

**Power Retail Corporation  
(Trading as Jacana Energy)**

# Statement of Corporate Intent 2025-26

**Public Version**



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# Jacana Energy objectives

Jacana Energy's objectives are derived from two key sources:

- the Government Owned Corporations Act (GOC Act); and
- Jacana Energy's Strategic Plan.

The GOC Act specifies two objectives for Government Owned Corporations, namely to:

- operate at least as efficiently as any comparable business; and
- maximise the sustainable return to the Territory on its investment in the Corporation.

In addition to these two objectives, Jacana Energy's Strategic Plan includes its Purpose, Vision, Mission, Core Values and Strategic Business Objectives. These are detailed below.

## Purpose, vision and mission

As the electricity system continues to transition from centralised to decentralised generation, Jacana Energy remains committed to finding solutions that meet the needs of its customers and the Northern Territory as a whole.

Jacana Energy believes that improved value for its customers will require an all of industry approach to lower the total cost of retail electricity. Jacana Energy will drive action through improved business processes, innovation, collaboration with NT energy industry stakeholders and advocacy for better whole of Territory outcomes and approaches.

This is reflected in Jacana Energy's purpose, vision and mission.

### Jacana Energy's purpose:

*"Delivering better value for NT energy customers".*

Means that Jacana Energy is an advocate and a driver for reducing industry-wide electricity costs.

This supports **Jacana Energy's vision** of:

*"Leading smart energy solutions for the Territory".*

This means that we're making electricity easy and fair for our customers now and into the future.

Jacana Energy also clarifies the boundaries of business and aspirations with its **mission statement**:

*"We are an NT Government-owned corporation serving residential and business electricity customers in the NT".*

## Culture Statement and Core Values

Jacana Energy has continued to invest in building a positive and constructive workplace culture based on a foundation of trust. This has resulted in significant improvements to employee engagement, business performance and customer satisfaction over the past four years.

### Our culture statement:

*"Give trust. Assume positive intent."*

Our culture statement guides the way we interact with each other and hold each other accountable. It also sets the standard for the way we interact with our customers and in doing so, creating a consistent, positive experience for all of us.

### Our Values

Our values are critical to achieving our vision and keeping our promise to our customers:

**Honesty:** we hold ourselves accountable for doing what's best for our customers and our business

**Innovation:** continually evolving and finding the best solutions for our customers

**Diversity:** tapping into our collective intelligence and embracing different perspectives

**Teamwork:** delivering as a team because we are stronger together

**Wellbeing:** being passionate about building a caring and supportive workplace

## Strategic Business Objectives

The 2025-26 financial year marks the commencement of Jacana Energy's new five-year strategic plan. The new strategic plan builds on the previous strategic plan and the progress and success achieved. The new five-year strategic plan introduces six pillars which will be our specific areas of focus in order to achieve our mission, vision and purpose and our core financial objectives in line with the GOC Act specified objectives for Government Owned Corporations.

The strategic pillars are:

- **Develop our people and capability** – having the right people, with the right skills, in the right roles at the right time, and working in the right culture, to execute our business plans.
- **Build knowledge and relationships with our customers**– developing sufficient customer knowledge and relationships to enable effective advocacy on behalf of customers, and the introduction of impactful new products and services.
- **Deliver better value customer service** – customers satisfied with our service, delivered at an appropriate cost to serve.
- **Deliver products and services that provide value to our customers and benefit Jacana** – transforming Jacana Energy into a retailer delivering targeted products and services that create value for customers and Jacana Energy.
- **Secure the best electricity mix for the Territory** – a lower average cost of energy compared to 2024-25 actual whilst cognisant of other requirements including system security.
- **Inform and advocate for a “Best for Territory” transition of the energy system** – focusing on advocating for the right energy system of the future for NT customers and stakeholders, including focus on the energy transition.

# The nature and scope of activities undertaken by Jacana Energy

Jacana Energy provides retail electricity products and services to over 88,000 customers throughout the Northern Territory.

We are the principal interface between the electricity industry and customers and deliver value for our customers by:

- procuring wholesale energy from electricity generators to meet customer demand, including renewable energy supply;
- purchasing large and small-scale renewable energy certificates from renewable energy generators to meet legislative requirements;
- offering value creating and competitive retail products and services;
- offering a variety of billing and payment options;
- supporting our customers and Northern Territory communities through targeted programs;
- providing a hardship program to support our most vulnerable customers; and
- providing competitive rates and flexible contract terms and conditions for our large customers.

## Where Jacana Energy fits in the electricity supply chain

As an energy retailer, Jacana Energy buys wholesale energy from generators to match daily consumption. We deliver value for our customers, and the broader NT, by strategically purchasing the lowest-cost energy at the right time for the right customer.

Jacana Energy also has the flexibility to procure different sources of energy, bringing new sources of generation to market, including renewable energy.

Jacana Energy does not generate electricity, distribute electricity or manage poles and wires. We proactively work with our suppliers to ensure that they meet agreed service levels and that the customer impacts of proposed changes in services are considered.

Jacana Energy plays a significant role in supporting upstream industry participants by collecting revenue through the issuing of customer bills and carrying customer credit risk. That is, Jacana Energy pays its wholesale costs and network charges even if it is unable to recover these costs from its customers.

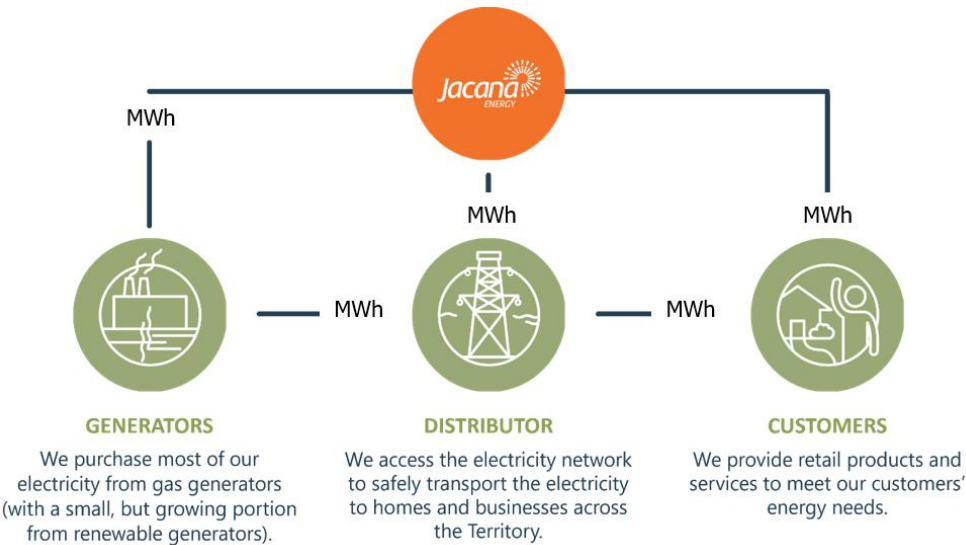
Jacana Energy works closely with customers who have difficulty paying their bills on a short or long-term basis, offering payment plans and support via our award-winning hardship program, Stay Connected.

In addition, Jacana Energy manages investment risk for existing and new generation in the NT energy market, by using the revenue collected from customers to underwrite investment in new and existing wholesale electricity generation, including the majority of grid-connected large-scale renewable energy projects in the Northern Territory.

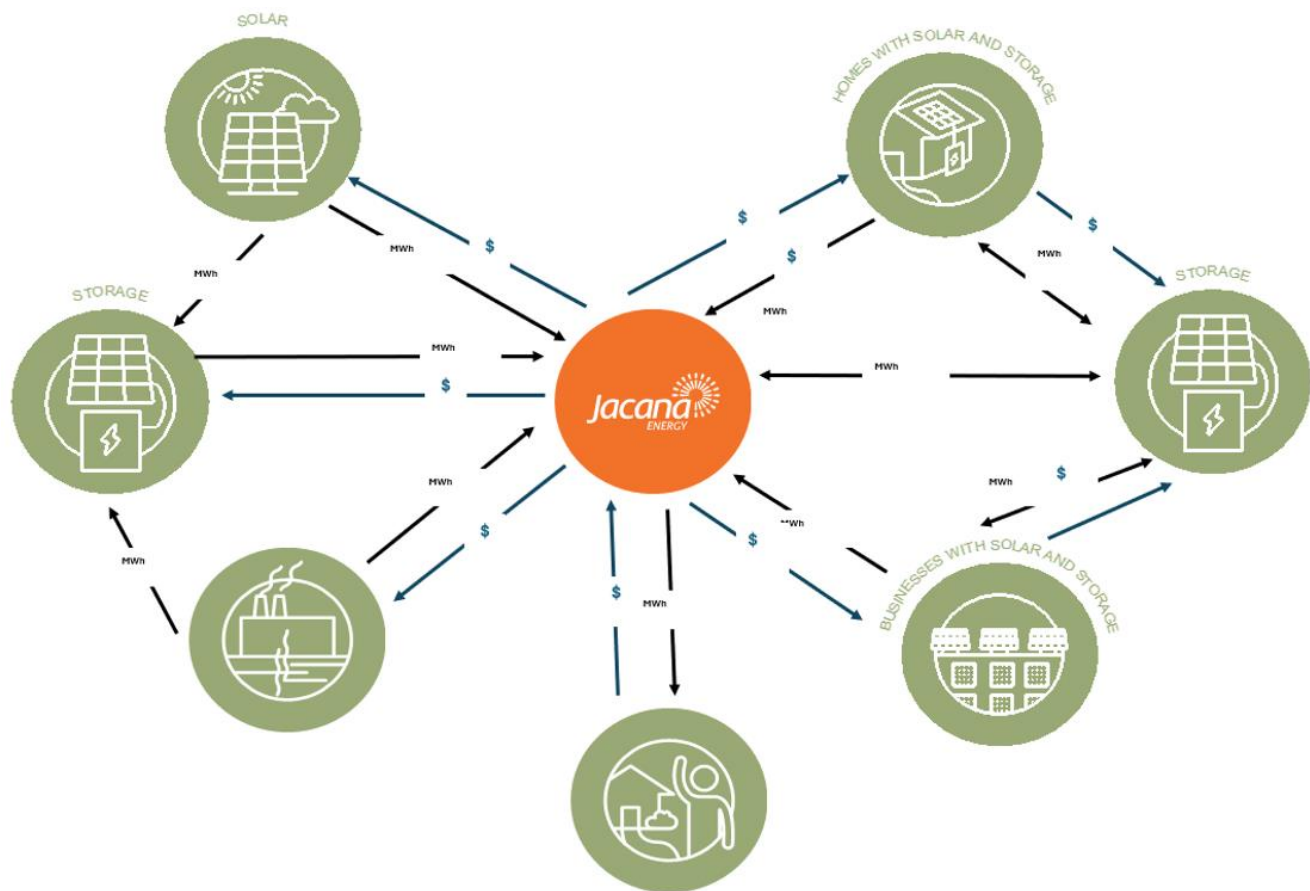
## Navigating the renewable energy transition

The business we are in is changing. As more renewable energy (both large and small scale) is introduced into the electricity system, Jacana Energy’s role as an electricity retailer becomes more complex. We are embracing the change and ensuring we are adding value to all parties through facilitation of outcomes, creation of value and provision of service.

### The traditional energy retailing model



### The modern energy retailing model





## Financial Performance

Unlike generation and distribution (which are asset intensive businesses) electricity retailing is characterised by very few assets and very low margins. Key success factors in electricity retailing include robust forecasting, cash-flow planning and cost management.

### *Forecast costs*

Small changes to the unit costs of generation and network charges, or changes to payment and collection terms, can have a major impact on the financial viability of a low margin business such as Jacana Energy.

A key challenge for Jacana Energy is to manage generation and network (distribution) charges, which represent almost 90% of total costs.

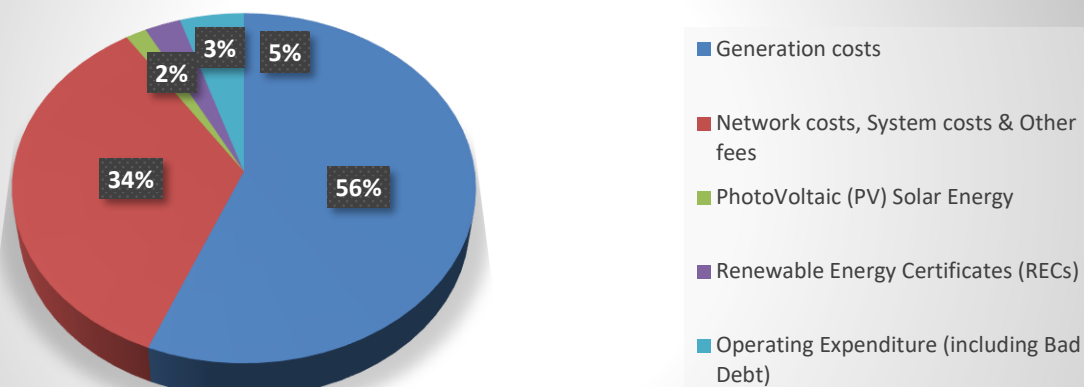
Jacana Energy has entered into long term Power Purchase Agreements (PPAs) with solar farms in Katherine, Manton Dam and Batchelor that will help contribute to the Northern Territory Government's emission reduction and energy transition targets to a more efficient and lower costs generation portfolio.

Jacana Energy will also continue to work constructively with upstream industry participants to ensure that future wholesale electricity supply arrangements are cost reflective, driving towards lower costs and provide incentives for Jacana Energy to develop products and services that reduce future generation costs.

Jacana Energy's retail operating expenditure represents around 5% of its total costs. While small compared to generation and network costs, we need to tightly manage these costs to ensure that we remain focused on driving total energy system costs down not up.

Forecast costs have been determined based on current market operating conditions and arrangements and do not consider the impacts of the Northern Territory Electricity Market reform initiatives. A breakdown of Jacana Energy's forecast cost base is provided in the chart below.

## Forecast Costs 2025-26



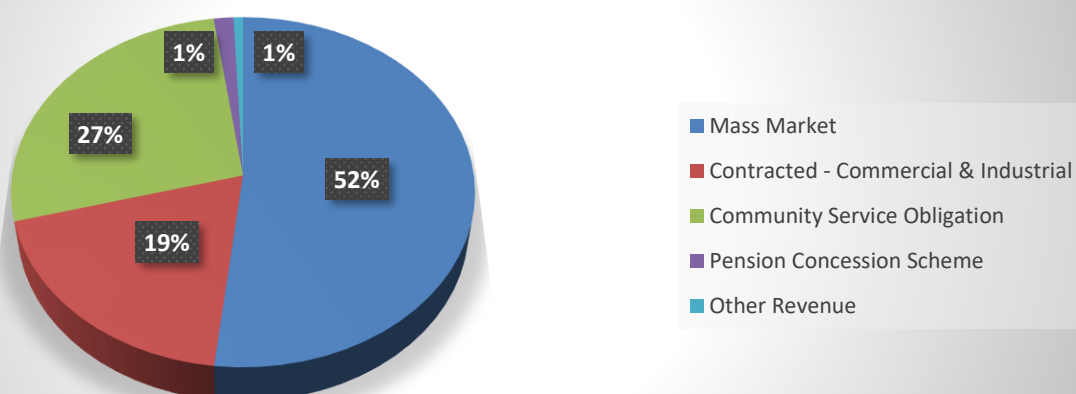
## Forecast revenue

Jacana Energy's electricity revenue is impacted by competition and retail price regulation for customers consuming less than 750 megawatt hours per annum. We have commercial contracts in place with commercial and industrial customers, which represents 19% of our total revenue.

Electricity tariffs, community service obligation payments, pension concessions and other revenue represent 81% of Jacana Energy's total revenue, the majority of which are determined by the Northern Territory Government.

A breakdown of Jacana Energy's forecast revenue base for FY 2025-26 is provided in the chart below.

## Forecast Revenue 2025-26



# Capital investment plans

Jacana Energy is setting aside funds for capital investment over the SCI period to cater for the implementation of our new Strategic plan 2025-2030 that requires implementing the Jacana Energy Information and Communication Technology Strategic Roadmap (ICT Roadmap).

The ICT Roadmap aims to bridge the gap between our current ICT environment and the technology solutions necessary to upgrade or replace software at its end of life and to support the delivery of our new strategic business objectives. The ICT Roadmap includes a review of our existing retail operating systems with the option of moving to a new platform.

Our capital estimates also cater for initial consideration of new Distributed Energy Resources (DER)/ Consumer Energy Resources (CER) solutions that may include solar and battery options.

These capital investment decisions will follow the approval requirements prescribed under the GOC Act and Corporate Governance and Reporting Framework.

<b>A\$ million</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>
Minor Capital Expenditure	0.7	0.7	0.7	0.7
Other Capital Expenditure	1.9	5.1	5.1	5.1
Total Capital Expenditure	2.6	5.8	5.8	5.8

# Financial targets and other measures

The table below summarises the key financial and non-financial targets which Jacana Energy has set for the SCI period based on the new strategic plan 2025 - 2030. The increase in the core business cost to serve from FY 2024-25 is mainly driven by expected increase in personnel costs a result of a new Enterprise Bargaining Agreement (EBA) effective from FY 2025-26 and CPI increases. The SCI does not consider the impact and/or costs required to support the implementation of wholesale market reforms currently in progress.

KPI	Unit	Reforecast 2024-25	2025-26	2026-27	2027-28	2028-29
EBIT	A\$ million	13.5*	13.9	17.2	21.4	25.3
Return to Government (Accrual)	A\$ million	4.5*	5.7	6.9	8.4	9.7
Net Current Assets	A\$ million	65.1*	70.3	73.0	77.3	82.9
Great Place to Work Score	% Score	83**	84	86	88	90
Controllable costs	A\$ million	28.3*	29.9	30.0	29.7	29.9
Customer Satisfaction	Score Out of 5	3.9/5*	4.0/5	4.1/5	4.2/5	4.2/5

\* Reforecast FY 2024-25 financials include actuals YTD plus forecast at 31 January 2025.

\*\* This being a new KPI this is an estimate for FY 2024-25.

## Measure descriptions

### **EBIT**

EBIT is Earnings Before Interest and Tax.

### **Return to Government (Accrual)**

This is the dividend payable to the NT Government.

### **Net Current Assets**

Total current assets minus total current liabilities.

### **Great Place to Work**

This measure is employees assessment of whether Jacana Energy is a great place to work and also considers the emotional connection and commitment

### **Controllable costs**

This is defined as operating expenditure including impairment of receivables, excluding cost of sales, depreciation, amortisation, interest and tax expenses.

### **Customer Service Satisfaction**

Customer service satisfaction measures the level of customer satisfaction over a range of service delivery markers relating to customer service, billing and products, with a rating out of 5 given by customers, with 5 being very satisfied.

## Fiscal Strategy Targets

Jacana Energy has adopted the changes made by the Northern Territory Government to the Territory Fiscal Strategy. The changes applicable to Government Owned Corporation (GOCs) focus on maintaining or improving operating margins.

Below is a summary of Jacana Energy's projected performance against its Fiscal Strategy Target.

**Ongoing objective and target 1:** Maintain an average Operating Margin (OM) equal to or greater than 2.5% over the SCI period. The target will be assessed as met if average annual OM in each SCI year is equal to or greater than 2.5%.

	Reforecast 2024-25	2025-26	2026-27	2027-28	2028-29	Target Met
Average Operating Margin %	2.8	2.5	2.9	3.2	3.5	Yes

The OM is determined as adjusted Earnings before interests and tax (EBIT) / Total revenue (excluding interest income), where the adjusted EBIT is calculated as follows:

**Earnings before interest and tax**

Less:

- Capital contributions
- Capital grants
- Interest income
- Disposals (proceeds from asset sales)

Add:

- Impairment losses
- losses from asset sales

As indicated above, Jacana Energy SCI meets this target.

# Key risks

Jacana Energy has a Risk Management Framework aligned to Australian and International standards. The Board has ultimate responsibility to regularly and effectively review and manage the Risk Management Framework with the support of the Audit and Risk Committee (ARC). The ARC monitors the implementation of risk management in line with the ARC Charter.

Risk management is fundamental to Jacana Energy's success and sustainability. Jacana Energy has risk management practices which are embedded and integrated into business processes, with engagement at all levels within Jacana Energy to mitigate risks.

## Strategies to minimise key strategic risks

Uncertainties around how the Northern Territory Electricity Market will operate in future continue to be a strategic risk for Jacana Energy. Jacana Energy will continue to focus on strategies to optimise its wholesale portfolio and explore renewable energy opportunities to offset the growing cost of thermal generation sources, driven by increased and future uncertain gas prices.

Customer profitability remained a key focus to ensure Jacana Energy's ongoing financial sustainability. A Products function has been established to explore new products and services for our customers to create value, remain relevant and mitigate revenue loss.

Strategic workforce development continued to be a focus given the importance of ensuring our workforce has the right skills in place to support Jacana Energy in the delivery of new products and services.

Key risks	Risk mitigations
Market design	<ul style="list-style-type: none"><li>• Active participants in market reform, with Jacana Energy's position communicated to decision-makers through informal and formal regulatory consultation processes.</li><li>• Market reform position documented, impacts assessed and costed.</li></ul>
Wholesale costs	<ul style="list-style-type: none"><li>• Renewable energy procurement strategy implemented.</li><li>• Wholesale risk and governance practices fully embedded.</li><li>• Focus on negotiation of a viable long term supply agreement with Territory Generation (TGen).</li><li>• Exploration of additional generation.</li></ul>
Lower cost renewables growth	<ul style="list-style-type: none"><li>• Procurement of additional large-scale solar.</li><li>• Deliver programs to provide access to renewable energy for low-</li></ul>

	<p>income and vulnerable customers.</p> <ul style="list-style-type: none"> <li>• Explore micro grid options to increase renewables in embedded networks and gazetted areas.</li> <li>• Promotion and progression of future opportunities for DER.</li> </ul>
Customer profitability	<ul style="list-style-type: none"> <li>• As load shifts behind the meter, Jacana Energy must invest in new sources of renewable energy and new products and services to create value.</li> <li>• Gross margin tracking and reporting by customer segments.</li> </ul>
Strategic workforce development	<ul style="list-style-type: none"> <li>• Employee experience strategy developed and implemented.</li> <li>• Culture and Leadership Development Program embedded.</li> <li>• Recruitment activities aligned to cultural fit.</li> <li>• Succession planning embedded into performance development process.</li> </ul>



# Abbreviations

C&I	Commercial and Industrial segment
CPI	Consumer Price Index
CSO	Community Service Obligation
DCDD	Department of Corporate and Digital Development
DTF	Department of Treasury and Finance
EBIT	Earnings Before Interest Tax
FIT	Feed-in Tariff
GOC Act	Government Owned Corporations Act
KPI	Key Performance Indicator
LGC	Large-scale generation certificates
MM	Mass Market segment
PV	Photovoltaic
PWC	Power and Water Corporation
ROS	Retail Operating System
STC	Small-scale technology certificates
UC	Utilities Commission

