

# Why the structural separation of Power and Water is good for the Territory.

On Tuesday 6 May 2014, legislation was passed in Parliament to separate the Power and Water Corporation into three separate government owned corporations (GOCs): Power and Water Corporation, a Power Retail Corporation, a Power Generation Corporation.

The rationale for change includes facts such as:

- In the past, vertically integrated government owned utilities were the traditional model for delivering electricity and water supply across states and jurisdictions. From the early 1990s, state governments began to undertake market reforms and restructure their utilities companies in order to encourage more efficient and reliable services.
- The Australian energy sector has been in the process of reform since the early 1990s. The structural separation and changes happening with PWC will bring us in line with what has taken place around the rest of Australia and also internationally.
- The NT joined the reform process 14 years ago and continues to be part of the process.
- Through these reforms, the Northern Territory will have improved accountability, transparency and efficiency in its energy sector, and see consistency and uniformity with the rest of Australia.
- The energy sector reforms open up the possibility for the Northern Territory to enter the national electricity and gas market.
- These changes enable effective competition, which encourages supporting industries, technologies, developments and job opportunities.
- The NT Government will continue to determine retail electricity tariffs and water and sewerage tariffs for all customers.

Each of the GOCs commencing operations as part of this program remains in government ownership.

Further information about the background of the energy sector reform in Australia and the opportunities it offers the Northern Territory will follow. You can also refer to the [Structural Separation FAQs](#) page on the intranet and the [Northern Territory Electricity Market Reform Information Paper](#).