

House of Representatives

Supplementary Order Paper

Tuesday, 19 June 2012

Mixed Ownership Model Bill

Proposed amendment

Dr Megan Woods, in Committee, to move the following amendment:

Clause 16

In *clause 16*, after *new section 45Q* (after line 13 on page 8), insert:

45QA Protection of individual assets

- (1) No mixed ownership model company may sell or otherwise dispose of any individual electricity-generating asset it holds except by Order in Council by the Governor-General.
 - (2) The Governor-General may by Order in Council approve the sale or disposal of individual power-generating assets held by a mixed ownership model company provided that—
 - (a) the sale or disposal has been publicly notified; and
 - (b) the sale or disposal does not undermine the intention of **section 45R**; and
 - (c) the sale or disposal is for full market value.
 - (3) The sale or disposal of any individual electricity-generating asset held by a mixed ownership model company is invalid and of no effect if it does not meet the requirements of **subsection (1)**.
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Explanatory note

Once a mixed ownership model company has had shares sold to private investors there is a risk they will put pressure on the company to asset strip in order to make a return on their investment. With the organisations removed from the ambit of many of the Acts ensuring the responsible behaviour of State-owned enterprises

it is even more important to give the public warning of what the companies are doing.

This amendment provides that companies cannot simply sell off individual assets like dams and wind farms to private companies in order to asset strip or defeat the purpose of the 51% ownership clause. Instead, a mixed ownership model company would be required to publicly notify that they intend to sell an asset and then must wait for the sale to be approved by the Governor-General by Order in Council.
