



Media Release

For release: 9.00am, Tuesday 11 August 2015

New power supply approaches to enable PNG development goals

- Power sector reforms can support PNG growth aspirations; new technologies save around US\$5 billion to 2030, halve emissions –

New approaches to electricity supply will assist Papua New Guinea to meet its ambitious national development plans and underpin a tripling of electricity supply by 2030, according to a major new research report released by ANZ today.

The report *Powering PNG into the Asian Century* prepared by Port Jackson Partners for ANZ outlines new directions for electricity supply in PNG. This includes an extension of current electricity sector reforms and the introduction of new, cheaper energy technologies such as solar PV, micro-hydro and biomass to replace PNG's reliance on diesel generation.

Speaking at the report's launch in Port Moresby today ANZ Chief Executive Officer Mike Smith said: "Asia's industrialisation is presenting Papua New Guinea with an unprecedented opportunity to fast-track its economic and social development.

"Improving electricity access and service reliability is widely acknowledged as one of PNG's key infrastructure challenges. This report is designed to support a conversation in PNG on the importance of new approaches to the power sector and how reforms and innovative technologies can deliver significant economic and social improvements," Mr Smith said.

Powering PNG into the Asian Century - Key Findings

- Electricity supply will need to increase by 225% - triple current levels - to support PNG's national development plans which include having 70% of its population with access to electricity in 2030 (currently ~8%).
- Rapid improvements in energy technology have created new generation and storage options. Shifting away from a reliance on diesel electricity generation and focussing on opportunities in solar PV, micro-hydro and biomass will save US\$5 billion and halve emissions between 2015 and 2030.
- Reform to PNG's electricity sector must address the structure of tariffs and subsidies, private sector competition and a new structure for PNG Power to assist improved performance.

Currently the majority of people in PNG are unable to access power and for business, reliability and availability remains a major challenge. Availability in rural areas, where around 85 per cent of the Papua New Guineans live, is even more challenging with access confined to around eight per cent of the population.

"The opportunity to re-imagine the approach to the PNG power sector is significant and addressing the power challenge will help raise the quality of life for the people of Papua New Guinea and drive development in resources and agriculture that are vital for generating future wealth for the country," Mr Smith said.

ANZ Chief Executive Officer Papua New Guinea, Mark Baker said: "Papua New Guinea has set itself ambitious development targets which include 70 per cent of its population with access to electricity in 2030. This will require an extraordinary increase in electricity supply of 225 per cent.

"This report is designed to support to a national conversation about that challenge. It also forms a practical contribution, comparing different development scenarios against the new technologies and outlining options for the reform of the electricity sector.

"The report highlights how emerging technologies have the potential to save PNG more than US\$5 billion and reduce emissions by half. It also states 'on grid' solutions are not always the best approach for PNG, as off-grid solutions continue to improve in cost and reliability.

"Reforms canvassed in the report include structure of tariffs and subsidies, private sector competition and examination of a new structure for PNG Power," Mr Baker said.

Powering PNG follows ANZ's 2013 report *Bold Thinking: Imagining PNG in the Asian Century* which outlined the vital role infrastructure plays in creating balanced economic development throughout Papua New Guinea.

A digital copy of '*Powering PNG into the Asian Century*' and a video interview with Mark Baker and the report's author Grant Mitchell from Port Jackson Partners are available at www.bluenotes.anz.com.

For media enquiries contact:

Paul Edwards
Group GM Corporate Communications
Tel: +61-434-070101
Email: Paul.Edwards@anz.com

Emily Kinnear
Media Relations Manager
Tel: +61-478-401280
Email: Emily.Kinnear@anz.com