

## Media Release

October 20, 2014

Attention: General and Political Reporters

### **Queenslanders kept in dark over key aspects of asset leases LNP confirms lease details will not be released before poll**

ETU State Secretary Peter Simpson has written to State Treasurer Tim Nicholls seeking answers to serious questions about the LNPs asset leasing program, stating Queenslanders are being asked to vote on a proposal without having the full facts.

"It's no secret that we at the ETU and the Not4Sale community campaign are vehemently opposed to the Government's privatisation plans. However in good faith to enable us to continue educating Queenslanders about the facts associated with the 50 years + 49 leasing program, we did some research into how the leases might work, who will own what, how will the private operators function etc, but sadly there is no detail in any of the documents we have seen published by the Government, only spin and broad comments, so we put pen to paper seeking answers (letter attached)," Simpson said.

Simpson cited South Australia as a pointer to where Queensland could be headed, where its leasing arrangement amounts to "sale by stealth" which apart from producing the highest prices in Australia, Job cuts, overseas ownership and control and maintenance issues, the leaseholders literally acquire the networks one piece at a time.

"The terms of that lease, as we understand them, include a provision for any maintenance work undertaken by the new owners, on any plant or equipment, results in that plant and equipment becoming the possession/asset of the new owners. Likewise any new lines, substations, infrastructure built or added to the network during the terms of the lease results in that infrastructure becoming the property of the new owners as well, with the nett result being that over the term of the lease, all of the infrastructure that was previously owned by the South Australian Government and therefore the people, would ultimately become the property of the foreign owners"

Simpson said "such a leasing scenario is a sale by another name, as even the Treasurer admitted in 2010 when he made the comment: -

*Nicholls: 'As anyone would know if they had observed the privatisation of assets, a 99-year lease is as good as giving away the farm, which is what is occurring here.'*

**Source** Nicholls parliamentary speech 23 March 2010.

"In light of the omissions and the fact that Mr Nicholls and the Government will be asking Queenslanders to vote yes to the biggest privatisation program in Queensland's history with a price tag of \$37billion, we believe the LNP have an obligation to spell out exactly how these leases will work and what will be left if anything for future generations"

"If the Treasurer fails to answer the questions posed it will leave us and Queenslanders in no doubt that he has something to hide and we can only assume that he and the Government are giving away the farm and selling out future generations"

**For further information; Peter Simpson Peter Simpson ETU State Secretary 0419 721 041, Stuart Traill 0488 225 625, Andrew Irvine Media Enquiries 0448 633 858**



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Hon Tim Nicholls MP  
Member for Clayfield  
Treasurer of Queensland  
GPO Box 611  
Brisbane QLD 4001

20<sup>th</sup> October 2014

### Re: Details of Leasing Proposal

Dear Tim,

I am writing to you, in an attempt to obtain the detail on your proposed fifty year (*with a 49 year extension*) lease proposal, outlined in your "Strong Choices" booklet.

As you would be aware a similar leasing proposal for the South Australian electricity industry was made some years ago, with the foreign owners ultimately signing a 99 year lease. The terms of that lease, as I understand them, include a provision for any maintenance work undertaken by the new owners, on any plant or equipment then sees that plant and equipment become the possession/asset of the new owners.

Likewise any new lines, substations, infrastructure built or added to the network during the terms of the 99 year lease sees that become the property of the new owners as well, with the nett result being that over the term of the lease, all of the infrastructure that was previously owned by the South Australian Government and therefore the people, would ultimately become the property of the foreign owners.

Such a leasing scenario is a sale by another name, as even you admitted in 2010 when you made the comment: -

*Nicholls: 'As anyone would know if they had observed the privatisation of assets, a 99-year lease is as good as giving away the farm, which is what is occurring here.'*

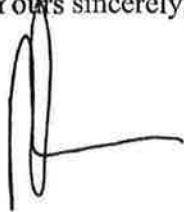
*Source Nicholls parliamentary speech 23 March 2010.*

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In recent public comment, the LNP has said that details of the actual leasing arrangements would be made public following the next State election. My point is that **unless these sorts of questions are answered now, Queenslanders will ultimately go to the polls thinking that their great grandchildren will at least see their assets return in 99 years' time when, in effect, that may not be the case** if the Queensland model emulates the South Australian model.

I ask that you urgently respond to these questions, as I note that you are spending a vast amount of public monies on advertising your Strong Choices outcomes, but in light of the above, maybe doing so without telling Queenslanders the full story.

Yours sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'P' followed by a horizontal line extending to the right.

P.J. Simpson

Secretary