



Gladys Berejiklian
Treasurer
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MEDIA RELEASE

Thursday, 19 November 2015

GENTRADER DEAL CLEANED UP: VALES POINT AND COBBORA

The NSW Government has taken the final steps to clean up the Gentrader mess left by the previous Labor Government, as Treasurer Gladys Berejiklian announced the sale of Vales Point power station and the plan to sell Cobbora land holdings for agricultural use.

Vales Point coal-fired power station has been sold to Sunset Power International Pty Ltd and a joint venture between Vales Point Investments Pty Ltd and Waratah Energy Pty Ltd.

Instead of NSW incurring ongoing losses, the sale of Vales Point will deliver a benefit to the State of more than \$130 million, inclusive of proceeds and residual cash. Vales Point, which has a technical life to 2029 and guaranteed coal contracts in the medium term, was sold above its retention value for \$1 million, with over \$130 million of cash also returning to the State.

“With the sale of Vales Point, NSW is no longer exposed to significant liabilities, such as costs associated with decommissioning, estimated to be in the tens of millions,” Ms Berejiklian said.

“The new private owners will also provide further certainty to staff, with a four-year guarantee to workers employed under the current Delta Electricity enterprise agreement.

“Without access to the retail businesses that the previous Labor Government sold under its flawed Gentrader deal, Vales Point was effectively left as a stranded asset on our balance sheet.

“Labor’s dud Gentrader deal saw the State selling the energy produced from power stations to the private sector but left the electricity generation assets in Government hands.”

This marks the final chapter in the Government’s actions to fix Labor’s flawed Gentrader transactions.

The successful generation transactions under the NSW Liberals & Nationals include:

- Colongra gas fired power station (sold to Snowy Hydro – 30 January 2015)
- Green State Power mini hydros and wind farms (sold to TrustPower – 25 July 2014)
- Bayswater and Liddell coal-fired power stations (sold to AGL – 2 September 2014)
- Mt Piper and Wallerawang coal-fired power stations (sold to EnergyAustralia – 2 September 2013)
- Eraring coal-fired power station and Shoalhaven hydro power station (sold to Origin Energy – 1 August 2013)

The Vales Point sale now brings the State's ownership of coal-fired electricity generation to an end.

Ms Berejiklian said these divestments have generated \$870 million for Restart NSW and terminated \$1.2 billion of debt and \$2 billion of future liabilities.

Labor's Gentrader transactions had also tied NSW to the development of a non-commercial coal mine at Cobbora.

Ms Berejiklian announced the Government will cease the transaction process for the Cobbora Coal Mine and instead plan to sell the land for agricultural use.

The valuation of the 44,500 hectares for this purpose exceeds all offers made by parties interested in developing a mine on the site.

"The former Labor Government's decision to develop this mine would have saddled taxpayers with a future liability of more than \$1.5 billion in development costs," Ms Berejiklian said.

The next steps in the process to sell the Cobbora landholdings will commence shortly.

"Our actions to clean up Labor's Gentrader mess have improved the State's financial position and removed billions in liabilities," Ms Berejiklian said.

The NSW Government was advised by Goldman Sachs, Baker & McKenzie and KPMG for the sale of the electricity generators including the Vales Point power station.

The Government undertook the most stringent probity processes during these transactions, which were overseen by respected public servant Dr Kerry Schott AO.

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