Power and Water Corporation



Annual Report
2025 – 26

powerwater.com.au

PowerWater

ACKNOWLEDGEMENT OF COUNTRY

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

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

CONTENT WARNING

Readers should be aware this report may contain images of Aboriginal and 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.



Dancers at Maningrida



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Cover image: *Craig Doolan from our Water 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 the 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.

Water in our hands, life in our communities



Letter to the Shareholder

The Honourable Bill Yan MLA, Treasurer of the Northern Territory

Dear Treasurer,

On behalf of Power and Water Corporation, we are pleased to present the corporation's 2026 annual report, in accordance with section 41 and 44 of the *Government Owned Corporations Act 2001.*

Yours sincerely,



Andrew Macrides
Chair, Power and Water Corporation
30 September 2026



Djuna Pollard
Chief Executive Officer,
Power and Water Corporation
30 September 2026

Message from the Board Chair



I am honoured to be appointed as Chair of Power and Water, becoming the first long-term Territorian to hold the position in the role in almost a decade. While many years have passed since I served as Power and Water's Managing Director, the organisation's success continues to be built on the dedication of its people to serving Territorians.

I join the Board at a pivotal time for the Northern Territory. Significant economic opportunities are being realised across the region and Power and Water has both an essential and strategic role in supporting this growth. We will do so in close collaboration with all key stakeholders to deliver on the Northern Territory Government's expectations for our organisation.

I would like to acknowledge Peter Wilson AM for his leadership during his tenure as Chair, and thank the Directors whose tenure ended in recent months for their contributions. Their stewardship guided the organisation through a period of significant challenge and reform.

In particular, the Board provided strategic oversight in response to the unprecedented reduction in gas supply from Eni's Blacktip Field, which has long underpinned electricity generation in the Northern Territory.

The decisions taken during this period have strengthened Power and Water's resilience and placed the organisation in a more secure position to support new energy opportunities for the Northern Territory, including the development of the Beetaloo Basin.

With the appointment of a new Board, directors are focused on ensuring that Power and Water's governance remains fit-for-purpose and equipped to achieve the organisation's objectives.

A key priority for the Board is ensuring that customer outcomes, service reliability and operational sustainability remain at the centre of our decision making. We also look forward to supporting the Northern Territory Government's energy sector reforms, including the establishment of the Northern Territory Electricity System Control and Market Operator as an independent statutory body.

I would also like to acknowledge our Chief Executive Officer Djuna Pollard for her outstanding leadership and service. Across more than two decades, including her tenure as CEO, Djuna has led the organisation through significant economic, operational and regulatory reform. Her commitment to organisational improvement and her focus on people have strengthened Power and Water's culture and capability, and positioned the organisation well for the future.

On behalf of my fellow Directors, I thank Power and Water's people for their professionalism, expertise and dedication to delivering the essential services that are critical to Territorians in their homes and businesses.

I look forward to working with the Board, management, employees and stakeholders in the years ahead to strengthen Power and Water's performance and enhance the delivery of reliable and sustainable essential services for all Territorians.



Andrew Macrides
Chair, Power and Water Corporation
30 September 2026

Message from the Chief Executive Officer



This has been a year like no other at Power and Water. Against a backdrop of unprecedented events, our people demonstrated remarkable professionalism and resilience to ensure Territorians continued to receive safe and reliable water, wastewater, electricity and gas services.

At the same time, they delivered strategic projects, implemented new technologies, created employment pathways, and engaged with customers across the Northern Territory.

A series of significant events

Power and Water plays a critical role within the Northern Territory emergency management framework, and this year our preparedness was tested by a series of significant events.

This included the structural fire that destroyed the Pirlangimpi power station on the Tiwi Islands, Tropical Cyclone Fina, widespread flooding in the Big Rivers region, and the inundation of the Darwin River Dam pump station in a one-in-200-year flood event.

Our response to these events demonstrated the skill and adaptability of our people. The lessons learned will inform and strengthen our emergency preparedness, resilience and response capabilities.

Safety at our core

The safety of our people, customers and communities is at the core of everything we do.

This year, we delivered a new vehicle telematics system across our fleet, enabling a faster response in the event of an emergency.

We also partnered with MATES in Construction to raise mental health awareness through targeted training and programs.

Securing water for the future

The $189 million project to return Manton Dam to service continued at pace throughout the year and was more than 90 per cent complete as at 30 June 2026.

Once operational, Manton Dam will provide an additional 7,300 megalitres of drinking water annually, strengthening Greater Darwin's long-term water security and supporting future growth.

We also continued to partner with the Northern Territory Government and National Water Grid to deliver water security projects in remote communities, including Yulara, Maningrida, Gunyangara and Numbulwar, strengthening long-term water sustainability and resilience.

Our commitment to reconciliation grows

We were honoured to launch our Stretch Reconciliation Action Plan (RAP) during the year, providing a framework to strengthen opportunities, partnerships and meaningful outcomes with Aboriginal Territorians.

Highlights included our partnerships with the Clontarf Foundation, the Stars Foundation and the NT Indigenous Business Network, as well as the release of our 2025-2028 Aboriginal Engagement Strategy.

I also acknowledge the invaluable contribution of our Reconciliation Advisory Committee.

Our people are our success

Our people continue to earn well-deserved recognition for their expertise and achievements.

This year, Trevor Durling was named Water Professional of the Year and Mathilda Lipscombe was recognised as the Young Water Professional of the Year at the Australian Water Association NT Awards.

Georgena James received the NAWIC NT Trainee, Apprentice or Student of the Year, while Norah Thompson presented at the prestigious AREVA World 2026 conference.

Thank you

This marks my final year as Power and Water's Chief Executive Officer.

It has been a privilege to lead the organisation over the last six and a half years. I am proud to be Power and Water's longest serving CEO, and its first female CEO. I am confident I will not be the last.

My time at Power and Water has been filled with opportunities, challenges and excitement. I am proud of what we have achieved together, and the positive impact we have had for Territorians.

Among the achievements is a stronger customer focus in our planning, responding to the impacts of COVID-19, regulatory reforms to improve transparency in our service delivery, tackling water quality and scarcity challenges, traversing the NT energy transition, and delivering major infrastructure projects that will benefit Territorians into the future.

I thank former Power and Water Board Chair, Peter Wilson AM, and Directors Jodie Ryan, Trevor Armstrong and Paul Italiano for their guidance and support.

I wish Power and Water's new Chair, Andrew Macrides, and the incoming Board every success. They will be well supported by Power and Water's highly professional and experienced executive leadership team and senior management.

It has been an honour to work for and lead Power and Water for more than two decades. I leave with immense pride in what we have achieved and, most importantly, I leave with confidence in the future knowing Power and Water's people will continue to drive the organisation forward, delivering the essential services that make a difference to the lives of Territorians.



Djuna Pollard
Chief Executive Officer,
Power and Water Corporation
30 September 2026

Leadership and Governance

BOARD DIRECTOR ATTENDANCE RECORD

	Power and Water Board		Audit and Risk Management Committee		People, Safety, Sustainability and Reconciliation Committee		Gas Committee		System Control, Market Operations and Regulation Committee	
	Eligible to attend[1]	Attended[2]	Eligible to attend[1]	Attended[2]	Eligible to attend[1]	Attended[2]	Eligible to attend[1]	Attended[2]	Eligible to attend[1]	Attended[2]
Peter Wilson AM	17	17	4	4	6	6	4	4	5	5
Trevor Armstrong	17	17	0	1	6	6	0	1	5	5
Paul Italiano	17	17	4	4	6	6	4	4	5	5
Jodie Ryan	17	16	4	3	6	6	0	1	0	0
Megan Corfield	4	4	1	1	2	2	1	1	0	0
Treasurer's nominated observer	10	10	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Performance evaluation

The Board and its committees undertook a performance evaluation in 2025-26. The evaluation framework comprised feedback provided by way of a questionnaire completed by directors, members of the Executive Leadership Team and specialist advisors to the Board.

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

Power and Water Board



Peter Wilson, AM
Board Chair
(Board term ceased 30 June 2026)



Trevor Armstrong
Board Director
(Board term ceased 29 June 2026)



Megan Corfield
Board Director
(Board term ceased 31 October 2025)



Paul Italiano
Board Director
(Board term ceased 29 June 2026)



Jodie Ryan
Board Director
(Board term ceased 24 August 2026)



Andrew Macrides
Board Chair



Guy Chalkley
Board Director



Roland Chin
Board Director



Michael Hannon
Board Director



Maree Lang
Board Director



Steven Neave
Board Director



Tim Nelson
Board Director



Kate Ryan
Board Director

Executive Leadership Team



Djuna Pollard
Chief Executive Officer



John Pease
Deputy Chief Executive Officer



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



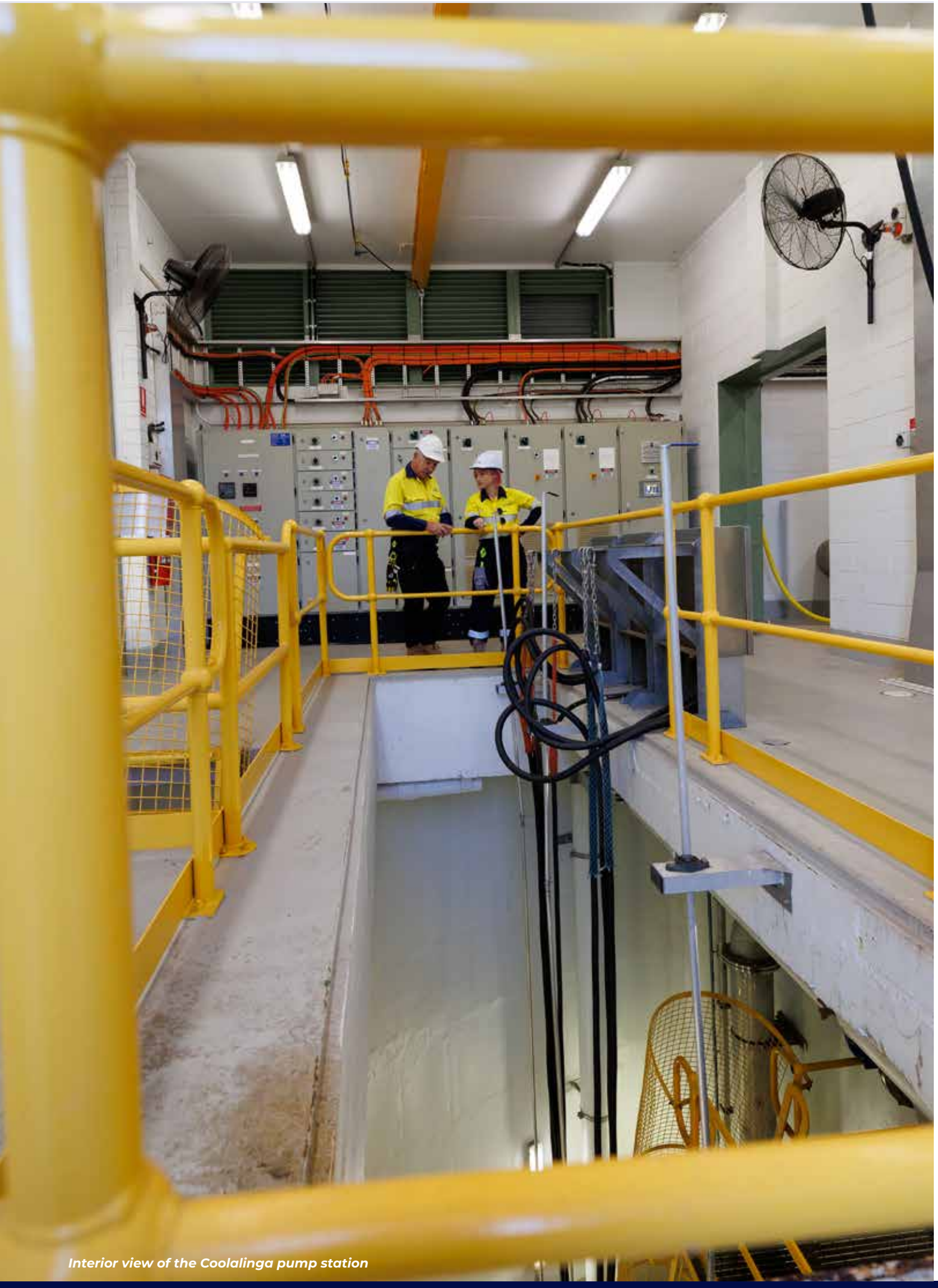
Michael Besselink
Executive General Manager, Core Operations,
1 July 2025 – 31 May 2026



Rachel Chin
Acting Executive General Manager, Core Operations, 1 to 30 June 2026



Antoni Murphy
Executive General Manager, Gas Services



Interior view of the Coolalinga pump station

Our year at a glance

CUSTOMER CONNECTIONS

Electricity connections
89,632

Water connections
51,333

Wastewater connections
68,337

New connections
1650

- 888 Electricity
- 22 Solar
- 740 Water

CUSTOMER CONTACT

Calls to customer service
84,290

Website live chats
8693

Facebook/ Instagram direct messages
933

Customer emails
65,350

COMMUNITY PARTNERSHIPS

Major partnerships
4

Community grants awarded
7

Community events supported
126

SIGNIFICANT ACHIEVEMENT

Over the last 12 months, our Facebook content generated 14.9 million views, 68,121 content interactions and 61,503 link clicks. Content interactions increased by 84.3% and link clicks increased by 189.7% compared with the previous year, demonstrating strong audience engagement and an increase in traffic driven to our website.

OUR PEOPLE



Full-time employees
848.6



Apprentices
39



Trainees
18



Graduates
14



Aboriginal and Torres Strait Islander employees
72 (includes 8 hosted)



People with a disability
10



Culturally and linguistically diverse
126



Women
31%



Women in executive roles
35%

BRAND, TRUST AND REPUTATION



Overall trust score up
3%



Overall reputation up
3%



Familiarity up
10%

SIGNIFICANT ACHIEVEMENT

During this financial year we raised purchase orders to the value of $22 million with 65 Aboriginal Business Enterprises (up from 59 suppliers in the previous financial year).

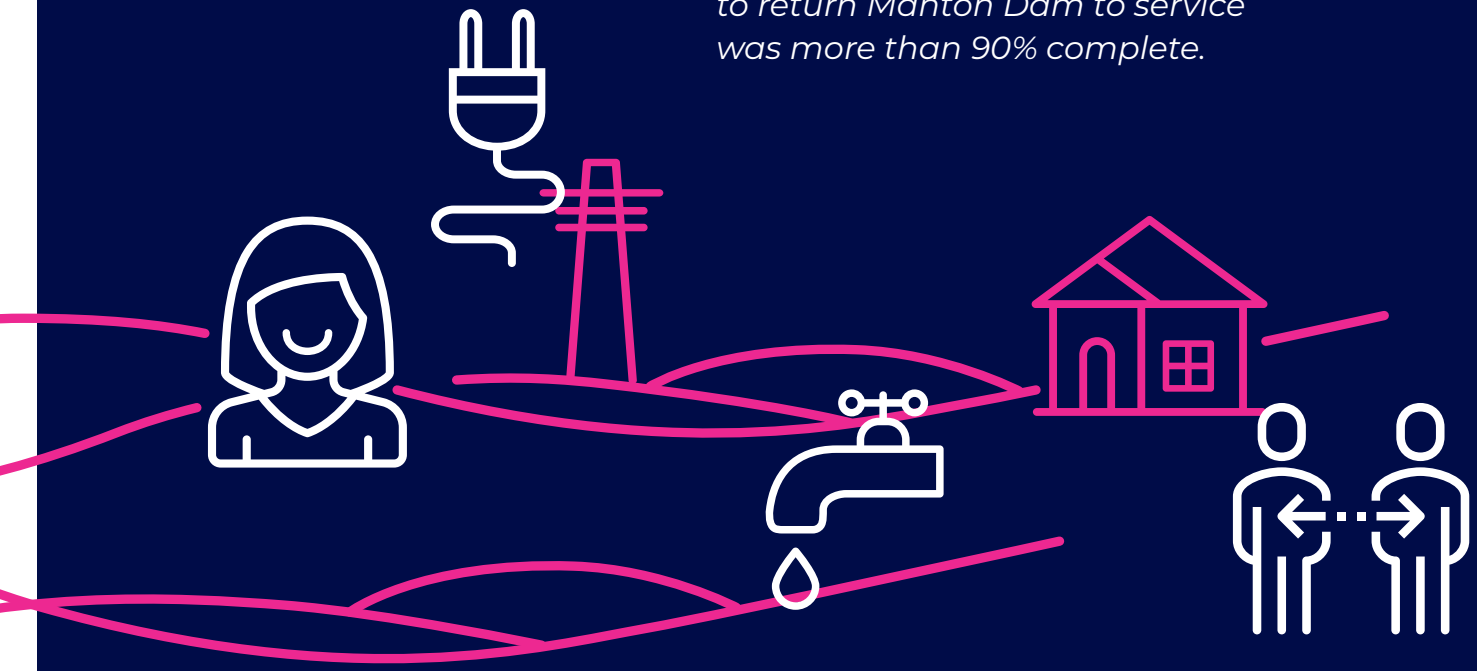


Michael Bretherton from our Katherine Water Services team


Ichthys Gas Field
BONAPARTE BASIN
Bayu Undan to Darwin Gas Pipeline
Melville Island
Croker Island
Minjilang
Pirlangimpi
Milikapiti
Bathurst Island
Wurrumiyanga
Warruwi
South Goulburn Island
Milingimbi Island
Elcho Island
Gunyangara Island
Maningrida
Milingimbi
Galiwin'ku
Gunyangara
Yirrkala
Ichthys Gas Pipeline
Darwin
Cox Peninsula
Gunbalanya
Ramingining
Gapuwiyak
BROWSE BASIN
Wickham Point Pipeline
Belyuen
Acacia Larrakia
Jabiru
Adelaide River
Weemol
Bulman
Bickerton Island
Blacktip Gas Field
Nauiyu
Pine Creek
Milyakburra
Kybrook Farm
Alyangula
Umbakumba
Peppimenarti
Manyallaluk
Groote Eylandt
Rittarangu
Numbulwar
Angurugu
Wadeye
Katherine
Wugularr
Nganmaryanga
Barunga
Binjari
Mataranka
Ngukurr
GULF OF CARPENTERIA
ENI Offshore Gas Pipeline
Bonaparte Gas Pipeline
Jilkminggan
Minyerri
Timber Creek
Larrimah
Bulla
McArthur River Gas Pipeline
Borroloola
Robinson River
Yarralin
Daly Waters
Amanbidji
Nitjpurru
McArthur River Mine
BEETALOO BASIN
Daguragu
Newcastle Waters
McARTHUR RIVER BASIN
Kalkarindji
Elliott
BARKLY TABLELAND
Lajamanu
Northern Gas Pipeline
Amadeus Gas Pipeline
Tennant Creek
Wutunugurra
Dead Bullock Soak Mine
Tanami Gas Pipeline
Canteen Creek
Ali-Curung
Alpurrurulam
Imangara
Willowra
TANAMI DESERT
Tara
Ampilatwatja
Nturiya
Wilora
Yuendumu
Yuelamu
Ti-Tree
Arlparra
Pmara Jutunta
Laramba
Engawala
Nyirripi
Papunya
Palm Valley Interconnect
Atitjere
Kintore
Haasts Bluff
Alice Springs
Mount Liebig
Owen Springs Lateral Extension Gas Pipeline
Mereenie Gas Field
Hermannsburg
Amoonguna
Santa Teresa
Kings Canyon
Wallace Rockhole
Dingo Gas Field
Areyonga
Palm Valley Gas Field
Dingo Gas Pipeline
AMADEUS BASIN
Titjikala
SIMPSON DESERT
Kaltukatjara
Imanpa
Finke
Yulara
Key
Water supply
Water supply and wastewater
Power stations
Connected to electricity grid
Solar site
Connected to water grid
Major remote town

KEY HIGHLIGHT FOR THE YEAR

As of 30 June 2026, the project to return Manton Dam to service was more than 90% complete.





Water efficiency specialist Dan Brown talks to students as part of That's My Water!

2025 – 26 Highlights

Our achievements this year continue to highlight how our work supports our purpose of making a difference to the lives of Territorians, and the Northern Territory Government's core priorities of rebuilding the economy, restoring the Territory lifestyle and reducing crime.

Essential services are exactly that – essential, for all aspects of life – and are about much more than simply turning on a light or tap. Reliable, sustainable essential services underpin a prosperous present and bright future for the Northern Territory.

During this financial year we continued to invest in major projects and infrastructure upgrades, and maintain a reliable flow of gas for generation, to support not only reliable services for customers, but also growth, development, local jobs and regional capability.

Our work also supports the lifestyle Territorians love by protecting our environment through effective wastewater management, and supporting health outcomes and housing stability.

This year in particular we helped make a difference to the lives of Territorians through our emergency management response during a busy severe weather season that featured 2 cyclones and multiple flooding events.

The following highlights demonstrate our impact and commitment to a stronger, more inclusive and prosperous Territory for all.

Our Community

PLANNING FOR THE FUTURE

Manton Dam Return to Service

As of 30 June 2026, the project to return Manton Dam to service as an operational drinking water supply source was more than 90% complete.

The $189 million project is part of the $327.6 million Darwin Region Water Supply Infrastructure Program, jointly funded by the Australian and Northern Territory Governments. The project involves upgrades to existing infrastructure, plus construction of a new pump station, 22km of pipeline and a state-of-the-art water treatment plant at Strauss, to ensure the water meets stringent drinking water standards. The project has supported up to 240 local jobs and many small businesses.

Once Manton Dam is returned to service, the facility will provide an additional 7,300 megalitres a year for the Darwin regional water supply system to meet forecasted demand, provide water security and network resilience, and support future sustainability and economic development. Manton will remain open as a recreational resource, managed by Parks and Wildlife NT.

Adelaide River-Off-Stream Water Storage

Part of the Northern Territory Government's Darwin Region Water Supply Infrastructure Program, the Adelaide River Off-stream Water Storage (AROWS) project has been identified as the preferred infrastructure solution to meet rising water demand in the Darwin region.

AROWS would involve storing water in a natural geological basin, drawn from the Adelaide River during the wet season under guidelines determined by the environmental regulator. The innovative infrastructure project would provide up to 60 gigalitres of water, while maintaining the natural flow of the river.

We are supporting the planning and approvals phase, which includes environmental assessments, technical engineering studies, stakeholder and community engagement, water resource modelling, and water demand forecasting.

Preconstruction works for AROWS are jointly funded by the Northern Territory and Australian Governments under Stage 1 of the Darwin Region Water Supply Infrastructure Program and will contribute towards advancing the Territory's long-term water security.



The Strauss Water Treatment Plant, which is part of the Manton Dam project



A team member at work in System Control

Eni gas curtailment

We have been managing a reduction in the supply of gas from the Eni Blacktip Field in 2021. Although this curtailment in gas supply has impacted our financial performance, due to the fact we have had to source alternative gas supplies, we have mitigated the impact on Territorians by implementing extensive contingency plans.

This has included working closely with the Northern Territory Government and industry partners to optimise commercial arrangements with other gas producers, source alternative gas supplies, upgrade pipeline infrastructure and make arrangements to access contingency and emergency gas if needed.

We continue to pursue our legal rights and entitlements on this matter.

Powering the Territory's energy future

The Territory's electricity market is undergoing its biggest transformation in decades, with the Territory Electricity Market (TEM) reform program reshaping how power is planned, managed and delivered.

A key milestone is separating our System Control and market operator functions into an independent statutory corporation, the Northern Territory Electricity System and Market Operator (NTESMO), to strengthen transparency, market integrity and long-term energy planning.

The Northern Territory Government's reforms will introduce new centralised planning and procurement functions to help guide future infrastructure investment and improve system efficiency across Darwin-Katherine, Alice Springs and Tennant Creek.

NTESMO will also oversee enhancements to settlements, and scheduling and dispatch requirements designed to better integrate emerging technologies, such as batteries and synchronous condensers, while supporting secure, reliable and lower-cost energy outcomes.

Implementation is underway, with multiple workstreams, stakeholder engagement and governance arrangements progressing ahead of the planned separation in mid-2027.



The new Darwin River Dam pump station



The Remote Water Team with residents in Galiwin'ku

Darwin River Dam Pump Station

The new pump station is now more than 85% complete.

The project is a critical step towards future-proofing our capacity to deliver a sustainable and secure water supply to the Greater Darwin Region, to support economic growth and investment opportunities.

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

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

Remote Water Team

As part of the cross-agency Remote Water Team, we continued to improve water security for remote communities by helping deliver information forums, developing a prioritised infrastructure list and partnering with the National Water Grid (NWG) to fund infrastructure upgrades and accelerate delivery.

The information forums increased transparency, improved water stewardship and participation, and engaged residents on water security more broadly, to help with infrastructure planning, prioritisation and demand management.

In 2025-26, the Remote Water Team delivered forums in Umbakumba, Wugularr, Barunga, Yuelamu, Laramba, Yuendumu, Galiwin'ku, Bulla and Imanpa. The team also engaged with community and stakeholders through local authority meetings, service delivery meetings and at other industry forums.

Modernising Remote Services

We continue to invest in modernising our systems to provide efficiencies, including in the remote communities we serve, where targeted upgrades can have a significant impact.

For example, in Timber Creek, modernising the Supervisory Control and Data Acquisition (SCADA) network has strengthened monitoring and control across the community's water infrastructure, enabling faster response times, more effective remote operations and a more resilient water network for the community.

Operating fault-free since December 2025, the project upgraded communications between the bores, water treatment plant and tank site, introducing new automation technology, remote monitoring capability and improved network stability.



New water tanks at Yulara

Additional funding for water security

We work with the Northern Territory Government and the National Water Grid (NWG) to deliver water infrastructure projects that support sustainability and economic growth in remote communities. Over the last 12 months works have commenced or been completed on a range of projects, including:

- **Yulara water supply project:** $23.2 million (including $13.2 million from NWG and $5 million from Voyages Resorts) for a new bore, water treatment compound, water tanks and water treatment plant.
- **Yuendumu water security and supply strategy:** $15.3 million (including $11.1 million from NWG) to replace water service lines and the rising main and equip 2 existing bores.
- **Maningrida water supply upgrade:** $21 million (including $13 million from NWG) for a new borefield ground-level tank, water infrastructure and network upgrades.
- **Milingimbi water security strategy:** $11.4 million (including $6.4 million from NWG) for drilling new bores and equipping new and existing bores.
- **Numbulwar water security strategy (phase 1):** $3.2 million (including $1.8 million from NWG) to investigate new water sources and carry out investigative drilling.
- **Gove Peninsula water supply upgrade (phase 1):** $8.9 million (including $5.4 million from NWG) for a long-term planning assessment in Gunyangara and upgrades in Yirrkala.
- **Gove Peninsula water supply upgrade - Gunyangara (phase 2):** $17.15 million (including $13.72 million from NWG and $1 million from Gumatj Corporation) for network, storage and reliability upgrades.
- **Galiwin'ku network upgrade and water quality planning strategy:** $17.9 million (including $14.3 million from NWG), for network assessment and upgrades.
- **Better bores for communities program:** $34.3 million (including $27.6 million from NWG) for water source investigations and bore drilling in Gapuwiyak, Yuelamu, Atitjere, Robinson River, Finke, Warruwi and Titjikala.



Our Water Services compound at Milingimbi



Ali Curung's new standby generator



Danny Browne and Anthony Millikan at the new Batchelor chlorination plant

New standby generator for Ali Curung

Investing in a new 660kW standby generator to improve the reliability of Ali Curung's power services has helped reduce the risk of extended outages. The generator replaces a smaller 380kW standby generator that was no longer fit for purpose.

The generator will allow us to carry out maintenance on powerlines without isolating the community for prolonged periods. We have worked closely with key stakeholders on this project and Stage 1, including installation of the generator and diesel tank, was completed in May 2026. Stage 2, including integration of high-voltage switch gear, the transformer, construction of a new control room and full commissioning of the system, is due to be completed later in 2026.

This project is part of our ongoing work to strengthen critical infrastructure and deliver secure, reliable essential services to remote communities.



The existing Borroloola Power Station

A modern water supply for Batchelor

Batchelor residents are benefiting from safer, more reliable drinking water following a $3.9 million upgrade of the town's chlorination infrastructure.

The project, which supported 51 local jobs, replaced ageing assets with a purpose-built facility designed to meet modern safety, compliance and operational standards, strengthening long-term water security for the community.

The new facility features dual sodium hypochlorite dosing systems with bunded storage and secondary containment, along with upgraded electrical infrastructure that includes modern safety systems, automation and remote monitoring capabilities to support long-term reliability.

Borroloola Power Station project

Our team has completed a site inspection for the planned $4.14 million upgrade to the Borroloola Power Station, and we have the proposed design.

The upgrade will include a new fourth generator (1 MW), expanded fuel storage, and upgraded transformers and switchgear.

This important investment in the community's essential services will increase the reliability and efficiency of power supply and support development.

Strengthening our sewerage network

Our Darwin sewerage pump station (SPS) upgrade program is progressing well, with 3 of 5 priority pump stations completed, one under construction and another planned for future works. The upgrades are part of a targeted renewal program focused on maintaining reliable wastewater services, improving operational efficiency and supporting long-term asset performance.

The completed upgrades include Lakeside Drive, Tiwi and Frances Bay, while works at Rapid Creek are underway and due to finish by the end of 2026. Future works are planned for Winnellie.

We operate 45 major and minor SPSs across Darwin and Palmerston, which play a critical role in transporting wastewater safely through the network. Investing in the renewal of critical wastewater infrastructure supports our commitment to delivering reliable and efficient services across the Territory.

From paperwork to real-time technology

We've modernised the way we manage inventory and warehousing, moving from paper-based processes to integrated, real-time technology. The change is making day-to-day work faster, simpler and more efficient, while improving accuracy across warehouse operations.

The warehouse team has moved from clipboards, handwritten records and constant trips between the warehouse floor and office to processing transactions instantly using handheld devices, and mobile label printers connected directly to our other systems, for a more streamlined procedure.

Scanning has also replaced manual data entry, saving time, reducing errors and helping the team work more seamlessly.



Inventory and warehousing manager Vanisha Lamarque



TEAM MEMBER PROFILE

PAUL DIX

Learning to be an agent of change

Paul is the Warehouse Team Leader at our Ben Hammond Complex, managing a team of 4 who are responsible for day-to-day warehouse operations.

He's worked with us for 19 years and seen the transformation from manual data entry to modern paperless operations firsthand.

'A modern, technologically advanced warehouse provides the right foundation to consolidate inventory across the business and we've all readily embraced the change,' Paul said.

Previously, Paul's day included using a clipboard and paper to record receipts and track inventory on handwritten notes. He racked up thousands of steps each day walking from the warehouse to his desk multiple times to record transactions retrospectively.

Now his day-to-day work is quicker, simpler and more efficient, with transactions processed using Zebra hand-held devices and mobile label printers that are fully integrated with fully integrated with other systems we use.

'Data is real-time, transactions are quicker, processes are paperless and seamless, and errors are minimised as items and locations can be scanned instead of having to manually input them,' he said.

'Productivity has been boosted and now we can focus our attention where it matters most – keeping inventory and warehouse operations running smoothly.'

ENGAGING WITH OUR COMMUNITY

Major partnerships

Our major partnerships reflect our commitment to building trusted relationships and creating lasting value within our community. We support initiatives that strengthen communities, celebrate culture and create meaningful social and economic outcomes for Territorians.

In 2025-26, our major partners were:

- **Tourism and Events NT:** to support Parrtjima, BASSINTHEGRASS, Darwin Supercars, MXGP and NRL games in Alice Springs and Darwin, with our Refresh tent and free water refill stations.
- **Children's Ground:** to strengthen pathways to employment for Aboriginal Territorians facing complex social challenges by enhancing financial literacy and economic independence.
- **Purple House:** to support their work delivering dialysis treatment on Country, highlighting the importance of culturally appropriate healthcare services in remote areas.
- **Darwin Festival:** to help create platforms and opportunities for Aboriginal artists and storytellers, aligning with our commitment to reconciliation and community engagement.

Community partnerships

Seven organisations shared $45,000 through our 2026 Community Partnerships Program, which supports organisations and initiatives that make a difference to the lives of Territorians. They were:

- **Cancer Council of the Northern Territory Incorporated:** to expand its Sunscreen Stand program in Alice Springs to help Territorians stay sun safe.
- **Bikes Mwerre:** to provide bike riding and bike maintenance sessions for young people and families, supporting school attendance and engagement.
- **Darwin Fringe Incorporated:** to support SUB_BAR, a free, immersive vibration-based sound installation accessible to people of all hearing abilities.
- **Nakara Primary School:** to help bring world champion robotics mentors from Wollongong to Darwin and Katherine, to run workshops and build skills.
- **Nightcliff High School:** to support First Aid and CPR training for all Year 10 students, providing essential life-saving skills and building a safer, more resilient community.
- **Noone Left Behind:** to launch Territory Blokes, an online hub connecting men across the Territory with support services, events and resources to improve wellbeing.
- **St John Ambulance Australia:** to help buy a Laerdal Airway Management Trainer, providing volunteers with hands-on training to build lifesaving skills.
- **Wild North Arts Incorporated:** to help Blak Power Comix publish and distribute First Nations comics across the Territory, run workshops and mentor emerging artists.

Sponsorship activities

This year we supported a range of community events and activities to strengthen relationships with partners, foster future growth and contribute to meaningful discussions that shape the communities we live in.

- **2025 Water in the Bush Conference NT:** The event brings together industry, government and community representatives to address the challenges of delivering water services in regional and remote areas.
- **NT Indigenous Business Network Blak Business Awards:** The event celebrates Aboriginal businesses and organisations, and those committed to supporting them.
- **AFL NT:** Our partnership supported community football across the Territory, including the CAFL season and Grand Final, creating opportunities to connect with communities.
- **Gurindji Freedom Day Festival:** As a partner for the Gurindji Freedom Day Festival, we supported the 50th anniversary of the Gurindji handback and the 60th anniversary of the Wave Hill Walk-Off at this important celebration of culture, history and connection.



Students taking part in CDU's Science Experience

- **NT News Woman of the Year Awards:** We sponsored the Rising Star (under 28 years) category, which recognises young women who demonstrate exceptional leadership, initiative and potential within their chosen fields.
- **Women in Resources Excellence Awards NT:** As Student Table Sponsor, we celebrated the achievements of women in the resources sector and supported opportunities for future industry leaders.
- **CDU Science Experience:** Our support provided students with opportunities to explore science, technology and career pathways through hands-on learning experiences, including the Amazing Science Race at the Berrimah Farm Science Precinct.
- **Barunga Festival:** Held on Jawoyn Country, the event brings together communities through music, sport, art and culture, while recognising the ongoing importance of connection, culture and self-determination.
- **NT Water Minister's Breakfast:** This important industry forum, hosted by the Australian Water Association, brought together government, utility and sector leaders to discuss priorities, challenges and opportunities for the Northern Territory water sector and regional communities.

Hydrating events across the Territory

Our water trailers and water filling stations supported 126 events, providing access to free drinking water at major community, cultural, sporting and civic gatherings. Of these, 84 events were delivered across the Darwin, Top End and Katherine regions, and 42 in Alice Springs, Central Australia, Barkly and other regions.

We supported flagship events such as Territory Day, NAIDOC Week celebrations, major festivals, regional shows and high attendance sporting fixtures. Our water trailers and stations play an important role in promoting community wellbeing, heat safety and inclusion, particularly at large outdoor and family focused events.



Our Refresh tent at BASSINTHEGRASS

Building connections across the NT

Each July, we take part in the Northern Territory show circuit, supporting key regional events in Alice Springs, Tennant Creek, Katherine and Darwin. This provides a valuable opportunity for our teams to connect directly with customers and community members.

> *The show circuit continues to be an important touchpoint for building trust, increasing awareness and strengthening relationships with the communities we serve. It also showcases our people, reinforcing our presence as a locally connected and community-focused organisation.*

Community engagement framework

In line with our community engagement framework, we continued building strong partnerships with remote communities through open conversations about water security and energy resilience.

In Bulla, we partnered with NT Health to host a community BBQ at the school basketball courts to talk about local water quality and alternative drinking water options. Residents, Traditional Custodians and local service providers came together to share ideas, ask questions and discuss practical solutions. The feedback will help shape both immediate support and longer-term solutions for the community, whose water is naturally high in barium.

We also met with community members in Pirlangimpi and Wurrumiyanga following the September 2025 power station fire to thank them for their patience during restoration works and share updates on future planning. Community members raised important questions about reliability, costs, environmental impacts and future infrastructure, with strong support for ongoing consultation through the Pirlangimpi Master Plan process.



Community engagement in Bulla



Restoring power lines in Darwin after Cyclone Fina



Flooding in the remote community of Jilkminggan following ex-Tropical Cyclone Narelle

OUR ROLE IN EMERGENCY RESPONSES

As the Territory's essential services provider, we play a major role in the Northern Territory Government's emergency response to natural disasters. The 2025-26 severe weather season was a busy one, including:

- A structural fire that destroyed the Pirlangimpi Power Station on the remote Tiwi Islands on 20 September 2025. We flew to the community and kept essential services, such as water, sewerage, telecommunications, the clinic and the store, connected via generators while we shipped 2 large generators over by barge. Power was restored within 3 days. Residents were extremely resilient during this incident, and we are working with the community to design and deliver a new permanent power station.
- Category 3 Cyclone Fina, which hit Darwin and the Tiwi Islands on 22 November 2025. Almost 20,000 customers were left without power, with services restored to around 7,000 customers within 24 hours. We had crews rostered on 24 hours a day, and approximately 17,000 customers had power restored within 72 hours. Around 200 team members from Darwin, Katherine, Tennant Creek and Alice Springs were involved in the cyclone response.
- Major flooding affecting the Big Rivers region from 7 March 2026, including Katherine and several surrounding communities. This was an extended event, with floodwaters taking several days to recede. Around 3,000 properties were left without power and hundreds without sewerage due to our infrastructure being inundated. Crews from Darwin travelled to Katherine to help the local team, some who had experienced flooding in their own homes.
- The Darwin River Dam pump station flooding on 9 March 2026, affecting Darwin's main drinking water source. Crews worked around the clock to build an alternative access road so we could install generators to keep water supply flowing after this 1-in-200-year event. The dam was restored to normal operations by 12 March, with 2 pumps back online.
- Tropical Cyclone Narelle, which hit the Northern Territory over the weekend of 21-23 March. Although initially affecting communities in Arnhem Land, the cyclone added to the flood threat in the already saturated Big Rivers region and impacted communities close to Darwin, such as Dundee and Adelaide River. In total we restored services to around 7,000 customers across a wide area.
- A generation issue at the Jabiru Power Station, which is owned and operated by EDL, on New Year's Eve, 2025. To keep as many people connected as possible and prevent damage to the network, we worked with the power supplier to introduce load shedding. After EDL advised repairs would take some days, on 2 January 2026 we dispatched temporary generators to the community, restoring power by 1.15am the following day.

Each of these events would have been significant on its own. Together, they created sustained pressure across the vast 1.3 million square kilometres in which we operate, stretching our systems, our people, our communities and our ways of working.

Throughout the several months during which these events took place, our people stepped up time and again, using their knowledge and expertise to restore services as quickly as was safely possible.



The flooded Darwin River Dam pump station

PROGRESS AGAINST OUR RECONCILIATION ACTION PLAN (RAP)

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

A third of our community, and therefore our customers, are Aboriginal, and we provide essential services to 72 remote communities and 79 outstations through our not-for-profit subsidiary, Indigenous Essential Services (IES).

After completing our 2023-25 Innovate RAP, we launched our 2025-28 Stretch RAP, releasing an expression of interest for new members to join our Reconciliation Advisory Committee. This is now made up of 6 respected and recognised Aboriginal advisers.

We also had 72 Aboriginal employees, including 8 hosted Aboriginal apprentices, and 57 Aboriginal Territorians living and working in remote Aboriginal communities as Utilities Contract Service Workers (USCW). There are 198 USCWs across the Territory. This service delivery model fosters skills development through hands-on training and ensures knowledge stays in communities, creating long-lasting community-led independence.

Highlights from the past year under our Stretch RAP include:

Aboriginal Engagement Strategy

Our Aboriginal Engagement Strategy 2025-2028 underlines our commitment to building respectful, trusted and culturally appropriate relationships with Aboriginal Territorians, communities and organisations across the Northern Territory.

The strategy focuses on improving two-way engagement, ensuring Aboriginal voices are heard and actively inform decision-making, service delivery and long-term planning. Underpinned by principles of genuine listening, cultural respect, equal partnership and authenticity, the strategy supports our broader reconciliation commitments.

Key actions include expanding engagement in remote and regional communities, embedding culturally appropriate communication and engagement practices, and strengthening partnerships with Traditional Custodians, Land Councils and Aboriginal organisations. The strategy also promotes community-led engagement models, ensuring local knowledge, leadership and priorities shape outcomes.

NAIDOC Week 2025

People from across our organisation took part in NAIDOC Week 2025, with the theme 'The Next Generation: Strength, Vision & Legacy'.

We sponsored regional NAIDOC committees in Katherine and Alice Springs, enabling Alice Springs to host their first annual NAIDOC awards since 2019.

More than 255 team members attended the NAIDOC March in Darwin, all proudly wearing our NAIDOC polo, a move recognised and praised by multiple Aboriginal organisations.

Team members taking part in the 2025 Darwin NAIDOC March





TEAM MEMBER PROFILE

HMALAN HUNTER-XÉNIÉ

Bringing a wealth of knowledge back from Oxford

Hmalan Hunter-Xénié is an environmental officer in the Environment Team. Her role is all about support - providing advice when things don't go to plan, making sure the right processes are followed and helping us understand our obligations under environmental legislation.

She now has a wealth of new knowledge to bring to her job, returning to Darwin late last year after completing a year-long Master of Public Policy at Oxford University in the UK, with a focus on environmental policy.

One of only 2 Australians to receive a Charlie Perkins/ Chevening scholarship, Hmalan studied with people from more than 80 countries, gaining insight into climate policy and Indigenous knowledge.

It's learning she's been proud to bring back to the Territory.

Hmalan's day-to-day work includes coordinating environmental site inspections, supporting incident reporting, and helping project teams assess environmental risks before work starts.

She also helps maintain the environmental management system, guiding crews on what's required in different situations from tank cleans to responding to spills or sewer overflows.

A key driver for Hmalan, who is of Tiwi/Iwaija and Kaytej/Warpiri descent and grew up on the Cobourg Peninsula, is the connection between environmental work and Indigenous communities.

'Indigenous knowledge has always looked after Country,' she said. 'It's important those perspectives are respected and included when decisions are being made.'

Now back with us, Hmalan is happy doing what she does best – supporting crews out in the field.

'Some people might worry the environment team is there to get people in trouble. That's a big misunderstanding. We're here to help and support,' she said.



Members of our Darwin team gather to celebrate National Reconciliation Week

Connecting for Aboriginal business growth and inclusion

Members of our Reconciliation and Procurement teams took part in the 12th Aboriginal Economic Development Forum, BLAK & BOLD, in October 2025. Our people connected with suppliers, organisations and community members about how we can work together for a stronger, more inclusive Territory economy.

Our involvement supported our ongoing work to strengthen partnerships with Aboriginal businesses and communities, create opportunities for economic participation and growth, and build lasting relationships based on respect, collaboration and shared outcomes.

As of 30 June 2026, we had raised purchase orders to the value of $22 million with 65 Aboriginal Business Enterprises (up from 59 suppliers in the previous financial year).

National Reconciliation Week 2026

We ran a range of events across our locations to celebrate National Reconciliation Week from 27 May – 3 June 2026. This included Welcome to Country ceremonies, smoking ceremonies, didgeridoo performances, and a community barbecue co-hosted with Larrakia Nation Aboriginal Corporation and Reconciliation NT on Mabo Day at Raintree Park in Darwin.

These events provide an opportunity to highlight the importance of reconciliation to our organisation and for our team members to learn from each other so we can all play a part in building stronger relationships with Aboriginal and Torres Strait Islander peoples and communities.

Aboriginal Homelands and Housing Conference (AHHC)

As part of our commitment to strengthening relationships with Aboriginal organisations, we sponsored the Aboriginal Homelands and Housing Conference in Darwin from 20 -21 May, 2026.

By supporting conversations that contribute to sustainable, connected and resilient remote Aboriginal communities across the Territory, we will be better placed to deliver for Aboriginal Territorians.

Strong partnerships create stronger futures

Through our ongoing work with the Clontarf Foundation and Stars, we're supporting Aboriginal and Torres Strait Islander students in urban, regional and remote communities to explore career options, build confidence and learn about the opportunities available to them after school.

By working closely with schools, government agencies and community organisations, we're creating meaningful opportunities for young Aboriginal men and women. Feedback from teachers has helped shape our programs, ensuring they meet the needs and aspirations of local communities.

TEAM MEMBER PROFILE

KERIN WHITTNALL (AKA BEAR)

Building a lasting legacy on the Tiwi Islands



After nearly 2 decades serving the Tiwi Islands, Kerin Whittnall, known as 'Bear', has returned home to Litchfield, closing a chapter that has defined much of his life.

Over the past 20 years, Bear has become much more than a Utilities Services Contract Worker (people we contract in remote communities to be our eyes on the ground). He has been a familiar face, a trusted problem-solver and a constant presence in the community.

Whether responding to water leaks, maintaining power infrastructure or ensuring essential services continued uninterrupted, Bear has taken immense pride in delivering reliable services to the community.

'My biggest driver was making sure people had safe water, reliable power and working sewerage services,' he said. 'I'm proud of what we've achieved.'

Alongside his wife, Sue, a teacher, Bear immersed himself in community life, including sponsoring the Tiwi Bombers Football Club, hosting community barbecues, running Christmas and Easter events, and sharing their catch of the day with the community.

Bear has built relationships based on trust and respect, playing a vital role in our response when the Pirlangimpi Power Station burnt down in September 2025..

'Being accepted by the community is a big thing,' he said. 'We've laughed together, cried together and shared a lot over the years. It's like one big family.'

While preparing to leave, Bear was focused on ensuring the future remains strong, supporting local community members to develop the skills and confidence needed to take on greater responsibilities, helping create a pathway for the next generation.

'It's good to see people being able to step up and do the job,' he said.

Even in his final weeks, he remained committed to ensuring everything was running smoothly.

'I'm not going to leave the place in a state. I want everything running properly for the next person who takes over.'

Our Customers

IMPROVING THE CUSTOMER EXPERIENCE

Throughout the year we held several pop-up stalls in urban, regional and remote locations, ranging from shopping centres in Darwin and Alice Springs to community meetings in Batchelor, a festival in Maningrida and a shop pop-up in Nganmarriyanga. These give us a chance to meet with customers and answer queries face-to-face..

We also carried out several community visits connected to our emergency response, many related to telecommunications outages, which meant some residents needed to top up their power meters manually.

Our team went house to house to speak to residents in 8 communities, including Wadeye, Amoonguna, Alpurrurulam, Titjikala and Pmara Jutunta. Support included sharing educational materials and posters, showing people how to manually enter codes to top up their pre-paid electricity meters, reporting any broken meters, and offering hardship advice if needed.

We worked with the USCWs to ensure local knowledge and ongoing support for residents after our team departed.

In total, we carried out 19 pop-up/community visits during this financial year.

Brand, trust and reputation

Since 2020 we have carried out a yearly Brand, Trust and Reputation Survey to better understand what our community thinks of us and how we might improve.

This year's results showed significant positive increases on last year, including trust rising from 6.4 to 6.6 and reputation rising from 6.5 to 6.7. Familiarity with our organisation rose from 44 per cent to 54 per cent.

These results follow a busy severe weather season that resulted in essential services outages across many different regions. Extensive outages have historically negatively affected our reputation score, but customers appear to have responded positively to our swift emergency response.

The increase in familiarity is a reflection of our increased focus on sharing stories from across our organisation and greater involvement in community events.

Team members travelled to Wadeye to help customers during a telecommunications outage





Power and Water team members sharing industry knowledge with SA Water representatives

Digital Smart Meter Rollout

We've continued upgrading electricity meters across the Northern Territory, installing smart meters in a region as vast as it is diverse. We've now changed more than 80% of meters, a statistic that represents thousands of upgrades, countless kilometres travelled and the dedication of teams working in communities large and small.

While we're not part of the National Electricity Market or Legacy Meter Replacement Programs (LMRP) happening nationwide through to 2030, we're delivering our own Australian Energy Regulator-approved rollout, with a clear goal of upgrading all meters by 2029.

Among other things, smart-meter data helps us understand where the network can accommodate solar PV and battery energy storage systems, and reduces the need for meter readers to enter a customer's property.

We're now focused on the final stretch of this project, which will be the toughest as the remaining upgrades are the most complex, requiring careful planning and coordination.

Tapping into industry insights

Our Water Services and Core Operations teams visited SA Water for a knowledge exchange about how to improve the services we deliver to customers, and build stronger connections with another utility.

Our people spent time with their equivalents across the Operations Centre, Water Planning, Remote Community Services and Supervisory Control and Data Acquisition (SCADA). We also visited a dam and water treatment plant servicing Adelaide.

Insights and topics shared included remote community service delivery and what works on the ground; water quality management and the systems behind the outcomes; SCADA developments and how capability is continuing to grow and people safety initiatives.

Partnering with businesses on better waste outcomes

We reviewed our Trade Waste Code, which sets out the criteria around trade waste, and encouraged our customers and stakeholders to have their say through 100 face-to-face site visits and an online survey.

Car mechanics, food outlets, bakeries, butchers, schools, smash repairers, day cares and supermarkets are just some of the businesses that generally need to treat their liquid waste before it enters the sewerage system.

Consultation closed on 30 January 2026, followed by the submission of a feedback report and updated draft Trade Waste Code to the Utilities Commission. This was approved on 28 April 2026 and will commence on 1 July 2026.



Our That's My Water! team visited the remote community of Warruwi

DEMAND MANAGEMENT

That's My Water! and 2025 Expo

More than 1,100 students took part in That's My Water! in 2025, the most in the program's 10-year history, with more than 6,500 young Territorians taking part by the end of the 2025-26 financial year.

That's My Water! empowers schools, students and families to build their water literacy by working side by side with STEM professionals to investigate water sustainability in the Top End.

Delivering around 15,400 hours of learning over a 10-week term, That's My Water! culminated in National Water Week in October 2025 with the That's My Water! Expo.

The Expo, including a celebration of the program's 10-year anniversary, was an inspiring end to a program that builds curiosity and awareness among Territory students about where our water comes from and how to protect this valuable resource in our unique environment.

Bush Schools Program

Our That's My Water! Bush Schools program was delivered in 6 remote communities facing severe water stress. The focus was on improving water efficiency at participating schools in Robinson River, Numbulwar, Engawala, Yuendumu, Yuelamu and Warruwi to support measurable demand reduction.

A focus on school water efficiency

On a mission to help schools save water (and money), we continued collaborating with a number of schools through our School Water Efficiency Program.

Working alongside Business Managers, Grounds Staff and Principals, we upskilled students to help them track down leaks. Their detective work paid off in a big way, with participating schools saving a whopping 18 million litres of water, representing a saving of more than $43,000.

Students presenting their projects at the That's My Water! Expo







Delivering our That's My Power! pilot program in Galiwin'ku



The launch of the Ultimate Irrigation User Guide for Central Australia in Alice Springs

That's My Power!

Our demand management team developed an energy literacy program called That's My Power! for school students. Developed on the back of the successful That's My Water!, the pilot program was delivered across three schools in the Top End, Barkly Region and Central Australia.

That's My Power! introduces students to five key concepts, including safety around power, saving power and why it matters, what energy is and where we get electricity from.

Through hands-on activities, community input and creative storytelling, the program inspires curiosity about the energy story, encourages safe behaviours around power infrastructure, and promotes energy efficiency in homes and communities across the Territory.

From Darwin to the desert: Living Water Smart refresh

For more than 10 years, Living Water Smart (LWS) has helped Territory households and businesses reduce water use through practical education, water-wise tools and simple actions to cut waste and reduce leaks.

In recent years, various initiatives have supported savings of more than 9,186 megalitres of water – the equivalent to 3,600 Olympic-sized swimming pools.

As part of a brand refresh, we revamped the LWS website with new, location-specific information, expanding the initiative from Darwin right down to Alice Springs, with advice tailored to different Territory landscapes and climates.

The revamp also included 2 new irrigation user guides, one for the Top End and one for Central Australia. The guides feature easy-to-follow tips and advice on how to maintain a thriving garden while reducing water use.

Both are an invaluable resource for Territorians to use water more efficiently and save money while keeping gardens healthy, no matter what size.

Government education

As part of our work to reduce water use across the Territory, we delivered water efficiency training to 50 Northern Territory Government (NTG) staff from eight departments. The training focused on early leak detection and improved irrigation practices.

This collaboration helped NTG save 292 megalitres of water in just 2 months, equating to approximately $3,800 per day in avoided costs.

We also created visual assets for government departments to post across their office and facilities, reminding people of simple water-saving techniques.

Helping customers find leaks

Our Demand Management team stepped away from their usual work at short notice to help customers in Adelaide River better understand their water use after the aftermath of a severe weather event highlighted extensive leaks on the customer side of the network within the community.

Team members installed data loggers at several locations, including the school, war cemetery, a cattle company and a caravan park to help detect leaks.

They have also installed more than 90 data loggers at a range of other locations, including Katherine, Tennant Creek and Alice Springs, helping customers find leaks earlier so they can save water and reduce costs.

Community Campaigns

Each year we run a range of educational campaigns to keep customers informed. In the 2025-26 financial year we ran the following campaigns:

Severe weather – with the tagline 'Know what to do when severe weather comes through', we built on the success of last year's campaign, reusing the same assets and content to reinforce the message. The result was an increase across all measures on last year, with 2.85 million impressions on digital channels (up from 2.15 million) and 15,400 clickthroughs compared to 6,000 last year.

Wipes in Pipes – a focus on keeping wet wipes out of our sewerage systems with a simple message: only flush the 3 Ps - pee, poo and (toilet) paper. Around 75% of sewerage system blockages are caused by wet wipes and we remove a staggering 500 tonnes of wet wipes from just one of our wastewater treatment plants each year.

Zaps in Taps – a call to action on electrical safety encouraging Territorians to report tingles or zaps from taps immediately. It was rolled out in the second half of 2025 and second quarter of 2026.

Outages – a call to action encouraging people to visit our website as the single source of truth for outages information. The website includes information such as outage locations, start time and expected resolution time.

Water Night – raising local awareness on how much water we use as part of a national campaign. Darwin residents are the highest water users in the country.

Turn-off-the-tap challenge – an invitation for Territorians to join people across the country to turn off their taps on Water Night (23 October) and take a moment to think about how much water we use and how much we waste.

Social Media results

Growing our connection to our community and keeping customers informed via our social media channels continued to be a focus.

Over the last 12 months, our Facebook content generated 14.9 million views, 68,121 content interactions and 61,503 link clicks. Content interactions increased by 84.3% and link clicks increased by 189.7% compared with the previous year, demonstrating strong audience engagement and an increase in traffic driven to our website.



Sanjana Chowdury of Enterprise Project Management Office

Our People

RECRUITMENT, ATTRACTION AND RETENTION

Developing our pipeline of talent

Eight new apprentices from across the Territory began an exciting career with us in January 2026 as part of a 30-plus year partnership with GTNT to host apprentices and trainees.

The 5 apprentices in Darwin, 2 in Alice Springs and 1 in Tennant Creek joined 35 apprentices, 9 graduates, 7 business trainees and 2 water operation trainees who were already part of our team at the time.

Our innovative recruitment process, which is part of a strategic initiative to continuously build and maintain a high level of skilled, in-house expertise, attracted more than 400 applications for the 2026 intake.

Leadership Development Program Update

The Leadership Development Program helps our people strengthen their leadership skills through practical learning, coaching and self-reflection. Participants develop positive leadership behaviours that support personal growth, strong relationships and improved performance, to deliver better outcomes for our people and customers.

This year 55 participants from Cohort 1 of our Rise, Power Up and Elevates programs graduated, while 47 people in Cohort 2 of Rise and Power Up and completed the first half of their programs. Another 54 participants in Cohort 3 of Rise and Power Up, and Cohort 2 of Elevates, started their programs.



Graduates from Rise and Power Up

We welcomed Finn Walton-Humphrys, Jasper King, Jack Hackett, Joshua Jipp, Flynn Bussell, Callum Doyle, Jacob Beissel and Helen Marsh as apprentices this year



Building skills and new training

In addition to our Leadership Development Program, we provided 39 tailored sessions through the Skill Build Program, plus 43 Incident Management-related courses. The workshops cover a wide range of development areas, from building cultural awareness and improving time management to providing opportunities for our people to meet their MyPlan goals.

After identifying gaps in our training, a suite of new courses including Managing Neurodiversity in the Workplace, Domestic Violence Support, and Presentation Skills was introduced. We also created online training to support our people in the regions, such as How to Manage a Remote Team, Maintaining Resilience and Beating Fatigue.

EMPLOYEE CULTURE

Creating an inclusive workplace culture

This year, we delivered dedicated allyship and cultural awareness training to promote and strengthen inclusive behaviours and foster a workplace culture grounded in respect. We also introduced a Reconciliation Advisory-led presentation into our induction program to ensure new starters gain a deeper understanding of Aboriginal culture and perspectives, and our organisational commitment to reconciliation.

These initiatives are helping to build a culturally capable workforce to enhance our connection to the communities we serve.

Culture Influencers

Working with Human Synergistics and using the Organisational Culture Inventory (OCI) and Life Styles Inventory (LSI) tools has helped us better understand the behaviours and thinking styles that contribute to a positive and successful workplace.



Our AI team, Cyrus Ranchhod and Clara Egglestone

Our Culture Influencers play an important role in bringing this to life. They foster an inclusive, diverse and supportive culture by encouraging teamwork, trust, open communication and continuous learning, while supporting colleagues to apply insights from leadership and culture development programs.

Inspiring future water advocates

Providing a range of development opportunities for our team members, 12 enthusiastic experts from across our organisation joined our That's My Water! volunteer network to share their unique skills and experience with the next generation.

Joining the program's core education team during school incursions, our cohort of volunteers stepped out of their day-to-day roles to spark curiosity, creativity and problem-solving in students, while gaining plenty from the experience themselves.

Volunteers agreed it was a memorable experience, challenging young minds to be imaginative problem solvers. They also agreed they returned to their usual role more energised after encouraging the water advocates our future needs in a fun and different way.

Building our AI capability

Our AI team launched the first of 3 AI@Work sessions in November 2025, giving us all a practical and easy introduction to Generative AI tools.

Two additional workshops were added in February 2026, followed by a second hands-on series putting earlier knowledge into practice using Copilot.

We also created an AI Community Hub to support ongoing learning, bringing together resources, videos and opportunities in one central place on our intranet.







Early Careers Adviser Peter Morrison-Evans at the Big Rivers Career Expo in Katherine

A focus on Aboriginal careers

We strengthened our Aboriginal Career Development Strategy through the design and delivery of inclusive recruitment practices, including a robust Assessment Centre process for early career pathways. This approach ensured fairness, transparency and merit-based selection, while incorporating diverse assessment methods to support equitable outcomes for candidates from different backgrounds and remote regions.

Thanks to our focus on Aboriginal careers, Aboriginal representation has increased across our Leadership Development Program, rising from 2% in Cohort 1 and Cohort 2 to 9% in Cohort 3. Several participants have progressed into more senior roles and secured promotions.

Supporting the workforce of tomorrow

From career conversations about STEM to hands-on engagement, careers expos help young Territorians start thinking about their future and the pathways available to them. This financial year we participated in a range of STEM career promotional events to highlight the pathways on offer. with around 14,500 students taking part. They included:

- Darwin Careers Expo
- Big Rivers Career Expo in Katherine
- Charles Darwin University Careers Expo in Darwin
- Haileybury Rendall School
- Good Shepherd Lutheran College

These events were a great opportunity to spark curiosity about possible STEM careers and share more about what we do.







Students take part in hands-on tasks during That's My Career!

Launch of That's My Career!

We launched *That's My Career!* with our first group of students from Casuarina College, Clontarf Foundation and Stars Foundation attending our Allwright Training Centre in Darwin during the first week of June.

Designed for Year 9 and 10 students to spark curiosity and explore STEM career pathways, this program uses STEM-based simulated experiences to help address critical workforce gaps in the Territory.

The program has a strong focus on broadening career opportunities for First Nations and female students, strengthening diversity and inclusion.

Promoting careers in the Territory

Raul Montesinos's journey highlights the incredible career opportunities available for international students in the Territory.

Originally from Peru, Raul joined our team as an undergraduate engineer in 2023 while completing his Master of Engineering at Charles Darwin University. He was chosen by Study Australia to take part in a promotional campaign to attract international students to the Territory.

Through mentoring, placements and internships, Raul has gained the experience he needed to transition into a permanent role after graduation. Today, he is a member of our SCADA team, which manages the computer systems we use to deliver essential services across the Territory.

Investing in the next generation

As well as our Graduate Program, which we run in collaboration with Charles Darwin University, this year we also welcomed our first school-based trainee, Ruby Taylor. Named a finalist as School-based Apprentice/ Trainee of the Year - Certificate III in Business - for the 2026 GTNT Awards, Ruby will now continue with us for 2 more years to complete her Certificate IV.

Supporting apprentices and trainees like Ruby is an important way we invest in the next generation, helping build the skills, knowledge and talent we need to build a sustainable, qualified workforce.



School-based trainee Ruby Taylor will continue with us for 2 more years

Collaboration beyond borders

Sharing knowledge across borders is key to building capability, connection and innovation.

This was the focus of a visit by 4 interns from Timor-Leste's government-owned electricity utility and members of the Department of Mining and Energy to our Daly River facility.

The visit was part of the interns' Northern Territory placement, designed to create an opportunity for two-way learning and exchange to strengthen capability and collaboration across the region.

Our Remote Power Services team hosted the exchange, with renewables expert Jeff Adams sharing insights into the community's solar system. This was delivered through the SETuP program which helps reduce the reliance on diesel in remote communities and was co-funded by the Northern Territory and Australian Governments.



Visit by 4 interns from Timor-Leste's government-owned electricity utility



TEAM MEMBER PROFILE

HELEN MARSH

Following her career dream

After more than a decade in an administrative role with us in Tennant Creek, Helen made the decision to begin an electrical apprenticeship.

She is one of 8 new apprentices welcomed this year, and while she might be the oldest Helen feels her maturity, patience and hunger to learn stood her in good stead as she swapped her office gear for high vis.

'I've been in admin for about 23 years, 13 of those with Power and Water here in Tennant Creek. I felt it was time to do something completely different, and this has been a great opportunity for me to do that while staying in the town of Tennant, which I love,' she said.

'It's a big learning curve and feels daunting at times, but I'm excited about learning new things and being out in the field as a lineworker.

'I've been up in the bucket truck, which is pretty incredible, and it's given me a real sense of accomplishment seeing what I'm capable of when I step outside my comfort zone.'

Helen said her colleagues and line managers within the organisation have been so supportive of her decision to change careers.

'I've received a lot of encouragement and support and still do. This is a great place to have a go and move forward in your career.'

Helen was also nominated in The NT News Woman of the Year Awards 2026 in the Trades and Resources category.

Her determination, adaptability and willingness to take on a challenge reflected women building rewarding careers in regional areas all over the Territory.

'It's never too late to learn something new, and I'm proud to be proving that to myself every day.'



Sarah Bass, CEO Djuna Pollard, Sharon Tomkinson and Board Chair Peter Wilson AM at the 2025 Australian HR Institute Awards

AWARDS AND RECOGNITION

Australian HR Institute Awards 2025

Values of diversity, equity and inclusion are championed from the top in our organisation, and this was recognised when our CEO Djuna Pollard took home the Diversity, Equity & Inclusion Executive Champion of the Year Award at the 2025 Australian HR Institute Awards.

This award reflects the work of our CEO and the wider team as we focus on these values to make our organisation a welcoming place for all. The AHRI Awards recognise excellence in people and culture, and we were also finalists in the HR Leader of the Year (Sarah Bass), Best Leadership Development Strategy, and Best Learning and Development Strategy categories.



Trevor Durling accepts his Water Professional of the Year Award

2025 Northern Territory Water Awards

Several of our team members were recognised as finalists and winners at the 2025 Northern Territory Water Awards as part of the NT Water in the Bush Conference. The acknowledgement underscores the impact of collaboration across our organisation and our long-term focus on sustainability.

Results included:

- Water Professional of the Year: Trevor Durling
- Young Water Professional of the Year: Mathilda Lipscombe
- Organisational Excellence Award: Joint project with the Department of Lands, Planning and Environment for the Water Demand Management Strategy
- Infrastructure Project Innovation Award (Regional): The Remote Water Team, delivered in partnership with several government departments

We were also a finalist for our System Operator Readiness Program, which focuses on operational preparedness and network resilience.

Three of our team members – Trevor Durling, Liam Early, and Megan Purser – shared their expertise and knowledge from the front line of water service delivery at the Ozwater'26 conference in Brisbane, held in May.



We won the Best Ally Business of the Year Award at the NT Indigenous Business Network Blak Business Awards 2025

NT Indigenous Business Network Blak Business Awards

We continue to lead through strong engagement with Aboriginal businesses and community organisations, winning the Best Ally Business of the Year Award in 2025.

The award recognised our ongoing work to build sustainable partnerships and local capability, and followed the launch of our Stretch Reconciliation Action Plan (RAP)..

Procurement excellence powered by people

Our Supply Chain Strategy and Operations team won the Outstanding People Development Programme Award at the 2025 CIPS Excellence in Procurement and Supply Awards.

This award reflects more than process; it's about the people who mentor, grow capability and create real career pathways into procurement across the Territory. In recent years we've welcomed 9 trainees into the team while completing a Certificate in Business, with many now continuing their careers across the Northern Territory Government.

The NT News Woman of the Year Awards 2026

We sponsored the Rising Star (Under 28 years) category, which recognises young women who demonstrate exceptional leadership, initiative and potential within their chosen fields. Eight members of our team were also nominated for awards, with Helen Marsh recognised as a finalist in the Trades and Resources category.



Cybersecurity expert Dominic Grunden leading an organisation-wide uplift

TEAM MEMBER PROFILE

DOMINIC GRUNDEN

Keeping us cyber safe and resilient

From working on a cotton farm - and at NASA - in the USA to becoming a cybersecurity expert, Dominic Grunden's career has taken him around the world, and now to Darwin.

He's our Chief Information Security Officer (CISO) and was named a finalist in the CISO of the Year category at the 2026 Australian Cyber Awards.

With a career that has spanned 3 decades working in Silicon Valley, Europe, Asia and the Middle East, his work helps protect critical essential services infrastructure we all rely on every day.

Dominic deliberately chose to bring his cybersecurity experience to the Northern Territory.

'I chose impact over profile,' he said. 'In the Territory, essential services aren't abstract, they're personal. When power, water and wastewater services are disrupted, families and remote communities feel it immediately.

'Darwin also reminds me of where I grew up, similar climate, sense of community and people relying on each other.

'After years in large, high-profile organisations, I wanted to work somewhere that genuinely touches people's lives every day.'

Dominic is now leading an organisation-wide uplift to meet the Australian Energy Sector Cyber Security Framework Security Profile 2.

'My goal is simple,' he said. 'Whether I'm here six months, five years or 20, I want Power and Water to be safer and more secure than when I found it.'



Property trainee Emily Mackney



Georgena James joined us as an apprentice

Northern Territory Young Achiever Awards 2026

Property trainee Emily Mackney was a semi-finalist in the GTNT Group Outstanding Apprentice or Trainee category at the 2026 awards.

Emily recently completed her Certificate III in Business and has already started her Certificate IV, all while making a big impact at work.

From improving processes and reducing project costs to streamlining land tenure applications, her initiative and positive attitude have quickly made her a valued member of the team.

Katherine tap water beats New Zealand rival

Katherine's tap water went international this year. After being crowned Australia's Best-Tasting Tap Water in December 2025, Katherine was crowned the 2026 Trans-Tasman IXOM Best-Tasting Tap Water Competition - beating New Zealand's national champion in a blind taste test held in Rotorua.

The competition, run annually by the Water Industry Operations Association of Australia and the Water Industry Operations Group of New Zealand, sees the best drops from both countries go head-to-head to decide the ultimate Trans-Tasman winner. Judges assess everything from taste and clarity to colour and odour, and this year Katherine came out on top.

The award is recognition of the work our teams and the Katherine community have put into improving the town's water supply over recent years.

Growing talent through strong partnerships

Georgena James from our Power Services team took home the Trainee, Apprentice or Student of the Year Award at the National Association of Women In Construction (NAWIC) NT Awards for Excellence in July 2025.

The achievement capped off an impressive year for Georgena who completed her Certificate III in Electrotechnology Electrician and is now studying a Certificate III in Instrumentation and Control and an Advanced Diploma of ESI – Power Systems.

As one of 39 apprentices hosted through our long-standing partnership with GTNT Group, her success highlights the impact of growing talent and creating pathways into rewarding careers.

National Blood Donor Week

We actively support blood and plasma donating across our organisation, and this year 30 team members rolled up their sleeves 72 times, helping to save as many as 216 lives.

Of those donations, 55 were plasma, referred to as 'liquid gold' as it can be used to make life-saving medications for more than 50 medical conditions. We also welcomed 3 new donors to our lifesaving community, and led the way in the Top End when it came to the Australian Red Cross Local Government Blood Drive from April to June, with 31 donations.



David Annesley is a regular donor



TEAM MEMBER PROFILE

NORAH THOMPSON

Bringing data back down to earth

With a science background in hydrology and meteorology and a long career with us, ICT Specialist SCADA Norah Thompson is all about turning real-time data into information people and businesses can use and share.

'I love numbers,' said Norah, who's been with us for more than 20 years. 'But more than that, I love helping people understand what the data is telling us. I'm a science communicator.'

This year, that expertise took her all the way to the world stage.

One of only 5 Australians chosen to present at AVEVA World 2026, Norah focused on the next evolution of moving PI System data into the cloud for her presentation in Milan, Italy, in May.

'At the moment everything sits on our servers, data is tightly locked down for security, and systems are siloed. That protects us, but it also limits us,' she said.

'Moving to a cloud-based platform like Aveva CONNECT means we can safely bring together internal operational data with external sources like weather data. That opens huge possibilities.'



One example Norah gave was the Petco Park baseball stadium in San Diego in the United States, where the local power utility and stadium owners shared data.

'The utility could predict demand on game days, and the stadium detected an air-conditioner had been left on between games. Instead of wasting a month of power they caught issues in hours. That's the power of shared data.'

Norah said making data visible, transparent and easy to interpret helps preserve knowledge, reduce miscommunication, and ensure information is used and not just stored.

'I love it. Most people don't realise what's possible until they see it working. And when they do, it's exciting.'



Vehicle telematics have now been installed in all our vehicles, to help keep our people safe

SAFETY

Helping our people get home safely

This year our vehicle telematics system was installed in all vehicles, with the Navman system now live.

The system uses global positioning system (GPS) technology to relay real-time location and vehicle data, so if any of our team members are in an accident or activate a duress alarm, we can send the fastest possible support when it matters most.

> *This is a strong example of our value of putting people first, reinforcing a safety culture that supports everyone to make it home.*

Shaping smarter workforce systems

We're simplifying the way we manage workforce inductions, training and authorisations through a new integrated system that will replace multiple manual processes.

Representatives from across the business played a key role in shaping requirements for our Inductions, Training and Authorisation (ITA) project, helping ensure it meets the needs of our people while keeping them, and our assets, safe and secure.

Strong uptake saw 16 submissions received through an Expression of Interest call out, with shortlisted vendors to be invited to take part in a formal Request for Tender process. Product demonstrations are also planned for later this year to support the selection of a final solution.

Enhancing our safety management systems

We launched a major review of our safety management systems to support a safer working environment for all team members, customers and the public.

By providing the opportunity to share feedback through workshops, team-led discussions and online, we're building outcomes that are practical, relevant and reflect how work is really done as we strengthen our approach to safety together.

The review will see 35 procedures released for consultation. This work will help us obtain ISO 45001 certification and supports our obligations under the *Work Health and Safety (National Uniform Legislation) Act 2011* (NT).

Equipping our people to support each other

We partnered with MATES in Construction QLD & NT, an organisation dedicated to improving mental health and preventing suicide across high-risk industries, to support our people through a range of channels and challenges.

Initiatives included general awareness training, peer connector programs and suicide intervention skills training. Together, these programs build awareness, reduce stigma and ensure people know how to support one another and where to seek help when it matters most.

This work is part of our ongoing commitment to creating a mentally healthy workplace culture and building meaningful connections.

Building awareness around domestic and family violence

Recognising that health and safety go beyond the physical workplace, we introduced domestic and family violence training as part of our learning programs, to help our team support each other and customers.

The training builds understanding of what domestic and family violence is, how it can present and the impacts it can have. It covers recognising signs such as coercive control, understanding barriers to leaving, and how to respond in a safe, respectful and trauma-aware way. The course also outlines mandatory reporting requirements and how to connect people with appropriate support services.

Stepping up for health and wellbeing

As part of Tradies National Health Month, 389 of our people took part in the 10,000 Steps Aussie Adventure Challenge.

We clocked up more than 74 million steps throughout August 2025 - enough to walk around the Territory 5 times. This fantastic effort highlights our commitment to supporting each other's health and wellbeing.

KEY HIGHLIGHT FOR THE YEAR

In this financial year our average customer satisfaction score was 80%, exceeding the target of 76%.





Water Services team members Courtney Chin and Nathan Zhu at Frances Bay pump station

Progress Against our Statement of Corporate Intent

Progress against our Statement of Corporate Intent

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

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

Over the past 12 months we have strengthened our Strategic Plan initiatives to ensure alignment with the Northern Territory Government's three core policy pillars, especially in relation to rebuilding the economy and restoring the Territory lifestyle.

The strategic plan sharpens our focus on our customers, with 2 clear goals – modernising our business and embracing a sustainable future with innovation. Each goal is underpinned by 3 clear and targeted objectives, with the plan also identifying initiatives that we will deliver to reach our objectives and our goals.

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

PowerWater

Strategic Plan



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

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

Goals	**Modernising our business**			**Embracing a sustainable future with innovation**		
Objectives	Delivering sustainable value safely and reliably for our customers and community	An empowered and high-performing workforce	Successful investments in core systems and capability to improve efficiency and value of service	Structuring, facilitating and enabling infrastructure and innovations to support the: · renewable energy transition, and · achievement of economic growth	Proactively adopting government policy for a clean and secure future	Partner with customers and stakeholders to create innovative solutions
Values	We put PEOPLE FIRST	We value our customers and give them OUR BEST		We have pride in ourselves and OUR WORK	We work better by working TOGETHER	

KEY PERFORMANCE INDICATORS

KPI	Reporting frequency	Measure	2025-26 Target	2025-26 Result	Long term
Delivering sustainable value reliably and safely for our customers and community					
Total Recordable Injury Frequency Rate (TRIFR)	Monthly	#	<4.50	1.60	0
Customer Satisfaction Index	Bi-annually	%	≥76	80	≥80
System Average Interruption Duration Index (SAIDI)	Monthly	minutes	≤155	147	≤155
System Average Interruption Frequency Index (SAIFI)	Monthly	#	≤2.44	2.17	≤2.44
Average duration of unplanned water supply interruptions	Monthly	minutes	≤120	107	≤120
Significant disinfection failure events - urban	Monthly	#	0	0	0
Return on capital employed	Monthly	%	≥4.0	-2.1	≥6.5
Funds from operations to debt	Monthly	%	≥6	2	≥12
Debt to equity	Monthly	#	<1.5	1.9	<1.5
Return on assets	Monthly	%	≥0.9	-3.8	≥3.1
Earnings Before Interest and Taxes (EBIT) return on assets	Monthly	%	≥3.8	-2.3	≥6.0
Earnings Before Interest and Taxes (EBIT) margin	Monthly	%	>15	-16	>20
An empowered and high performing workforce					
Employee engagement	Biennially	%	65-70	55	>70
Structuring, facilitating and enabling infrastructure and innovations that support the: **• Renewable energy transition; and** **• Achievement of economic growth targets**					
Delivery of renewable energy projects into remote communities within agreed timeframes	Quarterly	%	>90	n.m.	>90
Generator connections to the electricity system within Northern Territory National Electricity Rules timeframes	Monthly	%	>90	100	>90
Manton Dam / Strauss project delivered on time and on budget	Quarterly	%	>90	90	>90
Proactively adopting government policy for a clean and secure future					
Environmental index	Monthly	%	75	80	90
Partnering with customers and stakeholders to create solutions					
Corporate reputation index	Annually	#	≥6.6	6.7	≥7.0
Aboriginal employment	Monthly	%	13	7.9	16

KEY PERFORMANCE INDICATOR COMMENTARY

Total Recordable Injury Frequency Rate (TRIFR)

ACHIEVED

- The TRIFR target was achieved, with no LTIs and 3 restricted work injuries recorded for the year.

Customer satisfaction index

ACHIEVED

- The average customer satisfaction score for the 2025-26 period was 80%, exceeding the target of 76%. We transitioned to post-service interaction survey which strengthened our approach to measuring customer experience.

System Average Interruption Duration Index (SAIDI)

ACHIEVED

- This was achieved and our SAIDI performance was within the annual target of ≤155 minutes. The 2025-26 wet season resulted in an increase in weather-related network interruptions, including impacts from storms and vegetation growth. Despite these challenges, we maintained overall reliability performance. This outcome reflects ongoing risk-based asset management, maintenance activities and operational response to manage network reliability while balancing risk, customer expectations and affordability.

System Average Interruption Frequency Index (SAIFI)

ACHIEVED

- This was achieved and our SAIFI result of 2.17 interruptions per customer performed within the annual target. The overall interruption frequency remained within the service levels established based on the network standards published by the Utilities Commission for the 2024-29 regulatory period.

Average duration of unplanned water supply interruptions

ACHIEVED

- Our performance improved and was well within target.

Significant disinfection failure events - urban

ACHIEVED

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

Return on capital employed

NEEDS IMPROVEMENT

- This was not achieved due to EBIT failing short of budget expectations as outlined in the financial performance action. Excluding gas, ROCE was 2.8%.

Funds from operations to debt

NEEDS IMPROVEMENT

- Cash flow from operations was $91.9m below budget due to lower receipts from customers of $204.8m, primarily due to lower gas sales. This was offset by lower payments of $112.8m, primarily due to lower energy costs.

Debt to equity

NEEDS IMPROVEMENT

- This exceeded the target since December 2025, mainly due to gas curtailment. Excluding gas, debt-to-equity-ratio was 0.36.

Return on assets

NEEDS IMPROVEMENT

- This was not achieved due to gas supply issues. Excluding gas, return of assets was 0.6%.

EBIT return on assets

NEEDS IMPROVEMENT

- EBIT fell short of budget expectations. Excluding gas, EBIT Return on assets was 2.7%.

EBIT margin

NEEDS IMPROVEMENT

- EBIT fell short of budget expectations. Excluding gas, EBIT margin was 2.7%.

Employee engagement

NEEDS IMPROVEMENT

- We achieved an overall score of 55%, a decrease from the previous achievement of 66% in 2024-2025.

Delivery of renewable energy projects into remote communities within agreed timeframes

NOT MEASURED

- There were no renewable energy projects in remote communities in the reporting period. Several projects are in development phase for delivery in FY27. The Wurrimiyanga BESS/PV project is partially complete. Originally scheduled for completion in FY25, it will be reset through a change request in early FY27.

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

ACHIEVED

- This was achieved and we met all connection process deliverables for generator connections as defined in the NT NER Chapter 5. The generator connections managed included 7 pre-feasibility engagements, resulting in 3 formal Connection Enquiries. A new Request for Information process was also introduced to improve early engagement and provide proponents with a more tailored and cost-effective pathway before submitting formal applications.

Manton Dam / Strauss project delivered on time and on budget

ACHIEVED

- The Manton Dam return to service project reached its target of 90% completion on time and on budget.

Environmental index

ACHIEVED

- This was achieved with 4 of 5 KPIs met. Environmental incidents recorded within one business day reached 79%, just under the target of 80%.

Corporate reputation index

ACHIEVED

- This was achieved, with our overall reputation score of 6.7 meeting the 'greater than 6.6' target outlined in our 2025-26 Statement of Corporate Intent. Our overall trust score also rose from 6.4 to 6.6, while customers' familiarity with our organisation grew from 44% per cent to 54%.

Aboriginal employment

NEEDS IMPROVEMENT

- Aboriginal employment remains an area for improvement, with representation of 7.9% against the 13% target.

KEY PERFORMANCE INDICATOR DEFINITIONS

KPI	Definitions
Total Recordable Injury Frequency Rate (TRIFR)	Measures how frequently significant work-related injuries or illnesses. TRIFR is calculated by the number of Lost Time Injuries (LTI), Restricted Work Injuries (RWI) and Medical Treatment Injuries (MTI) per million hours worked over a rolling 12- month period.
Customer satisfaction index	Percentage of customers with an overall satisfaction rating of satisfied or very satisfied (7+ out of 10). Customer satisfaction research covers major centres (including Darwin rural) based on a random sample of total customer population.
System Average Interruption Duration Index (SAIDI)	Rolled-up regulated system measure based on feeder category distribution reliability targets set by the Utilities Commission for the 2019-24 regulatory period. Targets for the 2024-29 regulatory period will be applied when available. The long-term target reflects the acceptable level set by the Power and Water Board.
System Average Interruption Frequency Index (SAIFI)	Rolled up regulated system measure based on feeder category distribution reliability targets set by the Utilities Commission for the 2019-24 regulatory period. Targets for the 2024-29 regulatory period will be applied when available. The long-term target reflects the acceptable level set by the Power and Water Board.
Average duration of unplanned water supply interruptions	Average duration of unplanned water supply interruptions in Darwin (12-month rolling average).
Significant disinfection failure events – urban:	The number of Level 1A disinfection failure events under the Drinking Water Quality Incident Management Procedure CONTROL0572. Targets ae for the total financial year, however, the KPI is reported monthly. A level 1A event is a significant incident that has occurred with potential for major severe consequence in our risk Matrix (CONTROL0013) and has the potential for an extreme risk rating. These events can require an Incident Cause Analysis Method (ICAM) investigation to reduce the probability of recurrence.
Return on Capital Employed (ROCE)	ROCE = Earnings Before Interest and Taxes (EBIT) / capital employed. EBIT = taxed earnings before interest and tax adjusted for non-cash impairments and depreciation calculated using fair value for asset valuations. Capital employed = equity + long-term liabilities.
Funds from operations (FFO) to debt	FFO to debt = operating cashflows / (term debt + current debt).
Debt to equity	Debt to equity = (term debt + current debt) / equity.
Return on Assets (ROA)	ROA = (net profit after tax (NPAT) excluding impairment / average total assets)
EBIT return on assets (EBIT ROA):	EBIT ROA = (earnings before interest and tax (EBIT) excluding developer and capital contribution, capital grants, gifted assets, interest received and proceeds from sale of assets, add back impairment losses and losses from sales / average total assets). This is an NTG fiscal strategy target.
Earnings Before Interest and Taxes (EBIT) margin	EBIT Margin = EBIT excluding impairment / revenue.
Overall employee engagement score	Overall employee engagement score: The level of favourable engagement for employees based on survey respondents measured annually using the Kincentric methodology (previously known as Aon Hewitt).
Delivery of renewable energy projects into remote communities	Timeliness of connecting renewable energy projects in remote communities, measured by average variance to agreed business case timeframes. Schedule variance tolerance of 10% is aligned with Enterprise Portfolio Management Office (EPMO) guidelines.

KPI	Definitions
Generator connections to the electricity system comply with Northern Territory National Electricity Rules timeframes	Generator connections to the electricity system comply with Northern Territory National Electricity Rules (NER) timeframes: Timeliness of generator connections, measured by average variance to required timeframes, with 100% compliance under the Northern Territory National Electricity Rules Chapter 5 (Transmission Connections) and 5A (Distribution Connections) obligations and construction schedule. Schedule variance tolerance of 10% is aligned with EPMO guidelines.
Manton Dam / Strauss project delivered on time and on budget	Measured by forecast completion cost as a proportion of approved business case budget and timelines.
Environmental significant incidents	Measured by the number of environmental incidents that result in serious, irreversible environmental harm or prolonged adverse media attention and/or community condemnation.
Environmental index:	Measured by equal weighting of the following criteria: (1) Zero environmental significant incidents that result in serious, irreversible environmental harm or prolonged adverse media attention and/or community condemnation, and assessed against an actual consequence of 'major or above' (2) 80% environmental incidents recorded in HERCS within one business day of occurring (3) 100% environmental incident investigations completed within due date (4) 100% environmental actions completed within HERCS due date (5) 90% employee completion of the mandatory Environmental Awareness online training course.
Corporate reputation index:	Assessment of our reputation score based on annual customer brand, trust and reputation survey.
Aboriginal employment:	Percentage of employees identifying as Aboriginal (including permanent, fixed term, casual and hosted trainees and apprentices, excluding contractors). Our intent is to move from Aboriginal employment to participation in 2026-2027, and to include our total workforce.



Awais Mahmood from Financial Services

KEY HIGHLIGHT FOR THE YEAR

Throughout the year our Board and ELT brought a diverse set of skills and experience to the table across a range of sectors and operating environments, including utilities, government, finance, regulatory and community sectors.





Roe Creek borefield serves as the primary water supply for Alice Springs

Sustainability Report

AASB S2 CLIMATE-RELATED FINANCIAL DISCLOSURES

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0.1 INTRODUCTION

This report represents climate-related financial disclosures for our organisation prepared in accordance with AASB S2 *Climate-related Disclosures*, the mandatory Australian Sustainability Reporting Standard (ASRS) issued by the Australian Accounting Standards Board (AASB). We prepare Annual Reports and financial statements in accordance with NT legislation: *Government Owned Corporations Act 2001* (GOC Act) and in accordance with pronouncements issued by the Australian Accounting Standards Board (AASB). We are not subject to the Chapter 2M sustainability reporting requirements of the Corporations Act; however, we have chosen to adopt the reporting framework voluntarily given the nature and scale of our operations.

We operate across one of the most geographically dispersed service areas in Australia, delivering essential electricity, water and sewerage services to major urban centres, regional towns and dozens of remote communities across the Northern Territory. This operating environment spans vast distances and diverse climatic zones, ranging from the tropical Top End to the arid and semi-arid regions of Central Australia, creating unique challenges in the delivery, maintenance and resilience of critical infrastructure.

Our operations are exposed to extreme weather and climate conditions, including cyclones, flooding, extreme heat, drought, bushfires and severe storms. These events can affect infrastructure performance, supply chains and service delivery, particularly in remote locations, reinforcing the importance of resilience planning and ongoing investment in reliable and sustainable essential services.

Reporting boundary

This report has been prepared for the same consolidated reporting entity and reporting period as our Consolidated Financial Statements, which includes the wholly owned, not-for-profit subsidiary Indigenous Essential Services (please refer to note 1.1.1 in the financial statements).

The sustainability report is comprised of the following documents:

- the climate statements for the year;
- any notes to the climate statements;
- any additional statements and notes required by legislative instrument relating to environmental sustainability-related financial matters; and
- the directors' declaration about the statements and the notes.

For greenhouse gas emissions reporting purposes, we apply the operational control approach in accordance with the National Greenhouse and Energy Reporting Act 2007 (NGER). Scope 1 and Scope 2 greenhouse gas emissions are measured and reported in accordance with NGER requirements and include emissions from operations over which we have operational control. Further information regarding emissions measurement methodologies is provided in Section 4.3.

0.2 FIRST TIME ADOPTION AND TRANSITIONAL PROVISIONS

As this is the first year we have applied AASB S2, the following transition reliefs have been adopted:

- Comparative information has not been disclosed; and
- Scope 3 GHG emissions have not been disclosed.

We have early adopted the Amendments to AASB S2 Climate-related Disclosures, issued by the Australian Accounting Standards Board in December 2025, for the reporting period ended 30 June 2026. The amendments are effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted.

As a reporter under the NGER Scheme, we are therefore opting to use the NGER measurement methodology, as opposed to the emissions measurement framework outlined in the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol), for the quantification of any emissions sources covered by the NGER Scheme. Emissions sources not covered by the NGER Scheme are measured in accordance with the GHG Protocol.

Key assumptions, judgements and estimates

We have applied judgement in identifying climate-related risks and opportunities and determining material information for disclosure. This report contains forward-looking statements on potential climate risks and opportunities. These statements are made on current expectations and assumptions. The nature, scale and timing of potential future impacts are inherently uncertain and will continue to evolve as climate science, policy settings and market conditions develop. Actual outcomes may differ due to physical, regulatory, market or technological change. Key assumptions and judgements for preparation of climate-related metrics are outlined in the Notes to the Sustainability Report for the year ended 30 June 2026.

0.3 DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Power and Water Corporation, the directors declare that in the opinion of the directors:

1. Power and Water Corporation has taken all reasonable steps to ensure that the climate statements and notes of the Company and its subsidiaries are in accordance with the *Corporations Act 2001*, including:

    a. complying with Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures and any further requirements prescribed under the Corporations Act; and

    b. containing the climate statement disclosures required by section 296D of the *Corporations Act 2001*.



Andrew Macrides,
Chair, Power and Water Corporation
25 September 2026

0.4 DESCRIPTION OF REPORTING ENTITY, BUSINESS MODEL AND VALUE CHAIN

Our business model

Our business model includes Indigenous Essential Services and four key operational business units: Power Services, Water Services, Gas Services and Core Operations, with activities spanning urban and remote communities across the Northern Territory. The core customer base comprises of residential, remote and commercial customers, developers and builders, electricity generators and major gas users, including industrial customers. Our primary source of revenue is contracts with customers, comprising of the sale of gas, electricity distribution, water and electricity and waste services, see Table 1.

Table 1: Overview of our revenue sources.

Revenue Source	Overview
Electricity distribution	We provide electricity distribution to a small number of third-party retailers under long-term variable-price contracts. The transaction price is subject to annual adjustments or escalation over the contract term, as determined by the Australian Energy Regulator through the network price determination.
Sale of water, electricity and wastewater services	We sell water and wastewater services to a large customer base as a bundled package. For customers in smaller centres and remote communities, the bundled package may also include electricity supply, or the contract may be for the sale of electricity only.
Sale of gas	We hold long-term contracts with customers for the sale of gas. Many are structured as take-or-pay arrangements, where the minimum specified volume is deemed as the contract, as it represents the only enforceable component of the agreement.
Community service obligations	We receive Community Service Obligation revenue from the NTG where it is required to carry out activities on a non-commercial basis.
Rendering of services and government grants	Additional revenue is derived from Indigenous Essential Services Pty Ltd capital and recurrent government grants and, in prior years, the corporation operational grant.

For some business lines, revenue is concentrated among a small number of major counterparties. Jacana Energy accounts for 86% of Power Services segment revenue and 84% of Core Operations segment revenue. Territory Generation accounts for 71% of Gas Services segment revenue. These business lines are therefore more dependent on a small number of large industrial or commercial contracts. Water Services, by contrast, is supported by a broader customer base, with revenue distributed across a larger number of retail customers.

Our value chain

Our operations span upstream, core operational activities and downstream delivery across Gas, Power, Water and Core Service functions. See Table 2.

Climate-related considerations and related strategic decision-making processes across our business model and value chain are evolving as the result of climate scenario analysis and climate-related risk assessments carried out this year. We are committed to managing the effects of material climate-related risks and opportunities over the short, medium and long term.

Table 2: Overview of our value chain.

Upstream	Critical inputs such as gas supply and storage, purchased energy, land, contracting, storage, water supply and treatment chemicals alongside core services inputs such as information technology providers and legal services.
Core Operations	Gas and electricity transmission and distribution, water and wastewater treatment and distribution and asset/infrastructure, construction, maintenance and stewardship alongside support functions such as project delivery, fleet and facilities, procurement, health, safety and environment, corporate governance, finance and accounting, and human resources.
Downstream	Retailed gas and power supply, water supply, meter and billing for energy services, customer connection and support services, and marketing products and services.
Key stakeholder groups	Suppliers and producers, electricity generators (Territory Generation) and retailers (Jacana), government bodies (i.e. Department of Treasury and Finance (DTF), Department of Housing, Local Government and Community Development (DHLGCD), local governments, environmental agencies (i.e. Northern Territory Environmental Protection Authority), regulators (i.e. Australian Energy Regulator, Utilities Commission), industry bodies, local communities, indigenous stakeholders, customers and employees.

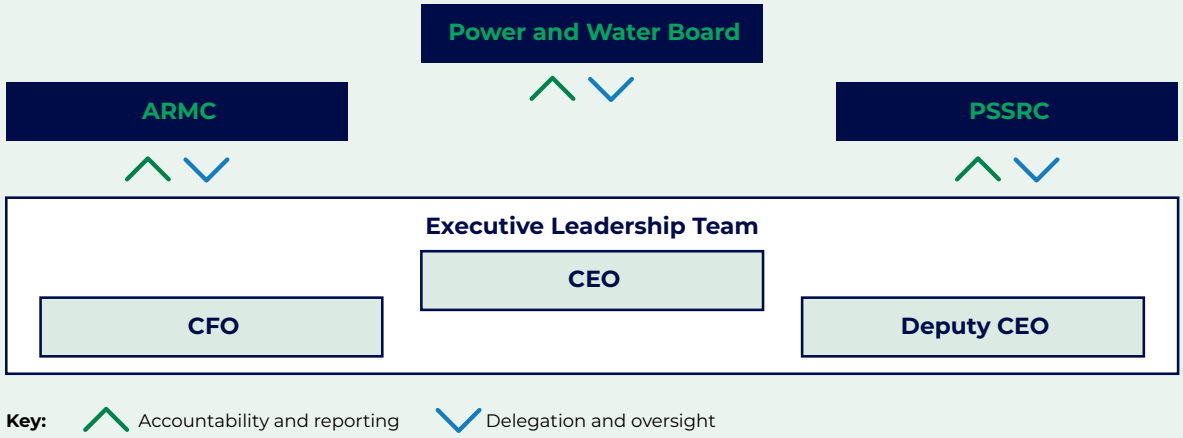
1. GOVERNANCE

1.1. Board structure, roles and governance responsibilities

Our Board acts in the best interests of our organisation as a whole and is accountable to the Shareholding Minister for the overall direction, management, financial performance and corporate governance of the corporation. The Board has ultimate responsibility and oversight over the corporation's risks, including climate-related risks and opportunities (CRROs). The Board is responsible for setting our strategic direction, objectives and targets, which are inclusive of climate.

The Board is supported by the Audit and Risk Management Committee (ARMC) and the People, Safety, Sustainability and Reconciliation Committee (PSSRC) in matters relating to climate oversight. The framework of those bodies and individuals charged with governance and responsibility for oversight of CRROs is illustrated below in Figure 2. This diagram focuses on governance in relation to climate-related matters only and therefore does not depict our complete governance structure.

Figure 2: Our Climate-related Governance Structure



The respective charters for the governance bodies define the roles and responsibilities related to the governance of CRROs.

1.1.1. Committees supporting Board oversight and frequency for informing the governance body about climate-related risks and opportunities

The ARMC is responsible for risk management and internal compliance and control systems. ARMC provides oversight and monitoring of the management of strategic risks, including the identification and management of CRROs and management's responses. As a part of this review process, the ARMC assesses if management has controls in place. The Enterprise Risk Management (ERM) standard, into which CRROs are integrated, outlines the risk management process.

The ARMC endorses and recommends to the Board the approval of policy statements and management standards for identifying, assessing, monitoring and managing risk and disclosing any material change to the risk profile. The ARMC is additionally responsible for ensuring the risk management system considers all material risks, which includes climate-related risk.

The role of the PSSRC is to advise the Board in relation to the development, implementation and operation of our people, safety, environmental, social and governance (ESG) and reconciliation policies. The Committee's role with respect to environment is inclusive of climate. The PSSRC liaises with the ARMC on overseeing and advising the board on high-level ESG-related risks.

The PSSRC monitors our preparations for mandatory climate-related reporting, and reviews and endorses to the Board our annual sustainability report and all matters related or incidental to the development and finalisation of the report. As a part of this endorsement process, the PSSRC informs the Board of CRROs on an annual basis.

During FY26, the Board was briefed and provided feedback on the CRROs identification and prioritisation at the annual Board planning day. Additionally, the Board, ARMC, PSSRC and Executive Leadership Team (ELT) considered and made decisions related to climate governance, risk management and strategy through the approval and endorsement processes required to update relevant charters, management standards and risk appetite statement in line with AASB S2 requirements.

1.1.2. Governance over appropriate climate skills and competencies

Our Company Secretary is responsible for ensuring climate-related skills are integrated into our governance and operational frameworks, such as the Board skills matrix, and that the Board undertakes climate-related training and uplift.

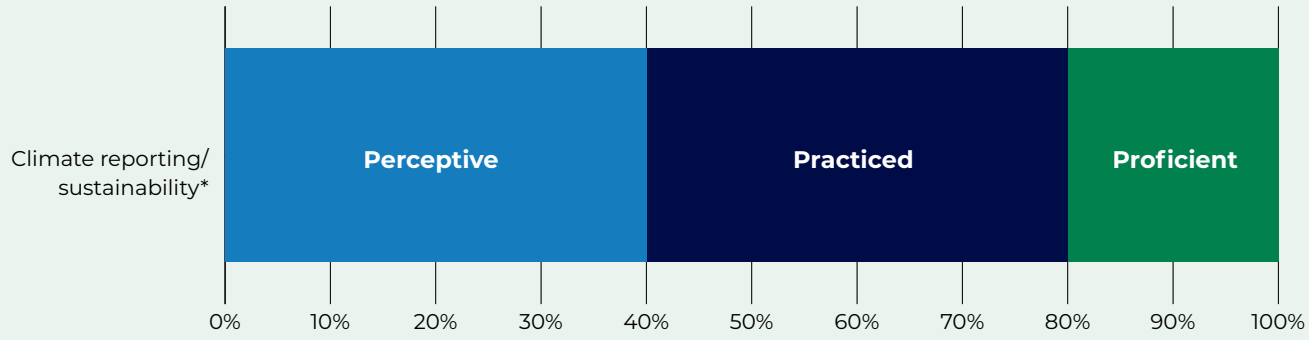
1.1.3. Board climate-related skills and competencies

Our Board and ELT bring a diverse set of skills and experience across a range of sectors and operating environments, including utilities, government, finance, regulatory and community-sectors. The Board supplements its climate and sustainability expertise with input from external advisers and specialists. This supports oversight of our climate-related risks and opportunities, and the broader governance processes required for AASB S2 reporting.

The competencies and skills of our Board are considered regularly to ensure alignment with our strategic priorities and external environment. The Board skills matrix is used to assess the skills and competencies of each director and the overall capabilities of the Board to identify areas for further development. In June 2026, the Board approved a revised Board skills matrix (see overleaf), which now reflects climate reporting and sustainability skills.

As part of this process, directors assessed their climate and energy transition capabilities, which included oversight of our material climate-related risks and opportunities, climate scenario analysis, transition planning (including associated impacts on strategy, risk management and financial performance) and resulting climate reporting obligations. The results indicated there is a mix of climate reporting and sustainability proficiencies across the Board (See Graph 1). In this exercise, 40% of respondents self-assessed as possessing an awareness and base literacy around the subject/topic and its relevance to our organisation and Board; 40% had developed a sound working knowledge and understanding of the subject matter through either past executive or management roles, extensive on-the-job application of skills in Board and committee activities and/or through training and professional development activities; and 20% self-assessed as having expert or highly qualified proficiency, knowledge and experience in the subject matter or domain, and have been seen to contribute these skills in Board and committee conversations and critical thinking.

Power and Water Board skills matrix results for climate reporting and sustainability – 30 June 2026



Graph 1: Board skills matrix results for climate reporting and sustainability – 30 June 2026.

Training on director responsibilities under AASB S2 was provided at the November 2025 Board annual planning day. Regular briefings on AASB S2 were tabled at the Board/ARMC/PSSRC meetings, which increased awareness and uplifted director AASB S2 knowledge.

1.2. Management's role in climate governance

The Board delegates responsibility to execute strategies to manage CRROs to the CEO and ELT, and to the ARMC, which oversees enterprise risk management, including integration of material CRROs. Different members of the ELT have responsibility for specific aspects of CRRO management and mitigation by virtue of their typical remits. The CFO is accountable to the Board for financial risks, which encompasses the financial impacts of climate-related risks. The Deputy CEO, by virtue of their accountability for enterprise risk management, compliance and internal audit, is responsible to the Board for monitoring of CRRO management and mitigation. Additionally, the Board delegates to the Deputy CEO the execution of the PSSRC's role in relation to the development, implementation and operation of our climate-related matters, and the preparations for mandatory climate-related reporting.

We strengthened management's role in climate governance by clarifying processes and controls in FY26 and updating relevant charters, management standards and risk appetite statements to integrate this into the internal functions of the Board, ARMC and PSSRC. Climate-related disclosures are a standing quarterly agenda item for the ELT and the PSSRC, with relevant risk owners responsible for the regular review of CRROs.

1.3. Integration of climate-related risks and opportunities into strategy

The PSSRC reviews and recommends to the Board for approval our initiatives, objectives, strategies and targets for ESG-related matters. The Enterprise Portfolio Management Committee is the strategic body tasked with providing executive leadership in the selection and endorsement of investment submissions, as well as steering and directing investment governance gateway submissions.

Consideration of climate is integrated into the decision-making process through the Investment and Delivery Framework (IDF). The IDF requires the consideration of our policies, including the 'Environment and sustainability policy statement' which encompasses the identification, assessment and management of sustainability and CRROs. Additionally, the 'Investment concept' stage requires a risk rating to be assessed and considered against our ERM standard.

We are building capability around integrating CRROs into investment decision making and intend to integrate CRRO considerations into standard investment decision analysis by Q2 FY27.

1.4. How targets are set and monitored

While the Board is responsible for setting and reviewing the strategic direction, objectives and targets, the PSSRC reviews and monitors our progress towards achieving approved ESG objectives and targets. This includes any NTG climate targets we are required to meet as a GOC under the NT GOC Act. In line with our FY26-27 Statement of Corporate Intent, we have been working towards developing a roadmap to net zero.

At this point, the Board has not formally set or adopted targets linked to CRROs. Our exposure to CRROs has been recently evaluated and we are considering targets relating to the identified risks and opportunities for the management of these key risks/opportunities in the future.



Flooding at Darwin River Dam

2. STRATEGY

2.1. Overview of climate strategy

We recognise climate change presents risks and opportunities to our operations and ability to deliver services to the community. This section outlines our identified CRROs, strategic response and overall resilience to CRROs.

We engaged a third-party supplier to help with an inaugural climate risk and opportunity assessment. The assessment determined a final list of 11 prioritised CRROs, validated and endorsed by the Board. This initial priority list was refined and consolidated into 7 prioritised CRROs that underwent evaluation for current and anticipated effects, with all these CRROs deemed material for disclosure in this reporting period (See Table 3 below). We are broadly resilient to many identified climate-related risks, supported by existing management controls, strategic planning initiatives, and a strong focus on maintaining essential service delivery to many regional and remote communities.

Table 3: Description of our material CRROs.

The risks below apply only to those regions identified in section 2.4 as exposed to the relevant climate-related risk and are not intended to imply uniform exposure across all service areas.

PHYSICAL RISKS
1. Delays and disruptions to planned capital works and repairs and maintenance from longer, more intense wet seasons and a shortening dry season.
2. Reduced employee health, safety and productivity from extreme heat.
3. Reduced water supply availability and quality (scarcity and quality) by more frequent and severe climate events.
TRANSITION RISKS
4. Premature stranding or redundancy of assets due to shifts in technology, policy or demand.
5. Rising costs and operational complexity from transition policies and compliance requirements, including carbon pricing, emission mandates and reporting obligations.
TRANSITION OPPORTUNITIES
6. Leverage alternative funding sources, including government programs, private investment and philanthropic support to ease financial pressures, accelerate infrastructure upgrades and enable climate resilient investment.
7. Proactively invest in low-emission technology and climate resilient solutions to reduce climate-related disruptions, maintenance demand and open new revenue streams, supporting project delivery and financial sustainability.

We have implemented a range of strategies and plans to support operational resilience and the transition to a lower-emissions economy under changing climate conditions. Our Emergency and Disaster Recovery Plan and Business Continuity Management Framework support our team to continue to deliver essential services during extreme weather events and other climate-related disruptions.

Transmission and distribution annual planning support us as we continue to provide reliable electricity supply and integrate renewable energy into the grid, including in remote communities. Additionally, given our outdoor workforce, there are climate-related risks to worker health and safety, particularly during extreme heat and severe weather events, including cyclones.

However, we have implemented a range of controls and management measures to mitigate these risks, including annual heat-stress training and the Work Health & Safety (WHS) Management Standard and WHS audit program. The Safe and Secure Water Strategy 2025–2028 supports reliable water service delivery and infrastructure resilience across local and remote communities, enabling ongoing secure supply and maintenance of water quality. In addition, alternative gas supply arrangements with Inpex support energy security while enabling the transition toward a lower-emissions energy supply network.

Due to our strong focus on service continuity, funding mechanisms (including asset maintenance budgets and business-as-usual operational expenditure) are in place to support ongoing resilience and the reliable delivery of essential services. We can secure additional funding through Commonwealth-supported climate programs, including those under the Australian Renewable Energy Agency, to support ongoing service delivery in remote areas and to decarbonise assets through the installation of renewable energy and storage infrastructure, strengthening resilience across remote communities.

2.2. Climate resilience

2.2.1. Overview of climate resilience

The resilience of our strategy and business model has been tested through climate scenario analysis. This was undertaken based on five prioritised climate-related risks across three time horizons and three emissions scenarios. The analysis covered both physical risks to our generation, network and water assets across the Northern Territory, and transition risks relevant to our strategy.

We have some strategic risks identified in our strategic risk register. This includes risks to maintaining the security of supply of water, gas and electricity for the Northern Territory, long-term supply chain readiness and resilience, and significant disruption to services. These risks may be exacerbated by a changing climate and intersect with the identified CRROs. Effective management of CRROs helps us achieve our strategic objectives and maintain reliable service delivery.

Our Power Services (PS) business unit plays a critical role in maintaining reliable electricity supply and essential services across the Northern Territory. PS will need to continue to respond to the team's increasing exposure to heat stress, carbon pricing, early stranding of fossil assets and increasing operational costs.

Despite operating an emissions-intensive business with large-scale assets across remote and climatically challenging areas, PS can remain resilient to increasing climate pressures by continuing to maintain management controls and decarbonising operations, including large-scale solar installation, community battery deployment, and tariff reforms and incentives to support greater renewable energy integration.

Our Water Services (WS) business unit is responsible for maintaining secure and reliable water supply and quality services across the Northern Territory. WS faces strategic risks associated with maintaining long-term supply chain resilience, business disruption, compliance obligations, and workforce health and safety exacerbated by climate change. Periods of rainfall supply shortfalls put water security at risk. Several initiatives are in place to minimise these risks, which will also support resilience to climate change. These include the Safe and Secure Water Strategy, various water quality and supply improvement programs, and water services asset management plans. The plans incorporate actions to strengthen operational resilience and support continued service delivery under changing climate conditions.

Our Gas Services (GS) business unit plays an important role in maintaining secure and reliable gas supply to the community, while also facing long-term commercial sustainability challenges driven by the broader transition toward a low-carbon economy. GS faces strategic risks associated with managing long-term supply chain resilience and compliance obligations due to rising pressure to increase renewables power generation. GS will also need to respond to increased risk stranded assets and carbon price, primarily under a low emissions scenario. GS can remain resilient by continuing to maintain management controls, including gas supply arrangements with suppliers, gas pipeline leak prevention and maintenance programs.

Our ability to deliver critical services across the Northern Territory depends on the continuity and resilience to climate risks of our Core Operations (CO) workforce, particularly in maintaining safe service delivery during extreme weather events. CO delivers IT services, but also field-based maintenance and operational works across remote and geographically dispersed areas. A harsher work environment driven by climate change, particularly in a high emissions scenario, puts outdoor workers at greater risk. CO will need to respond to this and other increased risks by maintaining and extending management controls to reduce these risks, including conducting health and safety audits, annual heat-stress training, severe weather and cyclone response plans, and mandatory PPE requirements.

2.3. Climate scenario analysis

CRROs were assessed in the reporting period using both quantitative and qualitative approaches. Quantitative scenario analysis was applied where suitable climate metrics enabled reasonable quantification. Qualitative assessment (drawing on scenario narratives) projecting socioeconomic trends and transition pathways were used where such metrics were unavailable. Physical CRROs were assessed using a combination of both approaches, depending on data availability.

We tested our 5 prioritised risks against 3 climate scenarios spanning low, moderate and high emissions pathways to assess resilience.

Table 4: Description of our climate scenarios.

Climate scenario	Source	Overview	Justification
Low emissions	**Physical**: SSP1-1.9 and SSP1-2.6*****	Ambitious mitigation policies and international cooperation drive rapid decarbonisation, alongside social and economic pathways that prioritise sustainability. This scenario is aligned with the Paris Agreement objective of limiting global warming to 1.5°C above pre-industrial levels, with warming expected to increase by approximately 1.5°C by 2100. Transition risks and opportunities dominate.	The scenario set satisfies AASB S2.22(b) and the requirement under the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024* for entities to apply at minimum: • a scenario aligned with limiting global warming to 1.5°C above pre-industrial levels; and • a scenario in which global average temperature increases by 2.5°C or higher by 2100. The inclusion of a moderate scenario provides an intermediate reference pathway to support comparative assessment across the prioritised CRROs.
	Transition: NGFS Net Zero (aligned with SSP1-1.9)		
Moderate emissions	**Physical**: SSP2-4.5	Emissions are curbed based on existing policies and announced commitments, including Nationally Determined Contributions, but fall short of meeting the Paris Agreement targets, with warming expected to increase by 2.7°C by 2100. Transition risks and opportunities dominate.	
	Transition: NGFS Nationally Determined Contribution (Aligned with SSP2-4.5)		
High emissions	**Physical**: SSP3-7.0	A high-emissions, fragmented world driven by regional rivalry and limited climate actions with warming expected to increase by 3.6°C by 2100. Physical risks dominate.	
	Transition: NGFS Current Policies (aligned with SSP3-7.0)		

*Note: There is limited scientifically modelled data available for SSP1-1.9. SSP1-2.6 data will be used as the best available data for metrics without SSP1-1.9 coverage.

Time Horizons

In conducting climate scenario analysis, we considered three time horizons: short term (2030), medium term (2050) and long term (2070). These timeframes are aligned to our planning cycles, the progress of our decarbonisation strategy, and the long-term lifespan of assets and infrastructure, as shown in Table 5.

Table 5: Overview of time horizons we use.

Time horizons		Rationale
Short term	**2030** 5 years	This period aligns with our corporate planning horizon and near-term operational targets. It also aligns with Australia's 2030 emissions reduction commitments under the Paris Agreement and Nationally Determined Contributions (NDCs), enabling meaningful assessment of near-term transition risks. Assessing physical impacts on assets and operations in this period supports short-term adaptation planning.
Medium term	**2050** 25 years	This horizon aligns with the Northern Territory's net-zero by 2050 target and Australia's national net-zero commitment. It allows for consideration of medium-term structural changes, including the decarbonisation of energy systems and the scaling of low-carbon technologies. For physical risks, models project substantially more pronounced chronic impacts by 2050, which may materially affect the resilience and value of long-lived water, generation and network assets.
Long term	**2070** 45 years	This horizon aligns with the operational and economic lifespan of our long-lived infrastructure assets, including generation, transmission, distribution and water/wastewater assets. It offers a consistent basis for assessing long-term physical and transition risks under deeper warming trajectories, and for testing the strategic resilience and sustainability of assets and infrastructure across their full lifecycle.

2.4. Climate risks and opportunities impacting the business

We conducted climate scenario analysis for 5 prioritised risks (See Table 3 above). These risks were chosen based on their level of consequence to our organisation, the quality of available data and time constraints. See section 3. Risk Management for more information on CRRO identification and prioritisation. The 5 prioritised risks include:

Physical risks

- Delays and disruptions to planned capital works, repairs and maintenance from longer, more intense wet seasons and a shortening dry season.
- Reduced employee health, safety and productivity from extreme heat restricting the ability to work outdoors.
- Reduced water supply availability and quality (scarcity and quality) by more frequent and severe climate events.

Transition risks

- Premature stranding or redundancy of assets due to shifts in technology, policy or demand.
- Rising costs and operational complexity from transition policies and compliance requirements, including carbon pricing, emission mandates and reporting obligations.

We conducted a financial impact assessment to quantify the anticipated effects on our financial performance, cash flows and financial position from the prioritised CRROs appropriate for analysis.

We conducted a quantitative financial impact assessment for six CRROs, with a qualitative assessment conducted for one CRRO, as listed below. These risks and opportunities were selected based on their level of consequence to our organisation, the availability and quality of supporting data and time constraints. The five prioritised risks are noted above and the 2 opportunities included are below:

Opportunities

- Leverage alternative funding sources to ease financial pressures, accelerate infrastructure upgrades and enable climate resilient investment. (*Assessed qualitatively).*
- Proactive investment in low-emission technology and climate resilient solutions.

Management assessed the current effects of the identified climate-related risks and opportunities on the corporation's financial position, financial performance and cash flows for FY26 and concluded that no material current-period financial effects arose from the identified CRROs. The following tables describe the prioritised CRROs that could reasonably affect our prospects in *future reporting periods* based on available information at the reporting date.

Key:

Applicable	Not applicable

Table 6: Overview of material climate-related risks and opportunities that could reasonably affect our prospects.

PHYSICAL RISK					
Delays and disruptions to planned capital works, repairs and maintenance from longer, more intense wet seasons and a shortening dry season.					
Risk driver					
Increased frequency and severity of flooding events due to extreme rainfall and changing wet seasons.					
Description					
Delays and disruptions to planned works caused by increased demand on resources and reduced safe, productive work hours, driven by more frequent asset damage, higher maintenance needs, supply chain interruptions, and safety and access issues from longer, more intense wet seasons.					
Time horizons					
2030		**2050**		**2070**	
Affected BUs					
Power		**Gas**	**Water**	**Core**	
Affected regions					
Greater Darwin	**Top End**	East Arnhem	**Big Rivers**	**Barkly**	**Central Australia**
Current effects on business model and value chain (FY26)					
During FY26, we experienced periodic disruptions to maintenance and project delivery activities associated with seasonal rainfall and wet weather conditions. Management assessed these impacts and concluded that, while operational resources were required to respond to weather-related events, no material effect on our overall business model or value chain arose during the reporting period. Existing operational, emergency response and business continuity arrangements supported continued service delivery.					

Anticipated effects on business model and value chain

Longer, more intense wet seasons and extreme weather events may disrupt our planned works by limiting site access, increasing maintenance needs and creating health and safety risks for workers. These conditions can divert staff and resources away from scheduled projects and toward restoration and service continuity, reducing project delivery capacity.

As a result, we may face compounded delays and impacts on project timelines, costs and delivery of strategic priorities. Additionally, disruptions to road access and diesel deliveries may affect our ability to maintain power services, impacting customer trust and reliability, while longer wet seasons may delay our ability to undertake critical maintenance to pipelines within the shrinking dry season window.

The impacts of this risk are expected to be felt across the short, medium and long term, apply to all business units and affect all operating regions other than East Arnhem. East Arnhem was excluded from the primary risk assessment for this particular risk because it was assessed as having a limited concentration of vulnerable assets. Financial quantification of this risk incorporated available historical flood-cost data from a sample of locations, including East Arnhem, however, the analysis is subject to data limitations and should be interpreted accordingly.

Anticipated effects on strategy and decision-making

We have a range of existing strategic, operational and emergency management controls in place to support service continuity, asset resilience, supply security and response capability in the face of climate-related disruption to planned works. Examples include:

- Business continuity management standard and plan.
- Alternative gas supply arrangements with INPEX.
- Severe weather and cyclone plan.
- Critical infrastructure risk management program procedure.
- Emergency and disaster recovery plan.
- Procurement and contract (policy) management standard.
- Strategic asset management system and plans.
- Annual Drinking Water Quality Report.
- Drinking water quality management framework.
- Safe and Secure Water Strategy 2025-2028.
- Transmission and Distribution Annual Planning Report (TDAPR).
- Category management plans.
- Safe Water Plan 2023-2025.

Anticipated effects on financial position, financial performance and cash flows

Analysis indicates that increasing rainfall intensity and frequency are expected to drive higher costs through asset damage, reduced access to sites and prolonged project timelines. While the relationship between wet season changes and financial impact is indirect and subject to variability, available modelling suggests impacts are likely to be material.

Based on observed historical flood events (totaling approximately $7.5 million over a 3-year period) and scenario analysis, annual costs could increase by approximately $1.4 million by 2030 under a high emissions scenario, with further escalation over the long term. These estimates are considered conservative due to data limitations, including gaps in quantifying the full cost of delays and indirect impacts.

Despite this uncertainty, the trend indicates a growing financial burden associated with climate-driven disruptions, supporting the need for proactive investment in improved risk modelling, resilience planning and adaptation measures.

Climate resilience of our strategy and business model

Our operations could face more frequent occurrences and/or longer durations of flooding of key roads and communities because of climate change in the future. Exposure to extreme rainfall generally increases under higher emissions pathways and further into the future:

- The largest increase in exposure to heavy rainfall occurs in the Top End and Big Rivers regions under high emissions scenarios by 2070.
- Under a high emissions scenario, some areas without a defined wet season (Big Rivers, Barkly and Central Australia) could face relatively high increases in exposure by 2050.
- In the Greater Darwin region, the maximum rain in a day is projected to increase by over 5mm by 2050.

Measurement uncertainty

The relationship between change in wet season and financial impact is indirect, complex and a conservative estimate of what will likely be a material risk.



Sandbags in preparation for severe weather at Darwin River Dam

PHYSICAL RISK					
Reduced employee health, safety and productivity from extreme heat.					
Risk driver					
Increased hot and humid conditions leading to periods of increased acute heat stress.					
Description					
Reduced employee health, safety and productivity due to heat stress, leading to lower workforce capacity, increased delays and downtime, and higher labour costs from shifting work to cooler (workable) periods and relying on additional shift coverage to maintain operations.					
Time horizons					
2030		**2050**		**2070**	
Affected BUs					
Power		**Gas**	**Water**	**Core**	
Affected regions					
Greater Darwin	**Top End**	**East Arnhem**	**Big Rivers**	**Barkly**	**Central Australia**
Current effects on business model and value chain (FY26)					
During FY26, extreme heat conditions continued to affect workforce productivity and workability across outdoor operations. We managed heat-related risks through existing workforce health and safety controls, including heat stress management procedures, work scheduling adjustments and training programs. Management concluded that, while heat stress affected operational activities during the reporting period, no material effect on our overall business model or value chain arose.					
Anticipated effects on business model and value chain					
Exposure to increasing temperatures can cause heat stress for workers, which can be fatal in certain conditions. Heat-induced sickness is currently impacting our worker's health, safety and productivity by limiting workers' ability to perform key tasks, or causing incidents requiring medical treatment. Continued exposure to extreme climate events will impact our ability to adapt and shift our already at-capacity workforce to meet current operating needs and has the potential to decrease workforce capacity during critical response and operational periods. Specific examples of impacts of reduced employee health, safety and productivity from extreme heat include: • Employees attending to transmission lines and distribution centres being exposed to extreme heat, affecting safety and performance. • Employees at water treatment plants, pumps and bores facing high temperatures while working onsite, reducing efficiency and increasing safety risks. • Employees facing increased exposure to heat-stress from on-site maintenance of pipelines located in the central regions of the NT. The impacts of this risk are expected to be felt across the short, medium and long term, and apply to Power Services, Water Services and Gas Services, and are likely to affect all operating regions.					

Anticipated effects on strategy and decision-making

We have a range of existing workforce health, safety and operational controls in place to reduce heat-related risks, support safe work in hot conditions and maintain workforce capability and productivity. Examples include:

- Personal protective clothing and equipment (PPC & E) procedure.
- Asset management framework.
- Safety management – safety in design corporate guideline.
- Access to apparatus management standard.
- Work health and safety (WHS) management standard.
- First aid management procedure.
- Hot work procedure.
- Fatigue management procedure.
- WHS audit program.
- Various risk actions, e.g. annual heat-stress training with Dr Matt Brearley.
- Health and wellbeing program.
- Strategic workforce plan.
- Technical training programs.

Anticipated effects on financial position, financial performance and cash flows

Analysis* indicates rising temperatures and more frequent heat stress conditions are already impacting workforce productivity, with historical estimates suggesting average workability reductions of approximately 32%, equivalent to around $8.3 million in annual costs for Power Services alone.

Future projections show a worsening trend across all emissions scenarios, with workability expected to decline significantly over time, particularly in high-emissions pathways where exposure may intensify and duration increase. By 2070, additional workability-related operating costs could increase from approximately $22 million to $41 million under a high emissions scenario.

These impacts are expected to manifest through reduced labour efficiency, increased downtime, higher overtime costs and constraints on workforce availability. While current estimates are based on existing operational data and contain inherent uncertainty, the direction and magnitude of change indicates a material and escalating financial risk. This supports the case for early investment in adaptation measures, including workforce planning, heat-safe operating procedures, and infrastructure or equipment adjustments to maintain productivity and safety outcomes.

*Analysis performed on workforce statistics as at July 2025.

Climate resilience of our strategy and business model

Heat-stress risk intensifies across all emissions scenarios and time horizons when assessed through mean annual wet-bulb globe temperature (WBGT), a composite measure of heat stress that accounts for air temperature, humidity, radiant heat and wind. Across the network, both the Top End and Greater Darwin consistently exhibit the highest escalation in WBGT, reflecting the compounding influence of rising humidity, temperature and storm activity.

Heat stress intensifies across all emissions scenarios and timeframes. Darwin and Milikapiti have the highest exposures in mean annual temperature and humidity leading to heat stress.

Future reductions in productivity for members of our team who work outdoors are likely to be material based on increasing heat stress compounding our historic estimates of heat stress impacts at >$8m annually.



Crews maintaining the powerlines near Katherine

PHYSICAL RISK

Reduced water supply availability and quality (scarcity and quality) by more frequent and severe climate events.

Risk driver

Increased dry conditions due to reduced rainfall volumes and longer consecutive periods without rain.

Description

Reduced surface water and ground water availability lead to water scarcity of quality drinking water, resulting in supply shortfalls driven by increasing extreme heat evapotranspiration and drought conditions.

Time Horizons

2030	2050	2070

Affected BUs

Power	Gas	**Water**	Core

Affected regions

Greater Darwin	Top End	East Arnhem	Big Rivers	Barkly	Central Australia

Current effects on business model and value chain (FY26)

During FY26 we continued to monitor water availability and water quality risks across our operating regions. Existing water security, monitoring and operational management activities enabled us to maintain service delivery and water quality outcomes throughout the reporting period. Management concluded no material effect on our business model or value chain arose from this risk during FY26.

Anticipated effects on business model and value chain

Increasing extreme heat evapotranspiration and drought conditions may result in water scarcity, supply shortfalls, and reduced availability of quality drinking water for urban and remote communities. We have identified the potential for a complete loss of water supply (<24h) in any urban or remote communities.

The largest exposure to water stress occurs in Central Australia. Low annual rainfall (~280 mm/year) limits recharge, leaving groundwater recharge sensitive to small declines in rainfall.

Across all scenarios and timeframes, the Dune Plains aquifer remains the most at-risk source, with rainfall projected to remain below the 5th percentile. Existing salinity already impacts water quality, and any further drying is likely to exacerbate risks to both water quantity and quality.

In Greater Darwin, both rainfall and dry conditions remain relatively stable across scenarios and time horizons, but demand is expected to double by 2050. The impacts of this risk are expected to be felt across the short, medium and long term, apply to WS and are likely to affect all operating regions.

Anticipated effects on strategy and decision-making

We have a range of existing water security, resource management, asset resilience and emergency response controls in place to help maintain water supply availability and quality under more frequent and severe climate-related events.

Examples include:

- Safe and Secure Water Strategy 2025-2028.
- Severe weather and cyclone plan.
- Strategic asset management system.
- Water services strategic asset management plan.
- Dam and water supply zone operational manuals and dam safety inspections as per the Australian National Committee on Large Dams (ANCOLD).
- Water source status report.
- Significant controls detailed in our existing risk register for health, environment, risk, compliance and safety (HERCS), including source water assessment, quality monitoring, demand management and system leaks, extraction licenses, etc.
- Water services strategic asset management plan.
- Darwin Region Water Supply Strategy.
- Drinking water quality management framework.

Anticipated effects on financial position, financial performance and cash flows

While drought events are less frequent than flood-related risks, their financial impacts are expected to increase in severity over time. Current analysis indicates operational expenditure associated with emergency water supply remains relatively modest, estimated at approximately $0.55 million annually based on existing source failure likelihoods. However, materially larger financial impacts are expected to arise through capital expenditure requirements to secure long-term water supply resilience.

Internal planning estimates indicate up to approximately $165 million in capital investment may be required by 2032 to mitigate extreme supply risks, with a growing funding gap evident as current committed funding lags projected need. These impacts are driven by increasing drought intensity, evaporation rates, and pressure on existing water sources, particularly in remote and high-risk communities. While modelling of future costs is currently constrained by limited historical data and reliance on proxy assumptions, the available evidence indicates a materially increasing financial exposure over the medium to long term. This supports a strategic shift from reactive emergency supply measures to proactive investment in source security, resilient infrastructure, and long-term water resource planning.

Climate resilience of our strategy and business model

Our water sources may experience reduced recharge and decreased water quality as consecutive dry days gradually increase and annual rainfall gradually declines across all regions, scenarios and timeframes.

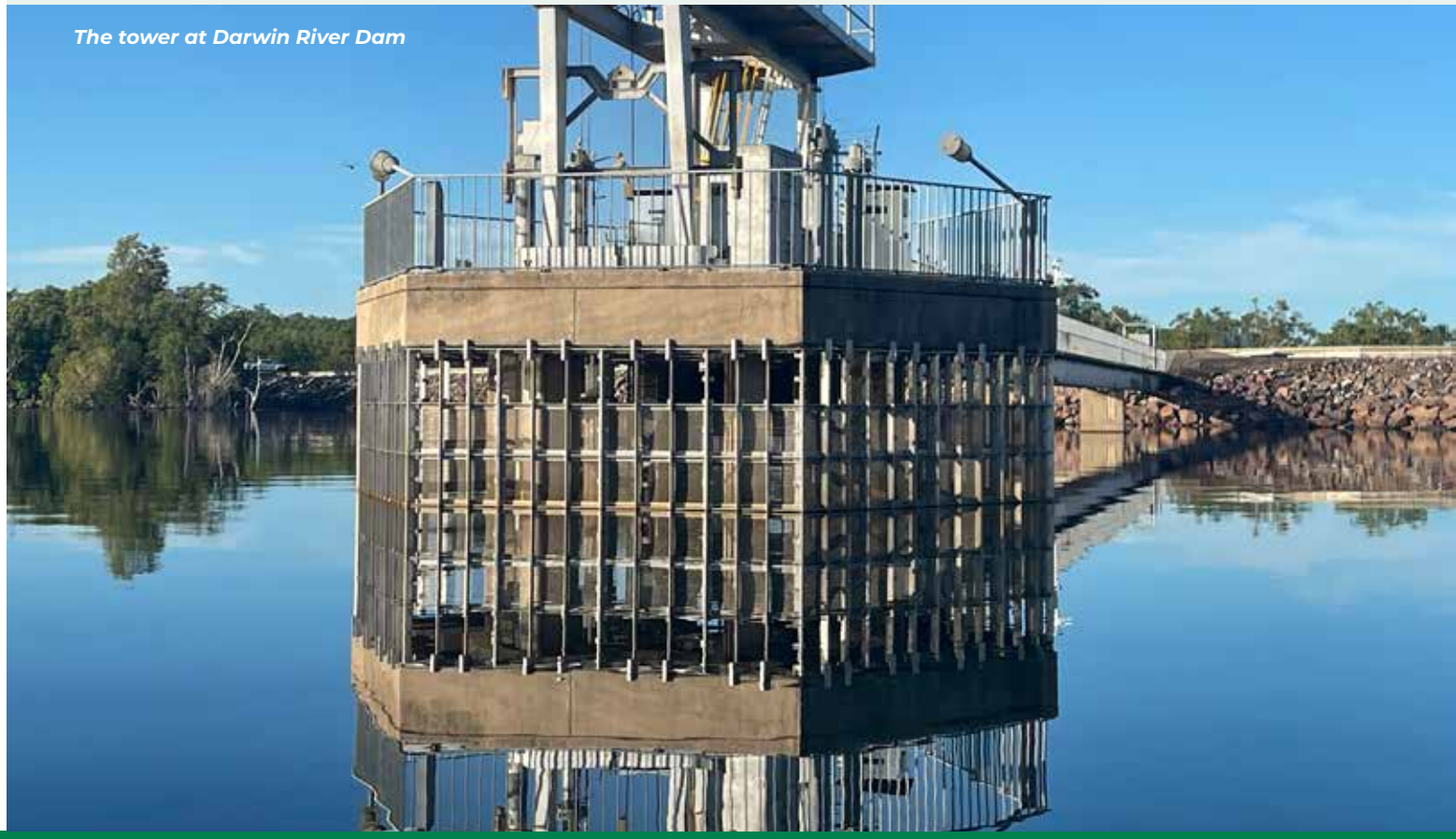
The highest water stress exposure arises in already arid regions, with greatest exposure in the 2050 moderate scenario in the Big Rivers and Central Australia regions. In Central Australia, low annual rainfall (~280 mm/year) limits recharge, leaving groundwater recharge sensitive to small declines in rainfall.

Across all scenarios and time horizons, the Dunes Plain aquifer emerges as the most vulnerable source, with rainfall projected to remain below the fifth percentile. Existing salinity already impacts water quality, and any further drying is likely to exacerbate risks to both water quantity and quality, potentially affecting our ability to supply safe drinking water to the Yulara community.

In Greater Darwin, both rainfall and dry conditions remain relatively stable across scenarios and time horizons, but demand is expected to double by 2050.

Measurement Uncertainty

The initial climate risk assessment relied primarily on rainfall-based indicators of water stress. Subsequent financial quantification incorporated Water Source Status Reports and drought index projections, providing a more comprehensive assessment of water source vulnerability across all regions, including the Top End and East Arnhem. Results remain subject to data and modelling limitations.



The tower at Darwin River Dam

TRANSITION RISK

Premature stranding or redundancy of assets due to shifts in technology, policy or demand.

Risk driver

Policy and technology shifts causing emissions-generating assets to become obsolete within their functional lifetime.

Description

Premature asset stranding, where generation or network infrastructure is exposed to policy and technology shifts (particularly in assets with long lifespans and limited adaptive capacity) resulting in unrecovered investment, regulatory misalignment and increased costs passed to customers or government.

Time horizons

2030	2050	2070

Affected BUs

Power	Gas	Water	Core

Current effects on business model and value chain (FY26)

During FY26, management assessed the potential effects of technology, policy and market changes on our asset portfolio. No material assets were identified as stranded, redundant or impaired as a result of climate-related transition factors during the reporting period. Management concluded that no material effect on our business model or value chain arose during FY26.

Anticipated effects on business model and value chain

Where assets become stranded or redundant, investment may need to be written off, affecting our financial position and debt profile. Network infrastructure is designed for multi-decade operation, locking in budget planning, technology choices and fuel sources, so premature retirement can create decommissioning costs and budgeting impacts.

Shifts in energy policy, technology or demand risk may under-utilise power generation or network assets, complicating long-term investment planning and potentially resulting in unrecovered costs and regulatory misalignment. In parts of the water network, population relocation driven by water scarcity or drying groundwater may lead to under-utilisation, complicating asset management and planning for changing water availability and demand.

The impacts of this risk are expected to be felt across the short, medium and long term, apply to all business units, and are likely to affect all operating regions.

Anticipated effects on strategy and decision-making

We have a range of existing asset management, investment governance, funding and regulatory monitoring controls in place to support planning for asset transition risks and reduce exposure to premature stranding or redundancy. Examples include:

- Asset/inventory management system (Maximo).
- Strategic asset management system.
- Investment and delivery framework management standard.
- IES intercompany funding facility procedure.
- Investment and delivery framework (portfolio/program/project governance).
- Monitoring and reporting on adherence to the Australia Energy Regulator determination 2024-2029, including allowances (CAPEX & OPEX).

Anticipated effects on financial position, financial performance and cash flows

Analysis indicates more stringent emissions reduction pathways, particularly under low and moderate emissions scenarios aligned with net zero targets, may require early retirement of diesel assets before the end of their useful lives. This results in financial impacts associated with the write-down of remaining asset values at the point of retirement.

Modelling suggests cumulative asset stranding costs could peak at approximately $11.8 million, with the majority of impacts concentrated in the short to medium term (pre-2040) as policy settings drive earlier transition decisions. Annual financial exposure is greatest in the near term, with estimated impacts of around $1.1 million per year under a low emissions scenario and $0.9 million under a moderate scenario, while impacts are minimal under a high emissions scenario where assets reach their natural end of life.

These estimates are based on assumptions regarding policy timing, retirement schedules and asset valuation, and therefore remain subject to uncertainty. Notwithstanding these limitations, the analysis indicates a clear risk of asset impairment and highlights the financial implications of transition timing. This supports the need for proactive integration of energy transition pathways into long-term asset planning and investment decisions, including consideration of renewable alternatives and managed asset retirement strategies.

Climate resilience of our strategy and business model

All our power generation assets in remote communities and gas pipelines face a risk of being prematurely stranded as a result of the national transition to renewable energy generation. This risk increases under a lower emissions scenario and for assets with a predicted end of life date further into the future.

Around one third of electricity generation assets in remote communities are expected to remain operational until after 2050, exposing them to a high risk of becoming stranded under low- or medium-emissions transition pathways.

An additional third of electricity generation assets are expected to come to the end of their lifetimes by the end of 2030. These assets would remain at a high risk under a low emissions transition.

Gas pipelines are exposed to a medium risk of premature stranding under all scenarios by 2050, and a high risk under a low emissions scenario.

TRANSITION RISK

Rising costs and operational complexity from transition policies and compliance requirements, including carbon pricing, emission mandates and reporting obligations.

Risk driver

Pressure to decarbonise through changes in carbon pricing policies, emissions caps and emissions requirements.

Description

Increased operating cost volatility and pressure to decarbonise, where services are emission-intensive and there is limited access to low-carbon alternatives, driven by higher upstream energy prices due to changes in carbon pricing, emissions caps and Scope 2 requirements.

Time horizons

2030	**2050**	2070

Affected BUs

Power	**Gas**	**Water**	**Core**

Current effects on business model and value chain (FY26)

During FY26, management assessed the potential effects of technology, policy and market changes on our asset portfolio. No material assets were identified as stranded, redundant or impaired as a result of climate-related transition factors during the reporting period. Management concluded that no material effect on our business model or value chain arose during FY26.

Anticipated effects on our business model and value chain

Increased compliance, planning and operational effort may lead to higher costs and greater organisational complexity. It is already evident that annual climate reporting and compliance with new federal climate requirements will require significant investment (time and resources). Examples of existing Australian policy and regulatory requirements related to climate include:

- Australian Accounting Standards Board S2.
- National Greenhouse Emissions Reporting.
- The Safeguard Mechanism.
- Australia's 2050 Net Zero Target.

The impacts of this risk are expected to be felt across the short and medium term, apply to all business units and are likely to affect all operating regions.

Anticipated effects on strategy and decision-making

We have a range of existing compliance, regulatory engagement, governance and implementation controls in place to support management of transition policy obligations and reduce exposure to rising compliance costs and operational complexity. Examples include:

- Compliance management standard.
- Compliance obligation management procedure.
- Non-compliance event management and reporting procedure.
- Regulator engagement procedure.
- HERCS - obligation register.
- Compliance attestation procedure.
- Quarterly enterprise compliance update to ELT and ARMC on the compliance management system.
- Procurement and contract (policy) management standard.

Anticipated effects on financial position, financial performance and cash flows

Analysis indicates that increasing regulatory requirements are expected to drive material increases in operating costs, primarily through carbon pricing applied to our emissions profile, as well as compliance and reporting costs. Scenario modelling suggests that under a low emissions pathway, which reflects a more rapid and policy-driven transition to net zero, annual regulatory-related operating costs could increase to approximately $179 million by 2050.

Financial exposure is highly sensitive to the trajectory of carbon pricing and policy settings, with costs under a moderate emissions scenario estimated to be significantly lower, at approximately $29 million per year by 2050, and minimal under a high emissions scenario where policy intervention is limited. In addition, existing reporting requirements are already contributing to operational costs, estimated at approximately $0.7 million annually.

While these estimates are based on proxy carbon pricing assumptions and are subject to uncertainty regarding future policy design and timing, they indicate a substantial potential financial burden associated with the transition. This supports the need for proactive emissions reduction and transition planning to manage exposure to future regulatory costs and compliance obligations.

Climate resilience of our strategy and business model

The faster the Northern Territory transitions to a net zero economy, the greater our operational exposure to a carbon price. Exposure is highest under the low emissions transition scenario (Net Zero 2050), rising from a baseline 2024 OPEX of $610 million to a potential increase of 4.78 per cent in 2030, 17.4 per cent by 2040 and 63.9 per cent by 2050. The magnitude of exposure and changes to business-as-usual operational costs will largely depend on total emissions and how our supply chain costs evolve.

Under a low-emissions scenario, carbon-related costs in the power side of our business would be driven largely by fossil-fuel intense operations.

TRANSITION OPPORTUNITY

Proactive investment in low-emission technology and climate resilient solutions can reduce climate-related disruptions and maintenance demand, and open new revenue streams, supporting project delivery and financial sustainability.

Opportunity driver

Low-emission and climate-resilient technology investment.

Description

Proactive investment in low-emission technology and climate-resilient solutions, driven by the transition to a low emissions economy and policy, and demand shifts toward low emissions technology can reduce climate-related disruptions, lower maintenance demand and improve asset reliability while creating opportunities for new revenue streams and more efficient project delivery.

Time horizons

2030	2040	2050

Affected BUs

Power	Gas	Water	Core

Current effects on business model and value chain (FY26)

During FY26, we continued to operate existing renewable energy and climate-resilient infrastructure investments, including solar assets deployed across remote communities. These investments supported operational service delivery and contributed to our ongoing transition activities. Management concluded that no material effect on our business model or value chain arose during FY26.

Anticipated effects on our business model and value chain

Proactive investment in low-emission technologies and climate-resilient solutions could improve the reliability and cost efficiency of our asset base, reduce exposure to climate-related disruptions and lower ongoing repairs and maintenance requirements. Cost savings through the early transition to renewable generation has been calculated by assessing the levelised cost of energy (LCOE), which demonstrates an approximate 75 per cent reduction compared to remote diesel powered electricity generation. Additionally, as fuel security declines and fuel prices rise, prioritising renewable energy investments may deliver cost savings and long-term financial sustainability far above current expectations.

In addition to operational and cost-efficiency benefits, investment in low-emission technology and climate-resilient solutions may create opportunities for new revenue streams associated with emerging technologies, energy services and future market developments. We have not assessed the potential impacts of these revenue opportunities on our business model and value chain because the nature, timing and extent of such opportunities remain subject to significant uncertainty at the reporting date.

Anticipated effects on strategy and decision-making

To work towards capturing this opportunity, we anticipate the need to incorporate climate resilience and decarbonisation objectives more explicitly into investment and asset planning processes. This will inform the premature stranding or redundancy of existing assets and investment in new technology.

Anticipated effects on financial position, financial performance and cash flows

Analysis indicates that replacing diesel generation with renewable systems has the potential to deliver material financial benefits through reduced fuel, transport and maintenance costs, particularly in remote and off-grid communities.

Under a moderate emissions scenario, cumulative savings are estimated up to approximately $368 million over the next 20 years, with further upside under accelerated transition pathways. These savings are driven by the significant cost differential between diesel generation (approximately $0.92/kWh) and renewable energy systems (approximately $0.22/kWh), as well as avoided exposure to fuel price volatility and carbon-related costs. In the short to medium term, savings are expected to increase as diesel assets are retired early by an average of approximately 8.5 years under low and moderate scenarios and renewable systems are deployed. Beyond 2040, savings stabilise as the majority of diesel assets are fully retired.

While the magnitude of savings is subject to uncertainty regarding technology costs, implementation timing and system performance, the direction of impact is clear. This supports a strong strategic case for accelerating the transition to renewable energy, both to reduce long-term operating costs and to provide more affordable and reliable energy supply to remote communities.

Potential future revenue benefits associated with this opportunity have not been quantified. We have not assessed the financial impacts of potential new revenue streams because the nature, timing and magnitude of those benefits remain subject to significant uncertainty at the reporting date. Accordingly, no quantitative estimate has been disclosed.

Climate resilience of our strategy and business model

We are well positioned to capitalise on the opportunity to proactively invest in low-emission technologies. We have already installed solar technology at 32 of the 72 remote communities we serve under IES, reducing operating costs associated with diesel generation. Further integration of stranded asset considerations into investment and asset management processes would support the efficient realisation of this opportunity by informing transition planning, minimising asset stranding risks, and maintaining reliable service delivery throughout the transition.

TRANSITION OPPORTUNITY

Leverage alternative funding sources, including government programs, private investment and philanthropic support to ease financial pressures, accelerate infrastructure upgrades and enable climate resilient investment.

Opportunity driver

Climate finance and alternative funding availability.

Description

Access to climate finance and alternative funding sources, such as government programs, private investment and philanthropic support, presents an opportunity to reduce reliance on internal funding and enable earlier investment in low-emissions and climate-resilient infrastructure. This funding can help address capital constraints by supporting large-scale or high-cost projects or early-stage, remote and community-focused initiatives.

Time horizons

2030	2040	2050

Affected BUs

Power	Gas	Water	Core

Anticipated effects on business model and value chain

Management assessed the current effects of this opportunity and concluded that no material impacts on our business model or value chain arose during FY26. Greater access to external climate funding may result in a shift in the funding mix for capital investment. This may include more flexible capital allocation and additional financial support for developments in the asset base, such as infrastructure upgrades, resilience measures and improvements in cash flow and borrowing capacity. The availability and effectiveness of these sources is dependent on policy settings, market conditions and alignment with funding criteria, and may vary over time and across scenarios.

Anticipated effects on strategy and decision-making

To work towards capturing this opportunity, we will need to uplift our considerations of climate finance sources in project timing, sequencing and structure, and actively manage funding pipelines, partnerships and application processes. The increased funding opportunities could support earlier and more proactive investment in decarbonisation and resilience, particularly in environments where climate finance is more structured and accessible.

Anticipated effects on financial position, financial performance and cash flows

The anticipated effects of access to climate finance and alternative funding sources has been assessed qualitatively, as we determined the level of measurement uncertainty involved in estimating the effects is so high the resulting quantitative information would not be useful.

It is likely increased access to climate finance and alternative funding sources would result in our funding mix changing, which may improve balance sheet strength by reducing reliance on traditional debt funding and preserving borrowing capacity. Financial performance would likely be supported through reduced financing costs and potential grant income. Cash flows could be positively impacted from increased cash inflows and reduced reliance on internal cash generation to deliver operational maintenance and planned capital works, but the benefits are highly dependent on policy settings, funding availability and the types of funding we can access.

Climate resilience of our strategy and business model

Access to climate finance and alternative funding sources would allow us to enact earlier and more proactive investment in decarbonisation and resilience initiatives, resulting in enhanced ability to maintain service continuity and greater support for initiatives that may require higher capital or operational costs but have the ability to deliver increased value to the community.

The shift toward a more diversified funding model would mean we would be less exposed to financial limitations and there would likely be greater flexibility in the sequencing and prioritisation of projects to align with climate risk exposure. However, resilience improvements are highly dependent on policy settings, funding availability and the types of funding we can access.



Team members travel to Pirlangimpi to speak with stakeholders about a new power station

2.5. Strategy and decision making

2.5.1. Responding to climate risks and opportunities

Our role in providing critical power and utility services across the Northern Territory is not expected to materially change as impacts from climate change present. However, we are focused on improving service continuity, supporting team wellbeing, and progressing additional investment in low-emissions power generation and infrastructure to further decarbonise our services. This will strengthen operational resilience and support continued reliable service delivery under changing climate conditions.

We have already implemented a range of planned initiatives to manage risks associated with physical and transition risks. This aligns with our strategic goal to maintain security of supply of water, gas and electricity for the Northern Territory. These current adaptation measures are documented for each CRRO in Section 2.5.

These planned initiatives are supported through operating and capital allocations across relevant business units, BAU maintenance planning, and long-term asset investment programs. Capital projects, including energy efficiency upgrades and initiatives identified within the asset management plan, outline the expenditure required to maintain reliable operations, strengthen resilience, and support continued service delivery for all community members.

We are progressing transition planning activities and are in the process of developing a formal transition plan. At this stage, the capital remains under development and is intended for management information and strategic planning purposes only. It has not yet been finalised or approved for external implementation or disclosure.



Flooding at Darwin River Dam

3. RISK MANAGEMENT

3.1. Identification of climate-related risks and opportunities

We conducted our first CRRO assessment in FY26 with the help of external consultants. The assessment considered the potential impact of both physical and transition climate impacts across our business model and value chain for PS, WS, CO and GS (see 0.4 Description of reporting entity, business model and value chain).

The CRRO identification was informed by AASB S2 guidance, the expertise of consultants who supported management workshops, engagement with stakeholders, research on common climate impacts on our sector, and an analysis of our business model and value chain. Climate scenario analysis was used to conduct a detailed assessment of the identified CRROs.

A high-level overview of our CRRO identification and assessment process is described below. This process was developed in FY26 to support disclosure in accordance with AASB S2 and will continue to be refined in future reporting periods.

Table 7: Overview of the CRRO identification and prioritisation process we undertook.

Assessment process	Description
Establish Context	✔ Mapped our value chain. ✔ Identified critical assets and revenue streams linked to value chain. ✔ Determined hazards/drivers, scenarios, timeframes and risk criteria.
CRRO identification	✔ Reviewed internal and external documentation, such as internal risk registers, strategy documents and relevant climate literature. ✔ Engaged stakeholders to identify assets, business operations, expense items and revenue streams vulnerable/exposed to transition and physical CRROs. ✔ Developed a list of 163 CRROs.

Assessment process	Description
CRRO prioritisation and consolidation	✔ Rated long list of CRROs according to likelihood and consequence using our ERM framework. • **Likelihood:** Physical risks were evaluated under a high emissions 2050 scenario to capture long-term climate impacts. Transition risks and opportunities were assessed under present-day conditions to reflect near-term exposure to policy, regulatory, market and technology changes. • **Consequence:** Ratings were pre-assessed using our ERM framework, including a risk consequence table that considers quantitative and qualitative thresholds across the following categories: health and safety, financial, legal/regulation, environmental, reputation, customer and project delivery. ✔ Developed a mid-list of 8 to 10 priority CRROs per business unit ✔ Engaged stakeholders to validate risk ratings based on existing controls, historical events and relevance. ✔ Mapped risks on our risk matrix with stakeholder engagement from enabling functions. ✔ CRROs reviewed by third party advisor and consolidated into 11 enterprise-level statements with links to business unit-specific risks. ✔ Validated and finalised list of 11 prioritised CRROs, with 8 risks and 3 opportunities endorsed by the Board on 6 November 2025 to undergo further analysis ✔ This list of 11 prioritised CRROs was further refined and consolidated in the initial stages of evaluation based on data availability and quality, and business feedback, resulting in a final list of 7 prioritised CRROs undergoing full financial materiality assessment.
CRRO evaluation	✔ Conducted scenario analysis for 5 prioritised risks. ✔ Identified material risks that fell outside of risk tolerance for financial impact assessment. ✔ Performed financial impact assessment.

The finalised CRROs can be found in 2.4 Climate risks and opportunities impacting the business.

3.2. Integration with risk management processes

Our risk management processes are structured by an ERM framework and supported by a risk and compliance policy statement, ERM standard, enterprise risk appetite statement and ERM procedure. We have integrated CRROs into our ERM framework through updates to the ERM standard, enterprise risk appetite statement, and ERM procedure and enabling tools this reporting period.

The consequence ratings and the risk matrix used to assess and identify CRROs are those prescribed by the ERM standard. This allows for CRROs to be rated using the same parameters as other strategic, business unit and operational risks, and prioritised accordingly.

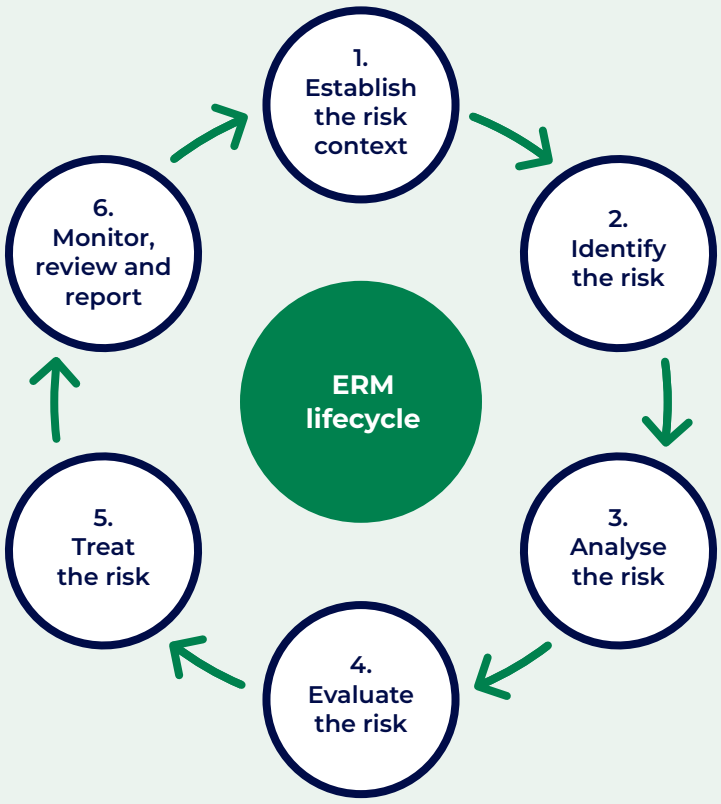
3.3. Risk and opportunity management and monitoring

CRROs have also been integrated into the existing ERM framework through the HERCS system for management and monitoring, with each prioritised CRRO documented into HERCS at a business unit level, and assigned relevant preventative and mitigative controls. Where relevant, identified CRROs will link to the related compliance strategic risk.

Additional actions to mitigate and reduce the risk are then considered when identifying the target risk rating. This process is supported by regular risk reviews to update identified CRROs and include new risks or opportunities as needed.

Overarching management and monitoring of risks, including climate-related risks, is broken down into 6 steps of the risk management lifecycle, as illustrated below.

Figure 3: Enterprise Risk Management lifecycle



4. METRICS AND TARGETS

4.1. Overview of metrics and targets

The disclosures in this section demonstrate our performance in relation to our CRROs, including metrics aligned to monitoring CRROs and progress towards net zero.

4.2. GHG metrics

In accordance with AASB S2 Climate-related Disclosures, we report our greenhouse gas (GHG) emissions to provide transparent and decision-useful information on our climate-related impacts, risks and opportunities. Our GHG metrics include Scope 1 and Scope 2 emissions, measured in tonnes of carbon dioxide equivalent (tCO_2-e). These metrics support the assessment of our emissions profile.

Emissions type	FY26 tCO2-e	FY25 tCO2-e
Scope 1	168, 074	173,162
Scope 2 (location based)	87,647	85,124
Total Scope 1 and 2	**255,721**	**258,286**

4.3. Methodology for the calculation of GHG emissions

We calculate Scope 1 and Scope 2 emissions in accordance with the *National Greenhouse and Energy Reporting Act 2007* (NGER), applying jurisdictional relief as a mandatory reporting entity. We report emissions on a consolidated basis, including subsidiaries over which we have operational control. For certain Scope 1 emission sources not covered by an applicable NGER measurement method, we apply the relevant Intergovernmental Panel on Climate Change (IPCC) guidance, as specified in the table overleaf.

There were no changes in the measurement approach during the reporting period.

Scope	Emission category	Activity	Methodology
Scope 1	Fuel combustion: Stationary and transport energy purposes (excluding electricity generation)	Emissions released from combustion of liquid fuels other than petroleum oils or greases – transport energy purposes	Methodology aligned to Schedule 1 Part 4, Division 4.2, NGER (Measurement) Determination 2008, Compilation No. 16
		Emissions released from combustion of liquid fuels other than petroleum oils or greases – stationary energy purposes	Methodology aligned to Schedule 1, Part 3, NGER (Measurement) Determination 2008, Compilation No. 16
	Fuel combustion: emissions released from fuel use by certain industries (including electricity generation)	Electricity production – liquid fuels (diesel)	Methodology aligned to Schedule 1, Part 3, NGER (Measurement) Determination 2008, Compilation No. 16
		Electricity production – petroleum-oils or greases (stationary combustion excluding electricity production only for Power Network facilities)	Methodology aligned to Schedule 1, Part 3, NGER (Measurement) Determination 2008, Compilation No. 16
		Electricity production – gaseous fuels	Methodology aligned to Schedule 1, Part 2, NGER (Measurement) Determination 2008, Compilation No. 16
		Electricity production – liquid fuels (LPG)	Methodology aligned to Schedule 1, Part 3, NGER (Measurement) Determination 2008, Compilation No. 16
	Industrial processes	Emissions of sulfur hexafluoride gases from gas insulated switchgear and circuit breaker applications	Methodology aligned to Chapter 4, Part 4.5, NGER (Measurement) Determination 2008, Compilation No. 16
	Fugitive emissions	Natural gas transmission	Methodology aligned to the applicable method for natural gas transmission fugitive emissions in Chapter 3, Part 3, NGER (Measurement) Determination 2008, Compilation No. 16
	Wastewater handling	Emissions of methane and nitrous oxide released from wastewater handling (domestic and commercial)	Methodology aligned to Chapter 5, NGER (Measurement) Determination 2008, Compilation No. 16
	Land use change emission	Emissions of methane from reservoirs	Tier 1 approach, IPCC Guidelines, Volume 4, Chapter 7 - Wetlands, Equation 7.10.
	Vegetation management	Prescribed burning	Tier 1 approach, IPCC Guidelines, Volume 4, Chapter 2 - Biomass Burning, Equation 2.27.

Scope	Emission category	Activity	Methodology
Scope 2	Purchase and loss of electricity from main electricity grid in a State or Territory		Methodology aligned to Schedule 1, Part 6, NGER (Measurement) Determination 2008, Compilation No. 16
	Purchase and loss of electricity from other sources		

4.4. Vulnerability and alignment of assets and business activities to climate-related risks and opportunities

4.4.1. Physical Risks

Risk	Total value vulnerable to risk	Percentage of total assets value vulnerable to risk	Explanation
1. Delays and disruptions to planned capital works and repairs and maintenance from longer, more intense wet seasons and a shortening dry season.	$7,462,272	1.0%	To assess the vulnerability to this climate-related physical risk, the cost of historic event flood burden across the Territory in $AUD was selected as a representative metric of the business activity that is vulnerable to the risk. To determine the percentage of business activities vulnerable, this metric was compared to our total expenditure for FY2025, with 1.0 per cent of flood burden costs due to changing wet and dry seasons.
2. Reduced employee health, safety and productivity from extreme heat.	$22,165,040	33.0%	FY2025 labour costs (salary + overtime + contract labour) for PS, WS and IES have been used as the total exposed costs, due to their significant outdoor repair and maintenance profiles, which are most likely to be affected by heat-stress related productivity losses. A workability metric describing the losses due to heat stress (percentage of FY2025 labour costs) is applied to quantify the current vulnerability of the risk, which is 33 per cent of the exposed costs.
3. Reduced water supply availability and quality (scarcity and quality) by more frequent and severe climate events.	$563,158	7.1%	To assess the vulnerability to this climate-related physical risk, the day zero cost adjusted to likelihood of water supply constraints for FY25 was selected as a representative metric of the business activity vulnerable to the risk. To determine the percentage of business activities vulnerable, this metric was compared to our maximum day zero water costs for FY2025, with 7.1 per cent of water supply locations vulnerable to reduced water supply or quality.

4.4.2. Transition Risks

Risk	Total value to risk	Percentage of total assets value vulnerable to risk	Explanation
4. Premature stranding or redundancy of assets due to shifts in technology, policy or demand.	$0	0.0%	Although there is currently no vulnerability of assets due to the effectiveness of controls, there is anticipated to be some vulnerability in the future. This risk is explored in the scenario analysis and financial impact assessment, and will be updated continually over time.
5. Rising costs and operational complexity from transition policies and compliance requirements, including carbon pricing, emission mandates and reporting obligations.	$700,000	0.1%	To assess the vulnerability to this climate-related transition risk, the approximate financial value of exposure relating to emissions associated with our operations was selected as a representative metric of the business activity vulnerable to the risk. The financial value of exposure was estimated using the annual reporting compliance costs based on Commonwealth Treasury estimates to show the total annual cost of transition-related compliance. To determine the percentage of business activities vulnerable, this financial value of exposure was compared to our total expenditure in 2024-5, to estimate the proportion of costs impacted, with approximately 0.1 per cent of cost related to carbon expenditure.

4.4.3. Opportunities

Opportunity	Total value aligned to opportunity	Percentage of total assets aligned to opportunity	Explanation
6. Leverage alternative funding sources, including government programs, private investment and philanthropic support to ease financial pressures, accelerate infrastructure upgrades and enable climate resilient investment.	$0	0.0%	Due to the aggregation of funding sources, this opportunity was unable to be assessed quantitatively. Further analysis should be explored in future years.
7. Proactive investment in low-emission technology and climate-resilient solutions can reduce climate-related disruptions, maintenance demand, and open new revenue streams, supporting project delivery and financial sustainability.	$51,561,127	18.3%	To assess our alignment to this climate-related opportunity, the opening value of IES renewable assets was selected as a representative metric of the assets activity aligned to investment in low-emission technology. To determine the percentage of business activities aligned, this metric was compared to the total value of IES assets to estimate the proportion of assets aligned with low-emission, with approximately 18.3 per cent of total IES assets representing investment in low-emissions technologies.

4.5. Capital deployment

In this reporting period, our focus was identification, prioritisation and evaluation of CRROs. Capital deployment towards mitigation or management of the identified climate-related risks is being addressed as part of transition planning and strategic response (refer to section 2.5.1). Future strategic planning cycles will determine the required response to ensure identified risks are managed and monitored within risk appetite.

Metric	Amount of capital expenditure deployed towards climate-related risks and opportunities
Total capital expenditure, financing or investment. To estimate the scale of capital expenditure, financing, or investment deployed toward managing climate-related risks and opportunities, the total value of our capital expenditure for Power, Water and Gas Services for FY25 (in $AUD) was used.	$310,200,000

4.6. Internal carbon price

We do not apply an internal carbon price in our decision-making processes and have no plans to introduce one. The appropriateness of implementing an internal carbon pricing mechanism will be reviewed periodically as part of our strategic planning and climate risk management cycles, considering regulatory developments, emerging industry practice and the evolving carbon pricing landscape in Australia.

4.7. Remuneration

Climate-related considerations are not linked to executive remuneration and there are no plans to introduce a link. The appropriateness of incorporating climate-related performance measures into executive remuneration arrangements will be reviewed periodically as governance frameworks, performance metrics and reporting capabilities mature, and in consultation with the NTG.



Crocodile near the spillway at Darwin River Dam

Independent auditor's report on the sustainability report

Northern Territory
Auditor-General's Office

Independent Auditor's Review Report

To the directors of Power and Water Corporation

Report on specified sustainability disclosures for the year ended 30 June 2026

Review conclusion

I have conducted a review of the following specified Sustainability Disclosures in the sustainability report of Power and Water Corporation (the Corporation) and its controlled entities (the Consolidated Entity) for the year ended 30 June 2026 as required by Australian Standards on Sustainability Assurance (ASSA) 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports* under the *Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

Sustainability disclosure reviewed	**Reporting requirement of Australian Sustainability Reporting Standard (AASB) S2 *Climate-related Disclosures* (including related general disclosures required by Appendix D)**	**Location of disclosure in sustainability report**
Governance	Paragraph 6	Section 1 Governance, pages 10 to 13
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Sections 2.1 and 2.4, pages 14 to 33
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Sections 4.2 and 4.3, pages 36 to 40

The requirements of AASB S2 identified in the table above form the criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001*.

I have not become aware of any matter in the course of my review that makes me believe that the Sustainability Disclosures specified in the table above do not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

Basis for conclusion

My review has been conducted in accordance with Australian Standard on Sustainability Assurance 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. My review included obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant criteria, I note that subsection 296C(1) of the *Corporations Act 2001* includes a requirement to comply with AASB S2.

My conclusion is based on the procedures I have performed and the evidence I have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the 'Summary of the Work Performed' section of my report below.

My responsibilities under ASSA 5000 are further described in the Auditor's responsibilities section of this report.

I am independent of the Corporation and its controlled entities in accordance with the applicable ethical requirements of 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 review of the specified Sustainability Disclosures. 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*.

Basis for conclusion (cont.)

My authorised auditors apply Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information or Other Assurance or Related Services Engagements*, which requires them to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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

Emphasis of matter

I draw attention to the Key assumptions, judgements and estimates paragraph in the sustainability report (page 5), which describes that in applying AASB S2, management has exercised judgement and made estimates regarding future events that may affect operations. These judgements and estimates are based on all reasonably available information at the reporting date and are considered reasonable however, actual outcomes may differ.

My review conclusion is not modified in respect of this matter.

Other matter

The sustainability report includes comparative information for the year ended 30 June 2025. The comparative information was not reviewed, and accordingly I do not express a conclusion on that information.

My review conclusion is not modified in respect of this matter.

Other information

The directors of the Corporation are responsible for the other information. The other information comprises the information included in the Corporation's annual report but does not include the sustainability report and my auditors' review report thereon, which I obtained prior to the date of this auditor's report.

My review conclusion on the specified Sustainability Disclosures does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my review of the specified Sustainability Disclosures, my responsibility is to read the other information and, in doing so, I consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or my knowledge obtained when conducting the review, or otherwise appears to be materially misstated.

If, based on the work I have 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 for the specified Sustainability Disclosures

The directors of the Corporation are responsible for:

- the preparation of the specified Sustainability Disclosures in accordance with the *Corporations Act 2001*
- designing, implementing and maintaining such internal control necessary to enable the preparation of the specified Sustainability Disclosures, in accordance with the *Corporations Act 2001* that are free from material misstatement, whether due to fraud or error.

Inherent limitations in preparing the specified Sustainability Disclosures

As mentioned in the emphasis of matter paragraph, management has exercised judgement and made estimates based on all reasonably available information at the reporting date and are considered reasonable. The nature of non-financial information, and the methods and precision used to determine non-financial information, allow for different, but acceptable evaluation and measurement techniques and can result in materially different measurements, affecting comparability between entities and over time. In particular, greenhouse gas emissions quantification used to calculate the average energy content is subject to significant measurement uncertainty, which arises because of data limitations, the use of emission factors and proxy data, reliance on third party inputs, and the inherent uncertainty of forward-looking information. These uncertainties may affect both greenhouse gas emissions calculations and assessments of the anticipated financial effects of climate-related risks and opportunities.



Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance with the Corporation's sustainability reporting requirements may occur and not be detected. A limited assurance engagement for the financial year ended 30 June 2026 does not provide assurance on whether compliance with the Corporation's sustainability reporting requirements will continue in the future.

Auditor's responsibilities

My objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes my conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

As part of a review in accordance with ASSA 5000, I exercise professional judgement and maintain professional scepticism throughout the engagement. I also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. 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.

Summary of the work performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

In conducting our review, I:

- Overall procedures performed:
  - Tested the mathematical accuracy of a sample of calculations and reconciled the specified Sustainability Disclosures to underlying records and supporting calculations.
  - Enquired of management and examined supporting evidence to assess the completeness and accuracy of the organisational boundary and emissions sources.
  - Performed analytical review procedures and sample-based testing to assess the reasonableness of the specified Sustainability Disclosures.
- With respect to Governance disclosures:
  - Obtained an understanding of the Corporation's sustainability governance structure, responsibilities and stakeholder involvement, including the oversight of climate-related risks and opportunities.
  - Enquired of management and relevant personnel about governance, reporting and disclosure-development processes, including the controls and procedures used to monitor, manage and oversee climate-related matters.
  - Reviewed governance documentation and performed walkthroughs, including inspection of policies, charters, terms of reference, risk management frameworks and meeting minutes, to assess the evidence supporting the Governance disclosures.
- With respect to Strategy (risks and opportunities) disclosures:
  - Obtained an understanding of the Corporation's process for identifying and assessing climate-related risks and opportunities across its reporting boundary, including its materiality assessment and the information sources used.
  - Enquired of management about the approaches used to identify climate-related risks and opportunities and determine material information for the Strategy disclosures, and inspected relevant supporting documentation.



- Assessed whether the disclosed climate-related risks and opportunities were appropriate, complete, accurately described and classified, based on management's processes and judgements.

- With respect to Scope 1 and 2 emissions disclosures:
  - Assessed the appropriateness, relevance and reliability of the measurement methodologies, assumptions, conversion factors and greenhouse gas emissions factors applied to Scope 1 and Scope 2 emissions, including enquiries of management and recalculation of selected emissions factors.
  - Performed analytical procedures over Scope 1 and Scope 2 emissions and the underlying activity data, and assessed the disclosures for consistency with the methodology and my knowledge of the Corporation and its operations.
  - Tested, on a sample basis, the calculations and underlying activity data used for Scope 1 and Scope 2 emissions by agreeing them to source documentation, third-party records, onsite measurement information and other relevant evidence, and checked mathematical accuracy.

- Presentation and disclosure of report procedures:
  - Inspected the specified sustainability disclosures and assessed the completeness and accuracy of these disclosures against the relevant disclosure requirement of AASB S2 and with reference to the knowledge and evidence obtained during the assurance engagement.
  - Evaluated the presentation and disclosure of the specified Sustainability Disclosures against the requirements of AASB S2.

Jara K Dean
Auditor-General
Darwin, Northern Territory
25 September 2026

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Glossary

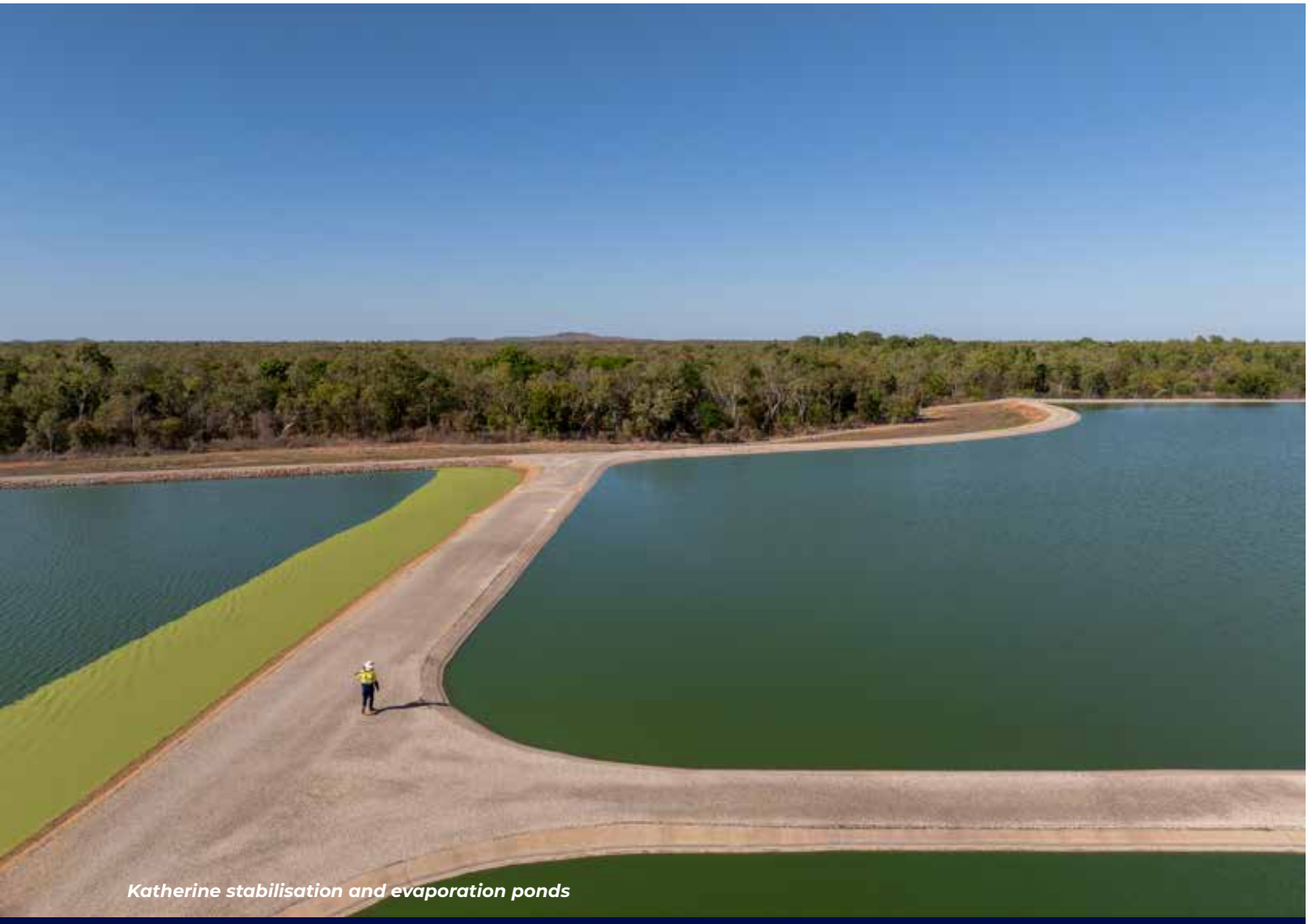
Is this	Definition
AASB S2 Climate-related Disclosures	The Australian Accounting Standards Board standard requiring disclosure of information about climate-related risks and opportunities that could reasonably be expected to affect an entity's prospects. Substantively aligned with IFRS S2 issued by the ISSB.
Business model	An entity's system of transforming inputs through its activities into outputs and outcomes that aims to fulfil the entity's strategic purposes and create value for the entity and hence generate cash flows over the short, medium and long term.
Climate resilience	The capacity of an entity to adjust to climate-related changes, developments or uncertainties.
Climate scenario	A plausible description of how the future may develop based on a coherent and internally consistent set of assumptions about key driving forces and relationships. Scenarios are not forecasts or predictions.
Climate transition plan	An aspect of an entity's overall strategy that lays out the entity's targets, actions or resources for its transition towards a lower- carbon economy, including actions such as reducing its greenhouse gas emissions.
Climate-related opportunity	Climate-related opportunities refer to the potential positive effects arising from climate change for an entity. Efforts to mitigate and adapt to climate change can produce climate-related opportunities for an entity.
Climate-related physical risk	Risk arising from the physical impacts of climate change, including acute risks (event-driven, e.g. cyclones, bushfires, flooding) and chronic risks (longer-term shifts, e.g. rising temperatures, sea level rise, changing rainfall patterns).
Climate-related transition risk	Risks that arise from efforts to transition to a lower-carbon economy. Transition risks include policy, legal, technological, market and reputational risks. These risks could carry financial implications for an entity, such as increased operating costs or asset impairment due to new or amended climate-related regulations.
CO2 equivalent	The universal unit of measurement to indicate the global warming potential of each greenhouse gas, expressed in terms of the global warming potential of one unit of carbon dioxide. This unit is used to evaluate releasing (or avoiding releasing) different greenhouse gases against a common basis
CRRO (climate-related risk and opportunity)	CRROs refer to the potential impacts of climate change and the transition to a low-carbon economy on an organisation's operations, value chain, financial performance, and long-term resilience. These include both physical risks (e.g. extreme weather, temperature changes, water scarcity) and transition risks and opportunities (e.g. policy changes, carbon pricing, technology shifts, and evolving customer preferences), as well as opportunities arising from adaptation, innovation, and new markets.
Global warming potential	A factor describing the radiative forcing impact (degree of harm to the atmosphere) of one unit of a given greenhouse gas relative to one unit of CO2.
Greenhouse gases	The seven greenhouse gases listed in the Kyoto Protocol—carbon dioxide (CO2); methane (CH4); nitrous oxide (N2O); hydrofluorocarbons (HFCs); nitrogen trifluoride (NF3); perfluorocarbons (PFCs) and sulphur hexafluoride (SF6)

Is this	Definition
Internal carbon price	Price used by an entity to assess the financial implications of changes to investment, production and consumption patterns, and of potential technological progress and future emissions-abatement costs
Location-based Scope 2	Scope 2 emissions calculated using average emissions intensity of the electricity grid in the location where consumption occurs.
Market-based Scope 2	Scope 2 emissions calculated using emissions factors associated with the specific electricity purchased (e.g. through contracts, renewable energy certificates).
Materiality	Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions of primary users of general-purpose financial reports.
Scope 1 Greenhouse gas emissions	Direct greenhouse gas emissions that occur from sources that are owned or controlled by an entity.
Scope 2 Greenhouse gas emissions	Indirect greenhouse gas emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by an entity. Purchased and acquired electricity is electricity that is purchased or otherwise brought into an entity's boundary. Scope 2 greenhouse gas emissions physically occur at the facility where electricity is generated.
Scope 3 Greenhouse gas emissions	Indirect greenhouse gas emissions (not included in Scope 2 greenhouse gas emissions) that occur in the value chain of an entity, including both upstream and downstream emissions. Scope 3 greenhouse gas emissions include the Scope 3 categories in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).
Shared Socioeconomic Pathways (SSPs)	A set of five scenarios developed by the IPCC describing alternative futures of societal development, used in combination with emissions pathways to project climate outcomes. SSP1 represents sustainable development; SSP5 represents fossil-fuelled development.
Value chain	The full range of interactions, resources and relationships related to a reporting entity's business model and the external environment in which it operates. A value chain encompasses the interactions, resources and relationships an entity uses and depends on to create its products or services from conception to delivery, consumption and end-of-life, including interactions, resources and relationships in the entity's operations, such as human resources; those along its supply, marketing and distribution channels, such as materials and service sourcing, and product and service sale and delivery; and the financing, geographical, geopolitical and regulatory environments in which the entity operates

KEY HIGHLIGHT FOR THE YEAR

During this financial year we raised purchase orders to the value of $22 million with 65 Aboriginal Business Enterprises (up from 59 suppliers in the previous financial year).





Katherine stabilisation and evaporation ponds

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DIRECTORS' REPORT

For the year ended 30 June 2026

The directors present their report together with the financial report of the Power and Water Corporation (the Corporation, we, us, our) and of the consolidated entity, being the Corporation and our controlled entities, for the year ended 30 June 2026 and the Auditor's report thereon.

Directors

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

Name	
Peter Wilson AM B. Comm (Hons), MA (Melb), AMP (Wharton), FAICD, FCPALife, FCPHRLife (Board term ceased 30 June 2026)	In addition to being on our board, Peter was also Chair and non-executive director of Indigenous Essential Services Pty Ltd, our wholly owned, not-for-profit subsidiary. Peter brings a great depth of private sector, government and Board knowledge and experience to the role. His previous roles include being Commissioner on the former State Electricity Commission of Victoria, CEO and Managing Director of Energy 21, and 4 terms as Chair of Yarra Valley Water. He was also Chair and National President of CPA Australia, the world's fourth largest professional accounting organisation, until his retirement from that board in December 2021, and was a non-voting board member on the International Federation of Accountants in New York from 2020-2021. A former head of the Victorian Government's Department of Industry, Peter has also held senior executive roles in the Commonwealth and Victorian Treasuries, and group executive roles at Amcor Limited, and ANZ Bank where he was responsible for operations in 40 countries with 22,000 employees. He has held non-executive director appointments on the respective boards of Dalgety Farmers Ltd, Kimberly-Clark Australia, and the Commonwealth Safety Rehabilitation and Compensation Commission. Peter's other roles include Chair of the Australian Disability Network Ltd Board since May 2015. He was a director and Chair of the National Alcohol and Drug Foundation from 2021-23. Peter also chairs the Audit and Risk Committee at the Office of the Auditor-General in Western Australia, and also at the Premier and Cabinet Department in WA. He is the independent member and Chair of the Australian Retail Credit Association and the Reciprocity and Data Exchange Administrator Limited which set respectively the credit reporting standards under National Privacy legislation, and also industry rules for data exchanges between financial institutions that are authorised by the ACCC. Peter was Chair of the Australian HR Institute from 2006-2020, and a non-executive director and past Chair of Vision Super from 2012-2022. He is Chair of the Victorian Institute of Strategic Economic Studies at Victoria University, a panel member at the Centre of Excellence into Population and Ageing Research at Sydney and Curtin Universities, and an advisor to the International Consortium for Research into Employment and Work at Monash University. Peter served as an Adjunct Professor in Management at the Monash Business School, Monash University, Melbourne from 2012-2020, and as an accredited PhD Supervisor at the La Trobe Business School, La Trobe University, Melbourne from 2015-2020. Peter was made a Member of the Order of Australia in 2005 for services to workplace relations and safety and community service and was awarded a Centenary Medal in 2004.
Trevor Armstrong BE. (Elect), GAICD, AMP INSEAD (Board term ceased 29 June 2026)	In addition to being on our board, Trevor is also a non-executive Director of Indigenous Essential Services Pty Ltd, our wholly owned, not-for-profit subsidiary. Trevor has had an outstanding career in the energy sector for more than 30 years. He has held senior executive roles with Energy Australia, Networks NSW and Ausgrid, including as that organisation's interim Chief Executive Officer (CEO) and Chief Operating Officer. Trevor is the immediate past Chair of CIGRE Australia, a non-executive director of Providence Asset Investment Pty Ltd, and has served as a member of the Reliability Panel of Australian Energy Market Commission.
Megan Corfield B. Comm, BA (Econ), GAICD (Board term ceased 31 October 2025)	Megan Corfield is a strategic businesswoman and leadership coach with 25 years of executive and governance roles across utilities, sustainability, professional services, government, and major events. Megan serves on the boards of Unitywater, Altogether Group and Chief executive Women, and is Chair of International parking group Holdings. Her previous boards include Brisbane Grammar, Connell Griffin, Infrasol, Tourism and Events Queensland, GOLDOC (Commonwealth Games Organising Committee) and Urbis. Megan has a proven record in delivering new business value from strategy development to operational execution, negotiating and integrating mergers, and acquisitions and building high performance teams.

Paul Italiano B. Bus, MBA (Board term ceased 29 June 2026)	In addition to being on our board, Paul is also a non-executive director of Indigenous Essential Services Pty Ltd, our wholly owned, not-for-profit subsidiary. Born and raised in Western Australia, he graduated with a business degree majoring in Accounting and Finance. He has had a career in accounting and finance, including senior executive positions at RAC WA, HBF Health Funds and Wesfarmers Insurance Division, plus senior advisory roles in corporate finance with Ernst & Young. Paul served as CEO of Western Power from 2011 to 2016, then as CEO of TransGrid from 2016 to 2021. He is Chair of Cyclowest Pty Ltd and SolisEnergy Pty Ltd, and previously served as a board member of the Paraplegic Benefit Fund of Australia and the Perth Public Arts Foundation.
Jodie Ryan FCPA, PSM, GAICD (Board term ceased 24 August 2026)	In addition to being on our board, Jodie is also a non-executive director of Indigenous Essential Services Pty Ltd, our wholly owned, not-for-profit subsidiary. Jodie commenced with our board in August 2022, following a 30-year career in the Northern Territory Public Sector, the last 9 of these as CEO of the Department of the Chief Minister and Cabinet and the Department of Treasury and Finance. Jodie has deep experience, knowledge and understanding of the Northern Territory Government, with a particular focus on improving the economic and financial growth of the Northern Territory. Her experience encompasses working extensively with all tiers of Government, the private sector and non-government organisations. Jodie is a former member of the Charles Darwin University Council, the Australia New Zealand School of Government and the Darwin Waterfront Corporation. She has a Bachelor of Business, Majoring in Accounting and is a Certified Practicing Accountant.
Andrew Macrides FCPA, FAICD Associate, Governance Institute of Australia Associate Fellow, Australian Human Resources Institute (appointed 30 June 2026)	In addition to being on our board, Andrew is also Chair and non-executive director of Indigenous Essential Services Pty Ltd, our wholly owned, not-for-profit subsidiary. Andrew is a highly experienced executive, governance leader and tribunal member with more than 40 years of experience across the public sector, corporate governance and regulatory environments. He is a Fellow of CPA Australia and the Australian Institute of Company Directors and holds qualifications in accounting, business, management and corporate governance. Andrew held several senior leadership positions with the Power and Water Corporation, including Company Secretary, Chief Financial Officer and Managing Director. During his tenure, he led significant organisational reform initiatives and strategic infrastructure investment programs, contributing to the long-term sustainability and performance of the organisation. Since 2014, Andrew has served as a Senior Member of the Northern Territory Civil and Administrative Tribunal (NTCAT), where he has played an important role in its establishment, ongoing development and governance framework. He brings extensive expertise in governance, strategy, public policy and organisational leadership.
Tim Nelson Associate Professor of Economics, Griffith University, GAICD, FGIA, PhD Economics, B.Econ (Hons), Grad Dip Applied Corporate Governance (appointed 30 June 2026)	In addition to being on our board, Tim is also a non-executive director of Indigenous Essential Services Pty Ltd, our wholly owned, not-for-profit subsidiary. Tim is a senior energy transition executive, economist and governance professional with extensive experience across energy markets, electricity networks, large-scale renewable energy developments and national energy market reform. Tim has led at the intersection of policy, markets and infrastructure throughout his career, combining deep commercial, economic and regulatory expertise. He has held executive leadership roles, including Executive General Manager, Energy Markets at Iberdrola, where he oversaw multi-billion-dollar infrastructure portfolios, and Chief Economist at AGL, where he provided strategic economic and market leadership. Most recently, Tim chaired the review of the National Electricity Market (NEM), leading the development of reform recommendations that are being implemented to support a reliable, secure and decarbonised energy system. He is recognised for his ability to bring together diverse stakeholders in complex and high-profile environments, facilitating consensus and delivering practical, long-term outcomes. Tim has successfully negotiated complex commercial and policy agreements, maintaining a strong focus on customer outcomes, economic sustainability and long-term value creation. His leadership is characterised by a systems-thinking approach, strategic stakeholder engagement and a proven ability to guide transformational change across the energy sector.

Roland Chin, AM FCA, FCPA, CTA, MAICD, B. Comm (appointed 1 September 2026)	With more than 40 years' experience across taxation, insolvency, business advisory, governance and risk management, Roland's career spans a diverse range of sectors. They include government-owned entities, utilities, Indigenous organisations, education, health, aviation, construction, tourism and not-for-profit organisations. Roland joined KPMG's predecessor firm in Darwin in 1981 and was appointed Partner in 1995, a position he held until 2018. Since then, he has continued to practise as a Chartered Accountant and registered tax agent. Roland has extensive governance experience and serves on several audit, risk and compliance committees, including with the City of Darwin, Charles Darwin University, Tiwi Land Council, Department of Corrections and holds a number of other board and advisory appointments. He holds a Bachelor of Commerce, is a Fellow of Chartered Accountants Australia and New Zealand and CPA Australia, a Chartered Tax Adviser and a Member of the Australian Institute of Company Directors. Roland was appointed a Member of the Order of Australia for significant service to the Northern Territory community.
Michael Hannon, AM (appointed 1 September 2026)	As Chair of Hannon Group Pty Ltd, a family-owned company with its head office in Darwin, Michael has experience across a range of industries in the Northern Territory and interstate, including transportation, crocodile farming, property development and management, waste management and recycling, media and ICT services. Under Michael's leadership, Hannon Group is concentrating on commercial property development and management in the Northern Territory, interstate and overseas. Michael is involved in many Boards and committees, including previous roles on our Board, and is committed to the success of the Northern Territory while leaving a legacy for his family and future generations. In addition, he is also on the Board of Primary Resource Investments Pty Ltd. He is a highly respected member of the Territory business community and was awarded a Member of the Order of Australia for his services to Territory business and the community.
Kate Ryan B.A (Hons), LLB, Grad Dip Applied Finance, Grad Cert Human Resource Management (appointed 1 September 2026)	With more than 20 years' experience in the Australian energy sector, Kate has held senior executive roles with the Queensland and Western Australia Governments, the former Independent Market Operator in WA and, most recently, as the Executive General Manager WA and Strategy with the Australian Energy Market Operator. She has worked on designing, implementing and advising on policy and regulatory arrangements and wholesale energy markets in the electricity and gas sectors. Kate has experience in all parts of the supply chain and has worked extensively with governments, utilities and energy market participants. Kate has a Bachelor of Arts in Economics (Honours) and a Bachelor of Laws (LLB). She also has a Graduate Diploma in Applied Finance, a Graduate Certificate in Human Resource Management and is a Graduate of the Australian Institute of Company Directors. Kate is a Member of the Australian Institute of Energy, and until her appointment to the Power and Water Board, Kate was Principal Director in KPMG's energy infrastructure practice.
Guy Chalkley FCCA, FAAT, Member of the Australian Institute of Company Directors, Fellow of Leadership WA (appointed 1 September 2026)	A senior executive and Board director with more than 40 years' financial, regulatory and operational experience across the energy, water and infrastructure sectors, Guy's career spans listed, private equity and government organisations. He has expertise in business transformation, financial management, regulation, customer outcomes and organisational leadership. Guy was Chief Executive Officer of Endeavour Energy and spent more than 8 years with Western Power, including five as Managing Director and Chief Executive Officer. He has held finance and regulatory roles with Veolia Water, Thames Water and other international organisations. External appointments include Frontier Energy, Reactive Technologies, and RAC WA. Guy has extensive Board experience and holds or has held non-executive roles with Energy Networks Australia, Energy Charter, Reactive Technologies, Frontier Energy and RAC WA. He is a Fellow of the Association of Chartered Certified Accountants, a Graduate Member of the Australian Institute of Company Directors, a Fellow of Leadership WA and a Fellow of the Association of Accounting Technicians.

Steven Neave GAICD, MEI B. Electrical Engineering (Hons) (appointed 1 September 2026)	A seasoned Board and executive leader with 30 years' experience in the energy and infrastructure sectors, prior to joining our Board in September 2026, Steven held executive roles at AusNet Services and Powercor/CitiPower, providing governance and strategic oversight to Victoria's major energy networks. A Graduate of the Australian Institute of Company Directors, Steven holds a Master of Entrepreneurship and Innovation, and a Bachelor of Engineering (Elect), for which he received First Class Honours. Steven is recognised for pioneering advanced asset management, delivering significant reliability improvements, his deep operational knowledge and ability to build high-performing teams.
Maree Lang B.E (Chemicals, Honours), B. Comm., MBA, and Member of the Australian Institute of Company Directors (appointed 1 September 2026)	In addition to being on our board, Maree is also a non-executive director of Indigenous Essential Services Pty Ltd, our wholly owned, not-for-profit subsidiary. An executive and company director with more than 25 years' experience across water, infrastructure, customer service, sustainability and organisational transformation, Maree was Managing Director of City West Water and the inaugural Managing Director of Greater Western Water. There, she led the integration of two major Victorian water corporations to form an organisation responsible for essential water and wastewater services to more than 1.4 million people. Her executive experience includes large-scale infrastructure and capital delivery, asset-intensive operations, customer service, safety, digital transformation and working within complex government and regulatory environments. Maree holds a portfolio of Board, governance and advisory roles across the utilities, infrastructure and community sectors and is a Vice-Chancellor's Industry Fellow at Victoria University and a Chartered Professional Engineer (CPEng). Other qualifications include a Master of Business Administration, a Bachelor of Engineering (Chemical, Honours), and a Bachelor of Commerce. Maree is also a Member of the Australian Institute of Company Directors.

Company Secretary

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

Principal activities

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

Review of Profitability and Equity

	Consolidated	
	June 2026 $ million	**June 2025 $ million**
Revenue	875.3	866.4
Total revenue	**875.3**	**866.4**
Expenditure	(788.1)	(731.2)
Total expenditure	**(788.1)**	**(731.2)**
EBITDA	**87.2**	**135.2**
Depreciation and amortisation	(239.4)	(223.0)
EBIT	**(152.2)**	**(87.8)**
Interest expense	(94.2)	(78.7)
Net (loss) / profit before income tax	**(246.4)**	**(166.5)**
Income tax benefit / (expense)	57.5	36.0
Net (loss) /profit after income tax	**(188.9)**	**(130.5)**
EBITDA	87.2	135.2
Underlying EBITDA[1]	**87.2**	**135.2**
Depreciation and amortisation	(239.4)	(223.0)
Underlying EBIT	**(152.2)**	**(87.8)**
Interest expense	(94.2)	(78.7)
Underlying net (loss) / profit before income tax[1,2]	**(246.4)**	**(166.5)**
Total assets	4,920.8	4,661.9
Total liabilities	(3,463.3)	(3,010.0)
Total equity	**1,460.5**	**1,651.9**

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

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

Review of Operations

Profit from operations

The consolidated entity reported a net loss after tax from continuing operations of $188.9 million for the year ended 30 June 2026 compared to a net loss after tax of $130.5 million for the prior year. The increase in net loss after tax position was primarily attributable to the write-down of make-up gas totalling $42m, decreases in other income of $15.5m, and increases in depreciation and amortisation expenses of $16.4m, finance expenses of $15.5m and operating expenses of $10.4m (excluding approved write-offs), partially offset by an increase in income tax benefit of $21.5m and an $8.9m increase in total revenue. The overall loss remained attributable to high energy costs, following the purchase of emergency gas at elevated prices due to the curtailment of supply by the Corporation's main supplier, Eni. The Corporation is seeking damages from Eni for losses incurred as a result of the reduced gas supply. The matter has been referred to arbitration and proceedings have been positive. However, no contingent asset has been recognised as a receivable at 30 June 2026, as any recovery remains dependent on the outcome of the arbitration process.

Environmental regulation

The consolidated entity's operations are subject to significant statutory responsibilities under both Commonwealth and Northern Territory legislation. During the reporting period, there were no reportable breaches of legislative, regulatory or licence conditions by the consolidated Group.

Subsequent events

On 5 August 2026, the Northern Territory Government announced a proposed restructure of the Territory gas business currently managed by Power and Water Corporation. As part of the announced reforms, Territory Generation is expected to assume responsibility for key gas supply agreements currently held by Power and Water Corporation over the next 12 months.

At the date of signing these financial statements, implementation arrangements and the detailed terms of any transfer remain under development. Accordingly, the financial impacts of the proposed reforms, including the potential transfer of associated contractual rights, obligations, revenues and expenses, cannot yet be reliably determined.

As the announcement occurred after 30 June 2026 and did not represent a condition that existed at the reporting date, no adjustment has been made to the amounts recognised in these financial statements. Management has assessed this matter as a non-adjusting event after the reporting period.

Subsequent to the year end, directors decided not to declare a special dividend for the year ended 30 June 2026.

The financial statements of the consolidated entity were approved on 25 September 2026.

Indemnification and insurance of directors and officers

Indemnification

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

Insurance premiums

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

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

Rounding off

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

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

Dated at Darwin this 25th day of September 2026



Andrew Macrides
Chair

The consolidated entity recognised revenue of $875.3 million for the current year compared to $866.4 million for the prior year; an increase of $8.9 million. The increase in revenue recognised was primarily attributable to revenue from customer contracts by $21.7 million, partly offset by decrease in electricity distribution of $9.7 million. The increase in revenue from contracts with customers is primarily driven by increase in system control and gas of $13.1 million and $7.7 million respectively.

Liquidity and capital resources

The Consolidated Entity recorded a net increase in cash and cash equivalents of $11.9 million for the year ended 30 June 2026, compared with a net decrease of $92.1 million in 2025. Net cash generated from operating activities was $38.2 million (2025: $168.8 million).

Financing activities generated net cash inflows of $367.0 million (2025: $134.5 million), primarily from borrowings of $440.3 million, partially offset by lease repayments of $41.3 million and borrowing repayments of $30.0 million.

Net cash used in investing activities was $393.3 million (2025: $395.4 million), mainly attributable to capital expenditure on property, plant and equipment of $393.4 million.

The overall increase in cash was mainly driven by higher borrowings and increased government grant receipts, partly offset by lower customer receipts and higher payments to suppliers and employees.

Loans to subsidiaries

As at 30 June 2026, Indigenous Essential Services Pty Ltd owed Power and Water $16.4 million (2025: $29.8 million) which is made up of an inter-entity payable of $8.6 million by Power and Water (2025: $4.8 million receivable) in relation to services provided and $25 million (2025: $25.0 million) in loans provided in respect of the Indigenous Essential Services Pty Ltd Solar SETuP program.

Capital Expenditure

Capital expenditure for the consolidated entity totalled $393.3 million for the year to 30 June 2026. Major project spending in the current year included:

Entity	Description	$ million
Power and Water Corporation	Manton Dam Return to Service	73.3
	Darwin River Dam New Pump Station	17.5
	Core Capabilities Program - Capability Uplift Meter 2 Cash	13.5
	Meter and Modem Replacement	12.2
	Katherine Voltage Rectification	9.4
	Tindal Substation Capacity Upgrade	7.1
	Energy Management System (EMS) Upgrade	5.7
	Yulara - Water Headworks Upgrade Program	4.9
	Jabiru HV Cable Replacement	4.8
	Trevor Horman Zone Substation	4.3
Indigenous Essential Services Pty Ltd	Yirrkala Demand Management and Water Network Upgrade	9.7
	Milingimbi - New Sewage Pump Station	7.3
	Yuendumu Bore Equipping	5.6
	Maningrida New Ground Level Tank	2.3
	Milingimbi Water Supply Borefield Augmentation	2.1

Property, plant and equipment

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

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

Gas contracts

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

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

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

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

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

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

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

Impairment

Make-up Gas

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

The recoverability of the Eni banked gas balance remains subject to ongoing uncertainty. As a result, the associated intangible asset of $42 million has been assessed as impaired at 30 June 2026 (2025: $nil) to reflect its estimated recoverable amount. Any future recovery is contingent on the outcome of ongoing legal proceedings.

Dividends

Subsequent to 30 June 2026, our Board decided not to declare a special dividend. A dividend of $2 million was declared and paid during the year ended 30 June 2026 in relation to the prior year.

Going concern

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

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

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

For the year ended 30 June 2026, the consolidated entity made a net loss after tax of $188.9 million (2025: net loss after tax of $130.5 million). The Corporation is forecast to be profitable across the four-year budget period as reported in the most recent Statement of Corporate Intent (SCI).

Adoption of new and revised Accounting Standards

There have been no other new or revised accounting standards or interpretations that are effective from the year beginning on or after 1 July 2026 which materially impact the financial results. Where applicable, comparative figures have been updated to reflect any changes in the current period.

Future developments

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

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

For the year eneded 30 June 2026

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS

Northern Territory
Auditor-General's Office

Independent Auditor's Report

To the directors of Power and Water Corporation

Report on the audit of the financial report for the year ended 30 June 2026

Opinion

I have audited the financial report of Power and Water Corporation (the Corporation) and its subsidiaries (the Consolidated Entity), which comprises the consolidated statement of financial position as at 30 June 2026, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In my opinion, the accompanying financial report:

- presents fairly, in all material respects, the financial position of the Corporation and the Consolidated Entity as at 30 June 2026 and their financial performance, cash flows and changes in equity for the year then ended
- is in accordance with the *Government Owned Corporations Act 2001* and Australian Accounting Standards.

Basis for opinion

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

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

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

Emphasis of matter

I draw attention to note 10.5 *Events after the reporting period*, which details an announcement by the Northern Territory Government about reforming the governance, administration and operation of its gas business, currently managed by the Corporation.

My opinion is not modified in respect of this matter.

Key audit matters

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

Key audit matter	How my audit addressed the matter
Valuation of property, plant and equipment (PPE)	
As at 30 June 2026, the Consolidated Entity reported $3.975 billion in PPE, with $2.214 billion relating predominantly to power and water infrastructure assets.	Key audit procedures included: ▪ assessing the accuracy and completeness of PPE, including testing, on a sample basis, asset additions and disposals to supporting documentation

Key audit matter	How my audit addressed the matter
Valuation of property, plant and equipment (PPE)	**(continued)**
The Corporation's infrastructure assets are carried at fair value using an income approach, where future cash flows are discounted to present value. The valuation is based on long-term price predictions and expected utilisation of the assets. Other key inputs are weighted average cost of capital and terminal growth rates. I consider this to be a key audit matter because of the: ▪ financial significance of PPE balances to the statement of financial position ▪ extent of significant management judgement underpinning the key assumptions used in the valuation process ▪ sensitivity of fair value to changes in key assumptions ▪ consideration of impairment indicators ▪ impact of the specialised and unique nature of the assets on judgment and complexities in applying AASB 13 *Fair Value Measurement requirements*.	▪ determining whether there has been a material impairment of assets during the period between valuations and reviewing management's assessment, including value in use calculations ▪ assessing the competence, capability and objectivity of the valuation expert engaged by management to update the value of cash generating units ▪ assessing for reasonableness of key inputs and parameters used by the valuation expert ▪ assessing the sufficiency and appropriateness of financial statements disclosures against the requirements of applicable Australian Accounting Standards.

Details of the valuation techniques, inputs and processes for major asset classes are disclosed in note 5.1 *Property, plant and equipment;* and note 8.4 *Fair value determinations*.

Key audit matter	How my audit addressed the matter
Capitalisation of overhead costs	
In 2025-26, $54.472 million of operating expenses incurred by Corporate Services, Power Services and Water Services were included in the acquisition or construction cost of capital assets. I consider the capitalisation of operating expenses to be a key audit matter because of the high level of judgment required to identify costs, including administrative and other general overhead expenses, which are directly attributable to the acquisition, preparation or construction of capital assets.	Key audit procedures included: ▪ obtaining an understanding of the key controls associated with the: - allocation and monitoring of actual project expenditure against the approved budget expenditure for major projects - estimation of the stage of completion used to determine the value of costs accrued at year-end. ▪ confirming changes (if any) to the overhead capitalisation methodology ▪ reviewing the application of the overhead capitalisation methodology which included verification of the inputs used in the calculation and recalculation of the outputs using management's inputs ▪ checking the review of capital work in progress performed by the Corporation at year-end



Key audit matter	How my audit addressed the matter
Capitalisation of overhead costs	**(continued)**
Furthermore, the application of the capitalisation methodology has a significant effect on the amounts recognised in the financial statements. The capitalisation of operating expenses results in the reduction in the expenses recognised in the statement of profit or loss with a corresponding increase in the value of property, plant and equipment in the statement of financial position.	▪ examining progress reports related to major projects at year-end ▪ for a sample of capital expenditure: - tracing the recorded costs to the invoices and assessing whether the nature of the costs represent future benefits - tracing accrued expenditure at year-end to any subsequent invoices.

Further information on indirect costs supporting capital projects is disclosed in note 4.3 *Operating expenses*.

Other information

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

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

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Consolidated Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report however future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Jara K Dean
Auditor-General
Darwin, Northern Territory
25 September 2026

DIRECTORS' DECLARATION

For the year ended 30 June 2026

In the director's opinion:

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

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

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

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

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



Andrew Macrides
Chair

Darwin
25 September 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2026

		Consolidated		Corporation	
	Note	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Revenue from contracts with customers	3.1	759,917	738,237	696,816	684,315
Revenue from rendering of services and government grants	3.5.1	105,972	102,072	-	-
Finance revenue	3.2	1,557	2,718	3,006	3,558
Other income	3.3	7,865	23,409	7,865	23,409
Inter-Group sales		-	-	9,287	9,589
		875,311	**866,436**	**716,974**	**720,871**
Energy and materials		(383,325)	(394,322)	(334,285)	(348,854)
Repairs and maintenance expense	4.2	(108,598)	(102,655)	(72,716)	(71,556)
Employee benefits expense	4.1.1	(104,388)	(104,241)	(98,192)	(94,625)
External service agreements		(91,963)	(92,266)	(65,981)	(66,789)
Impairment of non-current assets and onerous contract provisions	5.2	-	-	-	-
Net loss on disposal of property, plant and equipment, including gifted streetlights		(15,432)	(5,623)	(13,444)	(2,843)
Operating expenses	4.3	(42,404)	(32,072)	(26,660)	(28,944)
Write-down	4.4	(42,030)	-	(42,030)	-
		(788,140)	**(731,179)**	**(653,308)**	**(613,611)**
Earnings before interest, tax, depreciation and amortisation		**87,171**	**135,257**	**63,666**	**107,260**
Depreciation and amortisation	5.6	(239,437)	(223,028)	(174,660)	(159,069)
Finance costs	7.5	(94,153)	(78,690)	(92,702)	(77,899)
(Loss)/profit before tax		**(246,419)**	**(166,461)**	**(203,696)**	**(129,708)**
Income tax equivalent benefit	9.1.1	57,481	36,005	57,481	36,005
(Loss)/profit for the year		**(188,938)**	**(130,456)**	**(146,215)**	**(93,703)**
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss:					
Revaluation surplus	10.3	(419)	-	-	-
Other comprehensive income for the year, net of tax		**(419)**	**-**	**-**	**-**
Total comprehensive income for the year		**(189,357)**	**(130,456)**	**(146,215)**	**(93,703)**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2026

	Note	Consolidated June 2026 $'000	Consolidated June 2025 $'000	Corporation June 2026 $'000	Corporation June 2025 $'000
Current assets					
Cash and cash equivalents	7.2	51,848	39,966	43,593	23,565
Trade and other receivables	6.1	178,170	149,209	139,964	125,741
Finance lease receivables	5.5	1,204	1,132	2,803	2,626
Current tax assets	9.1.3	-	-	-	-
Inventories	6.3	54,862	47,124	41,714	40,583
Loans to subsidiaries	6.4	-	-	-	11,000
Intangible assets	5.4	758	1,283	279	508
Total current assets		**286,842**	**238,714**	**228,353**	**204,023**
Non-current assets					
Trade and other receivables	6.1	8,213	9,233	18,197	9,120
Loans to subsidiaries	6.4	-	-	25,000	14,000
Investments	6.5	-	-	-	-
Investment in subsidiaries	6.6	-	-	23,478	-
Finance lease receivables	5.5	1,868	2,976	15,324	17,387
Property, plant and equipment	5.1	3,975,205	3,846,959	3,085,005	2,967,599
Right-of-use assets	5.3	368,103	394,773	332,430	357,774
Intangible assets	5.4	102,231	69,554	102,179	69,474
Deferred tax assets	9.1.2	181,333	99,695	181,333	99,695
Total non-current assets		**4,636,953**	**4,423,190**	**3,782,946**	**3,535,049**
Total assets		**4,923,795**	**4,661,904**	**4,011,299**	**3,739,072**
Current liabilities					
Trade and other payables	6.2	124,825	140,164	115,901	119,240
Unearned revenue	3.4	249,814	238,711	249,814	238,711
Interest bearing borrowings	7.1	247,000	339,000	247,000	339,000
Current tax liabilities	9.1.3	-	-	-	-
Lease liabilities	7.4	45,249	43,802	43,403	41,952
Employee provision	4.1.2	56,434	53,835	56,434	53,858
Environmental contribution provision	9.2	2	4	2	4
Government grants	3.5.2	23,112	7,697	-	-
Total current liabilities		**746,436**	**823,213**	**712,554**	**792,765**
Non-current liabilities					
Unearned revenue	3.4	34,407	33,561	34,407	33,561
Interest bearing borrowings	7.1	1,675,300	1,173,000	1,675,300	1,173,000
Lease liabilities	7.4	355,840	382,354	331,381	357,820
Employee benefits provisions	4.1.2	4,723	4,934	4,723	4,934
Unearned government grants	3.5.2	427,863	398,416	-	-
Deferred tax liabilities	9.1.2	218,711	194,554	218,711	194,554
Total non-current liabilities		**2,716,844**	**2,186,819**	**2,264,522**	**1,763,869**
Total liabilities		**3,463,280**	**3,010,032**	**2,977,076**	**2,556,634**
Net assets		**1,460,515**	**1,651,872**	**1,034,223**	**1,182,438**
Equity					
Contributed equity	10.1	44,336	44,336	44,336	44,336
Retained earnings	10.4	85,175	272,534	483,496	630,207
Asset Revaluation Reserve	10.3	1,331,004	1,335,002	506,391	507,895
Total equity		**1,460,515**	**1,651,872**	**1,034,223**	**1,182,438**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

		Consolidated		Corporation	
	Note	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Contributed equity					
Balance at beginning of year		44,336	44,336	44,336	44,336
Equity (withdrawal)/contributions from shareholders		-	-	-	-
Balance at end of year	10.1	**44,336**	**44,336**	**44,336**	**44,336**
Retained earnings					
Balance at beginning of year		272,534	396,760	630,207	725,208
Effect of adoption of new accounting standards		-	-	-	-
(Loss)/net profit for the year		(188,938)	(130,456)	(146,215)	(93,703)
Retirements transferred from asset revaluation reserve	10.3	3,579	8,230	1,504	702
Dividends paid	10.2	(2,000)	(2,000)	(2,000)	(2,000)
Balance at end of year	10.4	**85,175**	**272,534**	**483,496**	**630,207**
Asset revaluation reserve					
Balance at beginning of year		1,335,002	1,343,232	507,895	508,597
decrease in asset valuation		(419)	-	-	-
Deferred tax effect recognised in deferred tax liabilities		-	-	-	-
Retirements transferred to retained earnings	10.3	(3,579)	(8,230)	(1,504)	(702)
Balance at end of year	10.3	**1,331,004**	**1,335,002**	**506,391**	**507,895**
Total equity		**1,460,515**	**1,651,872**	**1,034,223**	**1,182,438**
Total equity attributable to owners of the parent		**1,460,515**	**1,651,872**	**1,034,223**	**1,182,438**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	Note	Consolidated June 2026 $'000	Consolidated June 2025 $'000	Corporation June 2026 $'000	Corporation June 2025 $'000
Cash flows from operating activities					
Receipts from customers		711,944	785,525	678,148	748,336
Payments to suppliers and employees		(741,160)	(681,969)	(622,989)	(566,951)
Income tax receipt / (paid)	9.1.3	-	1,027	-	1,027
Community Service Obligations received		7,257	22,650	7,257	22,650
Receipt of Government grants		150,834	116,707	-	-
Interest received		1,557	2,718	3,006	3,558
Interest paid		(92,239)	(77,825)	(90,788)	(77,036)
Net cash generated/(used) in operating activities	7.2 (b)	**38,193**	**168,833**	**(25,366)**	**131,584**
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		32	132	-	129
Payments for property, plant and equipment		(393,327)	(395,568)	(324,266)	(339,285)
Payment for investments		-	3	-	3
Net cash used in investing activities		**(393,295)**	**(395,433)**	**(324,266)**	**(339,153)**
Cash flows from financing activities					
Repayment of borrowings	7.2 (d)	(30,000)	-	(30,000)	-
Proceeds from borrowings	7.2 (d)	440,300	176,000	440,300	176,000
Repayment of lease liabilities	7.2 (d)	(41,316)	(39,543)	(38,640)	(37,310)
Dividends paid	10.2	(2,000)	(2,000)	(2,000)	(2,000)
Net cash generated/(used) in financing activities		**366,984**	**134,457**	**369,660**	**136,690**
Net increase/(decrease) in cash and cash equivalents		**11,882**	**(92,143)**	**20,028**	**(70,879)**
Cash and cash equivalents at beginning of year		39,966	132,109	23,565	94,444
Cash and cash equivalents at end of year	7.2	**51,848**	**39,966**	**43,593**	**23,565**

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

NOTE 1 ABOUT THIS REPORT

Introduction

The Corporation is a government owned corporation domiciled in Australia. The consolidated financial report of the Corporation for the year ended 30 June 2026 comprises the Corporation and its subsidiary as disclosed in Note 6.6.

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

The Financial Report was authorised for issue by the Directors on 25 September 2026.

Note contents

Section	Description
1.1	Basis of preparation
1.1.1	Basis of consolidation
1.1.2	Current versus non-current classification
1.1.3	Going Concern
1.1.4	Comparative figures
1.2	Compliance with International Financial Reporting Standards
1.3	Managing uncertainties

1.1 Basis of preparation

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

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

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

1.1.1 Basis of consolidation

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

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

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

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

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

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

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

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

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

1.1.2 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

1.1.3 Going Concern

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

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

(i) Forward cash flow projections

(ii) Funding sources

(iii) The continuity of key customers and suppliers

(iv) The impact of current economic conditions

(v) Forward forecasts and budgets.

For the year ended 30 June 2026, the consolidated entity made a net loss after tax of $188.9 million (2025: $130.5 million). The consolidated entity is forecast to be profitable across the 4 year budget period as reported in the most recent Statement of Corporate Intent (SCI).

The consolidated entity's current liabilities for the current year exceed its current assets by $459.6 million (2025: $584.5million). This position is primarily attributable to the timing of debt maturities within the consolidated entity's debt portfolio, which are classified as current liabilities, and unearned revenue associated with customer-funded capital projects that remain in progress (refer note 3.4). The debt maturities are expected to be refinanced with new long-term borrowings as they fall due and therefore do not represent an immediate liquidity concern. Excluding these items, the consolidated entity reports a positive net current asset position of $37.2 million, indicating that its underlying short-term financial position remains sound.

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

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

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

1.1.4 Comparative figures

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

1.2 Compliance with International Financial Reporting Standards

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

1.3 Managing uncertainties

1.3.1 Critical accounting judgements and key sources of estimation uncertainty

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

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

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

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

1.3.2 Climate-related risk

Based on climate risk assessments undertaken within the sustainability report, Power and Water has not identified any climate-related risks that are expected to have a material impact on the Corporation's operations, financial position or performance in the immediate term.

Power and Water identified a long list of 163 Climate-Related Risks and Opportunities (CRROs) across its Power, Water, Gas and Core Operations business units, covering acute and chronic physical risks, transition risks (policy and legal, market, technology, reputational) and opportunities. The list was developed from internal risk registers and strategy documents, desktop research of publicly available data and events (including Cyclone Marcus), subject matter expertise and stakeholder engagement.

The list was assessed for likelihood and consequence to produce a mid-list of 8–10 risks per business unit. Physical risk likelihood was evaluated under a high emissions 2050 scenario; transition risks and opportunities were assessed under present-day conditions. Consequence ratings applied Power and Water's Enterprise Risk Management framework.

The mid-list was validated through four business unit workshops, where stakeholders adjusted ratings against existing controls, historical events and operational relevance, and added or removed risks as appropriate. The resulting risks were mapped onto Power and Water's risk matrix and reviewed with the Safety, People and Governance, Customer Strategy and Finance enabling functions to finalise 10 enterprise-level CRROs. Five were selected for forward-looking climate scenario analysis based on consequence, data quality and time constraints.

A summary of the selected scenarios and time horizons is provided in the disclosure. Physical climate analysis reflects the trajectory of physical hazards over the course of the century, while transition analysis considers asset life and is structured around the key inflection points of transition drivers to best inform and test Power and Water's strategy.

NOTE 2 OPERATING SEGMENTS

Note 2 Operating segments

Note contents

Section	Description
2	Basis for segmentation
2.1.1	Information about reportable segments
2.1.2	Reconciliations of information on reportable segments to the amounts reported in the financial statements

2.1 Basis for segmentation

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

The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Gas Services	Gas Services manages major gas supply and transportation agreements. These account for approximately 90 per cent of the NT's domestic gas market supply and meets demand for gas for many businesses operating in the NT, as well as the East Coast via the Northern Gas Pipeline.
Power Services	Power Services is responsible for the construction and maintenance of power network infrastructure to ensure distribution of electricity to domestic and commercial customers throughout the Territory through their selected energy retailer.
Water Services	Water Services is accountable for providing safe and reliable water and sewerage services across the Northern Territory.
Indigenous Essential Services (IES)	Indigenous Essential Services Pty Ltd (IES) is a not-for-profit subsidiary of Power and Water Corporation, contracted by the Northern Territory Government through the Department of Housing, Local Government and Community Development (DHLGCD). IES provides essential power, water, and wastewater services to 72 remote communities and 79 outstations. These services focus on delivering critical utilities that support the health, safety, and economic well-being of isolated Indigenous communities across the Northern Territory.
Core Operations	Core Operation's operation is establishing a dynamic shared services area in Power and Water which is dedicated to standardising processes and leveraging economies of scale, as well as delivering on functions across Electricity and Market Reform, Metering Strategy, Operational Technology and System Control.
Other Segments	Other segments comprise shared support functions that do not meet the qualitative thresholds for reportable segments in either 2026 or 2025. These functions typically do not generate segment results because of the Corporate Allocation Model (CAM) as they provide essential services across treasury, legal, accounting, information systems, and human resources.

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

2.1 Basis for segmentation (Continued)

2.1.1 Information about reportable segments

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

June 2026 $'000	Core Operations	Gas Services	Power Services	Water Services	IES	All other segments	Total
Segment profit (loss) before tax	(638)	(233,215)	(33,045)	63,217	(14,811)	-	**(218,492)**
External revenues	42,845	222,190	192,782	238,616	207,969	8,249	**912,651**
Interest income	-	484	-	-	239	2,523	**3,246**
Inter-segment revenue	39	-	3,443	93	(9,286)	5,711	**-**
Segment revenue	**42,884**	**222,674**	**196,225**	**238,709**	**198,922**	**16,483**	**915,897**
Interest expense	1,547	36,679	31,177	23,297	3,141	-	**95,841**
Depreciation and amortisation	8,105	37,012	76,325	53,217	66,280	-	**240,939**
Other material items of income and expense and non-cash items:							
- Write off of non-current assets and other provisions	-	42,030	-	-	14,407	-	**56,437**
- Revaluation surplus / (loss)	-	-	-	-	(419)	-	**(419)**
Segment assets	65,107	445,800	1,305,700	2,017,005	1,027,078	178,171	**5,038,861**
Capital expenditure	34,231	5,790	117,872	142,513	69,058	21,458	**390,876**
Segment liabilities	89,944	967,417	882,939	902,011	128,216	135,239	**3,105,766**

June 2025 $'000	Core Operations	Gas Services	Power Services	Water Services	IES	All other segments	Total
Segment profit (loss) before tax	(13,991)	(173,383)	(6,104)	63,772	(12,734)	-	**(142,441)**
External revenues	30,560	228,747	205,043	234,909	191,246	8,464	**898,969**
Interest income	-	555	-	-	867	3,003	**4,425**
Inter-segment revenue	96	-	3,277	315	(9,590)	5,902	**-**
Segment revenue	**30,655**	**229,302**	**208,320**	**235,224**	**182,523**	**17,369**	**903,393**
Interest expense	4,687	22,923	29,948	20,341	2,498	-	**80,397**
Depreciation and amortisation	5,571	31,121	71,167	51,209	65,602	-	**224,670**
Other material items of income and expense and non-cash items:							0
- Impairment loss on trade receivables and contract assets	-	-	-	-	-	4,656	**4,656**
- Impairment of non-current assets and other provisions	-	-	-	-	-	-	**-**
- Revaluation surplus / (loss)	-	-	-	-	-	-	**-**
Segment assets	59,087	456,965	1,249,517	1,885,966	1,002,494	54,375	**4,708,404**
Capital expenditure	22,390	26,164	131,868	125,948	56,279	32,641	**395,290**
Segment liabilities	69,413	811,226	758,627	809,419	111,880	74,785	**2,635,350**

2.1 Basis for segmentation (Continued)

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

$'000	June 2026	June 2025
i. Revenues		
Total revenue for reportable segments	899,414	886,024
Revenue for other segments	16,483	17,369
Elimination of inter-segment revenue	-	-
Consolidation adjustments	(40,586)	(36,957)
Consolidated revenue	**875,311**	**866,436**
ii. Profit before tax		
Total profit before tax for reportable segments	(218,492)	(142,441)
Profit before tax for other segments	-	-
Elimination of inter-segment profit	-	
Consolidation adjustments	(27,927)	(24,019)
Consolidated profit before tax from continuing operations	**(246,419)**	**(166,460)**
iii. Assets		
Total assets for reportable segments	4,860,690	4,654,029
Assets for other segments	178,171	54,375
Consolidation adjustments	(115,066)	(46,500)
Consolidated total assets	**4,923,795**	**4,661,904**
iv. Liabilities		
Total liabilities for reportable segments	2,970,527	2,560,564
Liabilities for other segments	135,239	74,785
Consolidation adjustments	357,514	374,682
Consolidated total liabilities	**3,463,280**	**3,010,031**

Geographic information

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

Major customers

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

Segment	Customer	Revenue ($'000)	Percentage of segment revenue (%)
Power Services	Jacana Energy	165,653	85.9
Core Operations	Jacana Energy	35,795	83.5
Gas Services	Territory Generation	158,381	71.1

NOTE 3 FUNDING DELIVERY OF OUR SERVICES

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

Note contents

Section	Description
3.1	Revenue from contract with customers
3.2	Finance revenue
3.3	Other income
3.4	Unearned revenue
3.5	Government grants
3.5.1	Revenue from rendering of services and government grants
3.5.2	Unearned government grants

3.1 Revenue from contract with customers

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Revenue from contracts with customers	759,917	738,237	696,816	684,315
	759,917	**738,237**	**696,816**	**684,315**

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

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

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

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

3.1 Revenue from contract with customers (Continued)

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

3.1 Revenue from contract with customers (Continued)

Disaggregation of revenue from contracts with customers

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

	Gas	Electricity distribution	System Control	Water	Sewerage	Electricity	Gifted assets & capital contributions	Other	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
					For the year ended 30 June 2026				
Consolidated entity									
Revenue from external customers	221,826	203,150	23,233	135,870	97,265	44,992	17,327	16,254	759,917
Timing of revenue recognition									
- Over time	221,826	203,150	23,233	135,870	97,265	44,992	-	16,013	742,349
- At a point in time	-	-	-	-	-	-	17,327	241	17,568
	221,826	**203,150**	**23,233**	**135,870**	**97,265**	**44,992**	**17,327**	**16,254**	**759,917**
Corporation									
Revenue from external customers	222,020	203,150	23,233	129,361	94,116	4,488	11,433	9,015	696,816
Timing of revenue recognition									
- Over time	222,020	203,150	23,233	129,361	94,116	4,488	-	8,774	685,142
- At a point in time	-	-	-	-	-	-	11,433	241	11,674
	222,020	**203,150**	**23,233**	**129,361**	**94,116**	**4,488**	**11,433**	**9,015**	**696,816**
					For the year ended 30 June 2025				
Consolidated entity									
Revenue from external customers	214,133	212,817	10,153	134,007	94,093	46,029	15,623	11,382	738,237
Timing of revenue recognition									
- Over time	214,133	212,817	10,153	134,007	94,093	46,029	-	7,345	718,577
- At a point in time	-	-	-	-	-	-	15,623	4,037	19,660
	214,133	**212,817**	**10,153**	**134,007**	**94,093**	**46,029**	**15,623**	**11,382**	**738,237**
Corporation									
Revenue from external customers	214,133	212,738	10,153	127,284	90,578	4,677	15,623	9,129	684,315
Timing of revenue recognition									
- Over time	214,133	212,738	10,153	127,284	90,578	4,677	-	5,092	664,655
- At a point in time	-	-	-	-	-	-	15,623	4,037	19,660
	214,133	**212,738**	**10,153**	**127,284**	**90,578**	**4,677**	**15,623**	**9,129**	**684,315**

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
3.2 Finance revenue				
Interest income:				
Financial instruments measured at fair value:				
Finance leases	63	121	484	555
Financial instruments measured at amortised cost:				
Bank deposits	1,494	2,514	1,254	1,730
Loans to related party	-	83	1,268	1,273
	1,557	**2,718**	**3,006**	**3,558**
3.3 Other income				
Community Service Obligations:				
Uniform tariffs	3,362	4,096	3,362	4,096
Gas CSO	-	14,400	-	14,400
Pensioner Concessions Scheme	3,895	4,154	3,895	4,154
Other revenue	608	759	608	759
	7,865	**23,409**	**7,865**	**23,409**
3.4 Unearned revenue				
Capital contributions - government (i)	229,832	221,051	229,832	221,051
Capital contributions - non-government (i)	9,706	11,003	9,706	11,003
Contract liabilities arising from contracts with customers				
Banked gas arising from sales to third parties (ii)	34,407	33,561	34,407	33,561
Customer payments received in advance for water, electricity and sewerage services (iii)	9,479	4,410	9,479	4,410
Recoverable works (iv)	795	2,191	795	2,191
Other	2	56	2	56
	284,221	**272,272**	**284,221**	**272,272**
Provided for in the financial statements as:				
Current	249,814	238,711	249,814	238,711
Non-current	34,407	33,561	34,407	33,561
	284,221	**272,272**	**284,221**	**272,272**

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

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

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

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

Liabilities related to contracts with customers

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
The consolidated entity has recognised the following liabilities related to contracts with customers:				
Contract liabilities (current)	249,814	238,711	249,814	238,711
Contract liabilities (non-current)	34,407	33,561	34,407	33,561

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

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

3.4 Unearned Revenue (Continued)

Reconciliation of capital grants

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Opening balance	232,054	138,977	232,054	138,977
Capital grants received	13,723	126,284	13,723	126,284
Less: Capital Grant income recognised during the year	(6,239)	(33,207)	(6,239)	(33,207)
Closing balance	**239,538**	**232,054**	**239,538**	**232,054**

Transaction price allocated to the remaining performance obligations

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

	1 to 2 years $'000	3 to 5 years $'000	6 to 10 years $'000	10+ years $'000
30 June 2026				
Gas sales	-	-	3,171	31,236
30 June 2025				
Gas sales	-	-	5,605	27,955

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

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

3.5 Government grants

3.5.1 Revenue from rendering of services and government grants

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Indigenous Essential Services Pty Ltd capital government grants	32,145	28,885	-	-
Indigenous Essential Services Pty Ltd recurrent government grants	73,827	73,187	-	-
Power and Water Corporation operational grant	-	-	-	-
	105,972	**102,072**	**-**	**-**

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

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

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

3.5.2 Unearned government grants

The Corporation's subsidiary, Indigenous Essential Services Pty Ltd receives both operational and capital grant funding, with the majority received from the Northern Territory's DHLGCD as follows:

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

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

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Operational grants	23,112	7,697	-	-
Capital grants	427,863	398,416	-	-
	450,975	**406,113**	**-**	**-**
Provided for in the financial statements as:				
Current	23,112	7,697	-	-
Non-current	427,863	398,416	-	-
	450,975	**406,113**	**-**	**-**

NOTE 4 COST OF DELIVERING SERVICES

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

Note contents

Section	Description
4.1	Expenses incurred in delivery of services
4.1.1	Employee benefits expense
4.1.2	Employee benefits provisions
4.2	Repairs and maintenance expense
4.3	Operating Expenses

4.1 Expenses incurred in delivery of services

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
4.1.1 Employee benefits expense				
Personnel	170,993	168,752	155,089	154,182
Superannuation	20,019	19,144	18,176	17,452
	191,012	187,896	173,265	171,634
Contract and apprentice labour	28,653	25,227	27,586	24,511
	219,665	213,123	200,851	196,145
Less: capital and maintenance labour recovery	(115,277)	(108,882)	(102,659)	(101,520)
	104,388	**104,241**	**98,192**	**94,625**

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

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
4.1.2 Employee benefits provisions				
Current				
Employee benefits (i)	55,544	52,971	55,544	52,994
Other provisions:				
Employee related provisions (ii)	890	864	890	864
	56,434	**53,835**	**56,434**	**53,858**
Non-current				
Employee benefits (i)	4,723	4,934	4,723	4,934
	4,723	**4,934**	**4,723**	**4,934**

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

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

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

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

4.1 Expenses incurred in delivery of services (Continued)

The accounting policies for employee benefits are summarised as following:

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

4.2 Repairs and maintenance expense

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Materials	75,771	72,676	45,236	43,886
Labour	32,827	29,979	27,480	27,670
Repair & Maintenance Overhead Allocation	-	-	-	-
Alternatives Control Services Overhead Allocation	-	-	-	-
	108,598	**102,655**	**72,716**	**71,556**

4.3 Operating Expenses

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Impairment of trade receivables	3,512	4,656	3,512	4,656
Approved write-offs	14,407	-	-	-
Freight	1,475	1,503	321	208
Grants and subsidies	1,490	1,442	1,490	1,442
Information technology and communications expense	22,023	20,056	21,087	19,084
Insurance costs	3,377	5,355	3,373	5,355
Laboratory fees and environmental compliance	4,582	4,254	3,645	3,202
Motor vehicle	4,132	3,808	3,273	2,975
Other expenses	17,282	17,285	14,294	15,021
Property costs	17,562	17,516	17,448	17,146
Training	3,278	2,857	3,144	2,724
Travel and accommodation	3,450	3,967	3,070	3,563
Water Conservation Program	306	605	306	512
	96,876	83,304	74,963	75,888
Less: capital recovery	(54,472)	(51,232)	(48,303)	(46,944)
	42,404	**32,072**	**26,660**	**28,944**

Indirect costs supporting capital projects

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

Approved write-offs

Approved write-offs represent balances deemed unrecoverable or no longer of value to the Corporation and have been formally authorised by the Board for removal from the accounting records in accordance with the Corporation's delegated authority and financial management policies.

Movement in the current year includes the write-off of prior year DHLGCD invoices totalling $14.4 million.

4.4 Write-down

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Write-down	42,030	-	42,030	-
	42,030	**-**	**42,030**	**-**

The reported balance includes the write-down of banked gas totalling $42 million resulting from termination of the Corporation's long-term gas purchase agreement with Eni.

NOTE 5 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

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

Note contents

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

5.1 Property, plant and equipment

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

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Carrying amounts of:				
Land at fair value	80,325	80,325	80,325	80,325
Buildings at fair value	19,511	20,176	19,511	20,176
Infrastructure at fair value	2,953,730	2,912,388	2,213,785	2,158,784
Plant and Equipment at fair value	34,122	34,127	32,135	32,658
Capital Work in Progress at cost	887,517	799,943	739,249	675,656
	3,975,205	**3,846,959**	**3,085,005**	**2,967,599**

Movement in carrying amounts	Land at fair value $'000	Buildings at fair value $'000	Infrastructure at fair value $'000	Plant and Equipment at fair value $'000	Work in Progress at cost $'000	Total Property, Plant and Equipment $'000
Year ended 30 June 2026						
Consolidated						
Opening Balance	80,325	20,176	2,912,388	34,127	799,943	3,846,959
Additions	-	-	-	-	376,414	376,414
Depreciation	-	(1,880)	(173,536)	(10,535)	-	(185,951)
Transfers from WIP		1,215	223,247	10,530	(288,840)	(53,848)
Disposals	-		(8,369)	-	-	(8,369)
Closing balance	**80,325**	**19,511**	**2,953,730**	**34,122**	**887,517**	**3,975,205**
Corporation						
Opening Balance	80,325	20,176	2,158,784	32,658	675,656	2,967,599
Additions	-				307,380	307,380
Adjustments		(6)	14,809		(96)	14,707
Depreciation	-	(1,880)	(112,562)	(9,836)	-	(124,278)
Transfers from WIP	-	1,221	158,709	9,313	(243,691)	(74,448)
Disposals	-	-	(5,954)			(5,954)
Closing balance	**80,325**	**19,511**	**2,213,786**	**32,135**	**739,249**	**3,085,005**
Year ended 30 June 2025						
Consolidated						
Opening Balance	80,325	20,713	2,876,870	33,754	613,696	3,625,358
Additions	-	8	-	35	416,692	416,735
Adjustments			(10,799)			(10,799)
Depreciation	-	(1,797)	(167,720)	(8,901)	-	(178,418)
Transfers from WIP	-	1,252	219,786	9,239	(230,445)	(168)
Disposals	-	-	(5,749)	-	-	(5,749)
Closing balance	**80,325**	**20,176**	**2,912,388**	**34,127**	**799,943**	**3,846,959**
Corporation						
Opening Balance	80,325	20,713	2,112,662	32,469	492,385	2,738,554
Additions	-	8			360,201	360,209
Adjustments			(10,548)	(1)		(10,549)
Depreciation	-	(1,797)	(107,057)	(8,620)	-	(117,474)
Transfers from WIP	-	1,252	166,698	8,810	(176,930)	(170)
Disposals	-	-	(2,971)	-	-	(2,971)
Closing balance	**80,325**	**20,176**	**2,158,784**	**32,658**	**675,656**	**2,967,599**

5.1 Property, plant and equipment (Continued)

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

Historical Cost Basis

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

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Land	17,857	17,857	17,857	17,857
Buildings	25,913	27,550	25,913	27,550
Infrastructure	2,166,088	2,071,637	1,801,953	1,722,874
	2,209,858	**2,117,044**	**1,845,723**	**1,768,281**

b) Initial recognition and subsequent measurement

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

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

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

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

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

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

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

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

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

c) Revaluation of property, plant and equipment

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

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

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

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

5.2 Impairment of non-current assets and onerous contract provisions

	Consolidated		Corporation	
	June 2026	June 2025	June 2026	June 2025
	$'000	$'000	$'000	$'000
Impairment/(reversal of impairment) of make-up gas	-	-	-	-
Impairment/(reversal of impairment) of property, plant and equipment	-	-	-	-
Impairment/(reversal of impairment) of inter-company loan	-	-	-	-
Reversal of impairment on infrastructure assets	-	-	-	-
	-	-	-	-

30 June 2026
As at 30 June 2026, the Corporation's review of its infrastructure assets and corporate property resulted in $nil impairment (2025 revaluation increase: $nil).

A review of the expected credit loss on the inter-company loan resulted in $nil impairment (2025: $nil impairment).

A review of the value of make-up gas resulted in $nil impairment (2025: $nil).

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

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

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

Impairment of tangible and intangible assets

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

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

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

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

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

Impairment write-back

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

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

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

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

Discount rate to be used in determining the provision for onerous contracts
Under AASB 137 'Provisions, Contingent Liabilities and Contingent Assets', for contracts that are onerous the present obligation under the contract shall be recognised and measured as a provision. The definition of an onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Significant judgement is required when selecting the discount rate that shall be applied in determining the carrying amount of the provision. The consolidated entity has determined that any provision cash-flow workings shall be discounted using the long-term bond yield rate of 6.49% (2025: 5.65%).

5.3 Right-of-use assets

	Consolidated		Corporation	
	June 2026	June 2025	June 2026	June 2025
	$'000	$'000	$'000	$'000
Carrying amounts of:				
Land	19,009	18,881	252	249
Buildings	3,253	5,810	3,253	5,810
Motor vehicles	15,457	19,363	15,457	19,363
Gas transport pipelines	274,566	294,585	260,897	279,852
Solar power	55,818	56,134	52,571	52,500
	368,103	**394,773**	**332,430**	**357,774**

Movement in carrying amounts	Land	Buildings	Motor vehicles	Gas transport pipelines	Solar power	Right-of-use assets
	$'000	$'000	$'000	$'000	$'000	$'000
Year ended 30 June 2026						
Consolidated						
Opening Balance	18,881	5,810	19,363	294,585	56,134	394,773
Additions / (disposals)	-	-	(501)	-	-	(501)
Remeasurement	1,098	193	1,375	12,379	2,747	17,792
Depreciation	(970)	(2,750)	(4,780)	(32,398)	(3,063)	(43,961)
Closing balance	**19,009**	**3,253**	**15,457**	**274,566**	**55,818**	**368,103**
Corporation						
Opening Balance	249	5,810	19,363	279,852	52,500	357,774
Additions / (disposals)	-	-	(501)	-	-	(501)
Remeasurement	13	193	1,375	11,721	2,737	16,039
Depreciation	(10)	(2,750)	(4,780)	(30,676)	(2,666)	(40,882)
Closing balance	**252**	**3,253**	**15,457**	**260,897**	**52,571**	**332,430**

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

5.3 Right-of-use assets (Continued)

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

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

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

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

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

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and,
- an estimate of the costs incurred upon disassembling or restoring the underlying asset to the condition required by the terms of the lease.
- Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

5.4 Intangible assets

	Consolidated		Corporation	
	June 2026	June 2025	June 2026	June 2025
	$'000	$'000	$'000	$'000
Current				
Renewable energy certificates				
At cost	758	1,283	279	508
Total current - written down value	**758**	**1,283**	**279**	**508**
Non-current				
Make up gas				
At cost	31,985	72,496	31,985	72,496
Accumulated impairment	(6,518)	(6,518)	(6,518)	(6,518)
Written down value	**25,467**	**65,978**	**25,467**	**65,978**
Other intangible assets				
At cost	194,822	112,122	193,634	110,934
Accumulated amortisation	(118,058)	(108,546)	(116,922)	(107,438)
Written down value	**76,764**	**3,576**	**76,712**	**3,496**
Total non-current - written down value	**102,231**	**69,554**	**102,179**	**69,474**
Total				
At cost	227,565	185,901	225,898	183,938
Accumulated amortisation	(118,058)	(108,546)	(116,922)	(107,438)
Accumulated impairment	(6,518)	(6,518)	(6,518)	(6,518)
Written down value	**102,989**	**70,837**	**102,458**	**69,982**

5.4 Intangible assets (Continued)

Movement in carrying amounts

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Make up gas				
Opening balance	65,978	65,844	65,978	65,844
Transfer/Adjustments	2,194	134	2,194	134
Disposals	(675)	-	(675)	
Write-down	(42,030)	-	(42,030)	-
Closing balance	**25,467**	**65,978**	**25,467**	**65,978**

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Other intangible assets				
Opening balance	3,576	6,068	3,496	5,955
Transfer/Adjustments	8,271	-	8,271	-
Amortisation	(9,528)	(2,664)	(9,500)	(2,631)
Transfer from WIP	74,445	172	74,445	172
Closing balance	**76,764**	**3,576**	**76,712**	**3,496**

Impairment losses reversed and recognised during the year

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

The Corporation has recognised the written down value of Make-up gas as at 30 June 2026 to the value of $25.5 million (2025: $66.0 million), determined by reference to contracted sales less costs of disposal.

The intangible asset includes an accumulated impairment of $6.5 million (2025: $6.5 million), recognised where the estimated net realisable value is below the carrying amount.

Intangible assets acquired separately

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

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

Amortisation

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

Impairment of intangible assets

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

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

5.4 Intangible assets (Continued)

Impairment assessment for Dingo banked gas

Included in the $25.5m million is $30.7 million for Dingo make-up gas less the impairment of $6.5 million. The Corporation has determined the recoverable amount of the Dingo make-up gas intangible asset based on forecast cash flow over the life of the gas contract with Dingo as well as the gas contract that the Corporation has to supply gas to Joint Defence Force Pine Gap (JDFPG). This is consistent with the requirements of the respective accounting standards, including AASB 136 Impairment. This standard requires the Corporation to develop financial forecasts and supportable assumptions that are reasonable and represent management's best estimate of the set of economic conditions that will exist over the remaining useful life of the asset.

On the basis of this requirement, the Corporation has considered the ability of Dingo, as the counterparty to the contract, to meet the contractual obligations over the remaining life of the contract. In doing so, the Corporation also considered its ability to meet its contractual obligation to JDFPG, that is interdependent to the Dingo contract. The useful life of the asset used in the assessment is represented by the length of the contract term, namely to 20 years and 22 years, with Dingo and JDFPG respectively.

On the basis of the above assessment, the Corporation concluded that the Dingo make-up gas intangible recoverable amount is greater than its carrying amount. This method of impairment assessment is consistent with the Corporation's impairment accounting policy on note 5.2.

Write-down of Eni banked gas

The intangible asset of $42 million relating to the Eni banked gas balance has been fully written down following the termination of the Eni contract. As a result, no asset is recognised in the financial statements at reporting date.

Renewable Energy Certificates

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

Make-up gas

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

Purchased software

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

Easement

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

5.5 Finance lease receivables

	Minimum lease payments			
	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Amounts receivable under finance leases:				
Year 1	1,269	1,229	3,247	3,123
Year 2	1,269	1,229	3,247	3,123
Year 3	635	1,229	2,613	3,123
Year 4	-	616	1,978	2,508
Year 5	-	-	1,979	1,893
Onwards	-	-	6,923	8,521
Undiscounted lease payments	3,173	4,303	19,987	22,291
Less: unearned finance income	(101)	(191)	(1,860)	(2,278)
Present value of lease payments receivable	3,072	4,112	18,127	20,013
Impairment loss allowance	-	-	-	-
Net investment in the lease	**3,072**	**4,112**	**18,127**	**20,013**
Discounted lease payments analysed as:				
Recoverable within 12 months	1,204	1,136	2,803	2,626
Recoverable after 12 months	1,868	2,976	15,324	17,387
	3,072	**4,112**	**18,127**	**20,013**

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

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

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

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

The consolidated entity as lessor

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

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

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

5.6 Depreciation and amortisation expense

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Depreciation				
Buildings	1,880	1,797	1,880	1,797
Plant and equipment	10,535	8,901	9,836	8,620
Infrastructure	173,536	167,720	112,562	107,057
Total depreciation	**185,951**	**178,418**	**124,278**	**117,474**
Amortisation				
Leased assets	43,959	41,945	40,882	38,964
Intangible assets	9,527	2,665	9,500	2,631
Total amortisation	**53,486**	**44,610**	**50,382**	**41,595**
Total depreciation and amortisation expense	**239,437**	**223,028**	**174,660**	**159,069**

Depreciation

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

Freehold land is not depreciated.

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

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

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

Depreciation and amortisation are expensed.

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

Property Plant and Equipment	June 2026	June 2025
Plant and equipment	2 to 60 years	2 to 60 years
Buildings	5 to 50 years	5 to 50 years
Infrastructure	4 to 135 years	5 to 135 years

As at 30 June 2026

During 2025-26, the consolidated entity undertook a review of property, plant and equipment and their remaining useful lives for both the Corporation and its subsidiary, Indigenous Essential Services Pty Ltd.

For existing assets, the useful lives applied to all Infrastructure classifications were reviewed against the standard useful lives approved by each business unit in June 2026. No significant variances were identified.

As at 30 June 2025

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

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

Amortisation

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

	Purchased Software	Make-up gas	Renewable Energy Certificates
Internally generated or acquired	Acquired	Acquired	Acquired
Useful lives	Finite (3-20 years)	Finite (34 years)	Indefinite
Amortisation method	Amortised on a straight-line basis over the expected useful life	No amortisation	No amortisation

NOTE 6 OTHER ASSETS AND LIABILITIES

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

Note contents

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

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
6.1 Trade and other receivables				
(a) Current				
Service receivables				
Service receivables	110,908	86,091	74,964	58,527
Loss allowance	(18,085)	(15,282)	(18,085)	(15,282)
	92,823	70,809	56,879	43,245
Unbilled consumption	50,579	42,621	50,579	42,621
	143,402	**113,430**	**107,458**	**85,866**
Other receivables				
Prepayments	8,365	5,872	8,212	5,773
Receivables from controlled entities	-	-	-	4,865
	8,365	5,872	8,212	10,638
Other receivables	26,403	29,907	24,294	29,237
	34,768	**35,779**	**32,506**	**39,875**
	178,170	**149,209**	**139,964**	**125,741**

Assets related to contracts with customers

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
The consolidated entity has recognised the following assets related to contracts with customers:				
Receivables*	116,117	95,347	80,172	67,783
Contract assets (current)	50,579	42,621	50,579	42,621

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

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

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

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

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

6.1 Trade and other receivables (Continued)

Risk profile of service receivables

The average age of these receivables is 34.2 days (2025: 33.3 days). No interest is charged and no collateral is held on outstanding service receivables.

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

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

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

As at 30 June 2026, trade receivables of $16.7 million (2025: $14.1 million) had lifetime ECL of the full value of the receivables.

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

	Current $'000	<30 days $'000	30-60 days $'000	61-90 days $'000	>91 days $'000	Total $'000
30 June 2026						
Expected credit loss rate	0.4%	4.3%	34.1%	17.7%	66.2%	16.3%
Gross carrying amount	62,061	18,546	4,994	2,948	22,359	110,908
Expected credit loss	249	802	1,704	522	14,808	18,085
30 June 2025						
Expected credit loss rate	5.3%	4.5%	63.7%	5.3%	36.1%	17.8%
Gross carrying amount	36,069	10,654	2,295	6,346	30,727	86,091
Expected credit loss	1,928	475	1,463	335	11,081	15,282

Movement in the allowance for doubtful debts:

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

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Balance at beginning of year	(15,282)	(11,424)	(15,282)	(11,424)
Impairment losses recognised on receivables	(3,513)	(4,656)	(3,513)	(4,656)
Written off as uncollectible	710	798	710	798
Balance at end of year	**(18,085)**	**(15,282)**	**(18,085)**	**(15,282)**

Explanation of significant changes

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

Risk profile of other receivables

The expected credit losses on the other trading receivables from controlled entities has been assessed at nil based on historical default experience and the financial position of the controlled entity as at 30 June 2026. Refer Note 6.4 on loans to subsidiaries.

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

6.1 Trade and other receivables (Continued)

(b) Non-Current

	Consolidated		Corporation	
	June 2026	June 2025	June 2026	June 2025
	$'000	$'000	$'000	$'000
Other receivables				
Other receivables	-	-	-	-
Prepayments	8,213	9,233	8,197	9,120
Receivable from controlled entity	-	-	10,000	-
	8,213	**9,233**	**18,197**	**9,120**

The amount recognised in non-current prepayments represents the cost of gas that has been delivered to a third party customer. This transfer does not meet the revenue recognition criteria under AASB 15 Revenue from Contracts with Customers on the basis that the Pay Out Option has not yet been exercised and future returns cannot be reliably estimated as the amount would depend on the gas drawn down by the consolidated entity. Therefore, the gas has been recognised as an asset until the exercise of the Pay Out Option or the contract expires in 2026, whichever is earlier.

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

The non-current receivable from controlled entity represents long-term funding provided to the Indigenous Essential Services Pty Ltd. The balance is unsecured, interest-free and is not expected to be repaid within twelve months of the reporting date.

6.2 Trade and other payables

	Consolidated		Corporation	
	June 2026	June 2025	June 2026	June 2025
	$'000	$'000	$'000	$'000
Service creditors	49,380	60,821	40,293	53,204
Other creditors and accruals	75,445	79,343	66,953	66,036
Payables to controlled entity	-	-	8,655	-
	124,825	**140,164**	**115,901**	**119,240**

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

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

6.3 Inventories

	Consolidated		Corporation	
	June 2026	June 2025	June 2026	June 2025
	$'000	$'000	$'000	$'000
Materials and stores	37,359	36,253	37,892	36,786
Fuel stocks	14,982	7,702	1,301	628
Gas stocks	2,408	3,029	2,408	3,029
Tokens	113	140	113	140
	54,862	**47,124**	**41,714**	**40,583**

The cost of inventories recognised as an expense during the year in respect of continuing operations for the Corporation and the consolidated entity respectively was $153.78 million and $204.72 million (2025: $206.62 million and $254.03 million). The cost of inventories recognised as an expense for the Corporation and the consolidated entity includes $11,000 (2025: $184,000) related to write-ups of inventory to net realisable value.

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

6.4 Loans to subsidiaries

	Consolidated		Corporation	
	June 2026	June 2025	June 2026	June 2025
	$'000	$'000	$'000	$'000
Financial assets measured at amortised cost:				
Current	-	-	-	11,000
Non-current	-	-	25,000	14,000
Expected Credit Loss	-	-	-	-
	-	**-**	**25,000**	**25,000**

The loans were provided to Indigenous Essential Services Pty Ltd as capital assistance towards the Arena Solar Project where Indigenous Essential Services Pty Ltd built solar farms to reduce the cost of electricity production in the communities it services. The total loans provided to Indigenous Essential Services Pty Ltd remains at $25 million as at 30 June 2026.

The two loans provided are interest only fixed term loans for five years ending 29 June 2029 and 30 June 2031. Interest is charged on the outstanding balances at 7.41% on the loan provided during 2025-26 and 6.83% for the loan provided in 2023-24.

The expected credit losses on the loans to subsidiaries have been assessed as $nil as at 30 June 2026 (2025: $nil) on the basis of the long-term cash surplus, from the third party funding provider, of the subsidiary from distillate cost savings arising from the solar project.

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

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

6.5 Investments

	Consolidated		Corporation	
	June 2026	June 2025	June 2026	June 2025
	$'000	$'000	$'000	$'000
2,500 $1 unlisted units, in Amadeus Gas Trust beneficially held by the Corporation	**-**	**-**	**-**	**-**

The Corporation also holds $nil (2025: $nil) ordinary shares of $1 each in NT Gas Pty Limited, which remains dormant.

6.6 Investment in subsidiaries

	Consolidated		Corporation	
	June 2026	June 2025	June 2026	June 2025
	$'000	$'000	$'000	$'000
Indigenous Essential Services Pty Limited	-	-	23,478	10
	-	**-**	**23,478**	**10**

During the year, Power and Water Corporation invested $23.5 million in Indigenous Essential Services Pty Ltd as part of the parent entity guarantee.

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

	Place of incorporation and operation	Equity Interest	
		June 2026	June 2025
BGP Tenure Holdings Pty Limited	Australia	50%	50%
Indigenous Essential Services Pty Limited	Australia	100%	100%

The parent entity within the consolidated entity is Power and Water Corporation. The ultimate Australian parent entity is the Northern Territory Government which at 30 June 2026 owned 100% (2025: 100%) of the issued ordinary shares of Power and Water Corporation. This share is held by the Shareholding Minister on behalf of the Northern Territory.

Principal activities of the subsidiaries

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

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

6.6 Investment in subsidiaries (Continued)

Details of non-controlling interests in subsidiaries

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

BGP Tenure Holdings Pty Limited is a non-trading entity and as such did not make a profit for the year ended 30 June 2026 (2025: $nil).

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

	Corporation	
	June 2026 $	June 2025 $
Non-current assets	100	100
Equity	100	100
Equity attributable to the Corporation		
- Corporation	50	50
- Non-controlling interests	50	50

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

There have been no changes in the ownership interests held by the consolidated entity in any of its subsidiaries during the year ended 30 June 2026 (2025: nil).

Financial Support

The financial statements for Indigenous Essential Services Pty Ltd have been prepared on a going concern basis, which contemplates continuity of normal business activities, the realisation of assets and the settlement of liabilities in the ordinary course of business. Indigenous Essential Services Pty Ltd has incurred a net loss of $14.8 million for the year ended 30 June 2026 and $12.7 million for the year ended 30 June 2025. Indigenous Essential Services Pty Ltd's net working capital was a surplus of $14.0 million at 30 June 2026 and a deficit of $6.2 million at 30 June 2025.

As at 30 June 2026, Indigenous Essential Services Pty Ltd's current assets increased by $16.6 million compared with the previous year. The movement was primarily driven by an increase in trade and other receivables of $18.5 million and an increase in inventories of $6.6 million. The growth in trade and other receivables largely reflects advance billings issued to DHLGCD. These increases were partially offset by a decrease in cash and cash equivalents of $8.1 million, mainly attributable to higher payments to suppliers and increased capital expenditure on property, plant and equipment during the year.

The decrease in current liabilities of $3.6 million for the period compared to the previous year was primarily due to an increase in unearned revenue of $15.4 million resulting from the invoice in advance to DHLGCD and the reclassification of maturing debt from current to non-current liabilities following refinancing activities.

Assets are fundamental to the essential services provided by Indigenous Essential Services Pty Ltd. Accordingly, Indigenous Essential Services Pty Ltd is economically dependent on the Northern Territory Government (NTG) to fund its future capital expenditure as well as a significant portion of its operating expenses. Indigenous Essential Services Pty Ltd's cash balances as at 30 June 2026 decreased by $8.1 million from $16.4 million to $8.3 million primarily due to higher payments on purchasing of property, plant and equipment.

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

NOTE 7 HOW WE FINANCED OUR OPERATIONS

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

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

7.1 Interest bearing borrowings

Unsecured borrowings at amortised cost

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Government loans – current	247,000	339,000	247,000	339,000
	247,000	**339,000**	**247,000**	**339,000**
Government loans – non-current	1,675,300	1,173,000	1,675,300	1,173,000
	1,675,300	**1,173,000**	**1,675,300**	**1,173,000**
	1,922,300	**1,512,000**	**1,922,300**	**1,512,000**

The consolidated entity has 41 unsecured government loans. All loans were provided by its parent entity, the Northern Territory Government with loan terms of up to 10 years. The consolidated entity obtained 15 of these loans in the current year totalling $779.3 million; $339 million of this was used to refinance existing loans, and an additional $410.3 million to fund capital projects.

The portion recognised as current liabilities represents borrowings payable within one year, being $247 million (2025: $339 million). The non-current balance of interest-bearing liabilities represents the portion of the consolidated entity's borrowings not due within one year. The weighted average effective interest rate on the loans is 6.49% (2025: 5.65%).

7.2 Cash and cash equivalents

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

(a) Reconciliation of cash

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

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Cash assets	**51,848**	**39,966**	**43,593**	**23,565**

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

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Net profit/(loss)	(188,938)	(130,456)	(146,215)	(93,703)
Adjustments for:				
Depreciation and amortisation	239,437	223,027	174,660	159,069
Write-down	42,030	-	42,030	
Contributed assets provided free of charge	(13,501)	(10,512)	(7,607)	(10,512)
Write-offs	14,407	-	-	-
Net loss on disposal of property, plant and equipment, including gifted streetlights	15,432	5,623	13,444	2,843
Changes in assets and liabilities:				
(Increase)/decrease in inventories	(7,738)	(6,407)	(1,131)	(7,560)
(Increase)/decrease in trade and other receivables	(49,838)	(22,681)	(44,268)	(5,889)
(Increase)/decrease in current intangible assets	525	1,869	229	515
(Decrease)/Increase in net deferred tax payable	(57,481)	(36,622)	(57,481)	(36,622)
(Decrease)/increase in current tax liabilities	-	1,644	-	1,644
(Decrease)/increase in trade and other payables	(15,339)	35,055	(13,339)	28,117
(Decrease)/increase in government grants	44,862	14,634	-	
(Decrease)/increase in provisions	2,386	2,263	2,363	2,286
(Decrease)/Increase in unearned revenue	11,949	91,396	11,949	91,396
Net cash flows from operating activities	**38,193**	**168,833**	**(25,366)**	**131,584**

7.2 Cash and cash equivalents (Continued)

(c) Non-cash transactions

During the financial year the consolidated entity acquired property, plant and equipment with an aggregate fair value of $13.5million (2025: $10.5 million) by means of gifts. These acquisitions are not reflected in the statement of cash flows.

During the financial year the consolidated entity did not have any disposed right-of-use assets, (2025: $0.4 million disposed). Refer to Note 5.3 for further details. These acquisitions are not reflected in the statement of cash flows.

(d) Reconciliation of liabilities arising from financing activities

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

	Consolidated		Corporation	
	Lease Liabilities	Borrowings	Lease Liabilities	Borrowings
Year ended 30 June 2026	$'000	$'000	$'000	$'000
Opening balance	426,156	1,512,000	399,772	1,512,000
Repayment of borrowings		(30,000)		(30,000)
Proceeds from borrowings	-	440,300	-	440,300
Repayment of lease liabilities	(41,316)	-	(38,640)	-
Non-cash changes				
New leases and remeasurements	17,291	-	15,538	-
Other non-cash movements	(1,042)		(1,886)	
Closing balance	**401,089**	**1,922,300**	**374,784**	**1,922,300**
Year ended 30 June 2025				
Opening balance	444,898	1,336,000	418,799	1,336,000
Repayment of borrowings	-	-	-	
Proceeds from borrowings	-	176,000	-	176,000
Repayment of lease liabilities	(39,543)	-	(37,310)	-
Non-cash changes				
New leases and remeasurements	21,756	-	19,996	-
Other non-cash movements	(955)	-	(1,713)	-
Closing balance	**426,156**	**1,512,000**	**399,772**	**1,512,000**

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

7.3 Commitments

	Consolidated		Corporation	
	June 2026	June 2025	June 2026	June 2025
	$'000	$'000	$'000	$'000
(i) Capital expenditure commitments				
Contracted but not provided for and payable within one year:	**120,686**	**168,535**	**89,807**	**142,627**
(i) Purchase expenditure commitments (non-cancellable)				
Contracted but not provided for:				
Repairs and maintenance	**23,777**	**18,669**	**13,304**	**11,121**
(ii) Purchase expenditure commitments (non-cancellable)				
Contracted but not provided for:				
Gas purchase	296,133	2,602,028	296,133	2,602,028
Gas transportation	387,867	469,615	387,867	469,615
	684,000	**3,071,643**	**684,000**	**3,071,643**
Payable:				
Within one year	309,673	524,547	268,321	491,091
One year or later and no later than five years	387,516	1,646,901	387,516	1,646,901
Later than five years	131,274	1,087,399	131,274	1,087,399
	828,463	**3,258,847**	**787,111**	**3,225,391**

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

(ii) Gas purchase commitments include take-or-pay obligations under gas purchase agreements. During the financial year ended 30 June 2026, the Corporation's long-term gas purchase agreement with Eni was terminated. As a result, the associated future take-or-pay obligations are no longer recognised within purchase expenditure commitments, leading to a significant reduction in gas purchase commitments at 30 June 2026 compared with 30 June 2025.

7.4 Leases

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

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

Lease additions have been calculated using the Corporation's incremental borrowing rate at the commencement date of the lease.

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Provided for in the financial statements as:				
Current	45,249	43,802	43,403	41,952
Non-current	355,840	382,354	331,381	357,820
	401,089	**426,156**	**374,784**	**399,772**
Total cash outflows for leases				
Principal repayments on leases	41,316	39,543	38,640	37,310
Interest income on leases	(63)	(121)	(484)	(555)
Interest repayments on leases	11,465	11,665	10,335	10,553
	52,718	**51,087**	**48,491**	**47,308**

Future cash outflows to which the consolidated entity is potentially exposed may arise from variable lease payments that are linked to a consumer price index (CPI). Should CPI increase by 1.0%, lease payments would increase by $4.6 million. This potential cash outflow is not reflected in the measurement of lease liabilities.

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

The consolidated entity as lessee

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

7.4 Leases (Continued)

Remeasurement

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

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

7.5 Finance costs

	Consolidated		Corporation	
	June 2026	June 2025	June 2026	June 2025
	$'000	$'000	$'000	$'000
Interest Expense - Government	108,286	78,969	108,286	78,969
Interest Expense - Leases	11,465	11,665	10,335	10,553
Interest Expense - Other	817	(321)	496	-
Total interest expense for financial liabilities not classified as at FVTPL	120,568	90,313	119,117	89,522
Less: Capitalised finance costs	(26,415)	(11,623)	(26,415)	(11,623)
	94,153	**78,690**	**92,702**	**77,899**

Borrowing costs included in the cost of qualifying assets during the year arose on the general borrowings pool and are calculated by applying a capitalisation rate of 6.46% per annum (2025: 5.65%) to expenditure on such assets

Borrowing costs

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

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

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

Capitalisation of borrowing costs on qualifying assets

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

NOTE 8 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

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

Note contents

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

8.1 Financial instruments

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

(a) Financial assets

Initial recognition and measurement

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

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

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

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

Subsequent measurement

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

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

Financial assets at amortised cost (debt instruments)

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

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

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

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

8.1 Financial instruments (Continued)

Impairment of financial assets

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

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

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

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

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

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

(b) Financial liabilities

Initial recognition and measurement

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

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

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

Loans and borrowings

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

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

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

Derecognition

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

Offsetting of financial instruments

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

8.2 Risk management objectives

(i) Financial risk management objectives

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

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

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

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

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

(e) Market risk

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

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

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

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

(f) Interest rate risk management

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

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

	Consolidated		Corporation	
Loan term	**Fixed rate loans $'000**	**Average Interest Rate %**	**Fixed rate loans $'000**	**Average Interest Rate %**
2026				
<1 to 2 years	443,000	6.11%	443,000	6.11%
2 to 5 years	715,000	6.72%	715,000	6.72%
Over 5 years	764,300	6.80%	764,300	6.80%
	1,922,300		**1,922,300**	
2025				
<1 to 2 years	586,000	4.91%	586,000	4.91%
2 to 5 years	642,000	6.60%	642,000	6.60%
Over 5 years	284,000	6.54%	284,000	6.54%
	1,512,000		**1,512,000**	

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

8.2 Risk management objectives (Continued)

(g) Credit risk management

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

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

(h) Liquidity risk management

The consolidated entity's objective is to maintain a balance between continuity of funding and flexibility through the use of government loans and finance leases. Each year the consolidated entity prepares an SCI which is tabled with the Shareholding Minister for approval. The SCI is a detailed 4 year projection of the consolidated entity's financial position. The current year actual results are reported against the SCI budget. The consolidated entity seeks approval from the Shareholding Minister for funding requirements for the forthcoming year on an annual basis based on the SCI. If the consolidated entity is unable to meet SCI budget targets it can apply to the Northern Territory Government for additional loan funding.

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

Consolidated	Weighted average interest rate %	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	1 year or less $'000	1 to 5 years $'000	More than 5 years $'000	Total $'000
2026								
Financial Assets								
Cash assets	3.87%	53,855	-	-	53,855	-	-	53,855
Receivables		-	-	169,808	169,808	-	-	169,808
Investments		-	-	-	-	-	-	-
		53,855	**-**	**169,808**	**223,663**	**-**	**-**	**223,663**
Financial Liabilities								
Payables		-	-	124,825	124,825	-	-	124,825
Government loans	6.49%	-	2,471,682	-	263,031	1,098,274	1,110,378	2,471,683
Lease liability	2.77%	-	460,659	-	55,264	194,974	210,421	460,659
		-	**2,932,341**	**124,825**	**443,120**	**1,293,248**	**1,320,799**	**3,057,167**
2025								
Financial Assets								
Cash assets	4.66%	41,828	-	-	41,828	-	-	41,828
Receivables		-	-	145,582	145,582	-	-	145,582
Investments		-	-		-	-	-	-
		41,828	**-**	**145,582**	**187,410**	**-**	**-**	**187,410**
Financial Liabilities								
Payables		-	-	140,164	140,164	-	-	140,164
Government loans	5.65%	-	1,859,927	-	358,138	1,090,221	411,568	1,859,927
Lease liability	2.68%	-	493,839	-	54,620	193,740	245,479	493,839
		-	**2,353,766**	**140,164**	**552,922**	**1,283,961**	**657,047**	**2,493,930**

8.2 Risk management objectives (Continued)

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

Corporation	Weighted average interest rate %	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	1 year or less $'000	1 to 5 years $'000	More than 5 years $'000	Total $'000
2026								
Financial Assets								
Cash assets	3.87%	45,280	-	-	45,280	-	-	45,280
Receivables		-	-	141,752	131,752	10,000	-	141,752
Loans to subsidiaries	7.05%	-	31,901	-	1,764	30,137	-	31,901
Investments		-	-	-	-	-	-	-
		45,280	**31,901**	**141,752**	**178,796**	**40,137**	**-**	**218,933**
Financial Liabilities								
Payables		-	-	115,901	115,901	-	-	115,901
Government loans	6.49%	-	2,471,682	-	263,031	1,098,274	1,110,378	2,471,683
Lease liability	2.67%	-	418,894	-	52,411	186,383	180,100	418,894
		-	**2,890,576**	**115,901**	**431,343**	**1,284,657**	**1,290,478**	**3,006,478**
2025								
Financial Assets								
Cash assets	4.66%	24,663	-	-	24,663	-	-	**24,663**
Receivables		-	-	119,968	119,968		-	119,968
Loans to subsidiaries	3.44%	-	30,410	-	1,273	29,137	-	30,410
Investments		-	-		-	-		-
		24,663	**30,410**	**119,968**	**145,904**	**29,137**	**-**	**175,041**
Financial Liabilities								
Payables		-	-	119,240	119,240	-	-	119,240
Government loans	5.65%	-	1,859,927	-	358,138	1,090,221	411,568	1,859,927
Lease liability	2.58%	-	477,842	-	49,823	182,384	245,635	477,842
		-	**2,337,769**	**119,240**	**527,201**	**1,272,605**	**657,203**	**2,457,009**

(i) Commodity price risk

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

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

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

(j) Capital risk management

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

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

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

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

(k) Operational risk

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

8.2 Risk management objectives (Continued)

(l) Gas contracts sensitivity analysis

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

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

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

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

Sensitivity analysis

NPV change as a result of:

	Wallumbilla hub average price	
% movement	*increase*	*decrease*
5%	62.8 m	(62.8 m)
10%	125.7 m	(125.7 m)
20%	251.4 m	(251.4 m)

	CPI and Average weekly earnings	
% movement	*increase*	*decrease*
0.25%	(5.5 m)	5.3m
0.50%	(11.1 m)	10.6m
1.00%	(22.7 m)	20.6

8.3 Contingent liabilities and contingent assets

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

The Corporation is engaged in arbitration with Eni in relation to the curtailment of gas from the Blacktip field. The Corporation is also a party to several other legal claims relating to its gas business. It is not possible to reliably forecast the financial outcome or timing of a resolution of these matters.

8.4 Fair value determinations

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

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

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

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

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

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

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

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

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

8.4 Fair value determinations (Continued)

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

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

(a) Fair value of Financial Instruments

Net fair values of financial assets and liabilities approximate carrying values except for government loans, which have a fair value of $1,912 million (2025: $1,487 million).

Consolidated entity	Level 2 $'000	Fair value as at 30 June 2026 $'000	Level 2 $'000	Fair value as at 30 June 2025 $'000
Financial Liabilities				
Borrowings	1,912,355	1,912,355	1,486,898	1,486,898

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

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

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

The following valuation techniques are used for the Corporation [1]:

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

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

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

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

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

Revaluation of property, plant and equipment

As at 30 June 2026
The consolidated entity values infrastructure assets using the income approach method in accordance with AASB 13 *Fair Value*. The review resulted in no increase in the consolidated entity's infrastructure assets. There has been no revaluation of Corporation's fair value or of Indigenous Essential Services Pty Ltd during the financial year.

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

There have been no changes to the valuation techniques during the year ended 30 June 2026.

8.4 Fair value determinations (Continued)

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

Consolidated entity	Level 2 $'000	Level 3 $'000	Fair Value $'000
Fair value as at 30 June 2026			
Freehold land	80,325	-	80,325
Buildings	19,511	-	19,511
Infrastructure	-	2,953,730	2,953,730
Plant and equipment	-	34,122	34,122
Total	**99,836**	**2,987,852**	**3,087,688**
Fair value as at 30 June 2025			
Freehold land	80,325	-	80,325
Buildings	20,176	-	20,176
Infrastructure	-	2,912,388	2,912,388
Plant and equipment	-	34,127	34,127
Total	**100,501**	**2,946,515**	**3,047,016**

Corporation	Level 2 $'000	Level 3 $'000	Fair Value $'000
Fair value as at 30 June 2026			
Freehold land	80,325	-	80,325
Buildings	19,511	-	19,511
Infrastructure	-	2,213,785	2,213,785
Plant and equipment	-	32,135	32,135
Total	**99,836**	**2,245,920**	**2,345,756**
Fair value as at 30 June 2025			
Freehold land	80,325	-	80,325
Buildings	20,176	-	20,176
Infrastructure	-	2,158,784	2,158,784
Plant and equipment	-	32,658	32,658
Total	**100,501**	**2,191,442**	**2,291,943**

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

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

Level 3 inputs are unobservable inputs for the asset or liability. Valuation techniques are described above.

8.4 Fair value determinations (Continued)

Core operational assets of Power Services and Water Services business units are valued using the income approach. Consistent with the accounting standards, the income approach has a 'purchaser of the business' perspective and is based on the net present value of the forecasted cash flows of these businesses applying anticipated market conditions. Significant unobservable inputs in the model and sensitivity analysis are outlined below.

	Valuation Techniques	Significant unobservable inputs	Sensitivity
Power Services – Infrastructure assets	Income approach	Weighted average cost of capital (WACC) rate, taking into account the long-term view of the market cost of capital, of 6.7% (2025: 6.6%), supportable by key assumptions in the beta range being based on analysis of observed 5-year asset betas of listed companies and gearing range being based on industry research of 5-year average debt to enterprise value ratio of the guideline listed companies.	A 50 basis points decrease in the WACC or discount rate while holding other variables constant would increase the carrying amount of the infrastructure assets by $ 42.5 million, and vice versa.
		Regulated Asset Base (RAB) multiple to the terminal value assumption of 1.1 (2025: 1.1).	A 0.1 increase in the RAB multiple while holding other variables constant would increase the carrying value of the carrying amount of the infrastructure assets by $127.4 million, and vice versa.
Water Services – Infrastructure assets	Income approach	WACC rate, taking into account the long-term view of the market cost of capital of 7.5% (2025: 7.4%) supportable by key assumptions in the beta range being based on analysis of observed 5-year asset betas of listed companies and gearing range being based on industry research of 5-year average debt to enterprise value ratio of the guideline listed companies.	A 50 basis points decrease in the WACC or discount rate while holding other variables constant would increase the carrying amount of the infrastructure assets by $159.6 million, and vice versa.
		Gordon Growth Method to the terminal value assumption of 2.5% (2025: 2.5%) perpetuity growth rate, supportable for long-life, critical infrastructure assets not subject to regulatory limitations on rates of return.	A 50 basis points increase in the growth rate while holding other variables constant would increase the carrying amount of the infrastructure assets by $90.8 million, and vice versa.

Impairment losses recognised in the year

There were no triggering events to require further analysis for an impairment write-down of property, plant and equipment for year ended 30 June 2026.

NOTE 9 STATUTORY OBLIGATIONS

This section included disclosures in relation to the Corporation's statutory obligations.

Note contents

Section	Description
9.1	Income tax equivalent expense
9.1.1	Income tax recognised in profit or loss
9.1.2	Deferred income tax
9.1.3	Income tax receivable
9.2	Environmental Contribution provision

9.1 Income tax equivalent expense

Income tax equivalent payments are made pursuant to section 33(3) of the *Government Owned Corporations Act 2001* and are based on rulings set out in the National Tax Equivalent Regime manual. The manual gives rise to obligations which reflect in all material respects those obligations for taxation which would be imposed by the *Income Tax Assessment Act 1936 and 1997*.

The Corporation is required to make income tax equivalent payments to the Northern Territory Government based on taxable income. It is not liable to pay the Commonwealth tax that would be payable if it were not a Government Owned Corporation.

Indigenous Essential Services Pty Ltd is not subject to taxation as it is a not-for-profit entity and therefore exempt under section 24 of the *Income Tax Assessment Act 1936*.
The major components of income tax expense are:

9.1.1 Income tax recognised in profit or loss

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Current income tax				
Current income tax charge	-	-	-	-
Deferred income tax				
Under/(over) from prior years	-	-	-	-
Relating to origination and reversal of temporary differences	18,963	(26,249)	18,963	(26,249)
Taxable loss carry forward to later income years	(76,444)	(9,756)	(76,444)	(9,756)
Income tax (refund) / expense reported in profit or loss	**(57,481)**	**(36,005)**	**(57,481)**	**(36,005)**
Numerical reconciliation between tax expense and pre-tax net profit				
Profit/(loss) before income tax	(246,419)	(166,460)	(203,696)	(129,708)
At the consolidated entities' statutory income tax rate of 30% (2025: 30%)	(73,926)	(49,938)	(61,109)	(38,912)
Under/(over) provision from prior years	-	-	-	
Expenditure not allowable for income tax purposes	12,857	11,093	40	66
Non-deductible Superannuation Guarantee Charge	-		-	
Tax effect on reversal of impairment of loan to subsidiary	-	-	-	
Tax effect of transfer pricing adjustment	3,588	2,840	3,588	2,840
Income tax (refund) / expense on pre-tax profit	**(57,481)**	**(36,005)**	**(57,481)**	**(36,006)**

9.1.2 Deferred income tax

	Consolidated		Corporation	
	June 2026	June 2025	June 2026	June 2025
	$'000	$'000	$'000	$'000
Deferred tax liabilities (DTL)				
Property, plant and equipment	218,636	194,495	218,636	194,495
Prepayments	75	59	75	59
Gross deferred income tax liabilities	**218,711**	**194,554**	**218,711**	**194,554**
Movements:				
Opening balance at 1 July	194,554	185,527	194,554	185,527
(Under) provision from prior years		-		-
Credited/(charged) to profit or loss	24,157	9,027	24,157	9,027
DTL on revaluation recognised directly against ARR	-	-	-	-
Closing balance at 30 June	**218,711**	**194,554**	**218,711**	**194,554**
Deferred tax assets (DTA)				
Employee provisions	18,365	17,557	18,365	17,557
Unearned revenue	-	-	-	
Allowance for doubtful debts	5,425	4,585	5,425	4,585
Obsolete stock provision	525	554	525	554
Provision for contract costs	-	-	-	-
Renewable energy provision	1	1	1	1
Make up gas impairment	1,955	1,955	1,955	1,955
Accrued expenses	35	33	35	33
write-offs and write-down	43	65	43	65
Lease repayments	7,355	6,703	7,355	6,703
Assessable Manton Dam capital grant funding income	51,022	49,253	51,022	49,253
Taxable loss carried forward from prior year	18,989	9,233	18,989	9,233
CWIP Reclassification	1,173	-	1,173	-
Taxable loss carry forward to later income years	76,445	9,756	76,445	9,756
Gross deferred income tax assets	**181,333**	**99,695**	**181,333**	**99,695**
Movements:				
Opening balance at 1 July	99,695	54,046	99,695	54,046
(Over)/under provision from prior years	-	617	-	617
(Charged) to profit or loss	5,193	35,276	5,193	35,276
Taxable loss carry forward to later income years	76,445	9,756	76,445	9,756
Closing balance at 30 June	**181,333**	**99,695**	**181,333**	**99,695**
Net deferred tax liabilities	**(37,378)**	**(94,859)**	**(37,378)**	**(94,859)**
Deferred tax expense	**18,963**	**(26,249)**	**18,963**	**(26,249)**

Deferred tax

The consolidated entity adopts the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases of those items. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

Deferred tax liabilities

Deferred tax liabilities are recognised for all taxable temporary differences except:

- When the deferred tax liability arises from the initial recognition of goodwill or from an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the taxable temporary difference is associated with investments in controlled entities, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be used, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the deductible temporary difference is associated with investments in controlled entities, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be used.

9.1.2 Deferred income tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be used. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

9.1.3 Income tax receivable

	Consolidated		Corporation	
	June 2026	June 2025	June 2026	June 2025
	$'000	$'000	$'000	$'000
Opening balance at 1 July	-	(1,644)	-	(1,644)
(Over)/under provision from prior years	-	617	-	617
Income tax paid	-	1,027	-	1,027
Current year income tax expense	-	-	-	-
Closing balance at 30 June	**-**	**-**	**-**	**-**

Current tax
Current tax is calculated by reference to the amount of the income taxes payable or recoverable in respect of the taxable profit or taxable loss for the period. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Current and deferred tax for the year
Current and deferred tax is recognised as an expense or income in the profit or loss, except when it relates to items recognised in other comprehensive income, in which case current and deferred tax are also recognised in other comprehensive income. Income taxes relating to these items are recognised directly in other comprehensive income.

9.2 Environmental Contribution provision

	Consolidated		Corporation	
	June 2026	June 2025	June 2026	June 2025
	$'000	$'000	$'000	$'000
Renewable Energy Certificates	2	4	2	4

The provision for Renewable Energy Certificates represents the consolidated entity's obligation to meet the Clean Energy Renewable (CER) targets by surrendering renewable energy certificates equivalent to the calculated liability on the consumption sold to customers.

NOTE 10 OTHER DISCLOSURES

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

Notes contents

Section	**Description**
10.1	Contributed equity
10.2	Dividends
10.3	Asset revaluation reserve
10.4	Retained earnings
10.5	Events after the reporting period
10.6	Related party transactions
10.7	Auditor's remuneration
10.8	Adoption of new and revised Accounting Standards

10.1 Contributed equity

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Share capital				
1 Share (2025: 1 Share)				
Equity contribution	50,000	50,000	50,000	50,000
Debt to equity swap	322,582	322,582	322,582	322,582
Transfer of assets and liabilities to new entities	(328,246)	(328,246)	(328,246)	(328,246)
Total contributed equity	**44,336**	**44,336**	**44,336**	**44,336**
Contributed equity at beginning of year	44,336	44,336	44,336	44,336
Equity (withdrawal)/contributions from the Northern Territory Government	-	-	-	-
Total contributed equity	**44,336**	**44,336**	**44,336**	**44,336**

The Government Owned Corporations Act 2001 requires the Corporation to have share capital to be held by one shareholder only, being the Shareholding Minister, who holds the share on behalf of the Northern Territory Government. The Corporation's constitution specifies the share capital to be one share. No value is assigned to this share.

10.2 Dividends

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Dividends paid to its shareholder during the financial year were as follows:				
Dividend paid during the year on ordinary shares:	2,000	2,000	2,000	2,000
	2,000	**2,000**	**2,000**	**2,000**

A provision for dividends payable is recognised in the reporting period that it is declared. In determining a dividend, the Corporation considers net profit after tax, after removing non-cash accounting adjustments such as asset revaluations and provision for onerous contracts. All requirements of the GOC Act and Corporation's Act are considered when declaring a dividend.

10.3 Asset revaluation reserve

	Consolidated		Corporation	
	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
Balance at beginning of year	1,335,002	1,343,232	507,895	508,597
(Decrease)/increase in asset valuation	(419)	-	-	-
Less deferred tax effect recognised in deferred tax liabilities	-	-		-
Revaluation surplus	(419)		-	-
Retirements transferred to retained earnings	(3,579)	(8,230)	(1,504)	(702)
Asset revaluation reserve at end of the year	**1,331,004**	**1,335,002**	**506,391**	**507,895**

The asset revaluation reserve arises on the revaluation of property, plant and equipment (assets). When revalued assets are sold, the portion of the asset's revaluation reserve that relates to those assets is transferred directly to retained earnings.

10.4 Retained earnings

	Consolidated		Corporation	
	June 2026	June 2025	June 2026	June 2025
	$'000	$'000	$'000	$'000
Retained earnings at beginning of year	272,534	396,760	630,207	725,208
Net profit/(loss) for the year	(188,938)	(130,456)	(146,215)	(93,703)
Retirements moved from asset revaluation reserve	3,579	8,230	1,504	702
Dividends provided for or paid	(2,000)	(2,000)	(2,000)	(2,000)
Retained earnings at end of the year	**85,175**	**272,534**	**483,496**	**630,207**

10.5 Events after the reporting period

Subsequent to the year end, the directors decided not to declare a special dividend.

On 5 August 2026, the Northern Territory Government announced a proposed restructure of the Territory gas business currently managed by Power and Water Corporation. As part of the proposed reforms, Territory Generation is expected to assume responsibility for certain gas supply agreements currently held by Power and Water Corporation. At the date of signing these financial statements, implementation arrangements and the financial impacts of the proposed reforms cannot be reliably determined. As the announcement occurred after 30 June 2026 and did not represent conditions existing at the reporting date, no adjustment has been made to the amounts recognised in these financial statements.

In the opinion of the Directors, other than the matter described above, there were no material and unusual events that arose between the end of the financial year and the date of this report that are likely to significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years

The financial statements of the consolidated entity were approved on 25 September 2026.

10.6 Related party transactions

The immediate parent within the group is Power and Water Corporation. The ultimate controlling party is the Northern Territory Government, which owns 100% of the issued ordinary shares of Power and Water Corporation. This share is held by the Shareholding Minister on behalf of the Northern Territory.

The consolidated entity has a related party relationship with its ultimate controlling party (includes other agencies and departments of the Northern Territory Government), director-related entities and associates. All financial transactions between the consolidated entity and related parties are at arm's length terms.

Trading transactions

Balances and transactions between the Corporation and its controlled entity, which is a related party of the Corporation, have been eliminated on consolidation and are not disclosed in this note.

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year. Due to the large number of transactions, it is not practical to list separately related party transactions that occurred between the Corporation and these entities. Therefore, these transactions have been aggregated as shown in the following table:

Related Party		Revenue from related parties (1) $'000	Purchases from related parties (2) $'000	Amounts owed by related parties (3) $'000	Amounts owed to related parties (4) $'000
The ultimate parent entity, the Northern Territory Government, including all entities that are associated with the parent entity including Territory Generation and Jacana Energy	June 2026	417,472	148,675	73,201	1,930,630
	June 2025	402,324	106,524	57,421	1,518,315

(1) The consolidated entity receives grants from the Northern Territory Government in the form of Community Service Obligations and other miscellaneous grants. See Notes 3.5 for further details.

(2) For the year ended 30 June 2026, purchases from the Northern Territory Government includes interest paid on borrowings of $108 million (2025: $79 million) refer to Note 7.5.

(3) As at 30 June 2026 the amounts owed by related parties relate to amounts outstanding for the provision of electricity retail and generation services, water and standard control services, as well as accrued revenue for the supply of gas.

(4) For the year ended 30 June 2026, the amount owed to the Northern Territory Government includes borrowings of $1,922 million (2025: $1,512 million) refer to Note 7.1.

10.6 Related party transactions (Continued)

Loans to related parties

As disclosed in Note 6.4, Loans to Subsidiaries, the Corporation has provided two fixed-rate, interest-only loans to its subsidiary, Indigenous Essential Services Pty Ltd (IES). The first loan, originally advanced in 2020-21 for $11.0 million, matured on 29 June 2026 and was refinanced for a further five-year term to 2030-31. The original loan carried an interest rate of 2.88% per annum, while the refinanced facility bears interest at 7.41% per annum. The second loan, totalling $14.0 million, was advanced in 2023-24 for a five-year term ending in 2028-29 and carries interest at 6.83% per annum.

The Corporation provides electricity, water and wastewater services to its subsidiary, Indigenous Essential Services Pty Ltd in the normal course of business and on normal terms and conditions.

To ensure that Indigenous Essential Services Pty Ltd is able to pay its debts as and when they fall due, a letter of financial support has been provided by the Corporation to the subsidiary which guarantees support should Indigenous Essential Services Pty Ltd not be able to pay its debts as and when they fall due. This letter is valid to such time as Indigenous Essential Services Pty Ltd ceases to be a wholly owned subsidiary of the Corporation or until revoked.

From time to time, directors and their director-related entities may purchase goods from the consolidated entity. These purchases are on the same terms and conditions as those entered into by consolidated entity employees or customers and are trivial or domestic in nature.

Remuneration of key management personnel

Compensation levels are competitively set to attract and retain appropriately qualified and experienced directors and senior executives. Remuneration packages are usually a fixed remuneration.

The profit for the year includes the following items of expenses that resulted from transactions, other than compensation with key management personnel or their related entities:

	Consolidated		Corporation	
	June 2026	June 2025	June 2026	June 2025
	$'000	$'000	$'000	$'000
Expense transactions with key management personnel	5	1	5	1

The following table provides the details of all non-executive directors of the Corporation and the nature and amount of the elements of their remuneration:

		Short-term employee benefits	Post employment benefits (superannuation)	Total
		$	$	$
Non-executive directors				
Mr Peter Wilson (Chairperson)	June 2026	192,007	23,041	215,048
(Term commenced March 2022, ended 30 June 2026)	June 2025	192,007	22,081	214,088
Mr Trevor Armstrong	June 2026	97,310	11,677	108,987
(Term commenced July 2022, ended 29 June 2026)	June 2025	97,310	11,191	108,501
Mr Paul Italiano	June 2026	97,310	11,677	108,987
(Term commenced July 2022, ended 29 June 2026)	June 2025	97,310	11,191	108,501
Mr Gregory Martin	June 2026	2,994	359	3,353
(Term commenced July 2022, ended 30 June 2025)	June 2025	97,310	11,191	108,501
Ms Jodie Ryan	June 2026	97,310	11,677	108,987
(Term commenced August 2022)	June 2025	97,310	11,191	108,501
Ms Megan Corfield	June 2026	36,304	4,356	40,660
(Term commenced November 2022, ended 31 October 2025)	June 2025	97,310	11,191	108,501
Total non-executive directors	**June 2026**	**523,235**	**62,787**	**586,022**
	June 2025	**678,557**	**78,036**	**756,593**

No termination benefits were paid to non-executive directors during the year.

10.6 Related party transactions (Continued)

The table below shows the benefits paid to executive directors and officers of the Corporation and of the controlled entity, whose benefits from the Corporation and from the controlled entity fall within the following types:

	Consolidated		Corporation	
	June 2026	June 2025	June 2026	June 2025
	$	$	$	$
Short-term employee benefits	2,948,527	2,904,409	2,948,527	2,904,409
Other long-term benefits	592,710	480,275	592,710	480,275
Post-employment benefits	264,046	218,799	264,046	218,799
Total compensation of key management personnel (excluding non-executive directors)	**3,805,283**	**3,603,483**	**3,805,283**	**3,603,483**

Executive officers are those officers who are involved in the strategic direction, general management or control of business at corporation or business division level.

Other transactions with key management personnel

Apart from the details disclosed in this note, no key management personnel have entered into a material contract with the Corporation or the consolidated entity since the end of the previous financial year and there were no material contracts involving their interests existing at year end.

From time to time key management personnel of the Corporation, or its controlled entity or their related parties, may purchase goods and services from the consolidated entity. These purchases are on the same terms and conditions as those entered into by the other consolidated entity's employees or customers and are trivial or domestic in nature.

10.7 Auditor's remuneration

	Consolidated		Corporation	
	June 2026	June 2025	June 2026	June 2025
	$	$	$	$
Audit of the financial statements	473,195	343,235	377,537	277,630
Assurance of sustainability report	63,418	-	63,418	-
	536,613	**343,235**	**440,955**	**277,630**

The auditor of the Corporation and the consolidated entity is the Auditor-General for the Northern Territory.

10.8 Adoption of new and revised Accounting Standards

(a) New accounting standards and amendments that are effective in the current financial year

The consolidated entity has adopted all of the new, revised or amending accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and are mandatory for the current reporting period. No new, revised or amending accounting standard or Interpretation has been adopted earlier than the application date as stated in the standard.

The following Australian Sustainability Reporting Standards have been issued and have been adopted by the Company for the 2025/26 reporting period:

AASB S2 – Climate-related Financial Disclosures - The Group adopted AASB S2 Climate-related Financial Disclosures during the current financial year. The standard establishes requirements for the disclosure of information about climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects. The adoption of AASB S2 did not have a material impact on the Group's recognised assets, liabilities, income or expenses. as the standard primarily relates to disclosure requirements.

(b) Standards and interpretations in issue not yet effective

Revised standards, amendments to standards and interpretations that are applicable to future periods have been issued by the AASB. None of these are expected to have a material impact on future reporting periods, either because the consolidated entity does not conduct the types of transactions addressed by the pronouncements or because of the extent to which they may impact the consolidated entity is not expected to be material.

ASSB 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.

PowerWater

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