too, says Garnaut.

But look around. The world energy picture is changing at stunning speed. Of all the countries on earth, which is most closely associated with fossil fuels? It'd have to be Saudi Arabia, the world oil superpower, the biggest exporter in the world.

Yet last week, the Saudi Oil Minister, Ali al-Naimi, told a conference in Paris: "In Saudi Arabia, we recognise that eventually, one of these days, we are not going to need fossil fuels. I don't know when, in 2040, 2050 or thereafter."

For that reason, he said, the kingdom planned to become a "global power in solar and wind energy" and could start exporting electricity instead of fossil fuels in coming years, according to a report in the *Financial Times*.

Ross Garnaut remarks that Australia increasingly looks like "the odd person out".

"It used to be us, Canada and Saudi Arabia," after the canning of the carbon tax, says Garnaut. "For a while our Prime Minister thought he had a comrade in arms in Canada's

Prime Minister", Stephen Harper.

But Canada is now bringing its carbon emissions target into line with that of the US President, Barack Obama. Garnaut points out that a Canadian power utility, the Saskatchewan Power Authority, has just put in place the world's first commercial-scale, retrofitted carbon capture and storage (CCS) power generating system on an existing coal-fired power plant. The CCS system captures and stores 90 per cent of carbon emissions.

The company made this decision because it was more economic than building a new gas-fired plant. "They were driven by Canadian regulations," says Garnaut, "and they are tougher than Obama's regulations on coal-based generators. If we thought Canada was our comrade in arms, we haven't been paying attention.

"Canada has left us now, and it looks like we are going to lose the Saudis."

Yet parts of Australia's power sector are not waiting for a recalcitrant political leadership and are changing with the world. One of the biggest electricity generators in the country, AGL, last month announced that it would "decarbonise" by 2050 and ramp up its renewable energy plans.

"To support the Commonwealth government's commitment to work towards the 2°C goal," to limit global warming, said the firm, "companies such as AGL need to take the lead." Even one of Australia's dirtiest coal-fired firms realises it can't wait for the Abbott government.

The world is moving faster, to cheaper and cleaner renewable energy, than just about anyone had imagined. Especially the Abbott government.

**Peter Hartcher is the international editor.**