TREASURER

POWER AND WATER NOW ON MORE SUSTAINABLE FOOTING

6 May 2014

The Power and Water Corporation (PWC) has been set up for a more sustainable future following the passage of legislation to separate the retail and generation aspects of the business.

Treasurer Dave Tollner said the consequence of the existing arrangements was that all Territory households were bearing the costs of an inefficient utilities sector.

“This is because the Government has to be the primary funder of utilities infrastructure and services in the Territory, diverting resources away from core Government responsibilities such as health and education," he said.

“Access to efficient utilities services is an essential input for industry and therefore improving the efficiency of these services will support economic growth and development in the Territory.”

Although the Territory remains a small electricity market compared to other jurisdictions, the legislation paves the way for greater competition in the Territory.

“Without the separation of PWC, investment uncertainty would continue for new competitors looking to establish in the Territory because of the government monopoly in the utilities sector.

“Therefore, regulatory and structural reform of the utilities sector is vital for the longer term economic interests of the Territory," Mr Tollner said.

The NT will now move to the national regulatory system and fall under all the rules and regulations of the National Energy Market.

The establishment of new generation has already been mooted by several players, giving competition choice to larger customers.

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