Despite Power and Water Corporation’s (PWC) $41 million before tax profit, Treasurer Dave Tollner said the utility company was still a long way off delivering a reasonable return for Territorians.

“On top of the $2.4 billion investment taxpayers have made in PWC over time, last financial year more than $61 million was also tipped in to subsidise regulated utility tariffs under a Community Service Obligation.

“Without that injection, PWC would be running at a $20 million loss. To get a commercial return of six per cent on the asset base, PWC would need to earn a net profit before tax of $69 million without the Community Service Obligation payment.

“The bottom line is PWC would need to earn another $90 million to be making healthy returns,” Mr Tollner said.

Mr Tollner said given the massive investment taxpayers have made in the PWC, the Government remains firmly of the view that the current structure of the corporation was not delivering sufficient value for money for Territorians.

“The Government believes PWC will deliver better returns if the generation and retail aspects are run as stand-alone entities,” Mr Tollner said.

The Government’s bill for the structural separation of PWC will be debated in Parliament in March.

Mr Tollner said the bottom line of PWC also had to carry the $25 million cost of the former Gillard Government’s carbon tax.

“If the Opposition in the Territory has a genuine interest in the viability of PWC, then maybe they can talk to Power Bill Shorten in Canberra and convince him to stop blocking the repeal of Labor’s tax on power bills,” Mr Tollner said.

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