



LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

Petition

Registration No.	20
Title	Increase in power and water charges
Presented on	19 June 2009
Presented by	Ms Purick
Referred to	Essential Services (Knight)
Date referred	22 June 2009
Response due	19 October 2009
Response received	7 August 2009
Response presented	17 August 2009

Petition

TO THE HONOURABLE THE SPEAKER AND MEMBERS OF THE LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY:

WE THE UNDERSIGNED RESPECTFULLY SHOWETH that we are extremely concerned and upset by the NT Government's proposal to increase power charges by 25.5% within three years and 60% for water and sewerage within three years as these increases will have a detrimental impact on all Territory families and small businesses.

YOUR PETITIONERS THEREFORE HUMBLY PRAY THAT the Northern Territory Government immediately review their decision to increase charges and to work on finding an alternate solution that will not impact so harshly on Territorians.

AND YOUR PETITIONERS, AS IN DUTY BOUND, WILL EVER PRAY.

Response

The Northern Territory Government commissioned Mr Andrew Reeves, an expert in the regulation of utility companies, to undertake a review of the finances of the Power and Water Corporation. This followed the findings of the Mervyn Davies inquiry into the power failures of September and October 2008.

Mr Reeves key recommendation was to increase electricity, water and sewerage tariffs from 1 July 2009 to provide Power and Water with adequate revenues to become a financially and commercially sustainable business. This included a recommendation to increase electricity prices by 40 per cent over three years from 1 July 2009 and water and sewerage prices by 60 per cent.

As electricity is the largest component of utility bills for average Territorians, and to soften the impact on bills as much as possible, the Government will be increasing electricity tariffs by 18 per cent in 2009-10 and 5 per cent in 2010-11 inclusive of the Consumer Price Index (CPI), with no increase above CPI in 2011-12. This is approximately half the increase recommended by Mr Reeves.

Even with the announced price increases, the Territory's electricity and water prices will remain at the mid-level for Australian states and the Territory Government will provide \$65 million to Power and Water in 2009-10 to subsidise utility costs for households, pensioners and small businesses.

The Government will also ensure that pensioners are not affected and will increase pensioner's concessions to offset the effect of the tariff increases for electricity, water and sewerage.

The increases are in line with utility rate increases in other states and are necessary to meet increasing demand, replace depleted and aging assets and to meet higher community standards for reliability and environmental standards. By way of example, regulated electricity prices will increase by between 18 and 22 per cent in New South Wales from 1 July 2009 and water and sewerage bills in Melbourne will increase by between 51 and 64 per cent in addition to CPI over the next four years.