Hi GB,

FYI

This was sent only to South Burnett media outlets. It did not go out on the min stats website.

Media coverage thus far has been as expected. No major dramas.

It was checked off by the Treasurer and Level 15.

Cheers, lcs/

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From: Larine Statham
Sent: Thursday, 11 October 2012 10:49 AM
To: amnpublishing.com.au; info@southburnett.com.au; news@crowfm.com.au; countryfocus.com.au; cliftonmotors@datawave.net.au; southburnetttimes.com.au; southburnetttimes.com.au
Subject: Member for Nanango: Media Release re Stanwell

Hi all,

Please find attached a media release from Assistant Minister for Finance, Nanango MP Deb Frecklington about Stanwell Corporation’s decision to place two units at Tarong Power Station in cold storage.

If you have any questions please do not hesitate to contact me or Belinda at the Nanango Electorate Office on 07 4162 1381.

Kind regards, Larine.
Media Release

Tarong suspension disappointing, but necessary

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“I made it abundantly clear just how disappointed I am by Stanwell’s decision to reduce its workforce,” Ms Frecklington said.

“This decision will flow through to the entire region.

“But I understand the oversupplied energy market has forced down wholesale prices, leaving the major local employer with little choice.”

Ms Frecklington said the oversupply had been caused by economically reckless green initiatives introduced by State and Federal Labor Governments.

“Stanwell’s decision to reduce its operating, maintenance and employee expenses will, in turn, mitigate the impact of Labor’s carbon tax and council rate hikes,” she said.

“Reducing costs now will shore up Stanwell’s viability in the long-term, ensuring they remain an integral part of the South Burnett community.”

Ms Frecklington said Stanwell employees would be offered generous voluntary redundancy packages.

“There are a large number of long-serving Stanwell employees who are considering their retirement options at present,” she said.

“People who voluntarily accept redundancies will receive 13 weeks pay, plus three weeks for every year of service and any outstanding long service and holiday leave entitlements.

“Stanwell has assured me electricity supply in the South Burnett will not be affected.”

[ENDS] 11 October 2012

Media Contact: Larine Statham
FW: Stanwell Corporation Limited - Organisational Right-Sizing

This needs to go in the Treasurer’s folder for tomorrow.

Hi Matt,

FYI - Commercial Monitoring just provided the following info on the above:

Commercial Monitoring has just had its regular post-board meeting catch-up with the Stanwell Executive. During the meeting, Stanwell advised that it was about to commence the second stage of its organisational optimisation process, with a focus this time on operational sites.

As a result, Stanwell will review optimal staffing arrangements at its major operational sites including the Tarong, Stanwell, Swanbank and Mica Creek power station sites.

Communication with staff on this issue will likely commence early March 2013.

Please advise if you need anything further.

Kind regards,

Kassia Rouw
Senior Departmental Liaison Officer
Office of the Treasurer and Minister for Trade
Queensland Government

Phone: (07) 303 51932
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Fax: (07) 3211 0122
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Pages 27 through 40 redacted for the following reasons:

Access Deferred - third party objection
Can you take a look at these. Would like to run through interview scenario with Deb today.

Maree.
Stanwell job cuts talking points

(Background – On July 10 Stanwell announces a restructure of workforce and work practices across its generation and mining sites. The review was made necessary by the difficult wholesale electricity market and the need to restore the generation business to profitability)

- Stanwell has announced that following the review of its workforce structure and work practices up to 58 roles may go from the Tarong power station.

- Decisions around staffing levels are operational issues for the Stanwell board and management.

- Stanwell has undertaken to consult with employees, unions and the local community about the changes and there will be no forced redundancies.

- It’s important that Stanwell and all other Government Owned Corporations operate in a financially sustainable way to ensure they are not a burden to Queensland tax payers.

- The job cuts at Tarong and the Stanwell’s moves to be more commercially viable are not linked in any way to the discussion around potential sale of government electricity assets.

- The government has consistently said it would not sell any power generation assets without a mandate from Queensland voters.
Matt,

I just added the one point to this. Not sure we want to go off on too much of a tangent from the central issue with this.

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- The government has consistently said it would not sell any power generation assets without a mandate from Queensland voters.

- Like all coal-fired electricity generators, Stanwell is under pressure from low wholesale electricity prices and the imposts of green schemes including the carbon tax.
Deb,

Here are the talking points for Stanwell issue should you get any questions.

Cheers,

Maree.

Maree Lacey
Principal Media Advisor
Office of the Hon. Tim Nicholls MP | Treasurer and Minister for Trade
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Executive Building | 100 George Street | Brisbane | QLD 4000
GPO Box 611 | Brisbane | QLD 4001
Great State. Great Opportunity.
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- Like all coal-fired electricity generators, Stanwell is under pressure from low wholesale electricity prices and the imposts of green schemes including the carbon tax.
State Government-owned Stanwell Corporation will close down its gas-fired power station near Ipswich in October for up to three years.

Unionists warn that mothballing the Stanwell Power Station is a precursor to privatisation and that the closure will result in the loss of 33 jobs.

The privatisation issue is looming as Stanwell Corporation is one of the corporations the Newman Government is looking at selling.

The State Government has ordered a scoping study on the possibility of selling Stanwell Corporation, which is due back at the end of February.

The State Government says no decisions have been made and that no sales will go ahead until an election is held.

The Electrical Trade Union says the mothballing of Stanwell Power Station is clearly a sign that the State Government is getting the company ready for sale.

Stanwell denies this suggestion and says the closure is solely based on the fact that current operation of the power station is not commercially viable.

Richard Van Breda, Stanwell CEO

- Some staff will be able to apply for jobs to stay on in caretaker roles while the power station is mothballed.
- Stanwell can generate more value by selling its gas, rather than using it for electricity generation.
- We’ll be consulting with our people over the next couple of weeks to ensure we deal with people issues appropriately.

Peter Simpson, Electrical Trade Union

- It is a massive hit to the Ipswich community as there’s not much other employment going on in the area.
- The sacked Stanwell workers will ultimately have to move interstate or to other areas of Queensland to gain employment.
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“This decision will flow through to the entire region.

“But I understand the oversupplied energy market has forced down wholesale prices, leaving the major local employer with little choice.”

Ms Frecklington said the oversupply had been caused by economically reckless green initiatives introduced by State and Federal Labor Governments.

“Stanwell’s decision to reduce its operating, maintenance and employee expenses will, in turn, mitigate the impact of Labor’s carbon tax and council rate hikes,” she said.

“Reducing costs now will sure-up Stanwell’s viability in the long-term, ensuring they remain an integral part of the South Burnett community.”

Ms Frecklington said Stanwell employees would be offered generous voluntary redundancy packages.

“There are a large number of long-serving Stanwell employees who are considering their retirement options at present,” she said.

“People who voluntarily accept redundancies will receive 13 weeks pay, plus three weeks for every year of service and any outstanding long service and holiday leave entitlements.

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[ENDS] 11 October 2012

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Larine Statham
Senior Media Advisor
Office of the Treasurer and Minister for Trade

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Website: http://www.treasury.qld.gov.au
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