POWERING THE NT

TERRITORY GENERATION





2025–26 ANNUAL REPORT

Achievements snapshot

Safety and risk management

1,326
Days lost time injury free

94%
Employees feel confident to report safety issues

9,463
Take 5s completed

1,512
Safety conversations

Operations and financial performance

6%
Return on assets

99%
Start reliability

90%
Plant availability

$9.1M
BESS operational savings

People and sustainability

2
School-based apprentices commenced

9
Apprentices currently supported

95%
Employees believe the work they do is important

1st
Sustainability report delivered

Projects

3
New BESS projects underway or in development

3
Solar projects in development

1
Hydrogen-capable gas turbine in commissioning

1
Synchronous condenser project advanced

Letter to the Shareholder

Treasurer
Parliament of the Northern Territory
Darwin NT 0800

Dear Treasurer

On behalf of the people and Board of Power Generation Corporation (trading as Territory Generation), we are pleased to present our twelfth annual report, for the year ended 30 June 2026, in accordance with sections 41 and 44 of the *Government Owned Corporations Act 2001.*

MICHELLE SHEPHERD
Chair

MINH TRAN
Acting Chief Executive Officer



About this report

The 2025–26 annual report of Power Generation Corporation (trading as Territory Generation) outlines our operations and achievements for the financial year. It is tabled in the Northern Territory Parliament as a formal reporting mechanism for Territory Generation's shareholding Minister, portfolio Minister and the Northern Territory Parliament.

In accordance with sections 41 and 44 of the *Government Owned Corporations Act 2001*, the report includes:

- performance against Territory Generation's Statement of Corporate Intent (SCI) 2025–26
- financial statements that comply with the requirements of the *Corporations Act 2001*
- the Auditor-General's report to the Board on the financial statements
- all information required by the shareholding Minister to enable an informed assessment of Territory Generation's operations

The report also includes the following items required under section 292A of the *Corporations Act 2001*:

- a sustainability report
- the Auditor-General's limited assurance report to the Board on the sustainability report.

In addition to fulfilling legislative requirements, this report provides valuable insights for stakeholders, prospective employees, and those interested in electricity generation services in the Northern Territory. Territory Generation confirms that its records management practices comply with Part 9 of the *Information Act 2002.*

COVER:

Left to right:
Sally Phan – CEO award winner,
Colin Gill – safety award winner



Aerial view of Yulara Power Station

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Acknowledgement of Country

Territory Generation respectfully acknowledges Aboriginal and Torres Strait Islander peoples as the First Nations people of this country. We acknowledge their continuing connection to lands, waters and communities, and their evolving cultures. We pay our deepest respects to all Aboriginal and Torres Strait Islander cultures, and to their elders – past, present and emerging.



About Territory Generation

Territory Generation is the Northern Territory's trusted energy services business and largest wholesale electricity generator.

We own and operate 8 power stations, with approximately 600 megawatts (MW) of installed capacity, and reliably provide wholesale electricity and essential system services (ESS), supported by a range of ancillary, network and other services, to meet the needs of the Territory's major population centres. Our energy mix includes gas, diesel and battery energy storage technologies. We also contract renewable energy from solar and reclaimed gas.

Territory Generation is focused on responsibly transitioning our fleet to support the Northern Territory Government's energy objectives. We aim to deliver affordable, reliable and secure energy to power the Territory's future.

Our services and products

Energy

- Load-following energy production.
- Other energy products.

Ancillary services

- Voltage, frequency and black start services.

Network support services

- Inertia and system strength.
- Localised generation capacity.

ESSENTIAL SYSTEM SERVICES

Generator of last resort services

- Reliable capacity to meet peak demand.
- Liquid fuel capability.

Other services

- Solar firming.
- Grid support during generation commissioning.
- Project management.
- Operations and maintenance.

Our purpose

We safely, reliably and responsibly provide:

- energy
- essential system services
- generator of last resort services.

Strategy and direction

Territory Generation continues to deliver reliable, lowest-cost wholesale energy while supporting the Territory's transition to a more diverse generation technology mix.

As the energy market evolves, including increasing renewable penetration and emerging market design, our approach prioritises maintaining system stability while supporting least-cost outcomes. We continue to maintain the stability and security of the major power systems and strengthen the ESS required to continue operating safely.

Our long-term planning is aligned with the government's energy strategies, ensuring our investment decisions remain aligned with the Territory's broader energy transition, system security requirements and long-term economic objectives.

To prepare for higher levels of renewable penetration, we are broadening the mix of technologies that support system security and ESS. We are investing in battery energy storage systems (BESS), solar, synchronous condensers, hydrogen-capable equipment and emerging storage technologies. These assets strengthen system resilience, improve operational flexibility and support the reliable integration of renewable generation. Our northern and southern roadmaps outline how these technologies will be introduced and how system strength will be maintained as the generation mix evolves.

Through our fleet transition, we will continue to adapt our generation portfolio over time. We are strengthening outage management, improving condition monitoring and standardising work processes to enhance reliability across the fleet. These actions ensure we remain a stable provider of ESS while adapting our portfolio to meet future demand, emerging technologies and the Territory's long-term energy and economic objectives.

Our vision

To be the Northern Territory's trusted energy services business. These words have been carefully chosen, and for us they mean:

- safety is at the core of everything we do
- we are known for being reliable, available and sustainable
- we support the Northern Territory Government's energy and economic policies
- we are recognised for technical excellence
- we create value and are a resilient business
- we are an employer of choice.

Fleet transition plans

Today

Reliable generation

- Thermal generation (energy and system services)
- Grid-scale battery storage (operational and expanding)
- Sustaining capital program
- Renewable integration support

In progress

Fleet transition at least cost

- Multiphase BESS program rollout
- Agile and flexible generation capability
- Synchronous condenser installation
- Solar and long-duration storage opportunities

Message from the Chair



The pace of change across Australia's energy sector continues to accelerate.

New technologies, increasing renewable energy penetration, evolving market frameworks and changing customer expectations are reshaping how electricity systems are planned, operated and financed. The Northern Territory is no exception.

Against this backdrop, Territory Generation has continued to make steady, purposeful progress in supporting a secure and reliable energy system for Territorians, including through strong operational performance, the exceptional first full year of operation of the Channel Island BESS (formerly known as the Darwin-Katherine BESS) and future investment in critical generation assets. While the pathway to the future energy system will continue to evolve, the Board remains focused on ensuring the organisation is well positioned to respond to change while continuing to deliver long-term value to the Territory.

The decisions being made across the energy sector today will shape essential infrastructure, economic development and community outcomes for decades to come. As the transition unfolds, the Board's responsibility is to provide strong governance, maintain prudent oversight of public assets and ensure investment decisions are guided by sound analysis, disciplined risk management and a long-term perspective.

Throughout the year, the Board maintained a clear focus on strategy, organisational resilience and risk. As market design, technology pathways and policy settings continue to develop, Territory Generation must remain adaptable while retaining its focus on affordability, reliability and sustainability. This requires thoughtful stewardship and a commitment to balancing immediate operational needs with longer-term strategic priorities.

Safety remains a fundamental expectation of the Board. It is not simply a measure of performance, but a reflection of organisational culture, leadership and accountability. Through our governance and assurance processes, we continue to reinforce the importance of maintaining a safe and healthy workplace and ensuring risk remains central to decision-making across the organisation.

Our people will continue to play a defining role in Territory Generation's future success. Building organisational capability, strengthening leadership and maintaining a resilient workforce remain priorities for the Board. Competition for technical and specialist skills remains strong across the energy sector, making investment in capability, succession planning and long-term workforce sustainability increasingly important. Attracting, developing and retaining a diverse and skilled workforce remains essential to building the capability and resilience needed to support Territory Generation's long-term objectives.

Throughout this period of change, it is important the benefits of a transforming energy system are delivered in a way that supports communities, strengthens regional economies and maintains safe, reliable and affordable electricity for Territorians. Territory Generation will continue to play an important role in enabling these outcomes. This includes creating opportunities for future Territorians through initiatives such as the introduction of a school-based apprenticeship model in Alice Springs, which provides pathways for young people to gain industry experience while supporting regional communities and economies.

Strong relationships with government, industry stakeholders and the communities we serve remain essential. Territory Generation continues to work constructively across the sector to support the Territory's future energy needs. In particular, I acknowledge the support and engagement of the Honourable William (Bill) Yan MLA, Treasurer, the Honourable Steven (Steve) Edgington MLA, Minister for Essential Services, and the Honourable Gerard Maley MLA, Minister for Mining and Energy. Their continued focus on the Territory's economic development, essential services and energy future has been important as the sector navigates a period of significant change.

This year also marked an important period of transition for the organisation. I would like to acknowledge the significant contribution of former Chair Dennis Bree and former Director Richard Galton, whose leadership and stewardship helped strengthen the organisation and position it for the future. I also thank former Chief Executive Officer Gerhard Laubscher for his service and contribution to Territory Generation.

While challenges remain, I am optimistic about the opportunities ahead. Territory Generation enters its next chapter from a position of strength, supported by committed people, critical assets and a clear sense of purpose. The organisation will continue to play a critical role in supporting the Territory's economic development and enabling a reliable, affordable and sustainable energy future for current and future generations.

On behalf of the Board, I thank our employees for their professionalism, dedication and commitment throughout the year. Their efforts continue to make a meaningful difference to the communities we serve and to the future of the Northern Territory. There has never been a more important time to contribute to shaping the Territory's energy future.

MICHELLE SHEPHERD, Chair



CEO's report

I am pleased to present Territory Generation's annual report for 2025–26, reflecting a year of strong operational performance, disciplined execution and continued progress in delivering reliable power to Territorians.

At the centre of our success is our people. Across the Territory, our teams responded to operational challenges, delivered major projects, maintained critical generating assets and ensured reliable electricity supply to the communities we serve. Their professionalism, capability and commitment continue to underpin everything we achieve.

Safety remains our highest operational priority. A strong safety culture is essential to achieving sustainable performance, and I am proud of the commitment demonstrated by our people across all sites. The results of the People Matter Survey reinforced this culture, with employees reporting high levels of confidence in speaking up, identifying risks and supporting safe outcomes for one another. These behaviours strengthen our workplace and support the safe delivery of our operations every day.

We also continued investing in the capability of our workforce. Developing future skills remains critical in a highly specialised industry, particularly as the energy sector evolves. During the year, we expanded pathways for apprentices, undergraduates and emerging professionals, including the introduction of a school-based apprenticeship model in Alice Springs. These initiatives support our long-term workforce sustainability and our commitment to developing local talent.

Operationally, the business delivered a strong result, with fleet availability reaching 90%. This outcome reflects disciplined maintenance planning, effective outage execution and the dedication of our technical and operational teams. Major overhauls, equipment replacements and targeted engine exchanges improved reliability and strengthened the overall performance of our generation portfolio.



Throughout the year, our teams demonstrated a strong ability to respond to unplanned events and return assets to service safely and efficiently. This capability remains critical to maintaining reliable electricity supply across the Territory's diverse and often challenging operating environments.

We also refined our operating model, transitioning from region-based leadership structures to Territory-wide operations and maintenance functions. This approach has improved consistency, strengthened collaboration and enabled more effective deployment of resources across our sites, enhancing both operational efficiency and organisational resilience.

Our people demonstrated exceptional adaptability in responding to a range of operating challenges. Extreme heat events, demand variability, cyclones, flooding and regional fuel supply constraints tested our systems and our teams. Through careful planning, strong operational discipline and effective emergency response capability, we continued to provide reliable electricity to the communities that depend on us.

Significant progress was achieved across our capital program, demonstrating Territory Generation's growing capability to develop and deliver complex energy infrastructure projects. As the Territory's energy system evolves, this capability is becoming increasingly important to ensuring new technologies are delivered safely, efficiently and in a way that supports long-term system reliability.

The Channel Island BESS continued to deliver positive operational outcomes, providing greater system flexibility and supporting increased renewable energy integration. We also progressed BESS projects in Alice Springs and Katherine, successfully reaching key development and investment milestones.



At Channel Island Power Station, the 23 MW hydrogen-capable fast-start gas turbine advanced into the testing and commissioning phase, while work continued on the synchronous condenser project to strengthen essential system services (ESS) capability.

These projects represent more than infrastructure investment. They demonstrate our ability to plan, develop and deliver critical assets that strengthen system security, improve operational flexibility and support the Territory's future energy needs. The experience and expertise developed across these projects position Territory Generation to play a leading role in the delivery of future energy infrastructure across the Northern Territory.

As renewable energy penetration increases, Territory Generation's role continues to evolve. We remain committed to working closely with government, regulators, system operators and industry partners to support market reforms and an orderly transition while continuing to provide the ESS that underpin system security and reliability at lowest cost.

This year also marked the 50-year anniversary of Tennant Creek Power Station, recognising 5 decades of service to the local community and the Northern Territory. The milestone provided an opportunity to reflect on the contribution our people have made over generations, and the important role Territory Generation continues to play in supporting regional communities.

Looking ahead, Territory Generation is well positioned to build on the strong foundations established across the business. Our focus remains on operational excellence, maintaining reliable electricity supply and continuing to strengthen our capability to develop and deliver the infrastructure required for the Territory's evolving energy system.

To our employees, thank you for your dedication, resilience and professionalism throughout the year. The achievements outlined in this report are a direct reflection of your efforts and your commitment to serving Territorians.

MINH TRAN, Acting Chief Executive Officer

Safety

Safety remains a core priority, underpinning how we plan, operate and deliver across the business.

94%

of employees feel confident to stop a job over safety concerns

94%

feel comfortable reporting safety incidents, no matter how small



We continue to uphold high standards and ensure a working environment where everyone takes responsibility for safety. Our approach is defined by clear expectations and vital safety behaviours that guide how work is performed. This supports consistent performance across our operations and reinforces our ability to manage risk in increasingly complex operating conditions.

Leadership plays a critical role in reinforcing these behaviours. Leaders model safe work practices through visible engagement and regular, meaningful conversations on site, while our people are encouraged to speak up, report hazards early and stop work when required.

We continue to embed leadership behaviours that support a strong safety culture, including:

- clear communication of expectations
- active participation in safety discussions
- visible commitment to safe work practices
- support for early reporting and hazard identification.

These behaviours reinforce consistent safety expectations across the business.

Health and safety representatives (HSRs) play a vital role in promoting safe work practices at each site. Their feedback informs ongoing improvements to processes, with a focus on strengthening system effectiveness and safety. For example, feedback from HSRs and workgroup representatives has contributed to improvements in the Permit to Work (PTW) system, strengthening governance and supporting safer execution of high-risk activities.

Strengthening our safety management system

Territory Generation continued to strengthen its safety management system during the reporting year, with improvements focused on systems, capability and reporting, including:

- enhanced high-voltage procedures and associated training
- expansion of the MyHub work health and safety (WHS) electronic reporting system to improve visibility and analysis of WHS data
- improvements to online training and critical risk management, including Take 5s, safety conversations, flange management, barrier awareness and gas type B familiarisation
- Incident Cause Analysis Method training for HSE professionals
- continued development of the Process Safety Framework.

Safety priorities for the year ahead

Our ongoing focus is on enhancing WHS systems, risk management and assurance processes to better identify and control critical risks and prevent serious injuries. We will strengthen workforce understanding of critical controls, improve the effectiveness of safety leadership and consultation, and continue to build strong engagement with HSRs, WHS committees, employees and contractors to support a collaborative, risk-focused safety culture.





Safety excellence awards

This year we introduced our inaugural safety excellence awards, recognising employees who demonstrate strong leadership and commitment to safe work practices. These individuals exemplify the behaviours underpinning our safety culture and set a strong example for others.

Adrian King
(7 Day OMT Electrical)

Adrian was recognised for consistently demonstrating strong safety leadership, including stopping work to address unmanaged risks, reinforcing the importance of accountability and speaking up.

Colin Gill
(Mechanical Tradesperson)

Colin was recognised for exemplifying personal responsibility and leadership in safety, demonstrating how consistent, values-driven behaviour contributes to safe outcomes.

George Kyreakou
(A/Operations Manager South)

George was recognised for his structured and methodical approach to identifying and managing risk, reinforcing safe and consistent work practices.

Projects underway

Territory Generation is progressing major projects that strengthen system stability, improve asset reliability and support the transition to a more flexible and resilient energy system across the Territory.

PROJECT HIGHLIGHT

Channel Island BESS: delivering results

The Channel Island BESS is a significant milestone for Territory Generation, demonstrating the value of grid-forming battery technology in strengthening system stability and improving system efficiency.

Operating at Channel Island Power Station throughout the reporting period, the BESS has delivered ESS, supporting a more flexible and responsive electricity network. As the first grid-forming battery of its kind in the Northern Territory, it has demonstrated the capability of fast-response technologies to support system reliability and respond rapidly to changes in demand.

In the Darwin–Katherine system, which typically ranges from around 60 MW to 300 MW, the BESS provides significant instantaneous system support, helping maintain stability during fluctuations in demand and increasing solar penetration.

Delivered in partnership with Hitachi Energy, the Channel Island BESS represents a significant investment in the Northern Territory's energy future, supporting reliable electricity supply while enabling a more efficient and sustainable power system over time.

Expanding the BESS program

Building upon the success of Channel Island BESS, Territory Generation is progressing further battery energy storage projects across the Territory.

- Construction has commenced at Owen Springs Power Station in Alice Springs, where a 12 MW, 4-hour BESS will provide ESS, support peak demand and improve system reliability and efficiency.
- Katherine Power Station will also receive a 21.5 MW, one-hour BESS, which will operate in conjunction with the Channel Island BESS to further enhance reliability across the Darwin–Katherine system.
- A third battery project is also in development to further support the Darwin–Katherine system, with planning underway to finalise delivery approach.

Together, these projects strengthen ESS and support integration of future technologies, including renewable generation and long-duration storage.

The BESS program represents one of the highest proportions of battery storage in a major network in Australia, enabling efficient and reliable operation of Territory Generation's assets. These investments enhance system strength and support reliable, efficient and least-cost power supply.

BESS CAPACITY IN CONTEXT

Darwin–Katherine system

- Typical demand range: ~60–300 MW
- Channel Island BESS: 32.6 MW → equivalent to ~10–50% of minimum system demand
- Planned expansion: Katherine BESS: 21.5 MW (1-hour) → combined with Channel Island BESS, increases available fast-response capacity to over 50 MW

Alice Springs system

- Typical demand range: ~6–53 MW
- Owen Springs BESS: 12 MW (4-hour) → equivalent to the largest generator in the Alice Springs network



The Channel Island BESS

Hydrogen-capable gas turbine

The newest installation at Channel Island successfully completed initial commissioning testing during the year, confirming operational readiness. Network connection is in the final stage, with commissioning underway. Once operational, the project will add 23 MW of fast-start generation capacity to the system.

Yulara diesel system upgrade

Territory Generation progressed planning for a major upgrade to the liquid fuel system at Yulara Power Station. The project will replace this infrastructure with a modern above-ground system featuring double-skinned tanks, new pumps, updated piping and instrumentation, and integrated safety systems connected to Supervisory Control and Data Acquisition systems.

During the reporting period, the business case advanced through approvals, detailed engineering design was completed, and consultation was undertaken across operations, maintenance, safety, environment, ICT and learning and development. A full hazard and operability study was completed, and operational and training requirements were embedded into the project scope.

The upgrade will reduce environmental and operational risk, improve reliability and ensure compliance with current standards. The next steps include finalising approvals, completing the public tender process and awarding the construction contract.



Hydrogen-capable gas turbine, Channel Island Power Station

Projects in development

Territory Generation is progressing strategic projects across the Territory to strengthen system stability, improve reliability and deliver efficient, least-cost energy outcomes.

Synchronous condenser

Territory Generation has advanced planning for a new synchronous condenser at Channel Island Power Station. All major components have arrived in Darwin and are being stored while detailed design and site preparation continue. The project has evolved from a turbine conversion to delivery of a standalone synchronous condenser, which will provide 480 MW-seconds of inertia to support system strength and stability across the Darwin–Katherine system.

A preferred location has been identified, and design of the switch room is being finalised to support the new connection.

With onsite construction planned to commence in 2027, the project will play a key role in maintaining system stability as the generation fleet transitions and renewable penetration increases.

Kings Canyon solar and battery project

Following the completion of microgrid feasibility studies, Territory Generation progressed procurement to refurbish the Kings Canyon Power Station (KCPS) solar farm and install a new BESS. Tendering for both the solar upgrade and the battery system was completed during the reporting period.

Although KCPS is one of the Territory's smallest power systems, the combined solar and battery capacity is significant relative to local demand. The upgraded solar farm is expected to meet daytime load for much of the year, while the BESS will support thermal units and improve system performance.

Key achievements this year included undertaking the tender process, completing detailed scope development and confirming design requirements. The next step is to progress the final investment decision.



ABB's synchronous condensers provide essential grid stability and system strength



Tennant Creek solar and battery planning

Territory Generation is progressing investigations for future solar and battery storage in Tennant Creek, building on the outcomes of recent microgrid feasibility studies. This work is focused on identifying the most effective combination of solar and storage to support system stability, reduce diesel reliance and improve long term operational resilience for the region.

Alice Springs solar study

Territory Generation is also assessing opportunities to expand solar generation in Alice Springs. An expression of interest is intended for release later in 2026, to explore market capability and delivery options. This work supports the long-term transition of the Alice Springs system and aligns with Territory Generation's strategy to deliver sustainable and affordable energy.





Climate, environment and sustainability

Territory Generation considers climate and environmental factors as part of its risk management and sustainability activities. Further information on Territory Generation's approach to climate-related risks, opportunities, sustainability performance and reporting is available in the Sustainability Report (see page 34).

As climate-related risks continue to evolve, there is an increasing need to consider these factors in operational planning, asset management and long-term investment decisions. Operating across geographically dispersed and climate-exposed regions, Territory Generation may be affected by extreme weather events such as cyclones, flooding and prolonged heat, which have the potential to impact generation availability, infrastructure condition, reliability and long-term system resilience.

Territory Generation is working to strengthen the integration of climate-related considerations into operational planning, asset management and investment decision-making. Over time, this will support more informed decisions regarding asset resilience, reliability and long-term system sustainability.

Strengthening our climate reporting approach

During the reporting year, Territory Generation progressed the implementation of climate-related disclosures aligned with the Australian Sustainability Reporting Standards, including AASB S2 Climate-related Disclosures, issued by the Australian Accounting Standards Board (AASB). This included establishing governance arrangements, refining internal processes and improving the quality and consistency of climate-related data. Climate-related risks and opportunities were incorporated into the enterprise risk framework, supporting a more structured and consistent approach to managing impacts on operations, assets and financial planning.

As part of this first-year process, Territory Generation applied transition relief provisions. Further development of data, methodologies and disclosures will continue over time, supporting improved decision-making and strengthening the organisation's ability to manage climate-related risks.

Environmental management and compliance

Territory Generation's approach to environmental stewardship focuses on managing emissions, maintaining regulatory compliance and identifying opportunities for continuous improvement across operations. During the year, environmental compliance and risk management remained a focus, with obligations, including licences, monitored through established processes supported by site-based controls, routine monitoring and reporting.

At Channel Island Power Station, compliance with the waste discharge licence was maintained through ongoing monitoring and reporting. Environmental procedures were refined to support consistent application across sites and alignment with operational practices.

Work also progressed to improve understanding and management of waste streams, supporting improved environmental performance and more efficient disposal practices.





Data, systems and continuous improvement

Improving the quality and availability of environmental and sustainability data remained a priority. Enhancements to data collection and management processes supported climate-related disclosures, emissions reporting and internal decision-making.

These improvements included greater alignment between operational data sources, reporting systems and governance processes. These improvements included greater alignment between operational data sources, reporting systems and governance processes, supporting more effective reporting and decision-making.

Looking ahead

Territory Generation will continue to develop its approach to climate, environment and sustainability, focusing on:

- progressing climate related disclosures in line with AASB S2
- improving environmental and emissions data quality
- strengthening integration of climate considerations into strategy, planning and decision-making
- maintaining compliance with environmental obligations and improving environmental performance where practical.

This reflects a measured progression, recognising the evolving nature of climate-related reporting and the need to continue to embed robust, fit-for-purpose systems and processes over time.





People Matter Survey: listening, acting and improving

Understanding our people's experience helps us strengthen culture, improve engagement and support organisational performance.

Employee engagement remains central to Territory Generation's performance. The biennial People Matter Survey provides insight into how our people experience leadership, communication, wellbeing and workplace culture. With 82% participation, the 2025 survey reflected a strong willingness to help shape a better workplace.

Results showed increased satisfaction (78%) and engagement (72%), with 95% of employees agreeing the work they do is important and 93% having a clear understanding of how their workgroup's role contributes to organisational goals.

A strong culture of safety and trust remains a defining strength. Employees reported high confidence in safety reporting, with 94% saying their supervisor makes them feel comfortable reporting safety incidents, no matter how small. Leadership performance also rated highly, with 92% of employees reporting positive experiences of manager conduct and communication.

The survey highlighted what matters most to our people, including safer workplaces, clearer communication, respectful behaviour and visible action on feedback. Encouragingly, responses indicate improved progress, including a significant lift in confidence that action is taken after surveys, stronger trust in reporting processes and improved perceptions of fairness and objectivity.

Survey outcomes were shared through workshops across the organisation, enabling employees to help shape practical action. These insights informed the People Matter Survey Response Plan, focused on communication, engagement and accountability. In response, Territory Generation is delivering a range of initiatives across 4 key focus areas:

1. **Wellbeing and safety** – heat stress management improvements, updated office designs, dedicated hot desk spaces and upgraded ICT equipment.
2. **Faster, clearer decisions** – shorter, streamlined meetings, clearer governance pathways and more accessible leadership updates.
3. **Respectful behaviour** – targeted leadership development, improved online learning and bystander training to support safe and respectful workplaces.
4. **Sustainable workloads** – reduced administrative burden, team structure review and a new process for business improvement ideas.

These initiatives reflect what employees value: open communication, visible leadership and a respectful, supportive workplace.

A strong, engaged and supportive workplace is critical to attracting, developing and retaining talent, supporting the pipeline of future capability, including early-career pathways.

Building careers, building capability

Territory Generation is building long-term workforce capability through its graduate and undergraduate programs, creating structured pathways for emerging professionals and developing local talent.

Graduate program

The graduate program supports the transition from academic study to operational roles, giving participants exposure across teams and the opportunity to contribute to business outcomes.

Information and communications technology (ICT) graduate Chloe Lee is over halfway through her graduate program. During the year, she was recognised with an early career achievement award, having gained experience across service delivery, cyber security and infrastructure.

"The best thing about the program was the opportunity to experience the technical and professional sides of working in the ICT industry as an international student," Chloe said.

"I felt comfortable asking questions and taking on new challenges because it was such a positive working environment."

"These experiences helped me connect what I learned during my studies with real world operational requirements," she said.

Undergraduate program

The undergraduate program provides students with early industry exposure while completing their studies, typically working 2 to 3 days a week. It is a key pathway into the graduate program and supports the organisation's 'grow our own' approach. Undergraduate participants gain hands-on experience across engineering and operational functions, applying their studies in real-world settings and developing technical and professional capability.

Mechanical engineering participant Matthew Rawsthorne says working while studying has strengthened his understanding of applying theory in practice.

"Working here while studying has made a huge difference to my final semester; I was supported by good mentorship and flexible work days.

"I'm able to apply what I learned at university, get hands-on experience and contribute to meaningful work. It's helped me grow my confidence and segue into a graduate role," Matthew said.

Electrical engineering participant Matthew Jones has also benefited from the program, gaining exposure to engineering challenges across Territory Generation sites.

"I decided to study electrical engineering to build on my career as an electrician and I developed a strong interest in the technical aspects of the field and wanted to expand my knowledge, while improving my problem solving and design abilities."

"The best thing about the program has been the opportunity to learn from experienced engineers and visit multiple sites across the Territory," he said.

These programs play a key role in building a pipeline of skilled professionals, supporting long-term capability and ensuring Territory Generation can meet future workforce needs.



People, wellbeing and inclusion

A strong, inclusive workforce underpins safe and reliable operations. During the year, Territory Generation continued to strengthen workforce capability, engagement and inclusion to support long-term performance.

95%
of employees believe the work they do is important

93%
of employees have a clear understanding of how their workgroup contributes to organisational goals

Workforce diversity remained steady during the year, including representation of women in management roles and participation from culturally and linguistically diverse employees. Targeted pathways support Aboriginal and Torres Strait Islander employment and career development through, including apprenticeship programs and culturally inclusive workplace practices.

13 Women in management roles

34 Employees from diverse backgrounds

12 Aboriginal and/or Torres Strait Islander

12 Early careers

The Diversity & Inclusion Committee continued to support initiatives that strengthen inclusion, build awareness and improve access to opportunities across the workforce. Focus has also been placed on encouraging voluntary self-identification to support a more accurate understanding of workforce diversity and inform future initiatives.

WORKFORCE AT A GLANCE

198.7
Total workforce (full-time equivalent)

42.9%	24.4%	32.7%
Operational	Technical and professional	Corporate

Health and wellbeing

We recognise a healthy workforce is essential to delivering safe and reliable operations. During the year, initiatives focused on supporting physical and mental wellbeing across sites, including remote locations. These included access to wellbeing resources, targeted mental health and leadership training, and organisation-wide awareness campaigns such as R U OK? Day, supported by regular communication through the intranet and the TGen Connect newsletter. Together, these activities increased awareness of wellbeing, supported early intervention and contributed to a safer and more resilient workforce.

Reward and recognition

Territory Generation recognises individuals and teams who demonstrate excellence, leadership and behaviours that reflect our FIRST (Focus, Integrity, Respect, Safety, Teamwork) values. During the reporting period, the program became centrally managed to support consistency and transparency.

The Reward and Recognition Procedure was refreshed to strengthen alignment with FIRST values and improve clarity and accessibility. Enhancements included updated award categories and the introduction of an online nomination form to streamline participation.

28 employees recognised through excellence awards

3 safety excellence awards

3 early career achievement awards recognising emerging talent

In March, we recognised 34 employees for excellence through our employee awards program at events in Darwin and Alice Springs. A further 26 employees reached Northern Territory Government service milestones between 5 to 30 years, representing over 300 years of service.



CEO award

The CEO award recognises an individual who demonstrates outstanding leadership and contribution to Territory Generation.

Sally Phan,
Acting Financial & Management Accounting Manager

"I've been given many opportunities to grow, and the culture of support and collaboration is what truly makes the difference."

Sally's strong technical capability, collaborative approach and consistent support to her team contribute to high-quality outcomes and a constructive working environment.



From school to skilled work

This year, Territory Generation expanded its award-winning apprenticeship program with the introduction of a school-based apprenticeship pathway.

DEVELOPING FUTURE TALENT

2 **new school-based apprenticeships**

9 **apprentices currently supported**

The school-based model enables participants to begin their apprenticeship while completing their secondary education. The school-based apprentices work 2 or 3 days a week and attend school the other days to complete their qualification and transition directly into full time apprenticeships after finishing school.

The initiative has already shown strong results, with the first 2 school-based apprentices, Jalen Donnelly and Thomas Owers, joining the team in 2025. Thomas is completing a Certificate III in Electrotechnology Electrician, pursuing a career path that aligns with his interests. Jalen is working towards a Certificate III in Heavy Commercial Vehicle Mechanical Technology.



Territory Generation employees engaged with students to showcase career pathways in the energy industry



Apprentices gain hands-on experience while working alongside experienced employees across Territory Generation's operations

"When the opportunity came up to apply for a school-based apprenticeship, it felt like the chance to work towards something I really love.

"I enjoy learning to be a mechanic but more than that, I enjoy the way everyone gets along.

"The team at Territory Generation has given me their unconditional support and the amazing opportunity to learn. Even though there can be a lot to take in, there's always someone willing to help," Jalen said.

"I've never once felt like giving up because everyone at Territory Generation is so supportive."

The school-based apprenticeship program supports local capability building, with a continued focus on expanding pathways to strengthen regional opportunities and future talent pipelines.

The apprenticeship program currently supports 9 apprentices, backed by operational teams who contribute to its success.

Governance, structure and risk

Territory Generation's governance framework supports delivery of our core objectives to generate wholesale electricity and provide sustainable financial returns to the Northern Territory Government.

Territory Generation was established as a government-owned corporation on 29 May 2014 following the restructuring of the Northern Territory's electricity industry under the *Government Owned Corporations Act 2001* and the *Power Generation Corporation Act 2014*. Commercial operations commenced on 1 July 2014.

Our governance structure includes:

- shareholding Minister: The Hon William (Bill) Yan MLA, Treasurer
- portfolio Minister: The Hon Steven (Steve) Edgington MLA, Minister for Essential Services
- Board of Directors (refer page 21)
- Executive Leadership Team (ELT) (refer page 21).

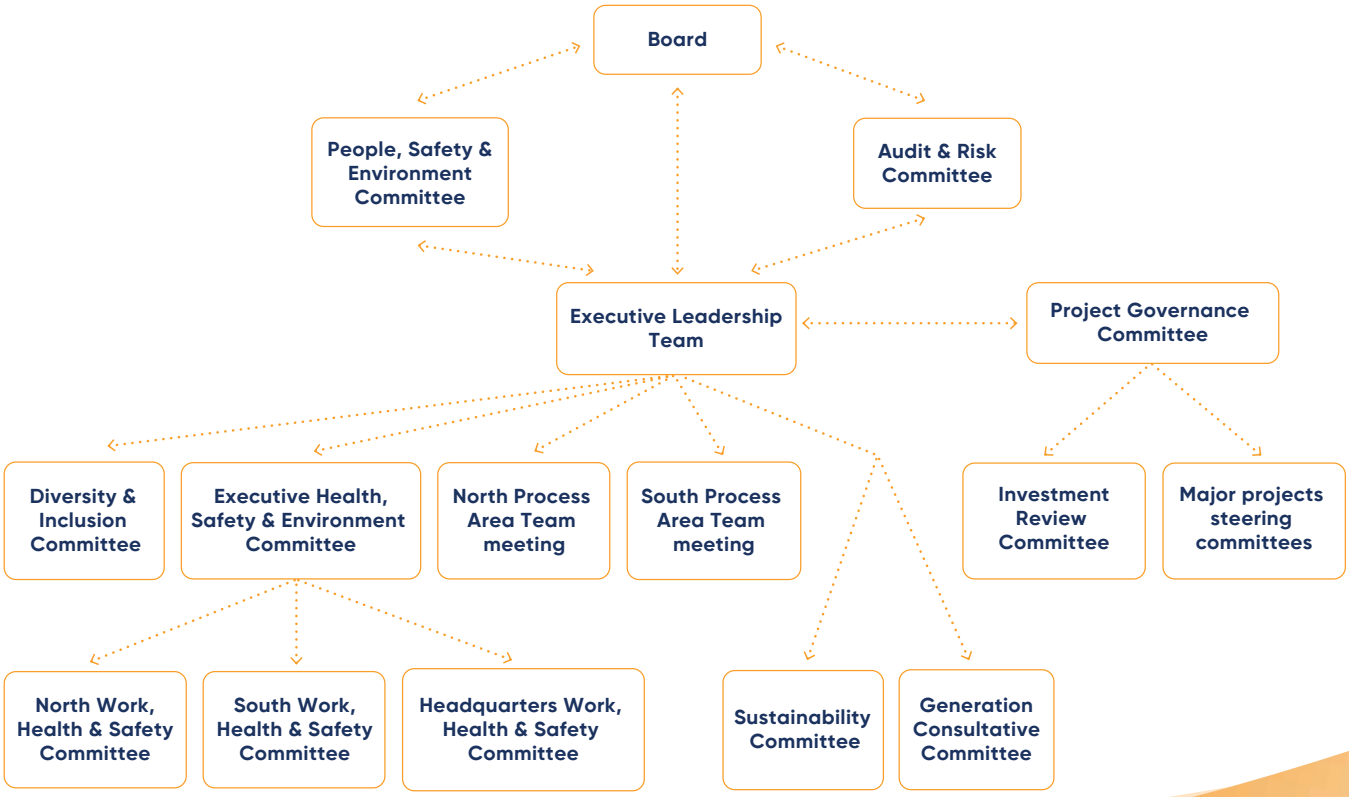
During the year, changes to the Board included the appointment of Michelle Shepherd as Chair on 8 January 2026 following the departure of Richard Galton, with Dennis Bree transitioning from Chair to Non-executive Director. At the end of the reporting period, Dennis concluded his tenure as Non-executive Director, when Charles Popple was appointed to the Board. Christine Charles' tenure as Director was also extended.

External and internal audits, together with risk management, are key components of the governance framework. Financial statements are audited by the Northern Territory Auditor-General, providing independent external oversight while internal audits are conducted by Deloitte Touche Tohmatsu.

Risk management and assurance

Key improvements to risk management during the reporting period included introduction of an electronic risk system, risk workshops across power stations and periodic reviews across work health and safety, environment, sustainability and assets.

Oversight is supported by a structured compliance and audit program, including internal, external and regulatory audits. Outcomes are embedded into business processes and tracked through a central register, with regular reporting to the ELT and the Audit & Risk Committee (ARC). During the year, Adwoa Tetteh was appointed as a member of the ARC. Climate-related risks are outlined on page 43 of this report, while financial risks are detailed on page 92.



Leadership

Territory Generation's Board provides strategic direction and oversight and accountability, supported by the Executive Leadership Team (ELT), which is responsible for delivering organisational performance and outcomes.

Board



INDEPENDENT NON-EXECUTIVE CHAIR
Michelle Shepherd
BCom, BAppEcon, GAICD



INDEPENDENT NON-EXECUTIVE DIRECTOR
Dennis Bree
BE, MAICD



INDEPENDENT NON-EXECUTIVE DIRECTOR
Christine Charles
BA (Hons), Adjunct Prof., MAICD



INDEPENDENT NON-EXECUTIVE DIRECTOR
Charles Popple
BEng (Hons), MEngSc

During the year, Territory Generation refined its organisational structure to strengthen governance, improve consistency and enhance management oversight, including a transition to a functional operating model and realignment of work, health and safety and environmental functions. Kara Walker was appointed General Manager People & Safety and joined the ELT in November 2025.

Nikita MacMurray served as Acting Chief Financial Officer from November 2025 while Joel Dwyer was on extended leave. Gerhard Laubscher stepped down as Chief Executive Officer on 29 June 2026, with Minh Tran appointed as Acting Chief Executive Officer from that date.

Executive Leadership Team



ACTING CHIEF EXECUTIVE OFFICER
Minh Tran
Deputy CEO – Assets & Engineering (substantive role), BEng (Electrical & Electronics), MEM, MAppFin, Dip Proj Mgt, FIEAust, CPEng, GAICD



ACTING CHIEF FINANCIAL OFFICER
Nikita MacMurray
BCom (Acc), MBA, CPA, GAICD



GENERAL MANAGER OPERATIONS & MAINTENANCE
Tim Danby
BEng (Mech), MAICD



GENERAL MANAGER COMMERCIAL & BUSINESS DEVELOPMENT
Rebecca McKenzie
BEng (Hons), BEc, MIEAust, CPEng, NER



GENERAL MANAGER PEOPLE & SAFETY
Kara Walker
BBus, Dip WHS, Dip GovInv, CAHRI, GAICD



GENERAL COUNSEL & COMPANY SECRETARY
Hieu Nguyen
BSc, LLB, LLM, EMPA, GAICD, AGIA



Statement of Corporate Intent 2025–26 achievements

Territory Generation uses key performance indicators (KPIs) to measure progress against its strategic objectives and ensure the delivery of safe, reliable and responsible operations. Performance is monitored through a combination of lead and lag indicators, enabling the organisation to assess outcomes, identify areas for improvement and refine its approach over time.

KPI measure	Target	Actual
SAFETY: **We have an embedded safety culture, where safety is at the core of everything we do.**		
Lost time injury (LTI)	0	**0**
Increase in Take 5 completion rates	≥ 6,174	**9,463**
Safety conversation rates	≥ 1,236	**1,512**
PEOPLE AND CAPABILITY: **We have a culture that retains, attracts, and develops highly skilled people aligned with our values.**		
Employee achievement plans (MyAP)	Participation ≥ 98%	**100%**
Staff turnover	Full-time employee turnover ≤ 18%	**10%**
Investment in learning and development	≥ 2% of personnel costs	**3%**
PLANT OPERATIONS: **We operate our plant safely, reliably and responsibly every day.**		
Plant availability across portfolio	≥ 88%	**90%**
Plant and system reliability	Start reliability achieve ≥ 95%	**99%**
	Major system black events caused by Territory Generation = 0 in regulated power systems	**0**

Key

Green = achieved

Black = not met

KPI measure	Target	Actual
FINANCE: **We achieve our agreed controllable SCI outcomes.**		
Budgeted and fiscal strategy outcomes	*Achievement of budgeted and fiscal strategy outcomes:*	
	Earnings before interest, tax, depreciation and amortisation ≥ $68.3M	**$69.8M**
	Earnings before interest and tax ≥ $31.5M	**$38.6M**
	Return on equity ≥ 6.6%	**10.4%**
	Return on assets ≥ 5.5%~	**5.7%**
	Debt to equity ratio ≤ 1.5	1.6*
	Revenue growth and expenditure growth ≥ 1.2	**3.3%**
	Controllable costs ≤ $89.1M	**$88.4M**
Operating expenditure (less energy) as a percentage of total revenue	≤ 29.1%	29.2%#
Capital program delivered within budget	Project completion within -10% of approved budget	+5%*
SUSTAINABILITY: **We ensure sustainability by effectively managing our environmental, social and governance performance.**		
Reportable environmental harm incidents	0	**0**
An ongoing overall reduction of greenhouse gas emissions	≤ 910,000 t CO_2-e	**792,395 t CO_2-e**
Grow workforce diversity	Aboriginal and Torres Strait Islander staff ≥ 11	**13**
	Staff from diverse backgrounds ≥ 15%	**17%**
	Women in management ≥ 20%	**24%**
GROWTH: **We pursue sustainable growth by improving the value of energy services.**		
Support Northern Territory Government energy policy	Reach final investment decision on BESS program	**Met**
Energy service costs are transparent to customers	Improve unbundled or shadow price allocations	**Met**
New opportunities offer sustainable returns	Internal rate of return targets are relevant to the maturity of each opportunity	**Met**

~ Calculation is based on the Australian Energy Regulator's formula.

* The novation of the synchronous condenser project resulted in unbudgeted debt funding to finance project costs. Excluding this impact, all financial targets were achieved.

Driven by greater than budgeted repairs and maintenance across all sites.

Locations



A centralised gas pipeline supplies natural gas to all Territory Generation power stations, except Yulara and Kings Canyon.

Map not to scale

- Power station owned by Territory Generation
- Territory Generation power purchase agreement
- Regulated power system network
- Population centres

Assets

	Generating units	Installed capacity (MW)	Description
DARWIN-KATHERINE REGION			
Channel Island Power Station (CIPS)	4 heavy industrial gas turbines (dual fuel), 3 aeroderivative gas turbines (2 dual fuel), 1 steam turbine	301.4	CIPS commenced formal operations in 1987 and is Territory Generation's largest power station. It will continue to be the primary source of electricity for the Darwin–Katherine power system. The station also hosts a BESS, and a 23 MW hydrogen-capable gas turbine is being installed and commissioned on site.
	1 BESS	32.6	The Channel Island BESS is a grid-forming modular lithium iron phosphate battery system which has been operational since mid-2025 to support the Darwin–Katherine power system. It resides within the CIPS site.
Weddell Power Station (WPS)	3 aeroderivative gas turbines	129.0	WPS connects to the Darwin–Katherine power system. Two of its gas turbines were commissioned in 2008, with the third commissioned in 2014.
Katherine Power Station (KPS)	4 industrial gas turbines (dual fuel)	37.0	KPS has been operational since 1987 and functions as a critical infrastructure black station, providing islanding and network voltage support services to the Darwin–Katherine power system. A BESS is planned for the site, building on recent battery deployments in the Darwin–Katherine system.
ALICE SPRINGS REGION			
Ron Goodin Power Station (RGPS)	6 reciprocating sets (diesel only)	22.4	RGPS was commissioned in 1973. The station has entered standby mode but remains available to provide capacity support for the Alice Springs power system.
Owen Springs Power Station (OSPS)	13 reciprocating sets (10 gas, 3 dual fuel) 1 industrial gas turbine (dual fuel)	80.9	OSPS was commissioned in 2011 and upgraded in 2018 to service the Alice Springs community. Civil works have commenced on site for a BESS to provide energy-shifting capability and strengthen system stability.
Sadadeen Valley	1 BESS	5.0	The Sadadeen Valley BESS is a grid-connected modular lithium iron phosphate battery system which has been operational since 2018 to support the Alice Springs power system. It resides within the RGPS site.
REMOTE STATIONS			
Tennant Creek Power Station (TCPS)	11 reciprocating sets (8 gas, 3 diesel) 1 industrial gas turbine (dual fuel)	19.5	TCPS was commissioned in 1975 and underwent a significant upgrade in 2017. It services the Tennant Creek township and surrounding communities as far as Ali Curung.
Yulara Power Station (YPS)	6 reciprocating sets (diesel)	8.0	YPS has been operational since 1983. It services the Ayers Rock Resort and the Yulara township using diesel fuel operation.
Kings Canyon Power Station (KCPS)	3 reciprocating sets (diesel)	1.1	KCPS has been in operation since 2003. It is the only commercial source of electricity in the Kings Canyon area, servicing the Kings Canyon Resort and domestic customers.
	Total number of generating units: 61	**Total installed capacity: 636.9**	

Northern operations

A structured outage program was delivered across Territory Generation's northern assets in 2025–26, supporting system availability while progressing critical maintenance activities aligned to unit condition and system requirements.

Darwin–Katherine region

Maintenance across the Darwin–Katherine system focused on sustaining performance at Channel Island Power Station while maintaining availability across Weddell and Katherine power stations to support system demand.

Channel Island Power Station (CIPS)

Outage activities at CIPS were undertaken across the fleet, including auxiliary infrastructure, supporting the station's role as the primary generation source for the Darwin–Katherine system.

Planned works included bi-annual outages on aeroderivative gas turbines and scheduled maintenance of heavy industrial units, supported by coordinated outages across shared systems to improve reliability and performance across the fleet. These works also progressed the extension of service life for key 32 MW heavy industrial gas turbines, supporting continued reliable capacity during peak demand periods.

A key outcome was the successful engine replacement on an aeroderivative gas turbine, restoring reliable operation across a broader load range, improving unit availability and flexibility.

Refurbishment works were also completed on several high voltage transformers to ensure ongoing reliability in line with the overhauls on the heavy duty industrial turbines.

Engine replacement resolves vibration issue

A key milestone in the 2026 CIPS outage program was the successful replacement of an aeroderivative gas turbine. The unit had exceeded its typical service life and required replacement to maintain reliability. The works involved complex logistics, including transport of the new engine to site and detailed installation and commissioning.

The replacement also resolved a long-standing vibration issue, enabling the unit to operate across a wider load range without previous limitations. This has restored reliable operation and improved flexibility in meeting system demand.





Weddell Power Station (WPS)

At WPS, planned outages were delivered across aeroderivative gas turbines, which play a key role in providing flexible, fast-start generation for the Darwin–Katherine system.

Maintenance activities included scheduled servicing, generator and transformer maintenance, and installation of a replacement unit. The replacement aeroderivative unit was sourced, delivered and installed within a 3-month period, restoring generation capacity ahead of peak demand.

These works support the continued role of WPS as a flexible and responsive generation source.

Katherine Power Station (KPS)

KPS remained available to support system requirements as needed during outage periods. Maintenance activities focused on dual-fuel gas turbines, which provide operational flexibility, particularly during broader network or fuel supply constraints.



Maintenance program

The 2025–26 outage program reflects a continued move toward more structured and coordinated maintenance across the northern fleet. By aligning outage scopes to unit condition, operating hours and system requirements, works were delivered in a way that balanced maintenance needs with system availability.

Southern and remote operations

Planned maintenance and outage activities were undertaken across Territory Generation's southern and remote stations in 2025–26, supporting the ongoing reliability and performance of regional and isolated power systems.

Alice Springs region

Owen Springs Power Station (OSPS)

At OSPS, planned outages were delivered as part of the long-term maintenance program. Activities focused on hourly-based services, including a 60,000-hour major outage on one reciprocating gas engine that involved inspection, servicing and component replacement works.

In parallel, a targeted evaporative cooling trial was undertaken to address heat-related performance constraints experienced by gas-fuelled reciprocating engines during extreme weather conditions. This work supports improved generation output during high temperature periods when demand is typically highest.

Ron Goodin Power Station (RGPS)

RGPS continued to be maintained during the financial year. However, as the Alice Springs power system continued to shift toward a more integrated operating model, OSPS increasingly served as the primary source of generation. As a result, RGPS is in standby while remaining available to support system requirements.



Improving performance through evaporative cooling at OSPS

Reciprocating units at OSPS can experience reduced output during extreme heat conditions, affecting generation when it is most needed. An engineering review identified an opportunity to improve cooling within the unit enclosures.

A trial evaporative cooling system was installed on one unit, with results showing a return to full output during high temperature conditions. Following the successful trial, work is underway to implement the solution across the broader gas-fuelled reciprocating engine fleet at OSPS.

A trial evaporative cooling system at Owen Springs Power Station improved unit performance during extreme heat conditions.





95% average availability

Regional stations, including Katherine, delivered the strongest availability across the fleet in the reporting period.

Remote stations

Tennant Creek Power Station (TCPS)

At TCPS, outages were undertaken across reciprocating engines and the station's industrial gas turbine, including both gas and diesel units, reflecting the diversity of the generation fleet. The program included a 30,000-hour major overhaul on a reciprocating gas engine, alongside additional planned servicing activities, including 8,000-hour and 4,000-hour services. These works were supported by targeted maintenance and component replacement aligned to unit condition and operating hours.

Corrective maintenance was also carried out, including resolution of equipment faults and component failures, with works completed to restore unit performance and maintain availability in a remote operating environment.

Yulara Power Station (YPS)

At YPS, planned maintenance activities were carried out across generation units, aligned to operating hours and system requirements. This included a top overhaul on one of the reciprocating sets, involving cylinder liner and piston replacement, supporting continued reliability of the local power system.

Kings Canyon Power Station (KCPS)

At KCPS, scheduled hourly servicing and routine maintenance activities were undertaken across the fleet. Works were aligned to operating hours and unit condition, supporting continued performance and availability of generation assets supplying the local community.



Tennant Creek Power Station: *50 years powering the community*

Tennant Creek Power Station (TCPS) marked a significant milestone, celebrating 50 years of continuous operation since opening in July 1975. What began as a 7.2 MW diesel station has grown into a modern facility with 19.5 MW of installed capacity, powered primarily by natural gas with diesel retained for contingencies. For 5 decades, the station has supported the Tennant Creek community, local industry and surrounding townships, providing reliable electricity in one of the Territory's most remote regions.

The anniversary brought together staff, community members, industry partners and distinguished guests including the Honourable Gerard Maley, Deputy Chief Minister, the Honourable Bill Yan MLA, Treasurer, and the Honourable Steven Edgington MLA, Minister for Essential Services. The celebration also honoured the Waramungu people, the traditional custodians of Patta land.

Over 5 decades, TCPS has adapted to meet changing energy needs. The station opened with six 1.2 MW Ruston diesel generators. Expansion works introduced new gas-fuelled units, improving efficiency and strengthening system security. These upgrades have ensured the station remains a dependable source of electricity for the Barkly region.

Tennant Creek Power Station in 1987





Past Tennant Creek Power Station coordinators were recognised as the station marked 50 years of operation.

The milestone also highlighted the station's future direction. Recent microgrid feasibility studies, supported by the Australian Government's Regional and Remote Communities Reliability Fund, identified ways to integrate renewable energy at remote sites such as Tennant Creek. These studies, together with market sounding activities undertaken in 2024, are informing future solar, and battery storage investigations.



The station today

The Tennant Creek roadmap includes installation of a high-specification BESS to replace ESS currently provided by thermal generation and strengthen contingency support for large industrial loads. This work aligns with Territory Generation's broader strategy to enhance ESS across all regulated power systems and deliver safe, reliable energy at least cost for the Northern Territory.

The anniversary also provided an opportunity to recognise the people who have shaped the station's success. Territory Generation acknowledged the dedication of past and present staff, including long-serving station coordinators Kevin Edwin, Hal Ruger and Matthew Blankenspoor, whose leadership has supported safe and reliable operations.

As TCPS enters its next chapter, Territory Generation continues to deliver reliable generation for the Barkly region while progressing the planning and investment needed to support future renewable integration.

Strengthening our business and connections

Territory Generation strengthened its capability and external partnerships this year, focusing on improving performance, embedding continuous improvement and modernising key systems processes while reinforcing engagement with community and industry partners.

Improving performance insights

Automated reporting was delivered for SCI KPIs and strategic initiatives. The new system provides faster, more accurate and more consistent monthly performance insights, reducing manual effort and enabling timely decision-making. This strengthens governance and improves visibility of performance across the business.

Embedding continuous improvement

A structured business improvement suggestion process was introduced in November 2025, enabling employees to contribute ideas targeting cost savings, process improvements and operational efficiency. The initiative strengthens continuous improvement capability and ensures ideas are captured, assessed and implemented.

Optimising data systems and reporting

A data automation project improved the reliability of metering and market data through automated validation and repeatable processing. These changes reduced manual handling, improved data quality and strengthened audit-ready reporting for market and retail activities.

Data preparation time has reduced, supported by standardised outputs and automated pipelines for velocity meter, market trading and retail meter data. Validation checks now identify gaps or anomalies more efficiently, improving data confidence and supporting faster operational and market trading decisions.

Improvements are already visible. Compiling velocity meter files, which previously took up to 15 minutes per file across 26 national metering identifiers, now takes under 5 minutes. Data has been centralised, improving accessibility for reporting and billing.

Modernising procurement

Procurement capability and governance were strengthened through targeted improvements. A new local content evaluation framework was developed and soft launched, improving the consistency and transparency of local tender assessments by introducing more targeted questions to better assess local content commitments and outcomes.

Automated procurement workflows were also introduced, supporting key governance processes including approvals to source, tender plans and standing exemption approvals. These changes improve data quality and auditability and streamline approval cycles across procurement activities.

Community impact

Territory Generation continued to support local communities through sponsorships and partnerships that promote education, industry capability and community wellbeing.

Support for Engineers Australia strengthened engagement with the engineering profession through events and collaborative activities. Local STEM initiatives were supported, including Darwin High School and Darwin Middle School students representing the Northern Territory at the National Science and Engineering Competition.

Support for future workforce capability continued through sponsorship of the GTNT Group Awards and Charles Darwin University's prize giving and careers events, strengthening pathways into the energy sector.

Territory Generation also engaged in knowledge sharing activities, including hosting a Timor-Leste delegation. The visit focused on sharing experience in designing and operating smaller power systems with increasing renewable generation, including the role of BESS. Sessions included presentations and technical site tours, providing practical insights relevant to their local operating context.

Together, these partnerships demonstrate Territory Generation's commitment to supporting education, capability building and strengthening connections across the Territory.

Chief Financial Officer's report



The 2025–26 financial year was one of disciplined investment, strong financial performance and focused financial stewardship.

As the Northern Territory's largest wholesale electricity generator, our financial strategy extends beyond annual financial results. It is focused on ensuring the organisation has the financial capacity, funding structures and governance frameworks required to maintain reliable electricity supply today while investing in the infrastructure needs for tomorrow.

We delivered a net profit after tax of $24.3 million, an increase from $13.0 million in the previous year, supported by revenue growth and continued operational focus across the business. Revenue increased to $337.4 million, while operating activities generated positive cash flows of $45.8 million, providing a solid foundation for future investment.

A key focus during the year was the delivery of our capital investment program. We invested $73.9 million in strategic assets and infrastructure that will support system security, operational resilience and the long-term sustainability of our operations. These investments included battery energy storage systems, flexible generation technologies and essential system service capability that will underpin reliable and affordable electricity supply into the future.

As the scale of investment required across the electricity sector continues to grow, access to appropriate sources of capital has become increasingly important. During the year, Territory Generation strengthened its capital financing arrangements, establishing a new funding arrangement that provides competitively priced capital to support strategic projects and strengthens our ability to deliver investments that support system reliability, renewable integration and long-term value for Territorians.

This year also marked a significant milestone in corporate reporting with the introduction of Australia's new climate related financial disclosure requirements. We have invested considerable effort in preparing for compliance with the Australian Sustainability Reporting Standards, including enhancements to governance, risk management, data collection and reporting processes. As part of his work, climate-related risks and opportunities are increasingly being integrated into strategic planning, investment evaluation and financial decision-making processes.

As we look ahead, maintaining financial resilience will remain critical as investment requirements across the electricity sector continue to grow. Delivering this transition successfully will require ongoing financial discipline, strategic capital allocation and strong focus on value creation.

While the business is well positioned to respond to future opportunities and challenges, several financial and market challenges remain. Fuel costs continue to represent a significant component of our operating cost base. Maintaining affordable and reliable electricity supply will require ongoing focus on operational efficiency, prudent procurement and effective risk management. At the same time, the continued evolution of the Territory Electricity Market and broader market reform will influence future revenue streams, investment decisions and the way ESS are valued and funded.

These factors reinforce the importance of maintaining a strong balance sheet, securing diverse sources of capital and exercising disciplined financial management. Through sound financial stewardship, we will we will continue to support sustainable investment, manage risk effectively and deliver long-term value for Territorians.

NIKITA MACMURRAY, Acting Chief Financial Officer

Sustainability report

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Directors' declaration



In the opinion of the directors of the Corporation:

a) the Corporation has taken reasonable steps to ensure the substantive provisions of the Sustainability Report for the year ended 30 June 2026 are in accordance with the *Corporations Act 2001 (the Act)*; and

b) the Sustainability Report complies with:

   (i) Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures; and

   (ii) the applicable climate disclosure requirements as required by the above standard.

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

Dated at Darwin on this 25th day of August 2026.

MICHELLE SHEPHERD
Chair

Northern Territory
Auditor-General's Office

Independent Auditor's Review Report

To the directors of Power Generation Corporation

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

Review conclusion

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

Sustainability disclosure reviewed	**Reporting requirement of Australian Sustainability Reporting Standard (AASB) S2 *Climate-related Disclosures* (including related general disclosures required by Appendix D)**	**Location of disclosure in sustainability report**
Governance	Paragraph 6	Page 40 of the annual report
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Pages 41 to 52 of the annual report
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Page 55 of the annual report

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

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

Basis for conclusion

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

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

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

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

I am independent of the Corporation in accordance with the applicable ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board (the Code), together with the ethical requirements in the Act, that are relevant to our review of the specified Sustainability Disclosures. My authorised auditors and I have also fulfilled my other ethical responsibilities in accordance with these requirements and the Code. My independence is further established by the *Audit Act 1995*.

Basis for conclusion (cont.)

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

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

Emphasis of matter

I draw attention to the Basis of preparation in the sustainability report (page 39 of the annual report), which describes that in applying AASB S2, management has exercised judgement and made estimates regarding future events that may affect operations. These judgements and estimates are based on all reasonably available information at the reporting date and are considered reasonable however, actual outcomes may differ.

My conclusion is not modified in respect of this matter.

Other Information

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

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

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

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

Responsibilities for the specified Sustainability Disclosures

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

Inherent limitations in preparing the specified Sustainability Disclosures

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

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

Auditor's responsibilities

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

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

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

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

In conducting our review, I:

- Obtained an understanding of the Corporation's climate-related processes and internal controls, including those in relation to governance structure and strategy.
- Interviewed key personnel to understand the process for collecting, collating and reporting the sustainability information during the reporting period.
- Reviewed relevant supporting documentation, including the Corporation's policies and procedures, to evaluate the Corporation's climate-related processes.
- Evaluated the presentation and disclosure of the Sustainability Disclosures in the sustainability report against the requirements of AASB S2.



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

Basis of preparation

This report presents the climate-related disclosures for Power Generation Corporation trading as Territory Generation for the year ended 30 June 2026 and covers the same reporting period as the consolidated financial statements. It provides information about the approach to identifying, managing and disclosing material climate-related risks and opportunities (CRROs).

Statement of compliance

This report has been prepared in accordance with Australian Sustainability Reporting Standards, AASB S2: Climate-related Disclosures and the requirements of the *Corporations Act 2001*.

Transition reliefs

The following transition reliefs permitted under AASB S2 have been applied on initial adoption:

- comparative information has not been disclosed for any period before the date of initial application
- Scope 3 greenhouse gas (GHG) emissions have not been disclosed.

Early adoption

Territory Generation has early adopted AASB S2025-1 under Section 336A(3) of the *Corporations Act 2001*. This provides jurisdictional relief, allowing the business to report greenhouse gas emissions in line with the National Greenhouse and Energy Reporting Scheme (NGERS) framework rather than the GHG Protocol (2004).

Assumptions, judgements and estimates

Information in this report is considered material if its omission, misstatement or obscuration could reasonably be expected to influence decisions made by users of the general-purpose financial reports.

In applying AASB S2, management has exercised judgement and made estimates regarding future events that may affect operations. These judgements and estimates are based on all reasonably available information at the reporting date and are considered reasonable however, actual outcomes may differ.

CRROs have been identified and assessed using a proportionate approach, without incurring undue cost or effort. Measurement uncertainty arises primarily from data limitations, the use of emission factors and proxy data, reliance on third party inputs, and the inherent uncertainty of forward-looking information. These uncertainties may affect both greenhouse gas emissions calculations and assessments of the anticipated financial effects of CRROs.

Governance

Territory Generation has established governance processes, controls and procedures to monitor, manage and oversee CRROs. Refer to page 20 for a diagram of the organisation's governance structure.

Roles and responsibilities

The Board sets and oversees strategic direction and risk appetite, including material CRROs, metrics, targets and disclosures. It ensures CRROs are integrated into strategy, risk management and financial planning through the annual Statement of Corporate Intent (SCI) process, supported by the Audit & Risk Committee (ARC) and the People, Safety and Environment Committee (PSEC).

The ARC oversees the enterprise risk framework, internal controls, disclosure integrity and assurance processes, and endorses CRROs within the risk profile. The PSEC oversees remuneration, environmental performance, sustainability initiatives, and related metrics and targets.

The Board receives CRRO updates at least quarterly through the ARC and considers climate-related opportunities in strategy setting. It reviews climate strategy and targets at least annually and approves climate disclosures, including external assurance outcomes.

Board skills and experience

The Board maintains and annually reviews a skills matrix encompassing sustainability, climate, financial, risk and operational expertise. Capability gaps are addressed through targeted development initiatives or external specialists, including scenario analysis, transition planning and assurance. These processes support effective oversight of CRROs. During 2025–26, the Board undertook structured professional development covering CRROs and AASB S2 requirements.

Management responsibilities

The CEO and Executive Leadership Team (ELT) are responsible for executing strategy, including management of CRROs within risk appetite and providing quarterly updates to the Board.

The ELT embeds climate considerations into planning, modelling and scenario analysis. The Chief Financial Officer (CFO) oversees climate-related governance, assurance and integration into financial planning.

The Sustainability Committee meets monthly, supporting the ELT by coordinating climate strategy, risk management, data and disclosures and the monitoring of CRROs.

Management oversight is supported by internal controls aligned with AASB S2, including validation of assumptions, review by risk and finance functions, and Board approval following external assurance.

Strategy

As the Northern Territory's largest wholesale electricity generator, Territory Generation plays a central role in delivering reliable electricity supply and essential system services (ESS) across geographically dispersed, climate-exposed networks.

The generation portfolio is currently dominated by gas and diesel-fired assets, supplemented by contracted renewable generation. As the generator of last resort, the business provides system capacity, load-following energy and ESS including voltage and frequency control, inertia and system strength, black start and alternative fuel capability.

The Corporation's operating environment is undergoing structural change driven by increasing penetration of renewable energy, evolving market design and emerging policy expectations. These developments give rise to climate-related transition risks, including changes in asset utilisation, maintenance requirements and revenue structures, alongside physical risks associated with operating assets in high temperature and severe weather conditions. To respond to these changes, the strategy is focused on maintaining system security and reliability, while supporting least-cost outcomes and progressively adapting its business model to support the energy transition. Key strategic priorities include:

- supporting increased renewable penetration by investing in enabling infrastructure such as battery energy storage systems (BESS), a synchronous condenser, hydrogen-ready equipment, and emerging storage technologies
- separating energy production from system services, allowing ESS to be valued and monetised independently of thermal generation
- enhancing operational flexibility to manage increased cycling and ramping of thermal assets
- diversifying revenue streams through system services and firming capabilities.

Climate-related considerations are integrated into strategic planning, capital allocation and asset management decision making across short-, medium- and long-term horizons. Scenario analysis is used to test the robustness of strategy under a range of plausible climate change and energy transition pathways, informing prioritisation of investments and strategic initiatives.

This approach enables continued delivery of reliable electricity services while positioning the business to adapt its generation portfolio and operating model as climate conditions, market settings and system requirements evolve.



Climate scenario analysis

Two plausible climate scenarios have been identified: fast action and hotter world, relevant to Territory Generation's circumstances. The scenarios draw on recognised national and international sources and cover a wide range of climate-related transition pathways and climate-related physical outcomes.

The Intergovernmental Panel on Climate Change (IPCC) refers to 5 shared socio-economic pathways (SSP), which were designed to span a range of challenges to climate change mitigation and adaptation. For the assessment of climate impacts, risk and adaptation, the SSPs are used to consider future exposure, vulnerability and challenges to adaptation.

Under each scenario, the strategy and business model are assessed for how they may be positively or negatively impacted by future transitional and physical uncertainties over the short, medium and long term. Scenario outcomes are qualitative and directional and do not represent forecasts or quantified financial projections.

The assessment of CRROs under each scenario has informed management's consideration of potential impacts on operating costs, asset utilisation, capital investment and asset lives. Where relevant, these considerations are reflected in the preparation of the financial statements, including estimates and judgements relating to asset impairment, provisions, useful lives and capital allocation (refer relevant notes to the financial statements).

The scenario analysis considers the below time horizons aligned with strategic and business planning cycles:

TIME HORIZON	PERIOD	RATIONALE
Short term	1-4 years	Aligns with period covered by the SCI
Medium term	5-15 years	Reflects asset lifecycles and investment decision timeframes
Long term	>15 years	Supports longer term strategic planning and energy transition considerations

The details of the scenarios adopted and their relevance are summarised below:

	FAST ACTION 1.5°C FUTURE	HOTTER WORLD >2.5°C FUTURE
IPCC SSP referenced	SSP1-2.6	SSP3-7.0
Scenario narratives	A scenario reflecting strong climate action and coordinated global efforts to reduce emissions, resulting in lower warming outcomes consistent with the Paris Agreement.	A scenario reflecting limited or delayed climate action, leading to higher emissions and significantly increased global warming.
Indicative warming outcome (2090)	~1.8°C (1.3–2.4°C range)	~3.6°C (2.8–4.6°C range)
Relevance	Assess impacts on Territory Generation's thermal and gas generation, including declining utilisation, carbon policy exposure and increasing pressure on fossil fuel-based generation. Also considers opportunities to expand solar, battery storage and system services in remote and islanded systems.	Assess impacts on Territory Generation's assets operating in extreme Northern Territory conditions, including increased heat-driven derating, reduced efficiency, rising cooling demand and higher outage risk. Considers fuel supply disruptions to remote systems, increased reliance on diesel and infrastructure stress from extreme weather events.
Data sources	Network for Greening the Financial System (NGFS): Net Zero 2050 and Delayed Transition scenarios. International Energy Agency (IEA): Net Zero Emissions and Announced Pledges scenarios.	NGFS Hot House World scenario (Current Policies).

Climate-related risks and opportunities

Territory Generation applies a structured approach to identify and assess CRROs that could reasonably be expected to affect its business prospects. The assessment incorporates qualitative inputs and, where available, quantitative data to evaluate potential impacts on the business model.

Identified CRROs were assessed against internal financial materiality criteria, aligned with Territory Generation's Risk Management Framework, to determine whether they could reasonably be expected to affect business prospects. CRROs with the potential for significant financial impact were validated and prioritised through stakeholder workshops, with reputational, regulatory and strategic implications considered where they could give rise to material financial effects.

Climate-related opportunities aligned with strategic objectives, together with risks assessed as having high residual risk ratings under at least one scenario and time horizon, were deemed to be material for the purpose of disclosure.

For each scenario and time horizon, CRROs were assessed for likelihood, consequence and potential financial and operational impacts. The assessment considered both inherent and residual risk ratings, including the effect of existing controls, to determine materiality.

The following 6 CRROs were identified as having the potential to materially impact the business over the short-, medium- or long-term horizons.

PHYSICAL RISK	EXTREME WEATHER AND CLIMATE HAZARDS
Description	Territory Generation could be exposed to physical climate risks from more frequent and severe extreme weather events, including cyclones, storms, flooding, heatwaves and storm surges. These may cause asset damage and operational disruption across Northern Territory operations.
Time horizon	Medium to long-term.
Potential impacts on Territory Generation	Physical climate risks may result in damage to generation infrastructure, reduced asset availability, temporary or prolonged outages, increased operating costs, and disruption to fuel supply and logistics, particularly for remote power stations.
Mitigation and adaptation efforts	Mitigation and adaptation measures implemented include asset design and maintenance standards, emergency and incident response arrangements, operational controls, supply resilience planning, insurance coverage, and coordination with external agencies, supported by ongoing monitoring of climate and weather conditions. Despite the increasing severity of climate hazards under higher-emissions scenarios, Territory Generation's adaptation measures and ongoing resilience investments are expected to reduce the vulnerability of critical infrastructure and support the continued reliability of electricity supply.
Financial impact	**Current financial effects:** No material impacts to financial position, financial performance, or cash flows attributable to climate-related physical risks were identified for the reporting period. No material asset damage from climate-related events occurred. Only routine operating and maintenance expenditure associated with managing weather-related events were incurred. **Risk of material adjustment:** Based on available information, Territory Generation is not aware of any climate-related matters associated with this risk that are expected to result in a material adjustment to the carrying amounts of assets or liabilities within the next annual reporting period. **Anticipated financial effects:** Anticipated financial effects have not been quantified, as the information required to develop reasonable and supportable estimates is not currently available without undue cost or effort. Key constraints include the availability of asset-level climate-related outage data, site-specific hazard exposure information, and sufficiently detailed climate-related operational expenditure data. A qualitative assessment based on current understanding of this risk has been developed. • **Short-term:** Incremental increases in operating expenditure are expected, including fuel, logistics, labour, maintenance and insurance costs, as climate risk is increasingly reflected in pricing and operational requirements. Supply chain disruptions from rainfall and flooding events may result in localised cost pressures and short-duration outages, impacting financial performance. • **Medium-term:** Capital expenditure is expected to increase as asset investment may vary due to more frequent climate-related impacts. Targeted resilience and adaption investments may be required. The frequency and duration of outages may increase due to weather events, introducing greater variability in revenue and placing upward pressure on supply chain resilience costs, potentially impacting the financial position. • **Long-term:** Under higher emissions scenarios, physical hazard intensity is projected to increase materially. Financial exposure includes asset impairment risk, potential stranding of infrastructure in flood-prone areas, sustained operating and capital cost uplift, and increasing insurance costs or reduced coverage availability for high-risk assets.

PHYSICAL RISK	LONG TERM SHIFTS IN CLIMATE PATTERNS
Description	Territory Generation could be exposed to physical climate risks from gradual changes in climate conditions, including rising average temperatures, more frequent and intense heat events, increasing humidity, and greater variability in rainfall, which may affect asset performance and long-term energy demand patterns in the Northern Territory.
Time horizon	Medium to long-term.
Potential impacts on Territory Generation	Long-term warming and changing climate conditions may reduce thermal generation efficiency, increase cooling and fuel requirements, constrain water availability and raise operating costs. Sustained temperature increases may also affect long-term electricity demand and system reliability.
Mitigation and adaptation efforts	Mitigation and adaptation measures include incorporating future climate projections into asset design, thermal performance upgrades, operational controls to maintain system stability, site design measures, emergency and incident response arrangements, coordination with external agencies, and ongoing monitoring of climate conditions. Although projected increases in temperature and humidity are expected to place additional pressure on generation assets over time, ongoing resilience measures and planned asset upgrades are intended to maintain system reliability and reduce vulnerability to changing climate conditions.
Financial impact	**Current financial effects:** No material impact on financial position, performance, or cash flows attributable to long-term climate shifts were identified. While periods of elevated temperatures can reduce generation efficiency and increase fuel consumption, these effects are managed within normal operations and are not separately tracked in a way that enables reliable attribution to long-term climate change. **Risk of material adjustment:** Based on available information, Territory Generation is not aware of any climate-related matters associated with this risk that are expected to result in a material adjustment to the carrying amounts of assets or liabilities within the next annual reporting period. **Anticipated financial effects:** Anticipated financial effects have not been quantified, as the information required to develop reasonable and supportable estimates is not currently available without undue cost or effort. Climate-related impacts such as temperature-related derating, changes in fuel consumption, and asset degradation are not separately identifiable from routine operational data. A qualitative assessment based on current understanding of this risk has been developed. • **Short-term:** Incremental increases in fuel consumption and operating costs are anticipated as derating reduces generation efficiency. Elevated maintenance expenditure on cooling and lubrication systems is expected. • **Medium-term:** Sustained derating may drive substantial increases in fuel costs and further reductions in generation efficiency. Regional water stress may constrain evaporative cooling, requiring capital investment. Higher cooling loads may create dispatch complexity, impacting financial performance and position. • **Long-term:** Persistent temperature increases are expected to materially reduce thermal asset efficiency, accelerate wear and tear, and increase capital replacement requirements. Changes in water availability and quality may further increase operating complexity and costs, particularly at sites dependent on water for cooling or other functions. Risks of asset impairment and revenue loss may increase if reliability is affected during prolonged heat events. Rising temperatures may also increase electricity demand associated with cooling requirements within the Northern Territory, potentially supporting higher utilisation of generation assets. However, any potential revenue uplift may be offset by reduced efficiency, higher operating costs and increased reliability pressures.

TRANSITION RISK	ENERGY MARKET DESIGN AND POLICY CHANGES
Description	Territory Generation is exposed to transition risks arising from changes in energy market design, policy settings and customer expectations, which may affect how electricity and system services are valued, procured and dispatched in the Northern Territory.
Time horizon	Short-, medium- and long-term.
Potential impacts on Territory Generation	Changes in market rules, pricing structures and procurement frameworks may reduce the competitiveness of Territory Generation's market offerings, increase operational complexity, heighten revenue volatility and lead to reduced demand, loss of market share or asset impairment.
Mitigation and adaptation efforts	Mitigation and adaptation measures include active engagement in market and policy consultation processes, market and scenario analysis to assess reform impacts, strategic planning and business model review, enhancements to commercial and procurement capabilities, financial oversight and governance arrangements, and ongoing monitoring of market developments and customer expectations.
Financial impact	**Current financial effects:** No material impact on financial position, performance, or cash flows attributable to climate-related energy market design or policy changes were identified. While market reform initiatives continue to evolve, any associated financial effects have not materially affected reported results during the period. **Risk of material adjustment:** Ongoing implementation of Regulated Electricity System Investment Plan and related market reforms may influence future revenue streams, investment decisions and asset valuations. While these developments may give rise to future financial impacts, the nature, timing and magnitude of those impacts remain uncertain and cannot currently be estimated with sufficient reliability. **Anticipated financial effects:** Anticipated financial effects have not been quantified as reasonable and supportable information necessary to estimate future market pricing, demand patterns, renewable penetration and regulatory settings is not currently available over the short-, medium- and long-terms without undue cost or effort. A qualitative assessment based on available information and current understanding of this risk has been developed. • **Short-term**: Evolving market rules are expected to increase compliance costs and operational complexity. Revenue pressure may also arise from competitive tender processes and pricing changes that may not fully reflect the value of energy and ESS, potentially affecting financial performance and cash flows. • **Medium-term:** As renewable penetration increases and market reforms progress, there may be greater revenue volatility and reduced demand for certain generation services. Changes in market conditions may affect assumptions about asset utilisation and economic life, increasing impairment risk. Uncertainty regarding future market requirements may also lead to delayed or misaligned capital allocation, with implications for long-term financial performance and position. • **Long-term:** A sustained transition toward lower-emission generation may materially reduce demand for the existing generation portfolio, increasing the risk of asset impairment and constraining revenue and investment capacity. The scale and timing of impacts will depend on future market design, technology deployment, customer demand and the evolving role of dispatchable generation and system services in the Northern Territory electricity system.

TRANSITION RISK	FUEL SUPPLY CONSTRAINTS AND PRICE VOLATILITY
Description	Territory Generation is exposed to transition risks from long-term changes in energy markets and supply chain dynamics, particularly in relation to access to gas and diesel and increased fuel price volatility, which may affect operating costs, fuel availability and generation flexibility. Territory Generation notes that fuel price volatility may arise from a range of non-climate factors, including geopolitics, commodity cycles and contract structures.
Time horizon	Short-, medium- and long-term.
Potential impacts on Territory Generation	Volatility in gas and diesel markets, along with logistical challenges in supplying remote sites, may disrupt fuel availability, increase operating costs, reduce operating flexibility and adversely affect competitiveness, margins and system reliability. Sustained increases in fuel costs may also heighten exposure to cost-recovery risk and reduce financial resilience.
Mitigation and adaptation efforts	Mitigation and adaptation measures include fuel procurement and contract management strategies, cost recovery mechanisms where applicable, ongoing market monitoring and supplier engagement, financial oversight and re-forecasting processes, operational optimisation, contingency planning for fuel disruptions, fuel supply diversification, and investigation of renewable and alternative energy solutions to reduce long-term exposure to fuel risks.
Financial impact	**Current financial effects:** No material impact on financial position, performance or cash flows were identified that can be directly attributable to climate-related fuel supply constraints or price volatility. Fuel costs reflected prevailing market conditions. Fuel cost movements are included within operating expenditure and are not tracked in a way that enables reliable attribution to climate-related transition drivers. **Risk of material adjustment:** Tightening gas supply-demand dynamics and contract rollover risks may influence future operating costs, cash flows and investment decisions. While these developments may give rise to future financial impacts, the nature, timing and magnitude of those impacts remain uncertain and cannot currently be estimated with sufficient reliability. **Anticipated financial effects:** Anticipated financial effects have not been quantified as reasonable and supportable information required to isolate climate-related fuel price impacts from broader market dynamics is not currently available without undue cost or effort. A qualitative assessment based on its available information and current understanding of this risk has been developed. • **Short-term:** Higher fuel costs may arise from gas contract rollovers and tightening market conditions. Diesel supply challenges for remote sites may increase transport and logistics costs and introduce supply variability. Financial performance may be impacted where cost increases cannot be fully recovered. • **Medium-term:** Evolving supply-demand dynamics may lead to increased fuel price volatility and sustain upward pressure on operating costs. Competitive pressures may contribute to margin compression where cost recovery is constrained. Additional investment in fuel diversification, storage, operational flexibility or alternative generation technologies may be required to maintain supply resilience and reliability. • **Long-term:** As the energy transition progresses, changes in fuel demand, market structure and upstream investment may increase uncertainty regarding future gas availability and pricing. Maintaining operational reliability and long-term financial resilience may require further investment in generation assets, fuel diversification and system flexibility.

OPPORTUNITY 1	PROVISION OF ESS TO SUPPORT ENERGY MARKET TRANSITION
Description	As renewable generation increases across the Northern Territory electricity system, demand for ESS including inertia, frequency control, spinning reserve, system strength and black start capability is expected to increase. Territory Generation's existing and future assets are well placed to provide these services, creating opportunities to diversify revenue streams, support system reliability and capture value from the energy transition.
Time horizon	Short-, medium- and long-term.
Sensitivity to climate scenarios	**Fast action scenario:** Rapid renewable expansion increases near-term demand for ESS, with gas assets and grid-forming batteries providing inertia and frequency support. Over time, ESS markets mature and services increasingly provided by batteries and advanced inverters, with thermal assets retaining a more limited role. **Hotter world scenario:** Slower renewable uptake results in more gradual growth in ESS demand. Thermal assets, particularly gas-fired generation, continue to play a significant role in providing system security and stabilising services, with fewer alternative providers.
Strategic alignment	The opportunity aligns with Territory Generation's strategic direction to progressively separate energy production from the provision of system services, diversify revenue streams, and support system security during the transition to a lower-emissions electricity system. This includes leveraging existing assets, pursuing direct revenue arrangements for network services, and engaging in market reforms that recognise and appropriately value ESS and firming services. The ability to capture this opportunity will depend on the pace of renewable deployment, the development of fit-for-purpose market arrangements, and the successful execution of asset repurposing and investment initiatives.

OPPORTUNITY 1 (CONT.)	PROVISION OF ESS TO SUPPORT ENERGY MARKET TRANSITION
Financial impact	**Current financial effects:** Revenue is currently generated from the provision of ancillary and system services; however, revenue attributable specifically to ESS is bundled within broader service arrangements and has not been separately identified or quantified as a climate-related opportunity for the reporting period. **Risk of material adjustment:** While formal market mechanisms that explicitly value ESS are not expected to be fully established during 2026–27, the pace of the RESIP implementation may create near-term revenue opportunities to expand ESS-related revenue. At this stage, Territory Generation is not aware of any matters expected to result in a material adjustment to the carrying amounts of assets or liabilities in the next reporting period. **Anticipated financial effects:** Anticipated financial effects have not been quantified as reasonable and supportable information required to forecast future ESS demand, market pricing, generation mix outcomes and service revenues over the medium- to long-term is not available without undue cost or effort. Outcomes are highly dependent on market design, technology deployment, and regulatory developments. A qualitative assessment based on current understanding of this opportunity has been developed. • **Short-term:** Increasing renewable penetration is expected to drive near-term demand for inertia, frequency control, and other stabilising services. Existing thermal assets may generate additional revenue through the provision of ESS, and the synchronous condenser will create new revenue opportunities through network service arrangements. The timing and scale of benefits will depend on market settings and competing technologies. • **Medium-term:** As system requirements evolve and renewable penetration increases, demand for ESS is expected to grow. Asset repurposing initiatives and dedicated revenue mechanisms for system services may support more diversified and resilient revenue streams, improving financial performance, cash flows and asset utilisation. • **Long-term:** Under lower-emissions pathways, ESS demand is expected to remain critical to system reliability, with opportunities for repurposed thermal assets, synchronous condensers, grid-forming batteries and other technologies to provide stabilising services. Under higher-emission pathways, thermal assets may continue to play a significant role in system security. The timing and scale of financial benefits will depend on market design, technology adoption, and the evolution of system service requirements

OPPORTUNITY 2	INTEGRATION OF RENEWABLE ENERGY AND BATTERY STORAGE TECHNOLOGIES
Description	The integration of renewable energy generation and BESS across the Darwin–Katherine and Alice Springs region presents an opportunity to enhance system security and reliability, reduce emissions, reduce exposure to fuel-related risks and diversify revenue streams. Leveraging existing sites and infrastructure, and partnering on large-scale renewable projects, may also lower the cost of capital through access to incentives and concessional finance, while supporting more efficient utilisation of Territory Generation's existing asset portfolio.
Time horizon	Short-, medium- and long-term.
Sensitivity to climate scenarios	**Fast action scenario:** Rapid renewable expansion increases near-term demand for batteries and synchronous condensers to provide inertia, frequency response and system strength. Over time, batteries and long-duration storage become core enablers of a net-zero electricity system. **Hotter world scenario:** Slower renewable uptake delays large-scale deployment, but batteries and storage remain valued for reliability and resilience. Over the longer term, stabilising services remain critical, with batteries capturing increasing value as system volatility grows.
Strategic alignment	This opportunity aligns with Territory Generation's transition strategy to integrate renewable generation, battery storage and other enabling technologies into the Northern Territory electricity system while maintaining reliability and affordability. It includes the delivery of priority BESS projects, integration of large-scale renewables and long-duration storage, utilisation of existing infrastructure, microgrid development, access to grant funding and strategic partnerships for renewable development, and continuous improvement of project development and risk-based investment processes. The extent to which Territory Generation captures this opportunity will depend on the pace of renewable deployment, regulatory and market developments, access to funding, project execution outcomes, and customer demand for renewable and storage-enabled services.

OPPORTUNITY 2 (CONT.)	INTEGRATION OF RENEWABLE ENERGY AND BATTERY STORAGE TECHNOLOGIES
Financial impact	**Current financial effects:** Territory Generation progressed project development, feasibility assessments, and investment planning activities related to renewable energy and storage integration. Associated expenditure is reflected within operating and capital budgets. Although overall financial benefits attributable specifically to this climate-related opportunity have not been separately identified or quantified, climate-related capital expenditure aligned with climate-related opportunities is provided in the Metrics and Targets section (refer to the capital deployment cross-industry metric). **Risk of material adjustment:** The timing and extent of any financial benefits will depend on project delivery, grant funding outcomes, regulatory approvals and partnership arrangements. Territory Generation is not aware of any matters expected to result in a material adjustment to the carrying amounts of assets or liabilities in the next reporting period. **Anticipated financial effects:** Anticipated financial effects have not been quantified as reasonable and supportable information required to forecast future renewable generation volumes, storage utilisation, market pricing, incentive availability and project delivery outcomes at the resolution required is not currently available without undue cost or effort. A qualitative assessment based on available information and current expectations regarding renewable energy and storage deployment has been developed. • **Short-term:** Initial deployment of BESS projects in Darwin–Katherine and Alice Springs are expected to generate revenue from energy storage, system security and ancillary service markets. Access to grant funding and other incentives may reduce capital costs and improve project returns. Synchronous condenser and battery projects create additional opportunities to support grid stability and create additional value streams. • **Medium-term:** Increasing renewable generation and storage capacity is expected to support new revenue streams across energy supply, storage, and system services. Improved integration of renewable, storage and thermal assets may enhance operational efficiency, reduce exposure to fuel costs, and support more stable cash flows. Strategic partnerships may further diversify revenue and improve long-term asset utilisation. • **Long-term:** Under lower-emissions scenarios, renewable generation, storage and system services are expected to become core components of the Northern Territory electricity system, supporting sustained revenue growth, reduced fuel-related cost exposure and improved financial resilience. Under higher-emission scenarios, the timing and scale of benefits may be delayed however, opportunities to enhance system reliability and resilience remain.

Climate resilience

Territory Generation uses climate-related scenario analysis to assess the resilience of its strategy and business model under a range of plausible climate futures, and to identify material CRROs over the short-, medium- and long-term. Scenario analysis supports strategic decision making by highlighting key uncertainties that may affect asset performance, operating costs, revenue and capital allocation.

Climate resilience under climate scenarios

Territory Generation operates in the Northern Territory, characterised by high temperatures, seasonal variability and exposure to severe weather. These conditions are well understood and are reflected in asset design, operational practices and maintenance planning.

Under the fast action scenario, resilience is primarily challenged by transition risks, including declining utilisation of thermal assets, margin compression, increasing competition from low-cost renewables, and heightened asset impairment risk over time. Opportunities arise through the provision of ESS and the integration of flexible technologies such as battery energy storage.

Under the hotter world scenario, resilience is primarily challenged by physical climate risks, including increased heat stress on assets, higher cooling and fuel requirements, supply chain disruption and rising operating costs. Sustained fuel price volatility and intensifying physical impacts may contribute to increased cash flow variability over the long term.

Climate-related risks are managed through established operational, asset management and capital planning frameworks, rather than dedicated climate reserves. The emphasis is on:

- designing and operating assets to perform under extreme conditions
- maintaining operational flexibility and contingency capability
- retaining financial flexibility to reprioritise capital as conditions evolve.

Operational reliability is supported through mature emergency response and business continuity arrangements, seasonal planning and the ability to deploy specialist resources to restore assets when access is constrained. Asset performance is monitored against design standards that account for temperature and extreme weather conditions, while progressive integration of flexible technologies, including BESS, is strengthening system responsiveness.

Based on current asset condition, operating practices and financial arrangements, climate-related risks are not expected to materially affect Territory Generation's ability to deliver reliable electricity services in the short to medium term based on current information. Over the medium to long term, ongoing adaptation of the generation portfolio will be required to respond to energy transition dynamics, fuel market volatility and intensifying physical climate impacts.

Overall, Territory Generation's strategy is considered resilient in the short to medium term, with continued monitoring and incremental adaptation supporting resilience over the medium to long term. No material changes to Territory Generation's business model are required in the short term however, ongoing adaptation may be required to maintain resilience over the medium to long term.

Risk management

Territory Generation maintains an integrated risk management framework aligned with AS/NZS ISO 31000:2018 to support effective governance, asset management and achievement of statutory objectives.

The framework provides a consistent approach to identifying, assessing, managing and monitoring risks across the organisation. CRROs are assessed and managed within Territory Generation's existing enterprise risk management framework rather than through a standalone climate risk process.

Risks are assessed using standard likelihood and consequence criteria, resulting in ratings from low to extreme. Financial and non-financial impacts, including safety, environment, regulation, reputation and service delivery, are considered. A master risk register captures corporate and site risks, including ownership, controls and residual risk ratings.

Risk process

Territory Generation applies a consistent process to identify, assess, prioritise and monitor risks across the business:

01

Identification

Risks and opportunities are identified through risk profiling, scenario analysis, stakeholder engagement and review of all information.

02

Assessment

Risks are assessed based on likelihood and consequence to determine inherent and residual risk ratings.

03

Prioritisation

Risks are prioritised based on residual risk ratings and alignment with risk appetite.

04

Monitoring

Risks are monitored on an ongoing basis, including regular review of controls, emerging risks and performance against risk appetite.

Identification

Risk and opportunity identification is a key mechanism for understanding internally generated and externally influenced factors that may impact Territory Generation. Risks and opportunities are identified through several mechanisms, including risk profiling, stress testing, scenario analysis, stakeholder engagement and horizon scanning.

CRROs are identified within the risk management framework and integrated into broader risk and strategic processes.

Territory Generation has identified 6 CRROs, informed by a range of internal and external inputs, including climate scenario analysis conducted across 2 scenarios and 3 time-horizons as detailed on page 42.

The following internal and external inputs were considered during the identification process:

INTERNAL INPUTS	EXTERNAL INPUTS
• Risk management strategy • Strategic planning documents • Financial statements • Risk registers • Scenario analysis • Materiality framework • Business and value chain modelling • Stakeholder interviews and workshops	• External climate scenarios • Consultation with external expertise • Peer reviews • AASB S2 related guidance and disclosure examples

Assessment

For each identified CRRO, the same methodology was applied under both scenarios and each time horizon to assess likelihood, consequence and impact, and determine the qualitative risk rating and to inform any potential financial exposure. Each risk is evaluated on both an inherent basis (without risk controls) and a residual basis (including existing controls).

Prioritisation

Once a risk has been identified and assessed for materiality, it is prioritised based on residual risk rating. Risk appetite is set annually by the Board, and reflects the level of risk Territory Generation is willing to accept in pursuit of strategic objectives. It is designed to align risk taking with strategy and capital planning.

Climate-related opportunities are prioritised based on their potential impact, feasibility and alignment to Territory Generation's strategic objectives. Opportunities are evaluated for their relevance to core business operations, stakeholder interest, government policy and potential to drive long term value creation for the Northern Territory.

Prioritisation outcomes are reviewed and approved by the Board, ensuring governance oversight and integration into broader risk management processes.

Monitoring

Risks are monitored on an ongoing basis to ensure they are managed within appetite. This includes consideration of emerging risks, compliance with our legal and prudential obligations, the impact of any risk events or issues and the results of control testing. As part of ongoing monitoring, risks are tested under stress scenarios to assess the ability for Territory Generation to withstand plausible yet extreme conditions. Where a risk exceeds the defined appetite, a risk response plan is implemented to bring it back within acceptable levels. The top risks routinely undergo in-depth analysis and are presented to the ARC.

Opportunities are monitored through performance tracking of current investments and continuing assessment of market trends. They are considered during strategic planning sessions and major decision-making processes, ensuring climate-related issues continue to inform long term planning, investment decisions and operational priorities.

Metrics and targets

Greenhouse gas emissions

Territory Generation has early adopted the AASB S2025-1 Amendments to Greenhouse Gas Emissions Disclosures. These amendments allow entities that report under Australia's NGERS to use the NGERS methodology for greenhouse gas emissions disclosures. Accordingly, Territory Generation's greenhouse gas emissions have been measured and reported using NGERS methodology.

Territory Generation has applied the operational control approach to determine its organisational boundary. Accordingly, Scope 1 and Scope 2 emissions include emissions from facilities and activities over which Territory Generation has operational control, including power stations, supporting infrastructure, fleet vehicles and corporate operations. Activities undertaken by contractors and other third parties outside Territory Generation's operational control are excluded from the reported inventory.

Scope 3 emissions are not required under NGERS. Territory Generation is maturing its assessment of Scope 3 emissions and, applying transition reliefs for the first annual climate-related disclosure reporting period, has elected not to disclose Scope 3 emissions.

	UNIT	2025–26
Scope 1		
Fuel and natural gas	tCO_2-e	792,244
Scope 2		
Location based	tCO_2-e	151
Total		**792,395**

Measurement

Scope 1 emissions comprise of direct GHG emissions arising principally from the combustion of natural gas and liquid fuels used for electricity generation, fleet fuel consumption, and other reportable emission sources under the NGERS framework. Scope 2 emissions comprise indirect emissions associated with purchased electricity consumed at Territory Generation's corporate offices.

GHG emissions are calculated using the methodologies prescribed in the NGERS (Measurement) Determination. Territory Generation applies a combination of Method 1 (default emission factors) and Method 2 (facility-specific fuel sampling and analysis), depending on the emission source and facility characteristics. Method 2 is applied to eligible gas-fired generation facilities where required under the NGERS Measurement Determination using facility-specific gas composition data, while Method 1 default emission factors are applied for remaining emission sources, including liquid fuel combustion and transport fuels.

Scope 2 emissions are calculated using the location-based method, applying the Northern Territory grid emission factor prescribed under the NGERS Measurement Determination. Territory Generation has not reported market-based Scope 2 emissions because it does not hold material contractual instruments, such as renewable electricity purchase agreements or surrendered renewable energy certificates, that would result in a materially different market-based outcome. This approach ensures an appropriate balance between accuracy, reliability and practicality.

Activity data is primarily obtained from supplier invoices, commercial metering systems, electricity settlement data, operational records, fleet management systems and fuel supplier information. Fuel quantities are measured using Criterion A under the NGERS Measurement Determination, relying principally on commercial invoices and supplier metering data where commercial transactions occur.

Where complete activity data is unavailable, reasonable estimation techniques are applied using available operational information and documented assumptions. Management considers these assumptions to be reasonable, supportable and consistently applied. Sources of measurement uncertainty include fuel metering accuracy, supplier billing information, laboratory sampling and analysis, operational anomalies and the use of default emission factors where facility-specific data is not available. Territory Generation manages these uncertainties through documented methodologies, reconciliation of activity data, internal quality assurance procedures and periodic review of emission factors and calculation methodologies. The table below summarises the calculation inputs, data quality and methodologies applied for each emissions category.

EMISSIONS CATEGORY	PRINCIPAL EMISSION SOURCES	PRIMARY ACTIVITY DATA	CALCULATION METHODOLOGY	MEASUREMENT METHOD	DATA QUALITY
Scope 1 – Natural gas combustion	Gas-fired electricity generation	Supplier gas invoices, gas metering, gas chromatograph analysis	NGERS Measurement Determination	Method 2 (eligible facilities); Method 1 where applicable	High
Scope 1 – Liquid fuel combustion	Diesel-fired generation, emergency generators	Fuel invoices, tank measurements, supplier records	NGERS default emission factors	Method 1	High
Scope 1 – Fleet fuel	Petrol and diesel vehicles	Fleet management system, fuel purchase records	NGERS default emission factors	Method 1	High
Scope 1 – Petroleum oils and greases	Combusted lubricants and greases	Maintenance and procurement records	NGERS default emission factors	Method 1	Moderate
Scope 2	Purchased electricity (corporate office)	Electricity invoices	Location-based method using Northern Territory grid emission factor	NGERS Method	High

Other cross-industry metrics

Vulnerability of assets and business activities to climate-related risks

Territory Generation has assessed assets against the enterprise risk matrix to identify those that may be vulnerable to climate-related risks, where 'vulnerable' means a residual risk rating of very high or high over the current to short-term.

As at 30 June 2026, current controls were assessed as adequate to maintain residual climate-related risks at a moderate or lower risk rating. These risks do not pose a material risk to assets or business activities under either scenario in the short term.

Alignment of assets and business activities to climate-related opportunities

Territory Generation has assessed that approximately $50.3M (16%) of its assets are directly aligned with identified climate-related opportunities. This is an indicative estimate and represents the portion of assets that contribute to the provision of ESS and the integration of renewable energy technologies, based on information available and management's assessment at the reporting date.

Capital deployment

The capital program comprises sustaining and new investment streams. New investment supports the transition in fleet size and composition, while sustaining capital focuses on efficiently extending the life and value of existing assets.

New capital prioritises infrastructure to support increased renewable penetration and system stability, including BESS and a synchronous condenser. These investments enable higher renewable integration and more efficient dispatch of thermal generation.

Territory Generation continues to assess flexible and lower-emissions generation technologies, including assets capable of using renewable fuels such as hydrogen, alongside renewable generation and storage systems.

Sustaining capital targets life extension of existing assets during the transition at lowest cost, informed by condition-based assessment and capacity requirements. This approach avoids overinvestment in gas only technologies while maintaining system reliability.

Construction of the first BESS in the Darwin–Katherine region has been completed and commissioned. The asset is designed to improve system stability, reduce gas-fired spinning reserve and emissions, and deliver a positive return through reduced gas consumption. Construction of 2 additional BESS in Territory Generation's plant portfolio has commenced.

CAPITAL EXPENDITURE	$M
Climate-related risks (Jenbacher derate project)	1.0
Climate-related opportunities (BESS, solar farm, synchronous condenser)	37.8
Total capital expenditure	**38.8**

Climate-related capital expenditure reflects investments primarily undertaken to manage identified climate-related risks or pursue climate-related opportunities.

Internal carbon price

Territory Generation does not currently apply an internal carbon price and has no plans to introduce one. It will continue to monitor policy and market developments and will reassess the potential application of an internal carbon price if circumstances warrant.

Remuneration

Executives do not have targets linked to remuneration however, they are required to discharge all of their management responsibilities, including executing Territory Generation's strategies set by the Board.

Climate-related targets

Under the Safeguard Mechanism, electricity providers are covered collectively by a single sectoral baseline that is applied to all grid-connected electricity generators, rather than having individual facility-level baselines. This means that individual generators are not directly covered as long as total sector-wide emissions remain below the established sectoral limit.

Territory Generation has set the following climate-related target:

MAINTENANCE OF GREENHOUSE GAS EMISSIONS BELOW A DEFINED PERFORMANCE THRESHOLD	
Metric	Annual greenhouse gas emissions based on historical operating levels and system requirements ≤910,000 tCO_2-e
Objectives	Maintain greenhouse gas emissions below a defined performance threshold
Scope	All Scope 1 and Scope 2 emissions within the operational boundary as reported under NGERs
Period	2025–26
Target type	Maintenance target
Validation and alignment	Has not been externally validated Is not formally aligned with the Paris Agreement
Review process	Reviewed quarterly
Monitoring	GHG emissions reduction measured in tCO_2-e
Progress achieved	Achieved

Our finances

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Directors' report

The directors present their report together with the financial report of Power Generation Corporation (the Corporation) for the year ended 30 June 2026 and the Auditor's report therein. This report should be read in conjunction with the financial statements of the Corporation.

Directors

The following persons were directors of the Corporation during the financial year and up to the date of this report, unless otherwise stated:

Ms Michelle Shepherd (Chair)	Non-executive Director
Mr Dennis Bree	Non-executive Director
Ms Christine Charles	Non-executive Director
Mr Richard Galton	Non-executive Director
Mr Charles Popple	Non-executive Director

The number of directors' meetings (including committee meetings) and the number of meetings attended by each of the directors of the Corporation during the financial year are:

Directors	Board		Audit & Risk Committee		People, Safety & Environment Committee	
	Held[1]	Attended	Held[1]	Attended	Held[1]	Attended
M Shepherd[2]	8	8	2	2	2	2
D Bree[3]	17	17	5	5	4	4
C Charles	17	17	5	5	4	4
R Galton[4]	9	9	3	3	2	2
C Popple[5]	–	–	–	–	–	–

1 Number of meetings held during the period that the Director held office
2 M Shepherd was appointed Non-executive Director on 1 January 2026 and appointed Chair on 8 January 2026
3 D Bree retired as Chair on 8 January 2026 and retired as Non-executive Director on 29 June 2026
4 R Galton retired as Non-executive Director on 31 December 2025
5 C Popple was appointed Non-executive Director on 30 June 2026

Principal activities

The principal activities of the Corporation are to safely, reliably and efficiently generate electricity and to provide capacity and essential system services. It also plays a crucial role in supporting sustainable energy solutions driven by the Northern Territory Government's energy policies and the transition to renewables at lowest cost.

Review of operations

The Corporation recorded a net profit after tax (NPAT) of $24.3 million (2025: NPAT $13.0 million). During the financial year, it invested $73.9 million (2025: $46.3 million) in its capital investment program. Overall profits have increased from previous years predominantly due to an increase in electricity revenue. It continues to identify and implement process improvements to mitigate rising energy costs.

The Corporation's operations are subject to environmental regulations under Commonwealth and Territory legislation. The Board believes that the Corporation has adequate systems in place to manage environmental requirements and is not aware of any breaches of these requirements.

Significant changes in the state of affairs

There were no significant changes in the nature of activities of the Corporation during the financial year.

Going concern

The Corporation plays an important role in supporting the Northern Territory (NT) Government's energy policies. It will continue to work closely with the NT government to deliver cost-effective generation and contribute to market reforms that support the long-term, sustainable growth of the electricity sector.

Its role through this transition is to ensure thermal generators are available and reliable, build new assets that enhance essential system services, and incorporate renewable generation into the portfolio while keeping transition costs as low as possible.

The Corporation has carried out an assessment of the going concern assumptions. This includes evaluating:

(i) forward cash flow projections

(ii) funding sources

(iii) compliance with debt covenants

(iv) the continuity of key customers and suppliers

(v) the impact of current economic conditions

(vi) forward forecasts and budgets.

For the year ended 30 June 2026, the Corporation recorded a NPAT of $24.3 million compared to a NPAT of $13.0 million for the 2024–25 financial year. It is forecasting profits over the next 4 years as reported in the Statement of Corporate Intent 2026–27.

The Corporation reported a negative net working capital balance of $15.7 million as at 30 June 2026 (30 June 2025: negative net working capital of $51.9 million). This was primarily due to $77.0 million of debt maturing in the 2026–27 financial year (2025–26: $119 million of debt maturing). Despite this, it continues to generate positive cash inflows from operating activities, amounting to $45.8 million in 2026 (2025: $64.9 million). It is able to sustain operations and, together with additional borrowings, fund its capital expenditure program over the period of the SCI.

Accordingly, all debts maturing in 2026–27 and in subsequent years of the SCI period are anticipated, to the extent required, to be replaced by new long-term debt. The Corporation has borrowed an additional $28.0 million in 2025–26 and continues to hold an overdraft facility with the Northern Territory Treasury Corporation (NTTC). The Corporation also currently working on conditions precedent with a facility agreement entered into with NTTC.

Based on the above assessment, there are no material uncertainties that cast significant doubt about the Corporation's ability to continue as a going concern. It continues to work towards being sustainable and has the ongoing support of its sole shareholder, the Treasurer.

Accordingly, the financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Dividends

The Corporation declared and paid a dividend of $6.5 million during the financial year year (2025: $1 million).

Future developments

The Corporation continues to contribute to the development of the Territory Electricity Market (TEM). Consultations continue on the structure of the electricity market, as well as reliability standards and essential system services.

Growth in solar penetration continues to impact the Corporation's business as third-party solar generation reduces its market share. It continues to supply the majority of essential services to the system, potentially leading to increased costs per megawatt hour if overheads are absorbed over a smaller market. It has continued to provide solar firming services, providing essential support to the newly connected large-scale solar farms.



The investment into the Corporation's future energy fleet in the Darwin-Katherine region is well underway. The first large-scale battery for the Darwin-Katherine power system commenced operation in mid-2025 and has demonstrated both technical and financial benefits. An additional large-scale battery has been approved for installation in Katherine, and a further battery in Darwin is targeted for final investment decision in early 2027. At Channel Island a new TM2500 gas turbine commenced commissioning in 2025–26, and a project to install a new synchronous condenser is underway.

The major benefits of these projects will include increased stability and reliability of power supply and reduced carbon emissions for the Northern Territory.

The Corporation has finalised development and commenced delivery of a new battery energy storage system for Owen Springs Power Station in Alice Springs. This battery will provide lowest cost stability to the system, in particular during low system demand periods.

Significant stakeholder engagement, supporting studies and other enabling works towards transitioning the Tennant Creek and Kings Canyon power stations have progressed.

The outcomes of the TEM reforms will guide future investments in the regulated power systems.

Apart from the above, there are no developments affecting the operations of the Corporation that, in the opinion of the directors, are likely to significantly impact the Corporation during future financial years.

Subsequent events

On 5 August 2026, the Northern Territory Government announced reforms to the Territory gas market under which the Corporation will assume responsibility for certain gas procurement activities and gas supply agreements currently managed by Power and Water Corporation and the Northern Territory Government. The transition is expected to occur over the next reporting period. The financial impact of the above reform is not yet quantifiable at the date of this report.

There were no other items, transactions or events of a material or unusual nature that, in the opinion of the Board, are likely to significantly affect the operations, the results of those operations or the state of affairs of the Corporation that have arisen in the period from 30 June 2026 to the date of this report.

Indemnification and insurance of directors and officers

INDEMNIFICATION

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 or request made by the shareholding Minister or the portfolio Minister of the Corporation or the Board of the Corporation pursuant to the Deed of Indemnity executed by the government.

The Corporation has, subject to the prohibition in section 21 of the *Government Owned Corporations Act 2001*, provided an indemnity to the directors against civil liability (other than a liability to the Corporation) to the extent that the liability is incurred by the director as an officer of the Corporation unless the liability arises out of conduct involving a lack of good faith. 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.

INSURANCE PREMIUMS

The following insurance policies were purchased to cover the directors and officers of the Corporation:

- Personal Accident Insurance
- Directors' and Officers' Liability.

ROUNDING OFF

Amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of directors.

Dated at Darwin this 25th day of August 2026.



MICHELLE SHEPHERD
Chair

Directors' declaration

In the opinion of the directors of the Corporation:

(a) The financial statements and notes of the Corporation are in accordance with the *Government Owned Corporations Act 2001*, including:

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

  (ii) complying with Australian Accounting Standards.

(b) There are reasonable grounds to believe that the Corporation will be able to pay its debts as and when they become due and payable.

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

Dated at Darwin this 25th day of August 2026.



MICHELLE SHEPHERD
Chair

Northern Territory
Auditor-General's Office

Independent Auditor's Report

To the directors of Power Generation Corporation

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

Opinion

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

In my opinion, the accompanying financial report:

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

Basis for opinion

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

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

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

Key audit matters

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

Key audit matter	How my audit addressed the matter
Impairment of property, plant and equipment (PPE)	
PPE, mainly power generation assets, is stated at historical cost less accumulated depreciation and impairment. The net impairment reversal for the year was $12.779 million. Assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs).	Key audit procedures included: ▪ obtaining an understanding of the key controls associated with the preparation of the valuation models used to assess the recoverable amount of the assets within each cash generating unit ▪ assessing the consistency of the forecast cash flows to the approved five-year financial plan documented within the most recent Statement of Corporate Intent

Key audit matter	How my audit addressed the matter
Impairment of property, plant and equipment (PPE)	
The recoverable amount of an asset or CGUs is estimated using a discounted cash flow model that requires management to exercise significant judgement in determining the key assumptions supporting the expected future cash flows and the utilisation of the relevant asset or CGUs. I consider this to be a key audit matter because of the: ▪ specialised and unique nature of the assets or CGUs ▪ extent of significant management judgement underpinning key assumptions used in determining net recoverable amount, including the forecast of cash flows ▪ sensitivity of the values to changes in key variables, including electricity demand and wholesale electricity tariffs, terminal value growth rates, planned capital expenditure and annual repairs and maintenance costs, and the weighted average costs of capital used to discount the future cash flows. Further information on impairment is disclosed in note 1 (j) *Property, plant and equipment*, note 1 (m) *Impairment of non-financial assts*, note 2 *Critical accounting judgements, estimates and assumptions* and Note 10 (c) *Impairment loss/(reversals)*.	▪ checking, on a sample basis, the mathematical accuracy of the cash flow forecast and impairment model and the appropriateness of the inclusion of the specific cash flows in accordance with the Accounting Standards ▪ performing sensitivity analysis to stress test the key assumptions used in the valuation model around key drivers such as growth rates and discount rates ▪ assessing the impact on the recoverable amount relevant to each CGU from changes in these key assumptions in view of the current economic conditions on the cash flow projections and growth rates ▪ evaluating the competence, capabilities and objectivity of management's experts ▪ reviewing the Corporation's framework for determining the recoverable amount relevant to each cash generating unit ▪ assessing if the financial report included the required disclosures in accordance with Australian Accounting Standards.

Other information

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

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

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

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

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the 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 it is inappropriate to do so.

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Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report however future events or conditions may cause the 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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



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

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
Revenue	3	337,441	324,573
Cost of energy	4	280,132	277,199
Gross profit		**57,309**	**47,374**
Other income	3	4,259	21,660
Administrative expenses	4	23,241	24,165
Other expenses	4	3,428	2,255
Impairment (reversals)/expenses	4,10(c)	(12,779)	12,014
Finance costs	4	13,471	11,000
Profit before income tax		**34,207**	**19,600**
Income tax expense	5	9,945	6,646
Profit for the year		**24,262**	**12,954**
OTHER COMPREHENSIVE INCOME			
Other comprehensive income		–	–
Total other comprehensive income for the year		–	–
Total comprehensive income for the year		**24,262**	**12,954**

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

Statement of financial position

For the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
ASSETS			
Current assets			
Cash and cash equivalents	6	59,317	68,994
Trade and other receivables	7	33,049	21,216
Inventories	8	41,698	33,860
Other current assets	9	2,571	1,571
Total current assets		**136,635**	**125,641**
Non-current assets			
Property, plant and equipment	10	449,835	394,825
Intangible assets	10	1,279	983
Deferred tax assets	11	23,343	20,132
Total non-current assets		**474,457**	**415,940**
Total assets		**611,092**	**541,581**
LIABILITIES			
Current liabilities			
Trade and other payables	12	51,405	31,606
Deferred income	18	4,083	4,083
Current tax payable	13	17	5,976
Employee provisions	14	18,705	16,993
Lease liabilities	19	1,075	676
Borrowings	17	77,000	119,000
Total current liabilities		**152,287**	**178,334**
Non-current liabilities			
Other payables	12	916	1,207
Employee provisions	14	1,784	1,316
Other provisions	15	5,756	5,010
Deferred tax liabilities	16	16,701	5,405
Deferred income	18	35,493	39,639
Lease liabilities	19	1,497	1,797
Borrowings	17	213,000	143,000
Total non-current liabilities		**275,147**	**197,374**
Total liabilities		**427,434**	**375,708**
Net assets		**183,658**	**165,873**
EQUITY			
Contributed equity		218,093	218,093
Retained earnings/(deficit)		(34,435)	(52,220)
Total equity		**183,658**	**165,873**

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

Statement of changes in equity

For the year ended 30 June 2026

	Contributed equity	Revaluation reserve	Retained earnings/ (deficit)	Total equity
	$'000	$'000	$'000	$'000
Balance at 1 July 2025	218,093	–	(52,220)	165,873
Profit for the year	–	–	24,262	24,262
Other comprehensive income	–	–	–	–
Total comprehensive income for the year	**–**	**–**	**24,262**	**24,262**
Transactions with owners in their capacity as owners:				
Dividend paid	–	–	(6,477)	(6,477)
Balance at 30 June 2026	**218,093**	**–**	**(34,435)**	**183,658**
Balance at 1 July 2024	218,093	–	(64,174)	153,919
Profit for the year	–	–	12,954	12,954
Other comprehensive income	–	–	–	–
Total comprehensive income for the year	**–**	**–**	**12,954**	**12,954**
Transactions with owners in their capacity as owners:				
Dividend paid	–	–	(1,000)	(1,000)
Balance at 30 June 2025	**218,093**	**–**	**(52,220)**	**165,873**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		321,811	339,024
Interest received		1,912	2,508
Payments to suppliers and employees		(256,748)	(268,265)
Interest paid		(13,350)	(11,379)
Income taxes received/(paid)		(7,818)	3,000
Net cash flows from operating activities	**20**	**45,807**	**64,888**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		–	194
Payments for property, plant and equipment		(73,872)	(43,382)
Payments for intangibles		(568)	301
Net cash flows used in investing activities		**(74,440)**	**(42,887)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Additional / (repayments of) borrowings		28,000	(10,000)
Dividends paid		(6,477)	(1,000)
Grants received		–	972
Principal repayment of lease liabilities		(2,567)	(4,158)
Net cash flows from/(used in) financing activities		**18,956**	**(14,186)**
Net (decrease)/increase in cash and cash equivalents		(9,677)	7,815
Cash and cash equivalents at the beginning of the year		68,994	61,179
Cash and cash equivalents at the end of the year	**6**	**59,317**	**68,994**

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 30 June 2026

Corporate information

Power Generation Corporation (the Corporation) trading as Territory Generation was established on 29 May 2014 under the *Power Generation Corporation Act 2014* (PGC Act).

The Corporation is a Government Owned Corporation for the purposes of the *Government Owned Corporations Act 2001* (GOC Act).

The Board of Directors is responsible to the shareholding Minister for the financial performance of the Corporation. The financial report was authorised for issue by the directors on 25 August 2026.

1. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in preparing the financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(a) New, revised or amending accounting standards and interpretations adopted

The Corporation adopted all new, revised or amending accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and are mandatory for the current reporting period. No standards or interpretations were adopted before their effective date.

New accounting standards

The Corporation adopted the following standards and amendments effective for annual periods beginning on or after 1 January 2025.

Preamble to Australian Sustainability Reporting Standards

Amendments to the *Corporations Act 2001* introduced mandatory climate-related financial disclosures for entities meeting prescribed criteria under Chapter 2M and entities reporting under the *National Greenhouse and Energy Reporting Act 2007 (NGER Act)*.

As a NGERS reporting entity, the Corporation is required to align with the evolving sustainability reporting framework, including the Australian Sustainability Reporting Standards (ASRS). These requirements broaden climate-related disclosures and are expected to influence financial and sustainability reporting practices.

AASB S2 Climate-related Financial Disclosures (mandatory)

Effective for annual reporting periods beginning on or after 1 January 2025, AASB S2 requires disclosure of climate-related risks and opportunities, including scenario analysis to assess the resilience of the entity's strategy and business model. This includes consideration of a 1.5°C scenario and a higher-warming scenario exceeding 2°C.

As a Group 1 entity, the Corporation applied AASB S2 from 1 July 2025. Adoption has resulted in expanded climate-related disclosures, including information reasonably expected to affect cash flows, access to finance, and cost of capital over the short, medium and long-term. Further details are provided in the Sustainability Report on page 34 of the Annual Report.

AASB S1 General Requirements for Sustainability-related Financial Disclosures (voluntary)

Effective for annual reporting periods beginning on or after 1 January 2025, AASB S1 establishes disclosure principles covering governance, strategy, risk management, and metrics and targets for sustainability-related financial disclosures beyond climate-related disclosures. The adoption of this standard result in additional disclosures about climate-related risks and opportunities. Further details are provided in the Sustainability Report on page 34 of the Annual Report.

Future accounting standards

The Corporation will apply new accounting standards when they become effective.

AASB 2024-2 *Amendments to Australian Accounting Standards – Classification and Measurement of financial instruments*, AASB 2025-1 *Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity,* and AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*. Application of these standards will not have a material impact to the Corporation.

AASB 18 *Presentation and Disclosure in Financial Statements* is effective from 1 January 2027 and aims to provide greater consistency in the presentation of the income and cash flow statements, and more disaggregated information. This will have an impact on the Corporation's financial statements presentation.

Other revised standards, amendments and interpretations issued for future periods are not expected to have a material impact on future reporting periods, either because the Corporation does not conduct the types of transactions addressed by the pronouncements or because the extent to which they may impact the Corporation is not expected to be material.

(b) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the AASB and the GOC Act, as appropriate for profit-oriented entities.

The financial statements comprise Power Generation Corporation's financial statements as an individual entity. The Corporation is a for-profit entity for the purpose of preparing financial statements.

Historical cost convention

The financial statements have been prepared under the historical cost convention basis. Certain assets are carried at their net realisable amount, where the net realisable amount is lower than the historical cost.

Critical accounting estimates

The financial statements have been prepared using specific critical accounting estimates. The Corporation's management has also exercised judgement when applying its accounting policies. Note 2 discloses areas involving a higher degree of judgement or complexity or where assumptions and estimates are significant to the financial statements.

(c) Foreign currency translation

The financial statements are presented in Australian dollars, which is the Corporation's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. The Corporation recognises in the statement of profit or loss and other comprehensive income:

- foreign exchange gains and losses resulting from the settlement of such transactions
- the translation of monetary assets and liabilities denominated in foreign currencies at financial year-end exchange rates.

(d) Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Corporation recognises revenue following the completion of performance obligations under relevant customer contracts, which may be completed at a point in time or over time.

Electricity sales

Revenue is recognised upon billing, as a right to invoice arises when the customers have consumed the performance obligation of electricity supply. The Corporation recognises electricity sales revenue based on the measurement of electrical consumption at the metering point, as derived from the information provided by the market operator. The transaction price is the contracted price for the electricity consumed during the period. Electricity sales are billed monthly in arrears with 30-day payment terms. At each balance date, sales and receivables include an amount of sales delivered to customers not yet billed but recognised as accrued income.

Unbilled revenue

Unbilled revenue is recognised to the extent that the performance obligation has been completed and the revenue can be measured reliably. Therefore, the Corporation recognises an estimate of the amount of electricity consumed but not yet billed. Refer to Note 2 for further details.

Interest

Interest revenue is accrued on a time basis using the effective interest method. This method calculates the amortised cost of a financial asset and allocates the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the carrying amount of the financial asset.

Government grants

Grants from the government received or receivable are recognised as revenue in accordance with AASB 120 Accounting for Government Grants and Disclosure of Government Assistance when there is reasonable assurance that the Corporation will comply with the conditions attached to each agreement and the grants will be received. Government grants are recognised in the profit and loss on a systematic basis over the periods in which the Corporation incurred the related costs for which the grants are intended to be used. Any unexpended portion is recognised as a deferred income liability.

Grants related to the purchase or construction of assets are treated as deferred income and allocated to the income statement over the useful lives of the related assets, while grants related to expenses are treated as other income in the income statement.

Other revenue

Other revenue includes fees for services provided to customers. Fees charged for ongoing services are recognised as income over the period the service is provided.

(e) Income tax equivalents

The Corporation is required to make income tax equivalent payments to the Northern Territory Government based on taxable income. It is not liable to pay Commonwealth tax that would be payable were it not a government-owned corporation.

Income tax equivalent payments are made under section 33 of the GOC Act and based on rulings under the National Tax Equivalent Regime (NTER). The NTER gives rise to obligations that reflect, in all material aspects, those obligations for taxation that would be imposed by the *Income Tax Assessment Act 1936 and 1997.*

Current tax

The income tax expense for the period is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses, and the adjustment recognised for prior periods, where applicable.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

(f) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when:

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

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

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

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are normally settled within 30 days and carried at amounts due.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. The Corporation considers trade and other receivables in default when contractual payments are past agreed contract terms, and for receivables not under an agreement, 30 days past due. However, in certain cases, the Corporation may also consider a financial asset to be in default when internal or external information indicates that the

Corporation is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Corporation. The trade and other receivables are written off when there is no reasonable expectation of recovering the contractual cash flows.

(i) Inventories

Inventories are carried at the lower of cost and net realisable value using the weighted average cost method, and are impaired as necessary to take into account obsolescence.

(j) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. The Corporation capitalises assets when the asset's life is greater than one year, and the cost is greater than $1,000.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably. Expenditure on existing assets is capitalised if:

- the service capacity is significantly increased;
- the useful life has increased significantly and permanently from original expectations;
- there has been a significant increase in efficiency or performance;
- a component on the fixed asset register has been replaced; or
- it represents an item of major periodic maintenance where the cyclical inspections are greater than one year and the new asset will be recognised as a component of the parent asset.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The present value of the expected cost for the decommissioning of an asset after use is included in the cost of the respective asset if the recognition criteria are met. Refer to significant accounting judgements, estimates and assumptions (Note 2) and other provisions (Note 15) for further information about the recognised decommissioning provision.

Depreciation is calculated using the time basis and output/service basis methods to allocate the cost of the assets, net of their residual values, over their estimated useful lives as follows:

Asset class	Depreciation method	Effective life
Buildings	Time basis	10 to 40 years
Plant and equipment	Time basis	2 to 40 years
Prime movers	Output/service basis	22,000 to 60,000 equivalent operating hours

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(m) Impairment of non-financial assets).

An item of property, plant and equipment is derecognised upon disposal or where there is no future economic benefit to the Corporation. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of profit or loss and other comprehensive income.

Capital work in progress (CWIP) represents assets which are under construction or development and have not been completed for their intended use. As such, CWIP is recognised in the balance sheet as an asset but is not depreciated. Once the assets have been completed and are available for use as intended, they will be capitalised to one of the above asset classes and depreciation will commence.

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

(k) Leases

Right-of-use assets

The Corporation is a lessee.

The Corporation leases office buildings, plant and equipment, and motor vehicles. Lease contracts are typically made for fixed periods of 3 to 10 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. The lease agreements do not impose any covenants. The Corporation does not provide residual value guarantees in relation to leases.

The Corporation has elected to recognise payments for short-term leases and low-value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability.

Short-term leases are leases with a lease term of 12 months or less with no purchase option. Low-value assets are assets with a fair value of $10,000 or less when new and are not subject to sublease arrangements, comprising mainly of photocopiers.

Recognition and measurement

The Corporation assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Corporation recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets except for short-term leases and leases of low-value assets.

The Corporation recognises right-of-use assets at the commencement date of the lease (the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site, if any.

Right-of-use assets are amortised on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Asset class	Effective life
Buildings	5 to 10 years
Motor vehicles	4 to 7 years
Plant and equipment	1 to 5 years

If ownership of the leased asset transfers to the Corporation at the end of the lease term or the cost reflects the exercise of a purchase option, amortisation is calculated using the estimated useful life of the asset.

The right-of-use assets are subsequently measured at fair value, which approximates cost, except for those arising from leases that have significantly below-market terms and conditions principally to enable the Corporation to further its objectives and are also subject to impairment.

The right-of-use assets are subject to remeasurement principles consistent with the lease liability including indexation and market rent reviews that approximate fair value and are only revalued where a trigger or event indicates their carrying amount does not equal fair value.

Lease liabilities

At the commencement date of the lease where the Corporation is the lessee, it recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments may include fixed payments (including in substance fixed payments) less any lease incentives receivable and payments of penalties for terminating the lease, if the lease term reflects the entity exercising the option to terminate.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Corporation's leases, the weighted average incremental borrowing rate is used as the incremental borrowing rate.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (such as changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(l) Intangible assets

Intangible assets relating to significant costs associated with software assets are amortised on a straight-line basis over their estimated useful lives. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. Software assets have a useful life of 2 to 10 years.

(m) Impairment of non-financial assets

At each reporting date, the Corporation reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). For the Corporation, each region is not connected and therefore meets the criteria to be identified as a separate CGU.

The recoverable amount of an asset or CGU is the greater of its value-in-use and its net carrying value less costs to sell.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income. They are allocated to reduce the carrying amount of the assets in the CGU on a pro rata basis.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Corporation prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(p) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:

- interest on bank overdrafts
- interest on short-term and long-term borrowings
- interest on finance leases
- unwinding of discounts on provisions.

(q) Provisions

Provisions are recognised when the Corporation has a present (legal or constructive) obligation as a result of a past event, 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 reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Decommissioning provision

A decommissioning provision is raised when there is the existence of a present obligation that can be reliably measured. Reliable measurement is taken at the point a reasonable expectation of the remaining useful life of the asset can be determined. The provision is measured as the present value of expected future payments. The expected future payments are discounted to present value using an appropriate discount rate.

(r) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including 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 in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for long service leave expected to be settled more than 12 months from 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 to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(s) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on their highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(t) Issued capital

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

(u) Goods and Services Tax (GST) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable.

Cash flows are presented on a net basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(v) Dividends

Dividends are recognised when declared and at the point in time they become payable to the Northern Territory Government.

(w) Cost of energy

Cost of energy is recognised as those costs directly attributable to the energy sold and includes the costs of electricity generation, materials and associated network connection expenses. Electricity generation costs are those direct costs including generator operation and maintenance, employee expenses, direct facility costs and the contracted purchase price of electricity from third-party suppliers.

(x) Rounding of amounts

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

(y) Going concern

The Corporation plays an important role in supporting the Northern Territory Government's energy policies. It will continue to work closely with the government to deliver cost-effective generation and contribute to market reforms that support the long-term, sustainable growth of the electricity sector. Throughout this transition, the Corporation's role is to ensure thermal generators remain available and reliable, build new assets that enhance essential system services, and incorporate renewable generation into its portfolio – while keeping the transition costs as low as possible.

While the factors above will influence the Corporation's future operations, it is forecasting continued profitability over the next 4 years. For the year ended 30 June 2026, gross profit from electricity sales increased from $47.4 million in 2024–25 to $57.3 million in 2025–26 due to an increase in electricity revenue. Net profit after tax of $24.3 million, compared to $13.0 million in 2024–25 was effected by an impairment reversal (refer to note 10(c) for details).

The Corporation reported a negative net working capital balance of $15.7 million as at 30 June 2026 (30 June 2025: negative net working capital of $51.9 million). This was primarily due to $77 million of debt maturing in the 2026–27 financial year (2025: $119 million debt maturing). Despite this, it continues to generate positive cash inflows from operating activities, amounting to $45.8 million in 2026 (2025: $64.9 million).

It is able to sustain its operations and, together with additional borrowings, fund its capital expenditure program over the period of the SCI. Accordingly, all debts maturing in 2026–27 and in subsequent years of the SCI period are expected, to the extent required, to be refinanced through new long-term borrowings. It has borrowed an additional $28 million in 2025–26 and continues to maintain an overdraft facility with the Northern Territory Treasury Corporation.

Therefore, the financial statements have been prepared on a going concern basis, which assumes the continuation of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other factors, including expectations of future events, management believes are reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for obsolescence of inventories

The assessment of the provision for obsolescence of inventories requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent consumption experience, the ageing of inventories and other factors that affect inventory obsolescence. Refer to Note 8 for more information.

Estimation of useful lives of assets

The Corporation determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down. Refer to Note 10 for more information.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. The Corporation has not derecognised its deferred tax asset balance during the financial year based on its assessment of future taxable profit. This assessment may change in response to future unexpected events and other factors. Refer to Note 11 for more information.

Employee benefits provision

As discussed in Note 1(r), the liability for employee benefits expected to be settled more than 12 months from the reporting date is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account. Refer to Note 14 for more information.

Leases

Where lease arrangements contain options to extend the term or terminate the contract, the Corporation assesses whether it is 'reasonably certain' that the option to extend or terminate the contract will be made. Consideration is given to the prevalence of other contractual arrangements and/or the economic circumstances relevant to the lease contract, that may indicate the likelihood of the option being exercised. Lease liabilities and ROU assets are measured using the reasonably certain contract term.

Decommissioning, rehabilitation and remediation obligations

The Corporation has recognised decommissioning provisions where a present obligation exists and the associated costs can be reliably estimated. The provision is measured at the present value of the estimated future cash outflows using an appropriate discount rate. Refer to Note 15 for more information.

Significant judgement is required in assessing whether additional rehabilitation and remediation obligations exist across the Corporation's asset portfolio and whether those obligations can be reliably measured. This assessment considers factors including regulatory requirements, land tenure arrangements, environmental conditions, rehabilitation methodologies and expected asset retirement profiles.

At 30 June 2026, sufficient information was not available to reliably estimate potential rehabilitation and remediation obligations beyond those already recognised. Accordingly, no additional provision has been recognised. Future assessments may result in the recognition of additional provisions as further information becomes available.

Impairment loss and Impairment reversal

The Corporation regularly reviews the carrying values of its assets to test for impairment. An assessment of indications of impairment for each cash generating unit (CGU) is performed at each reporting period end, and if indications of impairment exist, a recoverable value assessment is performed.

The Corporation's CGUs represents the power generation stations for each region as follows:

- Darwin-Katherine Region
- Alice Springs Region
- Tenant Creek Region
- Yulara Region
- Kings Canyon Region

The Corporation has recognised an impairment loss/(reversals) based on an assessment of the recoverable amount of its assets.

Determining the recoverable amount requires estimates of the future cash flows, discount rates and other internal and external factors. Refer to Note 10 for more information.

Other key assumptions used in the calculation of the recoverable amounts:

- inflation was calculated using CPI rates as per the 2026–27 Statement of Corporate Intent (SCI)
- market share for each region is detailed in the 2026–27 SCI and has been assumed based on publicly available information
- A post-tax WACC discount rate;
- Electricity sold for each CGU based on historical and forecast generation and availability including planned CGU repair and maintenance; and
- Terminal growth rate.

		2026 $'000	2025 $'000
3.	**REVENUE**		
	Revenue – recognised over time		
	Electricity sales	331,858	318,915
	Deferred grant income	4,146	4,453
	Other revenue	1,437	1,205
		337,441	**324,573**
	Other income – recognised at a point in time		
	Claim recoveries and other income	2,347	19,152
	Interest income	1,912	2,508
		4,259	**21,660**
4.	**EXPENSES**		
	The Corporation's key cost and expenses are as follows:		
(a)	**Cost of energy**		
	Energy costs	172,453	168,878
	Repairs and maintenance	32,799	32,188
	Employee benefits expense	33,901	32,527
	Property costs	5,366	5,462
	Other administrative costs	5,264	3,269
	Inventory valuation	509	4,679
	Depreciation and amortisation	29,840	30,196
	Total cost of energy	**280,132**	**277,199**
(b)	**Administrative expenses**		
	Employee benefits expense	11,600	10,146
	Insurance	3,564	3,500
	IT and communications	3,038	3,005
	Professional fees	1,724	2,323
	Other administrative costs	1,955	2,150
	Depreciation and amortisation	1,360	3,041
	Total administrative expenses	**23,241**	**24,165**
(c)	**Other expenses**		
	Operational projects	3,132	2,067
	Foreign exchange loss/(gain)	296	188
	Total other expenses	**3,428**	**2,255**
(d)	**Impairment of assets**		
	Impairment expense	–	17,365
	Impairment reversal	(12,779)	(5,351)
	Total net impairment of assets	**(12,779)**	**12,014**
(e)	**Finance costs**		
	Interest and finance charges	13,471	11,000
	Total finance costs	**13,471**	**11,000**

		2026 $'000	2025 $'000
5.	**INCOME TAX EQUIVALENT EXPENSE**		
(a)	**INCOME TAX EXPENSE**		
	Current tax expense	2,466	7,980
	Deferred income tax		
	Movement in deferred tax assets	82	606
	Movement in deferred tax liabilities	7,397	(1,940)
	Net deferred tax (benefit)/expense	**7,479**	**(1,334)**
	Income tax expense	**9,945**	**6,646**
(b)	**RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE**		
	Net profit/(loss) before tax	34,207	19,600
	Tax expense/(benefit) at the statutory income tax rate of 30%	10,262	5,880
	Tax effect of amounts which are not deductible in calculating taxable income	(317)	766
	Current equivalent tax expense	**9,945**	**6,646**
6.	**CASH AND CASH EQUIVALENTS**		
	Cash at bank	59,317	68,994
	Cash and cash equivalents	**59,317**	**68,994**
7.	**TRADE AND OTHER RECEIVABLES**		
	Trade receivables	7,825	347
		7,825	**347**
	Other receivables		
	Unbilled generation	23,848	20,357
	Interest receivable	6	16
	Other receivables	1,370	496
	Total current receivables	**33,049**	**21,216**

Impairment of receivables
No trade receivables are considered to require allowance for expected credit losses.

	2026 $'000	2025 $'000
8. INVENTORIES		
Stores and spares	44,813	37,481
Less: provision for obsolescence	(9,764)	(9,252)
	35,049	*28,229*
Fuel stocks	6,649	5,631
Total inventories	**41,698**	**33,860**
Movement in the provision for obsolescence:		
Opening provision for obsolescence	9,252	4,573
Additional provisions recognised during the period	512	4,679
Closing provision for obsolescence	**9,764**	**9,252**
9. OTHER CURRENT ASSETS		
Prepayments	2,571	1,571
Total other current assets	**2,571**	**1,571**

Prepaid costs greater than $10,000 are recorded in the balance sheet and released over the relevant period.

		2026 $'000	2025 $'000
10.	**PROPERTY, PLANT, EQUIPMENT AND INTANGIBLES**		
(a)	**SUMMARY**		
	Property, plant and equipment		
	Land	1,326	1,326
	Less: accumulated impairment	(459)	(390)
		867	**936**
	Buildings	72,076	70,634
	Less: accumulated depreciation and impairment	(41,943)	(40,867)
		30,133	**29,767**
	Plant and Equipment	637,897	607,227
	Less: accumulated depreciation and impairment	(353,312)	(336,385)
		284,585	**270,842**
	Right-of-use assets	6,238	3,571
	Less: accumulated depreciation	(3,316)	(1,184)
		2,922	**2,387**
	Assets under construction - Nil net of accumulated impairment (2025: $2.7 million)	**131,328**	**90,893**
	Total property, plant and equipment	**449,835**	**394,825**
	Intangibles	7,842	7,244
	Less: accumulated amortisation and impairment	(6,563)	(6,261)
	Total intangibles	**1,279**	**983**
	Total property, plant, equipment and intangibles	**451,114**	**395,808**

Assets under construction consisted mainly of construction works in relation to battery energy storage systems, a synchronous condenser, major overhauls, and the installation of a TM2500 gas turbine.

Reconciliations of the movement in carrying amounts at the beginning and end of the financial year are set out below:

(b) RECONCILIATIONS

	Land and buildings	Plant and equipment	Intangibles	Right of use	Assets under construction	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Net carrying amounts						
Opening balance at 1 July 2024	34,088	241,769	1,647	12,288	111,599	401,391
Additions	–	–	–	841	50,379	51,220
Capitalisation	118	68,471	–	–	(68,589)	–
Disposals	–	(302)	–	(6,332)	–	(6,634)
Impairment transfer from CWIP on assets capitalised	–	(4,917)	–	–	–	(4,917)
Impairment of assets (Note 4d)	(1,502)	(12,850)	(300)	–	(2,712)	(17,365)
Reversal of previous impairment of assets (Note 4d)	99	5,036	–	–	216	5,351
Depreciation expense (Note 4a & 4b)	(2,098)	(26,364)	(364)	(4,410)	–	(33,236)
Closing balance at 30 June 2025	**30,705**	**270,843**	**983**	**2,387**	**90,893**	**395,808**
Opening balance at 1 July 2025	30,705	270,843	983	2,387	90,893	395,808
Adjustments for impairment allocation between Asset Classes	(168)	(970)	(7)	–	–	(1,145)
Additions	–	–	–	2,667	73,875	76,542
Capitalisation	1,440	31,401	599	–	(33,440)	–
Disposals	–	(185)	–	–	–	(185)
Impairment transfer from CWIP on assets capitalised	(819)	(645)	(24)	–	–	(1,488)
Impairment of assets (Note 4d)	–	–	–	–	–	–
Reversal of previous impairment of assets (Note 4d)	1,527	11,252	–	–	–	12,779
Depreciation expense (Note 4a & 4b)	(1,684)	(27,111)	(271)	(2,134)	–	(31,200)
Closing balance at 30 June 2026	**31,000**	**284,585**	**1,279**	**2,922**	**131,328**	**451,114**

(c) IMPAIRMENT LOSS / (REVERSALS)

Impairment loss

An impairment loss of $17.4 million was recognised for the reporting period 2024–25 as the carrying amount of the assets exceeded the recoverable amount.

There were no impairment loss recognised for the reporting period 2025–26.

Region	2026 $'000	2025 $'000
Darwin–Katherine	–	–
Alice Springs	–	17,277
Tennant Creek	–	88
Yulara	–	–
Kings Canyon	–	–
Total	–	**17,365**

Impairment reversal

Alice Springs and Kings Canyon recognised an impairment reversal due to efficiencies in upgraded generating units decreasing expenditure in future forecasts and a reduction in capital expenditure in the region over the approved Statement of Corporate Intent (SCI) 2026–27 period. An impairment reversal of $12.8 million (2025: $5.4 million) was recognised as the recoverable amounts of the assets exceeded their carrying amounts.

Impairment reversals were applied to the assets in the following regions:

Region	2026 $'000	2025 $'000
Darwin–Katherine	–	–
Alice Springs	(12,537)	–
Tennant Creek	–	–
Yulara	–	(5,351)
Kings Canyon	(242)	–
Total	**(12,779)**	**(5,351)**

	2026 $'000	2025 $'000
11. DEFERRED TAX ASSETS		
Deferred tax assets comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Employee provisions	6,042	5,608
Other provisions	2,499	(1,368)
Obsolete stock provisions	2,929	2,776
Deferred grant income	11,873	13,117
Deferred tax assets	**23,343**	**20,132**
Movements:		
Opening deferred tax assets	20,132	20,738
Movement from deferred tax liability	–	–
Credited/(charged) to profit or loss	3,211	(606)
Closing deferred tax assets	**23,343**	**20,132**
Deferred tax liabilities – refer Note 16	16,701	5,405
Net deferred tax assets	**6,642**	**14,727**

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of impairment losses, or on the reversal of previously impaired assets, because it is not probable that future taxable profit will be available against which the Corporation can utilise the benefits.

Impairment losses	32,020	32,363
	32,020	**32,363**

	2026 $'000	2025 $'000
12. TRADE AND OTHER PAYABLES		
Current		
Trade creditors	23,800	4,327
Other creditors and accruals	15,259	17,062
Energy accruals	12,345	10,217
	51,404	**31,606**
Non-current		
Other non-current payables	916	1,207
	916	**1,207**

The policy of the Corporation is to settle current trade payables within 30 days. The Corporation has financial risk management policies in place to ensure that all payables are paid within agreed credit timeframes.

13. CURRENT TAX PAYABLE		
Provision for income tax	17	5,976
Current tax payable	**17**	**5,976**
14. EMPLOYEE PROVISIONS		
Current		
Employee benefits	18,705	16,993
	18,705	**16,993**
Non-current		
Employee benefits	1,784	1,316
	1,784	**1,316**

Employee benefits include amounts for accrued wages, accrued termination pay, recreation leave, long service leave and related on costs.

It is expected that recreation leave earned should be settled within 12 months.

	2026 $'000	2025 $'000
15. OTHER PROVISIONS		
Decommissioning		
Opening decommissioning provision	5,010	5,752
Additional/(reversal) of provisions, including effect of the changes of net present value of the provision	746	(742)
Closing decommissioning provision	**5,756**	**5,010**

The Corporation has recognised decommissioning provisions where a present obligation exists, and the associated costs can be estimated with sufficient reliability. This includes obligations associated with Ron Goodin Power Station and generating units approaching retirement at Tennant Creek and Yulara Power Stations.

The Corporation also acknowledges that additional land rehabilitation and remediation obligations may arise in relation to its operating sites and generation assets across the Northern Territory. During the year, the Corporation continued a structured assessment of these potential obligations, including consideration of land tenure arrangements, regulatory requirements, environmental conditions, asset retirement assumptions and site-specific closure requirements.

While obligations may exist at a number of sites, the detailed assessments necessary to determine the scope, timing and cost of any future rehabilitation activities have not yet been completed. As a result, the financial impact of these potential obligations cannot be reliably estimated at the reporting date. Accordingly, no additional provision has been recognised in respect of these matters as at 30 June 2026.

The Corporation will continue its assessment program and will recognise additional provisions where sufficient information becomes available to support reliable measurement in accordance with AASB 137.

	2026 $'000	2025 $'000
16. DEFERRED TAX LIABILITIES		
Deferred tax liabilities comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	16,699	5,405
Interest	2	–
Deferred tax liabilities	**16,701**	**5,405**
Movements:		
Opening deferred tax liabilities	5,405	7,345
Charged/(credited) to profit or loss	11,296	(1,940)
Closing deferred tax liabilities	**16,701**	**5,405**

17. BORROWINGS

Current		
Northern Territory Government loans – unsecured	77,000	119,000
Non-current		
Northern Territory Government loans – unsecured	213,000	143,000
	290,000	**262,000**

The current portion of borrowings consists of debts maturing in the 2026–27 financial year. All debts maturing in 2026–27 and in subsequent years of the SCI period are expected, to the extent required, to be refinanced through new long-term debts. At 30 June 2026, the Corporation had a credit facility with NTTC.

Refer to Note 1(o) Borrowings, Note 21(f) Interest rate risk and Note 21(h) Liquidity risk.

18. DEFERRED INCOME

Current	4,083	4,083
Non-current	35,493	39,639
	39,576	**43,722**

The Corporation has received 2 grants that are recognised as deferred income:

1. Financial year 2016–17: $50 million (capital grant) towards construction of Alice Springs and Tennant Creek power stations. A portion of the deferred income has been annually allocated to the Corporation's statement of profit or loss and other comprehensive income after construction was completed during the 2018–19 financial year.

2. Financial year 2022–23: $15 million (capital grant) towards the construction of the Darwin-Katherine Battery Energy Storage System. The deferred income has been realised similarly to grant 1 above from 1 July 2025.

	2026 $'000	2025 $'000
19. LEASE LIABILITIES		
The Corporation lease liabilities consisted of:		
Current		
Lease liabilities	1,076	676
Non-current		
Lease liabilities	1,497	1,797
Total	**2,573**	**2,473**
The following table presents liabilities under leases for 2025–26:		
Balance at 1 July 2025	2,473	12,120
Additions/re-measurements	2,667	(6,331)
Interest expenses	132	452
Payments	(2,699)	(3,768)
Balance at 30 June 2026	**2,573**	**2,473**

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

Leasing arrangements
The Corporation leases motor vehicles, plant and equipment, and buildings throughout the Northern Territory. The lease terms vary between 1 and 10 years.

		2026 $'000	2025 $'000
20.	**RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES**		
	Profit/(loss) after income tax expense for the year	24,262	12,954
	Adjustments for:		
	Depreciation and amortisation	31,200	33,236
	Net loss on disposal of non-current assets	–	108
	Grant received	–	(972)
	Net impairment/(recovery) of assets	(12,779)	12,014
	Changes in assets and liabilities:		
	Decrease/(increase) in:		
	Trade and other receivables and other current assets	(13,832)	321
	Inventories	(7,838)	4,063
	Increase/(decrease) in:		
	Trade and other payables	22,509	(4,130)
	Energy accruals	2,128	(1,100)
	Provisions	2,926	2,080
	Deferred income	(4,896)	(3,333)
	Current tax payable	2,127	9,647
	Net cash flows from operating activities	**45,807**	**64,888**

21. FINANCIAL INSTRUMENTS

(a) FINANCIAL RISK MANAGEMENT OBJECTIVES

The Corporation's activities expose it to a variety of financial risks including market risk, foreign currency risk, price risk, interest rate risk, credit risk and liquidity risk.

Risk management is carried out by the senior executives under policies approved by the board of directors. These policies include identification and analysis of the risk exposure of the Corporation and appropriate procedures, controls and risk limits.

The main purpose of these financial instruments is to raise finance for the Corporation's operations. The Corporation has various other financial instruments such as trade receivables and trade payables. It is its policy that no trading in financial instruments shall be undertaken. The main risks arising from the Corporation's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk. The board of directors' review and approve policies for managing each of these risks and they are summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instruments are disclosed in Note 1 to the financial statements.

(b) MARKET RISK

Market reforms have exposed the Corporation to competition and loss of market share.

The Corporation is focused on developing performance and cost efficiencies across its operations in order to mitigate the business impact of increasing competition.

(c) EFFICIENCY RISK

The Corporation is exposed to the risk of running its plant inefficiently to manage electricity network system integrity issues. This includes risks such as inefficient or uneconomic system dispatch, additional spinning reserve, and running inefficient plant to provide inertia to the system.

(d) FOREIGN CURRENCY RISK

The Corporation undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

The Corporation manages foreign currency exposure on a case-by-case basis, with future foreign currency commitments also considering potential exchange rate volatility. It has the ability to enter forward exchange rate contracts or alternatively purchase foreign currency at current rates to meet future commitments.

The carrying amount of the Corporation's foreign currency denominated monetary liabilities at the reporting date was $3.5 million (2025: $6.7 million).

(e) PRICE RISK

The Corporation manages price risk by aligning the terms of the wholesale electricity sales agreements with its market participants and fuel purchase agreements with its suppliers. As the individual agreements are considered commercial-in-confidence, a sensitivity for these risks cannot be presented.

(f) INTEREST RATE RISK

The Corporation's exposure to the risk of changes in market interest rates relates to the long-term debt obligations to the Northern Territory Government. The loans are interest only based on fixed interest rates and the Corporation is exposed to interest rate risk when there are interest rate resets only upon expiry and refinancing of the fixed rate terms.

The following table shows the Corporation's debt and interest obligations to the Northern Territory Government:

	2026		2025	
	Fixed rate loans	Average interest rate	Fixed rate loans	Average interest rate
Remaining loan term	**$'000**	**%**	**$'000**	**%**
0 to 1 year	77,000	6.74	119,000	3.83
1 to 2 years	54,000	6.41	49,000	6.43
2 to 5 years	159,000	6.63	94,000	6.33
	290,000	**6.61**	**262,000**	**4.95**

*See also Note 17. The maturity analysis of loans from Northern Territory Treasury Corporation is based on its current loans agreement.

Cash flow sensitivity analysis

A reasonably possible change of 100 basis points (bp) in interest rates at the reporting date would have increased/(decreased) equity and pre-tax profit and loss by the amount shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity net of tax	
Effect in $'000	**100 bp increase**	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
30 June 2026	(2,900)	2,900	(2,030)	2,030
30 June 2025	(2,620)	2,620	(1,834)	1,834

(g) CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Corporation. The maximum exposure to credit risk at the reporting date to recognise financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Corporation does not hold any collateral.

New and existing customers are evaluated for credit risk, with the Corporation actively monitoring the appropriateness of credit limits, and clear accountability for customer relationships established. Ageing analysis is regularly undertaken for all customers to understand and mitigate credit risk.

(h) LIQUIDITY RISK

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

The Corporation's approach to managing liquidity is to ensure, as far as possible, it will have sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Corporation's objective is to maintain cash to meet its liquidity requirements for 30-day periods. This objective was met for the period.

The Corporation's existing cash resources include an approval for a $20 million overdraft, the discretion to roll over loans on maturity, and trade receivables exceed the current cash outflow requirements. Cash flows from trade and other receivables are all contractually due within 6 months.

Liability maturity analysis

Non-derivatives	1 year or less	Between 1 and 2 years	Between 2 and 5 years
2025–26	$'000	$'000	$'000
Non-interest bearing			
Trade and other payables	51,404	916	–
Interest bearing – fixed rate			
Loans from Northern Territory Treasury Corporation	77,000	54,000	159,000
Total	**128,404**	**54,916**	**159,000**

Non-derivatives	1 year or less	Between 1 and 2 years	Between 2 and 5 years
2024–25	$'000	$'000	$'000
Non-interest bearing			
Trade and other payables	31,606	1,207	–
Interest bearing – fixed rate			
Loans from Northern Territory Treasury Corporation	119,000	49,000	94,000
Total	**150,606**	**50,207**	**94,000**

(i) CAPITAL RISK MANAGEMENT

The Corporation's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide benefits for stakeholders.

The capital structure of the Corporation consists of debt, which includes borrowings disclosed in Note 17, cash and cash equivalents and equity attributable to the equity holder of the Corporation, comprising of contributed capital and retained earnings as disclosed in the Statement of Changes in Equity respectively.

To maintain or adjust the capital structure, the Corporation may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, increase borrowings, use operating cash flows to reduce debt, or sell assets to reduce debt.

Operating cash flows are used to maintain and expand the Corporation's assets, as well as to meet routine outflows of tax, dividends and servicing of debt.

The Corporation's policy is to borrow centrally using facilities provided by Northern Territory Treasury Corporation to meet anticipated funding requirements.

It is not subject to any externally imposed capital requirements.

	2026 $'000	2025 $'000
22. COMMITMENTS		
Committed at the reporting date but not recognised as liabilities, payable:		
Capital commitments – payable:		
Within 1 year	16,198	7,192
1 to 5 years	68,562	2,350
More than 5 years	–	–
	84,724	**9,542**
Operating commitments – payable:		
Within 1 year	178,992	162,639
1 to 5 years	429,755	427,575
More than 5 years	3,942	6,943
	612,689	**597,157**
23. AUDITORS REMUNERATION		
Audit services:		
Auditors of the Corporation – Northern Territory Auditor-General	183	184
	183	**184**

24. DIRECTOR AND KEY MANAGEMENT PERSONNEL DISCLOSURES

Remuneration of non-executive directors

Remuneration of directors is determined by the shareholding Minister under section 24 of the GOC Act.

The following table provides the details of all non-executive directors of the Corporation and the nature and amount of the elements of their remuneration:

Non-executive directors		Fees $	Superannuation $	Total $
Ms Michelle Shepherd	2026	72,935	8,752	81,688
	2025	–	–	–
Mr Dennis Bree	2026	92,701	11,124	103,825
	2025	95,407	10,972	106,379
Ms Christine Charles	2026	60,226	7,227	67,453
	2025	60,226	6,926	67,152
Mr Richard Galton	2026	32,429	4,170	36,599
	2025	60,226	6,926	67,152
Total non-executive directors	2026	**258,291**	**31,273**	**289,564**
	2025	**215,859**	**24,824**	**240,683**

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

Remuneration of key management personnel

Compensation levels are competitively set to attract and retain appropriately qualified and experienced senior executives.

The following table shows the aggregate compensation made to key management personnel of the Corporation:

		2026 $'000	2025 $'000
(i)	Short-term employee benefits	1,885,568	1,688,345
(ii)	Post-employment benefits	203,438	170,548
(iii)	Long-term benefits	27,972	23,272
(iv)	Termination benefits	205,642	–
Total compensation of key management personnel		**2,322,621**	**1,882,166**

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

(i) Short-term employee benefits refer to salary and wages and annual leave paid or accrued during the financial year.

(ii) Post-employment benefits refer to superannuation contributions made or accrued during the financial year.

(iii) Long-term benefits refer to long service leave paid or accrued during the financial year.

(iv) Termination benefits refer to amounts paid on the cessation of employment.

Other transactions with key management personnel

Apart from the details disclosed in this note, no key management personnel have entered a material contract with the Corporation since the commencement of the Corporation and there were no material contracts involving their interests existing at year end.

25. RELATED PARTY INFORMATION

The parent entity of the Corporation is the Northern Territory Government, which at 30 June 2026 owned 100% (2025: 100%) of the issued capital of Power Generation Corporation. This single share is held by the shareholding Minister on behalf of the Northern Territory.

The Corporation has related party transactions with its parent entity (including other agencies and departments of the Northern Territory Government). All financial transactions between the Corporation and related parties are conducted on arm's length normal market terms.

Transactions

The following table provides the total amount of transactions entered into with related parties for the relevant financial year. The Corporation is the predominant supplier of wholesale electricity in the Northern Territory.

		Sales to related parties $'000	Purchases from related parties $'000	Amounts owed by related parties $'000	Amounts owed to related parties $'000
Related party					
The parent entity including all entities that are associated with the parent entity	2025	289,579	179,069	18,432	273,193
	2026	321,283	205,860	28,648	325,040

As at 30 June 2026, related party transactions of the Corporation included:

- supply of gas from Power and Water Corporation;
- services provided by the Department of Corporate and Digital Development under a service level agreement;
- borrowings from the Northern Territory Treasury Corporation;
- provision of wholesale electricity to Jacana Energy; and
- provision of wholesale electricity and associated services to Power and Water Corporation.
- novation of synchronous condenser project from Power and Water Corporation (currently recorded as assets under construction).
- the procurement and storage of goods for the Department of Chief Minister and Cabinet.

26. CONTINGENT ASSETS AND LIABILITIES

(a) CONTINGENT ASSETS AND LIABILITIES

Various contractual disputes, including those involving ordinary routine matters to which the Corporation is a party, are pending or have been asserted against the Corporation. The wide variety and nature of the individual cases and the uncertainty of any potential liability or asset mean that no value can be attributed to individual cases until the matters are resolved.

27. SUBSEQUENT EVENTS

On 5 August 2026, the Northern Territory Government announced reforms to the Territory gas market under which the Corporation will assume responsibility for certain gas procurement activities and gas supply agreements currently managed by Power and Water Corporation and the Northern Territory Government. The transition is expected to occur over the next reporting period. The financial impact of the above reform is not yet quantifiable at the date of this report.

There were no other items, transactions or events of a material or unusual nature that are likely to significantly affect the operations, the results of those operations or the state of affairs of the Corporation that have arisen in the period from 30 June 2026 to the date of this report.

List of acronyms

AASB	Australian Accounting Standards Board
ARC	Audit & Risk Committee
BESS	Battery energy storage system
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGU	Cash generating unit
CIPS	Channel Island Power Station
CRRO	Climate-related risks and opportunities
CWIP	Capital work in progress
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation, and amortisation
ELT	Executive Leadership Team
ESG	Environmental, Social and Governance
ESS	Essential system services
FIRST (values)	Focus, Integrity, Respect, Safety, Teamwork
GHG	Greenhouse gas
GST	Goods and services tax
GTNT	Group Training Northern Territory
HSR	Health and safety representative
ICT	Information and communications technology
IEA	International Energy Agency
IPCC	Intergovernmental Panel on Climate Change
KCPS	Kings Canyon Power Station
KPI	Key performance indicator
KPS	Katherine Power Station
LTI	Lost time injury
MLA	Member of the Legislative Assembly
MW	Megawatt
MWh	Megawatt-hour
MyAP	Employee achievement plan
NGERS	National Greenhouse and Energy Reporting Scheme
NGFS	Network for Greening the Financial System
NPAT	Net profit after tax
NTER	National tax equivalent regime
OSPS	Owen Springs Power Station
PSEC	People, Safety and Environment Committee
PTW	Permit to work
PWC	Power and Water Corporation
RESIP	Regulated Electricity System Investment Plan
RGPS	Ron Goodin Power Station
SCI	Statement of Corporate Intent
SSP	Shared socio-economic pathway
tCO_2-e	Tonnes of carbon dioxide equivalent
TCPS	Tennant Creek Power Station
TEM	Territory Electricity Market
WHS	Work health and safety
WPS	Weddell Power Station
YPS	Yulara Power Station

BACK COVER:

Left to right: James Juett (Financial and Management Accounting Manager) and Raagini Gopi (Environment & Sustainability Advisor)

TERRITORY GENERATION

Our FIRST values

F — FOCUS

We focus our efforts on delivering a safe, reliable and cost-efficient operation we are all proud to be a part of.

I — INTEGRITY

We are open and honest with our words and actions: "to do and say the right thing".

R — RESPECT

We show respect for our teammates, the environment, and the communities in which we work.

S — SAFETY

We conduct our business and our roles with a strong focus on avoiding injury to our people or damage to assets and the environment. Safety is not negotiable.

T — TEAMWORK

We are one team with aligned goals working together to achieve Territory Generation's vision.



Contact us

territorygeneration.com.au

Building 3, Level 2, 631 Stuart Highway
Berrimah NT 0828

PO Box 1721
Berrimah NT 0828