



Energy savings to fund major infrastructure projects

December 10, 2007

NSW Premier Morris Iemma today announced that the proceeds of the savings from the government's energy strategy would support a range of infrastructure projects and initiatives to benefit families and business across NSW.

Mr Iemma said the priority projects would improve services, strengthen our economy and continue efforts to drive down greenhouse gas emissions.

"Today's announcement to secure the State's energy needs with private sector investment is expected to save taxpayers up to \$15 billion over the next 10 to 15 years," Mr Iemma said.

"It does not make sense for NSW taxpayers to pay for the additional electricity investment of up to \$15 billion when the private sector can do it at no cost to the taxpayer.

"While the details of plans for proceeds from today's announcement will take more time to develop, the Government will now have additional funds available to invest in key infrastructure across the State during the next 10 years."

Treasurer Michael Costa said proceeds from the reforms would be invested in a new NSW Intergenerational Fund to generate income sufficient to replace dividends from the State-owned electricity corporations.

"While the market will ultimately determine what it pays, Professor Owen said the State-owned electricity businesses could be worth \$10 billion," Mr Costa said.

"It's important we use the proceeds wisely and with an eye to the future.

"That's why the Government will invest the proceeds in a new NSW Intergenerational Fund to provide revenue at least equal to that currently provided by dividends from the energy businesses.

"This Fund will underpin the expected growth in infrastructure spending for generations to come. **It will also be used to provide significant additional funding in the areas of Health and Education - funding more trade schools and cutting hospital emergency waiting times.**"

The proceeds would also support funding of the Government's priorities, including a *new vision* for:

- Urban transport including Euro-style metro rail and the extension of the M4;
- Improving regional and rural water outcomes;
- Rural and regional road transport improvements;
- Developing cost-effective energy efficiency measures; and
- Supporting clean energy including clean coal and renewable technologies.