Jacana ENERGY

2018-19
Annual Report

Contents

Purpose of this report

Jacana Energy's Annual Report outlines the Corporation's operations and achievements for the 2018–19 financial year.

Pursuant to sections 41 and 44 of the *Government Owned Corporations Act 2001*, the report informs the Northern Territory Parliament, Territorians and other stakeholders of:

- Jacana Energy's primary services and responsibilities
- significant activities of the year, highlighting major projects, key achievements and outcomes
- 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 Northern Territory Parliament. It provides a statement of income and expenditure for the 2018–19 financial year.

The Annual Report includes information for others, including the wider public, who have an interest in the provision of electricity services in the Northern Territory.

Letter to Shareholder

The Hon. Nicole Manison MLA
Deputy Chief Minister and Treasurer
Northern Territory Government
Darwin 0800

20 September 2019

Dear Treasurer,

On behalf of Jacana Energy (Power Retail Corporation), it gives us great pleasure to present the Corporation's Annual Report for the year ended 30 June 2019 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 2019. We are pleased to report that during this year our key achievements have included:

- a profit before tax of $7.2 million
- a declared post year-end dividend of $2.5 million
- executing three power purchase agreements with large scale renewable projects
- supporting vulnerable Territorians through financial hardship funding programs

We look forward to continuing our support for Territorians in 2019–20.

Yours sincerely,

Noel Faulkner
Chairman

Djuna Pollard
Chief Executive Officer

About us

Jacana Energy is 100 per cent Northern Territory owned and operated, established in July 2014 through a reform of the electricity industry. Our clear focus is on customer outcomes and maximising value for our shareholder.

We are the Territory's largest electricity retailer, providing electricity retail services for residential, small and large business customers throughout urban, rural and remote areas.

Vision statement

Our vision is to be a modern and efficient electricity retailer providing products and services that Territorians want and value.

Our strategic objectives state our aims for the year:

- customer experiences that Territorians trust and choose
- a passionate and talented team who are inspired to grow
- valued and trusted by our stakeholders
- efficiently deliver innovative products and services

Our business

Jacana Energy purchases wholesale electricity in bulk from generators, turning it into a range of retail products and services designed to meet our customers' energy needs.

We provide electricity services to more than 85,000 customers throughout the Northern Territory (see map). As an electricity retailer, we are the principal interface between the electricity industry and customers. We create value for our customers by:

- offering competitive retail products and tariffs
- providing helpful customer support
- delivering timely and accurate billing
- providing a variety of payment options across a range of convenient payment channels
- supporting larger customers with personalised local account management services
- promoting competition between electricity generators to drive down wholesale energy costs

OUR CORE VALUES

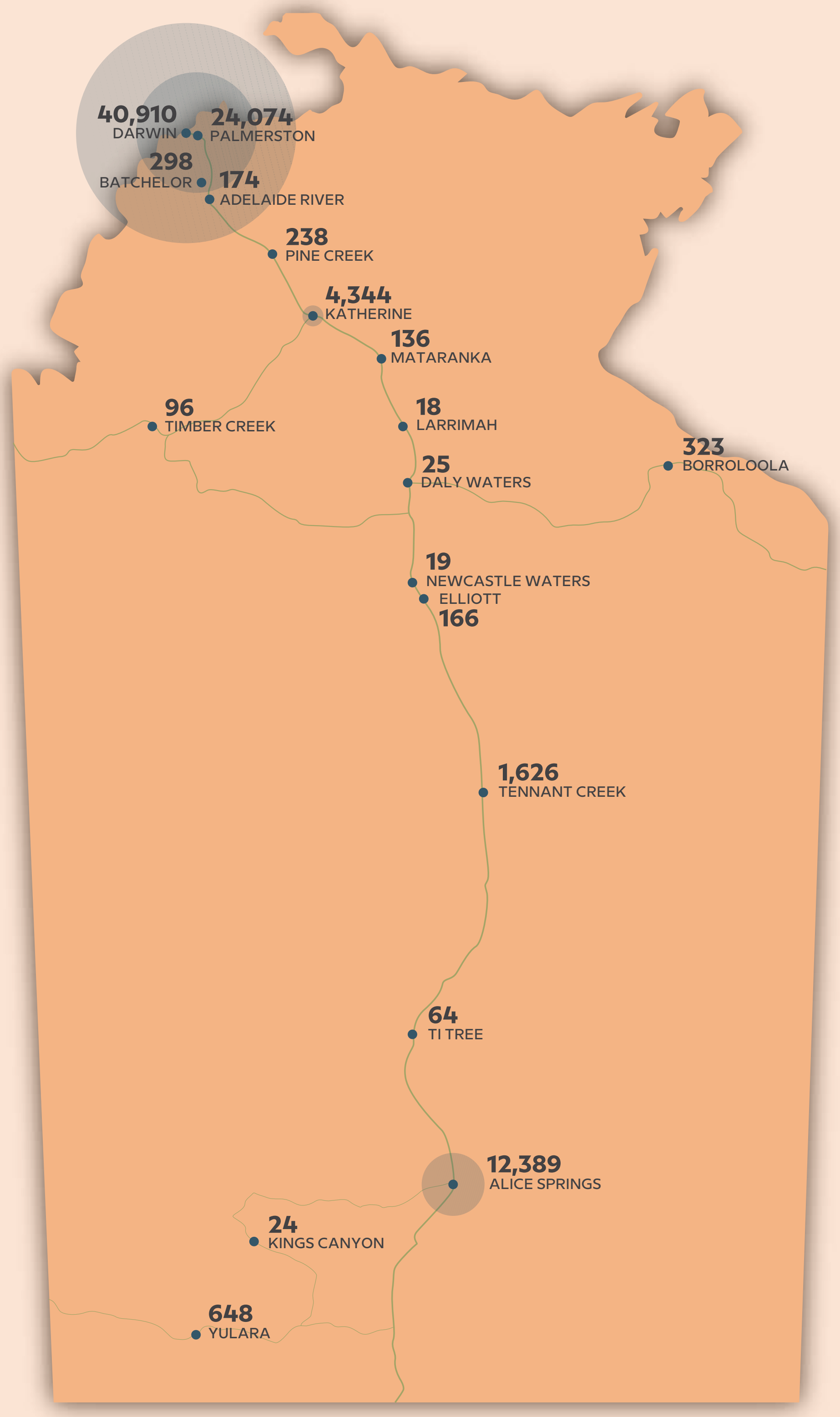
- We operate with integrity
- We drive innovation for our business
- We embrace diversity
- We deliver as a team
- We are passionate about our employees' wellbeing

Shareholders

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

As at 30 June 2019, our shareholding Minister is The Hon. Nicole Susan Manison MLA, the Deputy Chief Minister and Treasurer, and our portfolio Minister is The Hon. Dale Suzanne Wakefield MLA, Minister for Renewables, Energy and Essential Services and Minister for Territory Families.

Our customers



Overview from the Chairman


NOEL FAULKNER

Now in our fifth year of operations, Jacana Energy has completed much of the development work and stabilised operations as a stand-alone electricity retailer.

We continue to deliver a superior customer experience and provide strong financial returns to the government and people of the Northern Territory.

The highlights of the year include:

- signing three new power purchase agreements for renewable energy
- revising Hardship and Family and Domestic Violence policies
- successfully introducing electronic prepayment meters
- revising our sponsorship program to focus on vulnerable members of the community
- achieving Earnings Before Interest and Tax (EBIT) of $7.2 million

Strong financial performance

Jacana Energy's EBIT for 2018–19 is $7.2 million, which is well above our Statement of Corporate Intent (SCI) target of $4.9 million.

We achieved this result despite increasing competition in the marketplace. The outcome will enable us to return $7.7 million to the government in the form of annual dividend and tax equivalent payments.

Customer service

Jacana Energy promises excellent customer service – this is central to everything we do. A key element to deliver on this promise was continuing to implement and enhance our Retail Operating System.

New developments during the year included introducing email billing and preparing a new online, self-service product called MyAccount for roll out during the next financial year. MyAccount will allow customers to perform a range of their own account and billing services via an online portal.

Renewable energy opportunities

Generation supply is the most significant cost for Jacana Energy – representing approximately 56 per cent of total direct costs. Sourcing alternative generation supply to achieve lower generation prices and a greater diversity of supply is a crucial goal for us and is consistent with the Northern Territory Government's 50 per cent renewable target. In October 2018, a power purchase agreement was signed to buy renewable energy and green products from the 25 megawatt (MW) Katherine Solar Farm. This solar farm is currently under construction. Two further power purchase agreements were signed in January 2019 for the 10 MW Batchelor Solar Farm and the 10 MW Manton Dam Solar Farm. Construction is expected to start for both projects in September 2019.

Investing in our people

Jacana Energy has continued the Culture and Leadership Program that began in December 2016. This program establishes a constructive, achievement focused culture. The Corporation undertook a comprehensive review of its organisational structure during the financial year to ensure it aligned with this strategy.

Improving operational capability and delivering efficiencies

Jacana Energy has limited control over our major costs, which is a key challenge. Generation, network costs and environmental charges represent 95 per cent of all expenditure.

We continue to identify and pursue opportunities to reduce these costs, such as increasing energy supply from renewable sources.

We only have a direct impact on our operational expenditure, which represents just 5 per cent of total costs. However, it is critical that we operate as efficiently as possible. We will continue to leverage our new Retail Operating System to enable us to achieve greater efficiencies and improve the quality of customer service.

Part of the community

As a local business, we are very proud to be part of the Territory community and provide financial assistance to Territorians. We also support and participate in iconic Territory community events.

In 2018–19, Jacana Energy employed a new holistic approach to supporting community projects via direct sponsorship, employee volunteering, fundraising and other in-kind participation. The program was highly successful in its first year, directly supporting 1600 vulnerable Territorians.

Looking forward

I am confident the strategic projects implemented in 2018–19 and the continued development of our digital capability will continue to improve our customers' experience. As we look forward to the coming year, our goal is to deliver a level of service that Territorians are proud of. Thank you to our shareholding Minister and portfolio Minister, and other key stakeholders, especially our people, for their support throughout the year.

New appointment

Jacana Energy appointed a new Chief Executive Officer (CEO) at the end of 2018–19. Djuna Pollard started with the Corporation on 9 September 2019. Djuna has demonstrated exemplary leadership skills across government and the community during her more than 20-year career in the Northern Territory.

I would like to thank David Brown, the outgoing CEO, for his leadership and expertise during a period of significant change.

Yours sincerely

Noel Faulkner
Chairman

Performance targets

Key performance indicator	Unit	2018–19 Actual	2018–19 SCI	Status
Gross Margin	% Revenue	6.3	5.2	🟢
Cost to Serve	A$/customer	211	182	🔴
EBIT	A$ million	7.2	4.9	🟢
Return on Equity	%	9.3	4.7	🟢
Grade of Service	%	66.7	70.0	🔴
Abandonment Rate	%	4.1	<5.0	🟢

Jacana Energy delivered an EBIT of $7.2 million, compared to a target of $4.9 million. This result was primarily due to a better than forecast Gross Margin. Our actual Gross Margin percentage across all customer segments was 6.3 per cent of revenue, compared to the target of 5.2 per cent. A key driver of this performance was our ability to purchase renewable energy certificates at a lower average price than budgeted.

The Cost to Serve figure of $211 compared to the target of $182 was largely due to:

- additional contact centre staff required to maintain customer service levels during an unseasonably hot wet season resulting in a 19 per cent increase in customer calls
- increased support for vulnerable Territorians
- rolling out the new prepaid meter systems and payment solutions
- following a successful Go-Live of the new Retail Operating System, external resources were required to stabilise the system and embed planned upgrades designed to improve the customer experience

The better than expected earnings performance enabled us to deliver a Return on Equity of 9.3 per cent compared to a target of 4.7 per cent.

Jacana Energy's Grade of Service and Abandonment Rate for 2018–19 averaged 66.7 per cent and 4.1 per cent, respectively. Grade of Service was just under the annual target despite an increase in average daily call volumes of 19 per cent when compared to the previous year. The Grade of Service key performance indicator (KPI) trended upwards throughout the year as the Retail Operating System stabilised and initiatives to deliver a superior customer experience were successfully implemented mid-year. The past three months of the financial year saw the Corporation exceed the Grade of Service target.

Our people

Performing competitively in the evolving electricity landscape requires competent and empowered people working together collaboratively. Our people are essential to successfully deliver our objectives and sustain business performance over the long term.

Key focus areas for this year were developing our people, strengthening our leadership capabilities and enhancing employee performance through strong engagement.

Leadership development was facilitated by our Culture and Leadership Program, which has been in place since 2016. The primary objective of the program is to make Jacana Energy a place where we bring out the best in each other and provide the best service to our customers. By establishing a constructive, achievement focused culture we ensure our success as a commercial business.

Acknowledging the critical role leadership plays in driving culture and engagement, the program's primary focus is strengthening the capability of our leaders and ensuring the leadership team works together effectively.

The Culture and Leadership Program is a long term initiative that will continue over the coming years to ensure sustainable customer, people and commercial outcomes.

Operational training and development initiatives during 2018–19 focused on building business systems capability to enable the Corporation to realise benefits and efficiencies from implementing our Retail Operating System. The system went live in April 2018 for mass market customers. During the financial year the Corporation undertook a comprehensive review of the organisational structure to ensure it aligned with our strategic objectives. Although minor, the resulting structure changes enabled a renewed focus on billing, credit management activities and the Hardship Program to enhance the customer experience.

Our reward and recognition program was reviewed and refreshed during the financial year to ensure our people, who champion our values and desired behaviours, are recognised for their contribution in achieving the Corporation's strategic objectives and driving a positive workplace culture.

Employee Numbers

	2017–18	2018–19	Variation*
Full Time Equivalent (FTE)	59.6	71.5	11.9
Headcount	68	78	10

Frontline Employees (% by headcount)

	2017–18	2018–19	FY Variation
Total Frontline	52	56	4
Total Headcount	68	78	10
Percentage (%)	77	72	(5)

Diversity (% by headcount)

All Employees	2017–18		2017–18 Total	2018–19		2018– 19 Total
	Female	Male		Female	Male	
	49	19	68	60	18	78
Percentage (%)	72	28	100	77	23	100
Leadership Roles	6	5	11	10	3	13
Leadership Percentage (%)	55	45	100	77	23	100

* The increase in employee numbers from 30 June 2018 to 30 June 2019 resulted from additional contact centre staff required to improve the Grade of Service to our customers during a period of increased call volumes. Additional development time needed for some key Retail Operating System enhancements required extra resources throughout this year.

Supporting vulnerable Territorians

In 2018–19, Jacana Energy introduced a new sponsorship program focused on supporting smaller community-based projects that specifically help vulnerable people.

As a socially responsible member of the community, this program helps Jacana Energy contribute to a sense of place, demonstrate care for the vulnerable and engage employees to support vulnerable people.

Jacana Energy employed a holistic approach to supporting community projects via direct sponsorship, employee volunteering, fundraising and other in-kind participation, across four categories:

- vulnerable women
- people with disabilities
- homelessness and hardship
- children and the elderly

Programs supported include:

- **YWCA's Women of Worth** – A program that empowers women on their journey through the justice system to re-engage with the community and reduce re-offending
- **Total Recreation's FREDI Fitness** – A fitness program aimed at engaging and empowering people with a disability to enjoy recreational activities, improving wellbeing and helping to build social networks through fun, recreation, exercise, diet and inclusion (FREDI)
- **Orange Sky Laundry** – Provides opportunities for people experiencing homelessness to positively connect with others through free laundry, showers and conversation
- **Starlight Foundation's Healthier Futures** – Visits remote communities in the Northern Territory to engage children through play and imagination in a culturally appropriate way and provide distraction during health clinic visits

The sponsorship program was highly successful in its first year, directly supporting 1600 vulnerable Territorians. The program engaged Jacana Energy employees, with most participating in a number of events with program participants, volunteering and donating goods.

Outlook

The following section provides an overview of the strategies and initiatives to address each of Jacana Energy's strategic objectives and ultimately improve financial performance while providing excellent customer service.

OUR STRATEGIC OBJECTIVES ARE:

- Our Customers – Customer experiences that Territorians trust and choose
- Our People – A passionate and talented team who are inspired to grow
- Our Community – Valued and trusted by our stakeholders
- Our Business – Efficiently deliver innovative products and services

Set out under each strategic objective is what Jacana Energy intends to achieve in 2019–20.

STRATEGIC OBJECTIVE 1: OUR CUSTOMERS

Customer experiences that Territorians trust and choose

- complete the customer experience strategy
- successfully promote added value services (including online self-service, Reliabill, and eBilling) and reduce call volumes
- achieve efficiencies with systems and new processes
- successfully implement the revised Hardship Program
- identify new products and business services that customers want, including demand management, green products, solar photovoltaic (PV), battery storage and electric vehicle charging
- enhance our digital capability, including upgrading the website and improving our social media presence

STRATEGIC OBJECTIVE 2: OUR PEOPLE

A passionate and talented team who are inspired to grow

- enable high functioning leaders
- implement development plans for all our people
- ensure values are understood and consistently applied across the organisation
- develop highly engaged people with a clear understanding of how their role contributes to the business objectives
- ensure a clearly defined employer value proposition
- complete a skills and capability gap analysis and develop and implement a plan to address skills and capability gaps
- complete all policies, procedures, and process instructions for our business activities
- develop digital capability and skills across the organisation

STRATEGIC OBJECTIVE 3: OUR COMMUNITY

Valued and trusted by our stakeholders

- review our brand strategy
- achieve sponsorship / partnership objectives
- implement effective programs for vulnerable customers
- ensure social media strategy implementation is on track
- create broad customer awareness of community engagement programs
- continue campaigns to increase online interactions

STRATEGIC OBJECTIVE 4: OUR BUSINESS

Efficiently deliver innovative products and services

- review pricing structures and develop proposed future structures
- achieve positive outcomes in the wholesale market development process
- finalise the long term electricity purchasing strategy, including an expression of interest for future electricity purchases
- review Feed in Tariff
- improve key information systems, including the Retail Operation System and Pronto Financial System
- improve sales and account management capability and extend to small businesses
- implement product development strategy, capability, processes and accountability
- progress business proposals for new products and business opportunities

Governance

Governance structure

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

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

- shareholding Minister, currently the Treasurer, who sets annual performance targets for Jacana Energy and monitors performance against them
- portfolio Minister, currently the Minister for Renewables, Energy and Essential Services and Minister for Territory Families, who monitors Jacana Energy's service performance and has broad responsibility for industry-wide policy matters relating to Jacana Energy
- Board of Directors who is accountable for the performance of Jacana Energy

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

While the Board is accountable to the shareholding Minister and portfolio Minister for Jacana Energy's performance, the CEO and ELT are responsible for managing the business on a day to day basis.

The Board

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

The Board is responsible for the governance of Jacana Energy. It is involved in developing and approving Jacana Energy's strategic objectives and oversees management. It promotes a healthy corporate culture by monitoring the implementation of Jacana Energy's values and key policies.

The members of the Board are:

- Noel Faulkner – Chairman
- Clare Milikins – Deputy Chair
- Caryle Demarte – Non-Executive Director

The Board delegates certain powers and functions to the CEO, members of the ELT and other employees.

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

The Audit and Risk Committee

The members of the Audit and Risk Committee (ARC) are:

- Clare Milikins – Chair
- Noel Faulkner
- Caryle Demarte

The ARC assists the Board to discharge 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.

Executive Leadership Team

The ELT includes the CEO and five 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 is responsible for developing and implementing Jacana Energy's strategic objectives, operating within the risk appetite and other parameters set by the Board, and for all other aspects of the day to day running of Jacana Energy.

Biographies of the ELT are set out in the Executive Leadership Team Profiles section of the Annual Report.

Corporate governance

In accordance with the Northern Territory Government's Governance and Reporting Framework for Government Owned Corporations, Jacana Energy has implemented policies and practices to apply the following ASX governance principles:

1. To lay solid foundations for management and oversight – the Board Charter establishes and discloses the respective roles and responsibilities of its Board and management and how their performance is monitored and evaluated.
2. To structure the Board to add value – the Board of three independent non-executive directors is an appropriate size, composition and skill range to enable it to discharge its duties effectively.

3. To act ethically and responsibly – the Jacana Energy Code of Conduct reflects our commitment to a culture of honesty, integrity, fairness and accountability, and to act in a manner that is consistent with the expectations of our shareholder and the wider community.
4. Safeguard integrity in corporate reporting – the Audit and Risk Committee (ARC) serves to independently verify the integrity of Jacana Energy's corporate reporting.
5. Respect the rights of security holders – Jacana Energy respects the rights of its shareholding Minister and portfolio Minister by communicating openly and honestly with them and by providing the Ministers appropriate information and facilities to allow them to exercise those rights effectively.
6. Recognise and manage risk – Jacana Energy has established a risk management framework, the appropriateness and effectiveness of which is subject to review by the ARC.
7. Remunerate fairly and responsibly – the Board applies the remuneration policy and succession plans for key management personnel, balancing the need to attract, retain and motivate high quality executives with Jacana Energy's commercial interests.

Records management

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

Directors' profiles

NOEL FAULKNER

Non-Executive, Chairman

Noel has more than 36 years' experience in utilities, predominantly in electricity entities, combined with eight years in government.

He has directed the integration of several large businesses in Queensland and Victoria, including the establishment of competitive retail undertakings in Victoria.

Noel was involved in South East Queensland's regional water reforms, including leading the establishment of the distributor/retailer Queensland Urban Utilities.

Noel is the Chairman of the Mackay Water Advisory Board and Chairman of the Redland City Council Advisory Board. Noel has held the positions of Chief Executive Officer of Queensland Urban Utilities, Powercor Australia Ltd, United Energy Ltd and Capricornia Electricity, as well as holding senior executive roles with Brisbane City Council.

Noel has held Chairman and Director roles at South East Queensland Bulk Water Supply Authority and Unitywater.

Noel has a Bachelor of Engineering, Graduate Diploma in Management and is a Graduate of the Australian Institute of Company Directors.

CLARE MILIKINS

Non-Executive, Deputy Chair

Clare is a Northern Territory-based senior finance and governance professional who was born and raised in Darwin. She has held executive positions in the public sector, establishing effective organisational systems and leading reform agendas. Clare owns a successful retail business and provides advisory services to small and medium enterprises on governance and financial management. Clare has widely diversified skills in the public sector and private enterprise and has a sound track record of success in the roles undertaken and outcomes achieved.

In May 2014, Clare was appointed Deputy Chair of the Corporation and is the Chair of the Audit and Risk Committee. Clare has held several voluntary directorships. She has held senior executive positions within the Northern Territory Government, including Executive Director of Finance and Governance at the Department of Natural Resources, Environment and the Arts as well as roles in Treasury and the Department of Transport and Works.

Clare is a Fellow of CPA Australia, with a Bachelor of Commerce (Accounting) and a Postgraduate Certificate in Public Sector Management. She is a Graduate of the Australian Institute of Company Directors.

CARYLE DEMARTE

Non-Executive, Director

Caryle has an extensive background as a senior executive in the public and private sectors in the energy industry, including General Manager of the Victorian Government owned retailer, Kinetik Energy and General Manager of Retail, Corporate Relations, Public and Government Affairs with TXU Energy. Caryle is a member of the Audit and Risk Committee.

Caryle retired as Chair of Tasmanian electricity retailer Aurora Energy in November 2018, and has held directorships at Yarra Valley Water, Synergy, Australian Customer Relations, Victorian Energy and Water Industry Ombudsman, VENCorp, several not-for-profit sector boards, the Energy Retailers Association and Chair of the Victorian Government Local Government Infrastructure Assistance Fund. Caryle has a Bachelor of Business and in 2000 was awarded a Public Service Medal for services to the Victorian community. She is a Fellow of the Australian Institute of Company Directors.

Executive leadership team profiles

DAVID BROWN

Chief Executive Officer

David has more than 39 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 and innovation and leadership and cultural change.

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 held a number of Board Director and Chair positions.

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).

KIMBERLEY BARTON

Executive Manager Operations

Kimberley has 15 years' experience in the electricity and gas industry while working for AGL and Simply Energy. Kimberley spent four years in UNELCO, Vanuatu, leading commercial and operations services across electricity and water, including generation, distribution and retail activities.

Throughout her career Kimberley has managed outsourced providers, national complaint and dispute resolutions, mass market and commercial and industrial billing, credit and collections, hardship programs, meter reading services, new connections and service orders as well as sales operations in Australia and internationally.

Kimberley was recently awarded the 'Exceptional Leadership' Jacana Energy award.

KELVIN STRANGE

General Counsel and Company Secretary

Kelvin was admitted to practice in 1987 and has extensive legal and secretarial experience, including 13 years as General Counsel and Company Secretary at Power and Water Corporation. Kelvin previously worked in private legal practice for more than 15 years.

Kelvin joined Jacana Energy in April 2018 to lead the Legal and Governance team.

Kelvin holds a Bachelor of Laws from the University of Adelaide and is a Graduate of the Australian Institute of Company Directors.

ALEXANDRA VEREKER

Executive Manager People and Culture

Alexandra has more than 16 years' experience in senior operational and executive human resources (HR) positions across different industries, including information technology (IT), retail, agriculture, food processing and electricity. Before joining Jacana Energy, Alexandra held different roles with Australia's largest integrated cattle and beef producer Australian Agricultural Company and lead the HR function for a $100 million greenfield project.

Alexandra previously gained HR experience with IKEA Germany, focusing on succession planning initiatives for the company's national store expansion program and training facilitation. She is experienced in developing organisational capability by delivering targeted people initiatives and has a passion for building leadership capability and driving cultural change in different environments to achieve strategic objectives.

ANDREW LEWIS

Chief Financial Officer Executive Manager Corporate Services

Andrew has more than 20 years' experience in finance leadership roles, including in private and government owned oil and gas multinationals. Andrew's career has seen him live and work internationally, including in the United Kingdom, South Africa, Qatar, United Arab Emirates and now in Australia.

Andrew joined Jacana Energy in February 2019 and leads the finance, information, communications and technology (ICT) and corporate services functions.

He holds a Bachelor in Economics from the University of Exeter, UK and is a qualified Chartered Accountant (ACA), and a member of CPA Australia.

LOUISA KINNEAR

Executive Manager Sales and Marketing

Louisa has more than 15 years' experience with water and energy utilities, including eight years in the energy sector facilitating business development, market diversification and growth strategies. Prior to joining Jacana Energy, Louisa established the SolarReturn brand for Synergy, positioning Western Australia's largest energy retailer as a solar provider of choice in a crowded and highly competitive market.

Louisa has experience in marketing, business analysis, strategy and policy development and has been involved in developing and executing market reform and transformation programs across both water and energy sectors.

Louisa holds a Bachelor of Arts and a Master of Business Administration.

Financial Statements
30 June 2019

Directors' report

The directors present their report with the financial report of Power Retail Corporation, trading as Jacana Energy, for the year ended 30 June 2019 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:

- Noel Faulkner – Chairman
- Clare Milikins – Deputy Chair
- Caryle Demarte – 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 people of the Northern Territory.

There were no significant changes in the nature of activities conducted by the Corporation during the 2018 –19 year.

Review of operations

The Corporation recorded a net profit before tax of $7. 2 million for the year. The annual results are discussed in detail below.

Total revenue for the year was $485.0 million, which included Community Service Obligation funding of $71.5 million.

Overall expenses excluding tax were $477.8 million for the year. The majority of these expenses related to the cost of goods sold expenditure, being network and system control charges, and generation costs of $167.0 million and $256.7 million, respectively. Cost of goods sold included energy purchased for re-sale of $9.6 million from customers using solar panels and $20.3 million in renewable energy certificates to meet the Clean Energy Regulator requirements. Alternative control charges and prepaid token expenses totalled $0.9 million.

Operating expenditure totalled $23.3 million for the year. External service agreements of $2.4 million were included in operating expenditure, which related to contracts held by third parties. Included in the external service agreements is the $1.4 million Transitional Services Agreement with Power and Water Corporation, which covers operational and systems services.

The Corporation's cash balance at the end of June 2019 was $43.1 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.

Future developments

By the end of the next financial year it is anticipated that the services performed under the current Transitional Services Agreement will be performed or managed internally.

Environmental regulations

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

Dividends

Since the end of the financial year, the directors have declared a dividend of $2.5 million.

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 sets out the number of directors meetings (including meetings of committees of directors) held during the year ended 30 June 2019 and the number of meetings attended by each director (while they were a director or committee member).

	Board of Directors		Audit and Risk Committee	
	Meetings held	Meetings attended	Meetings held	Meetings attended
Noel Faulkner	10	10	6	6
Clare Milikins	10	10	6	6
Caryle Demarte	10	10	6	6

Directors' declaration

The directors declare that:

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

b) in the directors' opinion, the attached financial statements are in accordance with Australian Accounting Standards and International Financial Reporting Standards, as stated in note 2 to the financial statements

c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Government Owned Corporations Act 2001*, including compliance with accounting standards and give a true and fair view of the financial position and performance of the Corporation.

On behalf of the directors

Noel Faulkner
Chairman

Darwin, 20 September 2019

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 2019, 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 a summary of significant accounting policies, 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 2019 and of its financial performance for the year ended on that date; and
- Complying with International Financial Reporting Standards as disclosed in Note 2(a).

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* (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 scope 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 $45.1 million, as disclosed in Note 8 to the financial report. The estimated values are based upon unbilled kilowatt hours supplied to customers between the date of the last meter reading and the year end. There is a significant	My procedures included but were not limited to: ▪ Assessing the methodology and assumptions used by management to calculate the unbilled revenue. ▪ Assessing the completeness and accuracy of inputs used to determine the unbilled revenue. ▪ Developing an independent estimate of the unbilled revenue based on customer numbers and billings from the prior month. ▪ Comparing the expectation to the value recorded as unbilled revenue.

Level 12 Northern Territory House 22 Mitchell Street Darwin 0800 Tel: 08 8999 7155 Fax: 08 8999 7144

Auditor’s report page 2

Auditor-General

Key Audit Matter	Audit scope response to the Key Audit Matter
risk around the measurement and recognition of revenue related to unbilled revenue due to the complexity and estimates required in determining actual consumption levels relating to 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. ▪ Inspecting a sample of monthly reconciliations to determine if variances existed and had been satisfactorily resolved and reconciliations had been reviewed and approved. ▪ 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 recalculating the consumption and fixed daily charges and agreeing the total to the invoice raised and the general ledger.
Accuracy of the Allowance for Impairment of Receivables/Provision for Doubtful Debts	
The Provision for Doubtful Debts, as disclosed in Note 8 to the financial statements, constitutes an estimate of $5.3 million. Australian Accounting Standard AASB9 *Financial Instruments*, which became effective in the year ended 30 June 2019, establishes principles for the financial reporting of financial assets including impairment of assets and specifies the approach to determining and recognising a loss allowance for expected credit losses. There is a significant risk around the measurement of the provision for doubtful debts due to the complexity and estimates required in determining the expected credit losses when calculating the provision.	My procedures included but were not limited to: ▪ Assessing the methodology and assumptions used by management to calculate the provision for doubtful debts. ▪ Testing management's estimate of the provision for doubtful debts and bad debt expense, and the data upon which the estimate is based. ▪ Comparing the value and nature of write-offs of receivable to management's estimate of the provision for doubtful debts.

Level 12 Northern Territory House 22 Mitchell Street Darwin 0800 Tel: 08 8999 7155 Fax: 08 8999 7144

Auditor-General

Page 3 of 4

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 in the Corporation's annual report for the year ended 30 June 2019, but does not include the financial report 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.

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 note 2(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

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 has 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, designs and performs 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.

Level 12 Northern Territory House 22 Mitchell Street Darwin 0800 Tel: 08 8999 7155 Fax: 08 8999 7144

Auditor's report page 4

Auditor-General

Page 4 of 4

- 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.

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.

Julie Crisp
Auditor-General for the Northern Territory

Darwin, Northern Territory

24 September 2019

Level 12 Northern Territory House 22 Mitchell Street Darwin 0800 Tel: 08 8999 7155 Fax: 08 8999 7144

Statement of profit or loss and other comprehensive income

For year ended 30 June 2019

	Note	2019 $'000	2018 $'000
Revenue	4(a)	412,901	413,732
Community Service Obligation	4(b)	71,524	79,542
Interest revenue	4(c)	596	918
Energy cost of sales	5(a)	(454,515)	(460,375)
Employee benefits expense	5(b)	(9,295)	(7,792)
External service agreements	5(c)	(2,456)	(4,430)
Depreciation and amortisation expense	5(d)	(2,718)	(649)
Other expenses	5(e)	(8,843)	(6,548)
Profit before tax		**7,194**	**14,398**
Income tax expense	6(a)	2,157	4,320
Profit for the year		**5,037**	**10,078**
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		**5,037**	**10,078**

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 2019

	Note	2019 $'000	2018 $'000
Current assets			
Cash and cash equivalents	7	43,108	45,323
Trade and other receivables	8	69,093	70,828
Current tax assets	6(c)	1,789	-
Other current assets	9	4,818	8,538
Total current assets		**118,808**	**124,689**
Non-current assets			
Property, plant and equipment	10	283	481
Intangible assets	11	3,401	5,826
Deferred tax assets	6(d)	3,368	4,192
Total non-current assets		**7,052**	**10,499**
Total assets		**125,860**	**135,188**
Current liabilities			
Trade and other payables	12	57,024	56,266
Current tax liabilities	6(c)	-	2,036
Provisions	14(a)	5,712	10,982
Other current liabilities	13	8,868	11,730
Total current liabilities		**71,604**	**81,014**
Non-current liabilities			
Provisions	14(b)	187	103
Total non-current liabilities		**187**	**103**
Total liabilities		**71,791**	**81,117**
Net assets		**54,069**	**54,071**
Equity			
Contributed equity	15	47,666	47,666
Retained earnings	16	6,403	6,405
Total equity		**54,069**	**54,071**

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 2019

	Note	Contributed equity $'000	Retained earnings $'000	Total $'000
Balance at 1 July 2017		**47,666**	**19,665**	**67,331**
Profit for the year ended 30 June 2018		-	10,078	10,078
Total comprehensive income for the year		-	**10,078**	**10,078**
Dividends paid or provided for	14(c)	-	(23,339)	(23,339)
Balance at 30 June 2018	15,16	**47,666**	**6,405**	**54,071**
Balance at 1 July 2018		**47,666**	**6,405**	**54,071**
Profit for the year ended 30 June 2019		-	5,037	5,037
Total comprehensive income for the year		-	**5,037**	**5,037**
Dividends paid or provided for	14(c)	-	(5,039)	(5,039)
Balance at 30 June 2019	15,16	**47,666**	**6,403**	**54,069**

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 2019

	Note	2019 $'000	2018 $'000
Cash Flow from Operating Activities			
Receipts from customers		411,774	410,652
Payments to suppliers and employees		(453,813)	(461,017)
Payment of income tax		(5,158)	(4,987)
Payments for Renewable Energy Certificates		(22,004)	(14,602)
Community Service Obligation received		71,524	79,542
Interest received		596	918
Net Cash Provided by Operating Activities	21	**2,919**	**10,506**
Cash Flow from Investing Activities			
Payments for property, plant and equipment		(95)	(2,657)
Net Cash Used in Investing Activities		**(95)**	**(2,657)**
Cash Flow from Financing Activities			
Dividends paid	14(c)	(5,039)	(23,339)
Net Cash Used in Financing Activities	16	**(5,039)**	**(23,339)**
Net decrease in cash and cash equivalents		(2,215)	(15,489)
Cash and cash equivalents at the beginning of the year		45,323	60,812
Cash and cash equivalents at the end of the year	7	**43,108**	**45,323**

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

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

Registered office
Level 3, 24 Mitchell Street
Darwin NT 0800

Principal place of business
Level 3, 24 Mitchell Street
Darwin NT 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 Significant 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*, 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. These financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The financial statements were authorised for issue by the directors on 20 September 2019.

(b) Basis of preparation

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 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.

Application of new and revised Accounting Standards

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement requirements. It makes major changes to the previous guidance on classifying and measuring financial assets and introduces an 'expected credit loss' model for impairment of financial assets. When adopting AASB 9, the Corporation has applied transitional relief and elected not to restate prior periods. Rather, any material differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are to be recognised in opening retained earnings as at 1 July 2018. The adoption of AASB 9 has mostly impacted the impairment of financial assets, specifically trade receivables.

No material reclassification, measurement or impairment of financial assets has occurred, hence there was no impact on the Corporation's financial position, profit or loss, other comprehensive income or total comprehensive income on initial application.

For trade receivables under AASB 15 the Corporation applies a simplified approach of recognised lifetime expected credit losses as these items do not have a significant financing component. The additional loss allowance is charged against the respective asset. The impairment allowance for trade receivables did not increase at 1 July 2018. The reconciliation between the closing provision for impairment in accordance with AASB 139 to the opening loss allowance determined in accordance with AASB 9 for the above financial instruments on 1 July 2018 is depicted in the table below.

	Measurement Category		Carrying amount		
	Original AASB 139 Classification	New AASB 9 Classification	Closing balance 30 June 2018 (AASB 139) $'000	Adoption of AASB 9 $'000	Opening balance 1 July 2018 (AASB 9) $'000
Trade and other receivables	Loans and Receivables	Amortised cost	31,524	0	31,524

The application of AASB 9 has had no impact on the classification and measurement of the Corporation's financial liabilities.

The application of AASB 9 has had no impact on the cash flows of the Corporation.

AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from Contract with Customers replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related interpretations.

The new standard has been applied as at 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated. In accordance with the transition guidance, AASB 15 has only been applied to contracts that are incomplete at 1 July 2018. While this standard represents significant new guidance, the implementation of this new guidance did not have an impact on the timing or amount of revenue recognised by the Corporation this year.

Standards and interpretations issued but not yet effective

At the date of authorisation of the financial statements, the standards and interpretations that were issued but not yet effective are listed below.

Standard/interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 16 'Leases', and the relevant amending standards	1 January 2019	30 June 2020
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	1 January 2020	30 June 2021

AASB 16 provides a comprehensive model for identifying lease arrangements and their treatment in the financial statements for both lessors and lessees. AASB 16 will supersede the current lease guidance including AASB 117 'Leases' and the related interpretations when it becomes effective for reporting periods after 1 January 2019.

The Corporation has chosen the modified retrospective approach in applying AASB 16 'Leases'.

At the 30 June 2019, the Corporation has non-cancellable operating lease commitments of $1.2 million.

A preliminary assessment indicates that these arrangements relate to leases other than short-term leases and leases of low-value assets, and hence the Corporation will recognise a right-of-use asset of $1.2 million and a corresponding lease liability of $1.2 million in respect of these leases. Over the lease term, the impact on profit or loss is to decrease other expenses by $1.3 million, to increase depreciation by $1.2 million and to increase interest expense by $0.1 million.

(c) Revenue recognition

Electricity sales and unbilled electricity sales

Revenue is 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 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.

(d) 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 *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.

(e) 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.

(f) 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 which 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 re-organisation, 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.

(g) Renewable Energy Certificates

Under the *Renewable Energy (Electricity) Act 2000*, 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 recognised as an asset at their purchase price.

The RECs liability is extinguished by surrendering the required number of RECs, a penalty applies for any shortfall. The Corporation's liability is based on actual electricity acquisitions for the past calendar year, multiplied by the CER specified liability percentages for that year.

(h) 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 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.

(i) 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 two and a half years. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

(j) 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.

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

(k) 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.

(l) 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 present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

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.

(m) 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.

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.

(n) Dividends

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

(o) Goods and services tax

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

(i) 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

(ii) 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 expected credit losses (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 reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default.

It is based on the difference between the contractual cash flows due and those the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions

4 Revenue

		2019 $'000	2018 $'000
(a)	**Revenue**		
	Sale of goods	411,346	410,399
	Other revenue	1,555	3,333
		412,901	**413,732**
(b)	**Community Service Obligation**	71,524	79,542
(c)	**Interest revenue**	596	918
	Total revenue	**485,020**	**494,192**

5 Expenses

		2019 $'000	2018 $'000
(a)	**Energy costs of sales**		
	Generation	(256,670)	(271,606)
	Networks and system control	(167,007)	(157,726)
	Renewable Energy Certificates	(20,337)	(22,425)
	Energy purchased for re-sale	(9,604)	(7,378)
	Alternative control charges	(531)	(516)
	Prepaid token expenses	(365)	(729)
		(454,515)	**(460,375)**
(b)	**Employee benefits expense**		
	Salary and wages	(6,674)	(5,857)
	Superannuation expense	(581)	(565)
	Fringe benefits expense tax	(26)	(26)
	Payroll tax	(376)	(401)
	Contract labour	(1,639)	(943)
		(9,295)	**(7,792)**
(c)	**External service agreements**	**(2,456)**	**(4,430)**
(d)	**Depreciation and amortisation expense**	**(2,718)**	**(649)**
(e)	**Other expenses**		
	Grants and subsidies	(164)	(206)
	Provision for impaired receivables	(2,670)	(2,056)
	Auditor's remuneration	(142)	(97)
	Rental expenses	(559)	(610)
	Other expenses	(5,309)	(3,579)
		(8,843)	**(6,548)**
	Total expenses	**477,827**	**479,794**

6(a) Income tax recognised in profit or loss

		2019 $'000	2018 $'000
	Current tax		
	In respect of the current year	1,333	4,378
		1,333	**4,378**
	Deferred tax		
	In respect of the current year	824	(58)
		824	**(58)**
	Total income tax recognised in the current year	**2,157**	**4,320**

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

		2019 $'000	2018 $'000
	Profit before tax	7,194	14,398
	Income tax expense calculated at 30%	2,157	4,320
	Total income tax recognised in the current year	**2,157**	**4,320**

The tax rate used for the 2019 and 2018 reconciliations above is the corporate tax rate of 30 per cent payable by Australian corporate entities on taxable profits under Australian tax law.

6(c) Current tax assets and liabilities

		2019 $'000	2018 $'000
	Current tax assets		
	Tax refund receivable	1,789	-
		1,789	**-**
	Current tax liabilities		
	Income tax payable	-	2,036
		-	**2,036**

6(d) Deferred tax balances

		2019 $'000	2018 $'000
	Deferred tax balances are presented in the statement of financial position as follows:		
	Deferred tax assets	3,381	4,214
	Deferred tax liabilities	(12)	(22)
		3,368	**4,192**

2019	Opening balance $'000	Recognised in profit or loss $'000	Closing balance $'000
Temporary differences			
Employee entitlements	214	61	275
Doubtful debts	787	798	1,585
Provisions	3,112	(1,333)	1,494
Accrued revenue	(22)	10	(12)
Accrued expenses	93	(75)	18
Other	8	-	8
	4,192	**(824)**	**3,368**

2018	Opening balance $'000	Recognised in profit or loss $'000	Closing balance $'000
Temporary differences			
Employee entitlements	265	(51)	214
Doubtful debts	785	3	787
Provisions	3,074	38	3,112
Accrued revenue	(19)	(3)	(22)
Accrued expenses	21	(72)	93
Other	8	-	8
	4,134	**58**	**4,192**

7 Cash and cash equivalents

		2019 $'000	2018 $'000
	Cash at bank	43,108	45,323
	Total cash and cash equivalents	**43,108**	**45,323**

8 Trade and other receivables

		2019 $'000	2018 $'000
	Trade receivables	28,171	34,150
	Provision for impaired receivables	(5,283)	(2,626)
		22,888	**31,524**
	Unbilled consumption	45,100	38,762
	Goods and services tax	1,063	469
	Bank interest receivable	41	73
	Total trade and other receivables	**69,093**	**70,828**

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

		2019 $'000	2018 $'000
	30 – 60 days	684	1,313
	60 – 90 days	424	1,505
	Over 90 days	149	85
		1,257	**2,904**

8(b) Movement in the provision for impaired receivables

		2019 $'000	2018 $'000
	Balance at the beginning of the year	2,626	2,616
	Impairment losses recognised on receivables	3,304	2,790
	Amounts written off during the year as uncollectible	(314)	(2,406)
	Amounts recovered during the year	(333)	(374)
	Balance at end of the year	**5,283**	**2,626**

In determining the recoverability of a trade receivable, the organisation considers any change in the credit quality of the trade receivable from the date credit was initially granted, up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

9 Other current assets

		2019 $'000	2018 $'000
	Renewable Energy Certificates	4,812	8,531
	Other current assets	6	7
	Total other current assets	**4,818**	**8,538**

10 Property, plant and equipment

2019 Cost	Plant and equipment $'000	Capital work in progress (WIP) $'000	Total $'000
Balance at the beginning of the year	324	246	570
Additions	37	57	94
Disposals	-	(246)	(246)
	361	**57**	**418**
Accumulated depreciation			
Balance at the beginning of the year	(89)	-	(89)
Depreciation	(46)	-	(46)
	(135)		**(135)**
Net book value	**226**	**57**	**283**

2018 Cost	Plant and equipment $'000	Capital WIP $'000	Total $'000
Balance at the beginning of the year	640	3,714	4,354
Disposals	(316)	(3,468)	(3,784)
	324	**246**	**570**
Accumulated depreciation			
Balance at the beginning of the year	(55)	-	(55)
Depreciation	(34)	-	(34)
	(89)		**(89)**
Net book value	**235**	**246**	**481**

11 Intangible assets

2019 Cost	Software $'000	Total $'000
Balance at the beginning of the year	6,441	6,441
Capitalisation	246	246
	6,687	**6,687**
Accumulated Amortisation		
Balance at the beginning of the year	(615)	(615)
Amortisation	(2,671)	(2,671)
	(3,286)	**(3,286)**
Written down value	**3,401**	**3,401**

2018 Cost	Software $'000	Total $'000
Capitalisation	6,441	6,441
Amortisation	(615)	(615)
Written down value	**5,826**	**5,826**

12 Trade and other payables

	2019 $'000	2018 $'000
Trade payables	7,183	8,655
Accrued expenses	902	13,510
Unbilled consumption	48,939	34,101
	57,024	**56,266**

13 Other current liabilities

		2019 $'000	2018 $'000
	Payments received in advance	8,868	10,980
	Security deposit	-	750
		8,868	**11,730**

14 Provisions

		2019 $'000	2018 $'000
(a)	**Current**		
	Employee benefits	730	611
	Renewable Energy Certificates	4,982	10,372
		5,712	**10,982**
(b)	**Non-Current**		
	Employee benefits	187	103
		187	**103**
		5,899	**11,085**

		2019 $'000	2018 $'000
	Renewable Energy Certificates		
	Balance at the beginning of the year	10,372	10,246
	Provisions made during the year	19,749	23,508
	Provisions utilised during the year	(25,139)	(23,382)
	Balance at end of the year	**4,982**	**10,372**

		2019 $'000	2018 $'000
(c)	**Dividends**		
	Balance at the beginning of the year	-	-
	Dividend declared for the year	5,039	23,339
	Dividend paid during the year	(5,039)	(23,339)
	Balance at end of the year	**-**	**-**

15 Contributed equity

		2019 $'000	2018 $'000
	Contributed equity	47,666	47,666
		47,666	**47,666**

The *Government Owned Corporations Act 2001 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.

16 Retained earnings

		2019 $'000	2018 $'000
	Retained Earnings		
	Balance at the beginning of the year	6,405	19,665
	Profit for the year	5,037	10,078
	Dividend paid during the year	(5,039)	(23,339)
	Balance at end of the year	**6,403**	**6,405**

On 16 November 2017, an ordinary dividend of $3.3 million was paid to the Corporation's shareholder representing 50per cent of net profit after tax for the 2017 year.

On 29 June 2018, a special dividend of $20 million was paid to the Corporation's shareholder in accordance with section 31 of the *Government Owned Corporations Act 2001.*

On 30 November 2018, an ordinary dividend of $5.0 million was paid to the Corporation's shareholder representing 50 per cent of net profit after tax for the 2018 year.

On 19 September 2019, an ordinary dividend of $2.5 million was approved by the shareholding Minister representing 50 per cent of net profit after tax for the 2019 year.

17 Commitments for expenditure

Capital expenditure commitments represent contracted capital expenditure with non-public sector entities additional to the amounts reported in the financial statements. These contracts are expected to require payment as follows:

Capital Expenditure commitments

	2019 $'000	2018 $'000
Within one year	250	194
	250	**194**

Operating lease commitments

Future non-cancellable operating lease commitments are payable as follows:

	2019 $'000	2018 $'000
Within one year	579	570
Later than one year but not later than five years	599	1,140
	1,178	**1,710**

18 Auditor's remuneration

	2019 $	2018 $
Services		
Audit of the financial statements	141,529	97,167
Auditor's remuneration	**141,529**	**97,167**

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

19 Key management personnel compensation

Director remuneration

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

	Number of Directors	Director Fees $	Committee Fees $	Superannuation $	Total $
2019	3	185,026	22,866	19,750	227,642
2018	3	185,026	22,866	19,750	227,642

Director remuneration principles

Non-executive directors are appointed by the Administrator in accordance with the *Government Owned Corporations Act 2001*. Directors are entitled to reimbursement of reasonable expenses incurred while attending to Board business.

Executive remuneration

The following table discloses the remuneration details for senior executives during the current and previous financial years.

	2019 $	2018 $
Short term employee benefits	1,608,199	1,166,816
Other long term benefits	30,174	1,990
Termination benefits	-	227,910
Total compensation of key management personnel	**1,638,373**	**1,396,716**

Note: Vehicles are included in the base salaries as they are optional and form part of the total employment package.

Executive remuneration principles

The Corporation's approach to executive remuneration is designed to attract, retain and motivate competent and experienced executive management personnel.

In determining the classification of each role and the appropriate salary band, a number of factors are considered. These are:

- knowledge and expertise required to competently perform the role
- level and type of judgement required
- type and level of accountability

Market considerations, competence and performance are factors in determining salary positioning within the band. The employment terms and conditions of senior executives are contained in individual employment contracts and prescribe total remuneration, superannuation, annual and long service leave and salary sacrifice provisions.

20 Related party disclosures

Key management personnel compensation

Details of key management personnel compensation are disclosed in note 19 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 on an arm's length basis in the normal course of business and on commercial terms and conditions.

The Corporation purchased electricity distribution services from Power and Water Corporation. The Corporation purchased electricity generated by Territory Generation.

All transactions with Power and Water Corporation and Territory Generation 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 related parties:

Related Party	Sales to related parties $'000	Purchases from related parties $'000	Amounts owed by related parties $'000	Amounts owed to related parties $'000
2019 Government Owned Corporations	10,496	425,611	524	48,901
2018 Government Owned Corporations	10,733	433,439	908	45,409

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 (2018: Nil) in respect of the amounts owed by related parties.

21 Notes to the statement of cash flows

	2019 $'000	2018 $'000
Profit for the year	5,037	10,078
Deferred tax expense recognised in profit or loss	824	(58)
Income tax expense recognised in profit and loss	(3,825)	(609)
Depreciation and amortisation of non-current assets	2,718	649
Movements in working capital		
Increase in trade and other receivables	1,735	(4,130)
Decrease in other assets	3,720	8,648
Decrease in trade and other payables	758	(5,078)
Decrease in provisions	(5,186)	(44)
Decrease in other liabilities	(2,862)	1,050
Net cash generated by operating activities	**2,919**	**10,506**

22 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

	2019 $'000	2018 $'000
Financial Assets		
Cash and cash equivalents balances	43,108	45,323
Loans and receivables:		
Trade and other receivables	69,093	70,828
	112,201	**116,150**

	2019 $'000	2018 $'000
Financial Liabilities		
Amortised cost:		
Trade and other payables	57,024	56,266
Provisions	4,982	11,085
Other current liabilities	8,868	11,730
	70,874	**79,082**

Financial risk management

The Corporation's finance department provides services to the Corporation, coordinates access to financial markets 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

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 and counterparties. The Corporation is not materially exposed to any individual customer.

Liquidity risk management

The following tables detail the Corporation's remaining contractual maturity for its financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows based on the earliest date on which the Corporation can be required to pay its financial liabilities and receive its financial assets. The tables include both principal and interest cash flows.

2019	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	Total
Financial assets					
Non-interest bearing	0.0%	69,093	-	-	69,093
Variable interest rate	1.5%	43,108	-	-	43,108
		112,201	**-**	**-**	**112,201**
Financial liabilities					
Non-interest bearing	0.0%	70,874	-	-	70,874
Variable interest rate	0.0%	-	-	-	-
		70,874	**-**	**-**	**70,874**

2018	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	Total
Financial assets					
Non-interest bearing	0.0%	70,828	-	-	70,828
Variable interest rate	1.5%	45,323	-	-	45,323
		116,150	**-**	**-**	**116,150**
Financial liabilities					
Non-interest bearing	0.0%	79,082	-	-	79,082
Variable interest rate	0.0%	-	-	-	-
		79,082	**-**	**-**	**79,082**

23 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.

GPO BOX 2601,
DARWIN NT 0801

ABN 65 889 840 667