Power and Water Corporation

Annual Report
2024 – 25

powerwater.com.au

PowerWater

ACKNOWLEDGEMENT OF COUNTRY

We work across 1.3 million square kilometres of the Northern Territory, from the saltwater coasts and freshwater rivers of plain and escarpment country to the red desert sands of Central Australia. We respectfully and proudly acknowledge the Traditional Custodians of these lands and their ongoing role in managing the lands and waters we depend on. We honour Elders past, present and future, and our youth, who maintain strong cultural and spiritual connections to Country and enrich all who live upon these lands.

Our commitment to Country and community is embedded in our purpose of making a difference to the lives of Territorians. We are dedicated to building strong and lasting relationships with our customers, Traditional Custodians and the broader community, built on honesty and mutual respect to achieve our vision of being a proud, trusted, modern multi-utility delivering value now and into the future.

CONTENT WARNING

Readers should be aware this report may contain images of Aboriginal and/or Torres Strait Islander people who may be deceased, and of culturally sensitive areas of significance. Seeing such images may cause sadness or distress and, in some cases, offend against strongly held cultural prohibitions.

TERMINOLOGY

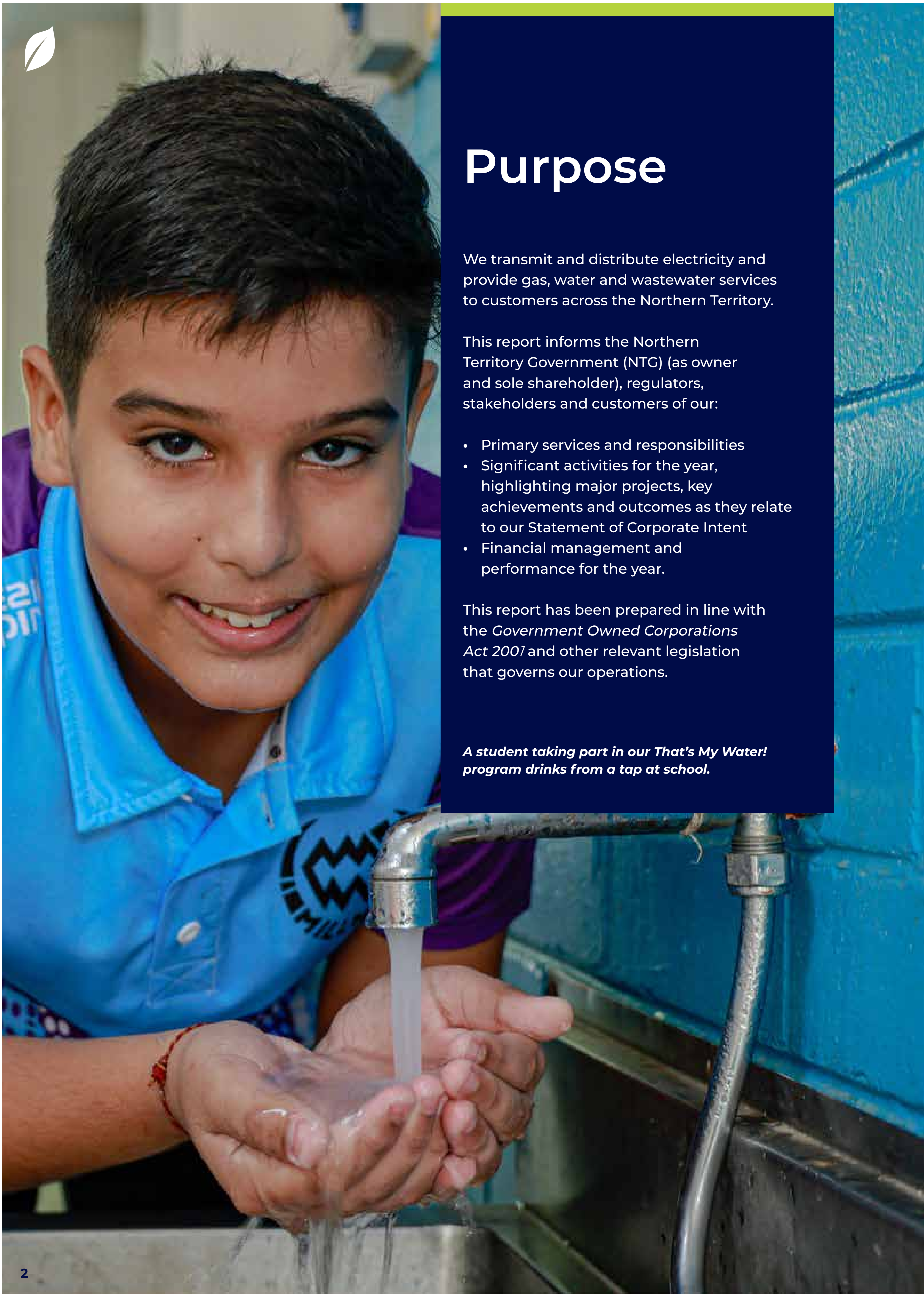
We recognise the diversity of Aboriginal and Torres Strait Islander people living in the Northern Territory. For the purposes of this document, the term ‘Aboriginal’ refers to Aboriginal and Torres Strait Islander people.

Aboriginal communities across Australia have shared and distinct histories as Aboriginal people of Australia. Whenever specific reference to a community is needed, the appropriate naming will be used to respect and celebrate the unique identities, histories, beliefs and values of our many communities.

The Tingkabee dancers at the Alice Springs launch of our Stretch Reconciliation Action Plan.

Contents

Cover image: *Georgena James from our Alice Springs Power Services team.*



Purpose

We transmit and distribute electricity and provide gas, water and wastewater services to customers across the Northern Territory.

This report informs the Northern Territory Government (NTG) (as owner and sole shareholder), regulators, stakeholders and customers of our:

- Primary services and responsibilities
- Significant activities for the year, highlighting major projects, key achievements and outcomes as they relate to our Statement of Corporate Intent
- Financial management and performance for the year.

This report has been prepared in line with the *Government Owned Corporations Act 2001* and other relevant legislation that governs our operations.

A student taking part in our That's My Water! program drinks from a tap at school.

Letter to the Shareholder

The Honourable Bill Yan MLA, Treasurer of the Northern Territory

Dear Treasurer,

On behalf of Power and Water Corporation, we are pleased to present the Corporation's 2025 annual report, in accordance with section 41 and 44 of the *Government Owned Corporations Act 2001*.

Yours sincerely,

Peter Wilson AM
Chair, Power and Water Corporation
30 September 2025

Djuna Pollard
Chief Executive Officer,
Power and Water Corporation
30 September 2025

Message from the Board Chair

Power and Water has long been a quiet achiever, focused on delivering safe and reliable water, wastewater, electricity and gas services to Territorians. While much of this work happens behind the scenes, our people are justifiably proud of the essential role they play, working around the clock to support their community.

MANAGING AN UNPRECEDENTED CHALLENGE

One of the most significant challenges Power and Water continues to face is the reduction in gas supply from Eni's Blacktip Field, which underpins electricity generation in the Northern Territory.

This 4-year reduction in gas supply across a major Australian region is unprecedented in the nation's energy industry. It requires careful planning and ongoing engagement with government and industry stakeholders to protect the Territory's energy security.

To mitigate the risk of impacts to Territory homes and businesses, we have entered into new gas supply arrangements, invested in gas infrastructure augmentation projects and developed extensive contingency plans.

We continue to pursue our legal rights and entitlements under the 25-year gas sale agreement with Eni while progressing longer-term gas supply options to help secure the Territory's future needs.

SMART METERING SOLUTION FOR CUSTOMERS

Like other utilities, we're adapting to dynamic regulatory reform, a growing demand for services and changing customer expectations.

As part of our commitment to investing in solutions to improve the efficiency and value of services, we're continuing the rollout of smart meters on the Darwin-Katherine, Tennant Creek and Alice Springs networks. This will progressively replace all existing electricity meters.

Smart meters are designed to support future energy needs. They are compatible with rooftop solar panels and batteries and automatically provide electricity usage data to Power and Water. For customers, this means fewer estimated reads, less need for meter readers to access properties, and more accurate and timely billing.

EMPOWERING OUR PEOPLE

As a life member of the Australian HR Institute, I have a career-long passion for supporting individuals and teams to achieve their full potential.

This aligns with our Board's strategic goal to modernise our business, including through an empowered and high-performing workforce.

I am pleased to see the strengthened focus on developing our people – whether through the intake of apprentices and trainees or targeted training to enable senior leaders to influence with courage, clarity and connection.

This investment in meaningful leadership and development across the organisation not only builds our capability but also enhances our reputation as an employer of choice, helping to attract and retain a skilled workforce in the Northern Territory.

A STRONG COMMITMENT TO RECONCILIATION

In addition to my role as Chair of Power and Water, I am also the Chair of its not-for-profit subsidiary, Indigenous Essential Services.

As the essential services provider for Territorians, we have a unique opportunity to lead in reconciliation.

This year, we achieved an important milestone with the completion of our 2023-2025 Innovate Reconciliation Action Plan. At its centre is a commitment to meaningful and mutually beneficial relationships with Aboriginal and Torres Strait Islander people, including through business and employment opportunities.

I look forward to realising the opportunities to be delivered through our 2025-2028 Stretch Reconciliation Action Plan.

ACKNOWLEDGEMENTS

I would like to acknowledge the thoughtful contributions and support provided by my fellow Board Directors. Their commitment has continued to strengthen Power and Water's governance and strategic direction.

In particular, I wish to recognise outgoing Director Greg Martin, whose extensive experience in the energy sector has been of immense value during his 3 years on the Board.

I also extend my sincere thanks to Chief Executive Officer Djuna Pollard for her tireless and steadfast leadership, and to the executive team and all of Power and Water's people for the dedication to meeting the needs of customers and communities every day.

We're well placed to continue to deliver safe, reliable and sustainable services for Territorians.

Peter Wilson AM
Chair, Power and Water Corporation
30 September 2025

Message from the Chief Executive Officer

Our people are our greatest asset. Every day I see their commitment to our shared purpose of making a difference to the lives of Territorians through the delivery of power, water, sewerage and gas services.

MEETING OUR CUSTOMERS' EXPECTATIONS

Like many businesses, we are operating in a time of industry growth, reform and changing customer expectations.

Keeping customers at the centre of everything we do is essential. Our new Customer Experience Strategy was shaped by more than 330 hours of listening to customers about their priorities and expectations.

This 5-year roadmap sets out clear actions and initiatives to drive continuous improvement – shaping strategic priorities, guiding investment decisions and strengthening our service delivery – all for the benefit of our customers.

MOMENTUM FOR RECONCILIATION CONTINUES TO GROW

As Power and Water's Reconciliation Champion, I am proud of the progress we are making in embedding reconciliation into the way we serve our customers and communities.

Through our 2023-2025 Innovate Reconciliation Action Plan (RAP) we strengthened our relationships with the NT Indigenous Business Network, building our knowledge of the capabilities of local Aboriginal-owned businesses and creating new procurement and economic opportunities.

In 2024 more than 100 members of our team – our largest ever Power and Water contingent – joined the NAIDOC Week march in Darwin, walking alongside Larrakia Nation in a demonstration of commitment and respect.

We know we must continue to learn from and collaborate in true partnership with Aboriginal people, especially youth, as we continue our reconciliation journey.

Our upcoming Stretch RAP will build on this, with a deliberate focus on empowering pathways, building independence and creating opportunity through employment, community investment and partnerships.

SECURING WATER FOR COMMUNITIES

Access to safe, reliable and secure water supply is critical to community well-being and economic opportunities.

We are addressing water security, quality and supply challenges in remote communities through funding and delivery partnerships with the Northern Territory

Government (NTG) and the Australian Government's National Water Grid Fund (NWGF).

Our long-term planning program, informed by mapping the water infrastructure needs of 55 remote communities, ensures investment is directed to where it is needed most.

Upgrades have already been delivered in communities including Warruwi, Angurugu and Kalkarindji, with funding for future works in communities including Maningrida and Yuendumu.

In the Greater Darwin region, more than 100,000 construction hours have been completed to return Manton Dam to service as an operational water source. Supported by the NTG and NWGF, the project will deliver an additional 7,300 megalitres of water each year.

At Darwin River Dam, construction of a new pump station is more than 70% complete. Designed to be economically efficient, the station will deliver significantly increased pumping capacity to meet growing demand for water.

A SEAT AT THE NATIONAL TABLE

On a personal note, I was honoured to be elected to a second term as a Director on the Board of the Water Services Association of Australia (WSAA), ensuring the Northern Territory context is represented in national discussions.

WSAA is the peak body representing Australian and New Zealand water utilities and advocates for water security, customer value, a resilient and regenerative future, First Nations communities, and people and capability in the water sector.

INVESTING IN ENERGY

We're making strategic investments to prepare the Northern Territory for its energy future.

Alongside managing our gas portfolio for electricity generation and economic opportunities, we have started work on the new Trevor Horman Zone Substation. The critical project will replace the existing Berrimah Substation and enable the connection of a synchronous condenser and battery energy storage system – supporting the transition to renewable energy and delivering a more stable and resilient electricity network.

We are also working closely with the NTG on electricity market reforms that will strengthen and clarify market rules, improve network management, and create a more efficient and reliable energy system.

CELEBRATING OUR PEOPLE

With so much activity taking place across our organisation, it is terrific to have our experts recognised locally and nationally.

The success of our apprentice and trainee program was showcased at the 2025 GTNT Awards, where we celebrated 7 finalists, including 2 winners and a runner-up, and recognition as a finalist in the Host Business category. Tennant Creek's Jack Rentsch was awarded the inaugural GTNT Foundation Commendation Award.

At the Australian Water Association NT Awards, Kylie Collins was named Water Professional of the Year, and the Katherine PFAS treatment plant received a project innovation award.

ACKNOWLEDGEMENTS

I extend my sincere thanks to all members of our Board for their support throughout the year and acknowledge the contribution of outgoing Director Greg Martin.

I also thank our leadership team and every member of our workforce for their daily commitment to excellence for our customers. I look forward to continuing to work with such a dedicated group of people to deliver the water, wastewater, power and gas services that are essential to all Territorians.

Djuna Pollard
Chief Executive Officer
Power and Water Corporation
30 September 2025

Leadership and Governance

BOARD DIRECTOR ATTENDANCE RECORD

	Power and Water Board		Audit and Risk Management Committee		People, Safety, Sustainability and Reconciliation Committee		Gas Committee		System Control, Market Operations and Regulation Committee	
	Eligible to attend[1]	Attended[2]	Eligible to attend[1]	Attended[2]	Eligible to attend[1]	Attended[2]	Eligible to attend[1]	Attended[2]	Eligible to attend[1]	Attended[2]
Peter Wilson AM	25	25	4	4	12	12	4	4	4	4
Trevor Armstrong	25	24	0	0	12	11	0	0	4	4
Greg Martin	25	21	0	0	0	0	4	2	4	2
Paul Italiano	25	24	4	4	12	12	0	0	4	4
Jodie Ryan	25	25	4	4	12	12	0	0	0	0
Megan Corfield	25	23	4	4	12	12	4	3	0	0
Treasurer's nominated observer	10	5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

1. Number of meetings held while the director was a member of the Board/committee.
2. Number of meetings attended.
3. Notwithstanding that the individual was not a member of the committee, they attended the number of meetings indicated as an invitee.

Performance evaluation

The Board and its committees undertook a performance evaluation in 2024-25. The evaluation framework comprised feedback provided by way of a questionnaire completed by directors, members of the Executive Leadership Team and specialist advisors to the Board.

The evaluation included questions in relation to delivering on both financial and operational key performance indicators and Statement of Corporate Intent targets, performance and effectiveness of the Board's committees, engagement with senior management and effectively monitoring the Corporation's performance and taking appropriate action if required. Results were collated into a report and discussed by the Board. A report on the outcomes of the evaluation was also provided to the shareholding Minister.

Power and Water Board

Peter Wilson, AM
Board Chair

Trevor Armstrong
Board Director

Megan Corfield
Board Director

Paul Italiano
Board Director

Greg Martin
Board Director

Jodie Ryan
Board Director

Note: Mr Martin's term as a director expired on 30 June 2025, at which time he stepped down from the Board.

Executive Leadership Team

Djuna Pollard
Chief Executive Officer

John Pease
Deputy Chief Executive Officer and Company Secretary

Graciano Chatikobo
Chief Financial Officer

Stephen Vlahovic
Executive General Manager, Water Services

Jason Howe
Executive General Manager, Customer and Strategy

Belinda Small
Executive General Manager, Power Services

Michael Besselink
Executive General Manager, Core Operations

Antoni Murphy
Executive General Manager, Gas Services

Darren Nea from Water Services in Alice Springs at the Roe Creek borefield.

Our year at a glance

CUSTOMER CONNECTIONS

Electricity connections
90,262

Water connections
51,199

Wastewater connections
68,327

New connections
1,307

- 520 Electricity
- 417 Solar
- 370 Water

CUSTOMER CONTACT

Calls to customer service
101,071

Website live chats
4,470

Facebook/ Instagram direct messages
752

Customer emails
69,317

COMMUNITY PARTNERSHIPS

Major sponsorships awarded
7

Community grants awarded
11

Community events supported
160

SIGNIFICANT ACHIEVEMENT

Over the last 12 months our Facebook content has reached 777,000 individual Facebook accounts, and achieved 37,000 interactions. This equates to an engagement rate of 4.76% (classed as 'very strong engagement', with above 5% deemed 'exceptional').

OUR PEOPLE

Full-time employees
903

Apprentices
39

Trainees
14

Graduates
10

Aboriginal and Torres Strait Islander employees
75

People with a disability
0.9%

Culturally and linguistically diverse
14%

Women
31%

Women in executive roles
32%

BRAND, TRUST AND REPUTATION

Overall trust score up
2%

Overall reputation up
1%

TRI*M score up
56 (from 48)

SIGNIFICANT ACHIEVEMENT

We replaced 1,278 paper token prepayment power meters across 34 remote communities and outstations. This included participating in 18 Local Authority meetings and 5 community meetings, plus engaging face-to-face with more than 80% of affected households.

An aerial view of our Alice Springs Wastewater Treatment Plant.

Service area map

Life Support Service customer Doreen Carrol.

2024-25 Highlights

This year's achievements reflect our purpose of making a difference to the lives of Territorians by delivering sustainable essential services that underpin the Northern Territory's wellbeing and economic future.

We continue to invest in infrastructure and services that improve the liveability of the Northern Territory, and our focus on reliable electricity, secure water, and effective wastewater management supports health outcomes, housing stability, education access, and broader community wellbeing. In parallel, our commitment to environmental responsibility and cultural recognition helps strengthen community connection and resilience.

We also play a vital role in enabling economic development. Through major infrastructure upgrades, regional investment and support for emerging industries we help create the foundations for future growth. Our work stimulates local employment, supports every sector, and fosters innovation and regional capability.

These highlights demonstrate our impact, our responsibility, and our commitment to a stronger, more inclusive and prosperous future for all Territorians.

Our Projects

ENI GAS CURTAILMENT

We play a critical role in keeping the lights on across the Territory, and a reduction in the supply of gas from the Eni Blacktip Field since 2021 has been the driver for key work by our team.

To mitigate the impact to homes, businesses and our gas customers, the team has implemented extensive contingency plans. These have involved engagement with our partners to implement new supply arrangements, sourcing alternative types of fuels and investing in pipeline augmentation projects.

The curtailment has impacted our financial performance due to the high cost of sourcing alternative gas supplies. We continue to pursue our legal rights and entitlements under the gas supply agreement we have with Eni, to minimise costs to Territorians.

To date, our efforts have successfully minimised the impact on our customers, and we continue to work closely with NTG and gas producers to secure ongoing options.

REVERSAL OF THE NORTHERN GAS PIPELINE

This financial year we invested in an upgrade of the Northern Gas Pipeline to provide the option of sourcing alternate gas from the East Coast market, given the limited and uncertain supply options available in the Northern Territory at present.

The upgrade works have resulted in increased options for the security of gas supply to Territory generators and industrial customers.

SUPPORTING THE BEETALOO

Industry and government have identified the Beetaloo Basin as having the potential to significantly contribute to Australia's domestic gas needs. We continue to work with gas companies active in the Beetaloo Basin to support the flow of gas into the Northern Territory market. This complements a range of work being undertaken across the NTG to support the commercial viability of gas in the region.

In this financial year we completed studies to support the upgrade of our McArthur River Pipeline, in readiness for the future development of the Beetaloo.

A Power and Water vehicle on a dirt road in the Katherine region.

WURRUMIYANGA SOLAR PILOT PROJECT

We delivered a Solar Infill and Energy Storage Pilot Project at Wurrumiyanga in 2024, with a battery installed at the Tiwi Islands site. A 1.1-megawatt solar array and 1.75 MVA battery storage system was shipped out from Darwin. The project will:

- save 519,000 litres of diesel in the first year of operation
- empower the remote community with sustainable energy solutions
- provide 3 megawatt hours of battery storage
- bolster the existing solar array.

TREVOR HORMAN ZONE SUBSTATION UPDATE

The Trevor Horman Zone Substation will replace the existing Berrimah Substation as that asset reaches end of life. The new zone substation will be named after our former team member Trevor Horman. Trevor passed away in 2019 after 50 years in the industry.

The $55.3 million project will facilitate the connection of a synchronous condenser and battery energy storage system, contributing to the Territory's renewable energy transition and to a stable and reliable power supply across the Darwin-Katherine electricity network.

A solar array at Wurrumiyanga on the Tiwi Islands.

The new Strauss Water Treatment Plant at Manton Dam.

PLANNING TO MEET FUTURE DEMAND

Even with demand management programs in place, the Territory needs investment in new water infrastructure to ensure there is sufficient supply to support social and economic growth, particularly in the Darwin region. We're working with NTG and the Australian Government's National Water Grid Authority (NWGA) to deliver several strategic projects to future-proof our water supply.

Darwin River Dam Pump Station

As of 30 June 2025, the new pump station at Darwin River Dam was more than 70% complete. The project is a critical step towards future-proofing our capacity to deliver a sustainable and secure water supply to the Greater Darwin Region, to support economic growth and investment opportunities.

The station will be hydraulically and economically efficient, able to adapt to seasonal changes, and will have significantly larger pumps that can provide increased water supply when demand requires.

Darwin River Dam provides approximately 85% of the water supply for the Greater Darwin Region. This new facility will modernise the capacity to pump, supply and distribute water to more than 140,000 residents.

Adelaide River Off-Stream Water Storage

The Adelaide River Off-Stream Water Storage (AROWS) project has been identified as the most effective and economically viable infrastructure solution to meet growing water demand in the Darwin region. AROWS involves storing water from the Adelaide River in a natural geological basin during the Wet Season.

The project has a delivery time of 7-10 years, and will provide 60,000 megalitres of water to support future growth while protecting the ecology of the river. We have been involved in developing the business case for this project and will continue to contribute to its delivery over the next decade.

AROWS is in the early stages of project development and undergoing a robust planning and approvals phase. This includes environmental studies and assessment, technical engineering studies and design, stakeholder and community engagement, water resource modelling, water system modelling and water demand forecasting. This phase will continue for the next 1-2 years to meet government and NT EPA requirements.

A concrete pour at the Manton Dam Return to Service project.

> *The securing of $50 million for the projects below will help us provide a secure and reliable water supply, contribute to improved liveability and support economic opportunities and sustainable growth.*

Manton Dam Return to Service

As part of the Darwin Region Water Supply Infrastructure Program, we are returning Manton Dam to service as an operational drinking water supply source by mid-2026. Manton will remain open as a recreational resource.

This $189 million project involves upgrades to existing infrastructure, constructing 22km of pipeline, and building a state-of-the-art water treatment plant at Strauss to ensure the water meets stringent drinking water standards.

Once Manton Dam is returned to service, it will provide an additional 7,300 megalitres a year for the Darwin region water supply system, to meet forecasted demand, provide water security and support future economic development.

Remote Water Team

In 2024, the NTG established a multi-agency Remote Water Team to support the Territory Water Plan. With our focus on improved water security for remote communities, we are a key member of this team.

Other agencies involved include Department of Health, Department of Lands, Planning and Environment and Department of Housing, Local Government and Community Development (DHLGCD).

The 3 key objectives of the Remote Water Team are to:

1 Deliver water information forums in priority communities

2. Develop and publish a remote community water infrastructure priority list

3. Accelerate the delivery of infrastructure in remote communities through funding partnerships between NTG and NWGA.

The team has carried out 37 engagements with different communities, including online attendance at Local Authority and service delivery meetings, industry meetings and presentations, and 11 in-community forums. The forums foster informal two-way information exchange and support improved water efficiency and innovation in remote communities.

In 2024 work began on the remote community water infrastructure prioritisation framework in collaboration with NTG agencies and peak Aboriginal bodies.

Additional funding for water security

In collaboration with DHLGCD we applied for $82 million in funding from external sources for the 2024-2025 financial year.

We successfully secured $50 million of funding for the following projects:

- $8 million from NTG and the NWGA to conduct community infrastructure assessments for 55 communities. This work will inform a better understanding of the essential services assets in these communities and solutions to secure water supplies and availability. This will help with future funding bids to the Australian Government.
- $34 million in joint funding from NTG and NWGA to undertake drilling and bore-equipping work across 10 remote Aboriginal communities as part of the Better Bores for Communities program. This will improve water supply and quality, and support growth and development, by providing greater certainty of water availability in 7 communities (Robinson River, Warruwi, Yuelamu, Titjikala, Finke, Atitjere and Gapuwiyak) and expanding water supply in 3 others (Wugularr, Haasts Bluff and Hermannsburg).
- $8 million in funding from the Central Land Council via the National Indigenous Australians Agency to complete bore-equipping work in Alpurrurulam, to help combat excessive naturally occurring fluoride in the water supply.

Our Customers

A NEW CUSTOMER EXPERIENCE STRATEGY

With our eyes firmly on delivering the best for Territorians, this year we launched our new Customer Experience Strategy. Through the strategy, our mission is to better anticipate our customers' needs, engage with them meaningfully and empower them to make informed decisions.

To help us achieve this we will make every interaction simple, embed the voice of the customer in all we do, and enable sustainable futures together.

The strategy maps out actions and initiatives we will undertake over the next 5 years.

Our strategy is driven by 6 leading principles: we listen with empathy and seek to understand; we are accurate, transparent, reliable and trustworthy; we are accountable, proactive, responsive and timely; we empower our customers with knowledge and tools to self-serve; we track and measure actions to ensure continuous improvement; we embrace a sustainable, equitable future with innovation.

We will continuously monitor and evaluate the progress of our initiatives, and adapt and evolve to ensure we meet the needs and expectations of our customers.

Power and Water team members talk to a customer during a pop-up event at Coolalinga Shopping Centre in Darwin.

DIGITAL SMART METER ROLLOUT

This year we continued to replace outdated meters with smart meters on the regulated electricity networks in Darwin, Katherine, Tennant Creek and Alice Springs.

As of 30 June 2025, 44,000 meters have been replaced. The smart meters are compatible with solar panel and battery installations, making it easier for Territorians to take advantage of rooftop solar and batteries.

The smart meters send a wireless reading of a customer's electricity use to us. This reduces the number of estimated reads being provided to energy retailers and the need for meter readers to enter a customer's property to get an accurate meter read.

The data the smart meters provide also helps us understand where the network can accommodate solar PV and battery energy storage systems.

We're on track to achieve a 100 percent rollout of smart meters by 2029.

IMPROVING THE REMOTE CUSTOMER EXPERIENCE

Our customers are at the heart of everything we do so, where we can make positive changes to improve their experience, we act.

Customer Services Manager Michelle Flynn shared an example from Maningrida, where feedback suggested people weren't using a key customer service phone number because they found it too difficult.

The feedback was received during a visit to the community that took place due to a Telstra outage affecting people's meters. Residents said the phone line had too many options for those who don't speak English as their first language. They found it difficult to get through them all, so would often hang up and call the emergency number instead.

So we created a new 1800 number specifically for remote community customers. During development,

A customer talks with Power and Water team members.

Michelle and the team consulted with the community to make sure the new service was fit-for-purpose, and an Aboriginal trainee voiced the messages.

The phoneline features just 3 options that better align with customers' needs. The number of calls to this dedicated number is steadily increasing, while calls to our emergency line have reduced. We will continue to respond to feedback from our remote customers around this service.

'Our experience in community in Maningrida has taught us that, particularly for our remote customers, we need to be asking what they need and what their expectations are,' Michelle said.

BUILDING ENERGY LITERACY

When Amber Shepherd (Youth Adviser on our Reconciliation Advisory Committee) started a new role with Mission Australia, she quickly identified that high utility bills were an issue for many Territory Housing tenants. So she reached out to us about an energy efficiency information session.

The resulting event was a great example of how people with good ideas and a proactive approach can make a big impact.

'When I reached out to people across Power and Water for help, the minute they heard what it was for there was no hesitation for people to get involved,' said Tori Hampton from our Water Demand Management Team.

'We were asking people to give up their time on a Saturday in the build-up and everyone just pulled together.'

With our support, Mission Australia hosted a community BBQ. Larakia Nation, Territory Families and Centrelink were 3 of several external parties invited to take part. The event was attended by around 150 people with overwhelmingly positive feedback.

'The timing of the event was serendipitous, as we were beginning a pilot school program to increase energy literacy,' Tori said.

'Involvement in this event provided us with a number of key learnings and insights which have already fed into this pilot program. Being able to hear questions and feedback direct from the community was invaluable and will continue to help inform our thinking.'

Being able to hear questions and feedback direct from the community was invaluable.

The Demand Management Team with residents of Yuendumu during a visit to promote water literacy.

A member of the Demand Management Team checks for leaks in the remote community of Gunbalanya.

MANAGING WATER DEMAND IN OUR COMMUNITIES

The Demand Management Team continues to work with water-stressed communities, particularly those facing extreme water security risks. The team has adopted targeted strategies in 3 main areas: reducing water loss through initiatives focused on identifying and repairing leaks; managing water use by deploying and overseeing smart meters to monitor consumption; and promoting water literacy and conservation through ongoing education and community engagement.

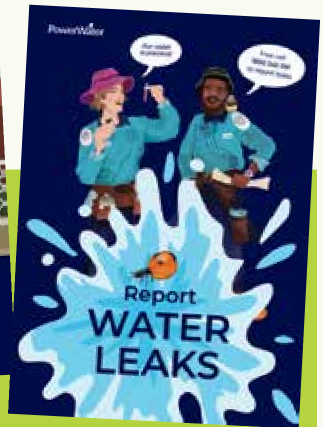
Notable initiatives this year include:

- **That's My Water!**: we updated resources for bush schools to help teachers and students in remote communities get involved with this water sustainability program. Alcoota and Numbulwar Schools were the first to run the program, with more schools registered to participate.
- **Community engagement**: we made multiple community visits to speak with customers around water use, including a pop-up stall in Yuendumu and attendance at Water Forums in Warruwi and Engawala.
- **Leak reporting initiative**: we supported the launch of the free 1800 number for remote customers by producing promotional materials such as stickers and magnets featuring cartoon versions of team members who spend time in communities. These resources are integrated into programs including new tenant packs and council office distributions.
- **Remote Water Demand Management Strategy**: we developed a strategy to improve our approach to demand management and outline actions for the next financial year and beyond.

COMMUNITY CAMPAIGNS

Results from our Brand, Trust and Reputation Survey have consistently shown our customers want more educational information from us, particularly around saving energy and water. In 2024, we developed 3 community campaigns:

- **Stop for a Leak** – a fun way to educate people on why it's important to report leaks in the community, and how they can do so. We used local Territory characters and saw a 75% increase in the number of leaks reported.
- **Know what to do when severe weather comes through** – a focus on helping customers make a severe weather plan for their family, prepare their home for what might happen and stay connected with us and the emergency services during an event.
- **Good Energy Habits** – a retro look at how to save energy, with the idea that good energy habits never go out of style, due to be rolled out in the second half of 2025.



Left: A social media asset developed to promote the new remote community helpline.

Right: A social media asset featuring cartoon versions of our team members in remote communities.

Danna Irwin from our Corporate Affairs team, and her family, starred in our severe weather campaign.

THAT'S MY WATER! SCHOOLS PROGRAM

We've been delivering the *That's My Water!* program in partnership with the Department of Education for 10 years. More than 6,500 students from more than 40 schools have taken part.

Around 650 students from 8 schools across Darwin took part in the initiative in 2024, including Leanyer, Larrakeyah and Alawa Primary Schools, and Dripstone Middle School. The schools have saved an estimated combined 18 million litres of water.

Students became water-saving super sleuths, uncovering everything from leaking toilets to a major irrigation pipe failure. The program inspires students to study STEM as a way to solve future challenges, and taught them Darwin's water story.

Undertaking social action projects, students maximised their creativity in a range of ways, including models, apps, videos and prototypes for detecting leaks, filtering water, reducing evaporation and improving irrigation systems. We truly value this opportunity to educate young people on how they can contribute to saving energy and water.

***Middle:** Dan Brown from our Demand Management Team visits Alawa Primary School as part of our That's My Water! program. **Above left:** A Larrakeyah Primary School student displays the water-saving idea she came up with as part of the That's My Water! program. **Above right:** The Stop for a Leak campaign bill banner.*

Our People

RECRUITMENT, ATTRACTION AND RETENTION

Employee Value Proposition

As part of our ongoing work to attract, recruit and retain the best talent, in 2024 we began work on an Employee Value Proposition (EVP). This involved consulting with team members from across our organisation to better understand what they love about working with us and where they think there is room for improvement.

Our EVP – branded as 'Your experience' – is our pitch to potential employees, promoting our organisation and the Territory as a great place to work. It also helps us determine where we can do better.

One element of the EVP is a series of videos starring our team members talking about what they love about working with us.

Some of the videos were used in a campaign to find several new line workers for roles in Darwin, Katherine, Tennant Creek and Alice Springs, and helped us share what the role and lifestyle for line workers is like.

Technical Capability Framework

To support career development for team members in technical roles, we've created a Technical Capability Framework that covers 15 specific jobs. The framework is helping us build the capability of our team through training, so we can create a high-performing workforce, while improving workplace culture and our capacity to deliver our services.

As well as identifying development opportunities for present team members, the framework will also help us attract and recruit new people by providing a blueprint for how they might advance their career with us, outlining the technical capabilities required at various career stages. It's a critical tool to help us proactively address workforce needs and mobilise resources, and to help technical staff identify skill gaps and opportunities.

Leadership and other training

Throughout the year we have offered a range of leadership and training programs to upskill our people and ensure we have the capacity to deliver our services. This was partly in response to feedback from across our organisation about the need to support and upskill current and future leaders.

CFO Graciano Chatikobo, CEO Djuna Pollard and Deputy CEO John Pease take part in an event as part of our leadership program.

Several members of our team are now LSI accredited.

Jeanneen McLennan, Reconciliation Advisory Committee Co-Chair, and Jenna Cubillo.

Our leadership training includes:

- Rise: to equip aspiring leaders with the confidence, skills and mindset to lead with purpose. Participants gain practical tools to navigate leadership challenges and drive results.
- Power Up: to prepare senior leaders to lead with vision, authenticity and strategic influence. The program cultivates resilient, values-driven leaders who champion unity, empower others, and drive purposeful, long-term success.
- Elevates: to equip high-potential leaders with the executive skills and strategic mindset needed to lead at the enterprise level. Participants develop the capabilities required to influence, execute and lead with purpose, foster trust and deliver excellence.
- Beam: offers coaching and reflective experiences to develop and deepen enterprise-ready leaders who lead with courage, clarity and connection. They master the skills needed to influence at the highest levels of the organisation and across the community.

Other training has focused on the health, wellbeing and personal growth of team members, including:

- Life Styles Inventory (LSI) accreditation training. LSI is a research-backed tool that helps individuals and leaders build self-awareness, shift unproductive behaviours and lead more effectively.
- Mental health first aid training to equip team members with the knowledge, confidence and skills to provide mental health information and support others when needed.

Several members of our team took part in mental health first aid training.

TEAM MEMBER PROFILE

JENNA CUBILLO

Learning to be a leader, already having an impact

A Gulumerrijin (Larrakia) woman, Jenna Cubillo was born and bred in Garramilla (Darwin).

As Manager Reconciliation, she is a strong advocate for her land and community, and enjoys the support she receives in her role.

'Senior Manager Reconciliation Carmen Douglas has been an incredible support for me, and her commitment and passion drive my motivation heavily in this space,' Jenna said.

'Our CEO Djuna Pollard is also phenomenal. She is very committed to reconciliation and is always open to suggestions and feedback.'

Providing feedback is something Jenna is comfortable doing. She's also quick to take or call for action when it's needed. The 2024 Darwin NAIDOC March is an example.

'Due to various people being away and other commitments it became clear in the lead up to this event that not much was happening by way of coordinated Power and Water activity,' Jenna said.

'I spoke with our CEO and we went from having 4 people attend the 2023 Darwin March to having 87 employees and their families attend the 2024 Darwin March.

'Afterwards, I had many Aboriginal and non-Aboriginal employees come up to me and talk about how good it was. It really demonstrated to me that we have lots of people in our organisation very committed to this when they get the opportunity and the support.'

Developing our pipeline of talent

Our innovative approach to recruitment saw 39 apprentices, 10 graduates, 14 trainees start an exciting career with us over the last 12 months.

We have partnered with GTNT Group for more than 30 years to host apprentices and trainees. This year they had more than 400 applications for our roles.

Our new recruitment process is part of a strategic initiative to continuously build and maintain a high level of skilled, in-house expertise. Shortlisted apprenticeship and trainee candidates participate in an assessment centre, where they are evaluated through group activities, individual practical tasks and written exercises. This gives a holistic view of their strengths and skills.

The success of our recruitment process was highlighted at the 2025 GTNT Group Awards, which recognise apprentices, trainees, supervisors and organisations that go above and beyond in their training and development.

We had 7 finalists, which translated into 2 winners, a runner-up and one of our apprentices, Jack Rentsch from Tennant Creek, awarded the inaugural Special Award GTNT Foundation Commendation. We were also named a finalist in the Host Business of the Year category.

Our on-the-job training alongside study is also proving a success, with 2 recipients of the Trevor Horman Scholarship this year. We partner with Charles Darwin University to offer the scholarships, which this year supported First Nations and female engineering students in the Northern Territory. The scholarships position the recipients to become members of our team once their studies are complete.

Our CEO Djuna Pollard, left, with our latest group of apprentices.

Duane Appo provides training to Utility Support Contract Workers.

Careers in Water – Water Services Association of Australia

In 2024 we took part in a national campaign with the Water Services Association of Australia. Featuring water organisations across the country, the campaign highlighted that 75% of jobs around the world depend on water; more than 3,000 jobs are expected to be created in water careers by 2026; and annually the urban water sector contributes $10.6 billion to the Australian economy.

The campaign profiled stories of people working in the sector, highlighting the benefits and broad career pathways available as part of a collaboration to attract and retain employees. Taglines such as 'Leaders by Nature' and 'Dive into the world of water' anchored the campaign.

Surekha Tatipakala, one of our senior data and reporting officers, shared her story, and many of our

Below: *Some of the Power and Water 2025 GTNT Awards finalists.* ***Bottom:*** *Best friends Cody Stamp (left) and Riley Shortt have been friends since day care. Now they are starting their career together as apprentices with us.*

TEAM MEMBER PROFILE

DUANE APPO

Keeping the power on for all my mob

Duane Appo is a Technical Coordinator Electrical in our Power Services team. Based in Alice Springs, his role is to provide remote services training to Utility Support Contract Workers (USCWs).

USCWs help us keep power, water and sewerage services running in some of the Territory's most remote areas. We engage local shires, councils, private contractors and Aboriginal bodies to supply our USCWs, and each one acts under the care and direction of our team. They often work under difficult conditions and in emergency situations, so training and support is vital. That's where Duane comes in.

'The USCW role can require a big sacrifice. It's a 24/7 job that can take you far away from family,' Duane said.

'But I have a lot of job satisfaction – it's all about keeping the power on here for my mob – and I know many of the USCWs share this sense of being there for the community.'

One such person is David Crook who has been a USCW for 5 years. David works in Atitjere, a community situated 215km northwest of Alice Springs with a population of approximately 260.

David shares Duane's sense of fulfilment when it comes to his work and values the role Duane has played in his training and ongoing development.

'If something happens and you're not sure of what to do, you can give Duane a call and he will endeavour to feed you through a process that will rectify the problem,' David said.

Duane's commitment to serving remote regions means he's an invaluable resource for USCWs.

'It's about building relationships so we can have quick resolutions when there is a problem,' he said.

Water Services roles were advertised on LinkedIn under the campaign branding.

'Power and Water has built my career, providing development opportunities while constantly challenging and supporting me. What could be more interesting and purposeful than being supported to find solutions to provide essential services to customers and future generations?' Surekha said in her interview.

STEM Career Development

To continue to deliver essential services across the Territory, we need a sustainable, qualified workforce – and that means making sure we have a pipeline of talent coming through. In 2024, we participated in a range of STEM career promotional activities to highlight the pathways on offer with us. They included:

- Darwin Careers Expo
- Big Rivers Careers Expo, Katherine
- NTIBN Blak Jobs Expo aimed at Year 10-12 students in Darwin and Alice Springs
- Charles Darwin University Careers Expo in Darwin

The events were a great opportunity for us to share more about what we do with young Territorians, and spark their interest in a future STEM career.

Power and Water team members at the NTIBN Blak Jobs Expo in Darwin.

To continue to deliver essential services across the Territory, we need a sustainable, qualified workforce – and that means making sure we have a pipeline of talent coming through.

Surekha Tatipakala featured in a national careers campaign for Water Services Association of Australia.

EMPLOYEE CULTURE

Creating a positive workplace culture

We invest in our people to create a high-performing organisation, and a positive workplace culture with engaged team members is key to that.

We increased our employee engagement score from 43% in 2023 to 65% in 2024, and continue to focus on creating a workplace that attracts and retains the highest calibre of people so we can deliver for Territorians.

We continue to focus on creating a workplace that attracts and retains the highest calibre of people so we can achieve our strategic goals and deliver for Territorians.

The work to achieve this has included an embedded internal culture program with targeted activities such as a bureaucracy-busting initiative, customer service town halls and site visits to expose more people to the strategic work taking place across our organisation. All this helps us continue to build a positive workplace culture.

Diversity and inclusion

We rolled out a variety of activities focused on diversity and inclusion this year, including:

- R U OK Day events
- An International Women's Day online forum with a speaker from Purple House, one of our community partners
- An online panel discussion for International Men's Day
- Lunch and learn sessions focused on the lived diversity and inclusion experience of our team members
- Ongoing training to build skills and enhance knowledge of unconscious bias and allyship.

Deputy CEO John Pease with Rebecca Pink.

TEAM MEMBER PROFILE

REBECCA PINK

Delivering for customers in Central Australia

Rebecca Pink is a water engineer who has undertaken numerous roles in the water sector throughout her career. Whether working as an infrastructure advisor, project engineer or water demand coordinator, she is passionate about customer service.

Based in our Alice Springs office, Rebecca is a committee member of the Australian Water Association and goes above and beyond to support our remote communities in Central Australia.

Day-to-day, she looks at how water demand can be reduced and tracks down leaks to ensure there is reliable water supply for communities. The conditions in Central Australia are often harsh, but that doesn't deter her efforts!

In addition to her core role, Rebecca fundraises for WaterAid, and has volunteered for 7 years for the Australian Mitochondrial Disease Foundation and on the Infrastructure Sustainability Initiative Project in Timor-Leste, where she assessed the water infrastructure and used social enterprises to address key issues.

Rebecca's commitment to customer service saw her recognised as a finalist in the NT News Woman of the Year Awards.

Top: *Our Senior Leadership Group assembled prams and high chairs to donate to Dawn House.* ***Above:*** *Some of the members of our team who donate blood regularly.*

Top: *Several members of the Power and Water team took part in Walk for Water.* ***Above:*** *Kylie Collins was named Water Professional of the Year at the Australian Water Association's (AWA) Northern Territory Awards.*

Contributing to our local communities

We are part of our community and enjoy participating in activities and fundraising that allow us to give back in some way. In 2024-25 this included:

- 175 blood and plasma donations to the Australian Red Cross by 38 members of our team, including 6 new donors, helping to save 525 lives.
- Our Senior Leadership Group completing a team-building exercise that involved assembling prams and highchairs to donate to Dawn House Inc, a service for those escaping domestic violence.
- Supporting the International Men's Day Lunch in Darwin, with team member Nathan Powell sharing his story as guest speaker.
- Participating in Water Aid Australia's Walk for Water, supporting access to clean, sustainable water around the world.

AWARDS AND RECOGNITION

Water Professional of the Year

In October 2024 we celebrated with Senior Manager of Strategic Water, Kylie Collins, when she was named Water Professional of the Year at the Australian Water Association (AWA) Northern Territory Awards. Winners were announced at the NT Water in the Bush Conference, and went on to represent the Territory at the national AWA Awards as part of the annual water conference, Ozwater'25, in Adelaide in May.

We are part of our community and enjoy participating in activities and fundraising that allow us to give back in some way.

Wesley Mackay with a box that became a new hive.

TEAM MEMBER PROFILE

WESLEY MACKAY

Getting a buzz from moving bees

Officially a sub-station technician in our Power Services Darwin team, Wesley Mackay goes above and beyond his role to help relocate native bee hives from our sites and infrastructure.

His passion for saving native bees also sees him volunteer as a rescue coordinator with the Australian Native Bee Association NT Branch.

Wes was called to a house in Tiwi to remove a hive that had glued a meter box closed, rendering it unusable.

'The bees were the *Tetragonula mellipes* species, the most common in Darwin,' Wes said. 'They're a native stingless bee, so completely harmless but very important.'

Relocation involves gently placing the brood (eggs) and food stores into a small wooden box, then carefully 'vacuuming' the bees into the same box. This includes the drones living inside the hive and the worker bees as they return home from foraging at the end of the day.

TOP END VOLLIE GETS A BUZZ FROM MOVING BEES

The NT News reported on Wesley Mackay's bee-saving efforts.

Each hive contains a single queen. It is vital she is included in the relocation because she will be the reason the others work to re-establish the hive once it is moved to a more suitable place.

Wes has relocated more than a dozen hives and colonies. He's removed them from all sorts of places, including water pits, renovated bathrooms, steel tube fences, logs and trees. But why does he do it?

'Native bees are a crucial part of our ecosystem, because they are pollinators,' Wes said. 'They are essential for plant reproduction and food production.

'They're at constant risk from habitat loss, diseases and pests so, rather than see their hives destroyed, I help relocate them to a safe place where they can carry on their vital work.'

Hmalan Hunter-Xénié was awarded a scholarship to study policy at Oxford University in England.

Engineers Australia Excellence Awards

We celebrated a win at the 2024 Engineers Australia Excellence Awards, with the Katherine PFAS water treatment plant receiving the award for Northern Project of the Year Award.

The plant, which is the largest in Australia, processes 10 ML of water per day, reducing the amount of per- and poly-fluoroalkyl substances (PFAS) in the town's water supply.

The project was celebrated as an excellent reflection of community stakeholder engagement, raising awareness of the risks and reducing water consumption through demand management while restoring residents' confidence in water quality.

Hmalan Hunter-Xénié at Oxford University

We all celebrated when team member Hmalan Hunter-Xénié was awarded a prestigious scholarship to study policy at Oxford University in England.

Hmalan, who is of Tiwi/Iwaija and Kaytej/Warlpiri descent, grew up on the Cobourg Peninsula, which inspired her interest in traditional knowledge used in land management to help Aboriginal communities develop economically.

Hmalan, who holds a Bachelor of Science with Honours from the Australian National University, is undertaking a Master of Public Policy in Oxford. She is an Environment Officer with us and a member of our Reconciliation Action Plan Working Group.

Hmalan's expertise in both science and government will be further honed during her time overseas, and she will bring that value back to our team when she returns.

The team celebrated a win at the 2024 Engineers Australia Excellence Awards for the Katherine PFAS water treatment plant.

A behind-the-scenes look at filming of our new safety video.

SAFETY FIRST

This year we've introduced a series of initiatives that are transforming how we protect our people, contractors and communities.

Focused on achieving industry best practice, these projects combine smart technology, system upgrades, and international standards to raise the bar for health and safety across our operations. They demonstrate continuous improvement in our journey toward safety excellence, supporting safer workers, building safer systems and delivering safer services across the Territory.

We also developed an internal safety campaign including a video featuring team members from across our organisation. Using familiar faces was a way to grab people's attention, and really drive home the message that we all need to work safe, work smart.

Vehicle telematics rolling out across the fleet

We're installing telematics in moderate-risk vehicles across our fleet as part of a major push to enhance driver safety. These units provide real-time alerts in instances such as roll-overs or prolonged inactivity, allowing for a faster emergency response, particularly in remote areas.

Smarter safety equipment management

Work is underway to integrate safety equipment tracking with our inventory and safety systems. This will ensure every worker, regardless of location, has access to the correct and compliant equipment when they need it most, reducing risk and strengthening our safety-first approach.

Path to ISO 45001 certification gathers momentum

We are reviewing and aligning our systems with ISO 45001, the international benchmark for occupational health and safety. Once implemented, this will ensure everyone receives the training, information and support they need to work safely, confidently and in line with best practice.

New HSE induction and authorisation system

We're developing a redesigned HSE induction and authorisation framework to improve user experience, streamline inductions, and strengthen our site and contractor management. The system will build on our existing safety policies and procedures to ensure everyone entering our worksites understands their responsibilities and has the right competencies from day one.

Our Community

BRAND, TRUST AND REPUTATION

Since 2020 we have carried out a yearly Brand, Trust and Reputation Survey to help us better understand how our community sees us, what our customers think of us and how we can improve our services.

Results from the residents and businesses surveyed showed 41% of residents and 37% of businesses hold a positive view of us, with negative views notably lower than in 2024.

The results showed:

- An increase in overall trust in us, rising to 56% from 54% in 2024
- An increase in our overall reputation, rising to 58% from 57% in 2024
- An increase in our overall TRI*M score to 56, rising from 48 in 2024.

The top drivers of trust were that we communicate in an open, honest and transparent way, and that we do not abuse our position as the main provider of power and water in the Territory. The top drivers of reputation were that we are transparent and accountable, and that we connect well with customers and the community.

These results are in line with our mission, as stated in our Customer Experience Strategy.

Our new Community Partnerships branding on our water trailer.

PARTNERSHIPS MAKING A DIFFERENCE

Our Community Partnerships Program provides a range of support through major partnerships, community grants, sponsorships and in-kind contributions. The in-kind support includes providing our water trailer and water stations for free to community events, so people can access free water refills.

The program helps us strengthen our brand and reputation across the Territory, and build trust with our diverse customers. This year we launched a new brand for the program, to promote greater recognition of our support for diverse community activities NT-wide.

Major Partnerships

Our major partnerships provide a significant impact within our community and align with our purpose, vision and key initiatives. In 2024-25, our major partners were:

- Northern Territory Major Events, to support the successful delivery of Parrtjima – A Festival in Light, BASSINTHEGRASS, Darwin Supercars, Red CentreNATS and NRL.
- Darwin Festival, to contribute to the successful delivery of the 2024 Darwin Festival, providing significant benefit to the Territory economy and lifestyle.
- AFL NT, to create opportunities for Territorians to be involved with AFL from a junior level through to masters, and supporting healthy habits and well-being.
- Children's Ground, to strengthen pathways to employment for First Nations people by enhancing financial literacy and economic independence.
- Purple House, to share the positive impact of Elders receiving dialysis treatment at home, on Country, highlighting the importance of culturally appropriate services.
- Starlight Foundation, to support the Healthier Futures Initiative, where Captain Starlight engages with children in remote communities through song, dance and storytelling.

Community Grants

As part of our Community Partnerships Program, we also offer grants up to $5,000 to support organisations and initiatives that make a difference to the lives of Territorians. In 2025 these included:

- Vibrant Diverse Cultures Incorporated: Supporting the delivery of a 2-day soccer program in Wurrumiyanga to promote health, well-being and life skills for children.
- NT Writers' Centre: Supporting 'After the Storm' at the 2025 NT Writers Festival, showcasing local artists and storytellers focused on transformation and healing.
- Australian Vietnamese Family Association: Supporting the Vietnamese Lantern Festival to promote cultural exchange through workshops, performances and food stalls.
- Disability Sports NT: Supporting 'Abilities Unleashed' events across the Territory, offering inclusive physical activities and social opportunities for students with disabilities.
- Southern Cross Kids Camps: Supporting a transformative week-long camp for children who have experienced abuse or neglect, fostering resilience and mentorship.
- Nightcliff Arts, Music and Culture Incorporated: Supporting more than 150 Nightcliff Seabreeze Festival volunteers with essential equipment and training.

BASSINTHEGRASS attendees using our free mobile-phone charging station at the event, which is part of our partnership with Northern Territory Major Events Company.

CHILDREN'S GROUND FINANCIAL LITERACY PROGRAM

We received a range of feedback acknowledging our support of the Children's Ground Financial Literacy Program. Participants told us:

'I was behind on a lot of bills before, but with Des's (Financial Literacy Counsellor) help through the Financial Literacy Program I've been able to get on top of my bills and debts. It makes me feel on top of the world when I'm more in control of my money, especially when I have some extra spending money each week!'

'I trust you, but I wouldn't trust just anybody. I'd rather come to Children's Ground to talk to someone about tax or accommodation, putting in housing applications. I see you at Children's Ground and I know you. I know you're honest and I know everything is confidential. It's all about trust.'

'I've found the program very helpful. It has helped me with supporting my budgets and putting money aside – I'd never done any of that before using the service and being supported by Des.'

- School of Sport Education NT, Big Rivers Region: Supporting young athletes from the Katherine region to attend the Regional SSENT Competitions in Darwin.
- Landcare NT Incorporated: Supporting the 2025 Top End Eco Fair, an educational event to increase community engagement and awareness about ecosystems and biodiversity.
- SEDA College NT: Supporting the expansion of community engagement programs into remote and regional areas, to promote physical activity and community involvement.
- School Sport NT: Supporting the expansion of the 'Come and Try' multisport program for Territory girls in Years 3-8, encouraging active participation in an inclusive environment.

Below: *Radicle Science Award Winner Anastasia Maximova receives her award from Power and Water's Peter Morrison-Evans.* ***Bottom:*** *Urbex won the UDIA Social and Community Infrastructure Award sponsored by Power and Water.*

Sponsorship activities

This year we also sponsored a range of other events and activities, including the below. Supporting events like these helps us strengthen relationships with partners, foster future growth and contribute to meaningful discussions that shape the communities we live in.

The Radicle Science Awards NT

Celebrating Territorians achieving in the Science, Technology, Engineering, Arts and Mathematics (STEAM) fields, we sponsored the Contribution to STEAM Outreach and Engagement category. This recognises outstanding efforts in inspiring and engaging our communities in STEAM and creating opportunities for Territorians.

Anastasia Maximova, a botanical artist, tutor and researcher who develops environmental education through art, was the winner. She has conducted more than 50 workshops to increase awareness of the Top End's unique flora and promote knowledge and technical skills about the history of botanical art and modern development.

The UDIA Awards

Our sponsorship of the 2024 Urban Development Institute of Australia NT Awards supported growth in the Territory. The event brings together government, industry and community leaders to showcase achievements in shaping sustainable and liveable urban spaces.

Chamber of Commerce Awards

We supported the 2024 Chamber of Commerce Northern Territory Business Excellence Awards, recognising regional businesses demonstrating world-class professionalism and services across the Territory and contributing to the success of our regions.

Australian Water Association Award

As a supporter and member of AWA, we received the Infrastructure Project Innovation Award (Regional) for the delivery of the Katherine PFAS Water Treatment Plant. The facility delivered a solution to treat PFAS contamination in Katherine's drinking water supply, reflecting our commitment to providing sustainable and secure drinking water to all Territorians.

'One of the areas I am most passionate about in this role is ensuring we capture representation from across the Northern Territory' – **Jeanneen McLennan, Reconciliation Advisory Committee Co-Chair**

Jeanneen McLennan, Reconciliation Advisory Committee Co-Chair.

PROGRESS AGAINST OUR 2023-2025 INNOVATE RECONCILIATION ACTION PLAN

We provide essential services to customers across the Northern Territory, including 72 remote communities and 79 outstations. We recognise this presents us with a significant opportunity to listen, learn, educate and lead when it comes to reconciliation.

Our vision for reconciliation is to be a culturally diverse and inclusive organisation where Aboriginal and Torres Strait Islander people feel respected, safe and recognised as trusted partners, now and into the future.

As one of only a handful of NTG-owned corporations or departments to have a Reconciliation Action Plan (RAP), we continue to progress a range of initiatives as part of our commitment to reconciliation.

Work on our 2023-25 RAP included establishing our Reconciliation Advisory Committee, made up of 5 respected and recognised Aboriginal advisers. Additionally, we've developed a stronger focus on business and employment opportunities for Aboriginal Territorians, and on learning from our Aboriginal team members and stakeholders.

As of 30 June 2025 we had 7 Aboriginal apprentices, 75 Aboriginal employees and around 140 USCWs living and working in remote Aboriginal communities. This initiative to upskill community residents fosters skill development through hands-on training and ensures knowledge remains in remote communities. It also secures a future where remote services are managed by the next generation of USCWs, creating long-lasting community-led independence.

As of June 2025, we had spent more than $22.8 million with Aboriginal Business Enterprises during that financial year, up from $9.6 million in the previous 12 months. The number of Aboriginal suppliers we use rose from 32 to 59 during that period.

The spend accounted for 3.7% of total controllable costs in our 2024-2025 Statement of Corporate Intent.

Based on our progress against our Innovate RAP, we are now progressing to a Stretch RAP from 2025–28.

'I hope I can be a strong voice from the community to the corporate. I also hope that I am saying the right thing on behalf of our people' – **Amber Shepherd, Youth Adviser, Reconciliation Advisory Committee**

'Growing up immersed in the local culture, there was simply no question for me that everyone should be treated equally and that has carried into my approach to reconciliation' – **Djuna Pollard, CEO, Power and Water**

As part of our onboarding process, Jeanneen McLennan, Reconciliation Advisory Committee Co-Chair, talks to new team members about Aboriginal Territorians and the Aboriginal history of the Territory.

'Dangalaba (crocodile) on Larrakia Country' by June Mills on our Salonika water tank.

Some highlights from the past year under our Innovate RAP include:

NAIDOC Week 2024

People from across our organisation took part in NAIDOC Week 2024, with the theme 'Keep the fire burning! Blak, Loud and Proud'.

Celebrations across our sites included taking part in NAIDOC Week Opening Ceremonies, an online panel discussion on Contemporary vs Traditional Art, involvement in a Darwin saltwater ceremony, film screenings and the NAIDOC March.

Our involvement in NAIDOC Week is an example of our commitment to reconciliation. Through our collective efforts, we can forge a future where the stories, traditions and achievements of Aboriginal and Torres Strait Islander communities are cherished and celebrated, enriching the fabric of our community.

National Reconciliation Week 2025

We ran a range of events across our locations to celebrate National Reconciliation Week from 27 May to 3 June 2025.

They included launches in all regions, toolbox yarns, Welcome to Country ceremonies and smoking ceremonies. The events provided an opportunity to highlight the importance of reconciliation to our organisation and for our team members to learn from each other.

Community Artwork Project

We engaged with Traditional Owners, Elders and artists to identify local stories that highlight the continued connection and importance of power and water to the land we live and operate on, and where our infrastructure is located.

The stories were shared with artists from each region, who then created artworks for some of our infrastructure.

This has been an exciting and collaborative process, building our understanding of the history of power and water as a resource in our community and helping us capture and share important stories.

Artworks completed this year in Mparntwe (Alice Springs) and Larrakia (Darwin) include:

'Dangalaba (crocodile) on Larrakia Country' by June Mills.

'Dangalaba is the crocodile. It is the totem of the Larrakia people.
The Larrakia are saltwater people. This is highlighted by the tribal area.
All of the dreamings are associated with cultural and social wellbeings.
The dangalaba is our source of power and strength.
The dangalaba lives in both saltwater and freshwater.
They cannot be separated. They co-exist and gain strength and energy from each other.'
\- ***June Mills***

'Bilawara (red-tailed black cockatoo) on Larrakia Country' by Bilawara Lee, Jason Lee and Jesse Bell on our Stuart Park water tank.

'Bilawara (red-tailed black cockatoo) on Larrakia Country' by Bilawara Lee, Jason Lee and Jesse Bell.

'The black cockatoo represents change and enlightenment and heralds the coming of rain. They are believed to be the guides and guardians of the spirits of loved ones on their journey to rest amongst the Ancestors.' – ***Bilawara Lee***

Team members model our new t-shirts at a Reconciliation event at Ben Hammond Complex in Darwin.

Above and top: *'Energy Comes from Thunder' by a group of Ewyenper Atwatye artists on a substation in Alice Springs, Mparntwe.*

'Energy Comes from Thunder' by a group of Ewyenper Atwatye artists.

The artwork is of lightning, electricity and water, and the connection to the natural world.

The artwork reflects the story of rain and lightning strikes that started bush fire and created electricity.

This collaboration between us and the Ewyenper Atwatye artists embodies the spirit and energy of the Arrernte people, made possible by the Tangentyere Artists program, which supports Town Camp artists to share their stories, culture and lives through art.

Clontarf Foundation Partnership

Our ongoing partnership with the Clontarf Foundation supports young Aboriginal men to transition from school to employment. In 2024, our Reconciliation Team attended a Year 12 leadership morning at Clontarf, celebrating students from Darwin, East and West Arnhem, Katherine and Palmerston who were embarking on their final year of schooling. Interactions such as this help us shape future initiatives that are relevant, impactful and invite participation from young Aboriginal men striving to achieve their goals.

Partnering with SJKS Constructions Pty Ltd

As part of our Property Strategy, we partnered with Aboriginal construction company SJKS Constructions Pty Ltd to deliver infrastructure improvements at our sites in Darwin and Katherine. These include accommodation developments to provide modern facilities for our regional teams; safer, more secure work environments; and corporate site improvements for more efficient operations. This partnership demonstrates the impact of strong relationships in achieving practical and meaningful outcomes – we not only achieve infrastructure improvements but are able to provide employment for Aboriginal people and businesses in our regions.

Reconciliation Action Plan Uniform Strategy and Ambassadors

This year we appointed Reconciliation Ambassadors. Their role is to champion reconciliation actions across the organisation. Aligning with these new roles, we launched a Uniform Strategy, which includes a specially designed Reconciliation Ambassador shirt, shirts for office wear and in the field (meeting PPE requirements), and specific shirts for NAIDOC Week reflecting this year's theme of 'The Next Generation: Strength, Vision and Legacy'.

__Top:__ Several team members took part in AIIMS training to ensure we are incident-ready. __Above:__ Team members taking part in cyclone readiness training.

A bushfire brought down powerlines near Ali Curung in the Barkly region.

OUR ROLE IN EMERGENCY RESPONSES

We play a critical role in emergency responses across the Territory, from cyclones and floods to bushfires and other unplanned incidents. We continue to test and revise our response processes and approach so we can maintain business continuity in any emergency, and stay flexible and responsive to the community's needs.

In late 2024, several members of our team took part in training in the Australasian Inter-service Incident Management System (AIIMS). The system is used nationally to holistically manage emergency incidents that may impact our assets or services. Training helps to prepare us for different scenarios, ranging from floods and cyclones to bushfires or a terror attack.

We also attended the Emergency Media and Public Affairs conference to stay up-to-date with best practice when it comes to communicating during emergencies, and Public Information and Stakeholder Communication Media Liaison Officer Training with the Australian Government.

Central Australia bushfire response

In October 2024 we were part of an emergency response when a bushfire damaged power lines along the Stuart Highway between Bonney Well and Devils Marbles, resulting in a power outage in Ali Curung and Davenport.

Crews attended to replace power lines, which took several hours. During this time, we provided information to the public through our website and targeted social media posts, as well as to key stakeholders and the media, to ensure the community had the latest information.

We asked the community to limit their use of water and deployed a generator to Ali Curung so we could continue pumping water to an elevated tank. As a standard part of our response, crews checked whether there were any life support customers dependent on power in those communities.

This Central Australian scenario is an example of the responsive nature of our work in remote communities, and the need for a consistent and efficient emergency response from our teams.

Progress against our Statement of Corporate Intent

Progress against our Statement of Corporate Intent

Power and Water is a complex multi-utility business that transmits and distributes electricity and provides gas, water and wastewater services to customers across 1.3 million square kilometres of the Northern Territory.

We have ambitious targets for the future, aimed at making a difference to the lives of Territorians.

In July 2023, our strengthened strategic plan came into effect with 2 clear goals – modernising our business and embracing a sustainable future with innovation.

The strategic plan sharpens our focus on our customers, with each goal underpinned by 3 clear and targeted objectives. The plan also identifies the initiatives that we will deliver to reach our objectives and our goals.

Our Statement of Corporate Intent is our agreement with the NTG and the community about our priorities and what will be delivered over a 6-year period to make a difference to the lives of Territorians.

PowerWater

Strategic Plan

Our purpose is making a difference to the lives of Territorians.

Our vision is to be a proud, trusted, modern multi-utility delivering value now and into the future.

Goals	**Modernising our business**			**Embracing a sustainable future with innovation**		
Objectives	Delivering sustainable value safely and reliably for our customers and community	An empowered and high-performing workforce	Successful investments in core systems and capability to improve efficiency and value of service	Structuring, facilitating and enabling infrastructure and innovations to support the: • renewable energy transition, and • achievement of economic growth	Proactively adopting government policy for a clean and secure future	Partner with customers and stakeholders to create innovative solutions

Values

- We put PEOPLE FIRST
- We value our customers and give them OUR BEST
- We have pride in ourselves and OUR WORK
- We work better by working TOGETHER

KEY PERFORMANCE INDICATORS

KPI	Reporting frequency	Measure	2024-25 Target	2024-25 Result	Long term Target
Total Recordable Injury Frequency Rate (TRIFR)	Monthly	#	<4.75	2.61	0
Customer Satisfaction Index	Bi-annually	%	≥76	68	≥80
System Average Interruption Duration Index (SAIDI)	Monthly	minutes	≤155	128.02	≤155
System Average Interruption Frequency Index (SAIFI)	Monthly	#	≤2.44	2.17	≤2.44
Average duration of unplanned water supply interruptions	Monthly	minutes	≤120	123	≤120
Return on capital employed	Monthly	%	≥3.0	-1.8	≥6.5
Funds from operations to debt	Monthly	%	≥8	8.7	≥12
Debt to equity	Monthly	#	<1.5	1.3	<1.5
Return on assets	Monthly	%	≥0.4	-2.5	≥3.1
Earnings Before Interest and Taxes (EBIT) margin	Monthly	%	>12	-7	>20
Employee engagement	Biennially	%	53-70	63	70-100
Delivery of renewable energy projects into remote communities within agreed timeframes	Quarterly	%	>90	0	>90
Generator connections to the electricity system within Northern Territory National Electricity Rules timeframes	Monthly	%	>90	100	>90
Manton Dam / Strauss project delivered on time and on budget	Quarterly	%	>90	96	>90
Environmental significant incidents	Monthly	#	0	0	0
Environmental index	Monthly	%	70	80	
Corporate reputation index	Annually	#	≥6.4	6.5	≥7.0
Aboriginal employment	Monthly	%	12.5	7.8	16

KEY PERFORMANCE INDICATOR COMMENTARY

Total Recordable Injury Frequency Rate (TRIFR)

ACHIEVED

- This was achieved with a TRIFR of 2.61, well below the target of <4.75.

Customer satisfaction index

ON TRACK

- The average customer satisfaction score for the 2024-25 period was 68%. We have several initiatives underway to improve customer satisfaction, including implementing a new Customer Experience Strategy.

System Average Interruption Duration Index (SAIDI)

ACHIEVED

- This was achieved and our SAIDI performance improved due to strategic feeder upgrades, enhanced reporting practices and milder weather conditions. Projects targeting fault-prone feeders included installing protective devices, bypass switches and animal protection gear on more than 400 poles. This led to faster fault detection, fewer affected customers and quicker restoration times. Additionally, a relatively moderate wet season saw reduced outage impacts compared to prior years, further supporting performance gains.

System Average Interruption Frequency Index (SAIFI)

ACHIEVED

- This was achieved due to the reasons explained against the SAIDI.

Average duration of unplanned water supply interruptions

ON TRACK

- Our annual target was slightly exceeded (by 2%) due to the number of months with high average duration (August, November, December and April). Performance was within target for the remainder of the year. We are introducing enhanced data capture and consistent monitoring of the rolling average trend, to improve performance.

Return on capital employed

NEEDS IMPROVEMENT

- This was not achieved due to gas supply issues. Excluding gas, our return on capital employed was 3.8%.

Funds from operations to debt

ACHIEVED

- This was achieved due to positive cash flow from operations, with higher receipts than payments to suppliers and employees.

Debt to equity

ACHIEVED

- This was achieved due to our ongoing focus on an optimal capital structure, which has maintained an appropriate level of debt in comparison to total equity.

Return on assets

NEEDS IMPROVEMENT

- This was not achieved due to gas supply issues. Excluding gas, the target was achieved with a return on assets of 1.0% thanks to total assets higher than budget due to favourable revaluation in FY24.

EBIT margin

NEEDS IMPROVEMENT

- This was not achieved due to gas supply issues. Excluding gas, the target was achieved with an EBIT margin of 20.5%.

Employee engagement

ACHIEVED

- This was achieved through continued culture and engagement action plans and regular employee engagements.

Delivery of renewable energy projects into remote communities within agreed timeframes

NEEDS IMPROVEMENT

- Although the Wurrumiyanga BESS and PV upgrade works were completed, and additional PV was successfully commissioned and generating in November 2024, technical challenges could not be resolved during the remainder of the financial year.

Generator connections to the electricity system within Northern Territory National Electricity Rules (NT NER) timeframes

ACHIEVED

- This was achieved and we met all connection process deliverables for generator connections as defined in the NT NER Chapter 5. The generator connections managed during 2025-26 included one application in Tennant Creek, two in Alice Springs and two in Darwin. This KPI does not consider the in-flight solar projects commenced prior to the NT NER, noting the majority are now operating at, or close to full, capacity, and achieving commercial operation is dependent on proponents demonstrating compliance. We have met our commitments to proponents related to the compliance process.

Manton Dam / Strauss project delivered on time and on budget

ACHIEVED

- This was achieved. The Manton Dam Return to Service project achieved 96% schedule and budget delivery against a target of 90%.

Environmental significant incidents

ACHIEVED

- This was achieved, with no significant incidents recorded in the period.

Environmental index

EXCEEDED

- This was achieved with an Environmental Index of 80%, 10% over our target of 70%.

Corporate reputation index

ACHIEVED

- This was achieved with our overall corporate reputation index score of 6.5 exceeding the 6.4 stated in our 2024-25 Statement of Corporate Intent. Our overall trust score rose to 56%, equating to 6.4, and our TRI*M score was 56, significantly higher than the 48 achieved in 2024.

Aboriginal employment

NEEDS IMPROVEMENT

- We have an Aboriginal and Torres Strait Islander workforce representation of 7.8%, including hosted employees. Our target was 12.5%.
- We also provide employment for 40 Aboriginal and Torres Strait Islander people via our utility support contracts managed through Indigenous Essential Services Pty Ltd.
- Through our Stretch RAP we will continue to build a robust and sustainable pipeline of future candidates, focusing on early engagement, tailored training pathways, mentoring and partnerships with Aboriginal organisations to create long-term employment opportunities across all areas of our business.
- We are particularly focused on school-based programs, engaging with STARS and Clontarf.

KEY PERFORMANCE INDICATOR DEFINITIONS

KPI	Definitions
Total Recordable Injury Frequency Rate (TRIFR)	Measures how frequently significant work-related injuries or illnesses are occurring. TRIFR is calculated by the number of Lost Time Injuries (LTI), Restricted Work Injuries (RWI) and Medical Treatment Injuries (MTI) per million hours worked over a rolling 12-month period.
Customer satisfaction index	Percentage of customers with an overall satisfaction rating of satisfied or very satisfied (7+ out of 10). Customer satisfaction research covers major centres (including Darwin rural) based on a random sample of total customer population.
System Average Interruption Duration Index (SAIDI)	Rolled up regulated system measure based on feeder category distribution reliability targets set by the Utilities Commission for the 2019-24 regulatory period. Targets for the 2024-29 regulatory period will be applied when available. The long-term target reflects the acceptable level set by the Power and Water Board.
System Average Interruption Frequency Index (SAIFI)	Rolled up regulated system measure based on feeder category distribution reliability targets set by the Utilities Commission for the 2019-24 regulatory period. Targets for the 2024-29 regulatory period will be applied when available. The long-term target reflects the acceptable level set by the Power and Water Board.
Average duration of unplanned water supply interruptions	Average duration of unplanned water supply interruptions in Darwin (12-month rolling average).
Return on Capital Employed (ROCE)	ROCE = Earnings Before Interest and Taxes (EBIT) / capital employed. EBIT = taxed earnings before interest and tax adjusted for non-cash impairments and depreciation calculated using fair value for asset valuations. Capital employed = equity + long-term liabilities.
Funds from operations (FFO) to debt	FFO to debt = operating cashflows / (term debt + current debt).
Debt to equity	Debt to equity = (term debt + current debt) / equity.
Return on Assets (ROA)	ROA = (net profit after tax / average total assets) * 100.
Earnings Before Interest and Taxes (EBIT) margin	EBIT Margin = EBIT excluding impairment / revenue.
Overall employee engagement score	The level of favourable engagement for employees based on survey respondents measured annually using the Kincentric methodology (previously known as Aon Hewitt).
Delivery of renewable energy projects into remote communities	Timeliness of connecting renewable energy projects in remote communities, measured by average variance to agreed business case timeframes. Schedule variance tolerance of 10% is aligned with Enterprise Portfolio Management Office (EPMO) guidelines.
Generator connections to the electricity system comply with Northern Territory National Electricity Rules timeframes	Timeliness of generator connections, measured by average variance to required timeframes, with 100% compliance under the Northern Territory National Electricity Rules Chapter 5 (Transmission Connections) and 5A (Distribution Connections) obligations and construction schedule variance tolerance of 10% is aligned with EPMO guidelines.
Manton Dam / Strauss project delivered on time and on budget	Measured by forecast completion cost as a proportion of approved business case budget and timelines.
Environmental significant incidents	Measured by the number of environmental incidents that result in serious, irreversible environmental harm or prolonged adverse media attention and/or community condemnation.

KPI	Definitions
Environmental index	Measured by equal weighting of the following criteria: (1) Zero environmental significant incidents that result in serious, irreversible environmental harm or prolonged adverse media attention and/or community condemnation, and assessed against an actual consequence of 'major or above' (2) 80% environmental incidents recorded in HERCS within one business day of occurring (3) 100% environmental incident investigations completed within due date (4) 100% environmental actions completed within HERCS due date (5) 90% employee completion of the mandatory Environmental Awareness online training course.
Corporate reputation index	Assessment of our reputation score based on annual customer brand, trust and reputation survey.
Aboriginal employment	Percentage of employees identifying as Aboriginal (including permanent, fixed term, casual and hosted trainees and apprentices, excluding contractors) as at 30 June each year.

Robert Willie at the Owen Springs Zone Substation.

Financial statements and explanatory notes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The directors present their report together with the financial report of the Power and Water Corporation (the Corporation, we, us, our) and of the consolidated entity, being the Corporation and our controlled entities, for the year ended 30 June 2025 and the Auditor's report thereon.

Directors

The directors of the corporation at any time during or since the end of financial year are:

Name	
Peter Wilson AM B. Comm (Hons), MA (Melb), AMP (Wharton), FAICD, FCPALife, FCPHRLife	In addition to our board, Peter is also Chair and non-executive director of Indigenous Essential Services Pty Ltd, our wholly owned, not-for-profit subsidiary. Peter brings a great depth of private sector, government and Board knowledge and experience to the role. His previous roles include being Commissioner on the former State Electricity Commission of Victoria, CEO and Managing Director of Energy 21, and 4 terms as Chair of Yarra Valley Water. He was also Chair and National President of CPA Australia, the world's fourth largest professional accounting organisation, until his retirement from that board in December 2021, and was a non-voting board member on the International Federation of Accountants in New York from 2020-2021. A former head of the Victorian Government's Department of Industry, Peter has also held senior executive roles in the Commonwealth and Victorian Treasuries, and group executive roles at Amcor Limited, and ANZ Bank where he was responsible for operations in 40 countries with 22,000 employees. He has held non-executive director appointments on the respective boards of Dalgety Farmers Ltd, Kimberly-Clark Australia, and the Commonwealth Safety Rehabilitation and Compensation Commission. Peter's other roles include Chair of the Australian Disability Network Ltd Board since May 2015. He was a director and Chair of the National Alcohol and Drug Foundation from 2021-23. Peter also chairs the Audit and Risk Committee at the Office of the Auditor-General in Western Australia, and also at the Premier and Cabinet Department in WA. He is the independent member and Chair of the Australian Retail Credit Association and the Reciprocity and Data Exchange Administrator Limited which set respectively the credit reporting standards under National Privacy legislation, and also industry rules for data exchanges between financial institutions that are authorised by the ACCC. Peter was Chair of the Australian HR Institute from 2006-2020, and a non-executive director and past Chair of Vision Super from 2012-2022. He is Chair of the Victorian Institute of Strategic Economic Studies at Victoria University, a panel member at the Centre of Excellence into Population and Ageing Research at Sydney and Curtin Universities, and an advisor to the International Consortium for Research into Employment and Work at Monash University. Peter served as an Adjunct Professor in Management at the Monash Business School, Monash University, Melbourne from 2012-2020, and as an accredited PhD Supervisor at the La Trobe Business School, La Trobe University, Melbourne from 2015-2020. Peter was made a Member of the Order of Australia in 2005 for services to workplace relations and safety and community service and was awarded a Centenary Medal in 2004.
Trevor Armstrong BE. (Elect), GAICD, AMP INSEAD	In addition to our board, Trevor is also a non-executive Director of Indigenous Essential Services Pty Ltd, our wholly owned, not-for-profit subsidiary. Trevor has had an outstanding career in the energy sector for more than 30 years. He has held senior executive roles with Energy Australia, Networks NSW and Ausgrid, including as that organisation's interim Chief Executive Officer (CEO) and Chief Operating Officer. Trevor is the immediate past Chair of CIGRE Australia and has served as a member of the Reliability Panel of Australian Energy Market Commission. He is CEO of ACEREZ, the preferred network operator of the first Renewable Energy Zone in NSW, and the non-executive director of two BJEI Renewable Energy Projects.
Megan Corfield B. Comm, BA (Econ), GAICD	Megan Corfield is a strategic businesswoman and leadership coach with 25 years of executive and governance roles across utilities, sustainability, professional services, government, and major events. Megan serves on the boards of Unitywater and Altogether Group, and is Chair of International Parking Group Holdings. Her previous boards include Brisbane Grammar, Connell Griffin, Infrasol, Tourism and Events Queensland, GOLDOC (Commonwealth Games Organising Committee) and Urbis. Megan has a proven record in delivering new business value from strategy development to operational execution, negotiating and integrating mergers, and acquisitions and building high performance teams.

Paul Italiano B. Bus, MBA	In addition to being our board, Paul is also a non-executive director of Indigenous Essential Services Pty Ltd, our wholly owned, not-for-profit subsidiary. Born and raised in Western Australia, he graduated with a business degree majoring in Accounting and Finance. He has had a career in accounting and finance, including senior executive positions at RACWA, HBF Health Funds and Wesfarmers Insurance Division, plus senior advisory roles in corporate finance with Ernst & Young. Paul served as CEO of Western Power from 2011 to 2016, then as CEO of TransGrid from 2016 to 2021. He is Chair of Cyclowest Pty Ltd and SolisEnergy Pty Ltd.
Greg Martin B. Ec, LLB	Greg Martin has more than 40 years of experience in energy and water utilities, energy and energy related infrastructure, resources, financial services and private equity sectors, having spent 25 years with AGL, including five years as Managing Director and CEO. Greg's Board appointments include Chair of ASX-listed Provaris Energy Ltd (ASX:PV1); Nasdaq-listed Mawson Infrastructure Group Inc (MIGI:NASDAQ); and Sierra Rutile Holdings Limited (ASX:SRX). He is Deputy Chair of Western Power. Greg's prior executive roles include Chief Executive of Challenger Financial Services' infrastructure group, principally engaged in the origination, operational management and realisation of European, US, South American and Asian investments, and Managing Director and CEO of Murchison Metals Limited (ASX:MMI). Subsequent to leaving full-time executive roles, Greg was co-founder, partner and Chair of energy midstream infrastructure private equity investor Prostar Capital; non-executive director of Australian oil and gas major Santos Limited (ASX:STO); non-executive director of remote and renewable's energy provider Energy Developments Limited; Chair of the Sydney Desalination Plant, and founding Non-executive director of Australian Energy Market Operator Limited (AEMO). Greg's other former non-executive roles include former Chair of Hunter Water Corporation; Iluka Resources Limited (ASX:ILU); NGC Holdings Limited NZ (NZX:NGC); Empresa de Gas de la V Region S.A. (Chile); Kyungnam Energy Co. Ltd (South Korea); Energy Developments Limited (ASX:ENE); Spark Infrastructure (ASX:SKI); and the Royal Botanic Gardens & Domain Trust of New South Wales for 9 years. Greg is a previous Deputy Chair of the Australian Gas Association, and served as inaugural Chair of the Energy Supply Association of Australia. He is a past member of the Business Council of Australia, Committee for the Economic Development of Australia and Council of Australian Governments (CoAG), Energy Council's Energy Appointments Selection Panel. Greg is a member of the Australian Institute of Company Directors and holds a Bachelor of Laws degree from the University of Technology Sydney and a Bachelor of Economics degree from the University of Sydney. He has twice attended executive management programs at IMD in Lausanne, Switzerland.
Jodie Ryan	In addition to our board, Jodie is also a non-executive director of Indigenous Essential Services Pty Ltd, our wholly owned, not-for-profit subsidiary. Jodie commenced with our board in August 2022, following a 30-year career in the Northern Territory Public Sector, the last 9 of these as CEO of the Department of the Chief Minister and Cabinet and the Department of Treasury and Finance. Jodie has deep experience, knowledge and understanding of the Northern Territory Government, with a particular focus on improving the economic and financial growth of the Northern Territory. Her experience encompasses working extensively with all tiers of Government, the private sector and non-government organisations. Jodie is a former member of the Charles Darwin University Council, the Australia New Zealand School of Government and the Darwin Waterfront Corporation. She has a Bachelor of Business, Majoring in Accounting and is a Graduate of the Australian Institute of Company Directors.

Company Secretary

John Pease LLM (Dist.), FGIA FCG, MAICD	John has more than 15 years of executive-level experience with iconic organisations in the banking and finance, healthcare, electricity networks and infrastructure and higher education sectors. Covering all aspects of in-house legal services, risk management and insurance, compliance, internal audit and assurance, business continuity and crisis management, John brings extensive knowledge to our team. He also has substantial experience as a lawyer, including working as a barrister at Perth's Francis Burt Chambers, a solicitor in private practice and Deputy Registrar of the Administrative Appeals Tribunal, as well as working in various roles with the former Commonwealth Crown Solicitor's Office, the Australian Taxation Office and NSW Magistrates Courts Administration. John's legal experience covers both commercial law and dispute resolution, intellectual property, banking and finance, debt recovery and insolvency, trade practices, higher education, corporate governance and energy, building and construction, and infrastructure. He has extensive in-house legal practice management experience. A former WA President of the Australian Corporate Lawyers Association (and serving 4 years on its national board), John is a fellow of the Governance Institute of Australia and served on the WA State Council of Chartered Secretaries Australia. John graduated with a Master of Laws (with distinction) from the University of WA in 1998. He was appointed Company Secretary on 11 September 2020.

Principal activities

The principal activities of the Corporation and our wholly owned subsidiary, Indigenous Essential Services Pty Ltd, are the distribution of electricity, the provision of water and wastewater services to the people of the Northern Territory and gas supply to third parties. There were no significant changes in the nature of the activities during the financial year.

Review of Profitability and Equity

	Consolidated	
	June 2025 $ million	**June 2024 $ million**
Revenue	866.4	847.9
Total revenue	**866.4**	**847.9**
Expenditure	(731.2)	(631.4)
Impairment changes and revaluation of assets adjustments	**-**	**21.4**
Total expenditure	**(731.2)**	**(610.0)**
EBITDA	**135.5**	**237.9**
Depreciation and amortisation	(223.0)	(206.1)
EBIT	**(87.7)**	**31.8**
Interest expense	(78.7)	(63.2)
Net (loss) / profit before income tax	**(166.4)**	**(31.3)**
Income tax benefit / (expense)	36.0	0.1
Net (loss) /profit after income tax	**(130.4)**	**(31.2)**
EBITDA excluding significant items		
EBITDA	135.2	237.9
Impairment changes and revaluation of assets adjustments added back	-	(21.4)
Underlying EBITDA[1]	**135.2**	**216.5**
Depreciation and amortisation	(223.0)	(206.1)
Underlying EBIT	**(87.7)**	**10.4**
Interest expense	(78.7)	(63.2)
Underlying net (loss) / profit before income tax[1,2]	**(166.4)**	**(52.8)**
Total assets	4,661.9	4,484.7
Total liabilities	(3,010.0)	(2,700.4)
Total equity	**1,651.9**	**1,784.3**

[1] EBITDA excluding significant items is non-IFRS (International Financial Reporting Standards) information. Management has provided an analysis of significant items included in the reported IFRS financial information. These items have been considered in relation to their size and nature, and have been adjusted from the reported (i.e. IFRS) information to assist readers to better understand the financial performance of the underlying operating business. These adjustments are assessed on a consistent basis from period to period and include both favourable and unfavourable items. Non-IFRS financial information, while not subject to audit or review, has been extracted from the financial report.

[2] Gifted asset revenue, although a non-cash item, is a recurring item in the normal course of business and therefore has not been excluded from underlying profits before tax.

Review of Operations

Profit from operations

The consolidated entity reported a net loss after tax from continuing operations of $130.4 million for the year ended 30 June 2025 compared to a net loss after tax of $31.2 million for the prior year. The increase in net loss after tax position was primarily attributable to increases in energy and material expenses of $54.4m, depreciation and amortisation expenses of $16.9m, employee benefits expenses of $20.3m. The Group's underlying performance, excluding the gas business, reflects a profit of $30 million. The higher energy costs were due to the purchase of emergency gas at higher prices resulting from curtailment of supply by our main supplier (Eni). The Corporation is seeking damages from Eni for losses caused by the reduction of Eni's supply of gas. The matter has been referred to arbitration and the directors believe that a favourable outcome is probable. However, the contingent asset has not been recognised as a receivable at 30 June 2025 as receipt of the amount is dependent on the outcome of the arbitration process.

The consolidated entity recognised revenue of $866.4 million for the current year compared to $847.9 million for the prior year; an increase of $18.5 million. The increase in revenue recognised was primarily attributable to revenue from customer contracts by $28.1 million offset by the decrease in other revenue lines of $9.6 million. The increase in revenue from contracts with customers is primarily driven by increase in electricity distribution, sewerage and electricity of $21.1 million, $4.3 million and $3.89 million respectively, partly offset by a decrease in gas revenue of $7.8 million and water revenue by $1 million.

Liquidity and capital resources

The consolidated cash flow statement shows a decrease in cash and cash equivalents for the year ended 30 June 2025 of $92.1 million (2024: $37.7 million increase). Operating activities generated $168.8 million (2024: $246.9 million) of net cash flows.

Cash flows from operating activities have been supplemented by net cash generated from financing activities of $134.4 million (2024: $111.1 million used), which are primarily from proceeds from borrowings of $176 million (2024: $170 million), partially offset by $39.5 million repayment of leases (2024: $36.9 million).

Cash flows from operating activities have been offset by net cash used for investing activities of $395.4 million (2024: $320.3 million), largely due to payments for property plant and equipment of $395.5 million (2024: $312.6million).

The net cash outflow of $92.1 million (2024: $37.7 million inflow) in the current year is primarily due to increased level of payments to suppliers and employees, and payments for property, plant and equipment.

Loans to subsidiaries

As at 30 June 2025, Indigenous Essential Services Pty Ltd owed Power and Water $29.8 million (2024: $37.2 million) which is made up of an inter-entity receivable of $4.8 million (2024: $12.2 million) in relation to services provided and $25.0 million (2024: $25.0 million) in loans provided in respect of the Indigenous Essential Services Pty Ltd Solar SETuP program.

Capital Expenditure

Capital expenditure for the consolidated entity totalled $395.5 million for the year to 30 June 2025. Major projects spending in the current year included:

Entity	Description	$ million
Power and Water Corporation	Manton Dam Return To Service	91.9
	Core Capabilities Program - Capability Uplift Meter 2 Cash	25.1
	Northern Gas Pipeline Reversal Project	25.0
	Meter and Modem Replacement	13.3
	Synchronous Condenser	11.6
	Darwin River Dam New Pump Station	11.3
	Trevor Horman Zone Substation	9.2
	Yulara - Water Headworks Upgrade Program	8.4
	Energy Management System (EMS) Upgrade	5.3
	Humpty Doo Barra Farm Network Upgrade	5.2
Indigenous Essential Services Pty Ltd	Yuendumu Rising Main Replacement - Rolling Capital Program	3.2
	Umbakumba Sewage Pumping Station 1 Upgrade	2.9
	Wadeye New Ground Water Storage Tank	2.5
	Numbulwar Bore Drilling	2.4
	Indigenous Essential Services (IES) Prepayment Metering	2.2

Property, plant and equipment

Our fixed assets are stated at fair value (excluding capital work-in-progress), in accordance with the fair value requirements of the Australian Accounting Standards, with the core operational assets of the Power Services and Water and Sewerage business units using the income approach. Consistent with the accounting standards, the income approach has a 'purchaser of the business' perspective and is based on the net present value of the forecasted cash flows of these businesses applying anticipated market conditions. The infrastructure assets of Indigenous Essential Services Pty Ltd are valued on a current replacement cost basis.

The directors' note to the readers of the financial statements that the income approach differs to a current replacement cost basis of valuation, which is based on the cost of replacing the service capacity of the assets.

Gas contracts

We have in place long term contracts to procure gas and associated gas transport arrangements. The fixed price nature of the long-term gas contracts, the volatility in the market price of gas, the pricing and volume risk from as yet unsecured contracts, increasing competition in the gas supply market and more recently the potential impact from the displacement of gas by renewables over time are risks to our ability to sell the gas at a price higher than the cost of gas and transport.

Monitoring and assessing gas market conditions is important in determining potential future impacts on the Gas Services business. We engage external experts to perform independent assessments of future market conditions on a regular basis while also using data from a variety of credible sources to inform decision making.

Directors have considered the current gas market environment in both the Northern Territory and Australian East Coast gas market. Independent publications are predicting a shortage of gas in the East Coast market will continue during our gas supply contract.

As part of the development of the Integrated System Plan for electricity markets in Australia, the Australian Energy Market Operator (AEMO) prepared forecasts for gas prices under three scenarios. AEMO price forecasts represent the closest that there is to an industry standard forecast of gas prices in eastern Australia and therefore represent the best forecasts available.

The key risk to the outlook for higher prices is the emergence of new low-cost gas supply. Given the uncertainty about where new gas in eastern Australia will be sourced from and at what prices, the likelihood of low-cost, domestic gas supply is considered.

Having considered the probability of risks and opportunities that can be quantified and assessed for materiality as required under AASB 137 'Provisions, Contingent Liabilities and Contingent Assets', the directors have concluded that, at the date of this report, an onerous contract does not exist.

The directors will continue to monitor the gas sales strategy and associated financial outlook having regard to sources of estimation uncertainty discussed above and note that the key underlying assumption adopted by the directors is that gas purchase volumes will be covered by sales in the market.

Impairment

Make-up Gas

The current gas contracts relating to the sale and purchase of gas have resulted in us paying for gas that will only be sold in future financial years. These payments are classified as intangible assets and disclosed under Make-up Gas in Note 5.4. Make-up Gas is determined to be an intangible asset defined in and within the scope of AASB 138 as it is an identifiable non-monetary asset without physical substance.

As explained previously, there are presently constraints on the quantity of gas that Eni is supplying to the Corporation. In the current year, Eni has also revised its previous estimates of remaining proved and probable gas reserves, which resulted in a shortfall compared to the contracted quantity of gas to be delivered under the current agreement. Nevertheless, the revised gas reserves will continue to be sufficient for the Corporation to access the banked gas if the reduction in the daily quantity of gas supplied is maintained at the current level. If the estimates of remaining proved and probable gas reserves were to decrease further or the reserves were depleted sooner than the start of the 18 months make up period because of an increase in the daily quantity of gas supplied, the Corporation would be unable to access some or all of the banked gas.

There was no impairment recorded at 30 June 2025 (2024: $4.2 million impairment write back).

Dividends

Subsequent to 30 June 2025 our board resolved to declare a special dividend of $2 million, which will be paid from retained earnings during the year ending 30 June 2026. A dividend of $2 million was declared and paid during the year ended 30 June 2025 in relation to the prior year.

Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The accounting standards require directors to make disclosures about the existence and the nature of material uncertainties that lead to significant doubts about going concern. There are no material uncertainties that cast significant doubt about the consolidated entity's ability to continue as a going concern. For further details refer to Note 1.1 basis of preparation.

The consolidated entity has carried out an assessment of the going concern assumption. This includes assessing:

i. Forward cash flow projections
ii. Funding sources
iii. Compliance with debt covenants
iv. The continuity of key customers and suppliers
v. The impact of current economic conditions
vi. Forward forecasts and budgets

For the year ended 30 June 2025, the consolidated entity made a net loss after tax of $128.2 million (2024: net loss after tax of $31.2 million). The Corporation is forecast to be profitable across the four-year budget period as reported in the most recent Statement of Corporate Intent (SCI).

Adoption of new and revised Accounting Standards

The consolidated entity voluntarily adopted *AASB 8 Operating Segments* in the current financial year. As a Government-Owned Corporation, the consolidated entity is not required to apply AASB 8 but has chosen to adopt it to enhance transparency and align with best practice in financial reporting. This change reflects the consolidated entity's commitment to providing meaningful segment information based on internal management reporting structures. The adoption does not materially impact financial position or performance, and where applicable, comparative figures have been updated.

The consolidated entity has commenced its analysis to assess and implement the requirements under AASB S1 and AASB S2. A detailed assessment is ongoing, including the evaluation of the overall impact of adopting these new standards on the consolidated entity's financial reporting processes, systems, and disclosures. No adjustments have been made to the current financial statements in relation to these standards. The consolidated entity will continue to monitor developments and provide further disclosures as required in future reporting periods.

There have been no other new or revised accounting standards or interpretations that are effective from the year beginning on or after 1 July 2024 which materially impact the financial results. Where applicable, comparative figures have been updated to reflect any changes in the current period.

Future developments

The consolidated entity will continue to pursue its vision of being a proud, trusted, modern multi-utility delivering value now and into the future and being respected in the community for making a difference to the lives of Territorians.

Environmental regulation

The consolidated entity's operations are subject to significant statutory responsibilities under both Commonwealth and Northern Territory legislation. In 2020-21 we were issued with a Show Cause Letter from the Department of Agriculture, Water and the Environment (DAWE) in relation to a potential breach of conditions associated with the East Point Effluent Rising Main - Environment Protection and Biodiversity Conservation Act Approval (2009/5113). A formal response was provided to DAWE as per required timeframes, however as yet no formal determination has been received from DAWE regarding potential fines/penalties. No known regulatory breaches have occurred in Indigenous Essential Services Pty Ltd. The consolidated entity continues to pursue compliance with its statutory obligations and improve processes to meet its responsibilities in this area.

Subsequent events

Subsequent to the year end, directors declared a special dividend of $2 million, payable by 30 November 2025. The

financial statements of the consolidated entity were approved on 22 September 2025.

In the opinion of our directors, there were no material and unusual events that have arisen in the interval between the end of the financial year and the date of this report. Material events are those that are likely to affect significantly the operations of the consolidated entity, the results of those operations, or the state of the affairs of the consolidated entity, in future financial years.

Indemnification and insurance of directors and officers

Indemnification

The Northern Territory Government has indemnified our directors from and against all liabilities incurred or arising out of conduct as a director of the Corporation, acting in good faith in compliance with any direction or request made by the Shareholding Minister or the portfolio Minister to the Corporation or the Board of the Corporation pursuant to the *Government Owned Corporations Act 2001.*

Insurance premiums

The following insurance policies were purchased to cover the directors and officers of the entities in the consolidated group. In accordance with normal commercial practices, under the terms of the insurance contracts, the nature of the liabilities insured against and the amount of premiums paid are confidential.

i. Group Personal Accident Insurance
ii. Professional Industry Insurance
iii. Directors' and Officers' Liability

Rounding off

Amounts in the financial report have been rounded to the nearest thousand dollars ($'000), unless otherwise stated.

This report is made in accordance with a resolution of directors pursuant to s.298(2) of the *Corporations Act 2001*.

Dated at Darwin this 22nd day of September 2025

Peter Wilson
Chair

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

For the year eneded 30 June 2025

Entity name	Entity type	Bodies corporate		Tax residency	
		Place formed or incorporated	% of share capital held	Australian or foreign	Foreign jurisdiction
Power and Water Corporation	Body corporate	Australia	N/A	Australian (i)	N/A
Indigenous Essential Services Pty Limited	Body corporate	Australia	100%	Australian (i)	N/A
BGP Tenure Holdings Pty Limited (ii)	Body corporate	Australia	50%	Australian	N/A

(i) This entity is grouped for Goods and Services Tax reporting under Australian taxation law, for which the Corporation is the head entity.

(ii) The Corporation owns 50% of the shares in BGP Tenure Holdings Pty Limited with the remaining 50% held by non-controlling interests. The relevant activities of the BGP Tenure Holdings Pty Limited are determined by the Board of Directors of BGP Tenure Holdings Pty Limited. The Board of Directors of BGP Tenure Holdings Pty Limited consists of two members, of which one of the positions is held by an individual nominated by the Corporation. BGP Tenure Holdings Pty Limited is a non-trading entity.

None of the above entities are a trustee, partner or participant in a joint venture.

Northern Territory
Auditor-General's Office

Independent Auditor's Report

To the directors of Power and Water Corporation

Report on the audit of the financial report for the year ended 30 June 2025

Opinion

I have audited the financial report of Power and Water Corporation (the Corporation) and its subsidiaries (the Consolidated Entity), which comprises the consolidated statement of financial position as at 30 June 2025, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In my opinion, the accompanying financial report:

- presents fairly, in all material respects, the financial position of the Consolidated Entity as at 30 June 2025 and its financial performance, cash flows and changes in equity for the year then ended
- is in accordance with the *Government Owned Corporations Act 2001* and Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the Consolidated Entity in accordance with the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board (the Code) that are relevant to my audit of the financial report in Australia. My authorised auditors and I have also fulfilled our other ethical responsibilities in accordance with the Code. My independence is further established by the *Audit Act 1995*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How my audit addressed the matter
Intangible assets – Eni make up (banked) gas	
The balance of intangible assets as at 30 June 2025 included $42.030 million relating to gas that has been paid for but not delivered under a take-or-pay arrangement in the gas supply agreement with Eni Australia. The supplier is presently experiencing ongoing reduction in output from its Blacktip gas field.	Key audit procedures included: ▪ Assessing and challenging the appropriateness of cash flows projections resulting from management's assumption. ▪ Verifying the inputs used in the impairment assessment model. ▪ Recalculating the outputs of the model. ▪ Reading the minutes of the Gas Committee and making enquiries of management.

Key audit matter	How my audit addressed the matter
Intangible assets – Eni make up (banked) gas (continued)	
Management completed impairment testing and concluded that the carrying value of Eni make up gas was recoverable and consequently no impairment was recorded as at 30 June 2025. I consider the potential impairment of Eni make up gas to be a key audit matter due to the significance of the balance and the estimation of the recoverable amount, which involves complex calculations and subjective estimates, such as: ▪ market conditions, including future commodity prices ▪ the future operating performance of Eni Australia ▪ the remaining proved and probable gas reserves of the Blacktip gas field. If the estimates of remaining proved and probable gas reserves were to decrease or the reserves were depleted sooner than the start of the 18 months make up period because of an increase in the daily quantity of gas supplied, the Corporation would be unable to access some or all of the Eni banked gas.	▪ Performing a sensitivity analysis to test the key assumptions used in the calculations pertaining to key drivers such as future prices, quantities and timing of gas deliveries. ▪ Assessing the appropriateness of classification and adequacy of disclosures in the financial report.
Further information on banked gas and impairment is disclosed in note 5.2 *Impairment of non-current assets and onerous contract provisions*; note 5.4 *Intangible assets;* and note 8.2(i) *Risk management objectives – Gas contracts sensitivity analysis.*	
Capitalisation of overhead costs	
In 2024-25, \$51.232 million of operating expenses incurred by Corporate Services, Power Services and Water Services were included in the acquisition or construction cost of capital assets. I consider the capitalisation of operating expenses to be a key audit matter because of the high level of judgment required to identify costs, including administrative and other general overhead expenses, which are directly attributable to the acquisition, preparation or construction of capital assets. Furthermore, the application of the capitalisation methodology has a significant effect on the amounts recognised in the financial statements. The capitalisation of operating expenses results in the reduction in the expenses recognised in the statement of profit or loss with a corresponding increase in the value of property, plant and equipment in the statement of financial position.	Key audit procedures included: ▪ Obtaining an understanding of the key controls associated with the: - allocation and monitoring of actual project expenditure against the approved budget expenditure for major projects - estimation of the stage of completion used to determine the value of costs accrued at year-end. ▪ Obtaining an understanding of the overhead capitalisation methodology and assessing its compliance with Australian Accounting Standards. ▪ Reviewing the application of the overhead capitalisation methodology which included verification of the inputs used in the calculation and recalculation of the outputs using management's inputs. ▪ Checking the review of capital work in progress performed by the Corporation at year-end.

Key audit matter	How my audit addressed the matter
Capitalisation of overhead costs (continued)	
	▪ Examining progress reports related to major projects at year-end. ▪ For a sample of capital expenditure; - tracing the recorded costs to the invoices and assessing whether the nature of the costs represent future benefits - tracing accrued expenditure at year-end to any subsequent invoices.
Further information on indirect costs supporting capital projects is disclosed in note 4.3 *Operating expenses*.	
Valuation of property, plant and equipment (PPE)	
As at 30 June 2025, the Consolidated Entity reported $3.847 billion in PPE, with $2.158 billion relating to power and water infrastructure assets. The Corporation's infrastructure assets are carried at fair value using an income approach, where future cash flows are discounted to present value. The valuation is based on long-term price predictions and expected utilisation of the assets. Other key inputs are weighted average cost of capital and terminal growth rates. I consider this to be a key audit matter because of the: ▪ financial significance of the PPE balances to the statement of financial position ▪ extent of significant management judgement underpinning the key assumptions used in the valuation process ▪ sensitivity of fair value to changes in key assumptions ▪ impact of the specialised and unique nature of the assets on judgment and complexities in applying AASB 13 *Fair Value Measurement* requirements.	Key audit procedures included: ▪ Assessing the accuracy and completeness of PPE, including testing, on a sample basis, asset additions and disposals to supporting documentation. ▪ Determining whether there has been a material impairment of assets during the period between valuations and reviewing management's assessment, including the valuation report. ▪ Assessing the competence, capability and objectivity of the valuation expert engaged by management to update the value of cash generating units. ▪ Assessing for reasonableness key inputs and parameters used by the valuation expert. ▪ Assessing the sufficiency and appropriateness of financial statements disclosures against the requirements of applicable Australian Accounting Standards.
Details of the valuation techniques, inputs and processes for major asset classes are disclosed in note 5.1 *Property, plant and equipment;* and note 8.4 *Fair value determinations*.	

Other information

The directors are responsible for the other information. The other information comprises the information included in the *Directors' Report* but does not include the financial report and my auditor's report thereon, which I obtained prior to the date of this auditor's report, and the Corporation's *Annual Report*, which is expected to be made available to me after that date.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, I consider whether the other information is materially inconsistent with the financial report or the knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards and the *Government Owned Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report however future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Jara K Dean
Auditor-General

Darwin, Northern Territory
22 September 2025

DIRECTORS' DECLARATION

For the year ended 30 June 2025

In the director's opinion:

(a) the attached financial statements and notes of the Corporation and the consolidated entity are in accordance with the *Government Owned Corporations Act 2001*, including compliance with Accounting Standards in Australia and giving a true and fair view of the financial position and performance of the Corporation and the consolidated entity;

(b) there are reasonable grounds to believe the Corporation and the consolidated entity will be able to pay debts as and when they become due and payable;

(c) the financial statements and notes thereto are in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board; and

(d) the consolidated entity disclosure statement is true and correct.

This declaration is made in accordance with a resolution of the directors.

Peter Wilson
Chair

Darwin
22 September 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2025

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2025

		Consolidated		Corporation	
	Note	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Revenue from contracts with customers	3.1	738,237	710,074	684,315	663,382
Revenue from rendering of services and government grants	3.5.1	102,072	104,814	-	116
Finance revenue	3.2	2,718	3,191	3,558	3,098
Other income	3.3	23,409	29,826	23,409	29,826
Inter-Group sales		-	-	9,589	8,761
		866,436	**847,905**	**720,871**	**705,183**
Energy and materials		(394,322)	(339,941)	(348,854)	(292,388)
Repairs and maintenance expense	4.2	(102,655)	(92,990)	(71,556)	(71,817)
Employee benefits expense	4.1.1	(104,241)	(83,946)	(94,625)	(74,611)
External service agreements		(92,266)	(74,616)	(66,789)	(52,429)
Impairment of non-current assets and onerous contract provisions	5.2	-	21,428	-	21,428
Net loss on disposal of property, plant and equipment, including gifted streetlights		(5,623)	(1,646)	(2,843)	(1,173)
Operating expenses	4.3	(32,072)	(38,300)	(28,944)	(33,219)
		(731,179)	**(610,011)**	**(613,611)**	**(504,209)**
Earnings before interest, tax, depreciation and amortisation		**135,257**	**237,894**	**107,260**	**200,974**
Depreciation and amortisation	5.6	(223,028)	(206,079)	(159,069)	(147,059)
Finance costs	7.5	(78,690)	(63,159)	(77,899)	(61,848)
Loss before tax		**(166,460)**	**(31,344)**	**(129,708)**	**(7,933)**
Income tax equivalent expense	9.1.1	36,005	123	36,005	123
Loss for the year		**(130,456)**	**(31,221)**	**(93,703)**	**(7,810)**
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss:					
Revaluation surplus	10.3	-	281,521	-	43,158
Other comprehensive income for the year, net of tax		**-**	**281,521**	**-**	**43,158**
Total comprehensive (loss)/ income for the year		**(130,456)**	**250,300**	**(93,703)**	**35,348**

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2025

		Consolidated		Corporation	
	Note	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Current assets					
Cash and cash equivalents	7.2	39,966	132,109	23,565	94,444
Trade and other receivables	6.1	149,209	125,123	125,741	118,351
Finance lease receivables	5.5	1,132	1,076	2,626	2,469
Current tax assets	9.1.3	-	1,644	-	1,644
Inventories	6.3	47,124	40,717	40,583	33,023
Loans to subsidiaries	6.4	-	-	11,000	-
Intangible assets	5.4	1,283	3,149	508	1,023
Total current assets		**238,714**	**303,818**	**204,023**	**250,954**
Non-current assets					
Trade and other receivables	6.1	9,233	10,637	9,120	10,621
Loans to subsidiaries	6.4	-	-	14,000	25,000
Investments	6.5	-	3	-	3
Finance lease receivables	5.5	2,976	4,000	17,387	19,268
Property, plant and equipment	5.1	3,846,959	3,625,358	2,967,599	2,738,554
Right-of-use assets	5.3	394,773	414,952	357,774	376,731
Intangible assets	5.4	69,554	71,912	69,474	71,799
Deferred tax assets	9.1.2	99,695	54,046	99,695	54,046
Total non-current assets		**4,423,190**	**4,180,908**	**3,535,049**	**3,296,022**
Total assets		**4,661,904**	**4,484,726**	**3,739,072**	**3,546,976**
Current liabilities					
Trade and other payables	6.2	140,164	105,109	119,240	91,123
Unearned revenue	3.4	238,711	148,547	238,711	148,547
Interest bearing borrowings	7.1	339,000	222,000	339,000	222,000
Lease liabilities	7.4	43,802	40,991	41,952	39,676
Employee provision	4.1.2	53,835	51,411	53,858	51,411
Environmental contribution provision	9.2	4	12	4	12
Government grants	3.5.2	7,697	7,698	-	-
Total current liabilities		**823,213**	**575,768**	**792,765**	**552,769**
Non-current liabilities					
Deferred tax liabilities	9.1.2	194,554	185,527	194,554	185,527
Unearned revenue	3.4	33,561	32,329	33,561	32,329
Interest bearing borrowings	7.1	1,173,000	1,114,000	1,173,000	1,114,000
Lease liabilities	7.4	382,354	403,907	357,820	379,123
Employee benefits provisions	4.1.2	4,934	5,087	4,934	5,087
Unearned government grants	3.5.2	398,416	383,780	-	-
Total non-current liabilities		**2,186,819**	**2,124,630**	**1,763,869**	**1,716,066**
Total liabilities		**3,010,032**	**2,700,398**	**2,556,634**	**2,268,835**
Net assets		**1,651,872**	**1,784,328**	**1,182,438**	**1,278,141**
Equity					
Contributed equity	10.1	44,336	44,336	44,336	44,336
Retained earnings	10.4	272,534	396,760	630,207	725,208
Asset revaluation reserve	10.3	1,335,002	1,343,232	507,895	508,597
Total equity		**1,651,872**	**1,784,328**	**1,182,438**	**1,278,141**

The consolidated statement of financial position is to be read in conjunction with the notes to the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2025

		Consolidated		Corporation	
	Note	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Contributed equity					
Balance at beginning of year		44,336	44,336	44,336	44,336
Equity (withdrawal)/contributions from shareholders		-	-	-	-
Balance at end of year	10.1	**44,336**	**44,336**	**44,336**	**44,336**
Retained earnings					
Balance at beginning of year		396,760	428,217	725,208	734,364
Effect of adoption of new accounting standards		-	-	-	-
(Loss)/net profit for the year		(130,456)	(31,221)	(93,703)	(7,810)
Retirements transferred from asset revaluation reserve	10.3	8,230	1,764	702	654
Dividends to shareholders	10.2	(2,000)	(2,000)	(2,000)	(2,000)
Balance at end of year	10.4	**272,534**	**396,760**	**630,207**	**725,208**
Asset revaluation reserve					
Balance at beginning of year		1,343,232	1,063,475	508,597	466,093
Increase in asset valuation		-	300,017	-	61,654
Deferred tax effect recognised in deferred tax liabilities		-	(18,496)		(18,496)
Retirements transferred to retained earnings	10.3	(8,230)	(1,764)	(702)	(654)
Balance at end of year	10.3	**1,335,002**	**1,343,232**	**507,895**	**508,597**
Total equity		**1,651,872**	**1,784,328**	**1,182,438**	**1,278,141**
Total equity attributable to owners of the parent		**1,651,872**	**1,784,328**	**1,182,438**	**1,278,141**

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

		Consolidated		Corporation	
	Note	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Cash flows from operating activities					
Receipts from customers		785,525	771,345	748,336	735,937
Payments to suppliers and employees		(681,969)	(598,309)	(566,951)	(485,117)
Income tax received	9.1.3	1,027	4,026	1,027	4,026
Community Service Obligations received		22,650	29,279	22,650	29,279
Receipt of Government grants		116,707	100,134	-	-
Interest received		2,718	3,190	3,558	3,098
Interest paid		(77,825)	(62,800)	(77,036)	(61,471)
Net cash generated from operating activities	7.2	**168,833**	**246,865**	**131,584**	**225,752**
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		132	204	129	-
Payments for property, plant and equipment		(395,568)	(312,626)	(339,285)	(267,702)
Payments for intangible assets	4.4	-	(7,883)	-	(7,883)
Loans to controlled entity		-	(14,000)	-	(14,000)
Proceeds from repayment of loans to controlled entity		-	14,000	-	14,000
Payment for investments		3	-	3	-
Net cash used in investing activities		**(395,433)**	**(320,305)**	**(339,153)**	**(275,585)**
Cash flows from financing activities					
(Payment of)/proceeds from equity (withdrawal)/injection	9.1	-	-	-	-
Repayment of borrowings	7.2 (d)	-	(20,000)	-	(20,000)
Proceeds from borrowings	7.2 (d)	176,000	170,000	176,000	170,000
Repayment of lease liabilities	7.2 (d)	(39,543)	(36,862)	(37,310)	(34,594)
Dividends paid	10.2	(2,000)	(2,000)	(2,000)	(2,000)
Net cash generated from financing activities		**134,457**	**111,138**	**136,690**	**113,406**
Net (decrease)/increase in cash and cash equivalents		**(92,143)**	**37,698**	**(70,879)**	**63,573**
Cash and cash equivalents at beginning of year		132,109	94,411	94,444	30,871
Cash and cash equivalents at end of year	7.2	**39,966**	**132,109**	**23,565**	**94,444**

The consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements.

NOTE 1 ABOUT THIS REPORT

Introduction

The Corporation is a government owned corporation domiciled in Australia. The consolidated financial report of the Corporation for the year ended 30 June 2025 comprises the Corporation and its subsidiary as disclosed in Note 6.6.

The consolidated entity is principally engaged in the provision of electricity distribution, electricity retail and generation services, water and sewerage services to customers across the Northern Territory. The consolidated entity also sells gas to a number of customers across Australia. Further information of the nature of the operations and principal activities of the consolidated entity is provided in the Directors' report. Information on other related parties is provided in Note 10.6.

The Financial Report was authorised for issue by the Directors on 22 September 2025.

Note contents

Section	Description
1.1	Basis of preparation
1.1.1	Basis of consolidation
1.1.2	Current versus non-current classification
1.1.3	Going concern
1.1.4	Comparative figures
1.2	Compliance with International Financial Reporting Standards
1.3	Critical accounting judgements and key sources of estimation uncertainty

1.1 Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations and the Government Owned Corporations Act 2001. The Government Owned Corporations Act 2001 requires the financial statements of the Corporation and the consolidated entity to comply with the requirements of the Corporations Act 2001. The Corporation is a for-profit entity for the purpose of preparing these general purpose financial statements, therefore any accounting policy differences arising from Indigenous Essential Services Pty Ltd (a not-for-profit entity) are adjusted on consolidation.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain property, plant and equipment and financial instruments that are measured at revalued amounts or fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

The consolidated entity is of a kind referred to in the Australian Securities and Investment Commission (ASIC) instrument 2016/191 (for rounding in Financial/Directors' reports), issued by ASIC, in relation to "rounding off". Amounts in this report have been rounded off in accordance with that ASIC instrument to the nearest thousand dollars, or in certain cases the nearest dollar.

1.1.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Corporation and entities controlled by the Corporation (the Consolidated entity). A list of subsidiaries appears in Note 6.6 to the financial statements.

Specifically, the consolidated entity controls an investee if, and only if, the consolidated entity:

- Has power over the investee
- Is exposed, or has rights, to variable returns from its involvement with the investee
- Has the ability to use its power to affect its returns

When the Corporation has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Corporation considers all relevant facts and circumstances in assessing whether or not the Corporation's voting rights in an investee are sufficient to give it power, including:

- The consolidated entity's voting rights and potential voting rights
- Rights arising from other contractual arrangements
- The contractual arrangement(s) with the other vote holders of the investee.

The consolidated entity reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Corporation obtains control over the subsidiary and ceases when the Corporation loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the consolidated entity gains control until the date when the consolidated entity ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of a subsidiary to bring their accounting policies into line with the consolidated entity's accounting policies. All intragroup balances and transactions, income and expenses and profit and losses resulting from intra-group transactions are eliminated on consolidation.

The financial statements of the subsidiary, Indigenous Essential Services Pty Ltd, are prepared for the same reporting period as the Corporation, using consistent accounting policies with the exception of the treatment of government grant revenue received by Indigenous Essential Services Pty Ltd. Indigenous Essential Services Pty Ltd, as a not-for-profit entity, applies Accounting Standard AASB 1058 Income of Not-for-Profit Entities for recognition and measurement of government grants. This accounting treatment is adjusted on consolidation to align to Note 3.5 Government grants.

If the consolidated entity loses control over a subsidiary, it derecognises the related assets, liabilities and components of equity, while any resultant gain or loss is recognised in profit or loss.

1.1.2 Current versus non-current classification

The consolidated entity presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within 12 months after the reporting period or
- Cash or a cash equivalent (unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting

period). All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period or
- The consolidated entity does not have the right at the end of the reporting period to defer settlement of the liability or at least twelve months after the reporting period.

The consolidated entity classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.1.3 Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The accounting standards require directors to make disclosures about the existence and the nature of material uncertainties that lead to significant doubts about going concern.

The consolidated entity has carried out an assessment of the going concern assumption. This includes assessing:

(i) Forward cash flow projections

(ii) Funding sources

(iii) Compliance with debt covenants

(iv) The continuity of key customers and suppliers

(v) The impact of current economic conditions

(vi) Forward forecasts and budgets.

For the year ended 30 June 2025, the consolidated entity made a net loss after tax of $130.5 million (2024: net loss after tax of $31.2 million). The consolidated entity is forecast to be profitable across the four-year budget period as reported in the most recent Statement of Corporate Intent (SCI).

The consolidated entity's current liabilities for the current year exceed its current assets by $584.5 million (2024: $271.9 million), this is due to the debt maturity profile of the consolidated entity and unearned revenue related to customer funded capital projects in progress (refer note 3.4 for more detail). All debt maturing in the next financial year, and in subsequent years of the SCI period is anticipated, to the extent required, to be replaced by new long-term debt.

Although there has been a decrease in working capital, the consolidated entity operating cash flows and underlying EBITDA remain positive, consistent with prior periods.

There have been no material changes to funding sources for the consolidated entity, and there continues to be a strong relationship with key customers and suppliers.

Based on the above assessment performed, there are no material uncertainties that cast significant doubt about the consolidated entity's ability to continue as a going concern.

1.1.4 Comparative figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1.2 Compliance with International Financial Reporting Standards

The consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

1.3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the consolidated entity's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Refer below for critical accounting judgments and key sources of estimation uncertainty.

The following are the critical judgements, apart from those involving estimations (see below), that management have made in the process of applying the consolidated entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements, and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Critical accounting judgements and key sources of estimation uncertainty	Note number
Capitalisation of borrowing costs on qualifying assets	Note 7.5
Discount rate to be used in determining the provision for onerous contracts	Note 5.2
Fair value measurements and valuation process	Note 8.4
Impairment write-back	Note 5.2
Impairment write-off	Note 5.2
Unbilled revenue	Note 3.1
Useful lives of property, plant and equipment	Note 5.6
Borrowing costs	Note 7.5
Labour recovery costs	Note 4.1.1
Indirect costs supporting capital projects	Note 4.3

NOTE 2 OPERATING SEGMENTS

Note contents

2.1 Basis for segmentation

PWC has the following six strategic divisions, which are its reportable segments. These divisions offer different products and services and are managed separately because they require different technologies and expertise.

The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Gas Services	Gas Services manages major gas supply and transportation agreements. These account for approximately 90 per cent of the NT's domestic gas market supply and meets demand for gas for many businesses operating in the NT, as well as the East Coast via the Northern Gas Pipeline.
Power Services	Power Services is responsible for the construction and maintenance of power network infrastructure to ensure distribution of electricity to domestic and commercial customers throughout the Territory through their selected energy retailer.
Water Services	Water Services is accountable for providing safe and reliable water and sewerage services across the Northern Territory.
Indigenous Essential Services (IES)	Indigenous Essential Services Pty Ltd (IES) is a not-for-profit subsidiary of Power and Water Corporation, contracted by the Northern Territory Government through the Department of Territory Families, Housing and Communities. IES provides essential power, water, and wastewater services to 72 remote communities and 79 outstations. These services focus on delivering critical utilities that support the health, safety, and economic well-being of isolated Indigenous communities across the Northern Territory.
Core Operations	Core Operation's operation is establishing a dynamic shared services area in Power and Water which is dedicated to standardising processes and leveraging economies of scale, as well as delivering on functions across Electricity and Market Reform, Metering Strategy, Operational Technology and System Control.
Other Segments	Other segments comprise shared support functions that do not meet the qualitative thresholds for reportable segments in either 2025 or 2024. These functions typically do not generate segment results because of the Corporate Allocation Model (CAM) as they provide essential services across treasury, legal, accounting, information systems, and human resources.

PWC's Board of Directors reviews the internal management reports of each division at least monthly.

2.1.1 Information about reportable segments

Information related to each reportable segment is set out below. Segment profit or loss before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

June 2025 $'000	Core Operations	Gas Services	Power Services	Water Services	IES	All other segments	Total
Segment profit (loss) before tax	(13,991)	(173,383)	(6,104)	63,772	(12,734)	-	**(142,441)**
External revenues	30,560	228,747	205,043	234,909	191,246	8,464	**898,969**
Interest income	-	555	-	-	867	3,003	**4,425**
Inter-segment revenue	96	-	3,277	315	(9,590)	5,902	**-**
Segment revenue	**30,655**	**229,302**	**208,320**	**235,224**	**182,523**	**17,369**	**903,393**
Interest expense	4,687	22,923	29,948	20,341	2,498	-	**80,397**
Depreciation and amortisation	5,571	31,121	71,167	51,209	65,602	-	**224,670**
Other material items of income and expense and non-cash items:							
- Impairment loss on trade receivables and contract assets	-	-	-	-	-	4,655	**4,656**
- Impairment of non-current assets and other provisions	-	-	-	-	-	-	**-**
- Revaluation surplus / (loss)	-	-	-	-	-	-	**-**
Segment assets	59,087	456,965	1,249,517	1,885,966	1,002,494	54,375	**4,708,404**
Capital expenditure	22,390	26,164	131,868	125,948	56,279	32,641	**395,290**
Segment liabilities	69,413	811,226	758,627	809,419	111,880	74,785	**2,635,350**

June 2024 $'000	Core Operations	Gas Services	Power Services	Water Services	IES	All other segments	Total
Segment profit (loss) before tax	(17,370)	(97,138)	52,994	53,580	(13,066)	-	**(20,999)**
External revenues	18,636	236,543	194,555	234,811	172,469	8,779	**865,792**
Interest income	-	601	-	-	1,255	2,498	**4,354**
Inter-segment revenue	97	-	2,866	319	(8,761)	5,479	**(0)**
Segment revenue	**18,732**	**237,144**	**197,421**	**235,130**	**164,963**	**16,755**	**870,146**
Interest expense	3,454	20,072	22,391	15,931	2,474	-	**64,322**
Depreciation and amortisation	1,495	29,936	56,919	58,710	60,991	-	**208,051**
Other material items of income and expense and non-cash items:							
- Impairment loss on trade receivables and contract assets	-	-	-	-	-	2,181	**2,181**
- Impairment of non-current assets and other provisions	(466)	(4,179)	(36,799)	20,495	-	(478)	**(21,427)**
- Revaluation surplus / (loss)	5,822	295	81,472	(43,762)	238,363	(670)	**281,521**
Segment assets	48,442	438,542	1,211,244	1,742,862	1,027,118	64,715	**4,532,923**
Capital expenditure	24,226	19,270	113,468	85,311	44,927	25,427	**312,629**
Segment liabilities	100,597	665,030	662,436	558,069	123,770	241,531	**2,351,433**

2.1.2 Reconciliations of information on reportable segments to the amounts reported in the financial statements

	June 2025 $'000	June 2024 $'000
i. Revenues		
Total revenue for reportable segments	886,024	853,391
Revenue for other segments	17,369	16,755
Consolidation adjustments	(36,957)	(22,241)
Consolidated revenue	**866,436**	**847,905**
ii. Profit before tax		
Total profit before tax for reportable segments	(142,441)	(20,999)
Profit before tax for other segments	-	-
Consolidation adjustments	(24,019)	(10,345)
Consolidated profit before tax from continuing operations	**(166,460)**	**(31,344)**
iii. Assets		
Total assets for reportable segments	4,654,029	4,468,208
Assets for other segments	54,375	64,715
Consolidation adjustments	(46,500)	(48,197)
Consolidated total assets	**4,661,904**	**4,484,726**
iv. Liabilities		
Total liabilities for reportable segments	2,560,564	2,109,902
Liabilities for other segments	74,785	241,531
Consolidation adjustments	374,682	348,965
Consolidated total liabilities	**3,010,032**	**2,700,398**

Geographic information

Total revenues for reportable segments are sold to customers in Australia and all non-current assets are based in Australia.

Major customers

Revenues for the current year generated from customers contributing more than 10% of total segment revenue are detailed below:

Segment	**Customer**	**Revenue ($'000)**	**Percentage of segment revenue**
Power Services	Jacana Energy	173,460	83
Core Operations	Jacana Energy	22,999	75
Gas Services	Territory Generation	152,745	66

NOTE 3 FUNDING DELIVERY OF OUR SERVICES

This section provides additional information about how the Corporation is funded and the accounting policies that are relevant for an understanding of the revenue items recognised in the financial statements. Revenue and income that fund delivery of the Corporation's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

Note contents

3.1 Revenue from contract with customers

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Revenue from contracts with customers	738,237	710,074	684,315	663,382
	738,237	**710,074**	**684,315**	**663,382**

The consolidated entity recognises revenue from the following major sources: sale of gas, electricity distribution, water and sewerage services to customers across the Northern Territory.

In addition to the major sources of revenue discussed above, the consolidated entity also recognises revenue from a number of other minor sources such as electricity generation and retail services to some minor and remote centres across the Northern Territory, gifted assets and capital contributions towards the purchase or construction of infrastructure assets owned and controlled by the consolidated entity.

Revenue is measured based on the consideration to which the consolidated entity expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The consolidated entity recognises revenue when it transfers control of a product or service to a customer.

Types of service	Nature of performance obligations and revenue recognition policies
Sale of gas	The consolidated entity has a number of long-term contracts with customers for the sale of gas. The majority of these contracts have been established as take-or-pay arrangements, whereby the minimum amount specified is considered the contract as it is the only enforceable part of the agreement. Options in the contract to acquire additional volumes of gas are considered a separate contract at the time the customer exercises the option on the basis that the additional units are provided at a standalone selling price. The transaction price is subject to periodic price escalation throughout the course of each contract. Any future price adjustments are not reflected in the initial transaction price as they are unknown at the time of the initial contract. The sale of gas represents a promise to transfer a series of distinct goods (i.e. each gigajoule of gas) to the customer and is therefore considered a single performance obligation satisfied over time. Revenue is recognised over time as the consolidated entity satisfies its performance obligations and transfers control of the gas to the customer who simultaneously receives and consumes that gas. The amount of revenue recognised is determined by measuring the progress toward the complete satisfaction of the performance obligation. A receivable is recognised by the consolidated entity as it transfers control of the gas to the customer. An invoice is raised once the consolidated entity is entitled to compensation. There is not considered to be a significant financing component in these types of contracts with customers as the period between the recognition of revenue and the payment is less than one year. For those contracts established as take-or-pay arrangements, any gas paid for but not taken is recognised as a contract liability until such time as the customer takes delivery of that make-up gas. It is only when the customer takes delivery and control of that make-up gas that the consolidated entity satisfies its performance obligations under the contract and therefore recognises revenue. At the end of each reporting period, the consolidated entity undertakes an assessment of its contract liabilities related to make-up gas for breakage i.e. the consolidated entity assesses the likelihood of the customer taking delivery of the full quantity of make-up gas assets that they are entitled to before the end of contract or other time as specified in the contract. Revenue is recognised where it has been assessed that it is highly probable the customer will not take delivery of the full quantity of make-up gas on or before the end of the contract or other time as specified in the contract.
Electricity distribution services	The consolidated entity provides electricity distribution services under long term variable price contracts to a small number of customers (third party retailers). The electricity distribution services represent a promise to transfer a series of distinct services to the customer and are therefore considered a single performance obligation satisfied over time. The transaction price is subject to annual price adjustment or escalation throughout the course of each contract as determined by the Australian Energy Regulator through the Network Price Determination. Any future price adjustments are not reflected in the initial transaction price as they are unknown at the time of the initial contract. The consolidated entity recognises revenue from electricity distribution services over time as the service is rendered, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the consolidated entity.

3.1 Revenue from contract with customers (Continued)

Sale of water, electricity and wastewater services	The consolidated entity sells water and wastewater services to a large number of customers as a bundled package. For those customers located in minor centres and remote communities, the bundled package may also include the supply of electricity. For some customers the contract may only be for the sale of electricity. Each contract entered into may consist of one, two or three separate performance obligations because the promises to transfer water, wastewater services and electricity are distinct and separately identifiable goods and services and are not dependent on each other for complete satisfaction of the performance obligations under the contract. Each contract entered into with a customer is a variable contract because the volume of water and/or electricity to be transferred to the customer over the duration of the contract is not specified; however for the provision of sewerage services the transaction price is fixed. The transaction price for water, wastewater services and electricity is subject to an annual price adjustment or escalation as determined by the regulators. Revenue from the sale of water and electricity is recognised over time as the consolidated entity transfers the electricity and water to the customer who simultaneously receives and consumes the benefits provided by the consolidated entity. The amount of revenue recognised is determined using an input method to measure progress towards complete satisfaction of each of the performance obligations. A contract asset is recognised when the consolidated entity has transferred the water and/or electricity to the customer until the consolidated entity has a right to invoice the customer for payment of consideration at which time the contract asset is transferred to trade receivables. Customers are billed quarterly, and consideration is payable when invoiced. Revenue from the provision of wastewater services is recognised over time based on the stage of completion of the contract, being the total number of days that has elapsed at the end of the reporting period. Customers are generally billed quarterly in advance based on the number of sanitary fittings and recognised as a contract liability until the service is rendered. Consideration is payable when invoiced.
Community service obligations	Revenue in the form of Community Service Obligation (CSO) is received from the Northern Territory Government where the Corporation is required to carry out activities on a non-commercial basis. CSO revenue is recognised when there is reasonable assurance that the revenue will be received, and all attached conditions have been complied with.

3.1 Revenue from contract with customers (Continued)

Disaggregation of revenue from contracts with customers

The consolidated entity derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

	Gas $'000	Electricity distribution $'000	System Control $'000	Water $'000	Sewerage $'000	Electricity $'000	Gifted assets & capital contributions $'000	Other $'000	Total $'000
					For the year ended 30 June 2025				
Consolidated entity									
Revenue from external customers	214,133	212,817	10,153	134,007	94,093	46,029	15,623	11,382	738,237
Timing of revenue recognition									
- Over time	214,133	212,817	10,153	134,007	94,093	46,029	-	7,345	718,577
- At a point in time	-	-	-	-	-	-	15,623	4,037	19,660
	214,133	**212,817**	**10,153**	**134,007**	**94,093**	**46,029**	**15,623**	**11,382**	**738,237**
Corporation									
Revenue from external customers	214,133	212,738	10,153	127,284	90,578	4,677	15,623	9,129	684,315
Timing of revenue recognition									
- Over time	214,133	212,738	10,153	127,284	90,578	4,677	-	5,092	664,655
- At a point in time	-	-	-	-	-	-	15,623	4,037	19,660
	214,133	**212,738**	**10,153**	**127,284**	**90,578**	**4,677**	**15,623**	**9,129**	**684,315**
					For the year ended 30 June 2024				
Consolidated entity									
Revenue from external customers	221,928	191,700	9,546	135,017	89,813	42,144	15,735	4,191	710,074
Timing of revenue recognition									
- Over time	221,928	191,700	9,546	135,017	89,813	42,144	-	964	691,112
- At a point in time	-	-	-	-	-	-	15,735	3,227	18,962
	221,928	**191,700**	**9,546**	**135,017**	**89,813**	**42,144**	**15,735**	**4,191**	**710,074**
Corporation									
Revenue from external customers	221,928	191,551	9,546	129,130	86,406	5,112	15,563	4,146	663,382
Timing of revenue recognition									
- Over time	221,928	191,551	9,546	129,130	86,406	5,112	-	1,010	644,683
- At a point in time	-	-	-	-	-	-	15,563	3,136	18,699
	221,928	**191,551**	**9,546**	**129,130**	**86,406**	**5,112**	**15,563**	**4,146**	**663,382**

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
3.2 Finance revenue				
Interest income:				
Financial instruments measured at fair value:				
Finance leases	121	145	555	594
Financial instruments measured at amortised cost:				
Bank deposits	2,514	3,046	1,730	1,790
Loans to related party	83	-	1,273	714
	2,718	**3,191**	**3,558**	**3,098**
3.3 Other income				
Community Service Obligations:				
Uniform tariffs	4,096	10,609	4,096	10,609
Gas CSO	14,400	14,400	14,400	14,400
Pensioner Concessions Scheme	4,154	4,270	4,154	4,270
Other revenue	759	547	759	547
	23,409	**29,826**	**23,409**	**29,826**
3.4 Unearned revenue				
Capital contributions - government (i)	221,051	127,863	221,051	127,863
Capital contributions - non-government (i)	11,003	11,114	11,003	11,114
Contract liabilities arising from contracts with customers				
Banked gas arising from sales to third parties (ii)	33,561	32,329	33,561	32,329
Customer payments received in advance for water, electricity and sewerage services (iii)	4,410	9,035	4,410	9,035
Recoverable works (iv)	2,191	55	2,191	55
Other	56	480	56	480
	272,272	**180,876**	**272,272**	**180,876**

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Provided for in the financial statements as:				
Current	238,711	148,547	238,711	148,547
Non-current	33,561	32,329	33,561	32,329
	272,272	**180,876**	**272,272**	**180,876**

(i) Capital contributions are contributions provided by customers towards the construction of new or upgrades to existing infrastructure assets for the purpose of being connected to the network system. The consolidated entity retains control and ownership of these assets. Capital contributions are billed and paid for upfront prior to any work commencing and are recognised as a contract liability until construction of the asset is completed and the customer is connected to the network system, at which time the capital contribution is transferred from contract liabilities to revenue.

(ii) A contract liability arises in respect of take-or-pay contracts with customers for the sale of gas with the amount recognised as a contract liability representing the volume of gas paid for but not taken.

(iii) For sales of electricity and water (and in some instances wastewater services) revenue is recognised when control of the goods and/or services passes to the customer. Payments received in advance are recognised as a contract liability until the goods and/or services have been transferred to the customer.

(iv) Contract liabilities relating to recoverable works are balances due to customers under construction contracts. As with capital contributions customers are billed in advance with payment expected prior to any construction work commencing, and recognised as a contract liability until the consolidated entity achieves particular milestones.

Liabilities related to contracts with customers

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
The consolidated entity has recognised the following liabilities related to contracts with customers:				
Contract liabilities (current)	238,711	148,547	238,711	148,547
Contract liabilities (non-current)	33,561	32,329	33,561	32,329

3.4 Unearned Revenue (Continued)

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the consolidated entity has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the consolidated entity transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the consolidated entity performs under the contract.

The contract liabilities relate primarily to the advance consideration received from customers for:
- Waste removal (sewerage) contracts for which revenue is recognised over time as the consolidated entity satisfies its performance obligations
- Capital contributions for the purpose of constructing infrastructure assets that will be owned by the consolidated entity, for which the revenue will be recognised at a point in time on completion of the construction of the infrastructure asset and connected to the network system
- Capital contributions (recoverable works) for the purpose of constructing infrastructure assets that will be owned by the customer, for which revenue is recognised over time as the asset is being constructed (as the asset is constructed on the customer's premises).

Reconciliation of capital grants

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Opening balance	138,977	63,163	138,977	63,163
Capital grants received	126,284	78,952	126,284	78,952
Less: Capital Grant income recognised during the year	(33,207)	(3,138)	(33,207)	(3,138)
Closing balance	**232,054**	**138,977**	**232,054**	**138,977**

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date for the consolidated entity:

	1 to 2 years $'000	3 to 5 years $'000	6 to 10 years $'000	10+ years $'000
30 June 2025				
Gas sales	-	-	5,605	27,955
30 June 2024				
Gas sales	-	-	7,529	24,800

For sales of electricity distribution services, water, wastewater and other waste management services and electricity, the consolidated entity is unable to disclose information relating to unsatisfied (or partially unsatisfied) performance obligations at the reporting date because the contracts are for indefinite periods or the volumes of goods and/or services to be provided were unknown at the initial date of the contract.

The consolidated entity applies the practical expedient in paragraph 121 of AASB 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

3.5 Government grants

3.5.1 Revenue from rendering of services and government grants

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Indigenous Essential Services Pty Ltd capital government grants	28,885	29,557	-	-
Indigenous Essential Services Pty Ltd recurrent government grants	73,187	75,141	-	-
Power and Water Corporation operational grant	-	116	-	116
	102,072	**104,814**	**-**	**116**

Government grants are not recognised until there is reasonable assurance that the consolidated entity will comply with the conditions attaching to them and the grants will be received. Where the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the consolidated entity has elected to present the grant in the statement of financial position by reducing the carrying amount of the asset. The grant is then recognised in the profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge.

When the consolidated entity receives grants of non-financial assets, the asset and the grant are recorded at cost and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the consolidated entity with no future related costs are recognised as income in the period in which they become receivable.

3.5.2 Unearned government grants

The Corporation's subsidiary, Indigenous Essential Services Pty Ltd receives both operational and capital grant funding, with the majority received from the Northern Territory's Department of Housing, Local Government and Community Development (DHLGCD) as follows:

(a) Operational grants - for the provision of power, water and wastewater services to remote Indigenous communities
(b) Capital grants - for the development of power, water and wastewater infrastructure in remote Indigenous communities.

The following represents grant amounts received and deferred until the revenue recognition criteria is met.

	Consolidated		Corporation	
	June 2025	June 2024	June 2025	June 2024
	$'000	$'000	$'000	$'000
Operational grants	7,697	7,698	-	-
Capital grants	398,416	383,780	-	-
	406,113	**391,478**	**-**	**-**
Provided for in the financial statements as:				
Current	7,697	7,698	-	-
Non-current	398,416	383,780	-	-
	406,113	**391,478**	**-**	**-**

NOTE 4 COST OF DELIVERING SERVICES

This section provides additional information about how expenses are incurred by the Corporation in delivering services and outputs and the accounting policies that are relevant for an understanding of the items recognised in the financial statements.

Note contents

4.1 Expenses incurred in delivery of services

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
4.1.1 Employee benefits expense				
Personnel	168,752	156,911	154,182	143,355
Superannuation	19,144	16,656	17,452	15,189
	187,896	173,567	171,634	158,544
Contract and apprentice labour	25,227	20,226	24,511	19,798
	213,123	193,793	196,145	178,342
Less: capital and maintenance labour recovery	(108,882)	(109,847)	(101,520)	(103,731)
	104,241	**83,946**	**94,625**	**74,611**

Each year the consolidated entity capitalises through time sheeting and allocation of direct and indirect support costs the portion of employee expenses that are attributable to the construction of an asset. The consolidated entity has determined the labour recovery attributable to the construction of assets each year, with the impact of this being a reduction in the total employee expenses recognised in the statement of profit or loss.

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
4.1.2 Employee benefits provisions				
Current				
Employee benefits (i)	52,971	50,609	52,994	50,609
Other provisions:				
Employee related provisions (ii)	864	802	864	802
	53,835	**51,411**	**53,858**	**51,411**
Non-current				
Employee benefits (i)	4,934	5,087	4,934	5,087
	4,934	**5,087**	**4,934**	**5,087**

(i) The provision for employee benefits represents annual leave and long service leave entitlements accrued, and compensation claims made by employees (if any).

(ii) The employee related provisions represent accrued fringe benefits tax and payroll taxes.

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event; it is probable that the consolidated entity will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the consolidated entity expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain, and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimate to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

4.1.2 Employee benefits provisions (Continued)

The accounting policies for employee benefits are summarised as following:

Type of employee benefits	Accounting Treatment
Short-term employee benefits	Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.
Wages and salaries	A provision for wages and salaries, including non-monetary benefits expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. These liabilities are measured at the amounts expected to be paid when the liabilities are settled, including related on-costs.
Annual leave	The provision for annual leave is recognised in the provision for employee benefits and is measured at the amount expected to be paid when the liabilities are settled, including any related on-costs.
Long-term employee benefits	See below.
Long service leave	The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees, up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on Corporate Bonds, with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows. Any actuarial gains or losses are recognised in the statement of profit or loss and other comprehensive income.
Superannuation plans	For employees who commenced employment with the Corporation prior to 10 August 1999, the Corporation contributes to the Northern Territory Government Public Authorities Superannuation Scheme (NTGPASS), the Northern Territory Supplementary Superannuation Scheme (NTSSS) and the Commonwealth Superannuation Scheme (CSS). Employee contributions to the NTGPASS and CSS funds are based on various percentages of the respective gross salaries. After serving a qualifying period, all employees are entitled to benefits on retirement, disability or death. The funds provide defined benefits based on years of service, employee contributions and final average salary. The Corporation is under no legal obligation to make up any shortfall in the funds' assets to meet payments due to employees. Employees who commenced employment with the Corporation on or after 10 August 1999 are provided with an option to either nominate a complying superannuation fund or to use the default superannuation fund. Contributions to defined contribution superannuation plans are expensed when employees have rendered service entitling them to the contributions.
Termination benefits	Termination benefits are recognised as an expense when the Corporation is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made in relation to voluntary redundancy.

4.2 Repairs and maintenance expense

	Consolidated		Corporation	
	June 2025	June 2024	June 2025	June 2024
	$'000	$'000	$'000	$'000
Materials	72,676	61,366	43,886	42,247
Labour	29,979	31,624	27,670	29,570
Repair & Maintenance Overhead Allocation	-	-	-	-
Alternatives Control Services Overhead Allocation	-	-	-	-
	102,655	**92,990**	**71,556**	**71,817**

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Impairment of trade receivables	4,656	2,181	4,656	2,181
Freight	1,503	1,411	208	213
Grants and subsidies	1,442	1,376	1,442	1,376
Information technology and communications expense	20,056	14,867	19,084	13,528
Insurance costs	5,355	5,668	5,355	5,664
Laboratory fees and environmental compliance	4,254	4,130	3,202	3,079
Motor vehicle	3,808	4,178	2,975	3,413
Other expenses	17,285	17,834	15,021	14,487
Property costs	17,516	15,750	17,146	15,593
Training	2,857	2,282	2,724	2,172
Travel and accommodation	3,967	3,101	3,563	2,592
Water Conservation Program	605	274	512	274
	83,304	73,052	75,888	64,572
Less: capital recovery	(51,232)	(34,752)	(46,944)	(31,353)
	32,072	**38,300**	**28,944**	**33,219**

Indirect costs supporting capital projects

The consolidated entity has adopted an accounting treatment and methodology to identify support costs included in Corporate Services, Power Services and Water Services which may directly or indirectly relate to the acquisition or construction of capital assets.

NOTE 5 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

The Corporation controls infrastructure and other assets that are used in fulfilling its objectives and conducting its activities. They represent the key resources entrusted to the Corporation to be used for delivery of those outputs.

Note contents

Section	**Description**
5.1	Property, plant and equipment
5.2	Impairment of non-current assets and onerous contract provisions
5.3	Right-of-use assets
5.4	Intangible assets
5.5	Finance lease receivables
5.6	Depreciation and amortisation expense

5.1 Property, plant and equipment

a) Reconciliation of movements in carrying values of property, plant and equipment

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Carrying amounts of:				
Land at fair value	80,325	80,325	80,325	80,325
Buildings at fair value	20,176	20,713	20,176	20,713
Infrastructure at fair value	2,912,388	2,876,870	2,158,784	2,112,662
Plant and Equipment at fair value	34,127	33,754	32,658	32,469
Capital Work in Progress at cost	799,943	613,696	675,656	492,385
	3,846,959	**3,625,358**	**2,967,599**	**2,738,554**

Movement in carrying amounts	Land at fair value $'000	Buildings at fair value $'000	Infrastructure at fair value $'000	Plant and Equipment at fair value $'000	Work in Progress at cost $'000	Total Property, Plant and Equipment $'000
Year ended 30 June 2025						
Consolidated						
Opening Balance	80,325	20,713	2,876,870	33,754	613,696	3,625,358
Additions	-	8	-	35	416,692	416,735
Adjustments	-	-	(10,799)	-	-	(10,799)
Depreciation	-	(1,797)	(167,720)	(8,901)	-	(178,418)
Transfers from WIP	-	1,252	219,786	9,239	(230,445)	(168)
Disposals	-	-	(5,749)	-	-	(5,749)
Board approved write-offs	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Closing balance	**80,325**	**20,176**	**2,912,388**	**34,127**	**799,943**	**3,846,959**
Corporation						
Opening Balance	80,325	20,713	2,112,662	32,469	492,385	2,738,554
Additions	-	8			360,201	360,209
Adjustments	-	-	(10,548)	(1)	-	(10,549)
Depreciation	-	(1,797)	(107,057)	(8,620)	-	(117,474)
Transfers from WIP	-	1,252	166,698	8,810	(176,930)	(170)
Disposals	-	-	(2,971)	-	-	(2,971)
Board approved write-offs	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Closing balance	**80,325**	**20,176**	**2,158,784**	**32,658**	**675,656**	**2,967,599**
Year ended 30 June 2024						
Consolidated						
Opening Balance	80,440	20,516	2,574,734	28,711	441,122	3,145,524
Additions	-	-	13,445	12	316,707	330,164
Depreciation	-	(1,614)	(152,638)	(6,998)	-	(161,250)
Transfers from WIP	-	995	126,331	12,029	(144,133)	(4,778)
Disposals	-	-	(1,566)	-	-	(1,566)
Revaluation	(115)	816	316,564	-	-	317,265
Closing balance	**80,325**	**20,713**	**2,876,870**	**33,754**	**613,696**	**3,625,358**
Corporation						
Opening Balance	80,440	20,516	2,021,419	27,300	335,691	2,485,367
Additions	-	-	13,150	12	271,906	285,068
Depreciation	-	(1,614)	(96,742)	(6,758)	-	(105,114)
Transfers from WIP	-	995	97,524	11,915	(115,212)	(4,778)
Disposals	-	-	(890)	-	-	(890)
Revaluation	(115)	816	78,201	-	-	78,902
Closing balance	**80,325**	**20,713**	**2,112,662**	**32,469**	**492,385**	**2,738,554**

5.1 Property, plant and equipment (Continued)

Note: Depreciation and Transfers from WIP do not include the amounts in relation to intangible assets. For depreciation and transfer from WIP relating to intangible assets refer to Note 5.4.

Historical Cost Basis
If the consolidated entity's freehold land, buildings and infrastructure had been measured on a historical cost basis, the carrying amount would have been as follows:

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Land	17,857	17,857	17,857	17,857
Buildings	27,550	29,095	27,550	29,095
Infrastructure	2,071,637	1,994,421	1,722,874	1,666,845
	2,117,044	**2,041,373**	**1,768,281**	**1,713,797**

b) Initial recognition and subsequent measurement

Construction in progress is stated at cost, net of accumulated impairment losses, if any.

Freehold land, buildings, plant and infrastructure assets held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Buildings, plant and infrastructure assets are originally stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes, for qualifying assets, borrowing costs capitalised in accordance with the consolidated entity's accounting policy. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the consolidated entity. Ongoing repairs and maintenance are expensed as incurred.

Subsequent to initial recognition, land, buildings and infrastructure assets are held at fair value and are revalued in accordance with AASB 116 Property, Plant and Equipment and AASB 13 Fair Value Measurement.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximises relevant observable inputs and minimises unobservable inputs.

The market approach uses prices and other relevant information generated by market transactions involving identical or similar assets. The income approach is a technique that converts future cash flow amounts (or income and expenses) to a single current discounted amount.

The cost approach (i.e., depreciated replacement cost) reflects the amount that would be required currently to replace the service capacity of an asset, adjusted for obsolescence. The replacement cost is the minimum that it would cost, in the normal course of business, to replace the existing asset with a technologically modern equivalent new asset with the same economic benefits, allowing for any differences in the quantity and quality of output and in operating costs.

Non-specialised assets with short useful lives (such as minor office equipment) are measured at depreciated historical cost. Work in progress is measured at cost.

c) Revaluation of property, plant and equipment

Each class of property, plant and equipment held at fair value is to be subject to revaluation at least every five years or with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at reporting date.

Any revaluation increase arising on the revaluation of such land, buildings, plant and infrastructure assets is recognised in other comprehensive income and accumulated within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land, buildings, plant and infrastructure assets is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve (ARR) relating to a previous revaluation of that asset.

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to retained earnings.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from the continued use of the asset. Any gain or loss arising on derecognition of the asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

5.2 Impairment of non-current assets and onerous contract provisions

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Impairment/(reversal of impairment) of make-up gas	-	(4,179)	-	(4,179)
Impairment/(reversal of impairment) of property, plant and equipment	-	(672)	-	(672)
Impairment/(reversal of impairment) of inter-company loan	-	-	-	-
Reversal of impairment on infrastructure assets	-	(16,577)	-	(16,577)
	-	**(21,428)**	**-**	**(21,428)**

30 June 2025
As at 30 June 2025, the Corporation review of its infrastructure assets and corporate property resulted in $nil impairment.

A review of the expected credit loss on the inter-company loan resulted in $nil impairment.

A review of the value of make-up gas resulted in $nil impairment.

30 June 2024
As at 30 June 2024, the Corporation revalued its infrastructure assets and corporate property resulting in a revaluation increase in assets of $78.9 million of which $61.6 million increased the Asset revaluation reserve and $17.2 million was recognised as reversal of impairment in the Corporation's Statement of profit or loss. The revaluation resulted in a Revaluation surplus of $43.1 million (net of tax) recognised as Other comprehensive income in the Corporation's Statement of profit or loss.

A review of the expected credit loss on the inter-company loan resulted in $nil impairment.

A review of the value of make-up gas resulted in reversal of impairment expense of $4.2 million.

Impairment of tangible and intangible assets

At the end of each reporting period the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent basis can be identified.

Impairment of intangible assets
Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Impairment write-back

An entity must assess at the end of each reporting period whether there is any indication that an impairment loss recognised in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the entity must estimate the recoverable amount of that asset. The recoverable amount of an asset is the higher of fair value less cost to sell and the value in use of an asset. The consolidated entity has determined that the recoverable amount is represented by fair value less cost to sell.

Impairment write-off
Determining whether an asset is impaired requires analysis of internal and external indicators. If such indication exists, the asset's carrying amount is tested against the asset's recoverable amount. The recoverable amount of an asset is the higher of fair value less cost to sell and the value in use of an asset. The consolidated entity has determined that the recoverable amount is represented by fair value less cost to sell.

Onerous contracts
If the consolidated entity has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the consolidated entity recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e. the costs that the consolidated entity cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

5.2 Impairment of non-current assets and onerous contract provisions (Continued)

Discount rate to be used in determining the provision for onerous contracts
Under AASB 137 'Provisions, Contingent Liabilities and Contingent Assets', for contracts that are onerous the present obligation under the contract shall be recognised and measured as a provision. The definition of an onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Significant judgement is required when selecting the discount rate that shall be applied in determining the carrying amount of the provision. The consolidated entity has determined that any provision cash-flow workings shall be discounted using the weighted average cost of debt, derived from interest rates applicable to the existing debt portfolio, discount rate of 5.65% (2024: 5.16%).

5.3 Right-of-use assets

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Carrying amounts of:				
Land	18,881	18,739	249	258
Buildings	5,810	10,711	5,810	10,711
Motor vehicles	19,363	13,972	19,363	13,972
Gas transport pipelines	294,585	313,272	279,852	297,652
Solar power	56,134	58,258	52,500	54,138
	394,773	**414,952**	**357,774**	**376,731**

Movement in carrying amounts	Land $'000	Buildings $'000	Motor vehicles $'000	Gas transport pipelines $'000	Solar power $'000	Right-of-use assets $'000
Year ended 30 June 2025						
Consolidated						
Opening Balance	18,739	10,711	13,972	313,272	58,258	414,952
Additions / (disposals)	-	-	(496)	-	-	(496)
Remeasurement	1,098	(2,247)	10,216	12,280	905	22,252
Depreciation	(956)	(2,654)	(4,329)	(30,967)	(3,029)	(41,935)
Closing balance	**18,881**	**5,810**	**19,363**	**294,585**	**56,134**	**394,773**
Corporation						
Opening Balance	258	10,711	13,972	297,652	54,138	376,731
Additions / (disposals)	-	-	(496)	-	-	(496)
Remeasurement	-	(2,247)	10,216	11,618	905	20,492
Depreciation	(9)	(2,654)	(4,329)	(29,418)	(2,543)	(38,953)
Closing balance	**249**	**5,810**	**19,363**	**279,852**	**52,500**	**357,774**

Movement in carrying amounts	Land $'000	Buildings $'000	Motor vehicles $'000	Gas transport pipelines $'000	Solar power $'000	Right-of-use assets $'000
Year ended 30 June 2024						
Consolidated						
Opening Balance	18,397	10,485	12,139	324,227	59,860	425,108
Additions / (disposals)	-	-	(438)	-	-	(438)
Remeasurement	1,198	3,799	5,718	18,935	1,410	31,060
Depreciation	(856)	(3,573)	(3,447)	(29,890)	(3,012)	(40,778)
Closing balance	**18,739**	**10,711**	**13,972**	**313,272**	**58,258**	**414,952**
Corporation						
Opening Balance	252	10,485	12,139	308,116	55,240	386,232
Additions / (disposals)	-	-	(438)	-	-	(438)
Remeasurement	15	3,799	5,718	17,936	1,408	28,876
Depreciation	(9)	(3,573)	(3,447)	(28,400)	(2,510)	(37,939)
Closing balance	**258**	**10,711**	**13,972**	**297,652**	**54,138**	**376,731**

5.3 Right-of-use assets (Continued)

The consolidated entity leases assets including land, buildings, motor vehicles, gas transport pipelines and the output of three solar power plants. The most common lease term is 40 years for land assets, 6 years for motor vehicles, 5-10 years for buildings, 14-25 years for solar power plants and 10-16 years for Gas pipelines.

The consolidated entity does not have the options to purchase any of these assets at the end of the lease term. The consolidated entity's obligations are secured by the lessors' title to the leased assets for such leases.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, any initial direct costs, less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The consolidated entity applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- an estimate of the costs incurred upon disassembling or restoring the underlying asset to the condition required by the terms of the lease.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

5.4 Intangible assets

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Current				
Renewable energy certificates				
At cost	1,283	3,149	508	1,023
Total current - written down value	**1,283**	**3,149**	**508**	**1,023**
Non-current				
Make up gas				
At cost	72,496	72,362	72,496	72,362
Accumulated impairment	(6,518)	(6,518)	(6,518)	(6,518)
Written down value	**65,978**	**65,844**	**65,978**	**65,844**
Other intangible assets				
At cost	112,122	111,950	110,934	110,762
Accumulated amortisation	(108,546)	(105,882)	(107,438)	(104,807)
Written down value	**3,576**	**6,068**	**3,496**	**5,955**
Total non-current - written down value	**69,554**	**71,912**	**69,474**	**71,799**
Total				
At cost	185,901	187,461	183,938	184,147
Accumulated amortisation	(108,546)	(105,882)	(107,438)	(104,807)
Accumulated impairment	(6,518)	(6,518)	(6,518)	(6,518)
Written down value	**70,837**	**75,061**	**69,982**	**72,822**

Movement in carrying amounts

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Make up gas				
Opening balance	65,844	58,560	65,844	58,560
Additions	134	3,105	134	3,105
Disposals	-	-		-
Impairment reversal	-	4,179	-	4,179
Closing balance	**65,978**	**65,844**	**65,978**	**65,844**

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Other intangible assets				
Opening balance	6,068	5,340	5,955	5,181
Transfer/Adjustments	-	-	-	-
Amortisation	(2,644)	(4,050)	(2,631)	(4,004)
Transfer from WIP	172	4,778	172	4,778
Closing balance	**3,576**	**6,068**	**3,496**	**5,955**

Impairment losses reversed and recognised during the year

The current gas contracts relating to the sale and purchase of gas result in the Corporation having to pay for gas that will only be delivered in future financial years. These payments are classified as intangible assets and disclosed under 'Make-up gas'.

The Corporation has recognised the written down value of Make-up gas as at 30 June 2025 to the value of $66.0 million (2024: $65.8 million), determined by reference to contracted sales less costs of disposal.

There remains accumulated impairment totalling $6.5 million (2024: $6.5 million) recognised against the cost of the intangible asset, on the basis that the net realisable value is lower than the carrying amount.

Intangible assets acquired separately

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated depreciation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Amortisation

Intangible assets with finite lives are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Impairment of intangible assets

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised on disposal (i.e., at the date the recipient obtains control) or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of an intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit or loss.

5.4 Intangible assets (Continued)

Impairment assessment for Eni banked gas

Included in the $65.9 million closing balance at 30 June 2025 is $42 million for Eni make-up gas. The Corporation has determined the recoverable amount of the Eni make-up gas intangible asset based on forecast cash flow over the life of the gas contract with Eni, recognising that there are presently constraints on the quantity of gas that Eni is supplying to the Corporation at this point in time and which will continue for the next 12 months. This is consistent with the requirements of the respective accounting standards, including AASB 136 Impairment. This standard requires the Corporation to develop financial forecasts and supportable assumptions that are reasonable and represent management's best estimate of the set of economic conditions that will exist over the remaining useful life of the asset.

On the basis of this requirement, the Corporation has considered the ability of Eni, as the counterparty to the contract, to meet the contractual obligations over the remaining life of the contract. The useful life of the asset used in the assessment is represented by the length of the contract term, namely to 2034.

On the basis of the above assessment, the Corporation concluded that the Eni make-up gas intangible recoverable amount is greater than its carrying amount. The Eni make up gas intangible asset has therefore not been impaired in the financial statements. This method of impairment assessment is consistent with the Corporation's impairment accounting policy on note 5.2.

Sensitivities on the impairment assessment of Eni banked gas

The estimation of the recoverable amount of the Eni banked gas intangible asset represent management's best estimate of the circumstances that will prevail over the life of the gas contract with Eni, including the return of production to the contracted maximum daily quantity. If the assumptions about the timing and quantities of gas supplied by Eni used in the impairment assessment for Eni banked gas changed and the Corporation would only be able to take the delivery of the banked gas during the 18 months make up period allowed under the contract once the contract expires, the Corporation may have had to recognise an impairment against the carrying amount of intangible assets.

As explained previously, there are presently constraints on the quantity of gas that Eni is supplying to the Corporation. In the current year, Eni has also revised its previous estimates of remaining proved and probable gas reserves, which resulted in a shortfall compared to the contracted quantity of gas to be delivered under the current agreement. Nevertheless, the revised gas reserves will continue to be sufficient for the Corporation to access the banked gas if the reduction in the daily quantity of gas supplied is maintained at the current level. If the estimates of remaining proved and probable gas reserves were to decrease further or the reserves were depleted sooner than the start of the 18 months make up period because of an increase in the daily quantity of gas supplied, the Corporation would be unable to access some or all of the banked gas.

Impairment assessment for Dingo banked gas

Included in the $65.9 million is $23.9 million for Dingo make-up gas. The Corporation has determined the recoverable amount of the Dingo make-up gas intangible asset based on forecast cash flow over the life of the gas contract with Dingo as well as the gas contract that the Corporation has to supply gas to Joint Defence Force Pine Gap (JDFPG). This is consistent with the requirements of the respective accounting standards, including AASB 136 Impairment. This standard requires the Corporation to develop financial forecasts and supportable assumptions that are reasonable and represent management's best estimate of the set of economic conditions that will exist over the remaining useful life of the asset.

On the basis of this requirement, the Corporation has considered the ability of Dingo, as the counterparty to the contract, to meet the contractual obligations over the remaining life of the contract. In doing so, the Corporation also considered its ability to meet its contractual obligation to JDFPG, that is interdependent to the Dingo contract. Given the interdependency of the two arrangements, the cash flows are evaluated jointly. JDFPG is not expected to make additional advance payments or drawdowns of banked gas. The result is that JDFPG will forfeit its banked gas of about $28 million to Power and Water. This represents the minimum recoverable amount of the Dingo banked gas assuming Power and Water forfeits its full amount to Dingo

Furthermore, this approach reflects the interdependency between the Dingo and JDFPG arrangement where if Dingo banked gas is not fully recoverable, the corresponding JDFPG banked gas is also not fully recoverable. This mitigates the impairment impact on Power and Water.

Renewable Energy Certificates

The Renewable Energy Certificate Scheme operates under Federal Government legislation, which requires energy retailers to source a target proportion of their electricity purchases from renewable sources. The consolidated entity generates and purchases Green Certificates in order to comply with the relevant legislation. Obligations to surrender certificates based on targets are of accrual nature and are disclosed in the statement of financial position as current liabilities. Rights held are of the nature of intangible assets and are disclosed in the statement of financial position as current assets. The assets and liabilities held under the scheme are acquitted throughout the year. Assets remaining after the acquittal process are expected to be realised within 12 months after the date of acquittal.

Make-up gas

The consolidated entity has entered into a Take-or-Pay Gas Purchase Agreement that came into effect during the 2010-11 financial year. Make-up gas paid for under the terms of the contract, but not physically taken, is recorded as an intangible asset. The residual value of the make-up gas asset equals the asset's carrying amount.

Purchased software

Included in other intangible assets are all purchased software, excluding software as a service, which have limited useful lives and are amortised using the straight-line method over their estimated useful lives. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Easement

Included in other intangible assets are easements which are the right to use or access land without obtaining ownership.

5.5 Finance lease receivables

	Minimum lease payments			
	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Amounts receivable under finance leases:				
Year 1	1,229	1,196	3,123	3,014
Year 2	1,229	1,196	3,123	3,014
Year 3	1,229	1,196	3,123	3,014
Year 4	616	1,196	2,508	3,014
Year 5	-	598	1,893	2,416
Onwards	-	-	8,521	10,000
Undiscounted lease payments	4,303	5,382	22,291	24,472
Less: unearned finance income	(191)	(306)	(2,278)	(2,735)
Present value of lease payments receivable	4,112	5,076	20,013	21,737
Impairment loss allowance	-	-	-	-
Net investment in the lease	**4,112**	**5,076**	**20,013**	**21,737**
Discounted lease payments analysed as:				
Recoverable within 12 months	1,136	1,076	2,626	2,469
Recoverable after 12 months	2,976	4,000	17,387	19,268
	4,112	**5,076**	**20,013**	**21,737**

The consolidated entity has entered into finance leasing arrangements as a lessor for certain gas pipelines. The term of the lease depends on the needs of the customer. Generally, these lease contracts do not include extension or early termination options except in exceptional circumstances outside the control of the consolidated entity.

The consolidated entity is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in Australian Dollars. Residual value risk is not significant, because of the existence of insurance indemnity in place. The finance lease arrangements do not include variable payments.

Amounts included in profit or loss are disclosed in Note 3.2.

The estimated loss allowance on finance lease receivables at the end of the reporting period is an amount equal to lifetime ECL. None of the finance lease receivables at the end of the reporting period are past due and taking into account the historical default experience and the future prospects of the industries in which the lessees operate, no finance lease receivable is considered to be impaired.

The consolidated entity as lessor

Leases for which the consolidated entity is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the parent or consolidated entity is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rentals are recognised as revenue in the period in which they are earned.

5.6 Depreciation and amortisation expense

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Depreciation				
Buildings	1,797	1,614	1,797	1,614
Plant and equipment	8,901	6,998	8,620	6,758
Infrastructure	167,720	152,638	107,057	96,744
Total depreciation	**178,418**	**161,250**	**117,474**	**105,116**
Amortisation				
Leased assets	41,945	40,778	38,964	37,939
Intangible assets	2,665	4,051	2,631	4,004
Total amortisation	**44,610**	**44,829**	**41,595**	**41,943**
Total depreciation and amortisation expense	**223,028**	**206,079**	**159,069**	**147,059**

Depreciation

Depreciation on revalued buildings, plant and infrastructure assets is recognised in profit or loss. On the subsequent disposal, sale or retirement of a revalued building, plant and infrastructure asset, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Freehold land is not depreciated.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and capital works in progress) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

The components of major assets that have materially different useful lives are effectively accounted for as separate assets and are separately depreciated.

Depreciation and amortisation are expensed.

Depreciation has been calculated based on the estimated useful lives used for each class of asset as follows:

Property Plant and Equipment	June 2025	June 2024
Plant and equipment	2 to 60 years	2 to 50 years
Buildings	5 to 50 years	5 to 53 years
Infrastructure	5 to 135 years	4 to 100 years

As at 30 June 2025

During 2024-25, the consolidated entity undertook a review of property, plant and equipment and their remaining useful lives for both the Corporation and its subsidiary, Indigenous Essential Services Pty Ltd.

For existing assets, the useful lives applied to all property, plant and equipment classifications were reviewed against the standard useful lives approved by each business unit in June 2025. No significant variances were identified.

As at 30 June 2024

During 2023-24, the consolidated entity undertook a review of property, plant and equipment and their remaining useful lives for both the Corporation and its subsidiary, Indigenous Essential Services Pty Ltd.

For existing assets, the useful lives applied to all property, plant and equipment were reviewed against the standard useful lives approved by each business unit in June 2024. No significant variances were identified.

Amortisation

The amortisation of useful lives used for each class of intangibles are as follows:

	Purchased Software	Make-up gas	Renewable Energy Certificates
Internally generated or acquired	Acquired	Acquired	Acquired
Useful lives	Finite (1-21 years)	Finite (34 years)	Indefinite
Amortisation method	Amortised on a straight-line basis over the expected useful life	No amortization. Refer to note 5.4 For details.	No amortisation

NOTE 6 OTHER ASSETS AND LIABILITIES

Note 6 Other assets and liabilities

This section sets out those assets and liabilities that arose from the Corporation's operations and the delivery of services.

Note contents

Section	Description
6.1	Trade and other receivables
6.2	Trade and other payables
6.3	Inventories
6.4	Loan to subsidiaries
6.5	Investments
6.6	Investment in subsidiaries

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
6.1 Trade and other receivables				
(a) Current				
Service receivables				
Service receivables	86,091	63,609	58,527	45,386
Loss allowance	(15,282)	(11,424)	(15,282)	(11,424)
	70,809	52,185	43,245	33,962
Unbilled consumption	42,621	35,713	42,621	35,713
	113,430	**87,898**	**85,866**	**69,675**
Other receivables				
Prepayments	5,872	6,460	5,773	6,319
Receivables from controlled entities	-	-	4,865	12,167
	5,872	6,460	10,638	18,486
Other receivables	29,907	30,765	29,237	30,190
	35,779	**37,225**	**39,875**	**48,676**
	149,209	**125,123**	**125,741**	**118,351**

Assets related to contracts with customers

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
The consolidated entity has recognised the following assets related to contracts with customers:				
Receivables*	95,347	66,709	67,783	48,486
Contract assets (current)	42,621	35,713	42,621	35,713

* *Receivables related to contracts with customers under AASB 15 which are included in 'Trade and other receivables'*

The contract assets primarily relate to the consolidated entity's rights to consideration for work completed but not billed at the reporting date on gas contracts, electricity and water contracts, power distribution and contracts. The contract assets are transferred to receivables when the rights become unconditional.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the consolidated entity performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the consolidated entity's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Unbilled revenue

As per accounting standard AASB 15 'Revenue from contracts with customers', revenue is recognised to the extent that performance obligations are satisfied, it is probable that the revenue will not be reversed and the revenue can be reliably measured. Therefore, the consolidated entity estimates the amount of electricity, standard control services and water consumed at reporting date but that is yet to be billed.

Risk profile of service receivables

The average age of these receivables is 33.3 days (2024: 24.91 days). No interest is charged and no collateral is held on outstanding service receivables.

The consolidated entity recognises a loss allowance for trade receivables at an amount equal to expected credit losses (ECL). The ECL on service receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The consolidated entity has undertaken a review of all receivables that are over 90 days past due and recognised a loss allowance against all receivables that are considered not recoverable based on historical experience.

An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due for groupings of customer types with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

6.1 Trade and other receivables (continued)

The consolidated entity writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over 2 years past due, whichever occurs earlier. None of the trade receivables that have been written off are subject to enforcement activities.

As at 30 June 2025, trade receivables of $14.1 million (2024: $10.9 million) had lifetime ECL of the full value of the receivables.

Set out below is the information about the credit risk exposure on the consolidated entity's trade receivables using a provision matrix:

	Current $'000	<30 days $'000	30-60 days $'000	61-90 days $'000	>91 days $'000	Total $'000
30 June 2025						
Expected credit loss rate	5.3%	4.5%	63.7%	5.3%	36.1%	17.8%
Gross carrying amount	36,069	10,654	2,295	6,346	30,727	86,091
Expected credit loss	1,928	475	1,463	335	11,081	15,282
30 June 2024						
Expected credit loss rate	0.9%	6.2%	11.4%	6.9%	65.5%	18.0%
Gross carrying amount	33,191	6,109	7,183	2,187	14,939	63,609
Expected credit loss	289	376	822	150	9,787	11,424

Movement in the allowance for doubtful debts:

The following table shows the movement in lifetime expected credit losses that has been recognised for trade receivables in accordance with the simplified approach set out in AASB 9.

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Balance at beginning of year	(11,424)	(10,078)	(11,424)	(10,078)
Impairment losses recognised on receivables	(4,656)	(2,181)	(4,656)	(2,181)
Written off as uncollectible	798	835	798	835
Balance at end of year	**(15,282)**	**(11,424)**	**(15,282)**	**(11,424)**

Explanation of significant changes

The increase in balances written off as uncollectible resulted in a similar increase in the estimated credit losses on the remaining receivables.

Risk profile of other receivables

The expected credit losses on the other trading receivables from controlled entities has been assessed at nil based on historical default experience and the financial position of the controlled entity as at 30 June 2025. Refer Note 6.4 on loans to subsidiaries.

Other receivables are predominantly balances with related parties where expected credit loss is assessed as nil based on historical default and actual credit loss experiences with these related parties.

(b) Non-Current

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Other receivables				
Other receivables	-	471	-	471
Prepayments	9,233	10,166	9,120	10,150
	9,233	**10,637**	**9,120**	**10,621**

The amount recognised in non-current other receivables represents the cost of gas that has been delivered to a third-party customer. This transfer does not meet the revenue recognition criteria under AASB 15 Revenue from Contracts with Customers on the basis that the Pay Out Option has not yet been exercised and future returns cannot be reliably estimated as the amount would depend on the gas drawn down by the consolidated entity. Therefore, the gas has been recognised as an asset until the exercise of the Pay Out Option or the contract expires in 2025, whichever is earlier.

The amount recognised in non-current prepayments represents costs paid in advance for periods beyond 12-months from the reporting date.

6.2 Trade and other payables

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Service creditors	60,821	32,074	53,204	26,524
Other creditors and accruals	79,343	73,035	66,036	64,599
	140,164	**105,109**	**119,240**	**91,123**

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is less than 30 days. For most suppliers, no interest is charged on the trade payables for the first days from the date of the invoice. Thereafter, interest may be charged on the outstanding balances at the Northern Territory Government bank rate. The consolidated entity has financial risk management policies in place to ensure all payables are paid within the pre-agreed credit terms.

The consolidated entity considers that the carrying amount of trade payables approximates their fair value.

6.3 Inventories

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Materials and stores	36,253	29,513	36,786	30,046
Fuel stocks	7,702	8,879	628	652
Gas stocks	3,029	2,242	3,029	2,242
Tokens	140	83	140	83
	47,124	**40,717**	**40,583**	**33,023**

The cost of inventories recognised as an expense during the year in respect of continuing operations for the Corporation and the consolidated entity respectively was $206.62 million and $254.03 million (2024: $175.8 million and $216.69 million respectively). The cost of inventories recognised as an expense for the Corporation includes a negative $184 thousand (2024: $83 thousand) related to write-downs of inventory to net realisable value.

Inventories are carried at the lower of cost and net realisable value. Costs are assigned to individual items of inventory based on the weighted-average purchase cost of bringing each item to its present location and condition. Net realisable value represents the amounts expected to be realised from the use of the inventory.

6.4 Loans to subsidiaries

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Financial assets measured at amortised cost:				
Current	-	-	11,000	-
Non-current	-	-	14,000	25,000
	-	**-**	**25,000**	**25,000**

The loans were provided to Indigenous Essential Services Pty Ltd as capital assistance towards the Arena Solar Project where Indigenous Essential Services Pty Ltd built a solar farm to reduce the cost of electricity production in the communities it services. The total loans provided to Indigenous Essential Services Pty Ltd remains at $25.0 million as at 30 June 2025.

The two loans provided are interest only fixed term loans for five years ending 29 June 2026 and 30 June 2029. Interest is charged on the outstanding balances at 2.88% on the loan provided during 2020-21 and 6.83% for the loan provided in 2023-24.

The expected credit losses on the loans to subsidiaries have been assessed as $nil as at 30 June 2025 (2024: $nil) on the basis of the long-term cash surplus, from the third-party funding provider, of the subsidiary from distillate cost savings arising from the solar project.

In determining the expected credit losses for the loans to subsidiaries, the consolidated entity has taken into account the historical default experience, the financial position of the counterparties, and the future prospects of the industries, as appropriate, in estimating the probability of default of the loans to subsidiaries occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the loans to subsidiaries.

6.5 Investments

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
2,500 $1 unlisted units, in Amadeus Gas Trust beneficially held by the Corporation	**-**	**3**	**-**	**3**

The Corporation also holds $nil (2024: $) ordinary shares of in NT Gas Pty Limited NT Gas Pty Limited deregistered on 14 May 2025.

6.6 Investment in subsidiaries

	Consolidated		Corporation	
	June 2025 $	June 2024 $	June 2025 $	June 2024 $
Indigenous Essential Services Pty Limited	-	-	10	10
	-	**-**	**10**	**10**

Details of the consolidated entity's subsidiaries at the end of the reporting period are as follows:

	Place of incorporation and operation	Equity Interest June 2025	Equity Interest June 2024
BGP Tenure Holdings Pty Limited	Australia	50%	50%
Indigenous Essential Services Pty Limited	Australia	100%	100%

The parent entity within the consolidated entity is Power and Water Corporation. The ultimate Australian parent entity is the Northern Territory Government which at 30 June 2025 owned 100% (2024: 100%) of the issued ordinary shares of Power and Water Corporation. This share is held by the Shareholding Minister on behalf of the Northern Territory.

Principal activities of the subsidiaries

Indigenous Essential Services Pty Limited
The principal activities of Indigenous Essential Services Pty Limited as a not-for-profit entity are to provide electricity, water and wastewater services to remote Aboriginal communities in the Northern Territory.

BGP Tenure Holdings Pty Limited
BGP Tenure Holdings Pty Limited was established in February 2008 to hold land tenure interests for the Corporation in the Bonaparte Gas Pipeline project in the Northern Territory. Its central office is based in Sydney.

Details of non-controlling interests in subsidiaries

The Corporation owns 50% of the shares in BGP Tenure Holdings Pty Limited with the remaining 50% held by non-controlling interests. The relevant activities of the BGP Tenure Holdings Pty Limited are determined by the Board of Directors of BGP Tenure Holdings Pty Limited. The Board of Directors of BGP Tenure Holdings Pty Limited consists of two members, of which one of the positions is held by an individual nominated by the Corporation.

BGP Tenure Holdings Pty Limited is a non-trading entity and as such did not make a profit for the year ended 30 June 2025 (2024: $nil).

Summarised financial information in respect of BGP Tenure Holdings Pty Limited that have non-controlling interests is set out below.

	Corporation	
	June 2025 $	June 2024 $
Non-current assets	100	100
Equity	100	100
Equity attributable to the Corporation		
- Corporation	50	50
- Non-controlling interests	50	50

Change in the consolidated entity's ownership interest in a subsidiary

There have been no changes in the ownership interests held by the consolidated entity in any of its subsidiaries during the year ended 30 June 2025 and 30 June 2024.

6.6 Investment in subsidiaries (Continued)

Financial Support

The financial statements for Indigenous Essential Services Pty Ltd have been prepared on a going concern basis, which contemplates continuity of normal business activities, the realisation of assets and the settlement of liabilities in the ordinary course of business. Indigenous Essential Services Pty Ltd has incurred a net deficit of $12.7 million for the year ended 30 June 2025 and $13.1 million for the year ended 30 June 2024. Indigenous Essential Services Pty Ltd's net working capital was a deficit of $6.2 million at 30 June 2025 and a deficit of $8.3 million at 30 June 2024.

As of 30 June, 2025, the current assets of Indigenous Essential Services Pty Ltd have experienced a decrease of $14.3 million compared to the prior year. The decrease is mainly due to lower cash balances in the current year. This was offset by an increase in trade and other receivables of $9.4 million. The decrease in cash balances is due to increase in payments to suppliers and purchases of property, plant and equipment. On the other hand, increase in trade and other receivables of $9.4 million is mainly due to higher payment in advance made by the Company on behalf of the DHLGCD.

The increase in current liabilities of $0.2 million for the period compared to the previous year was primarily due to two significant factors. Firstly, there was an increase of $11 million of current borrowings from the Corporation, which is due on 29 June 2026. Secondly, there was a decrease of $6.3 million in unearned revenue which relates to the completion of the projects for the funding from DHLGCD.

Assets are fundamental to the essential services provided by Indigenous Essential Services Pty Ltd. Accordingly, Indigenous Essential Services Pty Ltd is economically dependent on the Northern Territory Government (NTG) to fund its future capital expenditure as well as a significant portion of its operating expenses. Indigenous Essential Services Pty Ltd's cash balances as at 30 June 2025 decreased by $21.2 million to $16.4 million due primarily to higher payments on purchasing of property, plant and equipment.

The Corporation will provide financial support to Indigenous Essential Services Pty Ltd to ensure that it has sufficient funds to meet its financial obligations to pay its debts as and when they become due and payable. The Corporation has also undertaken that it will not take any action which may result in Indigenous Essential Services Pty Ltd being unable to perform those financial obligations, including the Corporation not calling upon any loans owed by Indigenous Essential Services Pty Ltd unless there are sufficient excess funds available to do so.

NOTE 7 HOW WE FINANCED OUR OPERATIONS

This section provides information on the sources of finance used by the Corporation during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the Corporation. This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances).

Note contents

Section	**Description**
7.1	Interest bearing borrowings
7.2	Cash and cash equivalents
7.3	Commitments
7.4	Leases
7.5	Finance costs

7.1 Interest bearing borrowings

Unsecured borrowings at amortised cost

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Government loans - current	339,000	222,000	339,000	222,000
	339,000	**222,000**	**339,000**	**222,000**
Government loans - non-current	1,173,000	1,114,000	1,173,000	1,114,000
	1,173,000	**1,114,000**	**1,173,000**	**1,114,000**
	1,512,000	**1,336,000**	**1,512,000**	**1,336,000**

The consolidated entity has 30 unsecured government loans. All loans were provided by its parent entity, the Northern Territory Government with loan terms of up to 10 years. The consolidated entity obtained 10 of these loans in the current year totalling $398 million; $222 million of this was used to refinance existing loans, and an additional $176 million to fund capital projects.

The portion recognised as current liabilities represents borrowings payable within one year, being $339 million (2024: $222 million). The non-current balance of interest-bearing liabilities represents the portion of the consolidated entity's borrowings not due within one year. The weighted average effective interest rate on the loans is 5.65% (2024: 5.16%).

7.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call with financial institutions.

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flow is reconciled to the related items in the statement of financial position as follows:

Cash assets	**39,966**	**132,109**	**23,565**	**94,444**

(b) Reconciliation of net profit after tax to net cash flows from operations

Net profit/(loss)	(130,456)	(31,221)	(93,703)	(7,810)
Adjustments for:				
Depreciation and amortisation	223,027	206,079	159,069	147,059
Impairment write-down (reversal)	-	(21,428)	-	(21,428)
Contributed assets provided free of charge	(10,512)	(13,044)	(10,512)	(12,873)
Write-off of WIP	-	-	-	-
Net loss on disposal of property, plant and equipment, including gifted streetlights	5,623	1,646	2,843	1,173
Changes in assets and liabilities:				
(Increase)/decrease in inventories	(6,407)	287	(7,560)	529
(Increase)/decrease in trade and other receivables	(22,681)	4,890	(5,889)	15,909
Decrease/(increase) in current intangible assets	1,869	(252)	515	(34)
(Decrease)/Increase in net deferred tax payable	(36,622)	494	(36,622)	495
Decrease in current tax asset	1,644	3,409	1,644	3,409
Increase in trade and other payables	35,055	19,418	28,117	18,172
Increase/(decrease) in government grants	14,634	(4,564)	-	-
Increase in provisions	2,263	3,267	2,286	3,267
Increase in unearned revenue	91,396	77,884	91,396	77,884
Net cash flows from operating activities	**168,833**	**246,865**	**131,584**	**225,752**

(c) Non-cash transactions

During the financial year the consolidated entity acquired property, plant and equipment with an aggregate fair value of $10.5 million (2024: $13 million) by means of gifts. These acquisitions are not reflected in the statement of cash flows.

During the financial year the consolidated entity disposed right-of-use assets with an aggregate fair value of $0.4 million (2024: $0.4 million disposed). Refer to Note 5.3 for further details. These acquisitions are not reflected in the statement of cash flows.

(d) Reconciliation of liabilities arising from financing activities

The table below details changes in the consolidated entity's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the consolidated entity's statement of cash flows as cash flows from financing activities.

	Consolidated		Corporation	
Year ended 30 June 2025	**Lease Liabilities $'000**	**Borrowings $'000**	**Lease Liabilities $'000**	**Borrowings $'000**
Opening balance	444,898	1,336,000	418,799	1,336,000
Repayment of borrowings	-	-	-	-
Proceeds from borrowings	-	176,000	-	176,000
Repayment of lease liabilities	(39,543)	-	(37,310)	-
Non-cash changes				
New leases and remeasurements	21,756	-	19,996	-
Other non-cash movements	(955)	-	(1,713)	-
Closing balance	**426,156**	**1,512,000**	**399,772**	**1,512,000**
Year ended 30 June 2024				
Opening balance	451,873	1,186,000	426,007	1,186,000
Repayment of borrowings	-	(20,000)	-	(20,000)
Proceeds from borrowings	-	170,000	-	170,000
Repayment of lease liabilities	(36,862)	-	(34,594)	-
Non-cash changes				
New leases and remeasurements	30,622	-	28,438	-
Other non-cash movements	(735)	-	(1,052)	-
Closing balance	**444,898**	**1,336,000**	**418,799**	**1,336,000**

Financing cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

7.3 Commitments

	Consolidated		Corporation	
	June 2025 $'000	**June 2024 $'000**	**June 2025 $'000**	**June 2024 $'000**
(i) Capital expenditure commitments				
Contracted but not provided for and payable within one year:	**168,535**	**231,559**	**142,627**	**196,793**
(i) Purchase expenditure commitments (non-cancellable)				
Contracted but not provided for:				
Repairs and maintenance	**18,669**	**20,943**	**11,121**	**12,628**
(ii) Purchase expenditure commitments (non-cancellable)				
Contracted but not provided for:				
Gas purchase	2,602,028	2,604,055	2,602,028	2,604,055
Gas transportation	469,615	622,188	469,615	622,188
	3,071,643	**3,226,243**	**3,071,643**	**3,226,243**
Payable:				
Within one year	524,547	539,190	491,091	496,109
One year or later but no later than five years	1,646,901	1,493,344	1,646,901	1,493,344
Later than five years	1,087,399	1,446,211	1,087,399	1,446,211
	3,258,847	**3,478,745**	**3,225,391**	**3,435,664**

(i) The consolidated entity has non-cancellable purchase and hire expenditure contracts expiring between 1 to 25 years from the date of the contract. These contracts generally provide the consolidated entity with a right of renewal at which time all terms are renegotiated.

(ii) Gas purchase commitments include take-or-pay obligations under a 25-year gas purchase agreement with Eni Australia B.V., the first supply of which commenced in the 2009-10 financial year.

7.4 Leases

Refer to Note 3.2 for details of the income from sub-leasing, Note 7.5 for details of the interest expense on lease liabilities, Note 5.5 for details of the lease receivable and Note 5.3 for details of the associated right-of-use assets.

The consolidated entity leases assets including land, buildings, motor vehicles, gas transport pipelines and the output of three solar power plants. The most common lease term is 40 years for land assets, 6 years for motor vehicles, 5-10 years for buildings, 14-25 years for solar power plants and 10-16 years for Gas pipelines.

Lease additions have been calculated using the Corporation's incremental borrowing rate at the commencement date of the lease. The present value discount factor used for the minimum lease payments is between 1.51% and 6.48%.

	Consolidated			
	Minimum Lease Payments		Present Value of the minimum lease payments	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Not later than one year	54,620	52,215	43,802	40,998
1 to 5 years	193,740	190,478	161,743	156,188
Later than 5 years	245,479	277,666	220,611	247,712
	493,839	520,359	426,156	444,898
less: future finance charges	(67,683)	(75,461)	-	-
Total present value of minimum lease payments	**426,156**	**444,898**	**426,156**	**444,898**

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Provided for in the financial statements as:				
Current	43,802	40,991	41,952	39,676
Non-current	382,354	403,907	357,820	379,123
	426,156	**444,898**	**399,772**	**418,799**
Total cash outflows for leases				
Principal repayments on leases	39,543	36,862	37,310	34,594
Interest income on leases	(121)	(145)	(555)	(594)
Interest repayments on leases	11,665	11,786	10,553	10,685
	51,087	**48,503**	**47,308**	**44,685**

Future cash outflows to which the consolidated entity is potentially exposed may arise from variable lease payments that are linked to a consumer price index (CPI). Should CPI increase by 1.0%, lease payments would increase by $4.9 million. This potential cash outflow is not reflected in the measurement of lease liabilities.

The consolidated entity is committed to renewing the land leases for which long-term infrastructure assets have been constructed, as and when the legislative requirements are met.

The consolidated entity as lessee

Initial recognition and measurement

All leases are accounted for by recognising a right-of-use asset and a lease liability, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the consolidated entity recognises the lease payments as an operating expense on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable. In this case, the consolidated entity's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

Subsequent measurement

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

7.4 Leases (Continued)

Remeasurement

The consolidated entity remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate, or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

7.5 Finance costs

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Interest Expense - Government	78,969	59,295	78,969	59,295
Interest Expense - Leases	11,665	11,786	10,553	10,685
Interest Expense - Other	(321)	210	-	-
Total interest expense for financial liabilities not classified as at FVTPL	90,313	71,291	89,522	69,980
Less: Capitalised finance costs	(11,623)	(8,132)	(11,623)	(8,132)
	78,690	**63,159**	**77,899**	**61,848**

Borrowing costs included in the cost of qualifying assets during the year arose on the general borrowings pool and are calculated by applying a capitalisation rate of 5.65% per annum (2024: 5.16%) to expenditure on such assets

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily take a substantial period of time (greater than 24 months) to get ready for the qualifying asset's intended use are capitalised as part of the cost of the asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

To the extent that the funds are borrowed generally and used for the purpose of obtaining or constructing a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditure on that asset. The average carrying amount of the asset during the period, including borrowing costs previously capitalised, is used as the basis for determining expenditures to which the capitalisation rate is applied in that period.

All other borrowing costs are expensed in the period in which they are incurred.

Capitalisation of borrowing costs on qualifying assets

Under AASB 123 *Borrowing Costs*, borrowing costs associated with qualifying assets must be capitalised. The definition of a qualifying asset for this purpose is any asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The consolidated entity has determined that assets taking longer than 24 months to construct will be deemed qualifying assets, and as such, borrowing costs associated with these assets will be capitalised.

NOTE 8 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Note 8 Risks, contingencies and valuation judgements

The Corporation is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks). as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Corporation related mainly to fair value determination.

Note contents

Section	Description
8.1	Financial instruments
8.2	Risk management objectives
8.3	Contingent liabilities and contingent assets
8.4	Fair value determination

8.1 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the consolidated entity's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the consolidated entity has applied the practical expedient, the consolidated entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component, or for which the consolidated entity has applied the practical expedient are measured at the transaction price determined under AASB 15 *Revenue from Contracts with Customers*. Refer to the accounting policies in Note 3.1: Revenue from Contracts with Customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The consolidated entity's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flow. The business model determines whether the cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains or losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

This category is most relevant to the consolidated entity. The consolidated entity measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The consolidated entity's financial assets at amortised cost includes trade receivables, lease receivables and a loan to a subsidiary included under non-current assets.

8.1 Financial instruments (Continued)

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Critical accounting judgements and key sources of estimation uncertainty Note 1.3
- Trade and other receivables Note 6.1

The consolidated entity recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the consolidated entity expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (as 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets and lease receivables, the consolidated entity applies a simplified approach in calculating ECLs. Therefore, the consolidated entity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The consolidated entity has established a provision matrix based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

In certain cases, the consolidated entity may consider a financial asset to be in default when internal or external information indicates that the consolidated entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the consolidated entity. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

The consolidated entity's financial liabilities include trade and other payables, loans and borrowings.

Loans and borrowings

This is the category most relevant to the consolidated entity. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms on an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts, and there is an intention to settle on a net basis and settle the liabilities simultaneously.

8.2 Risk management objectives

(a) Financial risk management objectives

The consolidated entity's principal financial instruments are government loans and cash. The main purpose of these financial instruments is to raise finance for the consolidated entity's operations. The consolidated entity has various other financial instruments such as trade receivables and trade payables. It is the consolidated entity's policy not to trade in financial instruments. The Board of Directors reviews and agrees policies for managing the consolidated entity's financial risks and these are summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instruments are disclosed in Notes 5.5, 6.1, 6.2, 6.4, 6.5, 7.1, 7.2, 7.4 and 8.1 to the financial statements.

The consolidated entity's overall strategy remains unchanged from the prior year.

The main risks arising from the consolidated entity's financial instruments are:

Market risk	The risk that changes in the market will adversely impact the operations and returns of the Corporation and the consolidated entity.
Interest rate risk	The risk that financing costs will increase and impact prices to customers and returns to the shareholder.
Credit risk	The risk of financial loss if a counterparty to a transaction does not fulfil its financial obligations.
Liquidity risk	The risk of insufficient funds to fulfil the cash flow obligations on a timely basis.
Commodity price risk	The risk that contract prices will move as a result of adverse movements in the market.
Capital risk	The risk of the consolidated entity structuring its balance sheet inefficiently resulting in suboptimal returns to shareholders.
Operational risk	The inherent risk resulting from internal processes and systems or from external events.

(b) Market risk

The Corporation was established under the *Power and Water Corporation Act 2002* and is a Northern Territory Government Owned Corporation under the *Government Owned Corporations Act 2001 (GOC Act).*

In accordance with the GOC Act the Corporation's objectives are to:
(i) Operate at least as efficiently as a comparable business; and
(ii) To maximise the sustainable return to the Northern Territory Government on its investment in the consolidated entity.

The Corporation and the consolidated entity provides safe and reliable power, water and wastewater services to the people of the Northern Territory and meets its mandated environmental obligations.

There has been no change during the current financial year to the consolidated entity's exposure to market risks or the manner in which these risks are managed and measured.

(c) Interest rate risk management

The consolidated entity's exposure to the risk of changes in market interest rates relates primarily to the consolidated entity's long-term debt obligations to the Northern Territory Government. The loans are based on fixed interest rates, with one or more interest rate resets over the life of the loans.

The consolidated entity's policy is to manage its interest cost using fixed-rate debt. The following table shows the consolidated entity's debt and interest obligations to the Northern Territory Government and the impact of a change in interest rates:

	Consolidated		Corporation	
Loan term	Fixed rate loans $'000	Average Interest Rate %	Fixed rate loans $'000	Average Interest Rate %
2025				
<1 to 2 years	586,000	4.91%	586,000	4.91%
2 to 5 years	642,000	6.60%	642,000	6.60%
Over 5 years	284,000	6.54%	284,000	6.54%
	1,512,000		**1,512,000**	
2024				
<1 to 2 years	561,000	4.47%	561,000	4.47%
2 to 5 years	663,000	6.23%	663,000	6.23%
Over 5 years	112,000	6.62%	112,000	6.62%
	1,336,000		**1,336,000**	

Management has assessed that the exposure to changes in interest rate on cash and cash equivalent is minimal, so the resulting impact on the profit or other comprehensive income of the consolidated entity is not material.

8.2 Risk management objectives (Continued)

(d) Credit risk management

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk on receivables of the consolidated entity that has been recognised in the statement of financial position is the carrying amount net of any allowance for doubtful debts. The consolidated entity has a minimal concentration of credit risk as it undertakes transactions with a large number of customers and counterparties. The consolidated entity is not materially exposed to any individual customer. There are no major concentrations of credit risk on service debtors due from customers within particular industries.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the consolidated entity's maximum exposure to credit risk.

(e) Liquidity risk management

The consolidated entity's objective is to maintain a balance between continuity of funding and flexibility through the use of government loans and finance leases. Each year the consolidated entity prepares an SCI which is tabled with the Shareholding Minister for approval. The SCI is a detailed four-year projection of the consolidated entity's financial position. The current year actual results are reported against the SCI budget. The consolidated entity seeks approval from the Shareholding Minister for funding requirements for the forthcoming year on an annual basis based on the SCI. If the consolidated entity is unable to meet SCI budget targets it can apply to the Northern Territory Government for additional loan funding.

The following table sets out the carrying amount, by maturity, of the financial instruments for the consolidated entity:

Consolidated	Weighted average interest rate %	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	1 year or less $'000	1 to 5 years $'000	More than 5 years $'000	Total $'000
2025								
Financial Assets								
Cash assets	4.66%	41,828	-	-	41,828	-	-	41,828
Receivables		-	-	145,582	145,582	-	-	145,582
Investments		-	-	-	-	-	-	-
		41,828	**-**	**145,582**	**187,410**	**-**	**-**	**187,410**
Financial Liabilities								
Payables		-	-	140,164	140,164	-	-	140,164
Government loans	5.65%	-	1,859,927	-	358,138	1,090,221	411,568	1,859,927
Lease liability	2.68%	-	493,839	-	54,620	193,740	245,479	493,839
		-	**2,353,766**	**140,164**	**552,922**	**1,283,961**	**657,047**	**2,493,930**
2024								
Financial Assets								
Cash assets	4.23%	137,697	-	-	137,697	-	-	137,697
Receivables		-	-	119,134	118,663	471	-	119,134
Investments		-	-	3	-	-	3	3
		137,697	**-**	**119,137**	**256,360**	**471**	**3**	**256,834**
Financial Liabilities								
Payables		-	-	105,109	105,109	-	-	105,109
Government loans	5.16%	-	1,521,035	-	233,459	1,287,576	-	1,521,035
Lease liability	2.63%	-	520,359	-	52,215	190,478	277,666	520,359
		-	**2,041,394**	**105,109**	**390,783**	**1,478,054**	**277,666**	**2,146,503**

8.2 Risk management objectives (Continued)

The following table sets out the carrying amount, by maturity, of the financial instruments for the Corporation:

Corporation	Weighted average interest rate %	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	1 year or less $'000	1 to 5 years $'000	More than 5 years $'000	Total $'000
2025								
Financial Assets								
Cash assets	4.66%	24,663	-	-	24,663	-	-	24,663
Receivables		-	-	119,968	119,968	-	-	119,968
Loans to subsidiaries	3.44%	-	30,410	-	1,273	29,137	-	30,410
Investments		-	-	-	-	-	-	-
		24,663	**30,410**	**119,968**	**145,904**	**29,137**	**-**	**175,041**
Financial Liabilities								
Payables		-	-	119,240	119,240	-	-	119,240
Government loans	5.65%	-	1,859,927	-	358,138	1,090,221	411,568	1,859,927
Lease liability	2.58%	-	477,842	-	49,823	182,384	245,635	477,842
		-	**2,337,769**	**119,240**	**527,201**	**1,272,605**	**657,203**	**2,457,009**
2024								
Financial Assets								
Cash assets	4.23%	98,439	-	-	98,439	-	-	98,439
Receivables		-	-	112,503	112,032	471	-	112,503
Loans to subsidiaries	3.44%	-	30,410	-	1,273	29,137	-	30,410
Investments		-	-	3	-	-	3	3
		98,439	**30,410**	**112,506**	**211,744**	**29,608**	**3**	**241,355**
Financial Liabilities								
Payables		-	-	91,123	91,123	-	-	91,123
Government loans	5.16%	-	1,521,035	-	233,459	1,287,576	-	1,521,035
Lease liability	2.53%	-	477,842	-	49,823	182,384	245,635	477,842
		-	**1,998,877**	**91,123**	**374,405**	**1,469,960**	**245,635**	**2,090,000**

(f) Commodity price risk

The consolidated entity is exposed to changes in the price of gas that is sold to customers, however this has been mitigated through the negotiation and signing of a long-term fixed price gas purchase agreement that limits the exposure of the consolidated entity to CPI price increases in gas until the agreement expires in 2034. In the gas sales modelling assumptions, any excess gas that is not supplied under long term contracts is assumed to be sold at spot market prices. The consolidated entity will only purchase emergency gas supplies on market if agreements to pass on costs to the customers are in place. Sensitivity analysis to this is shown in Note 8.2(i).

The price for long-term gas agreements in the Australian East Coast market continues to remain high. This is supported by reports from the ACCC and AEMO, which also continue to forecast significant shortages in the East Coast market from 2024 onwards. This is likely to exacerbate the pricing situation.

The consolidated entity is exposed to changes in the price of distillate, which is used to power electricity generators. Each year, grant funding received by the subsidiary from the Northern Territory Government is based on an operational budget that includes an estimated cost of distillate consumption. In the event the distillate price varies upwards, and the subsidiary does not have sufficient grant funds to continue operating, the subsidiary can apply to the Northern Territory Government for additional grant funds.

(g) Capital risk management

The consolidated entity's and the Corporation's objectives when managing capital are to safeguard their ability to continue as a going concern, so they can continue to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure in line with Shareholding Minister expectations.

The capital structure of the consolidated entity consists of debt, which includes borrowings disclosed in Note 7.1, cash and cash equivalents and equity attributable to the equity holder of the Corporation, comprising issued capital and retained earnings as disclosed in Notes 10.1 and 10.4 respectively. In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to the shareholder, return capital to the shareholder or sell assets to reduce debt.

Operating cash flows are used to maintain and expand the consolidated entity's assets, as well as to make routine outflows of tax, dividends and servicing of debt. The consolidated entity's policy is to borrow centrally using facilities provided by Northern Territory Treasury Corporation to meet anticipated funding requirements. The consolidated entity is not subject to any externally imposed capital requirements.

The consolidated entity's overall strategy remains unchanged from prior years.

(h) Operational risk

Operational risk refers to the extent that process, system, compliance or fraud matters could impact the financial risk profile. This includes the integrity of information used to make decisions, maintain assets, protect staff and provide business continuity. The Corporation manages operational risk through deployment of a risk management system, a rigorous internal audit program based on risk and controls and continuous development and improvement in its guidelines, standards, methodologies and systems.

8.2 Risk management objectives (Continued)

(i) Gas contracts sensitivity analysis

The consolidated entity has long-term contracts in place to procure gas and gas transport arrangements. The procurement contracts have provisions that require payment in full for gas up to a prescribed volume, and any gas that is procured but not consumed can be used, at no charge, in the future after the annual consumption of other prescribed volumes. The value of this "make-up gas", is included in intangible assets, and is calculated as the lower of cost or net realisable value.

The directors consider these risks as part of their ongoing monitoring of the gas sales strategy and having considered both the risks and opportunities they consider as more probable, and which can therefore be quantified and assessed for materiality.

The sources of estimation uncertainty in the contracts have a significant risk of resulting in a material adjustment to the value of this asset and include the underlying assumption that all gas purchased is on sold; the outcome of current contract negotiations with customers; renewables penetration; the East Coast gas market outlook; the forward spot gas price outlook; and the outlook for other key economic factors such as CPI and the wages index.

The directors will continue to monitor the gas sales strategy and associated financial outlook having regard to sources of estimation uncertainty discussed above and note that the quantum of the provision is sensitive to price assumptions and volume consumption assumptions of gas customers.

Sensitivity analysis — NPV change as a result of:

	Wallumbilla hub average price			CPI and Average weekly earnings	
% movement	*increase*	*decrease*	*% movement*	*increase*	*decrease*
5%	35.4 m	(35.4 m)	0.25%	(6.5 m)	6.3 m
10%	70.7 m	(70.7 m)	0.50%	(13.1 m)	12.5 m
20%	141.5 m	(141.5 m)	1.00%	(26.9 m)	24.3 m

8.3 Contingent liabilities and contingent assets

The consolidated entity's operations are subject to significant statutory responsibilities under both Commonwealth and Northern Territory legislation. The Corporation has not been issued with any enforcement action by the Environmental Regulator during this reporting period. The consolidated entity continues to pursue compliance with its statutory obligations and improve processes to meet its responsibilities.

In 2020-21 the Corporation was issued with a Show Cause Letter from the Department of Agriculture, Water and the Environment (DAWE) in relation to a potential breach of conditions associated with the East Point Effluent Rising Main - Environment Protection and Biodiversity Conservation Act Approval (2009/5113). A formal response was provided to DAWE as per required timeframes, however as yet no formal determination received from DAWE regarding potential fines/penalties.

Indigenous Essential Services Pty Ltd has completed investigative leak detection on underground water pipelines in Yuendumu and Angurugu. In Yuendumu the company has completed comprehensive leak rectification and remediation works, which include replacing asbestos cement mains and customer service lines. The company is working with the Department of Housing, Local Government and Community Development (DHLGCD) on a funding submission from National Water Grid Authority (NWGA) for leak rectification and remediation works required at Angurugu. No known regulatory breaches have occurred in IES Pty Ltd during FY25.

There are no other contingent liabilities for the year ended 30 June 2025.

8.4 Fair value determinations

Some of the consolidated entity's assets and liabilities are measured at fair value for financial reporting purposes. The consolidated entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The consolidated entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of observable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the consolidated entity determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

8.4 Fair value determinations (Continued)

External valuers are involved for valuation of significant assets, such as infrastructure assets. At the end of each reporting period the consolidated entity analyses the movements in property, plant and equipment that are required to be remeasured or re-assessed as per the consolidated entity's accounting policies. For this analysis the consolidated entity verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to relevant documents. The consolidated entity, in conjunction with the external valuers, also compares the change in the fair value of property, plant and equipment with relevant external sources to determine whether the change is reasonable.

The consolidated entity presents the results of the valuation to the Audit and Risk Management Committee. This includes a discussion of the major assumptions used in the valuations.

Fair value related disclosures for financial assets (i.e., borrowings) and property, plant and equipment that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Financial instruments Note 8.4 (a)
- Property, plant and equipment Note 8.4 (b)

(a) Fair value of Financial Instruments

Net fair values of financial assets and liabilities approximate carrying values except for government loans, which have a fair value of $1,487 million (2024: $1,310 million).

Consolidated entity	Level 2 $'000	Fair value as at 30 June 2025 $'000	Level 2 $'000	Fair value as at 30 June 2024 $'000
Financial Liabilities				
Borrowings	1,486,898	1,486,898	1,310,081	1,310,081

The fair value of borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates.

(b) Fair value of property, plant and equipment (excluding right-of-use assets and capital works in progress)

Asset class		Valuation policy
Corporate land and buildings	Specialised land	Market approach
	Non-specialised land	Market approach
	Office buildings	Market approach
Infrastructure systems	Water and sewerage	Income approach
	Electricity generation	Income approach
	Electricity distribution and transmission	Income approach
	Gas supply (2)	Income approach
	IES water, sewerage, and electricity distribution and transmission	Cost approach
Plant and equipment (3)	Non-specialised plant and equipment	Historical approach

The following valuation techniques are used for the Corporation (1):

(1) Excludes the assets of Indigenous Essential Services Pty Ltd in which assets are measured using the Current Replacement Cost approach for infrastructure systems assets.
(2) Gas supply assets are comprised of the McArthur River Gas Pipeline.
(3) Non-specialised assets such as minor items of office equipment are held at historic cost.

The fair value of the freehold land and buildings was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

The fair value of corporation infrastructure system assets was determined using the income approach. This reflects the cost a market participant would be willing to pay if buying an asset. The income approach converts future amounts (e.g. cashflows or income and expenses) to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts. The significant factors include the transportation factor, foreign exchange rates, CPI Index, Reserve Bank cash rates and the construction cost factor.

8.4 Fair value determinations (Continued)

The fair value of Indigenous Essential Services Pty Ltd infrastructure assets was determined using the current replacement cost approach. This reflects the cost to a market participant that would be required to replace the current service capacity of an asset. It represents the current cost of the asset less depreciation and any adjustments that allow a lower cost solution for achieving the current service standard.

The fair value of non-specialised plant and equipment were determined using historical cost as these are minor asset items such as operating and office equipment.

Revaluation of property, plant and equipment

As at 30 June 2025
The consolidated entity values infrastructure assets using the income approach method in accordance with AASB 13 *Fair Value*. The review resulted in no increase in the consolidated entity's infrastructure assets. There has been no revaluation of Corporation's fair value or of Indigenous Essential Services Pty Ltd during the financial year.

As at 30 June 2024
The consolidated entity values infrastructure assets using the income approach method in accordance with AASB 13 *Fair Value*. The review resulted in an increase in the consolidated entity's infrastructure assets of $316.5 million. This has been primarily driven by revaluation of $78.2 million in the Corporation's fair value driven by an alignment of Power Services cash flow with the FY25-FY29 AER regulatory determination, partially offset by reduced forecast cashflows in Water Services. This was accompanied by a revaluation of Indigenous Essential Services Pty Ltd of $238.3 million during the financial year.

There have been no changes to the valuation techniques during the year ended 30 June 2025.

Details of the consolidated entity's land, buildings, infrastructure and plant and equipment, and information about their fair value hierarchy as at the end of the reporting are as follows:

Consolidated entity	Level 2 $'000	Level 3 $'000	Fair Value $'000
Fair value as at 30 June 2025			
Freehold land	80,325	-	80,325
Buildings	20,176	-	20,176
Infrastructure	-	2,912,388	2,912,388
Plant and equipment	-	34,127	34,127
Total	**100,501**	**2,946,515**	**3,047,016**
Fair value as at 30 June 2024			
Freehold land	80,325	-	80,325
Buildings	20,713	-	20,713
Infrastructure	-	2,876,870	2,876,870
Plant and equipment	-	33,754	33,754
Total	**101,038**	**2,910,624**	**3,011,662**

Corporation	Level 2 $'000	Level 3 $'000	Fair Value $'000
Fair value as at 30 June 2025			
Freehold land	80,325	-	80,325
Buildings	20,176	-	20,176
Infrastructure	-	2,158,784	2,158,784
Plant and equipment	-	32,658	32,658
Total	**100,501**	**2,191,442**	**2,291,943**
Fair value as at 30 June 2024			
Freehold land	80,325	-	80,325
Buildings	20,713	-	20,713
Infrastructure	-	2,112,662	2,112,662
Plant and equipment	-	32,469	32,469
Total	**101,038**	**2,145,131**	**2,246,169**

8.4 Fair value determinations (Continued)

There were no transfers of assets between Level 1 and Level 2 during the year.

Level 2 inputs are inputs other than quoted market prices that are observable for the asset or liability either directly or indirectly. Valuation techniques are described above.

Level 3 inputs are unobservable inputs for the asset or liability. Valuation techniques are described above.

Core operational assets of Power Services and Water Services business units are valued using the income approach. Consistent with the accounting standards, the income approach has a 'purchaser of the business' perspective and is based on the net present value of the forecasted cash flows of these businesses applying anticipated market conditions. Significant unobservable inputs in the model and sensitivity analysis are outlined below.

	Valuation Techniques	Significant unobservable inputs	Sensitivity
Power Services – Infrastructure assets	Income approach	Weighted average cost of capital (WACC) rate, taking into account the long-term view of the market cost of capital, of 6.6% (2024: 6.7%), supportable by key assumptions in the beta range being based on analysis of observed 5-year asset betas of listed companies and gearing range being based on industry research of 5-year average debt to enterprise value ratio of the guideline listed companies.	A 50 basis points decrease in the WACC or discount rate while holding other variables constant would increase the carrying amount of the infrastructure assets by $ 41.1 million, and vice versa.
		Regulated Asset Base (RAB) multiple to the terminal value assumption of 1.1 (2024: 1.1).	A 0.1 increase in the RAB multiple while holding other variables constant would increase the carrying value of the carrying amount of the infrastructure assets by $ 124.3 million, and vice versa.
Water Services – Infrastructure assets	Income approach	WACC rate, taking into account the long term view of the market cost of capital of 7.4 % (2024: 7.5%) supportable by key assumptions in the beta range being based on analysis of observed 5-year asset betas of listed companies and gearing range being based on industry research of 5-year average debt to enterprise value ratio of the guideline listed companies.	A 50 basis points decrease in the WACC or discount rate while holding other variables constant would increase the carrying amount of the infrastructure assets by $152.65 million, and vice versa.
		Gordon Growth Method to the terminal value assumption of 2.5 % (2024: 2.5%) perpetuity growth rate, supportable for long-life, critical infrastructure assets not subject to regulatory limitations on rates of return.	A 50 basis points increase in the growth rate while holding other variables constant would increase the carrying amount of the infrastructure assets by $ 86.1 million, and vice versa.

Impairment losses recognised in the year

There were no triggering events to require further analysis for an impairment write-down of property, plant and equipment for year ended 30 June 2025.

NOTE 9 STATUTORY OBLIGATIONS

This section included disclosures in relation to the Corporation's statutory obligations.

Note contents

9.1 Income tax equivalent expense

Income tax equivalent payments are made pursuant to section 33(3) of the *Government Owned Corporations Act 2001* and are based on rulings set out in the National Tax Equivalent Regime manual. The manual gives rise to obligations which reflect in all material respects those obligations for taxation which would be imposed by the *Income Tax Assessment Act 1936 and 1997*.

The Corporation is required to make income tax equivalent payments to the Northern Territory Government based on taxable income. It is not liable to pay the Commonwealth tax that would be payable if it were not a Government Owned Corporation.

Indigenous Essential Services Pty Ltd is not subject to taxation as it is a not-for-profit entity and therefore exempt under section 24 of the *Income Tax Assessment Act 1936*.
period.

The major components of income tax expense are:

9.1.1 Income tax recognised in profit or loss

	Consolidated		Corporation	
	June 2025 $'000	**June 2024 $'000**	**June 2025 $'000**	**June 2024 $'000**
Current income tax				
Current income tax charge	-	-	-	-
Deferred income tax				
Relating to origination and reversal of temporary differences	(26,249)	3,399	(26,249)	3,399
Taxable loss carry forward to later income years	(9,756)	(3,522)	(9,756)	(3,522)
Income tax (refund) / expense reported in profit or loss	**(36,005)**	**(123)**	**(36,005)**	**(123)**
Numerical reconciliation between tax expense and pre-tax net profit				
Profit/(loss) before income tax	(164,215)	(31,344)	(129,708)	(7,933)
At the consolidated entities' statutory income tax rate of 30% (2023: 30%)	(49,265)	(9,403)	(38,912)	(2,380)
Expenditure not allowable for income tax purposes	10,420	7,060	66	37
Non-deductible Superannuation Guarantee Charge	-	44	-	44
Tax effect of transfer pricing adjustment	2,840	2,176	2,840	2,176
Income tax (refund) / expense on pre-tax profit	**(36,005)**	**(123)**	**(36,006)**	**(123)**

9.1.2 Deferred income tax

	Consolidated		Corporation	
	June 2025 $'000	**June 2024 $'000**	**June 2025 $'000**	**June 2024 $'000**
Deferred tax liabilities (DTL)				
Property, plant and equipment	194,495	185,468	194,495	185,468
Prepayments	59	59	59	59
Gross deferred income tax liabilities	**194,554**	**185,527**	**194,554**	**185,527**
Movements:				
Opening balance at 1 July	185,527	146,521	185,527	146,521
Credited/(charged) to profit or loss	9,027	20,510	9,027	20,510
DTL on revaluation recognised directly against ARR	-	18,496	-	18,496
Closing balance at 30 June	**194,554**	**185,527**	**194,554**	**185,527**
Deferred tax assets (DTA)				
Employee provisions	17,557	16,985	17,557	16,985
Allowance for doubtful debts	4,585	3,427	4,585	3,427
Obsolete stock provision	554	587	554	587
Renewable energy provision	1	4	1	4
Make-up gas impairment	1,955	1,955	1,955	1,955
Accrued expenses	33	90	33	90
Board approved write-offs	65	332	65	332
Lease repayments	6,703	6,196	6,703	6,196
Assessable Manton Dam capital grant funding income	49,253	16,256	49,253	16,256
Taxable loss carried forward from prior year	9,233	4,692	9,233	4,692
Taxable loss carry forward to later income years	9,756	3,522	9,756	3,522
Gross deferred income tax assets	**99,695**	**54,046**	**99,695**	**54,046**
Movements:				
Opening balance at 1 July	54,046	34,030	54,046	34,030
(Over)/under provision from prior years	617	(617)	617	(617)
(Charged) to profit or loss	35,276	17,111	35,276	17,111
Taxable loss carry forward to later income years	9,756	3,522	9,756	3,522
Closing balance at 30 June	**99,695**	**54,046**	**99,695**	**54,046**
Net deferred tax liabilities	**(94,859)**	**(131,481)**	**(94,859)**	**(131,481)**
Deferred tax expense	**(26,250)**	**3,399**	**(26,250)**	**3,399**

Deferred tax

The consolidated entity adopts the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases of those items. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

Deferred tax liabilities

Deferred tax liabilities are recognised for all taxable temporary differences except:

- When the deferred tax liability arises from the initial recognition of goodwill or from an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the taxable temporary difference is associated with investments in controlled entities, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be used, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- When the deductible temporary difference is associated with investments in controlled entities, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be used.

9.1.2 Deferred income tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be used. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

9.1.3 Income tax receivable

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Opening balance at 1 July	(1,644)	(5,053)	(1,644)	(5,053)
Under/(over) provision from prior years	617	(617)	617	(617)
Income tax received	1,027	4,026	1,027	4,026
Current year income tax expense	-	-	-	-
Closing balance at 30 June	**-**	**(1,644)**	**-**	**(1,644)**

Current tax

Current tax is calculated by reference to the amount of the income taxes payable or recoverable in respect of the taxable profit or taxable loss for the period. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Current and deferred tax for the year

Current and deferred tax is recognised as an expense or income in the profit or loss, except when it relates to items recognised in other comprehensive income, in which case current and deferred tax are also recognised in other comprehensive income. Income taxes relating to these items are recognised directly in other comprehensive income.

9.2 Environmental Contribution provision

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Renewable Energy Certificates	4	12	4	12

The provision for Renewable Energy Certificates represents the consolidated entity's obligation to meet the Clean Energy Renewable (CER) targets by surrendering renewable energy certificates equivalent to the calculated liability on the consumption sold to customers.

NOTE 10 OTHER DISCLOSURES

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report

10.1 Contributed equity

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Share capital				
1 Share (2023: 1 Share)				
Equity contribution	50,000	50,000	50,000	50,000
Debt to equity swap	322,582	322,582	322,582	322,582
Transfer of assets and liabilities to new entities	(328,246)	(328,246)	(328,246)	(328,246)
Total contributed equity	**44,336**	**44,336**	**44,336**	**44,336**
Contributed equity at beginning of year	44,336	44,336	44,336	44,336
Equity (withdrawal)/contributions from the Northern Territory Government	-	-		-
Total contributed equity	**44,336**	**44,336**	**44,336**	**44,336**

The Government Owned Corporations Act 2001 requires the Corporation to have share capital to be held by one shareholder only, being the Shareholding Minister, who holds the share on behalf of the Northern Territory Government. The Corporation's constitution specifies the share capital to be one share. No value is assigned to this share.

10.2 Dividends

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Dividends declared and paid to its shareholder during the financial year were as follows:				
Dividend declared and paid during the year on ordinary shares:	2,000	2,000	2,000	2,000
	2,000	**2,000**	**2,000**	**2,000**

A provision for dividends payable is recognised in the reporting period that it is declared. In determining a dividend, the Corporation considers net profit after tax, after removing non-cash accounting adjustments such as asset revaluations and provision for onerous contracts. All requirements of the GOC Act and Corporation's Act are considered when declaring a dividend.

10.3 Asset revaluation reserve

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Balance at beginning of year	1,343,232	1,063,475	508,597	466,093
(Decrease)/increase in asset valuation	-	300,017	-	61,654
Less deferred tax effect recognised in deferred tax liabilities	-	(18,496)	-	(18,496)
Revaluation surplus	-	281,521	-	43,158
Retirements transferred to retained earnings	(8,230)	(1,764)	(702)	(654)
Asset revaluation reserve at end of the year	**1,335,002**	**1,343,232**	**507,895**	**508,597**

The asset revaluation reserve arises on the revaluation of property, plant and equipment (assets). When revalued assets are sold, the portion of the asset's revaluation reserve that relates to those assets is transferred directly to retained earnings.

10.4 Retained earnings

	Consolidated		Corporation	
	June 2025 $'000	June 2024 $'000	June 2025 $'000	June 2024 $'000
Retained earnings at beginning of year	396,760	428,217	725,208	734,364
Net profit/(loss) for the year	(130,456)	(31,221)	(93,703)	(7,810)
Retirements moved from asset revaluation reserve	8,230	1,764	702	654
Dividends provided for or paid	(2,000)	(2,000)	(2,000)	(2,000)
Retained earnings at end of the year	**272,534**	**396,760**	**630,207**	**725,208**

10.5 Events after the reporting period

Subsequent to the year end, the directors declared a special dividend of $2 million, payable by 30 November 2025.

The financial statements of the consolidated entity were approved on 22 September 2025.

In the opinion of the directors of the Corporation there were no material and unusual events that have arisen in the interval between the end of the financial year and the date of this report. Material events are those that are likely to affect significantly the operations of the consolidated entity, the results of those operations, or the state of the affairs of the consolidated entity, in future financial years.

10.6 Related party transactions

The immediate parent within the group is Power and Water Corporation. The ultimate controlling party is the Northern Territory Government, which owns 100% of the issued ordinary shares of Power and Water Corporation. This share is held by the Shareholding Minister on behalf of the Northern Territory.

The consolidated entity has a related party relationship with its ultimate controlling party (includes other agencies and departments of the Northern Territory Government), director-related entities and associates. All financial transactions between the consolidated entity and related parties are at arm's length terms.

Trading transactions

Balances and transactions between the Corporation and its controlled entity, which is a related party of the Corporation, have been eliminated on consolidation and are not disclosed in this note.

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year. Due to the large number of transactions, it is not practical to list separately related party transactions that occurred between the Corporation and these entities. Therefore, these transactions have been aggregated as shown in the following table:

Related Party		Revenue from related parties (1) $'000	Purchases from related parties (2) $'000	Amounts owed by related parties (3) $'000	Amounts owed to related parties (4) $'000
The ultimate parent entity, the Northern Territory Government, including all entities that are associated with the parent entity including Territory Generation and Jacana Energy	June 2025	402,324	106,524	57,421	1,518,315
	June 2024	384,829	96,132	55,642	1,338,234

(1) The consolidated entity receives grants from the Northern Territory Government in the form of Community Service Obligations and other miscellaneous grants. See Notes 3.5 for further details.

(2) For the year ended 30 June 2025, purchases from the Northern Territory Government includes interest paid on borrowings of $79 million (2024: $59.3 million) refer to Note 7.5.

(3) As at 30 June 2025, the amounts owed by related parties relate to amounts outstanding for the provision of electricity retail and generation services, water and standard control services, as well as accrued revenue for the supply of gas.

(4) For the year ended 30 June 2025, the amount owed to the Northern Territory Government includes borrowings of $1,512 million (2024: $1,336 million) refer to Note 7.1.

10.6 Related party transactions (Continued)

Loans to related parties

As disclosed in Note 6.4 Loans to Subsidiaries, the Corporation has provided two interest-only fixed loans to its subsidiary, Indigenous Essential Services Pty Ltd. The first loan for $11.0 million was provided in 2020-21 for a loan term of 5 years ending in 2025-26. Interest is charged at 2.88% per annum on the outstanding balance. The second loan of $14.0 million was provided in 2023-24 for a loan term of 5 years ending in 2028-29 with interest charged at 6.83% per annum.

The Corporation provides electricity, water and wastewater services to its subsidiary, Indigenous Essential Services Pty Ltd in the normal course of business and on normal terms and conditions.

To ensure that Indigenous Essential Services Pty Ltd is able to pay its debts as and when they fall due, a letter of financial support has been provided by the Corporation to the subsidiary which guarantees support should Indigenous Essential Services Pty Ltd not be able to pay its debts as and when they fall due. This letter is valid to such time as Indigenous Essential Services Pty Ltd ceases to be a wholly owned subsidiary of the Corporation or until revoked.

From time to time, directors and their director-related entities may purchase goods from the consolidated entity. These purchases are on the same terms and conditions as those entered into by consolidated entity employees or customers and are trivial or domestic in nature.

Remuneration of key management personnel

Compensation levels are competitively set to attract and retain appropriately qualified and experienced directors and senior executives. Remuneration packages are usually a fixed remuneration.

The profit for the year includes the following items of expenses that resulted from transactions, other than compensation with key management personnel or their related entities:

	Consolidated		Corporation	
	June 2025 $000	June 2024 $000	June 2025 $000	June 2024 $000
Expense transactions with key management personnel	1,282	2,710	1,282	2,710

For the year ended 30 June 2025, the consolidated entity has made allowance for doubtful debts relating to amounts owed by related parties of $nil (2024: $nil).

The following table provides the details of all non-executive directors of the Corporation and the nature and amount of the elements of their remuneration:

		Short-term employee benefits $	Post employment benefits (superannuation) $	Total $
Non-executive directors				
Mr Peter Wilson (Chairperson)	June 2025	192,007	22,081	214,088
(Term commenced March 2022)	June 2024	192,007	21,121	213,128
Mr Trevor Armstrong	June 2025	97,310	11,191	108,501
(Term commenced July 2022)	June 2024	97,310	10,704	108,014
Mr Paul Italiano	June 2025	97,310	11,191	108,501
(Term commenced July 2022)	June 2024	97,310	10,704	108,014
Mr Gregory Martin	June 2025	97,310	11,191	108,501
(Term commenced July 2022, ended 30 June 2025)	June 2024	97,310	10,704	108,014
Ms Jodie Ryan	June 2025	97,310	11,191	108,501
(Term commenced August 2022)	June 2024	97,310	10,704	108,014
Ms Megan Corfield	June 2025	97,310	11,191	108,501
(Term commenced November 2022)	June 2024	97,310	10,704	108,014
Total non-executive directors	**June 2025**	**678,557**	**78,036**	**756,593**
	June 2024	**678,557**	**74,641**	**753,198**

No termination benefits were paid to non-executive directors during the year.

10.6 Related party transactions (Continued)

The table below shows the benefits paid to executive directors and officers of the Corporation and of the controlled entity, whose benefits from the Corporation and from the controlled entity fall within the following types:

	Consolidated		Corporation	
	June 2025 $	June 2024 $	June 2025 $	June 2024 $
Short-term employee benefits	2,904,409	2,913,840	2,904,409	2,913,840
Other long-term benefits	480,275	433,005	480,275	433,005
Post-employment benefits	218,799	183,704	218,799	183,704
Total compensation of key management personnel (excluding non-executive directors)	**3,603,483**	**3,530,548**	**3,603,483**	**3,530,548**

Executive officers are those officers who are involved in the strategic direction, general management or control of business at corporation or business division level.

Other transactions with key management personnel

Apart from the details disclosed in this note, no key management personnel have entered into a material contract with the Corporation or the consolidated entity since the end of the previous financial year and there were no material contracts involving their interests existing at year end.

From time to time key management personnel of the Corporation, or its controlled entity or their related parties, may purchase goods and services from the consolidated entity. These purchases are on the same terms and conditions as those entered into by the other consolidated entity's employees or customers and are trivial or domestic in nature.

10.7 Auditor's remuneration

	Consolidated		Corporation	
	June 2025 $	June 2024 $	June 2025 $	June 2024 $
Audit of the financial statements	343,235	373,000	277,630	299,000
	343,235	**373,000**	**277,630**	**299,000**

The auditor of the Corporation and the consolidated entity is the Auditor-General for the Northern Territory.

10.8 Adoption of new and revised Accounting Standards

(a) New accounting standards and amendments that are effective in the current financial year

The consolidated entity has adopted all of the new, revised or amending accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and are mandatory for the current reporting period. No new, revised or amending accounting standard or Interpretation has been adopted earlier than the application date as stated in the standard.

(b) Standards and interpretations in issue not yet effective

At the date of authorisation of the financial statements, the consolidated entity has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:
The following Australian Sustainability Reporting Standards have been issued and are being adopted by the Company for the 2025/26 reporting period:

- AASB S1 – General Requirements for Disclosure of Sustainability-related Financial Information
- AASB S2 – Climate-related Financial Disclosures

Both standards become effective for the Company from 1 July 2025. These standards establish the requirements for sustainability-related and climate-related financia disclosures in sustainability reports and general-purpose financial statements.

The consolidated entity has commenced its analysis to assess and implement the requirements under AASB S1 and AASB S2. A detailed assessment is ongoing, including the evaluation of the overall impact of adopting these new standards on the consolidated entity's financial reporting processes, systems, and disclosures. No adjustments have been made to the current financial statements in relation to these standards. The consolidated entity will continue to monitor developments and provide further disclosures as required in future reporting periods.

ASSB 18 Presentation and Disclosure in Financial Statements

AASB 18 replaces AASB 101 Presentation of Financial Statements and is effective for the consolidated entity in the 2027/28 financial year. It will not change the recognition and measurement of items in the financial statements, but will affect presentation and disclosure in the financial statements, including introducing new categories and defined subtotals in the statement of profit or loss, requiring the disclosure of management-defined performance measures, and changing the grouping of information in the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the consolidated entity's financial statements.

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