
ANNUAL REPORT 2023-24



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Purpose of this report

The Jacana Energy Annual Report 2023–24 outlines the Corporation's operations and achievements for the 2023–24 financial year.

In line with sections 41 and 44 of the *Government Owned Corporations Act 2001*, the Annual Report informs the Northern Territory Parliament, Territorians and other stakeholders of:

- Jacana Energy's primary services and responsibilities
- significant activities, major projects, key achievements and outcomes for the year
- financial management and performance in compliance with the *Government Owned Corporations Act 2001*.

The Annual Report is tabled in the Northern Territory Legislative Assembly as a reporting mechanism for Jacana Energy's Shareholding Minister and the Northern Territory Parliament. It provides a statement of profit or loss and other comprehensive income for the 2023–24 financial year.

The Annual Report also includes information for other audiences, including the general public who have an interest in how electricity services are delivered and managed in the Northern Territory.



The Marlinja Community Solar Project
Photo Credit: Rachel Mounsey

LETTER TO SHAREHOLDER

Treasurer
Northern Territory Government
GPO Box 3146
DARWIN NT 0801

10 September 2024

Dear Minister

On behalf of Jacana Energy, we are pleased to present the Annual Report for the year ended 30 June 2024 in accordance with the provisions of sections 41 and 44 of the *Government Owned Corporations Act 2001*.

This report details the non-financial and financial performance of Jacana Energy for the year ended 30 June 2024. The key outcomes for the year are:

- a profit before tax of \$15.9 million and proposed dividend of \$5.6 million representing 50% of net profit after tax;
- improved operating cashflows and continued strengthening of the balance sheet to place the business in a position where it can reinvest in both large and small-scale renewable energy supplies for customers and continue to enhance the customer experience through technology improvements and new product development; and
- improved outcomes and services for our customers with all customer satisfaction and service metrics improving year on year.

We look forward to continuing our support for Territorians in 2024-25.

Yours sincerely



Trevor James
Chair



Louisa Kinnear
Chief Executive Officer

ABOUT US

Jacana Energy is 100% NT owned and operated, established in May 2014 following a reform of the electricity industry.

We're making electricity easy for our customers today, and finding smart, renewable energy solutions for the NT's future.

OUR VISION

"Leading smart energy solutions for the Territory"

Our vision describes what we want to achieve as an organisation. It reflects our optimism, energy and refreshed thinking about our direction and purpose.

OUR CORE VALUES

- **Diversity:** Tapping into our collective intelligence and embracing different perspectives.
- **Innovation:** Continually evolving and finding the best solutions for our customers.
- **Honesty:** Doing the right thing. Speaking up. Giving and seeking feedback.
- **Teamwork:** Delivering as a team because we are stronger together.
- **Wellbeing:** Being passionate about building a caring and supportive workplace.



Our business

Jacana Energy purchases wholesale electricity in bulk from generators and provides related retail products and services to meet our customers' energy needs.

In 2023-24 we serviced 88,081 customers (vs 88,630 in 2022-23) throughout the Northern Territory. As an electricity retailer, we are the interface between the electricity industry and customers.

We create value for our customers by:

- offering competitive retail products and services;
- providing customer support through a variety of billing options across a range of payment channels;
- providing community support, including through our dedicated hardship team to support our most vulnerable customers;
- a targeted sponsorship program;
- providing flexible contract terms and conditions for our large customers; and
- establishing wholesale supply contracts to meet our customers' current and future electricity needs to remain competitive in the energy sector.

Shareholders

Power Retail Corporation (trading as Jacana Energy) was established under the *Power Retail Corporation Act 2014* and is licensed to trade in electricity under the *Electricity Reform Act 2000*.

Jacana Energy is a government owned corporation with a Shareholding Minister and a Portfolio Minister.

At 30 June 2024, our Shareholding Minister was the Honourable Eva Lawler MLA, the Treasurer and Chief Minister.

At 30 June 2024, our Portfolio Minister was the Honourable Kate Worden MLA, Minister for Essential Services.



OVERVIEW FROM THE CHAIR

In line with our strategic plan, this has been a year of growth for Jacana Energy. I am delighted to announce our strongest profit performance in 10 years. This will ensure we can continue to invest in the development of innovative products and services for Territorians.



TREVOR JAMES

With improved operating cashflows and similar financial returns forecast for the coming year, Jacana Energy is now in an excellent position to invest in the remaining elements of its strategy – delivering new and innovative products and services. While the business didn't quite reach the full year EBIT target due to a one-off adjustment of legacy debt, our underlying profit has met expectations this year.

The 2023-24 year saw us continue to underwrite investment in renewables and progress our procurement of more large-scale solar and storage. The current tender process is ongoing, with the potential for the project to supply as much as 15 percent of the Darwin-Katherine electricity grid's needs by 2027.

We also concluded a virtual power plant trial as part of the Alice Springs Future Grid program, which demonstrated the benefits of virtual powerplant technology in permitting higher solar uptake and grid reliability.

We have also remained focused on finding ways to ensure our vulnerable customers can access reliable and affordable renewable electricity supplies. The Sun Boosters trial is a renewable energy project that aims to share the benefits of rooftop solar with customers living in public housing. This trial, combined with a solar sharing project in Marlinja (Newcastle Waters) led by a community-focused Aboriginal energy organisation, are just some of the opportunities we are exploring to deliver reliable electricity in a financially and socially sustainable way.

On behalf of the Board, I would like to thank the Jacana Energy leadership team for their strategic focus and continued commitment to a positive workplace culture which is delivering exceptional financial and customer outcomes. As our employee engagement scores have risen, so have all other metrics. It's a testament to the people-first approach led by our CEO.

I would also like to extend my thanks to our wonderful employees, stakeholders and our Shareholding and Portfolio Ministers for their ongoing support. A special mention goes to my fellow directors who I have worked closely with over the year and have appreciated their valued input to the many challenging topics that we have dealt with.

Yours sincerely

Trevor James
Chair

OVERVIEW FROM THE CHIEF EXECUTIVE OFFICER

I am pleased to say that it has been a very good year for Jacana Energy. Business performance has continued to improve year on year, as have our employee engagement metrics.



LOUISA KINNENAR

Overall, our customer metrics have continued to show material improvements year on year. This is a testament to our continued focus on improving the customer experience, underpinned by a positive workplace culture.

Employee engagement metrics also continued to increase in 2023-24, up 9 points on the prior year and in step with our improved financial performance. Our culture statement of “give trust, assume positive intent” and our commitment to leadership development has significantly increased employee motivation, inspiration and pride in working for Jacana Energy. We’ve known internally for some time that Jacana Energy is a great place to work and it’s great to see this reflected in our performance metrics.

The past year also saw us launch the quarterly Energy Customer and Community Forum (ECCF). The forum brings customers, community groups and businesses together to provide feedback on the customer experience and initiatives to improve it. The insights that we gain from customers and representative groups will be essential in helping us realise the next stage of our strategy – delivering a range of new products and services.

It really is an exciting time for Jacana Energy. We’ve made a lot of progress this year and now have the financial

sustainability, business capability and workplace culture to ensure we can realise our vision of leading smart energy solutions for the Territory.

I am incredibly proud of what we have achieved over the last few years and I am excited by the potential for Jacana Energy to deliver more innovative and affordable products and services to our customers.

Yours sincerely

Louisa Kinnear
Chief Executive Officer

PERFORMANCE TARGETS

The following table provides a comparison between actual 2023-24 key performance indicators (KPIs) and budgeted KPIs from the Statement of Corporate Intent (SCI):

Key performance indicator (KPI)	Unit	2023-24 actual	2023-24 SCI	Status
Gross Margin	% revenue	8.0%	7.8%	Achieved
Cost to Serve	\$/customer	217	225	Achieved
Earnings Before Interest and Tax (EBIT)	\$ million	15.9	18.6	Not achieved*
Customer Satisfaction	Score	4/5	3.7/5	Achieved
Employee Engagement	Score	82/100	70/100	Achieved
First Call Resolution	%	79%	80%	Not achieved*
Customer Effort	Score	+24	+5	Achieved

*The EBIT target was not met due to the impairment of old legacy debt arising from 2020 onwards that had not been previously provided for. Underlying EBIT however, was essentially met, with a result of \$17.6 million versus a \$17.7 million target.

*While the annual First Call Resolution target of 80% was narrowly missed, the score of 79% was still a 3% improvement on the prior year, noting that scores above 75% are generally exceeding industry best practice.

Measure descriptions

Gross Margin: calculated by dividing the gross margin by the total revenue. For comparative purposes it includes interest income.

Cost to Serve: calculated by dividing operating expenses (less bad and doubtful debts) by the number of customer accounts.

EBIT: Earnings Before Interest and Tax as reported in the Statement of profit or loss and other comprehensive income. For comparative purposes it includes interest income.

Customer Satisfaction: measured the level of customer satisfaction over a range of service delivery markers relating to customer service, billing and products.

Employee Engagement: measured via an employee survey, the emotional connection and commitment our people have working for Jacana Energy.

First Call Resolution: This measure reports the percentage of customers who are satisfied that their enquiry was resolved during their first interaction.

Customer Effort: measures how easy customers find managing their electricity.





OUR PEOPLE AND CULTURE

“Give trust. Assume positive intent”

With the business now firmly focused on *growth* and *new products and services*, Jacana Energy remains committed to building leadership capability to empower our people to be innovative and creative to deliver smart energy solutions for customers.

Jacana Energy’s culture continues to make great improvements year on year, with its success underpinned by a belief and commitment in constructive leadership behaviours from the Executive Leadership Team. This journey is reinforced throughout the organisation with the implementation of robust internal communications, performance development programmes and workforce planning frameworks. In addition, our ongoing leadership development program continues to be highly effective in supporting the continued growth in leadership capability across the business.

This continued focus on workplace culture is reflected in year-on-year improvements to our employee engagement scores. Jacana Energy’s annual employee engagement survey delivered a score of 82 this year, the highest score since Jacana Energy was created in 2014.

Our recruitment processes continue to be refined to simplify employee attraction and selection processes. Strategic workforce planning initiatives and improved recruitment processes have allowed our business to attract and employ the right people into the right roles at the right time.

We have also continued our focus on learning and development and built upon our talent management and succession planning frameworks.

By leveraging an automated platform, our talent management now involves identifying, nurturing and developing employees’ skills and potentials to align with strategic objectives. This process not only boosts employee engagement and retention but also prepares the organisation to address future challenges and harness opportunities.

Succession planning ensures continuity by identifying and developing high-potential employees to fill key leadership positions. Together with talent management and succession, these practices foster a resilient and agile workforce, capable of adapting to market changes and driving sustainable growth over the long term.

Jacana Energy is also committed to providing a mentally healthy workplace and continues to offer flexible work arrangements and supports employee wellbeing. Throughout 2023-24, we continued to actively promote mental health awareness through our workplace initiatives, wellbeing activities and comprehensive training programs.



Employee numbers (at 30 June 2024)

	2022-23	2023-24	Variation
Full Time Equivalent (FTE)	78	72	(6)
Headcount	82	77	(5)

Frontline employees (at 30 June 2024)

	2022-23	2023-24	Variation
Total frontline	43	37	(6)
Total headcount	82	77	(5)
Percentage (%)	52	48	(4)

Gender Diversity (at 30 June 2024)

	2022-23				2023-24			
	Female	Male	Unspecified	Total	Female	Male	Unspecified	Total
All employees	47	34	1	82	48	29	0	77
Percentage (%)	57	42	1	100	62	38	0	100
Leadership roles	13	8	0	21	13	9	0	22
Leadership percentage (%)	62	38	0	100	59	41	0	100



SUPPORTING TERRITORIANS

During 2023-24, we continued our focus on delivering flexible and personalised solutions for our customers. When our customers' personal circumstances change, our Territory-based contact centre employees listen and offer tailored payment options as well as energy-saving advice.

For our more vulnerable customers, the "Stay Connected" hardship program continued to deliver compassionate support to assist with their journey to energy bill stability.

We also continued to strengthen our partnerships with support organisations. For many of our most vulnerable customers, electricity is just one challenge among many that needs to be addressed. Addressing these needs holistically alongside best-practise support organisations, delivers better outcomes for all.

Through these partnerships we're better able to:

- reach our most vulnerable customers;
- help them get connected to a new property;
- work together to set up payment plans and budgeting for better account visibility; and
- assist in domestic violence cases with bill support and appropriate connection and disconnection options.

We have also continued to ensure a face-to-face presence across the Territory. We attended the 2024 Northern Territory Agricultural Show Circuit where employees staffed our purpose-built stall at the Alice Springs, Tennant Creek, Katherine and Darwin shows. These activations provided an opportunity for customers to engage with our employees face-to-face and discuss their energy concerns. We also hosted stalls at the *Darwin Seniors Expo*, and the *Welcome to the Top End Expo* run by Defence Housing Australia.

In addition, 2023-24 saw us launch the Energy Customer and Community Forum (ECCF). This forum brings customers, community groups and businesses together to provide invaluable feedback on customer experience, initiatives and products. The insights that we gain from customers and representative groups will help us continually improve our customer support services.

Sponsorships

Jacana Energy is committed to supporting the community in which we live and operate. In 2023-24, our sponsorship program funded eight diverse initiatives across the Northern Territory. This reflects our dedication to promoting arts, education, sports, and wellbeing. By partnering with a variety of organisations, we aim to assist Territorians from all walks of life.

Our selection process is guided by the Jacana Energy values of honesty, diversity, teamwork, innovation and wellbeing. This approach has led us to collaborate with a range of noteworthy organisations. Among them is FABalice, an event celebrating diversity and inclusivity in Alice Springs, and Top End Pride, which champions LGBTQIA+ rights and visibility in the Northern Territory. Our sponsorship also extended to sporting organisations like Baseball NT and the Darwin Tri Club, fostering athletic development and community engagement.

We also supported the Birth and Beyond Parent Resource Centre in Alice Springs, providing valuable resources for new and expecting parents. Additionally, the Southern Cross Kids Camp offers essential support and positive experiences for children facing challenging circumstances. Reeling Veterans is another program benefitting from our sponsorship, focusing on the well-being of veterans through recreational fishing activities. Finally, our commitment to the arts is highlighted by our support of the Darwin Festival and the Nightcliff Seabreeze Festival, both of which enrich the cultural landscape of our community.

Energy Customer and Community Forum

In 2023-24, Jacana Energy established the Energy Customer and Community Forum (ECCF). The ECCF comprises individual customers, business advocates and representatives from not-for-profit community organisations.

ECCF members have the opportunity to review and comment on Jacana Energy initiatives aimed at improving customer experience. They can do this directly with our CEO who chairs the meetings.

The primary aims of the ECCF are:

- a. to provide guidance to Jacana Energy regarding the needs, views and expectations of Jacana Energy's customers and the broader community
- b. to facilitate engagement on relevant energy topics with Jacana Energy customers, communities and respective community organisations and networks
- c. to review and comment on Jacana Energy's initiatives to improve the customer experience, including providing feedback on the annual Energy Charter Disclosure
- d. to improve understanding of different customer needs for electricity services and how they can be addressed
- e. to provide feedback on relevant strategic initiatives being undertaken by Jacana Energy.

The first ECCF was held in June 2024 with 11 members in attendance. Future forums will be held quarterly.



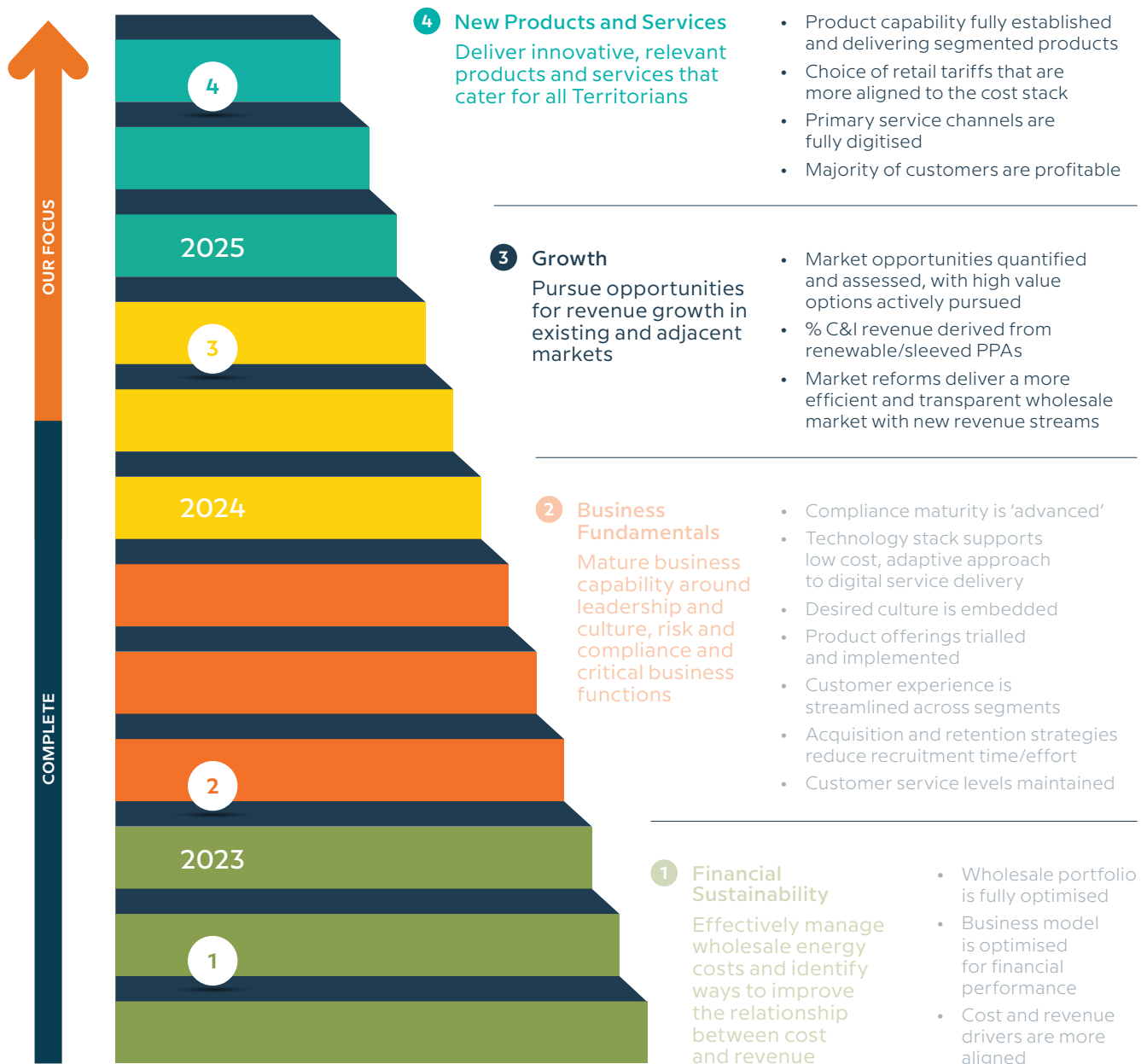
Photo Credit: Baseball NT

STEPPING UP TO ACHIEVE OUR VISION

Jacana Energy has now successfully delivered strategic initiatives 1 and 2, *Financial Sustainability* and *Business Fundamentals* with the focus now on delivering initiatives 3 and 4, *Growth* and *New Products and Services*, ensuring the business is now well on its way to achieving its vision of *leading smart energy solutions for the Territory*.

In 2023-24, Jacana Energy completed a number of innovative product trials including Solar Connect, the Northern Territory's first virtual power plant and an Australia-wide first in Marlinja (a small community about 1000km south of Darwin), whereby residents with prepayment meters are provided with fixed daily credits on their meter equal to the amount of renewable energy produced by a recently installed solar and battery microgrid.

To capture and embed learnings from these trials and to mature the organisation's product development capability, a new product development function is in the process of being established and will be operational by 2024-25. In addition, this function will be supported by the implementation of a refreshed technology roadmap to underpin an enhanced digital service delivery model.





GOVERNANCE

Governance structure

Jacana Energy is a government owned corporation established under the *Power Retail Corporation Act 2014*, governed by the *Government Owned Corporations Act 2001*.

Jacana Energy has a shareholder model of corporate governance, which is characterised by a:

- Shareholding Minister who holds Jacana Energy's shares on behalf of the Territory
- Portfolio Minister who monitors Jacana Energy's service performance and has broad responsibility for industry-wide policy matters relating to Jacana Energy
- Board of Directors who are accountable for the performance of Jacana Energy

The Jacana Energy Board appoints Jacana Energy's Chief Executive Officer (CEO), who leads the Executive Leadership Team (ELT).

The Board is accountable to the Shareholding Minister and Portfolio Minister for Jacana Energy's strategic direction, corporate performance and corporate governance. The CEO and ELT are responsible for managing Jacana Energy's day-to-day business.

Jacana Energy works in accordance with the *Northern Territory Government's Governance and Reporting Framework for Government Owned Corporations*.

The Board

The Jacana Energy Board provides leadership within a framework of controls that identify, assess and manage risks.

In 2023-24, the members of the Board were:

- Trevor James - Chair
- Cheryl Hopkins - Deputy Chair
- David Brown - Non-Executive Director

The Board delegates certain powers and functions to the CEO, the Executive Leadership Team and employees.

Biographies of the Board members are set out in the Directors' Profiles section of the Annual Report.

The Audit and Risk Committee

In 2023-24, the members of the Audit and Risk Committee (ARC) were:

- Cheryl Hopkins – Chair
- Trevor James
- David Brown

The ARC assists the Board with its responsibilities in overseeing the integrity and adequacy of Jacana Energy's financial reporting systems and processes, and the adequacy of its compliance, risk management and internal control systems.

A performance evaluation of the Board, the Audit and Risk Committee and all members was completed during the year. All members participated in the process which involved a Chair led assessment of member survey responses and a feedback discussion of matters set out in the *Corporate Governance and Reporting Framework for Government Owned Corporations*.



Photo Credit: Rachel Mounsey

Executive Leadership Team (ELT)

The ELT includes the CEO and four executives. The primary role of the CEO is the day-to-day management of Jacana Energy in accordance with the directions, strategies, plans, policies and performance requirements set by the Board.

The ELT develops and implements Jacana Energy's strategic objectives, operating within the risk appetite and other parameters set by the Board. It is also responsible for all aspects of Jacana Energy's day-to-day operation. Biographies of the ELT are set out in the Executive Leadership Team Profiles section of the Annual Report.

The CEO's performance was reviewed during the year by all Board members who assessed performance against previously agreed financial and operational KPIs. Individual ELT members' performance was assessed by the CEO against KPIs in each member's performance development plan.

Records management

Jacana Energy complies with Part 9 of the *Information Act 2002* relating to Records and Archives Management.

DIRECTORS' PROFILES



TREVOR JAMES

Chair

BBus, MAICD, FCPA

Trevor James has more than 40 years' experience in the energy industry having held senior roles in generation, networks, retail and numerous corporate financial roles.

Trevor retired as Chief Executive Officer of Synergy, WA's then largest energy retailer, on 31 December 2013.

Trevor was previously a Non-Executive Director of Aurora Energy in Tasmania and held the role of Chairman of the Board Appointments and Remuneration Committee and was also a member of their Audit, Risk and Compliance Committee.

Trevor is Chairman and a Non-Executive Director of the GTE Group which provides electrical engineering services to the mining industry and he sits on the AEMO WA Gas Compliance Panel. Trevor is also the Chair of Western Australia's CPA Transitioning and Networking Committee.

Trevor was appointed to the Jacana Energy Board initially as a Non-Executive Director in September 2019, then as Deputy Chair in September 2021 and became Chair in December 2022. Trevor is also member of the Audit and Risk Committee.



CHERYL HOPKINS

Deputy Chair

GradCert(Management), MBA, GAICD

Cheryl Hopkins has accumulated more than 35 years' experience in the Australian energy industry, working in senior executive positions such as Chief Risk Officer and Executive General Manager, in retail, wholesale, upstream gas, networks, and strategic risk and compliance.

Cheryl's diverse experience includes leading transformational change and commercial transactions within large private businesses and government owned corporations who operate in highly competitive energy markets.

Cheryl is a Non-Executive Director at TasNetworks and is also the Chair of their Audit, Risk and Compliance Committee.

Cheryl was appointed to the Jacana Energy Board as a Non-Executive Director in March 2021 and was appointed Board Deputy Chair and Chair of the Audit and Risk Committee in November 2022.

Cheryl holds a Graduate Certificate (Management), Master of Business Administration through Macquarie Graduate School of Management and is a Graduate of the Australian Institute of Company Directors.



DAVID BROWN

Non-Executive Director

BSc (Hons), DipFinServ

David Brown has more than 40 years' experience in the energy industry across energy retailing, electricity generation, market design and energy trading.

David's key strengths include strategy development and execution, business transformation, development, innovation, leadership and cultural change.

David has an excellent knowledge of Jacana Energy and the NT Electricity market having acted as Jacana Energy's CEO during 2018 and 2019.

In addition, David has worked in the United Kingdom (UK) and Australia in operational management, management consultancy, senior management, and Chief Executive Officer roles in the public and private sector. David has also held a number of Board Director and Chair positions.

David was appointed to the Jacana Energy Board as a Non-Executive Director in January 2023 and is a member of the Audit and Risk Committee.

David is a Chartered Engineer with a Bachelor of Science First Class Honours Degree in Natural Gas Engineering and a Diploma of Financial Services (Electricity Derivatives).

**LOUISA KINNEAR****MARCO DI SOMMA****JO CONWAY**

EXECUTIVE LEADERSHIP PROFILES

Chief Executive Officer

BA, MBA

Louisa joined Jacana Energy in January 2019, and was appointed to the role of CEO in November 2020.

She is an accomplished leader in the utility sector with more than 20 years' experience working across business development, transformation, market diversification and growth strategies.

Louisa is passionate about growing capability in renewable energy solutions and has a strong focus on understanding customer needs to deliver a superior experience.

Louisa holds a Bachelor of Arts and a Masters of Business Administration from the University of Western Australia.

Chief Financial Officer, Executive Manager Corporate Services

BBA, CPA

Marco joined Jacana Energy in February 2022, and was appointed to the role of CFO/Executive Manager Corporate Services in May 2023.

Marco leads the Finance, ICT, Projects, and the People & Culture teams. He brings a broad range of accounting, assurance and financial experience having worked for over 15 years across the Big Four accounting firms in Europe and Australia. Marco has also held director role for a not-for-profit organisation in the NT.

Marco holds a Bachelor of Business Administration (Italy) and is a member of CPA Australia.

Chief Customer Officer

Jo joined Jacana Energy in June 2022 as Manager Customer Service and was appointed to the role of Chief Customer Officer in March 2023.

Jo has spent the past 30 years in service delivery leadership across both the public and private sector, including Services Australia, the Queensland Department of Transport and NBN Co.

She has extensive contact centre experience and has managed large scale transformation and change initiatives.



REBECCA TILBROOK

Executive Manager Commercial

BEng (Hons)

Rebecca Tilbrook joined Jacana Energy in November 2022 as Executive Manager Commercial.

She leads the Commercial & Industrial, Wholesale & Analytics and Products teams.

Rebecca holds a Bachelor of Engineering (Renewable Energy) and has two decades' of international experience in clean energy with utilities, consulting and finance organisations.

She has previously held roles with Hydro Tasmania, CLP (Hong Kong) and Sol Systems (USA). In 2021, she won the inaugural Amcham Australia Alliance Award for Energy & Clean Technology.



TOM KORECKI

General Counsel and Company Secretary

LLB, LLM, AGIA, ACG, GAICD

Tom is an experienced corporate lawyer, leader and governance specialist with more than 20 years' experience in both the public and private sectors.

He joined Jacana Energy in June 2022 and leads the Legal and Governance team.

He began his career working for the Solicitor for the Northern Territory and was subsequently with Clayton Utz before moving into the corporate sector (including Wesfarmers) to focus on corporate and commercial law.

Tom spent 7.5 years with Bendigo Health as Group Secretary and Corporate Integrity Manager providing a range of legal services to the Board and CEO. He also worked for 3 years as a Senior Lawyer for the Australian Government.





Financial Statements

30 June 2024

DIRECTORS' REPORT

The directors present their report with the financial statements of Power Retail Corporation (the Corporation), trading as Jacana Energy, for the year ended 30 June 2024 and the auditor's report.

This report is to be read in conjunction with the financial statements of the Corporation.

Directors

The directors of the Corporation during the financial year were:

- Trevor James – Chair
- Cheryl Hopkins – Deputy Chair
- David Brown – Non-Executive Director

Details of the directors, their directorships and experience are set out in the directors' profiles section of the annual report.

Principal activities

The principal business activities of the Corporation are buying and selling electricity and providing energy retail services to the Northern Territory community.

There were no significant changes in the nature of activities conducted by the Corporation during the 2023–24 financial year.

Review of operations

The Corporation recorded a profit before tax of \$15.9 million for the year. While the business didn't quite reach the full year EBIT target due to a one-off adjustment of legacy debt, our underlying profit has met expectations this year.

The annual results are discussed in more detail below.

Total revenue for the year was \$550.1 million, which included Community Service Obligation funding of \$121.4 million and Interest income of \$2.6 million.

Overall expenses excluding tax were \$534.2 million for the year. The majority of these expenses (\$505.8 million) related to energy costs, being generation costs, network and system control charges, energy purchased for re-sale from customers using solar panels, renewable energy certificates to meet the Clean Energy Regulator's requirements, and alternative control charges and prepaid meter transactions costs.

Operating expenditure totalled \$28.4 million for the year. The Corporation's cash balance at the end of June 2024 was \$62.2 million.

Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year and before the date of this report that has significantly affected, or may significantly affect, the operations of the Corporation, the results of those operations, or the state of affairs of the Corporation in future financial years.

Environmental regulations

The Corporation's operations are subject to statutory responsibilities under Australian and Northern Territory legislation. The Corporation met its responsibilities in this area.

Dividend

An ordinary dividend of \$5.6 million was proposed to the Shareholding Minister representing 50% of net profit after tax for 2023–24.

Indemnification of Officers and Directors

The Northern Territory Government has indemnified the directors of the Corporation from and against all liabilities incurred or arising out of conduct as a director of the Corporation, acting in good faith in compliance with any direction made by the Shareholding Minister to the Corporation or the Board of the Corporation pursuant to the Deed of Indemnity executed by the Northern Territory Government.

Liability for costs and expenses incurred by the directors in defending a proceeding, whether civil or criminal, is covered by the Corporation where judgement is given in favour of the directors or the directors are acquitted.

During the financial year, a premium was paid to purchase the following insurance policies to cover the directors and officers of the Corporation:

- personal accident
- directors and officers liability.

Directors meetings

The following table displays directors’ attendance of board and Audit and Risk Committee meetings held during the 2023-24 financial year.

	Board of Directors		Audit and Risk Committee	
	Eligible to attend	Meetings attended	Eligible to attend	Meetings attended
Trevor James	10	10	4	4
Cheryl Hopkins	10	10	4	4
David Brown	10	10	4	4

DIRECTORS' DECLARATION

In the opinion of the directors of the Corporation:

- a) The financial statements and notes of the Corporation are in accordance with the Government Owned Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Corporation as at 30 June 2024 and its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards.
- b) There are reasonable grounds to believe that the Corporation will be able to pay its debts as and when they become due and payable.

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

Dated at Darwin this 10th day of September 2024



Trevor James
Chair

AUDITOR'S REPORT PAGE 1



Auditor-General

Independent Auditor's Report to the Board of Directors
Power Retail Corporation

Page 1 of 4

Opinion

I have audited the financial report of Power Retail Corporation (the Corporation), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, and the Directors' declaration.

In my opinion, the accompanying financial report of Power Retail Corporation is in accordance with Australian Accounting Standards and the *Government Owned Corporations Act 2001*, including:

- Giving a true and fair view of the Corporation's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- Complying with Australian Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of my report. I am independent of the Corporation in accordance with the *Government Owned Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

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

Key Audit Matter	Audit Response to the Key Audit Matter
Accuracy of Unbilled Consumption Revenue from sale of goods, as disclosed in Note 4 to the financial statements, includes estimated values for unbilled revenue from electricity totalling \$37.7 million, as disclosed in Note 8 to the financial report. The estimated values are based upon unbilled days and average kWh per day supplied to customers between the date of the last meter reading and the year end. The Corporation has changed its unbilled revenue model this year to calculate kWh per day using consumption data from market operators in addition to using	My procedures included but were not limited to: ▪ Assessing the new methodology and assumptions used by management to calculate the unbilled revenue. ▪ Assessing the completeness and accuracy of inputs used to determine the unbilled revenue. ▪ Testing a sample of customers to assess the accuracy of the most recent invoice date.

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Key Audit Matter	Audit Response to the Key Audit Matter
information from the billed consumption report produced by the revenue information system. The recognition of unbilled revenue and contract assets is considered to be a key audit matter due to: ▪ The significance of unbilled revenue to the financial statements; and ▪ The complexity and estimates required in determining the consumption levels relating to unbilled revenue based on historical consumption.	▪ For each customer type applying charges as outlined in the Electricity Pricing Order approved by the Northern Territory Government Treasurer. Developed an independent estimate of the unbilled revenue balance by multiplying total unbilled days, average kWh per day and charges as outlined in the Electricity Pricing Order. ▪ Comparing the expectation to the value recorded as unbilled revenue. ▪ Investigating differences that do not fall within an acceptable audit threshold. ▪ Obtaining the computation of unbilled revenue and testing the reconciliation to the general ledger balance. ▪ Testing revenue from sale of goods and rendering of services for the current period by selecting a sample of transactions from the billing system and agreeing the total to the invoice raised and cash receipts to the general ledger. ▪ Testing the completeness of revenue for the entire financial period by developing an independent expectation using charges as outlined in the Electricity Pricing Order multiplied by yearly consumption for each customer type comparing the expectation to the revenue recognised for the period.

Other Information

The Directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included within the Annual Report, but does not include the financial statements and my auditor's report thereon.

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, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, 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.

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Auditor-General

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Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the Directors are responsible for assessing the Corporation'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 the Directors either intend to liquidate the Corporation or to cease operations, or have no realistic alternative but 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 the 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 this 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 the auditor's 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 internal controls as they apply to the Corporation.
- 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 Director's 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 Corporation'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 the opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Corporation 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.

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Auditor-General

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I communicate with those charged with governance 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.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in blue ink, appearing to read 'Julie Crisp'.

Julie Crisp
Auditor-General for the Northern Territory

Darwin, Northern Territory

11 September 2024

Statement of profit or loss and other comprehensive income

For year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Electricity revenue	4(a)	426,149	413,759
Community Service Obligation revenue	4(b)	121,381	90,353
Interest income	4(c)	2,570	1,049
Energy costs of sales	5(a)	(505,818)	(475,206)
Employee benefits expense	5(b)	(10,754)	(10,010)
External service agreements	5(c)	(932)	(899)
Depreciation and amortisation expense	5(d)	(853)	(813)
Other expenses	5(e)	(15,686)	(8,449)
Finance costs	5(f)	(206)	(106)
Profit before tax		15,851	9,678
Income tax expense	6(a)	4,683	3,006
Profit for the year		11,168	6,672
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		11,168	6,672

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

Statement of financial position

As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	7	62,241	39,138
Trade and other receivables	8	67,522	75,161
Inventories	9	4,344	7,589
Other current assets		254	263
Total current assets		134,361	122,151
Non-current assets			
Property, plant and equipment	10	34	34
Intangible assets	11	2,669	1,333
Right-of-use assets	12	3,964	4,390
Deferred tax assets	6(d)	5,216	5,603
Total non-current assets		11,883	11,360
Total assets		146,244	133,511
Current liabilities			
Trade and other payables	13	53,779	47,891
Current tax liabilities	6(c)	2,520	2,594
Other current liabilities	14	11,075	11,147
Current lease liabilities	15	601	558
Provisions	16(a)	9,275	9,882
Total current liabilities		77,250	72,072
Non-current liabilities			
Non-current lease liabilities	15	3,299	3,712
Provisions	16(b)	673	537
Total non-current liabilities		3,972	4,249
Total liabilities		81,222	76,321
Net assets		65,022	57,190
Equity			
Contributed equity	17	47,666	47,666
Retained earnings	18	17,356	9,524
Total equity		65,022	57,190

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

Statement of changes in equity

For year ended 30 June 2024

	Note	Contributed equity \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 July 2022		47,666	3,410	51,076
Profit for the year ended 30 June 2023		-	6,672	6,672
Total comprehensive income for the year		-	-	-
Dividends paid or provided for	16(c)	-	(558)	(558)
Balance at 30 June 2023	17,18	47,666	9,524	57,190
Balance at 1 July 2023		47,666	9,524	57,190
Profit for the year ended 30 June 2024		-	11,168	11,168
Total comprehensive income for the year		-	-	-
Dividends paid or provided for	16(c)	-	(3,336)	(3,336)
Balance at 30 June 2024	17,18	47,666	17,356	65,022

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

Statement of cash flows

For year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash flow from operating activities			
Receipts from customers		474,039	461,856
Payments to suppliers and employees		(549,661)	(509,709)
Payment of income tax		(4,369)	(459)
Payments for Renewable Energy Certificates		(18,834)	(37,683)
Community Service Obligation received		124,912	99,166
Interest received		2,574	1,061
Net cash provided by operating activities	23	28,661	14,232
Cash flow from investing activities			
Payments for property, plant and equipment	10	(13)	(6)
Payments for intangibles	11	(1,546)	(1,209)
Net cash used in investing activities		(1,559)	(1,215)
Cash flow from financing activities			
Leases repayment		(663)	(632)
Dividends paid	16(c)	(3,336)	(558)
Net cash used in financing activities		(3,999)	(1,190)
Net increase in cash and cash equivalents		23,103	11,827
Cash and cash equivalents at the beginning of the year		39,138	27,311
Cash and cash equivalents at the end of the year	7	62,241	39,138

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

NOTES TO THE FINANCIAL STATEMENTS

1 Corporate information

Power Retail Corporation (the Corporation), trading as Jacana Energy, is a Government Owned Corporation (GOC) under the *Power Retail Corporation Act 2014*.

The address of its registered office and principal place of business is as follows:

Level 3, 24 Mitchell Street
Darwin, Northern Territory 0800

The principal business activities of the Corporation are buying and selling electricity and providing energy retail services to the people of the Northern Territory.

The Corporation was incorporated on 29 May 2014.

2 Material accounting policies

(a) Statement of compliance

These financial statements are general-purpose financial statements that have been prepared in accordance with the *Government Owned Corporations Act 2001* and Australian Accounting Standards and Interpretations and comply with other requirements of the law.

For the purposes of preparing the financial statements, the Corporation is a for-profit entity. The financial statements were authorised for issue by the directors on 10 September 2024.

(b) Basis of accounting

The financial statements have been prepared on the basis of historical cost convention.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, which is the Corporation's functional and presentation currency.

The Corporation is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investment Commission, relating to 'rounding off'.

Amounts in this report have been rounded off in accordance with that instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(c) Application of new and revised Accounting Standards

The Corporation has adopted all new and revised accounting standards issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period.

Any new, revised or amended accounting standards or interpretations that are not yet mandatory have not been adopted early at the date of authorisation of the financial statements, the relevant Standards and Interpretations that were issued but not yet effective are listed on the next page.

Initial application of Australian Accounting Standards and Interpretations

Standard/interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023	30 June 2024
AASB2021-6 Amendments to Australian Accounting Standards – Tier 2 and Other Australian Accounting Standards	1 January 2023	30 June 2024
AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information	1 January 2023	30 June 2024
AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards	1 January 2023	30 June 2024

Standards and interpretations issued but not yet effective

Standard/interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2021-7c Amendments to Australian Accounting Standards – Effective Date of Amendments to Amendments to AASB 10 and 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in 2014-10 apply]	1 January 2025	30 June 2025
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Amendments to AASB16	1 January 2024	30 June 2025
AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback – Amendments to AASB16	1 January 2024	30 June 2025
AASB 2022-6 Amendments to Australian Accounting Standards-Non current Liabilities with Covenants	1 January 2024	30 June 2025

The Corporation does not expect this standard and interpretation to have a material impact on the disclosures in the financial statements.

(d) Revenue recognition

Electricity revenue and unbilled electricity revenue

Electricity revenue and unbilled electricity revenue are recognised at a point in time or over time at a value that reflects the consideration that the Corporation expects to be entitled to in exchange for the sale of goods and services.

Revenue from the sale of electricity to retail customers is recognised at the time of providing the electricity to the customer. Income from the sale of retail electricity is the value of electricity units supplied to customers during the year. Included in this income is unbilled electricity.

Unbilled electricity sales is an estimate of the value of electricity units supplied to customers adjusted for seasonal variability between the date of the last meter reading and the year end, and is included in electricity sales.

Community Service Obligation

Revenue in the form of Community Service Obligation (CSO) is received from the Northern Territory Government where the Corporation is required to carry out activities on a non-commercial basis. CSO revenue is recognised when there is reasonable assurance that the revenue will be received and all attached conditions have been complied with.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Corporation and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(e) Cost of sales

Cost of sales comprises generation costs, network charges, renewable energy certificates and any other costs linked and directly incurred to generate revenues and provide services to customers.

(f) Income tax

The Corporation is required to make income tax equivalent payments to the Northern Territory Government based on taxable income.

Income tax equivalent payments are made pursuant to section 33 of the *Government Owned Corporations Act 2001* and are based on rulings set out in the National

Tax Equivalent Regime's manual. The manual gives rise to obligations that reflect, in all material respects, those obligations for taxation that would be imposed by the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997*.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the Statement of Profit or Loss and Other Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Corporation's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, deposits held at call with financial institutions and other short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash.

(h) Receivables

Trade receivables, which generally have 21-day terms for mass market customers and 14-day terms for contracted customers, are recognised and carried at original invoice amount less an allowance for any impaired receivables.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Corporation will not be able to collect all amounts due, according to the original terms of the receivables.

Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Refer to significant accounting judgements, estimates and assumptions and provisions for further information about the recognised loss allowance.

(i) Renewable Energy Certificates

Under the *Renewable Energy (Electricity) Act 2000* (the Act), parties on grids of more than 100 megawatt (MW) making wholesale acquisitions of electricity (relevant acquisitions) are required to demonstrate that they are supporting the generation of renewable electricity by purchasing Renewable Energy Certificates (RECs).

The Act imposes an annual liability, on a calendar year basis, by applying the specified renewable power percentage and small-scale technology percentage to relevant volume sales of electricity. These parties demonstrate compliance by surrendering RECs to the Clean Energy Regulator (CER).

Large-scale generation certificates are surrendered annually between 1 January and 14 February for the previous calendar year (compliance year). Small-scale technology certificates are surrendered on a quarterly basis.

RECs purchased are classified as Inventories (refer to Note 2(j)) until they are surrendered.

The obligation in relation to RECs is acquitted by surrendering the required number of RECs and a penalty applies for any shortfall. The Corporation's obligation at the end of the reporting period is based on actual electricity acquisitions for the period multiplied by the CER- specified liability percentages, net of RECs surrendered.

The REC liability per certificate is reflective of the average cost of REC purchases.

(j) Inventories

Inventories comprises RECs carried at the lower of cost and net realisable value. Due to price volatility of LGCs, the Corporation has implemented a purchasing strategy to acquire certificates by a combination of spot and forward contracts for own use. Forward contracts allow the Corporation to lock in a price for the future delivery and settlement of the underlying certificates.

(k) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their useful lives and is generally recognised in profit or loss.

The estimated useful lives of property, plant and equipment for current and prior year are as follows:

- office equipment 2–10 years
- fixtures and fittings 2–10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Any item of property, plant and equipment is de-recognised upon disposal or when there is no future economic benefit to the Corporation. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(l) Intangibles

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 the estimated useful lives of the intangible assets. 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.

An intangible asset is de-recognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition 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 de-recognised.

Software

Significant costs associated with software are amortised on a straight-line basis over their estimated useful lives.

The estimated useful life of software is 2.5 years. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

(m) Right-of-use asset and lease liability

The Corporation:

- recognises right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments
- recognises depreciation of right-of-use assets using the straight-line method, and interest on lease liabilities in profit or loss
- separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows.

The measurement of the assets and liabilities arising from a lease includes non-cancellable lease payments, and also includes payments to be made in optional periods if the Corporation is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.

The right-of-use asset is periodically reduced by impairment losses in accordance with AASB 136 Impairment of Assets, if any, and adjusted for certain re-measurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Corporation's incremental borrowing rate.

The Corporation leased assets include buildings and vehicles.

The Corporation leases buildings for its office space, and they contain extension options exercisable by the Corporation. The Corporation assesses whether it is reasonably certain to exercise the extension options and reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Information about leases for which the Corporation is lessee is presented below.

Amounts recognised in profit or loss	Total \$'000
Interest on lease liabilities	88

Amounts recognised in statement of cash flows	Total \$'000
Total cash outflow for leases	663

Rental costs for leased assets that are for less than 12 months or are for assets with an individual value of less than \$10,000 are recognised directly in the statement of profit or loss on a straight-line basis over the life of the lease to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks.

(n) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Corporation reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

(o) Employee benefits

Short-term employee benefits

Liabilities in respect of wages and salaries, non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities and measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Other long-term employee benefits

The liability for long service leave not expected to be settled within 12 months of the reporting date is recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability.

The liability is measured as the present value of expected future payments, discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(p) Provisions

Provisions are recognised when the Corporation has a present obligation (legal or constructive) as a result of a past event, where it is probable that the Corporation will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the specific to the asset for which the estimates of future cash flows have not been adjusted.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

All provisions are discounted where the time value of money is considered material. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance expense.

Decommissioning provisions

The Corporation records a provision for decommissioning costs to restore leased premises to their original condition at the end of the respective lease terms.

Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability.

The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

(q) Financial instruments

Financial assets and financial liabilities are recognised when the Corporation becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

Transaction costs that are directly attributable to the acquisition or issue 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.

Subsequent measurement

Financial assets at amortised cost are financial assets that are held in order to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. The Corporation's cash and cash equivalents and trade and other receivables fall within this category.

The Corporation adopts a forward-looking approach to estimate impairment losses on financial assets. An expected credit loss (ECL) is calculated based on the difference between the contractual cash flows due and the expected cash flows. The difference is recognised as an allowance against the original value of the asset.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. 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 through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(r) Dividends

Dividend distributions are recognised as a liability in the Corporation's financial statements in the period in which the dividends are approved.

The Corporation maintains a sustainable dividend policy.

The Northern Territory Government's dividend policy requires the Corporation to declare a dividend, generally at a rate of 50% of net profit after tax.

(s) Goods and service tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense, or
- for receivables and payables that are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities that is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

3 Critical accounting judgements and key sources of estimation uncertainty

In applying the Corporation's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period. If the revision affects both current and future periods, the change is recognised in both the current and future period.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Unbilled electricity sales and cost of sales

Unbilled electricity sales is an estimate of the value of electricity units supplied to customers between the date of the last meter reading and the year end and is included in electricity sales. Therefore, the Corporation estimates the amount of electricity consumed at reporting date that is yet to be billed.

Unbilled cost of sales - specifically, generation, networks and system control - is also estimated as these charges are billed monthly in arrears. Therefore, the Corporation estimates the charges at reporting date that are yet to be invoiced.

Allowance for impairment of receivables

The allowance for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account forward looking information to assess ECL. Factors considered include the ageing of receivables, historical collection

rates and specific knowledge of the individual debtor's financial position.

Calculation of loss allowance

When measuring ECL, the Corporation uses AASB 9's simplified approach for lifetime ECL. The allowance is based on the Corporation's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The calculated historical loss rates have been appropriately adjusted to reflect the expected future changes in the condition and performance based on the information available as at the reporting date.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from customers, excluding government entities, as at 30 June 2024.

2024 Days past due	Expected credit loss rate %	Gross carrying amount \$'000	Expected credit loss \$'000
Current	2.33%	18,447	429
0-30 days	6.39%	5,922	378
31-60 days	15.23%	2,804	427
61-90 days	23.49%	1,706	401
More than 90 days	67.52%	8,089	5,462
Total		36,968	7,097

4 Revenue

		2024 \$'000	2023 \$'000
(a)	Electricity revenue		
	Electricity and energy retail services	421,630	410,043
	Other revenue	4,519	3,716
	Total	426,149	413,759
(b)	Community Service Obligation (CSO)	121,381	90,353
(c)	Interest income	2,570	1,049
	Total revenue	550,100	505,161

5 Expenses

		2024 \$'000	2023 \$'000
(a)	Energy costs of sales		
	Generation, networks and system control, and energy purchased for re-sale	(481,825)	(439,759)
	Renewable Energy Certificates	(21,455)	(32,843)
	Alternative control charges	(2,422)	(2,190)
	Prepaid meter transaction costs	(116)	(414)
	Total	(505,818)	(475,206)
(b)	Employee benefits expense		
	Salary and wages	(8,895)	(8,227)
	Superannuation expense	(868)	(786)
	Fringe benefits expense tax	(50)	(44)
	Payroll tax	(551)	(535)
	Contract labour	(390)	(418)
	Total	(10,754)	(10,010)
(c)	External service agreements	(932)	(899)
(d)	Depreciation and amortisation expense	(853)	(813)
(e)	Other expenses		
	Grants and subsidies	(167)	(147)
	Provision for impaired receivables	(8,233)	(1,771)
	Auditor's remuneration	(168)	(158)
	Rental expenses	(28)	(32)
	Other expenses	(7,090)	(6,341)
	Total	(15,686)	(8,449)
(f)	Finance costs	(206)	(106)
	Total expenses	(534,249)	(495,483)

The increase in other expenses relates to the impairment of old legacy debt arising from 2020 onwards that had not been previously provided for.

6(a) Income tax recognised in profit or loss

	2024 \$'000	2023 \$'000
Current tax		
Current year	4,372	2834
Prior periods	(76)	247
Total	4,296	3,081
Deferred tax		
In respect of the current year	387	(75)
Total	387	(75)
Total income tax recognised in the current year	4,683	3,006

6(b) The income tax for the year reconciled to accounting profit

	2024 \$'000	2023 \$'000
Profit before tax	15,851	9,678
Income tax expense calculated at 30%	4,755	2,903
Prior period adjustment	(76)	248
Effect of expenses that are not deductible in determining taxable profit	4	(145)
Total income tax recognised in the current year	4,683	3,006

The tax rate used for the 2024 and 2023 reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

6(c) Current tax assets and liabilities

	2024 \$'000	2023 \$'000
Current tax liabilities		
Income tax payable	2,520	2,594
Total current tax liabilities	2,520	2,594

6(d) Deferred tax balances

	2024 \$'000	2023 \$'000
Deferred tax balances are presented in the statement of financial position as follows:		
Deferred tax assets	6,405	6,921
Deferred tax liabilities	(1,189)	(1,318)
Total deferred tax	5,216	5,603

2024	Opening balance \$'000	Recognised in profit or loss \$'000	Closing balance \$'000
Temporary differences			
Right of use assets	(1,317)	128	(1,189)
Lease liability	1,368	(111)	1,257
Intangible assets	41	(6)	35
Employee entitlements	480	60	540
Doubtful debts	2,471	(342)	2,129
Provisions	2,562	(196)	2,365
Accrued revenue and other	(2)	80	79
Total	5,603	(387)	5,216

2023	Opening balance \$'000	Recognised in profit or loss \$'000	Closing balance \$'000
Temporary differences			
Right of use assets	(1,356)	39	(1,317)
Lease liability	1,388	(20)	1,368
Intangible assets	-	41	41
Employee entitlements	624	(144)	480
Doubtful debts	3,130	(659)	2,471
Provisions	1,675	887	2,562
Accrued revenue and other	67	(69)	(2)
	5,528	75	5,603

7 Cash and cash equivalents

	2024 \$'000	2023 \$'000
Cash at bank	62,241	39,138
Total cash and cash equivalents	62,241	39,138

8 Trade and other receivables

	2024 \$'000	2023 \$'000
Trade receivables	36,968	42,887
Provision for impaired receivables	(7,097)	(8,238)
Total trade receivables	29,871	34,649
Unbilled consumption	37,651	40,508
Bank interest and other accrued revenue	-	4
Total other receivables	-	40,512
Total trade and other receivables	67,522	75,161

Total trade and other receivables as at 30 June 2024 includes \$2.8 million (2023: \$6.3 million) of CSO revenue receivable to the Corporation from the Department of Treasury and Finance.

8(a) Age of receivables that are past due but not impaired

	2024 \$'000	2023 \$'000
31–60 days	2,154	2,252
61–90 days	1,143	1,372
More than 90 days	2,426	2,641
Total	5,723	6,265

8(b) Movement in the provision for impaired receivables

	2024 \$'000	2023 \$'000
Balance at the beginning of the year	8,238	10,435
Impairment losses recognised on receivables	8,678	4,789
Amounts written off during the year as uncollectible	(9,434)	(6,794)
Amounts recovered during the year	(385)	(192)
Balance at end of the year	7,097	8,238

For trade receivables, the Corporation applies a simplified approach in calculating ECLs. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns.

The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Refer to note 3 for further information about the calculation of loss allowance.

9 Inventories

	2024 \$'000	2023 \$'000
Inventories-Renewable Energy Certificates	4,344	7,589
Total inventories	4,344	7,589

10 Property, plant and equipment

2024 Cost	Plant and equipment \$'000	Total \$'000
Balance at the beginning of the year	188	188
Additions	13	13
Balance at the end of the year	201	201
Accumulated depreciation		
Balance at the beginning of the year	(154)	(154)
Depreciation	(13)	(13)
Balance at the end of the year	(167)	(167)
Net book value	34	34

2023 Cost	Plant and equipment \$'000	Total \$'000
Balance at the beginning of the year	182	182
Additions	6	6
Balance at the end of the year	188	188
Accumulated depreciation		
Balance at the beginning of the year	(139)	(139)
Depreciation	(15)	(15)
Balance at the end of the year	(154)	(154)
Net book value	34	34

11 Intangible assets

2024	Software	Capital work in progress (WIP)	Total
Cost	\$'000	\$'000	\$'000
Balance at the beginning of the year	7,753	621	8,374
Additions	77	1,469	1,546
Balance at the end of the year	7,830	2,090	9,920
Accumulated amortisation			
Balance at the beginning of the year	(7,041)	-	(7,041)
Amortisation	(210)	-	(210)
Balance at the end of the year	(7,251)	-	(7,251)
Net book value	579	2,090	2,669

2023	Software	Capital work in progress (WIP)	Total
Cost	\$'000	\$'000	\$'000
Balance at the beginning of the year	7,165	-	7,165
Additions	588	621	1,209
Balance at the end of the year	7,753	621	8,374
Accumulated amortisation			
Balance at the beginning of the year	(6,833)	-	(6,833)
Amortisation	(208)	-	(208)
Balance at the end of the year	(7,041)	-	(7,041)
Net book value	712	621	1,333

12 Right-of-use assets

2024	ROU leased premises \$'000	'Make good' asset \$'000	ROU motor vehicles \$'000	Total \$'000
Cost				
Balance at the beginning of the year	5,283	278	160	5,721
Additions	-	-	98	98
Remeasurements	126	-	-	126
Disposals		-	(71)	(71)
Balance at the end of the year	5,409	278	187	5,874
Accumulated depreciation				
Balance at the beginning of the year	(1,190)	(75)	(66)	(1,331)
Depreciation	(558)	(29)	(44)	(631)
Disposals		-	52	52
Balance at the end of the year	(1,748)	(104)	(58)	(1,910)
Net book value	3,661	174	129	3,964

2023	ROU leased premises \$'000	'Make good' asset \$'000	ROU motor vehicles \$'000	Total \$'000
Cost				
Balance at the beginning of the year	4,928	278	78	5,284
Additions	-	-	112	112
Remeasurements	355	-	(7)	348
Disposals	-	-	(23)	(23)
Balance at the end of the year	5,283	278	160	5,721
Accumulated depreciation				
Balance at the beginning of the year	(663)	(46)	(56)	(765)
Depreciation	(527)	(29)	(33)	(589)
Disposals	-	-	23	23
Balance at the end of the year	(1,190)	(75)	(66)	(1,331)
Net book value	4,093	203	94	4,390

13 Trade and other payables

	2024 \$'000	2023 \$'000
Trade payables	1,415	1,401
Goods and services tax	4,799	111
Accrued operating expenses	1,184	1,929
Employee provisions	311	286
Unbilled consumption	22,693	22,590
Accrued network and system control charges	23,377	21,574
Total	53,779	47,891

14 Other current liabilities

	2024 \$'000	2023 \$'000
Payments received in advance	11,075	11,147
Total	11,075	11,147

15 Lease liabilities

2024	Leased premises \$'000	Leased motor vehicles \$'000	Total \$'000
Current lease liabilities	557	45	601
Non-current lease liabilities	3,212	87	3,299
Total	3,769	132	3,900

2023	Leased premises \$'000	Leased motor vehicles \$'000	Total \$'000
Current lease liabilities	527	31	558
Non-current lease liabilities	3,648	64	3,712
Total	4,175	95	4,270

16 Provisions

		2024 \$'000	2023 \$'000
(a)	Current		
	Employee benefits	1,405	1,350
	Renewable Energy Certificates	7,870	8,532
	Total	9,275	9,882
(b)	Non-current		
	Employee benefits	384	248
	'Make good' provision	289	289
	Total	673	537
	Total provisions	9,948	10,419

'Make good' provision

A provision is recognised for decommissioning costs associated with the right-of-use of leased premises of \$289,000 (2023: \$289,000). The Corporation is required to restore leased premises to their original condition at the end of the respective lease terms.

		2024 \$'000	2023 \$'000
	Renewable Energy Certificates		
	Balance at the beginning of the year	8,532	5,584
	Provisions made during the year	21,667	33,189
	Provisions utilised during the year	(22,329)	(30,241)
	Balance at end of the year	7,870	8,532

		2024 \$'000	2023 \$'000
(c)	Dividends		
	Balance at the beginning of the year	-	-
	Dividend declared for the year	3,336	558
	Dividend paid during the year	(3,336)	(558)
	Balance at end of the year	-	-

17 Contributed equity

	2024 \$'000	2023 \$'000
Contributed equity	47,666	47,666
Total	47,666	47,666

The *Government Owned Corporations Act 2001* requires the Corporation to have share capital to be held by one shareholder only, being the Shareholding Minister, who holds the share on behalf of the Northern Territory Government. The Corporation's constitution specifies the share capital to be one share. No value is assigned to the share.

18 Retained earnings

	2024 \$'000	2023 \$'000
Retained earnings		
Balance at the beginning of the year	9,524	3,410
Profit for the year	11,168	6,672
Dividend paid during the year	(3,336)	(558)
Balance at end of the year	17,356	9,524

On 26 September 2022, an ordinary dividend of \$0.6 million was approved by the Shareholding Minister representing 50% of net profit after tax for the 2022 year.

On 12 December 2022, an ordinary dividend of \$0.6 million was paid to the Corporation's shareholder in accordance with section 31 of the *Government Owned Corporations Act 2001*.

On 26 September 2023 an ordinary dividend of \$3.3 million was approved by the Shareholding Minister representing 50% of net profit after tax for the 2023 year.

On 21 December 2023, an ordinary dividend of \$3.3million was paid to the Corporation's shareholder in accordance with section 31 of the *Government Owned Corporations Act 2001*.

On 27 August 2024 an ordinary dividend of \$5.6 million was proposed to the Shareholding Minister representing 50% of net profit after tax for the 2024 year.

19 Commitments for expenditure

Commitments for operating expenditure

Future non-cancellable operating commitments are payable as follows:

	2024 \$'000	2023 \$'000
Within one year	1,805	490
Later than one year but not later than five years	601	-
Total	2,406	490

Future non-cancellable capital commitments are payable as follows:

	2024 \$'000	2023 \$'000
Within one year	355	-
Later than one year but not later than five years	-	-
Total	355	-

20 Auditor's remuneration

	2024 \$'000	2023 \$'000
Services		
Audit of the financial statements	168	158
Auditor's remuneration	168	158

The auditor of the Corporation is the Northern Territory Auditor-General.

21 Key management personnel compensation

Director remuneration

The following table discloses the remuneration details for non-executive directors during the current and previous financial year:

Non-executive directors	Year	Short Term Employee Benefits \$'000	Post Employment Benefits (Superannuation) \$'000	Total \$'000
Trevor James Chair	2024	87	9	96
	2023	81	9	90
Michele Dolin (until September 2022)	2024	-	-	-
	2023	24	2	26
Cheryl Hopkins	2024	69	8	77
	2023	62	6	68
David Brown	2024	52	6	58
	2023	25	3	28

No termination benefits were paid to non-executive directors during the year.

The table below shows the benefits paid to Executive officers of the Corporation, whose benefits from the Corporation fall within the following types:

Executive officers		2024 \$'000	2023 \$'000
	Short-term employee benefits	1,378	1,274
	Other long-term benefits	-	-
	Post-employment benefits	143	122
Total compensation of key management personnel		1,521	1,396

Executive officers are those officers who are involved in the strategic direction, general management or control of business at corporation or business division level.

22. Related party disclosures

Key management personnel compensation

Details of key management personnel compensation are disclosed in note 21 to the financial statements.

Transactions with key management personnel

All transactions with key management personnel, including the supply of electricity for domestic purposes and to key management personnel related entities, were conducted on an arm's-length basis in the normal course of business and on commercial terms and conditions.

Controlling entity

The Northern Territory Government is the ultimate parent entity of Jacana Energy.

The Corporation retails electricity and undertakes certain other transactions with government entities at an arm's-length basis in the normal course of business and on commercial terms and conditions.

Revenue in the form of Community Service Obligation (CSO) is received from the Northern Territory Government where the Corporation is required to carry out activities on a non-commercial basis. During the year, the Corporation received CSO revenues from the Department of Treasury and Finance as follows:

	Community Service Obligation \$'000
2024	121,381
2023	90,353

The Corporation purchased electricity distribution services from Power and Water Corporation (PWC). The Corporation purchased electricity generated by Territory Generation (TGEN).

All transactions with PWC and TGEN are on an arm's-length basis in the normal course of business and on commercial terms and conditions.

During the year, the Corporation entered into the following trading transactions with Government Owned Corporations:

Related party	Sales to related parties \$'000	Purchases from related parties \$'000	Amounts owed by related parties \$'000	Amounts owed to related parties \$'000
2024 Government Owned Corporations	11,119	445,493	1,136	40,703
2023 Government Owned Corporations	8,557	444,735	413	42,674

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current year for bad or doubtful debts (2023: nil) in respect of the amounts owed by related parties.

The amounts owed by and to related parties include accruals and provisions.

23. Notes to the statement of cash flows

	2024 \$'000	2023 \$'000
Profit for the year	11,168	6,672
Deferred tax expense recognised in profit or loss	(387)	73
Income tax expense recognised in profit and loss	5,070	2,933
Bad debt loss allowance	(1,141)	(2,197)
Depreciation and amortisation of non-current assets	853	813
Interest expense	88	106
Movements in working capital		
Decrease in trade and other receivables	8,776	13,824
Decrease/(increase) in other assets	3,258	(7,456)
Increase/(decrease) in trade and other payables	1,494	(3,406)
(Decrease)/increase in provisions	(446)	3,039
Decrease in other liabilities	(72)	(169)
Net cash from operating activities	28,661	14,232

24. Financial instruments

Capital risk management

The Corporation manages its capital to ensure that the Corporation will be able to continue as a going concern while maximising the return to its shareholder through the optimisation of the debt and equity balances.

The capital structure of the Corporation consists of equity of the Corporation (comprising contributed equity and retained earnings).

The Corporation does not currently have any borrowings.

The Corporation is not subject to any externally imposed capital requirements.

Categories of financial instruments

	2024 \$'000	2023 \$'000
Financial assets		
Financial asset at amortised cost:		
Cash and cash equivalent	62,241	39,138
Trade and other receivables	67,522	75,161
Total	129,763	114,299

	Maturity	2024 \$'000	2023 \$'000
Financial liabilities			
Interest-bearing loans and borrowings:			
Current lease liabilities	2024	601	558
Non-current lease liabilities	2025-2033	3,299	3,712
Other financial liabilities at amortised cost, other than interest-bearing loans and borrowings:			
Trade and other payables		53,779	47,891
Other current liabilities		11,075	11,147
Total		68,754	63,308

Financial risk management

The Corporation's finance department provides services to the Corporation and manages the financial risks relating to the operations of the Corporation.

The Corporation does not enter into or trade financial instruments, including derivative financial instruments.

Foreign currency risk management

The Corporation does not undertake transactions denominated in foreign currencies; consequently, the Corporation is not exposed to exchange rate fluctuations.

Commodity price risk management

The Corporation's exposure to commodity price risk is minimal.

Interest rate risk management

The Corporation does not borrow funds; consequently, the Corporation is not exposed to interest rate risk. The variable interest rate received on assets is determined by the Department of Treasury and Finance.

Credit risk management

Credit risk represents the loss that would be recognised at the reporting date if counterparties failed to meet their contractual obligations. The credit risk on receivables has been recognised in the statement of financial position and reflects the carrying amount net of any allowance for doubtful debts. The Corporation has a minimal concentration of credit risk as it undertakes transactions with a large number of customers. The Corporation is not materially exposed to any individual customer.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns.

The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date regarding past events, current conditions and forecasts of future economic conditions. Refer to significant accounting judgements, estimates and assumptions and provisions for further information about the recognised loss allowance.

Liquidity risk management

The Corporation monitors its risk of a shortage of funds. The following tables detail the Corporation's remaining contractual maturity for its financial liabilities. The table below summarises the maturity profile of the Corporation's financial liabilities based on contractual undiscounted payments:

2024	Less than 3 months \$'000	3-12 months \$'000	1-5 years \$'000	More than 5 years \$'000	Total \$'000
Financial liabilities					
Non-interest bearing	64,854	-	-	-	64,854
Interest bearing	150	451	2,700	599	3,900
Total	65,004	451	2,700	599	68,754

2023	Less than 3 months \$'000	3-12 months \$'000	1-5 years \$'000	More than 5 years \$'000	Total \$'000
Financial liabilities					
Non-interest bearing	59,038	-	-	-	59,038
Interest bearing	139	419	2,700	1,012	4,270
Total	59,177	419	2,700	1,012	63,308

25. Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material or unusual nature that in the opinion of the directors of the Corporation affects significantly the operations of the Corporation, the results of those operations, or the state of affairs of the Corporation in future financial years.



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