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**From:** R M Fyfe [REDACTED]  
**Sent:** Friday, July 28, 2023 6:34:20 AM (UTC+00:00) Monrovia, Reykjavik  
**To:** Brookfield Origin Merger <Brookfield-Origin-Merger@acc.gov.au>  
**Subject:** ROGER FYFE RESPONSE to ACCC invitation to respond to transparency letter re Brookfield/Origin [SEC=OFFICIAL] [ACCC-ACCCANDAER.FID3526320] Final Submission

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Attention: Hugh Cosolo

This is my final submission.

It is my personal submission. While attempting to follow your format, I have adopted a broader context by addressing the core issue initially.

What is the purpose of private equity delisting takeover targets from the ASX?

**My Question: Do companies whose business model is based on taking businesses private after taking them over, do so because it increases their ability to generate a “Public Benefit”? I think not.**

Specific comments follow. Relevant sources are cited.

**Below is a snap shot of a complex situation, indicating private equity uses strategies to acquire businesses at a low point in the cycle, then take out costs. If the general community benefits, it is incidental to that main objective.**

**1. Brookfield locks in \$1.45 billion refi(nance) for AVEO AFR 14/7/23 page 16**

“Brookfield plucked the business off the boards .... when its target was caving under regulatory scrutiny.”

The article also refers to the acquisition of Healthscope by Brookfield and the ease with which rollover funding was obtained.

**2. Macquarie pulls pin on pursuit of big stake in Energy Australia AFR 21/7/23**

This article identifies a number of other major players in the electricity and gas markets - both generation and sales/distribution. Macquarie is identified as an active investor in renewable energy projects already, as well as investigating acquisitions in the Australian energy markets.

My reason for drawing attention to this activity is that the Brookfield/EIG Partners joint bid for Origin Energy is based on taking the assets private after splitting them up. It does not guarantee increased investment in renewable energy. Rather it introduces a lack of transparency and accountability not available to publicly listed companies.

### **3. Japan's Inpex in \$326m green power deal AFR 14/7/23 page 19**

The operator of the \$US45 Billion Ichthys LNG project in Darwin ..... signed a deal with Enel Green Power Australia in a move that will provide the wind and solar power developer with a fresh injection of capital.

Another example of deep pockets in the renewables field. One could also mention Twiggy Forrest.

### **4. Origin Energy already active in obtaining government funding for renewable energy project in NSW AFR 14/7/2023**

Origin Energy and Orica have secured \$70 million Federal govt. funding for a green hydrogen plant on Kooragang Island in NSW. The proposed Hunter Valley Hydrogen Hub is expected to cost several hundreds of millions of dollars.

Separately, Origin has secured State govt. funding in Victoria for a natural gas plant.

### **5. Energy targets for 2030 near "impossible" AFR 10/7/23 page 4 & Shutting Coal Power Plants "a disaster" AFR 11/7/23 Page 6**

Origin Energy's NSW legacy coal generator power station, if taken private, may be used to extract leverage on governments or, alternatively kept operating beyond 2030.

Again. What strategies will a privatised business bring to negotiations that will be superior to that of a public company? Shut a plant down and reap benefits in higher electricity prices, or keep it going and secure financial write offs by continuing to generate power without massive financial investment?

### **Finally, a cautionary tale about privatised businesses - Crown says it can't afford to pay a \$450m fine AFR 11/7/23 page 13**

Go in with your eyes open. Go private. Legacy issues catch up with you. Then

claim you can't pay up immediately. Net Present Value!

### **Public Benefit**

In my original submission, prior to the transparency letter, I shared my Victorian experience. Since SP Ausnet was taken private in 2022, its successor Ausnet Services has shown itself in its dealings with me, as refusing to respond to legitimate requests for information - despite my engaging via EWOV.

### **Summary**

The proposed Origin Energy deal lacks any competition benefits. There is little prospect that even substantial divestments would create greater competition opportunities in energy markets - especially on the East coast.

Rather it will unleash entities who may give undertakings but are still interlinked and controlled out of the public eye.

Regards

Roger Fyfe

