The Corporation has highlighted an assessment of the options available to enhance the level of service delivery, improve repairs and maintenance, or deliver of essential asset. Significant revenue increases, cost reductions, and deferral of capital investment. This is a significant concern, and the Corporation is not financially sustainable without deferral of capital investment.

The Corporation has agreed with you in accordance with the Government Owned Corporations Act (2001) that the Statement of Corporate Intent (SCI) for the financial year beginning 1 July 2011, as agreed, with you in accordance with the Government Owned Corporations Act (2001), for the financial year beginning 1 July 2011, is attached.

Dear Treasurer,

I have pleasure in attaching Power and Water's final public and confidential versions of the Statement of Corporate Intent (SCI) for the financial year beginning 1 July 2011. As agreed, the SCI incorporates changes agreed during the consultation period. I wish to record my appreciation to the Treasury Officers whose involvement contributed to the quality of the document.
Under Treasurer
Jennifer Prince

Minister for Essential Services

CC: Hon Rob Knight MLA

29 April 2011

Chairman
Judith King

Yours sincerely,

With you on this subject. Sustaining the Corporation. I would welcome the opportunity for further discussion through the forthcoming price determination process to establish the long term financial power and water will continue to work with the Utilities Commission and Treasury.
30 April 2012

Hon Rod Knight MLA - Minister for Essential Services

Mr Knight

Yours sincerely,

The Corporation will continue to work with Treasury to establish the long term sustainability of the Corporation.

The key review thresholds for financial sustainability are: an FFO-Interest ratio of 1.6 and a gearing ratio below 60%.

- Geared ratio of 70% rising to 77%, previously 66% to 69%.
- FFO-Interest ratio of 1.6 reducing to 1.2, previously 1.8 to 1.6.
- Free funds from Operations (FFO-Interest) of $6m rising to $7m.

The SCF represents a significant increase in last year’s SCF. The increased sustainability of the Corporation remains a significant achievement in a difficult environment.

Re: Power and Water Corporation Final 2012-13 Statement of Corporate

Dear Treasurer,

Mr Knight

Northern Territory Government

Power and Water Corporation
Given that the Board is concerned with achievement of ratios in the Fees revenue
Renewable Energy Credits related cost increases
Weather related reductions in revenue and
Standards
Upgrades and re-engineering program in order to improve reliability and customer
Increasing capital, maintenance and operating costs associated with PWC’s major
control of the PW:
The PSC shows that the Corporation’s financial ratios will be outside the
management of capital and operational expenditure.
The 2011-12 SCI highlights that financial sustainability for the Corporation remains a
for directors’ liability.
considered as being in a financially unsustainable position and this may have implications
incurred in the 2009 Fees review largely as a result of three key factors, two of which are outside the
Corporation’s financial results fell below those that were
understand that the Board is concerned that because the 2011-12 Statement of
I am sorry that we were unable to meet as intended; however, I am pleased that you
Dear Mr King

DARWIN NT 0801
0/ GPO Box 1821
Power and Water Corporation Board
Chairman
Mr John King

Treasurer

坞us: tony larre@gov.au
Darwin NT 0801
Stella Square
Parliament House
of these arrangements, it is also my understanding that Power and Water maintain all
directors in respect of any civil actions arising from directors acting in good faith. As part
of this, I would like to express my support for the Territory Government's new policy of providing an indemnity to
receive what will likely improve policies for the future years of the SC.

The basic of financial and commercial sustainability is expected to result in an
the basis of financial and commercial sustainability. This is expected to result in an

The Benefits for Retail Electricity, Water and Sewerage are to be reversed during 2012-13 on

The Government has accepted the Board’s advice that the capital and maintenance
service across the Territory.

The Government has accepted the Board’s advice that the capital and maintenance

Mr. Pe雷斯 is not considered unsuitable and are far from the point that
Mr. Pe雷斯 is not considered unsuitable and are far from the point that

Nominating. The ratios in the 2011-12 SC are material below those referred to by
Nominating. The ratios in the 2011-12 SC are material below those referred to by

nor would any further financial assistance be forthcoming
nor would any further financial assistance be forthcoming

While the debt for equity swaps improved PWC’s financial ratios it was recognised that
While the debt for equity swaps improved PWC’s financial ratios it was recognised that

Within OSO, a number of capital contributions that had already been made
Within OSO, a number of capital contributions that had already been made

PWC’s financial ratios would fall below those that Mr. Pe雷斯 referred to in 2009.
PWC’s financial ratios would fall below those that Mr. Pe雷斯 referred to in 2009.

The Board may recall that the Government determined a target path that fell short of what
The Board may recall that the Government determined a target path that fell short of what

same as the Territory, it is unlikely to happen in the near future.

This report, Mr. Pe雷斯 is less clear on the cost implications of the
This report, Mr. Pe雷斯 is less clear on the cost implications of the

Financial sustainability was defined in the Terms of Reference for the Pe雷斯 review as
Financial sustainability was defined in the Terms of Reference for the Pe雷斯 review as

After a long period of no retail losses and limited investment by PWC,
After a long period of no retail losses and limited investment by PWC,

The Government commissioned Mr. Andrew Pe雷斯 to provide advice on the level of
Sound and effective way

Together this comprehensive document and in continuing to manage the Corporation in a
effective way, the hard work and commitment of the Board and management in putting
However, I must state that, I am pleased to advise that I accept the 2011-12 SCI and
I will be happy to discuss these issues with you further at a mutually convenient time.

Yours sincerely,

cc: Andrew Macdiarmid, Power and Water Corporation

[Signature]

DEVALAWRE 28th November