Taxpayers step in to fix PAWA’s Problems

A discrete notice in the most recent Government Gazette reveals that the NT Treasury has stepped in to pay $535,250 of PAWA’s costs to improve PAWA’s accounting system. A notice on page 8 of the 10 January 2007 Gazette reveals that PricewaterhouseCoopers has received the money for the ‘Power and Water Corporation’s Accounting and Financial Reporting Management System Improvement project.’

“The disastrous failure of PAWA’s accounting system was a great political and financial embarrassment for the corporation, so I’m glad that the system is being repaired,” Shadow Essential Services Minister Richard Lim said today.

“What I don’t understand is why the corporation isn’t paying for the fix up itself rather than the Territory Treasury, i.e. the Territory taxpayer.

“PAWA’s accounting system has been roundly criticised in the media in recent times with billing problems, including the Auditor General’s comment about his inability to assess if profits are being fairly stated by the corporation as well as criticising PAWA for overstating its assets by $38 million dollars. (page 54 2005-6 PAWA Annual Report)

“Now it appears that Treasury has stepped in and making taxpayers pay for the fix up.

“PAWA is essentially a private company, although Government owned. It is a corporation by every measure so it needs to operate in that fashion. That means that it has to live by its own resources.

“Why then is Treasury paying for the fix up of a billing and accounting system that is the corporation’s responsibility to maintain, by law?

“The Corporation’s single share holder is the Treasurer. There is no item in the last Territory Budget about $535,250 being put aside for this. It therefore begs the question, where is the money coming from? Or is it the case that the Treasurer is just sweating on the GST coughing up more money than we expect as usual.”

Contact: Dr Richard Lim 0418 897 688

Media Contact: John Elferink - Email: john.elferink@nt.gov.au - Ph: 08 8901 4184 (m) 0418 506 633