Air-conditioning power bills could soar

Territorians could soon be forced to pay much higher prices for electricity because of the soaring international price of gas, according to Shadow Minister for Business and Economic Development Terry Mills.

Mr Mills said household bills for power would become almost unaffordable for Territorians unless the Government was prepared to heavily subsidise the operations of PowerWater.

“One way or another, Territorians are going to pay a great deal for electricity because this Government dithered in its negotiations over a new gas supply contract when it first came to power,” Mr Mills said.

“Now PowerWater has the unenviable task of being in the market seeking an energy contract at a time when the price of natural gas has more than doubled in the past 12 months.”

At the weekend the chief executive officer of the giant Australian company Woodside told the Asia Pacific Economic Co-operation Forum in Sydney that Asian markets would have to pay more for natural gas to bring them in line with sharp increases in prices elsewhere in the world.

Mr Don Voelte told the Forum that Australian liquefied natural gas producers were reluctant to enter into long-term contracts at prices which company officials believe are unrealistically low.

“This is becoming a critical issue for the Territory,” Mr Mills said.

“The Government must tell Territorians where they are going to get fuel for our power station. If PowerWater has already stitched up competitively-priced contracts then they should let the community know.

“Very few Territorians, except for highly-paid Government advisers, will be able to afford to run their air conditioners during the build-up.”

Mr Mills said many companies in the United States were already suffering from big increases in the price of natural gas. All four natural-gas utilities that supply Washington will increase their prices by amounts ranging from 12 percent to 26 percent this year.