Treasurer Syd Stirling today announced that the Territory Government will intervene in the competition process to prevent massive power price increases to 90 medium-sized NT businesses.

Mr Stirling said power prices for around 5400 small businesses would remain frozen under Government policy. However, because of electricity reforms introduced by the former CLP Government, power prices for 90 medium-sized Tranche 4 businesses were set to rise to 22.8 cents per kilowatt on average from 16.3 cents per kilowatt.

“Around 90 businesses are in Tranche 4, as well as a number of schools and Territory Government agencies and Authorities,” Mr Stirling said.

“Under the CLP’s competition reforms these businesses were facing an average 40% price increase. This would mean that businesses using around $195,000 per year in power would have their costs increased to around $275,000 in one hit,” Mr Stirling said.

“That’s just too much. As a result, the Labor Government will intervene in the competition process as far as we possibly can.

“We will constrain price increases to the annual CPI rate plus 3% over the next few years. This year that will mean about a 5.5% increase to Tranche 4 customers – rather than an average 40% rise in one hit.

“The $195,000 user who would have paid $275,000 in power costs without Government intervention, will now pay $205,000 – $70,000 less.

“The Government will wear the additional cost by increasing its community service payment to the Power Water Corporation to subsidise power prices to medium sized businesses.

“This move stands in stark contrast to governments around Australia who have let power prices increase under competition rules introduced in the late 1990’s. This Government has acted to support business.”

Mr Stirling reiterated that the around 5400 small businesses in the Territory would not be paying anymore for power.

“Domestic customers are also protected by the Government’s four-year power price freeze. We made an election commitment to freeze domestic power prices in our first term and we are doing that.”