Indigenous Essential Services



Annual Report
2025 – 26

powerwater.com.au

Indigenous Essential Services Pty Ltd

ACKNOWLEDGEMENT OF COUNTRY

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

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

CONTENT WARNING

Readers should be aware this report may contain images of Aboriginal and 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: *Kristie Warren from our Customer Services team*





Purpose

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

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

- Primary services and responsibilities
- Significant activities for the year, highlighting major projects, key achievements and outcomes as they relate to 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

Message from the Board Chair



In addition to being appointed Chair of Power and Water earlier this year, I am honoured to serve as Chair of its not-for-profit subsidiary, Indigenous Essential Services.

As a long-term Territorian, I understand both the importance and complexity of delivering the safe and reliable essential services that underpin the wellbeing, health and economic development of remote communities.

Indigenous Essential Services (IES) delivers these critical services on behalf of the Northern Territory Government (NTG), through the Department of Housing, Local Government and Community Development, to 72 remote communities and 79 outstations. We do not underestimate the scale and significance of this responsibility.

The appointment of a new Board this year provides an important opportunity to reaffirm IES's strategic direction and position the organisation for future success. Our focus is on ensuring the IES operating model remains fit for purpose, financially sustainable, and responsive to the evolving needs and expectations of customers, communities and stakeholders to deliver on the NTG's expectations.

Beyond the Northern Territory's major urban centres, economic growth and community development are creating new opportunities in remote communities. IES is proud to work in close partnership with communities, funding partners and government agencies to support this progress through the delivery of safe and reliable services, supporting employment pathways and investing in Aboriginal businesses and local capability.

I acknowledge the NTG and the National Water Grid (NWG) for their continued investment in a range of strategic water projects across remote communities.

This support is enabling Power and Water and IES to identify, develop and deliver critical infrastructure projects that strengthen water security, improve water quality, and support housing, economic development and community growth.

It is important to remain responsive and adaptable to changing customer needs and operating environments. Projects such as the installation of a new standby generator in Ali Curung and the upgrade of the Borroloola power station demonstrate the organisation's commitment to service reliability, resilience and continuous improvement.

It has also been pleasing to see a strong focus on supporting business and employment opportunities for Territorians. During the financial year, we engaged 65 Aboriginal Business Enterprises to deliver $22 million in works.

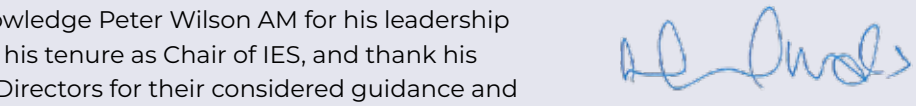
Acknowledgements

On behalf of the IES Board, I extend my sincere thanks to the people of Power and Water and our contracting partners for their commitment to maintaining reliable essential services across remote communities.

I acknowledge Peter Wilson AM for his leadership during his tenure as Chair of IES, and thank his fellow Directors for their considered guidance and commitment.

I would particularly like to acknowledge and congratulate Chief Executive Officer Djuna Pollard for her outstanding leadership and service. Djuna has led with a clear vision for improving service delivery outcomes for remote communities, driving critical and innovative thinking to grow organisational capability.

I look forward to working in partnership with communities, government and industry stakeholders to create a strong and sustainable future for IES, for the benefit of remote Territorians.



Andrew Macrides
Chair, Indigenous Essential Services
30 September 2026



Our water trailer at Parrtjima

Message from the Chief Executive Officer



Operating across 1.3 million square kilometres to deliver essential water, wastewater and electricity services in some of the most remote areas of Australia is a privilege and a powerful responsibility. This year, an unprecedented severe weather season tested our people, infrastructure and systems, yet our employees and contracting partners responded with resilience, professionalism and an unwavering commitment to the communities we serve.

Alongside maintaining essential services, we continued our focus on improving customer engagement, delivered critical infrastructure projects and advanced our commitment to reconciliation.

Responding to emergency events

Power and Water, on behalf of IES, plays a central role in emergency preparedness and response across the Northern Territory.

During the year, our teams responded to the catastrophic Pirlangimpi power station fire, Tropical Cyclones Fina and Narelle, and major flooding in the Big Rivers region. Their efforts restored essential services safely and efficiently, helping communities recover, while strengthening our preparedness for future events.

Investing for the future

Safe, reliable and sustainable essential services are critical to community wellbeing and economic development.

This year's severe weather reinforced the importance of resilient infrastructure.

With support from the NTG and funding partners, including the NWG, we continued to invest in projects to strengthen long-term service reliability, including water infrastructure upgrades in Gunyangara, Numbulwar and Yuendumu.

Improving our connections with customers

We are always looking for ways to better understand community needs and improve service delivery. Guided by our customer engagement strategy, our remote community visits, pop-up information stands, and support for community events all help us continue to listen, learn and respond.

We also maintain a close focus on drinking water quality, and provide alternative drinking water when required.

Building a pipeline of talent

Our people are key to our success, and we are focused on building and maintaining a highly skilled and capable workforce today, while building a solid foundation for the future.

Through initiatives such as our Aboriginal Career Development Strategy and 'That's My Career!' program, we are developing future talent and creating opportunities for Territorians.

More than 400 applications for our 2026 apprentice intake demonstrated our strong reputation as an employer of choice.

Advancing reconciliation

This year, we were honoured to launch our Stretch Reconciliation Action Plan (RAP), providing a framework to strengthen relationships, create opportunities and support improved outcomes for Aboriginal Territorians.

I acknowledge the valuable contributions of our Reconciliation Advisory Committee and reconciliation partners.

This year's highlights include the establishment of Reconciliation Northern Territory, and our partnerships with the NT Indigenous Business Network, Clontarf Foundation and Stars Foundation.

Thank you

I am passionate about improving essential services in remote communities because I believe all Territorians should have access to the same standard of drinking water and reliable electricity, regardless of where they live.

This commitment has guided me throughout my time as Chief Executive Officer of IES and Power and Water. As I conclude almost 7 years in the role, and more than 20 years with Power and Water, I am proud of what we have achieved together.

Among the highlights are successfully maintaining essential services to remote communities through COVID-19, delivering the Laramba water treatment plant, progressing power system upgrades, advancing reconciliation, and placing the customer voice at the centre of our planning.

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

I wish Andrew Macrides, the new Chair of IES, and the incoming Board every success, and know they will be well supported by Power and Water's experienced executive leadership team.

It has been an honour to lead IES and to enhance the delivery of services that help remote communities thrive.

Most importantly, I thank the people I have had the privilege of working alongside. Their dedication makes a genuine difference to the lives of Territorians each day, and I am confident you will continue that work into the future.



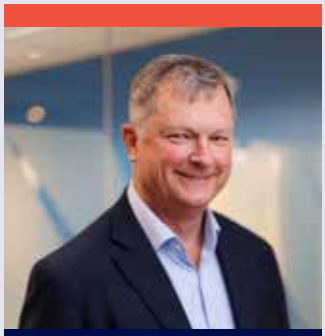
Djuna Pollard
Chief Executive Officer
Power and Water Corporation
30 September 2026

IES Board and IES Leadership Team

IES BOARD AND ATTENDANCE RECORD



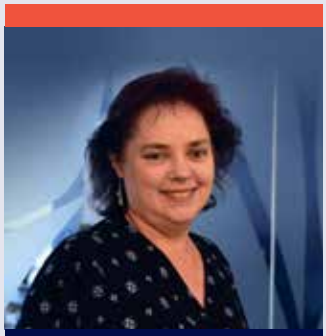
Peter Wilson, AM
IES Board Chair
(Board term ceased 30 June 2026)
Eligible to attend: 5[1]
Attended: 5[2]



Trevor Armstrong
IES Board Director
(Board term ceased 29 June 2026)
Eligible to attend: 5[1]
Attended: 5[2]



Paul Italiano
IES Board Director
(Board term ceased 29 June 2026)
Eligible to attend: 5[1]
Attended: 5[2]



Jodie Ryan
IES Board Director
(Board term ceased 24 August 2026)
Eligible to attend: 5[1]
Attended: 4[2]



Andrew Macrides
IES Board Chair



Tim Nelson
IES Board Director



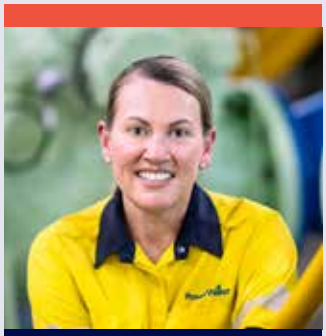
Maree Lang
IES Board Director



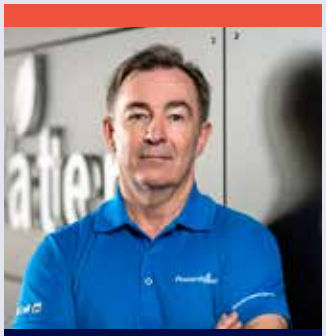
Michael Hannon
IES Board Director

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

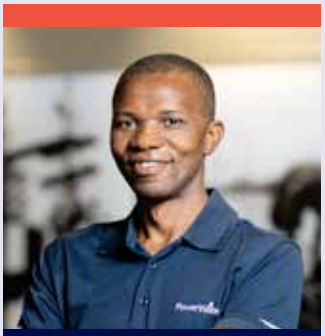
IES EXECUTIVE LEADERSHIP TEAM



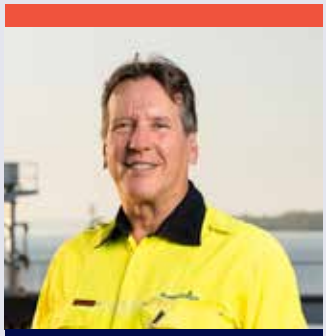
Djuna Pollard
Chief Executive Officer



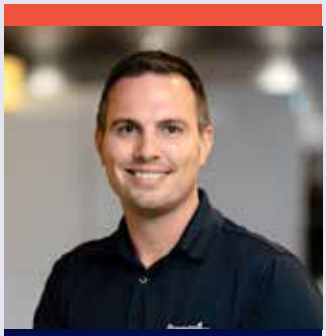
John Pease
Deputy Chief Executive Officer and Company Secretary



Graciano Chatikobo
Chief Financial Officer



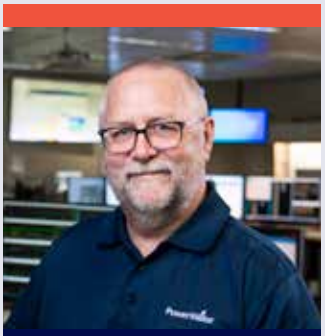
Stephen Vlahovic
Executive General Manager, Water Services



Jason Howe
Executive General Manager, Customer, Strategy and Regulation



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

Reconciliation Advisory Committee



Jeanneen McLennan
Co Chair



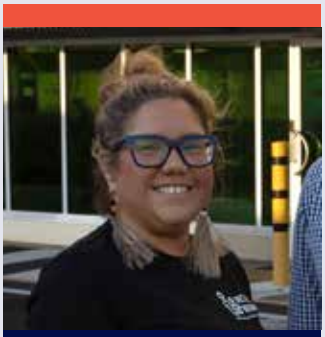
Peter Wilson, AM
Co Chair



Amber Shepherd



Darren Johnson



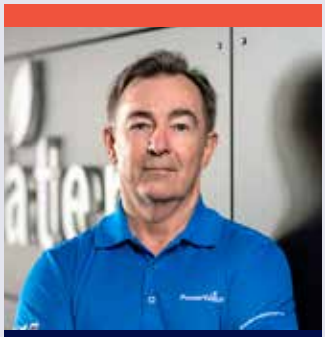
Nicole Brown



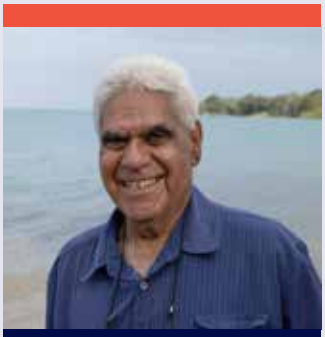
Patricia Brogan



Djuna Pollard



John Pease



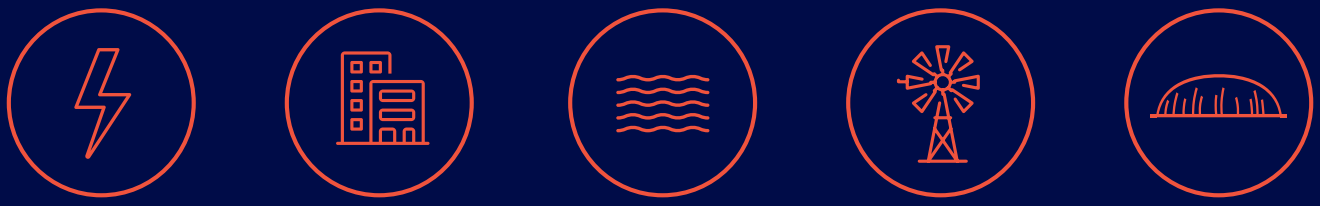
Richard Hayes



Acting Senior Manager Reconciliation, Jenna Cubillo

Our year at a glance

CUSTOMER CONNECTIONS – POWER



Total connections: 9,858

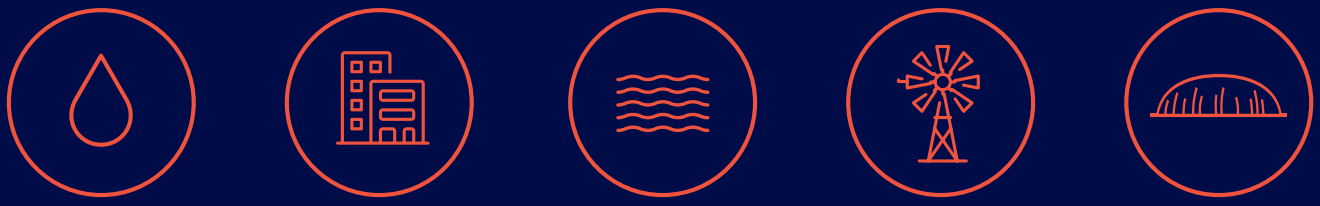
Northern region: 5,112

Katherine region: 1,654

Barkly region: 466

Southern region: 2,626

CUSTOMER CONNECTIONS – WATER



Total connections: 5,650

Northern region: 3,053

Katherine region: 859

Barkly region: 284

Southern region: 1,454

CUSTOMER CONNECTIONS – WASTEWATER



Total connections: 2,446

Northern region: 1,454

Katherine region: 382

Barkly region: 82

Southern region: 528

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).

OUR PEOPLE

Utility support contract workers engaged:
198

Aboriginal and Torres Strait Islander utility support contract workers:
57

Aboriginal suppliers used:
65

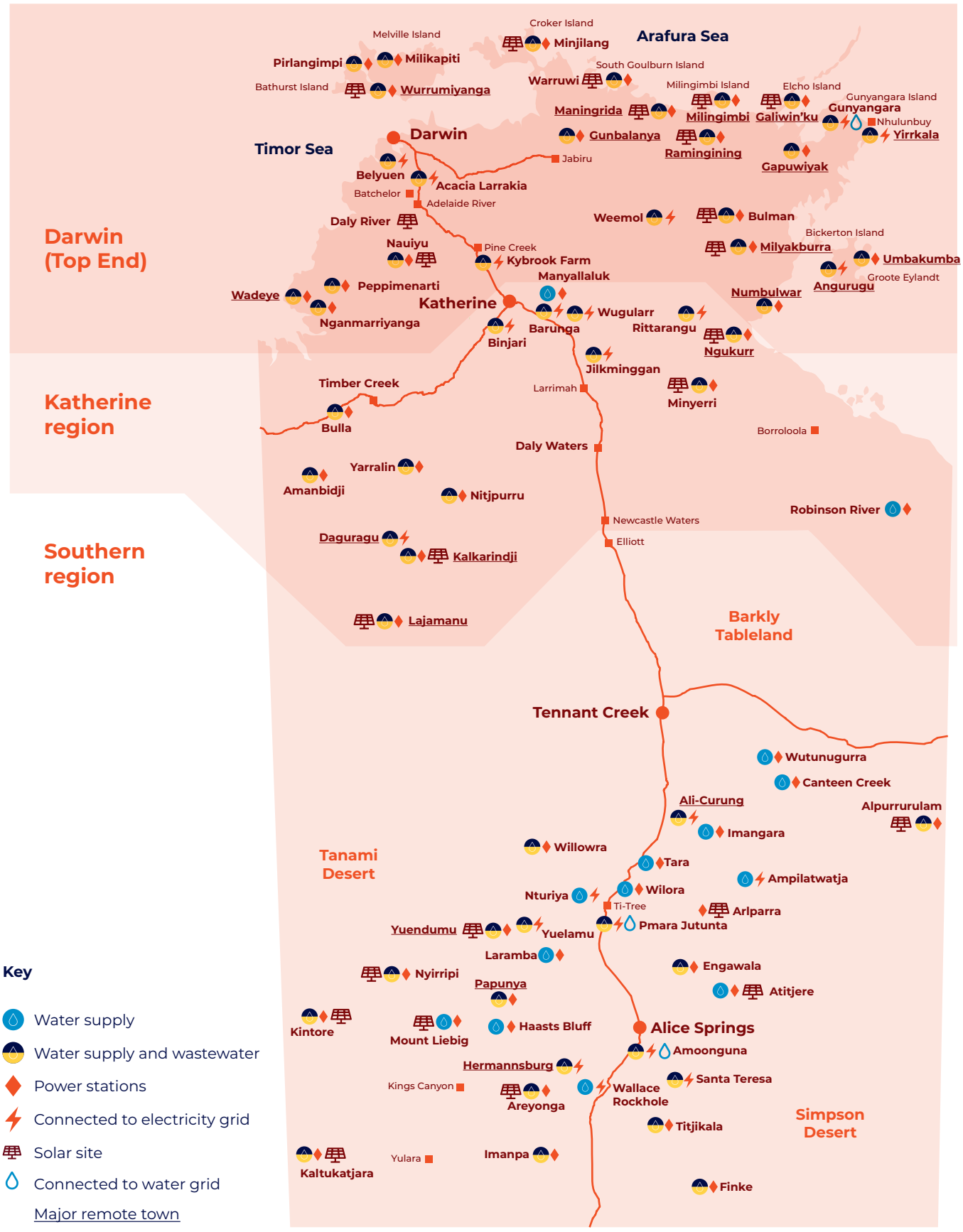


Works at our Water Services compound in Maningrida



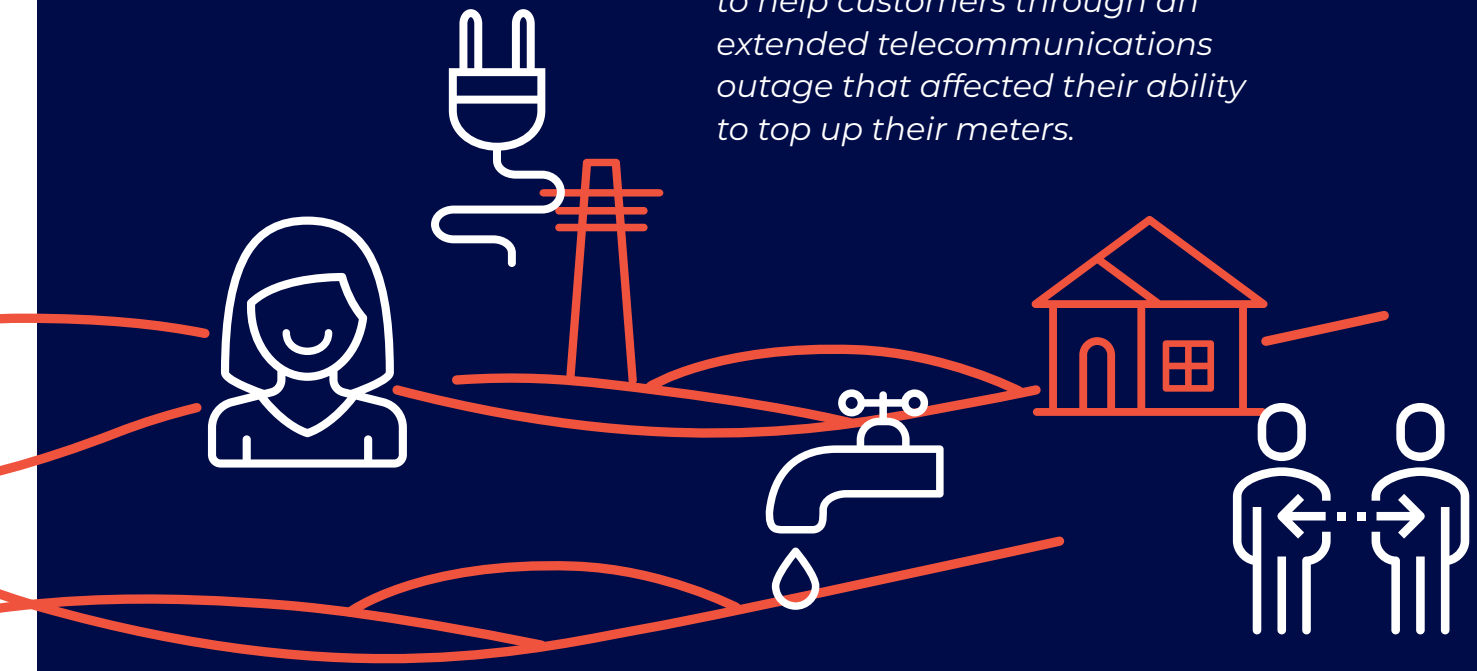
The Remote Power Services team tackles muddy conditions near Ali Curung

Service area map



KEY HIGHLIGHT FOR THE YEAR

Our Customer Services team visited the remote community of Wadeye four times this year to help customers through an extended telecommunications outage that affected their ability to top up their meters.





Craig Doolan from our Water Services team in Alice Springs

2025 – 2026 Highlights

Now well into our Stretch Reconciliation Action Plan (RAP), this year's highlights reflect our continued commitment to making a difference to the lives of Aboriginal Territorians, particularly those in remote communities.

Quality essential services improve the liveability of communities, contribute to improved health outcomes and community safety, and support development and economic growth.

We make a difference by concentrating on our sphere of influence, understanding the decisions we make through Indigenous Essential Services can advance the quality of life in remote communities across the Northern Territory.

This includes upgrading infrastructure or service delivery in consultation with residents, creating jobs in communities through our Utility Support Contract Worker (USCW) service model and creating economic opportunities by working with Aboriginal Business Enterprises.

During the severe weather season, we also play a major role in helping remote residents remain in their homes or support the return of evacuated residents by restoring essential services as quickly as is safely possible.

We remain focused on delivering reliable, sustainable essential services to support a prosperous present and bright future for remote communities.

Our Community

PLANNING FOR THE FUTURE

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 industry forums.

Additional funding for water security

Over the last 12 months we have begun or completed works on a range of water infrastructure projects in collaboration with the Northern Territory Government and the NWG, to support sustainability and economic growth in remote communities. Projects include:

- **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 two 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.

The Remote Water Team with residents in Galiwin'ku





New water tanks at Yulara

- **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

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.

Ali Curung's new standby generator



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.

Additional IES projects

Other significant projects supporting the growth and sustainability of remote communities include works on the sewerage ponds in Wurrumiyanga; replacing ageing bores in Willowra and Wutunugurra; relining water tanks in Yarralin and Wugularr; and water tank renewal works in Milikapiti and Barunga.

The existing Borroloola Power 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, through IES, we provide essential services to 72 remote communities and 79 outstations.

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 75 Aboriginal employees, including 7 Aboriginal apprentices, and 45 Aboriginal Territorians living and working in remote Aboriginal communities as USCWs. There are 159 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.



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.

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.

Key actions of the Aboriginal Engagement Strategy 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.

Team members taking part in the 2025 Darwin NAIDOC March





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.

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).



Members of our Darwin team gather to celebrate National Reconciliation Week

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.

This includes our new That's My Career! initiative. Designed to spark curiosity, build confidence and connect high-school students with future STEM career pathways, That's My Career! offers a hands-on learning experience.

The program is delivered through an engaging full-day workshop that includes understanding essential services, exploring STEM pathways, learning about local industries, developing problem-solving skills and showcasing diverse career opportunities available in the Northern Territory.

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 members attend a Saltwater Blessing as part of our National Reconciliation Week celebrations









Top: *Flooding in the remote community of Jilkminggan following ex-Tropical Cyclone Narelle.* ***Above:*** *Fire rages inside the Pirlangimpi Power Station*

Top: *Crews repairing powerlines in Belyuen after Tropical Cyclone Fina* ***Above:*** *Flooded infrastructure at Daly River*

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 Tropical 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.
- 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. In total we restored services to around 7,000 customers across a wide area.

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.

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 became much more than a USCW. 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 remote 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 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 was 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 wasn't going to leave the place in a state. I wanted everything running properly for the next person who takes over.'



Community engagement in Bulla

ENGAGING WITH OUR COMMUNITY

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 Partnerships Program

Our 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.

Community partnerships

In 2025-26, 8 organisations shared $50,000 through our Community Partnerships Program. They were:

- **Bikes Mwerre:** to provide bike riding and bike maintenance sessions for young people and families in Central Australian communities, supporting school attendance and engagement.
- **Cancer Council of the Northern Territory Incorporated:** to expand its Sunscreen Stand program in Alice Springs to help Territorians stay sun safe.
- **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.
- **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.
- **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. The events took place across the Territory, from Darwin and the Top End, down through Katherine and the Barkly, to Alice Springs and the Red Centre.

We supported flagship events such as Territory Day, NAIDOC Week celebrations, major festivals, regional shows and high attendance sporting fixtures. We also took 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, including those from remote communities who travel into regional centres for the shows.

Events continue to be an important touchpoint for building trust, increasing awareness and strengthening relationships with the communities we serve. They are also an opportunity to showcase our people, reinforcing our presence as a connected and community-focused organisation.

Our Customers

IMPROVING THE CUSTOMER EXPERIENCE

Community visits

Throughout the year we held several pop-up stalls across the Territory, including in the remote communities of Maningrida, Wadeye, Wurrumiyanga and 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 9 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 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.

Providing bottled water

The quality of water sources in the remote communities we serve differs across the Territory and, in some instances, the drinking water does not meet the NT Health guidelines we follow. When this happens, we provide an alternative drinking water source to the affected community.

This year we have provided alternative sources for some or all residents in 5 remote communities, for different reasons.

Most recently, we began supplying bottled water to residents in Bulla due to ongoing high levels of naturally occurring barium in the drinking water. The supply of bottled water will stay in place while we assess long-term solutions.

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





The Warruwi Water Festival

DEMAND MANAGEMENT

That's My Water!

Our That's My Water! program helps build water literacy through school-based learning, and we delivered our That's My Water! Bush Schools program 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.

Warruwi Water Festival

Our Demand Management Team also ran or took part in several other water events in remote communities, including the Warruwi Water Festival on South Goulburn Island.

The 2-way knowledge-sharing event included the Mardbalk Land & Sea Rangers and Junior Rangers, and community residents, and focused on where water comes from, why it's precious and how we can all help protect it.

The festival was an opportunity for people to ask questions, take part in groundwater monitoring and share cultural stories about the importance of water.

That's My Power!

The Demand Management Team developed an energy literacy program called That's My Power! for school students. Created on the back of the success of That's My Water!, the pilot program was delivered across schools in Maningrida, Galiwin'ku and Laramaba, with visits planned for Barunga, Engawala and Ali Curung.

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.

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



Community Campaigns

Each year we run a range of educational campaigns to keep customers informed. For our remote customers, during the 2025-26 financial year this included:

Life Support Service – to promote our free Life Support Service, which alerts customers who rely on life-saving medical equipment about planned outages, so they can enact their backup plan. Recognising many Aboriginal Territorians do not speak English as their first language, we partnered with the Aboriginal Interpreter Service to produce explainer videos in Alyawarr, Anindilyakwa, Anmatyerr, Burarra, Eastern and Central Arrernte, East Side Kriol, Kunwinjku, Maung, Murrinh Patha, Ngarinyman, Pintupi-Luritja, Pitjantjatjara, Tiwi, Warlpiri, Warumungu, Western Arrernte, West Side Kriol and Yolŋu Matha.

Remote helpline – after feedback from remote community residents about difficulties accessing our regular helpline, we created a helpline specifically for remote customers. We ran a social media campaign across all the remote communities we serve, to promote this service.

Tariff increases – while we share information about the Northern Territory Government's annual tariff increases on bills for those customers who receive water bills from us, this is not possible for pre-paid power customers, who do not receive a bill. To remind remote customers about tariff increases, we ran a social media campaign mentioning the increases and sharing information about how to save power, therefore saving money.



The Bilawara (red-tailed black cockatoo) on Larrakia Country artwork by Bilawara Lee, Jason Lee and Jesse Bell, painted on our water tank in Stuart Park

Our People

RECRUITMENT, ATTRACTION AND RETENTION

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.

We have also continued our Leadership Development Program, which 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 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.

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.

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 are already part of our team, including 5 Aboriginal apprentices.

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 apprentice intake.

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 goals.

After identifying gaps in our training, we introduced new courses including Managing Neurodiversity in the Workplace, Domestic Violence Support, and Presentation Skills. 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.



Graduates from Rise and Power Up



Second-year Aboriginal apprentice Dennis Jevdenijevic







We attended the Big Rivers Career Expo in Katherine

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 included 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.

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 year we took part 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.



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

Collaboration beyond borders

Sharing knowledge across borders is key to building capability, connection and innovation, especially when it comes to operating in remote areas. This was the focus of a visit by four interns from Timor-Leste's government-owned electricity utility and members of the Department of Mining and Energy to our Nauiyu 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.

Helping our people get home safe

Delivering services across 1.3 million square kilometres means our people are often far from help, should an emergency arise. To be able to better respond to issues, this year vehicle telematics went live in every vehicle in our fleet.

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.

Interns from Timor-Leste's government-owned electricity utility visited our Nauiyu facility





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



Trevor Durling accepts his Water Professional of the Year Award

AWARDS AND RECOGNITION

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 at the 2025 NT IBN Blak Business Awards.

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

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.



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

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.

KEY HIGHLIGHT FOR THE YEAR

We developed an energy literacy program called That's My Power! to teach students about safety around power, where power comes from and how to use it wisely. The pilot program was delivered across schools in Maningrida, Galiwin'ku and Laramaba, with visits planned for Barunga, Engawala and Ali Curung.





Robert Willie at the Owen Springs Zone Substation

Financial Statements and Explanatory Notes

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DIRECTORS' REPORT
for the year ended 30 June 2026

The directors present their report together with the financial report of Indigenous Essential Services Pty Ltd (the Company) for the year ended 30 June 2026 and the auditor's report thereon.

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

Information about the directors

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

Mr. Peter Wilson AM	Director since 2 March 2022, appointed Chair 2 March 2022, ceased 30 June 2026
Mr. Trevor Armstrong	Director since 22 August 2022, ceased 29 June 2026
Mr. Paul Italiano	Director since 22 August 2022, ceased 29 June 2026
Ms. Jodie Ryan	Director since 27 August 2022, ceased 24 August 2026
Mr. Andrew Macrides	Director since 5 August 2026, appointed Chair 5 August 2026
Mr. Timothy Nelson	Director since 5 August 2026
Ms. Maree Lang	Director since 21 September 2026
Mr. Michael Hannon	Director since 21 September 2026

Company Secretary

Mr. John Pease	Appointed 11 September 2020

Company particulars

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

Principal Registered Office and Principal Place of Business:	Level 6 Mitchell Centre 55 Mitchell Street Darwin NT 0800

The Company was formed on 26 June 2003 and commenced operations on 1 July 2003.

Controlling entity

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

Principal activities

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

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

Review of operations

The Company reported a deficit of $14.8 million for the year ended 30 June 2026, compared with a deficit of $12.7 million in the prior year. The result reflects an $18.5 million increase in operating expenditure, which exceeded the $16.4 million increase in revenue recorded during the year.

Revenue increased to $198.9 million (2025: $182.5 million), primarily driven by higher grant funding recognised as revenue of $135.4 million (2025: $127.7 million). The increase reflects the completion of the Asset Replacement Program and increased capital investment activity associated with National Water Grid Authority-funded projects.

Operating expenditure increased across several areas during the year. Repairs and maintenance expenses rose by $4.8 million (15%) to $35.9 million, reflecting increased maintenance activity on ageing assets, including engine rebuilds, failure investigations and responses to significant operational events and severe weather incidents, including cyclones, flooding and the Pirlangimpi Power Station fire. Additional expenditure was also incurred on preventative maintenance programs to support service reliability and asset performance.

Contracted labour expenses increased by $1.3 million (13%) to $11.6 million, reflecting improved workforce availability and lower recoveries of labour costs to capital projects. Distillate consumption costs increased by $1.3 million (4%) to $33.7 million, primarily due to higher diesel prices, partially offset by lower fuel consumption. Electricity purchase costs also increased by $2.0 million, driven by higher consumption and increased generator pricing.

Other expenses increased to $20.4 million (2025: $13.6 million), largely due to the write-off of legacy supplier invoices that were assessed as no longer recoverable.

Change in state of affairs

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

Subsequent events

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

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

Future developments

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

Environmental regulation

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

Dividends

As a not-for-profit entity, the Company did not declare or pay any dividends during the financial year (2025: nil).

Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities, the realisation of assets and the settlement of liabilities in the ordinary course of business. The Company is economically dependent on the Northern Territory Government (NT Government) to fund its future expenditure and the continued support from its parent entity, Power and Water Corporation. Refer to Note 1.1 for further details.

Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2026/183, relating to the 'rounding off' of amounts in the directors' report and the financial statements. Amounts in the directors' report and the financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars unless otherwise stated.

Independence declaration under Section 307C of the Corporations Act 2001

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

Indemnification and insurance of directors and officers

Indemnification

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

Insurance premiums

The following insurance policies were purchased by Power and Water Corporation to cover its directors and officers, and those of its subsidiaries. In accordance with normal commercial practices, under the terms of the insurance contracts, the nature of the liabilities insured against and the amount of premiums are confidential.

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

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



Andrew Macrides
Chair, Indigenous Essential Services Pty Limited
25 September 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Northern Territory
Auditor-General's Office

Independent Auditor's Report

To the Members of Indigenous Essential Services Pty Ltd

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

Opinion

I have audited the financial report of Indigenous Essential Services Pty Ltd (the Company), which comprises the statement of financial position as at 30 June 2026, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In my opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 30 June 2026 and of its financial performance for the year then ended
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

I am independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board (the Code) that are relevant to my audit of the financial report in Australia. My authorised auditors and I have also fulfilled our other ethical responsibilities in accordance with the Code. My independence is further established by the *Audit Act 1995*.

I confirm that the independence declaration required by the *Corporations Act 2001* was provided to the directors on the same date as this auditor's report.

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

Emphasis of matter – basis of preparation and going concern

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

My opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the *Directors' Report* but does not include the financial report and my auditor's report thereon, which I obtained prior to the date of this auditor's report.

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

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

DIRECTORS' DECLARATION

for the year ended 30 June 2026

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable;

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position of the Company as at 30 June 2026 and its performance for the year then ended; and

(ii) complying with Australian Accounting Standards.

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

On behalf of the directors



Andrew Macrides
Chair, Indigenous Essential Services Pty Ltd
25 September 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2026

	Note	June 2026 $'000	June 2025 $'000
Revenue and income from transactions			
Revenue from contracts with customers	2.1	63,317	53,920
Revenue from government grants and other contributions	2.3.1	135,366	127,736
Interest income	2.2	239	867
Other income		-	-
Total revenue and income from transactions		198,922	182,523
Expenses from transactions			
Raw materials and consumables used	3.1.1	6,833	6,890
Electricity purchased		10,559	8,546
Distillate consumption		33,717	32,423
Contracted labour expenses	3.1.2	11,554	10,250
Repairs and maintenance		35,878	31,097
Corporate services costs	3.2.1	6,426	6,269
Agents - community contract fees		18,916	18,099
Other expenses	3.2.2	20,429	13,583
Depreciation and amortisation expenses	4.1.1	66,280	65,602
Finance costs	6.5	3,141	2,498
Total expenses from transactions		213,733	195,257
Deficit for the year		**(14,811)**	**(12,734)**
Other comprehensive income			
Items that will not be classified subsequently to profit or loss:			
Revaluation surplus	9.2	(419)	-
Other comprehensive income for the year		(419)	-
Total comprehensive income for the year		**(15,230)**	**(12,734)**

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

STATEMENT OF FINANCIAL POSITION
as at 30 June 2026

	Note	June 2026 $'000	June 2025 $'000
ASSETS			
Current assets			
Cash and cash equivalents	6.2	8,255	16,401
Trade and other receivables	5.1	46,710	28,234
Inventories	5.3	13,681	7,074
Intangible assets		479	774
Other assets		169	213
Total current assets		**69,294**	**52,696**
Non-current assets			
Property, plant and equipment	4.1	922,059	912,720
Intangible assets	4.3	52	79
Right-of-use assets	4.2	35,673	36,999
Total non-current assets		**957,784**	**949,798**
Total assets		**1,027,078**	**1,002,494**
LIABILITIES			
Current liabilities			
Borrowings	6.1	-	11,000
Trade and other payables	5.2	17,584	25,768
Unearned revenue	2.3.2	34,271	18,827
Lease liabilities	6.4	3,446	3,340
Total current liabilities		**55,301**	**58,935**
Non-current liabilities			
Other payables	5.2	10,000	-
Lease liabilities	6.4	37,915	38,945
Borrowings	6.1	25,000	14,000
Total non-current liabilities		**72,915**	**52,945**
Total liabilities		**128,216**	**111,880**
Net assets		**898,862**	**890,614**
Equity			
Contributed equity	9.1	23,478	-
Retained earnings	9.3	137,841	150,572
Asset Revaluation Reserve	9.2	737,543	740,042
Total equity		**898,862**	**890,614**

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

STATEMENT OF CHANGES IN EQUITY

as at 30 June 2025

	Asset revaluation reserve $'000	Retained earnings $'000	Contributed equity $'000	Total $'000
30 June 2025				
Balance at 1 July 2024	747,571	155,779	-	903,349
Deficit for the year	-	(12,734)	-	(12,734)
Asset Revaluation	-	-	-	-
Assets retired	(7,528)	7,528	-	-
Balance at 30 June 2025	**740,043**	**150,572**	**-**	**890,615**
30 June 2026				
Balance at 1 July 2025	740,043	150,572	-	890,615
Deficit for the year	-	(14,811)	-	(14,811)
Contribution	-	-	23,478	23,478
Asset Revaluation	(419)	-	-	(419)
Assets retired	(2,080)	2,080	-	-
Balance at 30 June 2026	**737,543**	**137,841**	**23,478**	**898,862**

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

STATEMENT OF CASH FLOWS
for the year ended 30 June 2026

	Note	June 2026 $'000	June 2025 $'000
Cash flows from operating activities			
Receipts from customers		48,018	44,484
Receipt of government grants - operational		89,430	73,187
Payments to suppliers		(132,369)	(122,314)
Interest received	2.2	239	867
Interest paid		(3,141)	(2,496)
Net cash (used)/provided by operations	6.2	**2,177**	**(6,272)**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		32	3
Receipt from government grants - capital		61,380	43,520
Transferred to recurrent grant funding		-	-
Purchase of property, plant and equipment		(69,059)	(56,279)
Net cash used in investing activities		**(7,647)**	**(12,756)**
Cash flows used in financing activities			
Repayment of loan from parent entity		-	-
Proceeds from loan from parent entity		-	-
Proceeds from capital contribution		-	-
Repayment of lease liabilities	6.4	(2,676)	(2,237)
Net cash used in financing activities	6.2	**(2,676)**	**(2,237)**
Net decrease in cash and cash equivalents		**(8,146)**	**(21,264)**
Cash and cash equivalents at beginning of year		**16,401**	**37,665**
Cash and cash equivalents at end of year		**8,255**	**16,401**

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

NOTE 1 ABOUT THIS REPORT

Introduction

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

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

Note contents

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

1.1 Basis of preparation

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

Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Company has incurred a net deficit for the year ended 30 June 2026 of $14.8 million compared to a net deficit of $12.7 million for the year ended 30 June 2025. The Company's net working capital at 30 June 2026 and 2025 were a surplus of $14.0 million and deficit of $6.2 million respectively.

As at 30 June 2026, current assets increased by $16.6 million compared to the prior year. The increase was primarily attributable to the recognition of an $8.7m receivable from Power and Water, received as part of $23.5m contributed equity, a $10m increase in receivables from customers and a $6.6m increase in distillate inventory stock. The reduction in cash holdings was mainly driven by increased payments to suppliers and higher expenditure on property, plant and equipment.

The decrease in current liabilities of $3.6 million for the period compared to the previous year was primarily due to the refinancing of the $11 million loan with PWC, which was reclassified as non-current, and a reduction of $8.2 million in trade and other payables largely driven by the de-recognition of a $4.9 million payable to PWC aligned to Power and Water's $23.5 million investment in IES. This was offset by an increase of $15.4 million in unearned revenue, which primarily relates to recurrent grant funding invoiced to DHLGCD in June 2026 for Quarter 1 2026-27.

From 1 July 2026, the Treasurer approved the application of cost-reflective tariffs to Northern Territory Government and Australian Government agencies. This change is expected to result in a significant increase in revenue from the retail supply of electricity, water and sewerage services and is estimated to contribute more than $11 million annually to operating cash flows. Management expects this additional revenue to strengthen the Company's financial position and support its ability to continue as a going concern.

	June 2026 $'000	June 2025 $'000
Current Assets	69,294	52,696
Current Liabilities	55,301	58,935
Current Ratio	1.25	0.89

Assets are fundamental to the essential services provided by the Company and as such the Company's performance is significantly impacted by its capital delivery program and the associated depreciation of assets. Accordingly, the Company is economically dependent on the Northern Territory Government to fund its future capital expenditure as well as a significant portion of its operating expenses. The Company's cash balance as at 30 June 2026 decreased by $8.1 million to $8.3 million due primarily to higher payments on purchasing of property, plant and equipment. The Company is in continued discussions with the NT Government about the optimal level on ongoing funding.

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

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

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

1.2 Statement of compliance

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

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

The financial statements were authorised for issue by the directors on 25 September 2026.

1.3 Critical accounting judgements and key sources of estimation uncertainty

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

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

The following are:

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

Critical accounting judgements and key sources of estimation uncertainty	**Note number**
Going concern	Note 1.1
Impairment of financial assets	Note 7.1
Useful lives of infrastructure, plant and equipment	Note 4.1
Fair value measurements and valuation processes	Note 7.4
Unbilled revenue	Note 5.1
Capitalisation of expenses	Note 3.1.2 and Note 4.1

NOTE 2 FUNDING DELIVERY OF OUR SERVICES

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

Note contents

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

2.1 Revenue from contracts with customers

	June 2026 $'000	June 2025 $'000
Revenue from contracts with customers	63,317	53,920
	63,317	**53,920**

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

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

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

Types of service	Nature of performance obligations and revenue recognition policies
Sale of water, electricity and wastewater services	The Company sells water and wastewater services either as an individual service offering or as a bundled package to a large number of customers. Each contract entered into may consist of one, two or three separate performance obligations because the promises to transfer water, wastewater services and/or electricity are distinct and separately identifiable goods and services that are not dependent on each other for complete satisfaction of the Company's performance obligations under the contract. The Company supplies electricity to customers in remote communities across the Northern Territory. Electricity is generated, procured and distributed through community power systems and associated network infrastructure owned or managed by the Company. Revenue is derived from the sale and delivery of electricity to residential, commercial and government customers, with tariffs and service arrangements operating within the applicable Northern Territory regulatory and contractual frameworks. Each contract entered with a customer is a variable contract because the volume of water and/or electricity to be transferred to the customer over the duration of the contract is not specified; however, for the provision of wastewater services, the transaction price is fixed based on the number of installed sanitary fittings. The transaction price for water, wastewater services and electricity is subject to an annual price adjustment or escalation as determined by the regulators. Revenue from the sale of water and electricity is recognised over time as the Company transfers the electricity and water to the customer who simultaneously receives and consumes the benefits provided by the Company. The amount of revenue recognised is determined using an input method to measure progress towards complete satisfaction of each of the performance obligations. A receivable is recognised (in the form of an unbilled revenue estimate) as the Company transfers the water and/or electricity to the customer. Customers are generally billed on a quarterly basis with consideration payable when invoiced, except customers who have pre-paid meters installed. These customers access electricity through the purchase of tokens, which are sold by contractors. Revenue from the provision of wastewater services is recognised over time based on the stage of completion of the contract, being the total number of days that have lapsed at the end of the reporting period. Customers are billed quarterly in advance based on the number of sanitary fittings and recognised as a contract liability until the service is rendered. Consideration is payable when invoiced.
Operational grant funding (recurrent grants)	The Company receives operational grant funding from the Northern Territory Government to supplement the revenue generated through sales of electricity, water and wastewater services to the remote communities. The amount of funding provided is essentially the shortfall of the total costs incurred (excluding depreciation and generation costs incurred from purchasing energy from Territory Generation) less any revenue received from the sale of water supply, electricity and wastewater services. The contract is a variable contract because the volume of water and/or electricity to be transferred to the beneficiaries of the contract is unknown at the date of the initial contract; however for wastewater services the transaction price is fixed based on the number of installed sanitary fittings. The transaction price for water, wastewater services and electricity is subject to an annual price adjustment or escalation as determined by the regulators and agreed by the Company and the customer. Consideration is received in advance by the customer and is recognised as a contract liability with revenue recognised over time as the Company satisfies its performance obligations and transfers the electricity, water and wastewater services to the beneficiaries of the contract who simultaneously received and use/consume the benefits of the goods and services provided.

2.1 Revenue from contracts with customers (Cont'd)

Disaggregation of revenue from contracts with customers

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

	Electricity $'000	Water $'000	Sewerage $'000	Other revenue $'000	Total $'000
			For the year ended 30 June 2026		
Revenue from external customers	40,798	6,507	3,150	12,862	63,317
Timing of revenue recognition					
- Over time	40,798	6,507	3,150	-	50,455
- At a point in time	-	-	-	12,862	12,862
	40,798	**6,507**	**3,150**	**12,862**	**63,317**
			For the year ended 30 June 2025		
Revenue from external customers	42,703	6,723	3,514	980	53,920
Timing of revenue recognition					
- Over time	42,703	6,723	3,514	-	52,940
- At a point in time	-	-	-	980	980
	42,703	**6,723**	**3,514**	**980**	**53,920**

2.2 Interest income

	June 2026 $'000	June 2025 $'000
Interest earned on bank deposits	239	785
Interest earned on PWC short term loan	-	82
	239	**867**

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

2.3 Government grants

2.3.1 Revenue from government grants and other contributions

	June 2026 $'000	June 2025 $'000
Capital grant	61,563	54,550
Recurrent grant	73,803	73,186
Other capital contributions	-	-
	135,366	**127,736**

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

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

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

2.3.2 Unearned revenue

		June 2026 $'000	June 2025 $'000
Government grants - capital	(1)	17,870	18,053
Other - capital contributions	(2)	576	576
Contract liabilities arising from contracts with customers:			
Recurrent grant funding	(3)	15,414	-
Capital contributions - ongoing performance obligations	(4)	411	198
		34,271	**18,827**
Represented by:			
Current		34,271	18,827
Non-current		-	-
		34,271	**18,827**

(1) The portion of unearned revenue arises as a result of grant funding received from the Northern Territory and Commonwealth Governments to assist the Company in meeting its capital requirements. Revenue is released to the Statement of profit or loss and other comprehensive income as the related capital expenditure is incurred or when specific performance obligations are met.

(2) The Company receives capital contributions from customers where the consideration to acquire the capital contributions is significantly less than fair value principally to enable it to further its objectives. Revenue is recognised over time as the asset to which the capital contribution was provided is constructed.

(3) Increase of $15.4 million in recurrent grant funding invoiced to DHLGCD in June 2026 relating to Quarter 1 of 2027.

(4) Capital contributions with ongoing performance obligations are provided by customers to be used towards the construction of new, or upgrades to, existing infrastructure assets for the purpose of receiving ongoing goods and/or services under the contract with the customer. A contract liability is recognised upon receipt of the capital contributions. Revenue is recognised over the life of the contract with the customer once the asset is constructed and the Company commences transferring electricity, water and/or wastewater services to the customer who simultaneously receives and uses/consumes the benefits.

Contract liabilities

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

The contract liabilities relate primarily to the advance consideration received from customers for:

(i) Waste removal (sewerage) contracts for which revenue is recognised over time as the Company satisfies its performance obligations.
(ii) Capital contributions for the purpose of constructing infrastructure assets that will be owned by the Company for which the revenue will be recognised at a point in time on completion of the construction of the infrastructure asset and connected to the network system.
(iii) 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).
(iv) Consideration received in advance for the provision of essential services to remote communities (recurrent grant) for which revenue is recognised over time as the Company satisfies its performance obligations.

Reconciliation of capital grants

	June 2026 $'000	June 2025 $'000
Opening balance as at 1 July 2025	18,053	29,082
Capital grants received	61,380	43,521
Transferred from recurrent grant funding	-	-
Less: Capital Grant income recognised during the year	(61,563)	(54,550)
Closing balance as at 30 June 2026	**17,870**	**18,053**

2.3.2 Unearned Revenue (Cont'd)

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

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

	AASB 15		
	Capital contributions - developers	Capital contributions - network users	Total
Opening balance as at 1 July 2025	-	198	198
Capital contributions received	-	213	213
Less: capital contributions transferred to revenue	-	-	-
Closing balance as at 30 June 2026	**-**	**411**	**411**

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

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

2.4 Economic dependency

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

	June 2026 %	June 2025 %
Revenue derived from government funding	68%	70%
Revenue from provision of utility services	32%	30%
	100%	100%

NOTE 3 COST OF DELIVERING SERVICES

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

Note contents

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

	June 2026 $'000	June 2025 $'000
3.1 Expenses incurred in the delivery of services		
3.1.1 Raw materials and consumables used		
Gas purchased from parent entity	1,260	1,411
Network charges from parent entity	1,740	2,187
Generation costs for Minor Centres	330	201
Other materials and consumables	3,503	3,091
	6,833	**6,890**
3.1.2 Contracted labour expenses		
	11,554	**10,250**

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

3.2 Operating expenses

3.2.1 Corporate services costs		
	6,426	**6,269**

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

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

3.2.2 Other expenses		
External service level arrangements	662	3,717
Net (gain)/loss on disposal of property, plant and equipment	1,987	2,779
Freight	1,155	1,294
Motor vehicle expenses	858	833
IT and communication	934	967
Travel and accommodation	381	402
Trade receivables write off	14,407	-
Other	6,215	7,879
	26,599	**17,871**
Less: capital recovery	(6,170)	(4,288)
	20,429	**13,583**

NOTE 4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

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

Note contents

Section	Description
4.1	Property, plant and equipment
4.2	Right-of-use-assets
4.3	Intangible assets
4.4	Impairment of tangible and intangible assets

4.1 Property, plant and equipment

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

	June 2026 $'000	June 2025 $'000
Carrying amounts of:		
Infrastructure at fair value	771,805	786,968
Plant and Equipment at fair value	1,987	1,469
	773,792	**788,437**
Capital Work in Progress at cost	148,267	124,283
	922,059	**912,720**

	Infrastructure at fair value $'000	Plant and Equipment at fair value $'000	Capital Work in Progress at cost $'000	Total Property, Plant and Equipment $'000
June 2026				
Fair value	2,370,095	4,684	148,267	2,523,046
Accumulated depreciation	(1,598,290)	(2,697)	-	(1,600,987)
Written down value	**771,805**	**1,987**	**148,267**	**922,059**
June 2025				
Fair value	2,327,842	3,455	124,283	2,455,580
Accumulated depreciation	(1,540,874)	(1,986)	-	(1,542,860)
Written down value	**786,968**	**1,469**	**124,283**	**912,720**

	Infrastructure at fair value $'000	Plant and Equipment at fair value $'000	Capital Work in Progress at cost $'000	Total Property, Plant and Equipment $'000
June 2026				
Opening balance	786,968	1,469	124,283	912,720
Additions	5,894		69,035	74,929
Disposals	(1,996)	-	-	(1,996)
Depreciation	(62,465)	(710)	-	(63,175)
Transfer from WIP	43,751	1,235	(44,986)	-
Adjustments	72	(7)	(65)	-
Revaluations	(419)	-		(419)
Closing balance	**771,805**	**1,987**	**148,267**	**922,059**
June 2025				
Opening balance	799,215	1,285	121,312	921,812
Additions	-	-	56,279	56,279
Disposals	(2,778)	-	-	(2,778)
Depreciation	(62,307)	(281)	-	(62,588)
Transfer from WIP	53,089	428	(53,519)	(2)
Adjustments	(251)	37	211	(3)
Revaluations	-	-	-	-
Closing balance	**786,968**	**1,469**	**124,283**	**912,720**

b) Initial recognition and subsequent measurement

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

4.1 Property, plant and equipment (cont'd)

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

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

c) Revaluation of property, plant and equipment

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

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

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

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

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

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

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

4.1.1 Depreciation and amortisation expense

		June 2026 $'000	June 2025 $'000
Depreciation and amortisation expense			
Depreciation		63,202	62,622
Amortisation	4.2	3,078	2,980
		66,280	**65,602**

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

Infrastructure, plant and equipment	2026	2025
Infrastructure	5 to 110 years	5 to 110 years
Plant and equipment	4 to 40 years	4 to 40 years

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

Infrastructure, plant and equipment situated on leased land	2026	2025
Infrastructure	5 to 100 years	5 to 100 years
Plant and equipment	1 to 40 years	1 to 40 years

4.1 Property, plant and equipment (cont'd)

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

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

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

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

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

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

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

4.2 Right-of-use-assets

	June 2026 $'000	June 2025 $'000
Carrying amounts of:		
Land	18,757	18,632
Gas transport pipelines	13,669	14,733
Solar power	3,247	3,634
	35,673	**36,999**

Movement in carrying amounts	Land $'000	Gas transport pipelines $'000	Solar Power $'000	Right-of-use assets $'000
Year ended 30 June 2026				
Opening Balance	18,631	14,734	3,634	36,999
Additions / remeasurements	1,085	658	9	1,752
Amortisation	(959)	(1,723)	(396)	(3,078)
Closing balance	**18,757**	**13,669**	**3,247**	**35,673**
Year ended 30 June 2025				
Opening Balance	18,482	15,596	4,142	38,220
Additions / remeasurements	1,096	663	-	1,759
Amortisation	(947)	(1,525)	(508)	(2,980)
Closing balance	**18,631**	**14,734**	**3,634**	**36,999**

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

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

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

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

4.3 Intangible assets

	June 2026 $'000	June 2025 $'000
Intangible Assets at cost	52	79
	52	**79**

Movement	Intangible assets at cost $'000
June 2025	
Opening balance	113
Additions	-
Disposals	-
Amortisation	(35)
Transfer from WIP	-
Adjustments	-
Closing balance	**79**
June 2026	
Opening balance	79
Additions	-
Disposals	-
Amortisation	(27)
Transfer from WIP	-
Adjustments	-
Closing balance	**52**

Intangible assets acquired separately

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

Renewable Energy Certificates

The Company undertook the solar SETuP project as an initiative for cheaper electricity in remote communities and savings in distillate. The Renewable Energy Certificate Scheme operates under Federal Government legislation which requires energy retailers to source a target proportion of their electricity purchases from renewable sources. The Company is currently generating and selling Large-Scale Generation Certificates (LGC) to electricity retailers. LGC's held are of the nature of intangible assets and are disclosed in the statement of financial position as non-current assets.

Derecognition of intangible assets

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

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

	2026	2025
Intangible assets	5 to 19 years	5 to 20 years

4.4 Impairment of tangible and intangible assets

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

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

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

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

NOTE 5 OTHER ASSETS AND LIABILITIES

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

Note contents

Section	**Description**
5.1	Trade and other receivables
5.2	Trade and other payables
5.3	Inventories

5.1 Trade and other receivables

	June 2026 $'000	June 2025 $'000
Current		
Receivables	37,529	27,564
Less: provision for doubtful debts	-	-
	37,529	**27,564**
Accrued revenue other	526	670
Interest receivable	-	-
Receivables from parent entity	8,655	-
	46,710	**28,234**

Receivables at 30 June 2026 are non-interest bearing. The Company measures the loss allowance for receivables at an amount equal to lifetime expected credit losses (ECL). The ECL on receivables are estimates based on historical default experience and actual credit loss experiences with the debtor.

The Company has undertaken a review of all receivables at year end and concluded that a loss allowance will not be recognised. The majority of the balance of Trade and other receivables relates to related party balances $49.6 million owed by DHLGCD and balances of $14.4 million recognised for prior year funding shortfalls have been written off.

	June 2026 $'000	June 2025 $'000
Receivables*	38,055	28,234

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

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

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

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

Unbilled revenue

As per accounting standard AASB 15 'Revenue from Contracts with Customers', revenue is recognised to the extent it is probable the economic benefits will flow to the Company and the revenue can be reliably measured. Therefore, the Company estimates the amount of electricity and water consumed at reporting date but that is yet to be billed.

5.2 Trade and other payables

	June 2026 $'000	June 2025 $'000
Current		
Payable to controlling entity	-	4,865
Trade payables	9,087	7,617
Other payables and accruals	8,497	13,286
	17,584	25,768
Non-current		
Other payables - Payable to parent entity	10,000	-
	27,584	**25,768**

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

The non-current payable to the parent entity represents long-term funding provided to the Company. The balance is unsecured, interest-free and is not required to be repaid within 12 months of the reporting date.

5.3 Inventories

	June 2026 $'000	June 2025 $'000
Distillate stocks	13,681	7,074
	13,681	**7,074**

The cost of inventories recognised as an expense by the Company is $nil (2025: $nil) in respect of write-downs of inventory to net realisable value.

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

NOTE 6 HOW WE FINANCED OUR OPERATIONS

Note 6 How we financed our operations

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

Note contents

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

6.1 Borrowings

	June 2026 $'000	June 2025 $'000
Current		
Loan from parent entity - unsecured	-	11,000
	-	**11,000**
Non-current		
Loan from parent entity - unsecured	25,000	14,000
	25,000	**14,000**
	25,000	**25,000**

On 29 June 2026, the Company received a $11.0 million loan from its parent entity to refinance maturing loan facility. The refinancing facility is a five-year, interest-only fixed-term loan maturing on 29 June 2031. Together with the existing $14.0 million loan facility, total borrowings from the parent entity amounted to $25.0 million as at 30 June 2026.

The loan funding was provided to support the ARENA Solar Project, under which the Company is constructing solar farms to reduce electricity generation costs across the communities it services. Interest is payable on the outstanding loan balances at a fixed rate of 7.41% on the $11 million facility and 6.83% on the $14 million facility.

The non-current liabilities represent the portion of the Company's borrowings not due and payable within the next 12 months.

6.2 Cash and cash equivalents

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

(a) Reconciliation of cash

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

	June 2026 $'000	June 2025 $'000
Cash assets	**8,255**	**16,401**

The monthly average interest rate on cash assets for 2026 is 3.87% (2025: 3.9%)

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

	June 2026 $'000	June 2025 $'000
Deficit for the year	(14,811)	(12,734)
Adjustments for:		
Depreciation and amortisation expenses	66,280	65,602
Net loss on disposal of property, plant and equipment	1,988	2,780
Board approved write offs	14,407	-
Contributed Assets Provided Free of Charge	(5,894)	-
Government grant - capital	(61,563)	(54,550)
Changes in assets and liabilities		
(Increase)/decrease in Inventories	(6,607)	1,153
(Increase) in trade and other receivables	(9,405)	(9,435)
Decrease/(increase) in other assets	44	(56)
(Increase) in intangible assets	295	1,352
(Decrease)/increase in trade and other payables	1,816	(384)
(Decrease)/increase in unearned revenue	15,627	-
Net cash (used in)/provided by operating activities	**2,177**	**(6,272)**

6.2 Cash and cash equivalents (Cont'd)

(c) Reconciliation of liabilities arising from financing activities

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

Movement	Lease Liabilities	Borrowings
Opening Balance - 1 July 2025	42,285	25,000
Repayment of lease liabilities	(2,676)	-
Non-cash changes		
New finance leases and remeasurements	1,752	-
Closing Balance - 30 June 2026	41,361	25,000

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

6.3 Commitments

	June 2026 $'000	June 2025 $'000
Capital expenditure commitments		
Contracted but not provided for and payable: within one year	30,879	25,908
	30,879	**25,908**
Repairs and Maintenance expenditure commitments		
Contracted but not provided for and payable: within one year	10,473	7,548
	10,473	**7,548**

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

6.4 Leases

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

	June 2026 $'000	June 2025 $'000	June 2026 $'000	June 2025 $'000
	Minimum lease payments		**Present value of minimum lease payments**	
Not later than one year	4,831	4,814	3,446	3,340
1 to 5 years	16,503	15,899	11,549	10,812
Later than 5 years	37,224	39,498	26,366	28,133
	58,558	**60,211**	**41,361**	**42,285**
Less: future finance charges	(17,197)	(17,926)	-	-
	41,361	**42,285**	**41,361**	**42,285**
Represented by:				
Current			3,446	3,340
Non-current			37,915	38,945
			41,361	**42,285**
Total cash outflows for leases				
Principal repayments on leases			2,676	2,237
Interest repayments on leases			1,552	1,546
			4,228	**3,783**

6.4 Leases (Cont'd)

Initial recognition and measurement

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

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

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

Subsequent measurement

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Remeasurement

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

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

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

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

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

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

6.5 Finance costs

	$'000	$'000
Interest on loans from parent entity	1,589	952
Interest on leases	1,552	1,546
	3,141	**2,498**

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

NOTE 7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

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

Note contents

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

7.1 Financial instruments

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

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

(a) Financial assets

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

Classification of financial assets

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

(i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
(ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(i) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
(ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the years ended 30 June 2026 and 2025, the Company did not have any financial assets at FVTPL or FVTOCI.

Amortised cost and effective interest method

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

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

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

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

7.1 Financial Instruments (Cont'd)

Impairment of financial assets

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

The Company recognises lifetime expected credit losses (ECL) for trade receivables, contract assets and lease receivables. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors specific to the debtor, general economic conditions and an assessment of both current, as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For the year ended 30 June 2026, no ECL has been recognised for Trade and other receivables, as all the balances relate to invoices unpaid by Northern Territory Government entities and are expected to be fully receipted.

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

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

(i) Definition of default

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

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

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

(ii) Credit-impaired financial assets

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

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

(iii) Write-off policy

The Company writes off a financial asset when there is information indicating the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation, has entered bankruptcy proceedings or in the case of trade receivables, when the amounts are over 2 years past due, whichever occurs sooner. Written off financial assets may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(iv) Measurement and recognition of expected credit losses

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

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

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

7.1 Financial Instruments (Cont'd)

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

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

(b) Financial liabilities

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

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

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

(i) Financial liabilities measured subsequently to amortised cost

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

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

(ii) Derecognition of financial liabilities

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

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

7.2
Risk management objectives

(a) Financial risk management objectives and policies

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

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

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

Market risk	The risk that changes in the market will adversely impact the operations and returns of the Company.
Credit risk	The risk of financial loss if a counterparty to a transaction does not fulfil its financial obligations.
Liquidity risk	The risk of insufficient funds to fulfil the cash flow obligations on a timely basis.
Commodity price risk	The risk that contract prices will move as a result of adverse movements in the market.
Interest rate risk	The risk that financing costs will increase and impact prices to customers and returns to the shareholder.

(b) Credit risk management

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk on receivables of the Company that has been recognised in the Statement of financial position is the carrying amount net of any provision for expected credit losses.

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

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

(c) Liquidity risk management

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

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

	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	1 year or less $'000	1 to 5 years $'000	More than 5 years $'000	Total $'000
2026							
Financial Liabilities							
Payables	-	-	27,584	17,584	10,000	-	27,584
Loans from parent company	-	31,901	-	1,764	30,137	-	31,901
Lease liability	-	58,558	-	4,831	16,503	37,224	58,558
	-	**90,459**	**27,584**	**24,179**	**56,640**	**37,224**	**118,043**
2025							
Financial Liabilities							
Payables	-	-	25,768	25,768	-	-	25,768
Loans from parent company	-	29,137	-	12,271	16,866	-	29,137
Lease liability	-	60,211	-	4,814	15,899	39,498	60,211
	-	**89,348**	**25,768**	**42,853**	**32,765**	**39,498**	**115,116**

(d) Commodity price risk

The Company is exposed to changes in the price of distillate (diesel) which is used to power electricity generators. Each year grant funding received from the Northern Territory Government is based on an operational budget that includes an estimated cost of distillate consumption. In the event the distillate price increases and the Company does not have sufficient grant funds to continue operating, the Company can apply to the Northern Territory Government for additional grant funds. Sensitivity is not provided in distillate as any increases in the distillate costs are funded through the Department of Housing, Local Government and Community Development.

(e) Interest rate risk

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

7.3 Contingent liabilities and contingent assets

The company has completed investigative leak detection on underground water pipelines in Yuendumu and Angurugu. In Yuendumu the company has completed comprehensive leak rectification and remediation works, which include replacing asbestos cement mains and customer service lines. The company is working with the Department of Housing, Local Government and Community Development (DHLGCD) on a funding submission from National Water Grid Authority (NWGA) for leak rectification and remediation works required at Angurugu.

7.4 Fair value determination

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

(i) Level 1 inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

(ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

(iii) Level 3 inputs are unobservable inputs for the asset or liability.

(a) Fair value of financial instruments

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

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

The following valuation techniques are used:

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

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

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

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

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

As at 30 June 2026
The Company's assets are stated at the revalued amount, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. The Company is not required to undertake yearly impairment testing under AASB 136 Aus5.1 because the Company is a not-for-profit measuring specialised, non-cash-generating assets using the fair value (replacement cost) model. These assets are revalued to fair value under the revaluation model in AASB 116 – Property, Plant and Equipment. Assets are comprehensively revalued every five years in accordance with AASB116 s.34, with annual management assessments conducted in intervening years. These annual management assessments aim to identify significant movements in asset values and whether an interim revaluation is required. The 2025–26 assessment revealed a 11.6% cumulative movement in relevant indices since the last comprehensive revaluation in 2025. Based on this movement, no revaluation is required for 2026.

As at 30 June 2025
The Company's assets are stated at the revalued amount, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. The Company is not required to undertake yearly impairment testing under AASB 136 Aus5.1 because the Company is a not-for-profit measuring specialised, non-cash-generating assets using the fair value (replacement cost) model. These assets are revalued to fair value under the revaluation model in AASB 116 – Property, Plant and Equipment. Assets are comprehensively revalued every five years in accordance with AASB116 s.34, with annual management assessments conducted in intervening years. These annual management assessments aim to identify significant movements in asset values and whether an interim revaluation is required. The 2024–25 assessment revealed a 5.59% cumulative movement in relevant indices since the last comprehensive revaluation in 2025. Based on this movement, no revaluation is required for 2026.

7.4 Fair value determination (Cont'd)

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

	Level 3 $'000	Fair value as at 30 June 2026 $'000
Plant and equipment (including infrastructure assets)	773,792	773,792

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

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

Impairment losses recognised in the year

There were no impairment losses recognised in respect of the Company's assets as at 30 June 2026 or 30 June 2025.

NOTE 8 STATUTORY OBLIGATIONS

Note 8 Statutory obligations

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

Note contents

Section	Description
8.1	Goods and services tax
8.2	Income Tax

8.1 Goods and services tax

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

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

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

8.2 Income Tax

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

Additionally, the Company is not subject to taxation as it is a not-for-profit entity and therefore exempt under section 24 of the Income Tax Assessment Act 1936.

NOTE 9 OTHER DISCLOSURES

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

Notes contents

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

9.1 Contributed equity

	June 2026 $'000	June 2025 $'000
10 fully paid ordinary shares at $1 per share (rounded to nil)	-	-
Parent entity equity contribution	23,478	-
Balance at end of year	**23,478**	**-**

9.2 Asset Revaluation Reserve

	June 2026 $'000	June 2025 $'000
Balance at beginning of year	740,042	747,570
Assets retired transferred to retained earnings	(2,080)	(7,528)
Asset Revaluation	(419)	-
Balance at end of year	**737,543**	**740,042**

The asset revaluation reserve arises on the revaluation of property, plant and equipment (assets). When revalued assets are sold or retired, the portion of the asset revaluation reserve that relates to those assets is transferred directly to retained earnings. During the year, a revaluation decrement of $0.42 million (2025: $nil) was recognised against the asset revaluation reserve.

9.3 Retained earnings

	June 2026 $'000	June 2025 $'000
Retained earnings at beginning of year	150,572	155,778
Assets retired transferred from asset revaluation reserve	2,080	7,528
Net deficit for the year	(14,811)	(12,734)
Retained earnings at end of the year	**137,841**	**150,572**

9.4 Events after the reporting period

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

9.5 Related party transactions

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

Trading transactions

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

		Revenue from related parties $'000	Purchases from related parties $'000	Amounts owed by related parties $'000	Amounts owed to related parties $'000
Related party					
Power and Water Corporation	2026	-	2,753	-	30,226
	2025	83	2,799	-	30,760
Northern Territory Government*	2026	141,532	6,355	37,529	33,284
	2025	135,042	6,321	26,241	18,053

* Excludes Power and Water Corporation

9.5 Related Party Transactions (Cont'd)

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

The Company receives operational and capital grants from the Northern Territory Government enabling it to provide electricity, water and wastewater services to remote Aboriginal communities. Recurrent operational grants of $15.4m were provided, and $17.9m in capital grants, totalling $33.3m owed to Northern Territory Government. Capital grants are recognised as income when the Company satisfies its obligations under the transfer. The Company also receives recoverable works funds for specific projects undertaken on behalf of the Northern Territory Government and unrelated third parties.

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

Loans from related parties

The Company's parent entity, Power and Water Corporation, provided an interest-only loan of $14.0 million in June 2024 and an additional interest-only refinancing loan of $11.0 million on 29 June 2026. These facilities were used to refinance borrowings originally advanced during 2020-21. The $11.0 million refinanced loan has a five-year term and matures on 29 June 2031. Interest is payable at fixed rates of 6.83% per annum on the $14.0 million facility and 7.41% per annum on the $11.0 million facility. As at 30 June 2026, total borrowings from Power and Water Corporation were $25.0 million and were classified entirely as non-current liabilities. Refer to Note 6.1 for further details.

Power and Water Corporation (Power and Water) also invested $23.5m in IES, resulting in de-recognition of existing receivables from Power and Water and recognition of payables. This was coupled with Power and Water taking over owed amounts for IES, resulting in the recognition of a $10m payable.

Amounts owed by related parties

Amounts owed by Northern Territory Government includes outstanding invoice amounts including $0.1m from Department of Territory Families, Housing and Communities, $49.6m from Department of Housing, Local Government and Community Development, $0.6m from Department of Infrastructure, Planning and Logistics, and $1.5m from Department of Logistics and Infrastructure.

Compensation of directors

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

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

Compensation of key management personnel

The Company did not have any employees as at or during the years ended 30 June 2026 or 30 June 2025. Compensation and benefits paid to executive officers of the Company's parent entity, to the extent of their contribution to the Company's operations, are included within the scope of the management fees paid by the Company to the parent entity. Executive officers are those officers who are involved in the strategic direction, general management or control of business.

Other related party transactions

The Company purchased labour in the amount of $11.6 million (2025: $10.2 million) and accounting, computing, human resources, secretarial services and utility services for its operations from Power and Water Corporation for which a management fee of $6.4 million (2025: $6.2 million) was charged and paid. Refer to Note 3.2.1 for further details.

9.6 Auditor's Remuneration

	June 2026 $	June 2025 $
Audit of the financial statements	95,658	74,000
	95,658	**74,000**

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

9.7 Application of new and revised Accounting Standards

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

The Company has adopted all of the new, revised or amending accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and are mandatory for the current reporting period. No new, revised or amending accounting standard or interpretation has been adopted earlier than the application date as stated in the standard.

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

This standard became effective for the Company from 1 July 2025 and establishes the requirements for sustainability-related and climate-related financial disclosures in sustainability reports and general-purpose financial statements.

(b) Standards and Interpretations in issue not yet effective

At the date of authorisation of the financial statements, the Company has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

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.

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