



# Annual Report

## 2024 – 25

[powerwater.com.au](https://powerwater.com.au)

Indigenous   
Essential Services  
Pty Ltd



## 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.*







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**Cover image:** Robert Willie from our Power Services team in Alice Springs.





# 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 reconciliation event at Darwin's Raintree Park, attended by Power and Water team members.*





# Message from the Board Chair



*I am proud of the progress we made in 2024 to anticipate and respond to the expectations of customers across 72 remote communities and 79 outstations, while growing in our role as leaders in reconciliation, strengthening government partnerships with government and building a workforce for the future.*

## LISTENING AND LEARNING FROM OUR CUSTOMERS

This year, the Board endorsed the Customer Experience Strategy 2030, which sets out a roadmap to keep customers at the centre of our investment plans and decision making.

As important as it is to celebrate success, we must be vigilant for opportunities to improve services for customers, whether in urban or remote settings.

One initiative delivered under the strategy is a new dedicated customer hotline for remote customers. Developed in response to direct customer feedback, the hotline features fewer, more relevant options aligned with the priorities of customers living in the bush.

## A LEADER IN RECONCILIATION

We reached an important milestone this year with the completion of our Innovate Reconciliation Action Plan (RAP). As the Northern Territory's essential services provider, we have a unique position to be a leader in reconciliation.

I have been encouraged by the strong focus on supporting business and employment pathways, and on strengthening meaningful and respectful relationships with Aboriginal and Torres Strait Islander peoples and organisations.

In economic terms, that focus has seen our spending with Aboriginal Business Enterprises grow from \$9.6 million last financial year to more than \$22.8 million as of June 2025. This investment supports better service delivery outcomes for customers and drives employment and capability growth.

It was an honour to be invited by Reconciliation Australia to progress to a Stretch RAP. Guided by our Reconciliation Advisory Committee, I look forward to continuing our reconciliation journey and realising new opportunities through partnerships, employment and community investment.



## BUILDING OUR FUTURE WORKFORCE

Our Board has set a strategic goal to modernise our business, including building an empowered and high-performing workforce.

With an eye to the future, it is important we foster a pipeline of talent interested in the exciting career pathways available at Power and Water and Indigenous Essential Services (IES).

I have been encouraged by the strong interest shown by school and university students at career expos in Katherine, Darwin and Alice Springs throughout the year. I am confident we will welcome many of them into our organisation in the years ahead, helping grow our capability to meet the evolving needs of Territorians.

We are also proud to be partnering with the Clontarf Foundation and Stars to support young Aboriginal women and men transition from school to employment.

## STRONG GOVERNMENT PARTNERSHIPS

Delivering essential services in remote communities is challenging, rewarding and resource intensive.

To be effective, IES must continually balance priorities in public safety, service reliability, business sustainability and risk.

It is crucial we operate within an effective, fit-for-purpose framework that responds to the needs of the 72 remote communities and 79 outstations we service.

I acknowledge the ongoing collaboration with the Northern Territory Government, including our funding partner, the Department of Housing, Local Government and Community Development.

I also acknowledge the important support from the Australian Government through channels such as the National Water Grid Fund to help deliver strategic water infrastructure projects that enable communities to grow and thrive.

## ACKNOWLEDGEMENTS

I extend my sincere thanks and recognition to my fellow Board directors Jodie Ryan, Paul Italiano and Trevor Armstrong for their support throughout the year as we continue to strengthen the strategic framework of IES.

I would also like to acknowledge the leadership and advocacy of Power and Water's CEO Djuna Pollard and thank Power and Water's leadership team and people for their continued focus on meeting the needs of customers in remote communities.



**Peter Wilson AM**

**Chair, Power and Water Corporation**

**30 September 2025**



# Message from the Chief Executive Officer



*Our commitment to giving customers our best extends far beyond the Stuart Highway, reaching across 1.3 million square kilometres, from the desert of Central Australia to the saltwater communities of the north.*

This year, our people have once again risen to the exciting opportunities and unique challenges of delivering essential services in some of Australia's most demanding and remote locations.

## BUSHFIRES IN THE BARKLY

In October 2024, an estimated 4.6 million hectares of land were significantly impacted by bushfires, with fronts stretching up to 50 kilometres.

When the fire damaged powerlines along the Stuart Highway between Bonney Well and Devils Marbles, the power supply to Ali Curung and Davenport was disrupted.

Our crews worked through the night to find and replace the damaged lines, safely restoring power to customers and minimising impacts to water and wastewater services.

Our people train throughout the year to be ready to respond to a wide range of emergencies, from cyclones and bushfires to cyber security threats.

## CHAMPIONING RECONCILIATION

I am deeply committed to my role in advancing reconciliation and am proud to be Power and Water's Reconciliation Champion.

Through our 2023-2025 Innovate RAP, we set out tangible commitments to work in true partnership with Aboriginal and Torres Strait Islander people and organisations. By fostering meaningful and mutually beneficial relationships, respect, and employment and business opportunities, we are embedding lasting change.

I am excited by the opportunities to be realised through the 2025-2028 Stretch RAP by empowering pathways, building independence and creating opportunity through employment, community investment and partnerships.



## EMPOWERING EMPLOYMENT

I am passionate about building a workforce that reflects the diversity of the communities we serve.

As of 30 June 2025, we had 7 Aboriginal apprentices and 68 Aboriginal employees against a target of 115. I am determined to see these numbers grow through strengthened employment strategies, community partnerships and reconciliation initiatives.

We also support 140 Utility Support Contract Workers (USCWs) living and working in remote communities, 40 of whom are Aboriginal. They deliver services on behalf of IES. USCWs do a great job for their communities and are supported with hands-on training to help grow a local workforce.

## SUPPORTING VULNERABLE CUSTOMERS IN LANGUAGE

For many vulnerable Territorians, reliable power and water services are critical for keeping medicine cool and life support equipment operating.

Through our free Life Support Service, customers receive advance notice of planned works that could interrupt their supply, giving them time to prepare.

To make this service more accessible, we worked with the Aboriginal Interpreter Service to prepare information in 18 Aboriginal languages, available as videos, ensuring more Territorians can access and understand this important support.

## WATER SECURITY AND SUPPLY IN THE BUSH

Many remote communities rely on finite groundwater sources for their drinking water, which may also require tailored treatment solutions to address naturally occurring minerals.

In partnership with the Northern Territory and Australian Governments, we are delivering projects to improve water security and quality and enable communities to grow.

This work is informed by an infrastructure prioritisation framework that maps the water infrastructure needs

of 55 remote communities, ensuring investment is targeted where it is needed most.

I acknowledge and thank both governments for supporting projects including water supply upgrades in Yuendumu and Maningrida, and the installation of smart meters in water-stressed communities to help us detect leaks faster.

I look forward to continuing these partnerships, including the 'Better Bores for Communities' program benefiting 10 remote communities.

## ADVOCACY ON THE NATIONAL STAGE

I was proud to be elected to a second term as a Director on the Board of the Water Services Association of Australia (WSAA), Australia's peak advocacy body for the water industry.

WSAA's focus on shaping water policy and innovative service delivery for First Nations communities closely aligns with the priorities of IES and Power and Water.

Through our active involvement in WSAA's First Nations Clean Water and Sanitation Network, we are ensuring the needs of Territory customers are heard and considered in national policy and service delivery discussions.

## ACKNOWLEDGEMENTS

I sincerely thank the IES Board and leadership team for their support throughout the year.

I also extend my thanks to our team, USCWs and partners for their commitment to making a difference to the lives of Territorians, every day.

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



# IES Board and IES Leadership Team

## IES BOARD AND ATTENDANCE RECORD



**Peter Wilson, AM**

IES Board Chair  
Eligible to attend: 8<sup>1</sup>  
Attended: 8<sup>2</sup>



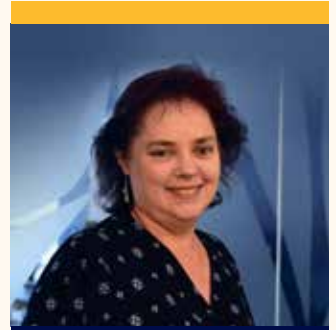
**Trevor Armstrong**

IES Board Director  
Eligible to attend: 8<sup>1</sup>  
Attended: 7<sup>2</sup>



**Paul Italiano**

IES Board Director  
Eligible to attend: 8<sup>1</sup>  
Attended: 8<sup>2</sup>



**Jodie Ryan**

IES Board Director  
Eligible to attend: 8<sup>1</sup>  
Attended: 8<sup>2</sup>

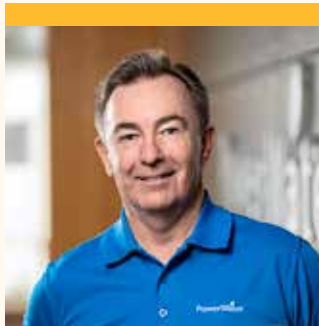
1. Number of meetings held while the director was a member of the Board.  
2. Number of meetings attended.

## IES EXECUTIVE LEADERSHIP TEAM



**Djuna Pollard**

Chief Executive Officer



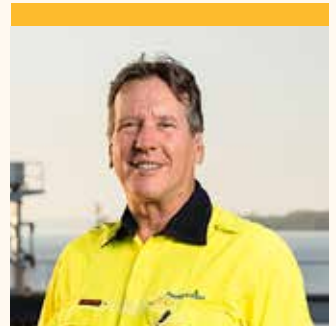
**John Pease**

Deputy Chief  
Executive Officer and  
Company Secretary



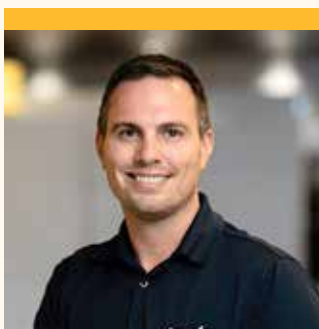
**Graciano Chatikobo**

Chief Financial Officer



**Stephen Vlahovic**

Executive General  
Manager, Water Services



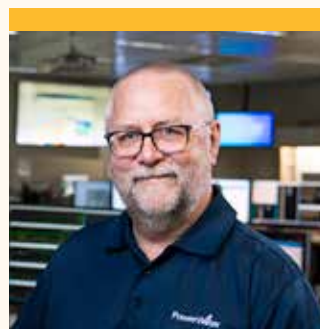
**Jason Howe**

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



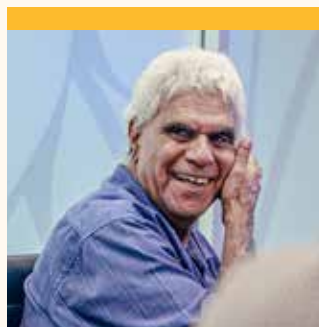
# Reconciliation Advisory Committee



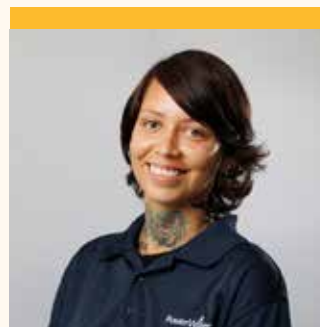
**Jeanneen McLennan**  
Co Chair



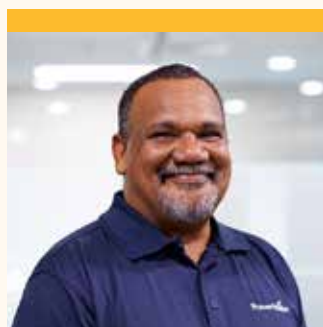
**Peter Wilson, AM**  
Co Chair



**Richard Hayes**



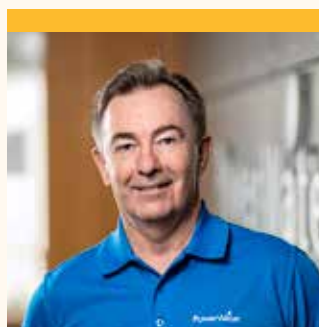
**Amber Shepherd**



**Conway Wirrapanda-Blanasi**



**Djuna Pollard**



**John Pease**



*Trude Blizzard from our CXO team shows a Milikapiti resident how a new smart meter works.*



# Our year at a glance

## CUSTOMER CONNECTIONS – POWER



Total  
connections:  
9,784



Darwin  
region:  
5,061



Katherine  
region:  
1,661



Barkly  
region:  
463



Southern  
region:  
2,599

## CUSTOMER CONNECTIONS – WATER



Total  
connections:  
5,710



Darwin  
region:  
3,097



Katherine  
region:  
873



Barkly  
region:  
285



Southern  
region:  
1,455

## CUSTOMER CONNECTIONS – WASTEWATER



Total  
connections:  
2,472



Darwin  
region:  
1,473



Katherine  
region:  
387



Barkly  
region:  
82



Southern  
region:  
530



## SIGNIFICANT ACHIEVEMENTS

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.

As of June 2025, we had spent more than \$22.8 million with Aboriginal Business Enterprises, compared to \$9.6 million in the previous financial year.

## OUR PEOPLE



Utility support  
contract workers  
engaged:  
140



Aboriginal and Torres  
Strait Islander utility  
support contract  
workers:  
40

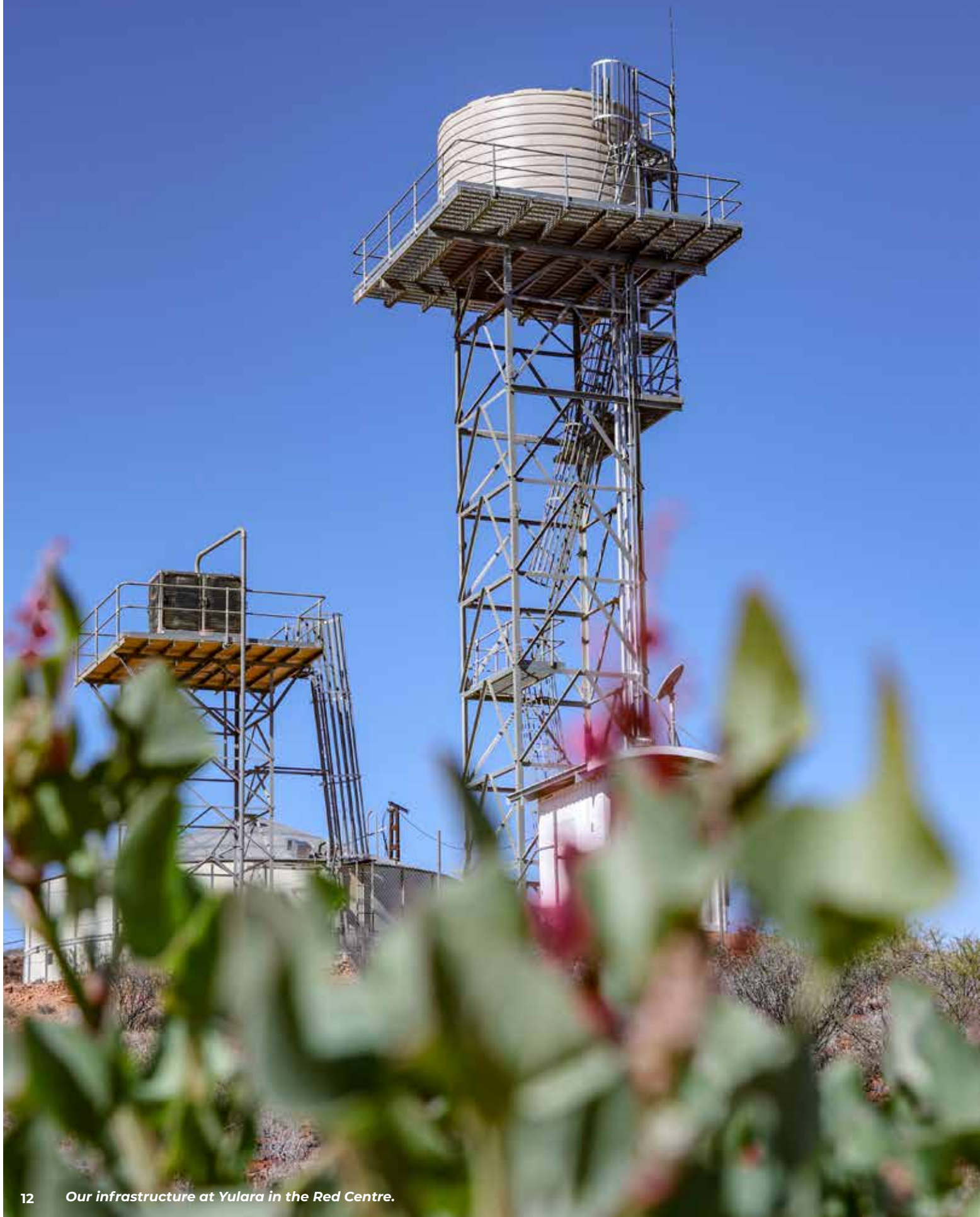


Aboriginal  
suppliers used:  
59



Manny Kerinauja (left) and Tai Routledge are Utility Support Contract Workers (USCWs) in Wurrumiyanga.

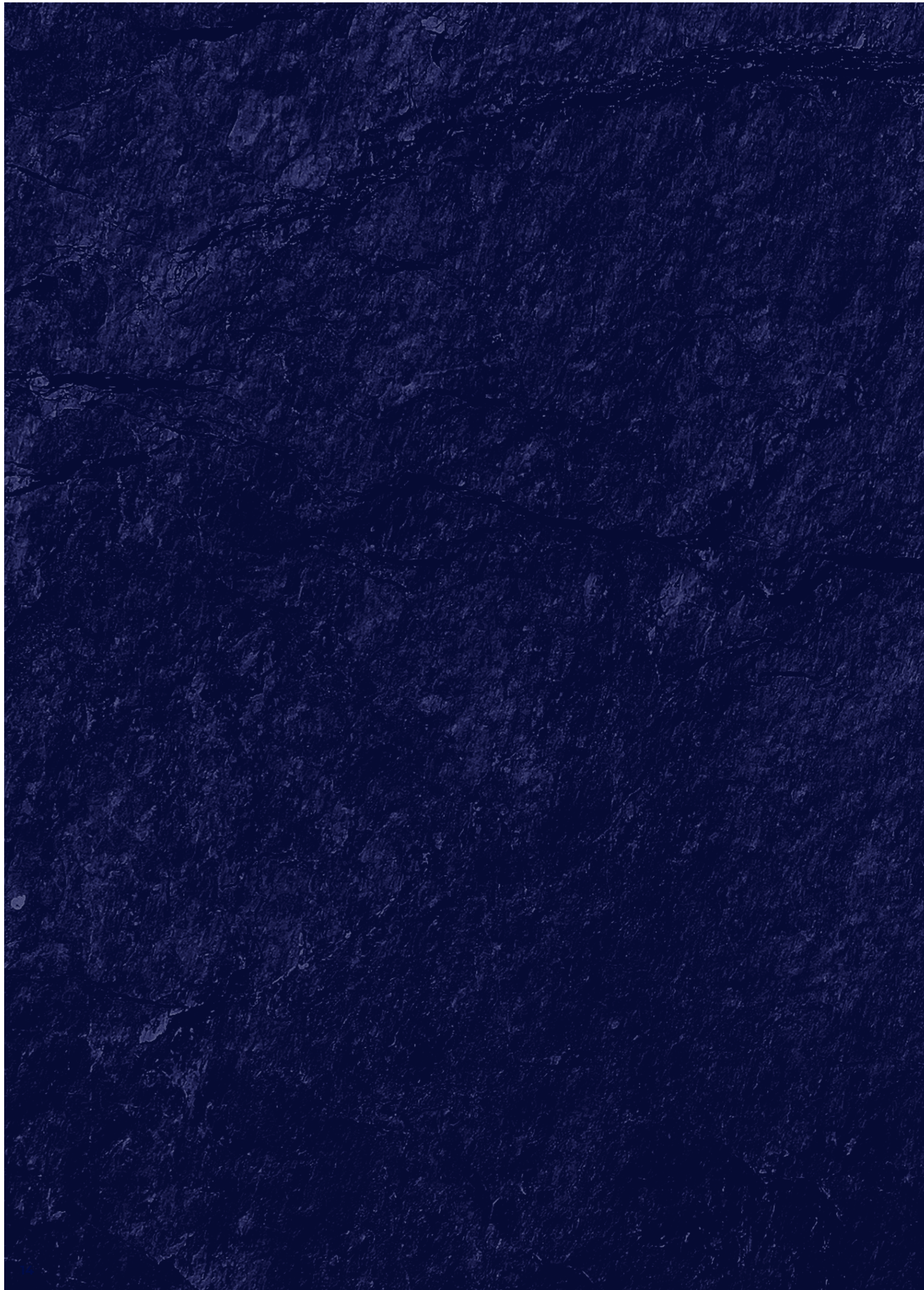






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# 2024-2025 Highlights

This year's achievements reflect our continued commitment to advancing quality of life and economic opportunities for Aboriginal residents in communities across the Northern Territory.

Through investments in essential services and infrastructure, and a focus on cultural inclusion and wellbeing, IES contributes to improved health outcomes, stronger communities, economic participation, job creation and regional growth.

The following highlights demonstrate the part we play in creating more liveable remote Aboriginal communities, and a more prosperous future for those who live there.





# Our Projects

## IMPROVING WATER SECURITY IN OUR COMMUNITIES

In 2024, the NTG established a multi-agency Remote Water Team to support the Territory Water Plan. We are a key member of this team along with the 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 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 the NTG and the National Water Grid Authority (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 Gunbalanya, the team took part in a 24-hour wash-a-thon to celebrate the community's new remote laundry. The event provided an opportunity to talk with residents about water-saving tips and provide updates on their water supply. We continue to leverage broader community events to promote education campaigns around water and energy use.

*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 the 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 the 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 the 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, Waruwi, 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 Alpururulam, to help combat excessive naturally occurring fluoride in the water supply.

These projects will help us provide clean, reliable water, contribute to improved liveability and support economic opportunities and sustainable growth.



Bore drilling in Yuendumu.





**Above:** Scott Evans and Patrick Gray tending to our infrastructure in Numbulwar. **Below:** A solar array at Wurrumiyanga on the Tiwi Islands.

## 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.







# 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. The strategy will help us better anticipate our customers' needs, engage with them more meaningfully and empower them to make informed decisions.

To do 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 and 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 monitor and evaluate our progress, and adapt and evolve to ensure we meet the needs and expectations of our customers.

*Power and Water team members took part in a community expo in Yuendumu.*



## IMPROVING THE REMOTE CUSTOMER EXPERIENCE

We're always looking to improve our customers' experience, so when Customer Services Manager Michelle Flynn heard Maningrida residents weren't using our helpline because they found it too difficult, we acted.

The feedback came during a community visit due to a Telstra outage affecting power meters. Residents said our phone line had too many options for people who don't speak English as their first language, so they often called our emergency number instead.

In response, we created a new 1800 number specifically for remote community customers. During development, 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 are decreasing. 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.

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



## MANAGING WATER DEMAND IN OUR COMMUNITIES

Our Water Demand Management Team continues to work with stressed communities and 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.

*Power and Water services the remote community of Yirrkala in Arnhem Land.*

- **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 are developing a strategy to improve our approach to demand management and outline actions for the next financial year and beyond.

*Maxie Priest from Warruwi taking part in our water forum, which included a 2-way learning process.*







*Life Support Service customer Doreen Carrol.*

## ABORIGINAL INTERPRETING PROJECT A LIFE SAVER

The services we provide are particularly essential for those who depend on power or water for critical medical equipment. So we offer a free Life Support Service designed to meet national regulatory requirements.

People who register – such as those who use a dialysis machine or ventilator, or who need a fridge to keep life-saving medicines cool – receive advance warning of planned power or water service interruptions. This gives them time to prepare and make alternative arrangements for the duration of the interruption.

When Jenna Cubillo joined our Customer Experience team in January 2024, conversations were underway about how to improve access to this vital service. Jenna immediately recognised translations were necessary.

'I was pretty shocked this wasn't already in place,' she said.

Even without a language barrier, some people in community follow traditional ways, so just putting

information on our website didn't mean they could access it.

'If you look at the diversity in the Territory, we have so many people from different backgrounds and ethnicities. Making this service more accessible to as many of these people as possible just makes sense,' Jenna said.

With more than 100 Aboriginal languages and dialects spoken in the Northern Territory, the project has been a significant undertaking.

With the help of the Aboriginal Interpreter Service, we now have messaging available in 18 Aboriginal languages in audio format. We've also produced written translations in 8 other languages commonly spoken in the Territory (Arabic, Bengali, Chinese, Greek, Indonesian, Vietnamese, Swahili, Thai and Khmer) through the Interpreting and Translating Service NT.

We will share the messaging with different communities and a network of people, including our Reconciliation Advisory Committee members, who will play an important role in this.



## TARGETED COMMUNITY MESSAGING

Throughout the year we need to tell customers about certain things, whether it be planned and unplanned service interruptions or tariff increases.

It's not always appropriate to use the same messaging, or the same channels, for urban and remote customers, so we adapt accordingly.

An example is the way we tell remote customers about service interruptions. In urban areas we point people to our website for the latest service interruption information, but for remote communities we also run targeted ads on social media.

This has proved an effective way to alert people to planned and unplanned service interruptions, as well as other issues, such as when a community's water supply is running low. In this instance, we run targeted ads asking the community to only use water for essential reasons.

Other examples include a targeted campaign to all 72 communities about tariff increases. The campaign featured a video of an Aboriginal family taking actions to reduce their power use, which would reduce their costs. We also run a targeted social media campaign to all 72 communities before any long weekend, to remind residents to top up their meters.

## PROVIDING BOTTLED WATER WHEN NEEDED

New findings from the US National Toxicology Program showed high levels of fluoride in water could adversely affect the development of children so, in September 2024, NT Health introduced new guidelines for the Northern Territory.

This meant the tap water in Alpururulam and Nyirripi, which contains naturally occurring fluoride, was deemed no longer suitable for pregnant women or children aged 12 and under to drink.

While we consult with the community about a long-term solution to this problem, we are providing 2 litres of bottled water per day for pregnant women and children aged 12 and under.

## REMOTE LEAK REPORTING CAMPAIGN

This year, to help manage water shortages in some remote communities and encourage residents to use water sparingly, we rolled out an education campaign through posters and social media posts.

Messaging focused on reporting water leaks and turning off taps, and the artwork featured cartoon versions of real members of our team who either work in or regularly visit communities.

We also included information on how to report different types of leaks – for example, leaks in a person's home or garden should be reported to Territory Housing as the landlord, while leaks in the broader community should be reported to us.



*Left: A digital asset featuring a cartoon version of a real member of our team.*

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

Leaks in remote communities waste thousands of litres of water each year.





## 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. Many of these incidents affect our remote communities and we continue to test and revise our response processes and approach so we can maintain business continuity and respond to our customers' needs.

In late 2024, several members of our team undertook Australasian Inter-service Incident Management System (AIIMS) training. AIIMS is used nationally to holistically manage emergency incidents that may impact our assets or services. Training helps prepare us for a range of different scenarios.

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.

*Several team members took part in AIIMS training to ensure we are incident-ready.*



## 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 service interruption in Ali Curung and Davenport.

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

With power out, we asked the community to limit their use of water and deployed a generator 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 in the community.

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

*Team members taking part in cyclone readiness training.*





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







# Our Community

## PARTNERSHIPS MAKING A DIFFERENCE

Our Community Partnerships Program provides support through major partnerships, community grants, sponsorships and in-kind contributions. The program focuses on supporting projects and initiatives that help shape the future of the Territory, care for and support Territorians, and uplift and create opportunities for Territorians.

Two major partnerships – with Purple House and Children’s Ground – also provided key learnings for us. The resultant outcomes and relationships are now helping us improve services for customers.

Purple House provides dialysis in the most remote parts of Australia. This Aboriginal-owned-and-run health service operates 18 remote clinics and a mobile dialysis unit, with a focus on getting patients back home so families and culture can remain strong.

We partnered with Purple House to celebrate, share and record the positive impact of Elders receiving dialysis treatment at home, on Country, over the past 20 years. The partnership showed the positive effects this has had on communities, as well as the importance of quality, culturally appropriate services out bush.

Children’s Ground has a vision of self-determination for Aboriginal people, along with social, cultural, political and economic justice.

*Southern Cross Kids’ Camps received one of our Community Grants.*



*We partnered with Children’s Ground to strengthen pathways to employment for Aboriginal people by increasing financial literacy and economic independence through training, leadership development and culturally safe work opportunities.*

Through both partnerships we have learnt lessons around how to engage and connect with communities, and how we can communicate our messages better.

For example, Purple House heard there was going to be a planned water interruption in Yuendumu and reached out to us to explain the challenges this would present for dialysis patients.

With this advice, we were able to come up with solutions that eased the impact on people undergoing dialysis in Yuendumu. This type of relationship is helping us serve our customers more effectively.

Similarly, our relationship with Children’s Ground is also challenging us to adapt and improve. One example relates to the development of safety messaging.

As a result of some safety incidents associated with our infrastructure, we created a series of messages regarding safety in our remote regions and communities. We shared the creative with Children’s Ground and they identified that some of the messaging and imagery was not appropriate and needed to be changed. This was a valuable insight for us.

## COMMUNITY GRANTS

As part of our Community Partnerships Program, we 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.
- 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.



## 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.'*





## PROGRESS AGAINST OUR 2023-2025 INNOVATE RECONCILIATION ACTION PLAN

Our role providing essential services to remote communities 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.

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 and 68 Aboriginal employees, plus around 140 Utility Support Contract Workers (USCWs) living and working in remote Aboriginal communities. Our USCW initiative upskills community residents through hands-on training and ensures knowledge remains in the community. It also secures a future where remote services are managed by the next generation of USCWs, creating long-lasting community-led independence.

*'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**



*'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**

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 have now progressed to a Stretch RAP from 2025–28.

*Manny Kerinauia is a USCW with more than 10 years of service.*



*‘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**



*Celebrations during NAIDOC Week.*



**Top:** Power and Water's Jenna Cubillo at a Reconciliation event in Raintree Park, Darwin. **Above:** Team members Veronica Wright and Jenna Cubillo with our CEO Djuna Pollard at the Raintree Park event.

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 NAIDOC Week opening ceremonies, an online panel discussion on contemporary versus traditional art, a 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.

We also supported a public Reconciliation event in Darwin's Raintree Park with several other stakeholders.





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

### 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:

**'Dungalaba (crocodile) on Larrakia Country' by June Mills.**

*'Dungalaba 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 dungalaba is our source of power and strength.*

*The dungalaba lives in both saltwater and freshwater.*

*They cannot be separated. They co-exist and gain strength and energy from each other.'*

**- June Mills**



'Energy Comes from Thunder' by a group of Ewyeper Atwatye artists on a substation in Alice Springs, Mparntwe.



**'Energy Comes from Thunder' by a group of Ewyeper 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 fires and created electricity.*

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



*'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**







### 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. Interaction such as this help us shape future initiatives that are relevant, impactful and invite participation from young Aboriginal men striving to achieve their goals.

### Remembering Cyclone Tracy

To commemorate the 50-year anniversary of Cyclone Tracy, we supported an exhibition at Darwin International Airport called *Tracy's Echo: 50 years of Resilience, Aboriginal Seniors' Memories and Stories*. The exhibition, located inside the main entrance to the airport, was curated by Joanne and Tanyah Nasir, and shared untold stories from Aboriginal Territorians who survived the cyclone. These voices are often missing from the narrative of this natural disaster.

### Reconciliation Action Plan Uniform Strategy and Ambassadors

This year we appointed Reconciliation Ambassadors whose 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.

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



### 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 included accommodation developments to provide modern facilities for our regional teams; safer, more secure work environments; and corporate site improvements for more efficient operations.

The projects are empowering communities across the Territory.

'These projects demonstrate the impact of strong partnerships in achieving practical and meaningful outcomes,' Project Director Des Green said.

'The partnership is not only strengthening local businesses, but also providing opportunities for workers from remote and regional areas of the Northern Territory.

'This ensures the benefits of the collaboration extend to some of the Territory's most underrepresented communities and the outcomes we're seeing are therefore significant.'

Key outcomes include:

- **Economic growth:** Supporting business expansion and creating jobs in local and remote communities.
- **Skills development:** Upskilling Aboriginal workers, including those from remote areas, to build sustainable careers.
- **Stronger relationships:** Deepening trust and collaboration with Aboriginal businesses across the Territory.

*'This isn't just about infrastructure – it's about providing opportunities for workers in regional and remote areas, empowering Aboriginal businesses while meeting our operational goals'.*



'This isn't just about infrastructure – it's about providing opportunities for workers in regional and remote areas, empowering Aboriginal businesses while meeting our operational goals,' Des said.

'It's also about strengthening relationships as we continue to focus on partnerships that integrate reconciliation into our everyday operations.

'By aligning our strategic goals with reconciliation goals, this partnership proves we can deliver value for both Power and Water and the Northern Territory community.'

### **Our team members leading the way in reconciliation**

#### ***Learning to be a leader, but already having an impact***

Jenna Cubillo is a Gulumerrijin (Larrakia) woman, born and bred in Garramilla (Darwin). Since starting with us, her professional and personal lives have mirrored each other, with encouragement and support in both laying a strong foundation for her to lead the next generation.

'I'm part of the next generation set to become a Larrakia Elder for my family,' she said. 'My Elders have always encouraged and supported me in stepping into this role, so I can guide the next generation.'

Similarly, Jenna speaks to the support she receives as Manager Reconciliation with us.

'Reconciliation Senior Manager Carmen Douglas has been an incredible support for me in pushing me out of my comfort zone to take on a stronger role within the corporation. Carmen is a phenomenal person, and her commitment and passion drives my motivation heavily in this space,' Jenna said.

'She's very immersed in her culture and her family and that's important to see in the people you work with.

'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. More than that, she is quick to take or call for action when she sees the need for it. The 2024 Darwin NAIDOC March is one 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 four 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. I think 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.'





*Duane Appo provides training to Utility Support Contract Workers.*

### **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 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.

*'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.'*

'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.



*Mathilda Lipscombe at the Warruwi Culture Camp.*

### **Now you have a duty: go and do good for our mob**

For Mathilda Lipscombe from our Demand Management Team, her reconciliation journey accelerated when she took the plunge to live in Ardyaloon community as a ranger coordinator on the Dampier Peninsula 250km north of Broome.

'It's one of the best things I've ever done, but also one of the hardest,' Mathilda said. 'It was a very steep learning curve. I had never even been to an Aboriginal community before, so I look back and wonder at some of the things I did. But I learnt so much and to have spent that time living in community was such a privilege.'

'Working with the rangers opens your eyes to the fact that delivering job and training opportunities to Aboriginal and Torres Strait Islander people needs to be done in a certain way for it to be meaningful. For example, the opportunities need to be in community so that people can stay on country and still fulfil their family and cultural obligations.'

'When I was leaving the community, one of the Elders basically said to me, "You've lived with us and been part of our mob – now you have a duty to go and do good for our mob". That's really what drives me; it's about trying to make a difference.'

As a Remote Water Demand Coordinator, Mathilda is at the forefront of engaging with remote communities across the Northern Territory.

'I absolutely love working in community because of the cross-cultural, two-way learning experience,' she said. 'For example, the West Arnhem Regional Council in Warruwi recently invited us to a culture camp where we did a "water walk" and took students on a tour of the bores, and talked about how we move and treat their water, so the kids could ask questions.'



*Mathilda Lipscombe is a member of our Demand Management Team.*

'Then we went to a billabong, and the rangers and an Elder spoke in language about the importance of water in their storytelling, bush foods and art. The Elder then dug under a pandanus tree and showed us where they used to get their water before Power and Water came along.'

'That kind of two-way engagement is really meaningful. It's about creating a culturally safe space for Aboriginal and Torres Strait Islander peoples so they have greater water sovereignty.'

Mathilda's experience and expertise saw her recently appointed to a RAP advisory committee for the Australian Water Association (AWA) and the Water Services Association of Australia (WSAA).

'For me, it's important to recognise that remote and urban Australia are very different worlds and require very different kinds of effort. That's what's shaping my work in this role,' she said.

'To be providing services to and engaging with communities to give them true agency over their water is the gold standard to me.'

### **Beginning our Stretch RAP**

Based on our progression against our Innovate RAP, we were invited by Reconciliation Australia to progress to a Stretch RAP from 2025-2028.

We will continue to develop policies, programs and services to help create a workplace where Aboriginal people feel recognised, safe and respected as trusted partners.

As our Chief Executive Officer Djuna Pollard has said, 'We have learned a lot over the past 2 years and it is exciting to see the momentum for reconciliation continue to grow.'





# Our People

## A FOCUS ON ABORIGINAL CAREERS

We continue to work on our Aboriginal Employment and Career Development Strategy, with a focus on increasing Aboriginal participation in our workforce over a 5-year period.

This includes supporting the NTG's Special Measures Plan. We also continue to invest in regional jobs and training to attract a diverse workforce in the most remote areas of the Territory.

Previously we aligned with the NTG's strategy, but we received approval to implement our own dedicated strategy from 1 July 2025.

## 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 upskill leaders and potential leaders.

*Dennis Jevdenijevic is an Aboriginal first-year apprentice.*



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.*



## DEVELOPING OUR PIPELINE OF TALENT

Our innovative approach to recruitment saw 39 apprentices, 10 graduates and 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.

Once chosen, our new apprentices go through a detailed onboarding process, which includes cultural training delivered by Jeanneen McLennan, Co-Chair of our Reconciliation Advisory Committee.

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.

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

We had 7 finalists, including Aboriginal team members Melinda Martin and Georgina Siebert, which translated into 2 winners (one of them Georgina), 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, Mikaela Caldwell and Ellie Grey. 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 offer placement opportunities with us.

*Some of the Power and Water 2025 GTNT Awards finalists.*







## 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 in Katherine
- NTIBN Blak Jobs Expo for 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 and possible STEM careers.

**Below:** We took part in the NTIBN Blak Jobs Expo in Darwin.

**Bottom:** We celebrated International Women's Day with an online panel discussion.



## 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.

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 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 on the lived diversity and inclusion experience of our team members
- Ongoing training to build skills and enhance knowledge of unconscious bias and allyship.

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



*Kylie Collins was named Water Professional of the Year at the Australian Water Association's Northern Territory Awards.*



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

## AWARDS AND RECOGNITION

### Australian Water Association Awards

In October 2024 we celebrated two wins at the Australian Water Association's (AWA) Northern Territory Awards, announced at the NT Water in the Bush conference. The awards celebrate the achievements of AWA members in advancing leadership, innovation and infrastructure projects in the Northern Territory.

We received the Infrastructure Project Innovation Award (Regional) for the delivery of the Katherine PFAS Water Treatment Plant, while Senior Manager of Strategic Water, Kylie Collins, was named Water Professional of the Year.

The winners represented the Territory at the national AWA Awards as part of the annual water conference and exhibition, Ozwater'25, in Adelaide in May.

### 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.

With a Bachelor of Science with Honours from the Australian National University, Hmalan is undertaking a Master of Public Policy in Oxford. She is an Environment Officer with us and 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 expertise back to our team.







Event guests enjoy free water refills from our water trailer at Parrtjima - A Festival in Light in Alice Springs.



# Financial Statements and Explanatory Notes







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## DIRECTORS' REPORT

For the year ended 30 June 2025

The directors present their report together with the financial report of Indigenous Essential Services Pty Ltd (the Company) for the year ended 30 June 2025 and the auditor's report thereon.

In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### Information about the directors

The directors of the Company at any time during or since the end of the financial year were as follows:

Mr. Peter Wilson AM	Director since 2 March 2022, appointed Chair 2 March 2022
Mr. Trevor Armstrong	Director since 22 August 2022
Mr. Paul Italiano	Director since 22 August 2022
Ms. Jodie Ryan	Director since 27 August 2022

### Company Secretary

Mr. John Pease	Appointed 11 September 2020
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### Company particulars

The Company is an Australian proprietary company, incorporated and operating in Australia.

Principal Registered Office and Principal Place of Business:	Ben Hammond Centre Iliffe Street Stuart Park Northern Territory 0820
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The Company was formed on 26 June 2003 and commenced operations on 1 July 2003.

### Controlling entity

The Company's immediate controlling entity is Power and Water Corporation (the Corporation), a government owned corporation pursuant to the Government Owned Corporations Act 2001. Power and Water Corporation provides all of the Company's services, including management and accounting services.

### Principal activities

The Company's principal activities in the ordinary course of the financial year as a not-for-profit entity were the provision of electricity, water and wastewater services to 72 remote communities and 79 outstations in the Northern Territory.

The Company's services are provided by Power and Water Corporation employees and contractors under a service agreement with the Department of Housing, Local Government and Community Development (DHLGCD).

## Review of operations

During the year the Company reported a deficit of \$12.7 million compared to a deficit of \$13.1 million for the prior year. This movement is primarily due to an increase in total revenue of \$17.6 million, in 2024-25 compared to 2023-24; this was partially offset by an increase in total expense of \$17.2 million in 2024-25 compared to 2023-24.

Revenue of \$182.5 million recognised in the current year was higher than the \$165.0 million amount recognised in the prior year, mainly due to a higher amount of grant funding released as revenue. Included in the current year was \$127.7 million in grant funding (2024: \$117.0 million). In the current year, increase in government grant revenue is driven by completion of last year's Asset Replacement Program and increased capital activity due to additional projects funded by the National Water Grid Authority.

Distillate consumption expenditure in the current year has decreased by \$2.8 million compared to the prior year, primarily due to the average fuel price in the current year being lower when compared to the prior year, with a decrease of 8 per cent in the average price year on year. This is partially offset by an increase in the volume of distillate consumption in the current year.

Other expenses in the current year are \$13.6 million compared to \$12.3 million in the prior year. The increase in other expenses mainly relate to the overall costs of using utility support contractors for the project Aboriginal Enterprises Australia (NT) - AUS Projects and MacDonnell Regional Council.

The decrease in distillate consumption expenditure and other expenses from the prior year is partially offset by an increase in depreciation expenses. Depreciation expenses in the current year increased by \$4.6 million compared to the prior year, mainly due to higher infrastructure assets net book value, following an indexation performed on these assets in the prior year. Further details can be found in note 4.1.

The contracted labour expenses has increased by \$2.48 million mainly due to the increase in the full-time equivalents (FTEs) to 81 (2024: 75) coupled with the increase from the Enterprise Bargaining Agreement (EBA).

Repairs and maintenance have increased due to the higher preventative maintenance costs (\$5.1 million) as a result of increased engine servicing costs due to the complexity of newer engines requiring longer service times and more expensive original equipment manufacturers (OEM) parts. Additionally, the aging fleet of engines require intensive maintenance to ensure ongoing reliability. Unplanned maintenance costs (\$3.8 million) was driven by contractor price increases and parts inflation from US-sourced generator components.

Raw materials and consumables used has increased due to higher network costs as a result of increased tariffs and consumption, along with rising prices for materials and engine oil from OEMs. This is driven by inflation in raw material costs and limited market competition.

## Change in state of affairs

There were no significant changes in the state of affairs of the Company during the financial year.

## Subsequent events

The financial statements of the Company were approved on 22 September 2025.

In the opinion of the directors of the Company 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 Company entity, the results of those operations, or the state of the affairs of the Company, in future financial years.

## Future developments

At the date of this report, there are no developments in the operations of the Company that, in the opinion of the directors, are likely to significantly impact the Company during the current financial year.





### **Environmental regulation**

The Company's operations are subject to various environmental regulations under both Commonwealth and Northern Territory legislation. The Company regularly monitors compliance with environmental regulations. The directors are not aware of any significant breaches during the period covered by this report.

### **Dividends**

As a not-for-profit entity, the Company did not declare or pay any dividends during the financial year (2024: nil).

### **Going concern**

The financial statements 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. The Company is economically dependent on the Northern Territory Government (NTG) to fund its future expenditure and the continued support from its parent entity, Power and Water Corporation. Refer to Note 1.1 for further details.

### **Independence declaration under Section 307C of the Corporations Act 2001**

The Auditor-General for the Northern Territory's declaration of independence is set out on page 6 of the financial report.

### **Indemnification and insurance of directors and officers**

#### ***Indemnification***

The NTG has indemnified the directors of the Company's controlling entity Power and Water Corporation, except where the liability is incurred or arises out of actual dishonesty on the part of the director. The indemnity covers the full amount of any such liabilities, including costs and expenses.

#### ***Insurance premiums***

The following insurance policies were purchased by Power and Water Corporation to cover its directors and officers, and those of its subsidiaries. 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 are confidential.

- Group Personal Accident Insurance
- Professional Indemnity Insurance
- Directors' and Officers' Liability

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

Peter Wilson AM  
Chair, Indigenous Essential Services Pty Limited  
22 September 2025

## AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS



**Northern Territory**  
**Auditor-General's Office**

Level 9 | NT House  
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The Board of Directors  
Indigenous Essential Service Pty Ltd  
GPO Box 3596  
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#### **Auditor-General's Independence Declaration**

The Auditor-General's independence is established by the *Audit Act 1995*.

The Auditor-General is required to act independently, impartially and in the public interest.

Under the *Audit Act 1995*, the Auditor-General is the auditor of all Territory controlled entities, has full and free access to all accounts and records for the purpose of an audit and may report to the Legislative Assembly on matters which the Auditor-General considers necessary.

#### ***Independence declaration under section 307C of the Corporations Act 2001***

As the auditor of Indigenous Essential Services Pty Ltd for the financial year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Jara K Dean  
**Auditor-General**

22 September 2025





## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS

To the Members of Indigenous Essential Services Pty Ltd

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

#### Opinion

I have audited the financial report of Indigenous Essential Services Pty Ltd (the Company), which comprises the statement of financial position as at 30 June 2025, and the 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 of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance for the year then ended
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### 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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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 confirm that the independence declaration required by the *Corporations Act 2001* was provided to the directors on the same date as this auditor's report.

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

#### Emphasis of matter – basis of preparation and going concern

I draw attention to note 1.1 to the financial statements which describes the Company's economic dependency on the Northern Territory Government to fund its future capital expenditure as well as a significant portion of its operating expenses and the commitment by its parent company to provide financial support should the Company not be able to pay its debts as and when they fall due.

My opinion is not modified in respect of this matter.

#### 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.

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 *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 Company'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.

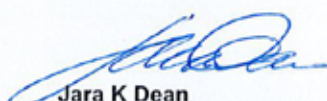
### Auditor's responsibilities for the audit of the financial report

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 Company'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 Company'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 Company 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

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the financial position of the Company as at 30 June 2025 and its performance for the year then ended; and
  - (ii) complying with Australian Accounting Standards.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the directors

**Peter Wilson AM**

Chair, Indigenous Essential Services Pty Ltd  
22 September 2025

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2025

	Note	June 2025 \$000	June 2024 \$000
<b>Revenue and income from transactions</b>			
Revenue from contracts with customers	2.1	53,920	46,693
Revenue from government grants and other contributions	2.3.1	127,736	117,015
Interest income	2.2	867	1,255
<b>Total revenue and income from transactions</b>		<b>182,523</b>	<b>164,963</b>
<b>Expenses from transactions</b>			
Raw materials and consumables used	3.1.1	6,890	5,907
Electricity purchased		8,546	8,258
Distillate consumption		32,423	35,207
Contracted labour expenses	3.1.2	10,250	7,773
Repairs and maintenance		31,097	21,174
Corporate services costs	3.2.1	6,269	6,116
Agents - community contract fees		18,099	17,849
Other expenses	3.2.2	13,583	12,280
Depreciation and amortisation expenses	4.1.1	65,602	60,991
Finance costs	6.5	2,498	2,474
<b>Total expenses from transactions</b>		<b>195,257</b>	<b>178,029</b>
<b>Deficit for the year</b>		<b>(12,734)</b>	<b>(13,066)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be classified subsequently to profit or loss:</b>			
Revaluation surplus	9.2	-	238,363
<b>Other comprehensive income for the year</b>		-	238,363
<b>Total comprehensive (loss)/income for the year</b>		<b>(12,734)</b>	<b>225,297</b>

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





## STATEMENT OF FINANCIAL POSITION

as at 30 June 2025

	Note	June 2025 \$000	June 2024 \$000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6.2	16,401	37,665
Trade and other receivables	5.1	28,234	18,799
Inventories	5.3	7,074	8,227
Intangible assets		774	2,126
Other assets		213	157
<b>Total current assets</b>		<b>52,696</b>	<b>66,974</b>
<b>Non-current assets</b>			
Property, plant and equipment	4.1	912,720	921,812
Intangible assets	4.3	79	113
Right-of-use assets	4.2	36,999	38,219
<b>Total non-current assets</b>		<b>949,798</b>	<b>960,144</b>
<b>Total assets</b>		<b>1,002,494</b>	<b>1,027,118</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Borrowings	6.1	11,000	-
Trade and other payables	5.2	25,768	26,152
Unearned revenue	2.3.2	18,827	29,856
Lease liabilities	6.4	3,340	2,710
<b>Total current liabilities</b>		<b>58,935</b>	<b>58,718</b>
<b>Non-current liabilities</b>			
Lease liabilities	6.4	38,945	40,052
Borrowings	6.1	14,000	25,000
<b>Total non-current liabilities</b>		<b>52,945</b>	<b>65,052</b>
<b>Total liabilities</b>		<b>111,880</b>	<b>123,770</b>
<b>Net assets</b>		<b>890,614</b>	<b>903,348</b>
<b>Equity</b>			
Contributed equity	9.1	-	-
Retained earnings	9.3	150,572	155,778
Asset revaluation reserve	9.2	740,042	747,570
<b>Total equity</b>		<b>890,614</b>	<b>903,348</b>

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

## STATEMENT OF CHANGES IN EQUITY

as at 30 June 2025

	Asset revaluation reserve \$000	Retained earnings \$000	Contributed equity \$000	Total \$000
<b>30 June 2024</b>				
Balance at 1 July 2023	510,318	167,734	-	678,052
Deficit for the year	-	(13,066)	-	(13,066)
Asset revaluation	238,363	-	-	238,363
Assets retired	(1,110)	1,110	-	-
<b>Balance at 30 June 2024</b>	<b>747,571</b>	<b>155,779</b>	<b>-</b>	<b>903,349</b>
<b>30 June 2025</b>				
Balance at 1 July 2024	747,571	155,779	-	903,349
Deficit for the year	-	(12,734)	-	(12,734)
Asset revaluation	-	-	-	-
Assets retired	(7,528)	7,528	-	-
<b>Balance at 30 June 2025</b>	<b>740,043</b>	<b>150,572</b>	<b>-</b>	<b>890,615</b>

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





## STATEMENT OF CASH FLOWS

as at 30 June 2025

	Note	June 2025 \$000	June 2024 \$000
<b>Cash flows from operating activities</b>			
Receipts from customers		44,484	36,050
Receipt of government grants - operational		73,187	75,348
Payments to suppliers		(122,314)	(118,749)
Interest received	2.2	867	1,255
Interest paid		(2,496)	(2,493)
<b>Net cash used in operations</b>	6.2	<b>(6,272)</b>	<b>(8,589)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		3	204
Receipt from government grants - capital		43,520	34,645
Transferred to recurrent grant funding		-	(4,947)
Purchase of property, plant and equipment		(56,279)	(44,927)
<b>Net cash used in investing activities</b>		<b>(12,756)</b>	<b>(15,025)</b>
<b>Cash flows used in financing activities</b>			
Repayment of loan from parent entity		-	(14,000)
Proceeds from loan from parent entity		-	14,000
Repayment of lease liabilities	6.4	(2,237)	(2,261)
<b>Net cash used in financing activities</b>	6.2	<b>(2,237)</b>	<b>(2,261)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(21,265)</b>	<b>(25,875)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>37,665</b>	<b>63,540</b>
<b>Cash and cash equivalents at end of year</b>		<b>16,401</b>	<b>37,665</b>

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

## NOTE 1 ABOUT THIS REPORT

### Introduction

Indigenous Essential Services Pty Ltd is a not-for-profit proprietary company operating and domiciled in Australia.

Indigenous Essential Services Pty Ltd provides electricity, water and wastewater to 72 communities and 79 outstations located outside of Northern Territory commercial centres. The entity is contracted to deliver services on behalf of the NTG under a service agreement.

### Note contents

Section	Description
1.1	Basis of preparation
1.2	Statement of compliance
1.3	Critical accounting judgements and key sources of estimation uncertainty

### 1.1 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain classes of property, plant and equipment that are measured at revalued amounts or fair value at the end of each reporting date as explained in the accounting policies in Note 7.4. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

#### 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 the settlement of liabilities in the ordinary course of business. The Company has incurred a net deficit for the year ended 30 June 2025 of \$12.7 million compared to a net deficit of \$13.1 million for the year ended 30 June 2024. The Company's net working capital at 30 June 2025 and 2024 were a deficit of \$6.2 million and deficit of \$8.3 million respectively.

As of 30 June, 2025, the current assets have experienced a decrease of \$14.3 million compared to the prior year. The decrease is mainly due to lower cash balances from \$37.7 million in the prior year to \$16.4 million 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 Power and Water 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.

	June 2025 \$'000	June 2024 \$'000
Current Assets	52,696	66,974
Current Liabilities	58,935	58,718
Current Ratio	0.93	1.14

Assets are fundamental to the essential services provided by the Company and as such the Company's performance is significantly impacted by its capital delivery program and the associated depreciation of assets. Accordingly, the Company is economically dependent on the Northern Territory Government to fund its future capital expenditure as well as a significant portion of its operating expenses. The Company's cash balance as at 30 June 2025 decreased by \$21.2 million to \$16.4 million due primarily to higher payments to suppliers and investments in property, plant and equipment compared to grants received from DHLGCD. The Company is in continuing discussions with NT Government about the optimal level of ongoing funding.

The financial position above may indicate material uncertainty that the entity is able to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business, however, the Company is economically dependent on the Northern Territory Government (NT Government) for funding. There are no indications that the government funding providers will withdraw from their current or forecasted contributions in the foreseeable future as there is an ongoing need for essential services.

To ensure the Company is able to pay its debts as and when they fall due, a letter of financial support has been provided by the parent entity, Power and Water Corporation, which guarantees support should the Company not be able to pay its debts as and when they fall due and is valid for the period from date of signing to such time as the Company ceases to be a wholly owned subsidiary of Power and Water Corporation.

Accordingly, the directors conclude it is appropriate to prepare the financial statements on a going concern basis.

### 1.2 Statement of compliance

These financial statements are general purpose financial statements, which have been prepared in accordance with Australian Accounting Standards and Interpretations and the Corporations Act 2001 and comply with any other requirements of the law.

The Company is a not-for-profit entity for the purpose of financial reporting.

The financial statements were authorised for issue by the directors on 22 September 2025.





### 1.3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts 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 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 estimates are 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 a discussion of critical accounting judgments and key sources of estimation uncertainty.

The following are:

- critical judgements, apart from those involving estimations (see below), that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements; and
- key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may 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
Going concern	Note 1.1
Impairment of financial assets	Note 7.1
Useful lives of infrastructure, plant and equipment	Note 4.1
Fair value measurements and valuation processes	Note 7.4
Unbilled revenue	Note 5.1
Capitalisation of expenses	Note 3.1.2 and Note 4.1

## NOTE 2 FUNDING DELIVERY OF OUR SERVICES

This section provides additional information about how the Company is funded and the accounting policies that are relevant to the revenue items recognised in the financial statements.

### Note contents

Section	Description
2.1	Revenue from contracts with customers
2.2	Interest income
2.3	Government grants
2.3.1	Revenue from government grants and other contributions
2.3.2	Unearned revenue
2.4	Economic dependency

### 2.1 Revenue from contracts with customers

	June 2025 \$000	June 2024 \$000
Revenue from contracts with customers	53,920	46,693
	<b>53,920</b>	<b>46,693</b>

The Company recognises revenue from three major sources being the provision of electricity, water and wastewater services to 72 remote communities and 79 outstations. The Company also receives operational recurrent grant funding from the Northern Territory Government to supplement the revenue that the Company generates through the sales of electricity, water and wastewater services to remote communities.

In addition to the major sources of revenue discussed above, the Company also recognises revenue from other minor sources including capital contributions received from customers towards the construction or acquisition of new, or upgrades to existing, infrastructure assets owned by the Company.

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company 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
<b><i>Sale of water, electricity and wastewater services</i></b>	<p>The Company sells water and wastewater services either as an individual service offering or as a bundled package to a large number of customers. Each contract entered into may consist of one, two or three separate performance obligations because the promises to transfer water, wastewater services and/or electricity are distinct and separately identifiable goods and services that are not dependent on each other for complete satisfaction of the Company's performance obligations under the contract.</p> <p>Each contract entered 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 wastewater services, the transaction price is fixed based on the number of installed sanitary fittings. The transaction price for water, wastewater services and electricity is subject to an annual price adjustment or escalation as determined by the regulators.</p> <p>Revenue from the sale of water and electricity is recognised over time as the Company transfers the electricity and water to the customer who simultaneously receives and consumes the benefits provided by the Company. The amount of revenue recognised is determined using an input method to measure progress towards complete satisfaction of each of the performance obligations. A receivable is recognised (in the form of an unbilled revenue estimate) as the Company transfers the water and/or electricity to the customer. Customers are generally billed on a quarterly basis with consideration payable when invoiced, except customers who have pre-paid meters installed. These customers access electricity through the purchase of tokens, which are sold by contractors.</p> <p>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 have lapsed at the end of the reporting period. Customers are 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.</p>
<b><i>Operational grant funding (recurrent grants)</i></b>	<p>The Company receives operational grant funding from the Northern Territory Government to supplement the revenue generated through sales of electricity, water and wastewater services to the remote communities. The amount of funding provided is essentially the shortfall of the total costs incurred (excluding depreciation and generation costs incurred from purchasing energy from Territory Generation) less any revenue received from the sale of water supply, electricity and wastewater services.</p> <p>The contract is a variable contract because the volume of water and/or electricity to be transferred to the beneficiaries of the contract is unknown at the date of the initial contract; however for wastewater services the transaction price is fixed based on the number of installed sanitary fittings. The transaction price for water, wastewater services and electricity is subject to an annual price adjustment or escalation as determined by the regulators and agreed by the Company and the customer.</p> <p>Consideration is received in advance by the customer and is recognised as a contract liability with revenue recognised over time as the Company satisfies its performance obligations and transfers the electricity, water and wastewater services to the beneficiaries of the contract who simultaneously received and use/consume the benefits of the goods and services provided.</p>





## 2.1 Revenue from contracts with customers (Cont'd)

### Disaggregation of revenue from contracts with customers

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

	Electricity \$000	Water \$000	Sewerage \$000	Other revenue \$000	Total \$000
<b>For the year ended 30 June 2025</b>					
Revenue from external customers	42,703	6,723	3,514	980	53,920
Timing of revenue recognition	-	-	-	-	-
- Over time	42,703	6,723	3,514	-	52,940
- At a point in time	-	-	-	980	980
	<b>42,703</b>	<b>6,723</b>	<b>3,514</b>	<b>980</b>	<b>53,920</b>
<b>For the year ended 30 June 2024</b>					
Revenue from external customers	36,813	5,888	3,408	584	46,693
Timing of revenue recognition	-	-	-	-	-
- Over time	36,813	5,888	3,408	-	46,109
- At a point in time	-	-	-	584	584
	<b>36,813</b>	<b>5,888</b>	<b>3,408</b>	<b>584</b>	<b>46,693</b>

## 2.2 Interest income

	June 2025 \$000	June 2024 \$000
Interest earned on bank deposits	785	1,255
Interest earned on PWC short term loan (note 9.5)	82	-
	<b>867</b>	<b>1,255</b>

Interest income from a financial asset is recognised when it is probable the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is recognised as it accrues.

## 2.3 Government grants

### 2.3.1 Revenue from government grants and other contributions

	June 2025 \$000	June 2024 \$000
Capital grant	54,550	41,874
Recurrent grant	73,186	75,141
	<b>127,736</b>	<b>117,015</b>

The Company receives capital grant funding from both the Northern Territory and Commonwealth Governments. The Company receives consideration (usually in the form of cash) to construct or acquire non-financial assets (usually infrastructure assets) for its own use for the principal purpose of furthering the Company's objectives. The contract does not establish rights and obligations for the transfer of the underlying asset to the transferor or other parties (i.e. beneficiaries).

Capital grant accounting only applies when the non-financial asset to be constructed or acquired by the entity is permitted to be recognised by another standard. This means that for capital grants relating to a recognisable asset, a liability would need to be recognised and income would be subsequently recognised either at a point in time (commonly for acquisition grants) or over time (commonly for construction grants).

The Company has adopted a single method of measuring progress, i.e., input-based method for each obligation satisfied over time which it has applied to all similar obligations and in similar circumstances. At the end of each reporting period, the Company remeasures its progress towards complete satisfaction of each obligation that is satisfied over time and recognises income over time on that basis.

### 2.3.2 Unearned revenue

		June 2025 \$000	June 2024 \$000
Government grants - capital	(1)	18,053	29,082
Other - capital contributions	(2)	576	576
<i>Contract liabilities arising from contracts with customers:</i>			
Capital contributions - ongoing performance obligations	(3)	198	198
		<b>18,827</b>	<b>29,856</b>
Represented by:			
Current		18,827	29,856
Non-current		-	-
		<b>18,827</b>	<b>29,856</b>

- (1) The portion of unearned revenue arises as a result of grant funding received from the Northern Territory and Commonwealth Governments to assist the Company in meeting its capital requirements. Revenue is released to the Statement of profit or loss and other comprehensive income as the related capital expenditure is incurred or when specific performance obligations are met.
- (2) The Company receives capital contributions from customers where the consideration to acquire the capital contributions is significantly less than fair value principally to enable it to further its objectives. Revenue is recognised over time as the asset to which the capital contribution was provided is constructed.
- (3) Capital contributions with ongoing performance obligations are provided by customers to be used towards the construction of new, or upgrades to, existing infrastructure assets for the purpose of receiving ongoing goods and/or services under the contract with the customer. A contract liability is recognised upon receipt of the capital contributions. Revenue is recognised over the life of the contract with the customer once the asset is constructed and the Company commences transferring electricity, water and/or wastewater services to the customer who simultaneously receives and uses/consumes the benefits.

#### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company 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 Company 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 Company satisfies its performance obligations.
- Capital contributions for the purpose of constructing infrastructure assets that will be owned by the Company 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).
- Consideration received in advance for the provision of essential services to remote communities (recurrent grant) for which revenue is recognised over time as the Company satisfies its performance obligations.

#### **Reconciliation of capital grants**

	June 2025 \$000	June 2024 \$000
Opening balance as at 1 July 2024	29,082	41,259
Capital grants received	43,521	34,645
Transferred from recurrent grant funding	-	(4,947)
Less: Capital Grant income recognised during the year	(54,550)	(41,874)
Closing balance as at 30 June 2025	<b>18,053</b>	<b>29,082</b>



### 2.3.2 Unearned Revenue (Cont'd)

#### ***Reconciliation of unearned revenue arising from contracts with customers - assets to be acquired or constructed and controlled by the Company***

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

	AASB 15		Total \$000
	Capital contributions – developers \$000	Capital contributions - network users \$000	
Opening balance as at 1 July 2024	-	198	198
Capital contributions received	-	-	-
Less: capital contributions transferred to revenue	-	-	-
Closing balance as at 30 June 2025	-	<b>198</b>	<b>198</b>

For sales of electricity, water and wastewater services, the Company is unable to disclose information relating to unsatisfied (or partially unsatisfied) performance obligations as at the reporting date, because all contracts are for an indefinite period and/or the volume of goods and/or services to be provided were unknown at the initial date of the contract and as at the end of the reporting period.

The Company 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.

### 2.4 Economic dependency

During the year the Company received grants from the Northern Territory and Commonwealth Governments. The future operation of the Company is dependent upon continued government funding. The Company's revenue is derived from the following two main sources:

	June 2025 %	June 2024 %
Revenue derived from government funding	70%	71%
Revenue from provision of utility services	30%	29%
	<b>100%</b>	<b>100%</b>



## NOTE 3 COST OF DELIVERING SERVICES

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

### Note contents

Section	Description
3.1	Expenses incurred in the delivery of services
3.1.1	Raw materials and consumables used
3.1.2	Contracted labour expenses
3.2	Operating expense
3.2.1	Corporate services costs
3.2.2	Other expenses

	June 2025	June 2024
	\$'000	\$'000
<b>3.1 Expenses incurred in the delivery of services</b>		
<b>3.1.1 Raw materials and consumables used</b>		
Gas purchased from parent entity	1,411	1,466
Network charges from parent entity	2,187	1,506
Generation costs for Minor Centres	201	315
Other materials and consumables	3,091	2,620
	<b>6,890</b>	<b>5,907</b>
<b>3.1.2 Contracted labour expenses</b>		
	<b>10,250</b>	<b>7,773</b>

The application of overhead capitalisation - this accounting treatment determines the amount of labour costs that can be attributed to the building of assets, and thus correctly allocates the labour costs associated to specific projects, which are otherwise recognised as operational expenses. This treatment ensures assets are valued more accurately, as labour costs that should be forming part of the asset cost base were otherwise expended as operational expenses.

### 3.2 Operating expenses

#### 3.2.1 Corporate services costs

	<b>6,269</b>	<b>6,116</b>
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Corporate allocation costs represent costs incurred by the Company's parent entity on the Company's behalf which would have otherwise not been incurred by the Company's parent entity and which are on-charged to the Company, as approved by the Boards of both the parent entity and the Company.

The value of these costs reflects the underlying agreement between the Company and its funding body in relation to the allocation of revenue available to pay for these costs.

#### 3.2.2 Other expenses

External service level arrangements	3,717	2,664
Net (gain)/loss on disposal of property, plant and equipment	2,779	472
Freight	1,294	1,197
Motor vehicle expenses	833	766
IT and communication	967	1,334
Travel and accommodation	402	508
Bad and doubtful debts expense	-	-
Other	7,879	8,737
	<b>17,871</b>	<b>15,678</b>
Less: capital recovery	(4,288)	(3,398)
	<b>13,583</b>	<b>12,280</b>



## NOTE 4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

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

### Note contents

#### Section

4.1  
4.2  
4.3  
4.4

#### Description

Property, plant and equipment  
Right-of-use assets  
Intangible assets  
Impairment of tangible and intangible assets

### 4.1 Property, plant and equipment

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

	June 2025 \$000	June 2024 \$000
<b>Carrying amounts of:</b>		
Infrastructure at fair value	786,968	799,215
Plant and Equipment at fair value	1,469	1,285
	<b>788,437</b>	<b>800,500</b>
Capital Work in Progress at cost	124,283	121,312
	<b>912,720</b>	<b>921,812</b>

	Infrastructure at fair value \$000	Plant and Equipment at fair value \$000	Capital Work in Progress at cost \$000	Total Property, Plant and Equipment \$000
<b>June 2025</b>				
Fair value	2,327,842	3,455	124,283	2,455,580
Accumulated depreciation	(1,540,874)	(1,986)	-	(1,542,860)
Written down value	<b>786,968</b>	<b>1,469</b>	<b>124,283</b>	<b>912,720</b>
<b>June 2024</b>				
Fair value	2,296,309	2,990	121,312	2,420,611
Accumulated depreciation	(1,497,094)	(1,705)	-	(1,498,799)
Written down value	<b>799,215</b>	<b>1,285</b>	<b>121,312</b>	<b>921,812</b>

	Infrastructure at fair value \$000	Plant and Equipment at fair value \$000	Capital Work in Progress at cost \$000	Total Property, Plant and Equipment \$000
<b>June 2025</b>				
Opening balance	799,215	1,285	121,312	921,812
Additions	-	-	56,279	56,279
Disposals	(2,778)	-	-	(2,778)
Depreciation	(62,307)	(281)	-	(62,588)
Transfer from WIP	53,089	428	(53,519)	(2)
Adjustments	(251)	37	211	(3)
Revaluations	-	-	-	-
Closing balance	<b>786,968</b>	<b>1,469</b>	<b>124,283</b>	<b>912,720</b>
<b>June 2024</b>				
Opening balance	590,291	1,410	105,429	697,130
Additions	173	-	44,676	44,849
Disposals	(676)	-	-	(676)
Depreciation	(57,866)	(240)	-	(58,106)
Transfer from WIP	28,804	115	(28,919)	-
Adjustments	126	-	126	252
Revaluations	238,363	-	-	238,363
Closing balance	<b>799,215</b>	<b>1,285</b>	<b>121,312</b>	<b>921,812</b>

#### b) Initial recognition and subsequent measurement

Plant and infrastructure assets held for use in the production or supply of goods or services, or for administrative purposes, are stated in the 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.

#### 4.1 Property, plant and equipment (cont'd)

Plant and infrastructure 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 Company'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 entity. Ongoing costs of repairs and maintenance are expensed as incurred.

Where an asset is acquired at no cost or for nominal value, the cost is recorded at fair value as at the date of acquisition.

#### c) Revaluation of property, plant and equipment

Subsequent to initial recognition, 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.

Infrastructure, 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 takes 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 infrastructure, plant and equipment is based on the cost approach (i.e. current replacement cost), reflecting the amount that would be required currently to replace the service capacity of an asset, adjusted for obsolescence. The replacement cost is the minimum 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.

Each class of infrastructure, plant and equipment held at fair value is to be subject to revaluation at least every 5 years or with sufficient regularity to ensure the carrying amount of each asset does not differ materially from its fair value at reporting date.

Revaluation increments are credited directly to the revaluation surplus, except that, to the extent an increment reverses a revaluation decrement for that class of asset previously recognised as a loss in the operating result, the increment is recognised as a gain.

Revaluation decrements are recognised immediately as losses, except that they are debited directly to the revaluation surplus to the extent that a credit exists in the revaluation surplus in respect of the same class of asset.

##### 4.1.1 Depreciation and amortisation expense

		June 2025 \$000	June 2024 \$000
<b>Depreciation and amortisation expense</b>			
Depreciation		62,622	58,152
Amortisation	4.2	2,980	2,839
		<b>65,602</b>	<b>60,991</b>

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

<b>Infrastructure, plant and equipment</b>	<b>2025</b>	<b>2024</b>
Infrastructure	5 to 110 years	3 to 100 years
Plant and equipment	4 to 40 years	3 to 30 years

Depreciation and amortisation of assets related to leases have been calculated based on the estimated useful lives used for each class of asset as follows:

<b>Infrastructure, plant and equipment situated on leased land</b>	<b>2025</b>	<b>2024</b>
Infrastructure	5 to 100 years	8 to 40 years
Plant and equipment	1 to 40 years	1 to 40 years





#### **4.1 Property, plant and equipment (cont'd)**

Depreciation on revalued infrastructure, plant and equipment assets is recognised in profit or loss. On the subsequent disposal, sale or retirement of a revalued infrastructure, plant and equipment 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.

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 rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation and amortisation are recognised in the profit or loss.

Assets held under lease are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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.

#### 4.2 Right-of-use-assets

	June 2025 \$000	June 2024 \$000
<b>Carrying amounts of:</b>		
Land	18,632	18,482
Gas transport pipelines	14,733	15,596
Solar power	3,634	4,141
	<b>36,999</b>	<b>38,219</b>

Movement in carrying amounts	Land \$000	Gas transport pipelines \$000	Solar Power \$000	Right-of-use assets \$000
<b>Year ended 30 June 2025</b>				
Opening Balance	18,482	15,596	4,142	38,220
Additions / remeasurements	1,096	663	-	1,759
Amortisation	(947)	(1,525)	(508)	(2,980)
<b>Closing balance</b>	<b>18,631</b>	<b>14,734</b>	<b>3,634</b>	<b>36,999</b>
<b>Year ended 30 June 2024</b>				
Opening Balance	18,146	16,087	4,644	38,877
Additions / remeasurements	1,181	999	-	2,180
Amortisation	(847)	(1,490)	(501)	(2,838)
<b>Closing balance</b>	<b>18,480</b>	<b>15,596</b>	<b>4,143</b>	<b>38,219</b>

The Company leases several assets including land, a gas transport pipeline and the output of two solar power plants. The most common lease term is 40 years for land assets and 20 years for other assets.

The Company does not have the options to purchase any of these assets at the end of the lease term. The Company'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 incurred, 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 statement of financial position. The Company 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.

#### 4.3 Intangible assets

	June 2025 \$000	June 2024 \$000
Intangible Assets at cost	79	113
	<b>79</b>	<b>113</b>

	Intangible assets at cost \$000
<b>June 2025</b>	
Fair value	1,188
Accumulated amortisation	(1,109)
<b>Written down value</b>	<b>79</b>
<b>June 2024</b>	
Fair value	1,188
Accumulated amortisation	(1,075)
<b>Closing balance</b>	<b>113</b>



### 4.3 Intangible assets (Cont'd)

Movement	Intangible assets at cost \$'000
<b>June 2025</b>	
Opening balance	113
Additions	-
Disposals	-
Amortisation	(35)
Transfer from WIP	-
Adjustments	-
Closing balance	<b>79</b>
<b>June 2024</b>	
Opening balance	160
Additions	-
Disposals	-
Amortisation	(47)
Transfer from WIP	-
Adjustments	-
Closing balance	<b>113</b>

#### *Intangible assets acquired separately*

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

#### Renewable Energy Certificates

The Company undertook the solar SETuP project as an initiative for cheaper electricity in remote communities and savings in distillate. 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 Company is currently generating and selling Large-Scale Generation Certificates (LGC) to electricity retailers. LGC's held are of the nature of intangible assets and are disclosed in the statement of financial position as non-current assets.

#### *Derecognition of intangible assets*

An intangible asset is derecognised on disposal, or when no further future economic benefits are expected from the continued use of the asset or its disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

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

	2025	2024
Intangible assets	5 to 19 years	5 to 20 years

### 4.4 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication 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 Company 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.

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

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.



## NOTE 5 OTHER ASSETS AND LIABILITIES

This section sets out those assets and liabilities that arose from the Company's operations.

Note contents Section	Description
5.1	Trade and other receivables
5.2	Trade and other payables
5.3	Inventories

### 5.1 Trade and other receivables

	June 2025 \$000	June 2024 \$000
<b>Current</b>		
Receivables	27,564	18,224
Less: provision for expected credit losses	-	-
	<b>27,564</b>	<b>18,224</b>
Accrued revenue other	670	575
Interest receivable	-	-
	<b>28,234</b>	<b>18,799</b>

Receivables at 30 June 2025 are non-interest bearing. The Company measures the loss allowance for receivables at an amount equal to lifetime expected credit losses (ECL). The ECL on receivables are estimates based on historical default experience and actual credit loss experiences with the debtor.

The Company has undertaken a review of all receivables at year end and concluded that a loss allowance will not be recognised. The majority of the balance of Trade and other receivables relates to related party balances - \$25.6 million owed by DHLGCD and as such, no loss allowances have been recognised.

	June 2025 \$000	June 2024 \$000
Receivables*	28,234	18,799

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

The receivables primarily relate to grants receivable from DHLGCD and rights to consideration for work completed but not billed at the reporting date on electricity and water contracts.

#### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company 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 Company'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 it is probable the economic benefits will flow to the Company and the revenue can be reliably measured. Therefore the Company estimates the amount of electricity and water consumed at reporting date but that is yet to be billed.

### 5.2 Trade and other payables

	June 2025 \$000	June 2024 \$000
Payable to controlling entity	4,865	12,167
Trade payables	7,617	5,550
Other payables and accruals	13,286	8,435
	<b>25,768</b>	<b>26,152</b>

Trade and other payables 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 Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Lower trade and other payables for 30 June 2025 mainly relates to lower of the inter entity payable to Power and Water Corporation in 2025 compared to prior year.



### 5.3 Inventories

	June 2025 \$000	June 2024 \$000
Distillate stocks	7,074	8,227
	<b>7,074</b>	<b>8,227</b>

The cost of inventories recognised as an expense by the Company is \$nil (2024: \$nil) in respect of write-downs of inventory to net realisable value.

Inventories are carried at the lower of cost and net realisable value. Costs are assigned to 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.

## NOTE 6 HOW WE FINANCED OUR OPERATIONS

This section provides information on the sources of finance used by the Company during operations, along with costs related to that financing.

### Note contents

Section	Description
6.1	Borrowings
6.2	Cash and cash equivalents
6.3	Commitments
6.4	Leases
6.5	Finance costs

### 6.1 Borrowings

	June 2025 \$000	June 2024 \$000
<b>Current</b>		
Loan from parent entity - unsecured	11,000	-
	<b>11,000</b>	<b>-</b>
<b>Non-current</b>		
Loan from parent entity - unsecured	14,000	25,000
	<b>14,000</b>	<b>25,000</b>
	<b>25,000</b>	<b>25,000</b>

On 30 June 2021, the Company received a loan for \$11.0 million from the parent company to refinance the existing loans provided in 2017-18. The loan received is an interest-only fixed term loan for 5 years ending 29 June 2026. On 18 March 2019, the Company received a 5 year loan for \$14.0 million from the parent company, taking the total loans received to \$25.0 million. This loan was refinanced on 30 June 2024 as an interest only fixed-term loan for 5 years ending 30 June 2029. The purpose of the loan was to provide capital assistance towards the ARENA Solar Project, where the Company is building solar farms that will reduce the cost of electricity production in the communities it services. Interest is charged on the outstanding balances at 2.88% for the loan provided in 2020-21 and 6.83% on the loan refinanced in June 2024.

The amount recorded in current liabilities represents the portion of the Company's borrowings due and payable within one year. The non-current liabilities represent the portion of the Company's borrowings not due and payable within the next 12 months.

### 6.2 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 flows is reconciled to the related items in the statement of financial position as follows:

	June 2025 \$000	June 2024 \$000
Cash assets	<b>16,401</b>	<b>37,665</b>

The monthly average interest rate on cash assets for 2025 is 3.9% (2024: 4.2%)

#### (b) Reconciliation of the deficit for the year to net cash flows from operations

	June 2025 \$000	June 2024 \$000
<b>Deficit for the year</b>	(12,734)	(13,066)
<i>Adjustments for:</i>		
Depreciation and amortisation expenses	65,602	60,991
Net loss on disposal of property, plant and equipment	2,780	470
Board approved write offs	-	-
Contributed Assets Provided Free of Charge	-	(172)
Government grant - capital	(54,550)	(41,874)
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in Inventories	1,153	(240)
(Increase) in trade and other receivables	(9,435)	(5,553)
Decrease/(increase) in other assets	(56)	10
(Increase) in intangible assets	1,352	(217)
(Decrease)/increase in trade and other payables	(384)	(4,229)
(Decrease) in unearned revenue	-	(4,709)
<b>Net cash (used in)/provided by operating activities</b>	<b>(6,272)</b>	<b>(8,589)</b>





## 6.2 Cash and cash equivalents (Cont'd)

### (c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Company'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 Company's statement of cash flows as cash flows from financing activities.

Movement	Lease Liabilities \$000	Borrowings \$000
Opening Balance - 1 July 2024	42,762	25,000
Repayment of loan from parent entity	-	-
Proceeds from loan from parent entity	-	-
Repayment of lease liabilities	(2,237)	-
<i>Non-cash changes</i>		
New finance leases and remeasurements	1,760	-
Closing Balance - 30 June 2025	<b>42,285</b>	<b>25,000</b>

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

## 6.3 Commitments

	June 2025 \$000	June 2024 \$000
<b><i>Capital expenditure commitments</i></b>		
Contracted but not provided for and payable: within one year	25,908	34,766
	<b>25,908</b>	<b>34,766</b>
<b><i>Repairs and Maintenance expenditure commitments</i></b>		
Contracted but not provided for and payable: within one year	7,548	8,314
	<b>7,548</b>	<b>8,314</b>

Capital works and repairs and maintenance continue to be undertaken for various programs required in remote communities in respect of tank and water main replacements, drilling, reticulation and headworks.

## 6.4 Leases

The Company leases several assets, including land, a gas transport pipeline and the output of two solar power plants. The most common lease term is 40 years for land assets and 20 years for other assets.

	June 2025 \$000	June 2024 \$000	June 2025 \$000	June 2024 \$000
	<b>Minimum lease payments</b>		<b>Present value of minimum lease payments</b>	
Not later than one year	4,814	4,210	3,340	2,710
1 to 5 years	15,899	15,366	10,812	10,130
Later than 5 years	39,498	42,031	28,133	29,922
	<b>60,211</b>	<b>61,607</b>	<b>42,285</b>	<b>42,762</b>
Less: future finance charges	(17,926)	(18,845)	-	-
	<b>42,285</b>	<b>42,762</b>	<b>42,285</b>	<b>42,762</b>
Represented by:				
Current			3,340	2,710
Non-current			38,945	40,052
			<b>42,285</b>	<b>42,762</b>
<b><i>Total cash outflows for leases</i></b>				
Principal repayments on leases			2,237	2,261
Interest repayments on leases			1,546	1,550
			<b>3,783</b>	<b>3,811</b>

## 6.4 Leases (Cont'd)

### 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 Company 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 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 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.

### Remeasurement

The Company 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.

Refer to note 6.5 for details of the interest expense on lease liabilities and note 4.2 for details of the associated right-of-use assets.

Future cash outflows to which the Company is potentially exposed may arise from variable lease payments that are linked to a consumer price index (CPI).

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

### **Fair value**

The fair value of the lease liabilities is approximately equal to their carrying amount.

## 6.5 Finance costs

Interest on loans from parent entity  
Interest on leases

	952	924
	1,546	1,550
	<b>2,498</b>	<b>2,474</b>

All borrowing costs are recognised as an expense in the period in which they are incurred.



## NOTE 7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

The Company 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 Service related mainly to fair value determination.

### Note contents

Section	Description
7.1	Financial instruments
7.2	Risk management objectives
7.3	Contingent liabilities and contingent assets
7.4	Fair value determination

### 7.1 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### (a) Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- (i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (ii) 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 amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- (i) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- (ii) 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 amount outstanding.

For the years ended 30 June 2025 and 2024, the Company did not have any financial assets at FVTPL or FVTOCI.

##### Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected useful life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows. This includes expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised in profit or loss and is included in the Interest income line item (Note 2.2).



## 7.1 Financial Instruments (Cont'd)

### Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, lease receivables, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company recognises lifetime expected credit losses (ECL) for trade receivables, contract assets and lease receivables. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors specific to the debtor, general economic conditions and an assessment of both current, as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For the year ended 30 June 2025, no ECL has been recognised for Trade and other receivables, as all the balances relate to invoices unpaid by Northern Territory Government entities and are expected to be fully receipted in 2025-26.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

#### *(i) Definition of default*

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- (i) When there is a breach of financial covenants by the debtor; or
- (ii) Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.



## 7.1 Financial Instruments (Cont'd)

### *(ii) Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event (see (ii) above);
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for that financial asset because of financial difficulties.

### *(iii) Write-off policy*

The Company writes off a financial asset when there is information indicating 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, has entered bankruptcy proceedings or in the case of trade receivables, when the amounts are over 2 years past due, whichever occurs sooner. Written off financial assets may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

### *(iv) Measurement and recognition of expected credit losses*

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date. For financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which a simplified approach was used.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI. For these, the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

### Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

## **(b) Financial liabilities**

### Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

### Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, are measured in accordance with the specific accounting policies set out below.

### *(i) Financial liabilities measured subsequently to amortised cost*

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

## 7.1 Financial Instruments (Cont'd)

### (ii) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with substantially different terms, such an exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

## 7.2 Risk management objectives

### (a) Financial risk management objectives and policies

The Company has various financial instruments such as trade receivables and trade payables. It is, and has been, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are market risk, credit risk, liquidity risk, commodity price risk and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below.

The Company's overall strategy remains unchanged from 30 June 2025.

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

Market risk	The risk that changes in the market will adversely impact the operations and returns of the Company.
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.
Interest rate risk	The risk that financing costs will increase and impact prices to customers and returns to the shareholder.

### (b) 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 Company that has been recognised in the Statement of financial position is the carrying amount net of any provision for expected credit losses.

The Company performs work on behalf of Northern Territory Government agencies and private companies on a recoverable works basis. Funding for general recoverable works is obtained upfront thereby reducing credit risk associated with these transactions.

The entirety of the Company's cash balance sits in one financial institution, National Australia Bank, which has an issuer credit rating of 'AA-' by Fitch Australia Pty Ltd.

### (c) Liquidity risk management

The Company's objective is to provide continued and reliable services to remote Aboriginal communities in the Northern Territory within the grant funding and sales revenue it receives. Each year the Company limits expenditure to the level of grant funding and sales revenue it receives for that year.





## 7.2 Risk management objectives (Cont'd)

The following table sets out the carrying amount, by maturity, of the borrowings for the Company:

	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
<b>2025</b>							
<b>Financial Liabilities</b>							
Payables	-	-	25,768	25,768	-	-	25,768
Loans from parent company	-	29,137	-	12,271	16,866	-	29,137
Lease liability	-	60,211	-	4,814	15,899	39,498	60,211
	-	<b>89,348</b>	<b>25,768</b>	<b>42,853</b>	<b>32,765</b>	<b>39,498</b>	<b>115,116</b>
<b>2024</b>							
<b>Financial Liabilities</b>							
Payables	-	-	26,151	26,151	-	-	26,151
Loans from parent company	-	30,410	-	1,273	29,137	-	30,410
Lease liability	-	61,607	-	4,210	15,366	42,031	61,607
	-	<b>92,017</b>	<b>26,151</b>	<b>31,634</b>	<b>44,503</b>	<b>42,031</b>	<b>118,168</b>

### (d) Commodity price risk

The Company is exposed to changes in the price of distillate which is used to power electricity generators. Each year grant funding received 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 increases and the Company does not have sufficient grant funds to continue operating, the Company can apply to the Northern Territory Government for additional grant funds. Sensitivity is not provided in distillate as any increases in the distillate costs are funded through the Department of Housing, Local Government and Community Development.

### (e) Interest rate risk

Interest revenue is incurred solely on the cash balance held by the Company throughout the year. Interest expenses are incurred by the Company in relation to a loan for a related party and lease liabilities.

### 7.3 Contingent liabilities and contingent assets

The company 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.

### 7.4 Fair value determination

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- (i) Level 1 inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- (ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 inputs are unobservable inputs for the asset or liability.

#### (a) Fair value of financial instruments

The net fair values of all financial assets and liabilities approximate carrying values.

#### (b) Fair value measurement of the Company's property, plant and equipment (excluding capital works in progress and right-of-use assets)

The following valuation techniques are used:

	Asset class	Valuation policy
Infrastructure systems	Water and wastewater	Current replacement cost approach
	Electricity generation	Current replacement cost approach
	Electricity distribution and transmission	Current replacement cost approach
Plant and equipment*	Non-specialised plant and equipment	Historical cost

\*Note: Non-specialised assets such as minor items of office equipment are held at historic cost.

The fair value of the 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 was determined using historical cost as these are minor asset items such as office equipment with short lives (3-5 years).

There has been no change to the valuation technique during the year.

#### As at 30 June 2025

The Company's assets are stated at the revalued amount, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. The Company is not required to undertake yearly impairment testing under AASB 136 Aus5.1 because the Company is a not-for-profit measuring specialised, non-cash-generating assets using the fair value (replacement cost) model. These assets are revalued to fair value under the revaluation model in AASB 116 – Property, Plant and Equipment. Assets are comprehensively revalued every five years in accordance with AASB116 s.34, with annual management assessments conducted in intervening years. These annual management assessments aim to identify significant movements in asset values and whether an interim revaluation is required. The 2024–25 assessment revealed a negative 5.4% cumulative movement in relevant indices since the last comprehensive revaluation in 2024. Based on this movement, no revaluation is required for 2025.

#### As at 30 June 2024

The Company's assets are stated at the revalued amount, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Independent valuers, Stantec who have valuation experience for similar utility assets in Australia, were engaged to undertake a valuation of the Company's assets. The asset valuation was based on establishing a modern equivalent asset and taking into account adjustment factors. Stantec has applied the methodology outlined in the Rawlinson Australian Construction Handbook to adjust base unit rates to regions within the Northern Territory using specific regional factors for the valuation of 30 June 2024. Assets installed this financial year or assets under construction at 30 June 2024 were not included in the valuation. The valuation has resulted in the Company's assets being written up by \$238.7 million, which was recognised in full as an increase in the asset revaluation reserve.



#### 7.4 Fair value determination (Cont'd)

Details of the Company's infrastructure and plant and equipment and information about their fair value hierarchy as at the end of the reporting are as follows:

	Level 3 \$000	Fair value as at 30 June 2025 \$000
Plant and equipment (including infrastructure assets)	788,437	788,437

Corporation	Level 3 \$000	Fair value as at 30 June 2024 \$000
Plant and equipment (including infrastructure assets)	800,500	800,500

There were no transfers of assets between levels during the year.

#### ***Impairment losses recognised in the year***

There were no impairment losses recognised in respect of the Company's assets as at 30 June 2025 or 30 June 2024.



## NOTE 8 STATUTORY OBLIGATIONS

This section includes disclosures in relation to the Company's statutory obligations.

### Note contents

Section	Description
8.1	Goods and service tax
8.2	Income tax

### 8.1 Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of the GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority (through Power and Water Corporation) is included as a current asset or liability in the statement of financial position. From 1 July 2003, the Company has been grouped with Power and Water Corporation for GST purposes. Power and Water Corporation is the representative member and lodges the business activity statement on behalf of the Group.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority (through Power and Water Corporation) are classified as operating cash flows.

### 8.2 Income Tax

The Company is exempt from income tax as it was removed from the National Tax Equivalents Regime due to it being a not-for-profit entity effective from 1 July 2003.

Additionally, the Company 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.



## NOTE 9 OTHER DISCLOSURES

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of the financial report.

### Notes contents

Section	Description
9.1	Contributed equity
9.2	Asset revaluation reserve
9.3	Retained earnings
9.4	Events after the reporting period
9.5	Related party transactions
9.6	Auditor's remuneration
9.7	Application of new and revised Accounting Standards

#### 9.1 Contributed equity

The contributed equity consists of 10 (2024: 10) ordinary shares at a price of \$1 (2024: \$1) per share. The shares have been issued and fully paid.

#### 9.2 Asset Revaluation Reserve

	June 2025 \$'000	June 2024 \$'000
Balance at beginning of year	747,570	510,318
Assets retired transferred to retained earnings	(7,528)	(1,110)
Asset revaluation	-	238,363
Balance at end of year	<b>740,042</b>	<b>747,571</b>

The asset revaluation reserve arises on the revaluation of property, plant and equipment (assets). When revalued assets are sold, the portion of the asset revaluation reserve that relates to those assets is transferred directly to retained earnings. There has not been an asset revaluation in the current year (2024: \$238.4 million).

#### 9.3 Retained earnings

	June 2025 \$'000	June 2024 \$'000
Retained earnings at beginning of year	155,778	167,734
Assets retired transferred from asset revaluation reserve	7,528	1,110
Net deficit for the year	(12,734)	(13,066)
Retained earnings at end of the year	<b>150,572</b>	<b>155,778</b>

#### 9.4 Events after the reporting period

In the interval between the end of the financial year and the date of this report, there have been no transactions or events of a material or unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

#### 9.5 Related party transactions

The immediate parent and controlling entity of the Company is Power and Water Corporation, a government owned corporation pursuant to the *Government Owned Corporations Act 2001*. Power and Water Corporation is wholly owned by the Northern Territory Government.

##### Trading transactions

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year (for information regarding outstanding balances at year end refer to Note 5.1 and Note 5.2):

		Revenue from related parties \$'000	Purchases from related parties \$'000	Amounts owed by related parties \$'000	Amounts owed to related parties \$'000
<b>Related party</b>					
Power and Water Corporation	2025	83	2,799	-	30,760
	2024	122	2,191	-	37,950
Northern Territory Government*	2025	135,042	6,321	26,241	18,053
	2024	125,157	5,743	18,151	17,479

\* Excludes Power and Water Corporation

### 9.5 Related Party Transactions (Cont'd)

The Company purchases gas, electricity, water and wastewater services from Power and Water Corporation's infrastructure for remote Aboriginal communities that are able to be connected to this infrastructure rather than requiring standalone infrastructure.

The Company receives operational and capital grants from the Northern Territory Government enabling it to provide electricity, water and wastewater services to remote Aboriginal communities. Capital grants are recognised as income when the Company satisfies its obligations under the transfer. The Company also receives recoverable works funds for specific projects undertaken on behalf of the Northern Territory Government and unrelated third parties.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

#### *Loans from related parties*

The Company's parent entity, Power and Water Corporation, provided one interest-only fixed loan for \$11.0 million in 2020-21 and another interest-only loan for \$14.0 million in 2023-24. The annual interest rate is 2.88% in 2020-21 and 6.83% in 2023-24. As at 30 June 2025, \$14 million on these loans are sitting as non-current liability and \$11.0 million sitting as current liability. Refer to Note 6.1 for further details.

#### *Loans to related parties*

In November 2024, the Company provided a short term loan amounting to \$22m to Power and Water Corporation (the Corporation) to provide additional liquidity to meet the Corporation temporary cash requirements. The annual interest rate is 6.85% per annum and is repaid within 30 days. As of 30 June 2025, the loan was fully repaid both the interest and principal portion. Interest earned on the short term loan is disclosed in note 2.2

#### *Compensation of directors*

The names of each person holding the position of director within the Company during the financial year are listed in the directors' report.

Directors do not receive any compensation specifically for their directorship of the Company. No director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving directors' interest subsisting at year-end.

#### *Compensation of key management personnel*

The Company did not have any employees as at or during the years ended 30 June 2025 or 30 June 2024. Compensation and benefits paid to executive officers of the Company's parent entity, to the extent of their contribution to the Company's operations, are included within the scope of the management fees paid by the Company to the parent entity. Executive officers are those officers who are involved in the strategic direction, general management or control of business.

#### *Other related party transactions*

The Company purchased labour in the amount of \$10.2 million (2024: \$7.8 million) and accounting, computing, human resources, secretarial services and utility services for its operations from Power and Water Corporation for which a management fee of \$6.2 million (2024: \$6.1 million) was charged and paid. Refer to Note 3.1.2 for further details.

### 9.6 Auditor's Remuneration

	June 2025 \$	June 2024 \$
Audit of the financial statements	74,000	74,000
	<b>74,000</b>	<b>74,000</b>

The auditor of the Company is the Auditor-General for the Northern Territory.





## **9.7 Application of new and revised Accounting Standards**

### **(a) Amendments to Accounting Standards and new Interpretations that are mandatorily effective for the current year**

The Company 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 Company 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 financial disclosures in sustainability reports and general-purpose financial statements.

The Company 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 Company's financial reporting processes, systems, and disclosures. No adjustments have been made to the current financial statements in relation to these standards. The Company will continue to monitor developments and provide further disclosures as required in future reporting periods.

### **AASB 18 Presentation and Disclosure in Financial Statements**

AASB 18 replaces AASB 101 Presentation of Financial Statements and is effective for the Company 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 Company's financial statements.







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