

INDIGENOUS ESSENTIAL SERVICES

ANNUAL REPORT
2013-14



Purpose

The Indigenous Essential Services Pty Ltd Annual Report 2013-14 provides a record of operations and achievements for the financial year.

Intended audience

The annual report is a reporting mechanism for Indigenous Essential Services Pty Ltd, being a not-for-profit subsidiary company of Power and Water Corporation (PWC), to the Department of Community Services. It provides a statement of achievement, income and expenditure for the 2013-14 financial year.

The annual report also provides information for others, including the wider public, who have an interest in the provision of water, sewerage and electricity services in the Northern Territory.

Our Values

Safety and Environment

Protecting the health and well-being of staff, contractors, general public and environment.

Accountability

Transparent and accountable for all our actions.

Commitment to Service

Leading by example, continually improving and working as a team to deliver our services with passion and purpose.

Communication

Open, positive, constructive interactions to achieve optimal individual and business outcomes.

Respect

Respect and treat all people with courtesy, working cohesively to achieve our goals in a supportive, engaged and enthusiastic manner.

2013-14 Highlights

Water quality was improved in seven communities with new treatment plants brought online. Advanced water treatment plants in Ali Curung, Yuelamu and Kintore were commissioned. Angurugu and Umbakumba communities on Groote Eylandt are now receiving fluoridated water, joining Maningrida, Wurrumiyanga and Wadee as remote Indigenous communities now having fluoridated water systems.



Advanced water treatment plant

Three communities received new water supply infrastructure: Lajamanu, Hermannsburg and Milingimbi, and new sewerage infrastructure in Angurugu, all completed as part of a water and sewer system augmentation program to improve reliability of services.



Water Storage Tanks, Milingimbi

Smart water meters were rolled out in Milingimbi, Wutunugarra and Gunbalunya following a successful trial undertaken in Santa Teresa in 2009. Smart meters enable precise analysis of water use and identification of leaks in these water stressed communities. A leak detection and repair program was undertaken in Galiwinku resulting in significant water savings of 300ML in the community over the year.

Progressive roll out of SCADA (Supervisory Control and Data Acquisition) across communities is increasing the visibility of outages, which ensures prompt response and improved service reliability.



SCADA equipment



Smart meter

The \$12.3M largely Australian Government funded 'Manymak' Energy and Water Efficiency Project commenced in East Arnhemland. The project met all milestones and received \$4M of the \$9.4M funding from the Commonwealth. Key milestones included design and research on resident energy purchasing, usage patterns and common household appliances; installation of energy data logging equipment in 615 homes, scoping of 272 houses for priority energy efficiency retrofits and the employment and training of 15 part-time Yolngu energy workers in Milingimbi, the first of the six communities where workers will be trained to deliver efficiency education to other residents.



ESO water testing training in Alice Springs

Manymak project



Power and Water maintains regulatory relationships with several departments and agencies. We work with the Department of Health to manage the drinking water monitoring program to ensure safe water is provided to the communities we service. Power and Water works with Department of Land Resource Management to obtain licences and report on water extraction from production required water sources. We also work with the Northern Territory Environment Protection Authority (NT EPA) on environmental impacts of development proposals, pollution control and sustainable practices including discharges into waterways from wastewater treatment ponds.

Billions of dollars have been invested in remote communities to establish long term leasing arrangements and the opportunity for private development. For 17 of the 22 Major Remote Towns now gazetted under the Northern Territory Planning Scheme, all new buildings or developments that need to connect into the utility supply system require approval and assessment to determine the capacity and impact on utility services.

This year the team worked with government on the delivery of new housing through NPARIH (National Partnership Agreement on Remote Indigenous Housing), with delivery via both the Department of Infrastructure and New Futures Alliance. Other major programs include the delivery of government employee housing, child and family centres, health clinics, trade training centres, new police facilities and the ABA Stores Program.



The Hermannsburg powerline connection to Alice Springs was completed, which will bring 40 per cent savings on the cost of providing power to the Hermannsburg community over a 20 year period.



New production bore, Gunbulunya



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About Us

PWC's not-for-profit subsidiary Indigenous Essential Services Pty Ltd (IES) provides electricity, water and wastewater services to 72 remote communities and 66 outstations under an Agreement with the Department of Community Services (DCS) to deliver the IES program. Remote Operations also provides services to a number of minor centres. Centres are geographically isolated and dispersed across tropical and arid environments, requiring services that are resilient to the extremes of the harsh Northern Territory climate. Rapid development in these regions requires a commitment to working with communities toward sustainable

electricity and water use to meet future needs and aspirations. PWC contracts and trains Essential Services Operators through local councils, Indigenous enterprises and private contractors to run facilities day-to-day. Ninety per cent of potable water is groundwater, from some 227 production bores through 181 water storage tanks and 650km of reticulation. A multi-barrier approach is taken to providing drinking water consistent with Australian Drink Water Guidelines. Chlorination and ultraviolet systems are used as appropriate.

Infrastructure includes electrical submersible water pumps, highly efficient diesel and low emission gas and renewable power stations. Remote power stations are controlled by automated systems, requiring a high degree of expertise by the staff involved in operation and maintenance. Fifty-six remote towns and communities have full water-borne sewage disposal systems with waste stabilisation ponds. The remainder have individual on-site systems maintained by the community.

05 JULY 2013

Building local capacity in remote communities

Indigenous trainees commenced Certificate I in General Construction at the Centre for Appropriate Technology in Alice Springs.

Seventeen participants from Central Desert, Barkly and MacDonnell shires attended a week of training at the Centre for Appropriate Technology in Alice Springs in June.

The Indigenous trainees commenced their Certificate I in General Construction, which focuses on numeracy and literacy, workplace communications and equipment, grounds and housing repairs, and maintenance.

The certificate aims to provide the trainees in remote communities with a national qualification and the confidence to do their daily Essential Services Officer duties.

Successful participants will undertake their Certificate II in Remote Area Essential Services.

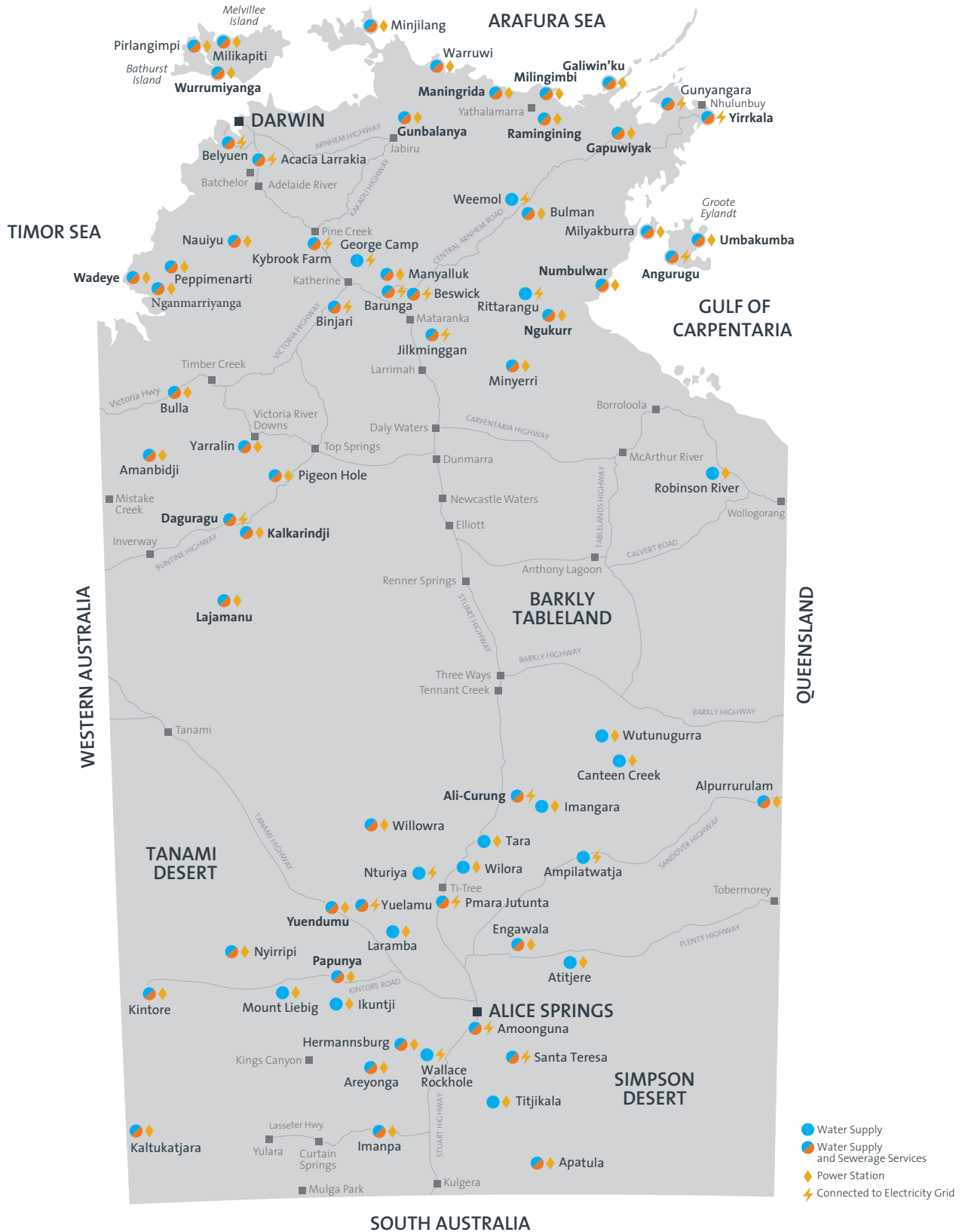
This course will involve OH&S, White Card and the nationally accredited course 'Work Safely at Heights'. It will also cover aspects such as water and sewerage, generation, metering and ground maintenance.

These courses are part of the Corporation's commitment to building local capacity and provide training and development opportunities so essential services continue to be delivered in remote communities.



Major Remote Towns and Remote Communities

Serviced by Indigenous Essential Services Pty. Ltd.



Indigenous Essential Services

The following provides an overview of the utility services for each of the Major Remote Towns and remote communities serviced by IES Pty Ltd.

NORTHERN REGION

Acacia Larrakeyia (92) ⚡ 0.2 GWh

- Plentiful groundwater source available
- Very good quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Water township demand of 23 ML/yr
- 7 ML/yr sewage treated, secondary treatment, seasonally discharges to the environment

Angurugu (972) ⚡ 4.3 GWh

- Plentiful groundwater source available, which is continuously monitored and extraction licence is pending. Also a plentiful surface water source available, which is licensed
- Good quality water, treated with soda ash, disinfected with gas chlorine and monitored weekly for microbes
- Township water demand of 387 ML/yr
- 152 ML/yr sewage treated, secondary treatment, discharges to irrigation area

Belyuen (181) ⚡ 0.7 GWh

- Plentiful groundwater source available, which is continuously monitored and extraction licensed
- Very good quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 94 ML/yr
- 28 ML/yr sewage treated, secondary treatment, discharges to the environment

Galiwinku (2,471) ⚡ 6.7 GWh

- Plentiful groundwater available
- Good quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand 840 ML/yr
- 317 ML/yr sewage treated, secondary treatment, discharges to the environment

Gapuwiyak (1,019) ⚡ 3.3 GWh

- Limited groundwater source available, which is continuously monitored
- Very good quality water, disinfected with sodium hypochlorite and monitored weekly for microbes
- Township water demand of 228 ML/yr
- 90 ML/yr sewage treated, secondary treatment, discharges to irrigation area

Gunbalanya (1,371) ⚡ 4.9 GWh

- Limited groundwater source available, which is continuously monitored. Also limited surface water source available and extraction licence is pending
- Good quality water, disinfected with sodium hypochlorite and ultraviolet and monitored weekly for microbes
- Township water demand of 455 ML/yr, and efficiency program started
- 173 ML/yr sewage treated, secondary treatment, discharges to the environment

Gunyangara (183) ⚡ 0.9 GWh

- Plentiful groundwater available
- Very good quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 140 ML/yr
- 55 ML/yr sewage treated, secondary treatment, provided by external service provider

Maningrida (2,678) ⚡ 8.5 GWh

- Plentiful groundwater source available, which is continuously monitored
- Very good quality water, disinfected with calcium hypochlorite and ultraviolet and monitored weekly for microbes
- Township water demand of 619 ML/yr
- 104 ML/yr sewage treated, secondary treatment discharges to the environment

Milikapiti (523) ⚡ 2.4 GWh

- Plentiful groundwater source available, which is continuously monitored
- Very good quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 293 ML/yr
- 83 ML/yr sewage treated, secondary treatment, discharges to the environment

Milingimbi (1,262) ⚡ 3.5 GWh

- Very limited groundwater source available, which is continuously monitored
- Very good quality water, disinfected with sodium hypochlorite and monitored weekly for microbes
- Township water demand of 292 ML/yr conservation education program started
- 110 ML/yr sewage treated, secondary treatment, discharges to the environment

Milyakburra (204) ⚡ 1.0 GWh

- Plentiful groundwater source available, which is continuously monitored
- Very good quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 49 ML/yr
- 20 ML/yr sewage treated, secondary treatment, seasonally discharges to the environment

Minjilang (361) ⚡ 1.3 GWh

- Plentiful groundwater available
- Very good quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 143 ML/yr
- 58 ML/yr sewage treated, secondary treatment is seasonally discharged to the environment

Naiyuu (533) ⚡ 3.1 GWh

- Plentiful groundwater source available, which is continuously monitored and extraction licence is pending
- Marginal quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 128 ML/yr
- 20 ML/yr sewage treated, secondary treatment, discharges to the environment

Nganmariyanga (445) ⚡ 1.5 GWh

- Plentiful groundwater source available, which is continuously monitored
- Very good quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 101 ML/yr
- Sewage treated, secondary treatment, discharges to the environment

Numbulwar (804) ⚡ 3.7 GWh

- Plentiful groundwater source available, which is continuously monitored
- Marginal quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 236 ML/yr
- 89 ML/yr sewage treated, secondary treatment, discharges to the environment

Peppimenarti (221) ⚡ 1.1 GWh

- Plentiful groundwater source available, continuously monitored
- Marginal quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 136 ML/yr
- 47 ML/yr sewage treated, secondary treatment, discharges to the environment

Pirlangimpi (436) ⚡ 2.0 GWh

- Plentiful surface water source available and extraction licensed
- Very good quality water, filtered through sand, disinfected with sodium hypochlorite and ultraviolet and monitored monthly for microbes
- Township water demand of 137 ML/yr
- 59 ML/yr sewage treated, secondary treatment, discharges to the environment

Ramingining (972) ⚡ 3.1 GWh

- Plentiful groundwater source available and continuously monitored
- Very good quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 230 ML/yr
- 78 ML/yr sewage treated, secondary treatment, discharges to the environment

Umbakumba (516) ⚡ 2.5 GWh

- Limited groundwater source available, which is continuously monitored
- Very good quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 176 ML/yr
- 82 ML/yr sewage treated, secondary treatment, discharges to irrigation area

Wadeye* (2,498) ⚡ 8.4 GWh

- Plentiful groundwater source available, which is continuously monitored and extraction licence is pending
- Very good quality water, disinfected with gas chlorine, fluoride added and monitored weekly for microbes
- Township water demand of 511 ML/yr
- 303 ML/yr sewage treated, secondary treatment, discharges to the environment

Warruwi (492) ⚡ 1.6 GWh

- Limited groundwater source available, which is continuously monitored
- Very good quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 223 ML/yr
- 61 ML/yr sewage treated, secondary treatment, discharges to the environment

Wurrumiyanga (1,781) ⚡ 6.2 GWh

- Plentiful groundwater source available, which is continuously monitored
- Good quality water, disinfected with gas chlorine, fluoride added and monitored weekly for microbes
- Township water demand of 633 ML/yr
- 417 ML/yr sewage treated, secondary treatment, discharges to the environment

Yirkala (981) ⚡ 3.1 GWh

- Plentiful groundwater available and extraction licence pending
- Very good quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 352 ML/yr
- 117 ML/yr sewage treated, secondary treatment, discharges to the environment

KATHERINE REGION

Amanbidji (101) ⚡ 0.3 GWh

- Limited groundwater source available
- Marginal quality water, disinfected with sodium hypochlorite monitored monthly for microbes
- Township water demand of 12 ML/yr
- 7 ML/yr sewage treated, secondary treatment, discharges to an irrigation area

Barunga (361) ⚡ 1.6 GWh

- Surface water source monitored by DNRETAS and licensed
- Good quality water, filtered through a cartridge system, disinfected with sodium hypochlorite and ultraviolet and monitored monthly for microbes
- Township water demand of 136 ML/yr
- 55 ML/yr sewage treated, secondary treatment, discharges to environment

Beswick (593) ⚡ 1.7 GWh

- Plentiful groundwater source available, which is continuously monitored and extraction licence pending
- Marginal quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 149 ML/yr
- 46 ML/yr sewage treated, secondary treatment, discharges to irrigation area

Binjari (281) ⚡ 0.5 GWh

- Limited groundwater source available and extraction is licensed
- Good quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 14 ML/yr
- 3 ML/yr sewage treated, secondary treatment, seasonally discharges to the environment

Bulla (151) ⚡ 0.4 GWh

- Limited groundwater source available
- Limited surface water source available and extraction is licensed
- Marginal quality water, filtered through sand, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 34 ML/yr
- 11 ML/yr sewage treated, secondary treatment, discharges to irrigation area

Bulman (340) ⚡ 1.2 GWh

- Plentiful groundwater source available and extraction licence pending
- Good quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 82 ML/yr
- 518 ML/yr sewage treated, secondary treatment, seasonally discharges to the environment

Dagaragu (219) ⚡*

- Included in Kalkarindji electricity sent out
- Limited groundwater source available
- Good quality water, disinfected with gas chlorine and monitored monthly for microbes
- Township water demand of 50 ML/yr
- 518 ML/yr sewage treated, secondary treatment, discharge through evaporation

Jilkminggan (325) ⚡ 0.9 GWh

- Plentiful groundwater source available and extraction is licensed
- Marginal quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 65 ML/yr
- 26 ML/yr sewage treated, secondary treatment, discharges to irrigation area

Kalkarindji (393) ⚡* 2.8 GWh

- Limited groundwater source available and extraction is monitored
- Good quality water, disinfected with gas chlorine and monitored monthly for microbes
- Township water demand of 80 ML/yr
- 8 ML/yr sewage treated, secondary treatment, discharges through evaporation

Kybrook Farm (77) ⚡

- Limited groundwater source available and extraction is continuously monitored
- Marginal quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 57 ML/yr
- 4 ML/yr sewage treated, secondary treatment, discharges to irrigation area

* Includes Manthapte

Additional information below

(533)
POPULATION

CONNECTED TO
ELECTRICITY GRID

DIESEL
POWER STATION

SOLAR-DIESEL HYBRID
POWER STATION

Remote Community

Major Remote Town

Lajamanu (748) 3.1 GWh

- Limited groundwater source available and extraction is continuously monitored
- Good quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 239 ML/yr
- 60 ML/yr sewage treated, secondary treatment, discharges to irrigation area

Manyallaluk (121) 0.5 GWh

- Plentiful groundwater source available and extraction licence is pending
- Very good quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 57 ML/yr

Minyerri (568) 2.3 GWh

- Limited groundwater source available, extraction is continuously monitored and licence is pending
- Marginal quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 84 ML/yr efficiency awareness program in place
- 45 ML/yr sewage treated, secondary treatment, discharges to irrigation area

Ngukurr (1,235) 4.3 GWh

- Limited groundwater source available and extraction is continuously monitored
- Surface water source available and extraction licence is pending
- Marginal quality water, filtered through sand, disinfected with gas chlorine and monitored weekly for microbes
- Township water demand of 372 ML/yr
- 130 ML/yr, secondary treatment discharges to the environment

Pigeon Hole (145) 0.5 GWh

- Plentiful groundwater source available
- Good quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 25 ML/yr
- 18 ML/yr sewage treated, secondary treatment, discharges to irrigation area

Rittarangu (117) 3.1 GWh

- Included in Ngukurr electricity sent out
- Plentiful groundwater source available and extraction licence is pending
- Good quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 46 ML/yr
- 1 ML/yr sewage treated, secondary treatment, discharges to irrigation area

Robinson River (304) 1.1 GWh

- Limited groundwater source available
- Surface water source available and extraction is licenced
- Marginal quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 46 ML/yr

Weemol (87) 3.1 GWh

- Included in Bulman electricity sent out
- Plentiful groundwater source available and extraction licence is pending
- Good quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 22 ML/yr

Yarralin (302) 1.5 GWh

- Limited groundwater source available and extraction is continuously monitored
- Marginal quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 74 ML/yr
- 37 ML/yr sewage treated, secondary treatment, discharges to irrigation area

BARKLY REGION

Ali Curung (622) 2.2 GWh

- Plentiful groundwater source available and extraction is licenced
- Marginal quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 367 ML/yr conservation education program in place
- 53 ML/yr sewage treated, secondary treatment, discharges through evaporation

Alpururulam (514) 2.0 GWh

- Limited groundwater source available
- Marginal quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 132 ML/yr
- 62 ML/yr sewage treated, secondary treatment, discharges through evaporation

Canteen Creek (253) 0.7 GWh

- Plentiful groundwater source available
- Good quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 47 ML/yr

Imangara (109) 0.3 GWh

- Limited groundwater source available and extraction is licenced
- Good quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 17 ML/yr

Nturiya (123) 0.2 GWh

- Plentiful groundwater source available and extraction is licenced
- Marginal quality water, disinfected with ultraviolet and monitored monthly for microbes
- Township water demand of 14 ML/yr

Tara (66) 0.3 GWh

- Plentiful groundwater source available and extraction is licenced
- Marginal quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 22 ML/yr

Willowra (254) 1.0 GWh

- Plentiful groundwater source available
- Marginal quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 65 ML/yr
- 10 ML/yr sewage treated, secondary treatment, discharges through evaporation

Wilora (129) 0.3 GWh

- Limited groundwater source available and extraction is licenced
- Marginal quality water, disinfected with ultraviolet and monitored monthly for microbes
- Township water demand of 17 ML/yr

Wutunugurra (240) 0.7 GWh

- Limited groundwater source available and extraction is continuously monitored
- Very good quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 36 ML/yr

SOUTHERN REGION

Amoonguna (321) 0.8 GWh

- Plentiful groundwater source available
- Good quality water, disinfected with gas chlorine and monitored monthly for microbes
- Township water demand of 70 ML/yr
- 7 ML/yr sewage treated, secondary treatment, discharges through evaporation

Ampilatwatja (424) 3.0 GWh

- Connected to Arlparra electricity grid
- Plentiful groundwater source available
- Marginal quality water, disinfected with ultraviolet and monitored monthly for microbes
- Township water demand of 57 ML/yr

Areyonga (274) 1.1 GWh

- Limited groundwater source available
- 18 ML/yr sewage treated, secondary treatment, discharges through evaporation
- Township water demand of 56 ML/yr

Atitjere (216) 1.0 GWh

- Plentiful groundwater source available
- Adequate quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 51 ML/yr

Engawala (165) 0.6 GWh

- Limited groundwater source available and extraction is continuously monitored
- Adequate quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 25 ML/yr
- 10 ML/yr sewage treated, secondary treatment, discharges through evaporation

Finke (188) 1.0 GWh

- Plentiful groundwater source available and extraction is licenced
- Good quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 66 ML/yr
- 17 ML/yr sewage treated, secondary treatment, seasonally discharges to the environment

Ikuntji (173) 0.7 GWh

- Plentiful groundwater source available
- Marginal quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 36 ML/yr

Hermannsburg (726) 3.7 GWh

- Limited groundwater source available and extraction is continuously monitored
- Adequate quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 208 ML/yr
- 71 ML/yr sewage treated, secondary treatment, discharges through evaporation

Imanpa (211) 0.6 GWh

- Limited groundwater source available and extraction is continuously monitored
- Marginal quality water, aeration treatment, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 29 ML/yr
- 8 ML/yr sewage treated, secondary treatment, discharges through evaporation

Kaltukatjara (344) 1.4 GWh

- Plentiful groundwater source available
- Marginal quality water, aeration treatment, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 62 ML/yr
- 10 ML/yr sewage treated, secondary treatment, discharges through evaporation

Kintore (528) 1.9 GWh

- Limited groundwater source available and extraction is continuously monitored
- Marginal quality water, disinfected with ultraviolet and monitored monthly for microbes
- Township water demand of 66 ML/yr conservation education program in place
- 64 ML/yr sewage treated, secondary treatment, discharges through evaporation

Laramba (293) 0.9 GWh

- Plentiful groundwater available
- Marginal quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 85 ML/yr

Mt Liebig (183) 0.6 GWh

- Limited groundwater source available
- Marginal quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 44 ML/yr

Nyirripi (242) 1.16 GWh

- Limited groundwater source available
- Marginal quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 50 ML/yr
- 19 ML/yr sewage treated, secondary treatment, discharges through evaporation

Papunya (485) 1.6 GWh

- Plentiful groundwater source available
- Marginal quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 89 ML/yr
- 30 ML/yr sewage treated, secondary treatment, discharges through evaporation

Pmara Jutunta (227) 0.3 GWh

- Plentiful groundwater source available;
- Adequate quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 32 ML/yr
- 12 ML/yr sewage treated, secondary treatment, discharges through evaporation

Santa Teresa (647) 2.5 GWh

- Plentiful groundwater source available
- Adequate quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 154 ML/yr
- 10 ML/yr sewage treated, secondary treatment, discharges through evaporation

Titjikala (233) 1.4 GWh

- Plentiful groundwater source available
- Adequate quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 51 ML/yr

Wallace Rockhole (80) 3.1 GWh

- Included in Hermannsburg electricity sent out
- Plentiful groundwater available
- Adequate quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 46 ML/yr

Yuelamu (237) 3.1 GWh

- Included in Yuendumu electricity sent out
- Limited groundwater source available and extraction is continuously monitored
- Limited surface water source and extraction is licenced
- Marginal quality water, filtered through sand, disinfected with calcium hypochlorite and ultraviolet and monitored monthly for microbes
- Township water demand of 34 ML/yr
- 6 ML/yr sewage treated, secondary treatment, discharges through evaporation

Yuendumu (793) 4.5 GWh

- Limited groundwater source available and extraction is continuously monitored
- Good quality water, disinfected with sodium hypochlorite and monitored monthly for microbes
- Township water demand of 239 ML/yr
- 15 ML/yr sewage treated, secondary treatment, discharges through evaporation

Managing Director's Message

Indigenous Essential Services (IES) is unique. As a not-for-profit business, we provide utility standard electricity, safe and reliable water supplies and environmentally appropriate sewerage services to remote communities spread across the vast expanse of the Northern Territory, from the arid centre to the wet/dry tropical north.

Our achievements in 2013-2014 are a reflection of the dedication, commitment and professionalism of the Power and Water staff and contractors over the year.

With continuing strategic focus and the implementation of long-term

plans to achieve sustainable service delivery, prudent investment in existing and new assets and building capacity in local communities, IES has delivered pleasing results.

A Cost Breakdown Model was developed to accurately identify and allocate the actual costs of providing services to each of the 72 remote communities and grid connected outstations. This project will help refine efficient service delivery options in the future.

Ongoing investment in water treatment technologies, systems, processes, capacity, knowledge and research is substantially changing the

nature of water supplies whereby all water supplies now have continuous disinfection to ensure the water is safe to drink, with a commitment to continuous improvement.

Significant focus has been towards the improvement of service delivery through water and energy efficiency programs. At both community and program management level, resources are being applied to long-term sustainability through innovative programs in water and energy demand management and solar power generation.

The Manymak project identifies barriers to energy efficiency in



low-income Indigenous households and aims to help over 620 households to use energy more efficiently. Led by IES and delivered in partnership with consortium members Centre for Appropriate Technology, Charles Darwin University, NT Department of Housing and the East Arnhem Regional Council, the project is receiving funding through the Australian Government's Low Income Energy Efficiency Program. These projects, along with several others that are underway in the areas of best practice remote monitoring and control systems,

are reducing costs, protecting assets and improving services. Looking ahead, Power and Water has applied for Federal Government Australian Renewable Energy Agency (ARENA) funding for a Northern Territory Solar Energy Transformation Program or Solar SETuP. This aims to integrate a total of 10MW of solar systems into existing diesel power stations in more than 30 remote Indigenous communities over four years and deliver a 15 per cent saving in diesel fuel. I would like to recognise the staff involved in this exciting and

continuous journey of innovation and change, and thank everyone for their commitment, dedication and generous contribution to improve the wellbeing and economic prospects of remote communities.



John Baskerville
Managing Director



Essential Services Operators

Essential Services Operators (ESOs) are vital partners in the delivery of power, water and sewerage services in remote communities. ESOs manage assets on a daily basis and provide the first response to unscheduled supply interruptions and emergencies.

PWC continues to build local capacity by providing training and developing opportunities in partnership with contractors, to provide real jobs in remote communities.

Part of this process is the development of the ESO career pathway, which provides a framework for trainees and ESOs to develop their skills, knowledge and capabilities while working in their remote community. The career path enables people to progressively obtain appropriate national qualifications and skills to carry out the role of an ESO. The program commences from secondary school (Kormilda College) with Certificate I in Remote Area Essential Services and progresses to a Certificate II Remote Area Essential Services Traineeship and ultimately to an ESO Technician at a Certificate III qualification level.

There are currently 208 ESOs employed in remote communities with 30 undertaking training in 2012/13.

Organisational structure

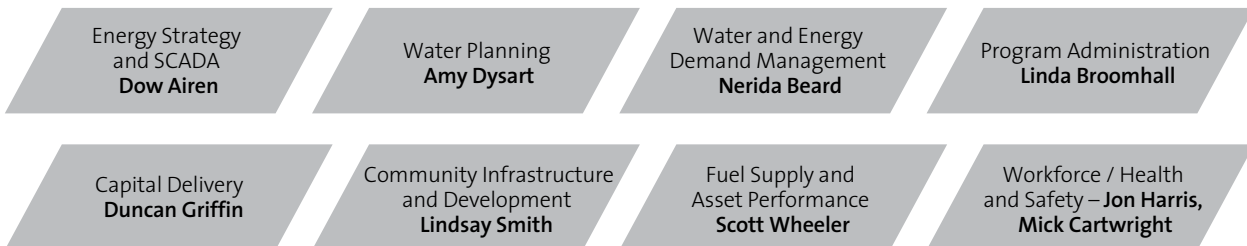
BOARD



REMOTE OPERATIONS' CORE AREAS



REMOTE OPERATIONS' SUPPORT AREAS



Statistical summary

Inputs



208

ESSENTIAL SERVICES OPERATORS



1359KM

POWERLINES



650KM

WATER PIPES

Outputs



10 464

ELECTRICITY CUSTOMERS



2 565

WATER CUSTOMERS



2 398

SEWERAGE CUSTOMERS

Vision

Respected and reliable utility provider, living within our means

Purpose

Provide safe, reliable electricity, water and sewerage services to our customers at least cost over the life of the assets

Values

Safety and environment

Accountability

Commitment to service

Communication

Respect

Indigenous Essential Services							
Statistical Summary							
As at 30 June	Units	2009	2010	2011	2012	2013	2014

Electricity

Generation

Installed Capacity (including renewable energy sources)	MW	59.6	69.5	71.3	73.9	78.3	83.8
- Installed Capacity (renewable energy only, PWC and IPP)	MW	0.8	0.8	0.8	0.8	1.5	1.2
Electricity Generated (including renewable energy sources)	GWh	106.2	111.8	103.2	108.0	115.4	112.4
- Electricity Generated (renewable energy only, PWC and IPP)	GWh	0.8	0.7	0.3	0.2	0.6	1.2
Electricity Sent Out (including Renewable Energy, Purchases from PWC and Purchases from Private Suppliers)	GWh	123.1	129.1	118.8	124.7	133.8	129.5
- Purchases from PWC (electricity purchased from PWC electricity grids & sent out to IES communities)	GWh	11.0	12.0	9.4	10.1	11.7	11.2
- Purchases from Private Suppliers	GWh	8.0	7.6	8.2	8.7	8.9	8.2

Distribution (22/11 kV & Below)

HV Overhead	km	473	513	579	579	876	909
HV Underground	km	5.4	5.4	7.1	7.1	7.7	7.8
LV Overhead	km	278	278	325	325	319	322
LV Underground	km	2.7	2.7	2.8	2.8	2.2	2.6
SWER All Voltages	km	87	87	87	87	121	121
Sales	MWh	104,501	112,030	112,726	119,540	119,250	121,772
Customers (ie. Services)	No. of Installations	7,540	8,116	8,478	8,507	9,179	10,464

Water

Total Sourced Water	ML	9,848	9,792	9,002	9,680	10,306	10,433
Length of Mains	km	652	654	654	654	623	650
Customers (ie. Services)	No. of Meters	1,341	2,175	2,213	2,549	2,563	2,565

Wastewater

Volume of Sewage Treated	ML	3,940	3,917	3,601	2,897	3,337	3,429
Length of Sewer Mains	km	305	307	303	303	334	335
Volume of Effluent Reused	ML	-	-	-	-	-	-
Customers (ie. Services)	No. of Installations	1,122	1,467	1,793	1,834	2,292	2,398

Outlook for 2014-15

A new \$12.8M gas-fired power station is under construction in Wadeye that will reduce the cost of supplying power and allow greater capacity for growth in the community. The power station is anticipated to be commissioned in August/September 2015.

Upgrades to sewage reticulation are planned in Galiwinku, which will increase sewage pumping capacity, reduce sewer overflows and allow for adequate sewage treatment as the community grows.

Upgrades to sewage ponds and outfall are planned in Maningrida, which will improve the pond system and effluent disposal system and provide improved sewage treatment as the community grows.

The ground level tanks in Yirrkala will be upgraded. The tanks, which supply the town water, have reached the end of their life and this investment will ensure the reliable supply of water for the town into the future.

The roll out of a pre-payment electricity meter trial in Daly River will commence with the aim of

testing the functionality and operation of the EDMI Smart Metering solution in a remote community setting. It is necessary to test a new meter technology as the existing pre-payment meter manufacturer ceased production.

For information on Major Projects, Water Quality test results, Water Source Status Report go to: powerwater.com.au/about_power_and_water/major_projects/remote_major_projects

powerwater.com.au/publications

12 AUGUST 2013

Ngukurr receives new water supply infrastructure



To meet future water requirements in the community of Ngukurr, located southeast of Katherine in the Roper Gulf Shire, Power and Water has been working on delivering a new water system augmentation program.

Works to replace three kilometres of rising main from the bore field is now complete after several months of construction works during challenging weather conditions.

The construction of the new 250KL elevated tank was completed in November 2012 along with pipe works to deliver water from the tank to the water main infrastructure. The extra three metres of elevation, compared with the previous tank, provides greater water pressure.

The existing ground level water storage tank will also be replaced along with upgrades to the water treatment facility in due course.

The Ngukurr community is the recipient of an improved water supply designed to meet the needs of the growing community for some 30 years.

Power and Water's Remote Operations' project team has worked diligently with the community to deliver this project and secure the future water supply for the Ngukurr community.



Financial statements

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DIRECTORS' REPORT**Indigenous Essential Services Pty Limited for the year ended 30 June 2014**

The directors present their report together with the financial report of the Indigenous Essential Services Pty Limited (the Company) for the year ended 30 June 2014 and the auditor's report thereon.

Directors

The directors of the Company at any time during or since the end of the financial year were:

Mr Michael Burgess	Director since 28 March 2013; Appointed Chairman 28 March 2013; Resigned 1 December 2013
Ms Jennifer Prince	Director since 28 March 2013; Resigned 1 December 2013
Mr John Baskerville	Director since 28 March 2013.
Mr Ken Clarke	Appointed Director 1 December 2013
George Roussos	Appointed Director 1 December 2013
David De Silva	Appointed Director 1 December 2013; Resigned 29 May 2014

Company Particulars

Indigenous Essential Services Pty Limited is an Australian proprietary company, incorporated and operating in Australia.

Principal Registered Office and Principal Place of Business:	Level 2 Mitchell Centre 55 Mitchell Street Darwin NT 0800
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Company Secretary:	Antoni Murphy - appointed 25 July 2014 Mr Kelvin Strange - from 1 July 2013 to 25 July 2014
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Principal Activities

The Company was formed on 26 June 2003 and commenced operations on 1 July 2003.

During the course of the financial year the principal activities of the Company as a not-for-profit entity were to provide electricity, water and sewerage services to remote Indigenous communities in the Northern Territory.

Controlling Entity

The Company's controlling entity is the Power and Water Corporation, a government owned corporation pursuant to the *Government Owned Corporation Act 2001*. In this report, the controlling entity is referred to as Power and Water.

Operating and Financial Review

The Company's net surplus for 2013-14 was \$1.4 million; a decrease of \$88.8 million compared to prior year (2012-2013: \$90.2 million).

This variance is primarily due to \$57.8 million of SIHIP related gifted assets revenue in 2012-13; a decrease in capital grants revenue released in 2013-14 of \$8.2 million and an increase in other expenditure in 2013-14 of \$25.1 million; offset by a decrease in depreciation expense.

Other expenses for 2013-14 includes \$16.3 million of asset write down movement (non-cash accounting entry) due to the asset verification and alignment project that was finalised in the financial year. Full corporate services received from Power and Water Corporation are recognised in the 2013-14 year as other expenses which included \$6.1 million that was unfunded; in prior years the unfunded portion was borne by Power and Water Corporation and not transferred to the Company.

The company's cash balance at the end of June 2014 was \$27.9 million being funding received in advance for capital programs.

DIRECTORS' REPORT**Indigenous Essential Services Pty Limited for the year ended 30 June 2014****Changes in state of affairs**

In the opinion of the directors, other than the matters mentioned above there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

Dividends

As a not-for-profit entity the Company paid no dividends during the financial year (2013: nil).

Environmental Regulation

The Company's operations are subject to various environmental regulations under both Commonwealth and Territory legislations.

The Company regularly monitors compliance with environmental regulations. The directors are not aware of any significant breaches during the period covered by this report.

Events Subsequent to Reporting Date

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

Future Developments

At the date of this report, there are no developments in the operations of the Company that, in the opinion of the directors, are likely to significantly impact the Company during the 2015 financial year.

Lead Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001

The lead auditor's declaration of independence is set out on page 6 of the financial report.

Indemnification and Insurance of Directors and Officers*Indemnification*

The Northern Territory Government has indemnified the directors of Indigenous Essential Services Pty Limited's controlling entity Power and Water as well as the directors of Power and Water's wholly controlled entities for all liabilities that may arise from their position, except where the liability is incurred or arises out of actual dishonesty on the part of the director. The indemnity covers the full amount of any such liabilities, including costs and expenses.

Insurance Premiums

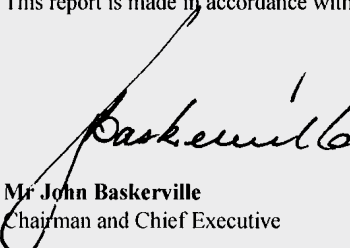
The following insurance policies were purchased by Power and Water to cover its directors and officers, and those of its subsidiaries. In accordance with normal commercial practices, under the terms of the insurance contracts, the nature of the liabilities insured against and the amount of premiums are confidential.

Group Personal Accident Insurance

Professional Indemnity Insurance

Directors' and Officers' Liability

This report is made in accordance with a resolution of Directors pursuant to s.298(2) of the Corporations Act 2001.



Mr John Baskerville
Chairman and Chief Executive

Dated at Darwin this 29th day of September 2014

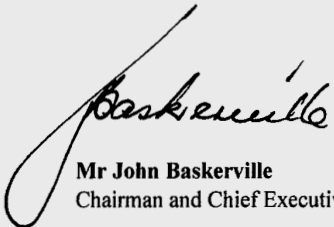
DIRECTORS' DECLARATION

Indigenous Essential Services Pty Limited for the year ended 30 June 2014

In the opinion of the directors of Indigenous Essential Services Pty Limited ("the Company"):

- (a) the financial statements and notes, set out on pages 9 to 24, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 2014 and its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to s.295(5) of the Corporations Act 2001.



Mr John Baskerville
Chairman and Chief Executive

Dated at Darwin this 29th day of September 2014



Northern Territory Auditor-General's Office

Auditing for Confidence

150028 - Auditors Independence Declaration

The Board of Directors
Indigenous Essential Services Pty Limited
Level 2, Mitchell Centre
55 – 59 Mitchell Street
Darwin NT 0800

29 September 2014

Dear Board Members,

Auditor's Independence Declaration to the Directors of Indigenous Essential Services Pty Limited

I declare that, to the best of my knowledge and belief, during the financial year ended 30 June 2014, there have been:

1. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

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

Julie Crisp
Auditor General for the Northern Territory
Darwin, Northern Territory



Auditor-General
Independent Auditor's Report to
the Members of Indigenous Essential Services Pty Limited
Year Ended 30 June 2014
Page 1 of 2

I have audited the accompanying financial report of Indigenous Essential Services Pty Limited ("the Company"), which comprises the statement of financial position as at 30 June 2014, the statement of profit and loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 9 to 24.

The Director's Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as management 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.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Indigenous Essential Services Pty Limited, would be in the same terms if given to the directors as at the time of this auditor's report.



Auditor-General

Page 2 of 2

Opinion

In my opinion the financial report of Indigenous Essential Services Pty Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position at 30 June 2014, and its financial performance and cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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

Julie Crisp
Auditor-General for the Northern Territory
Darwin, Northern Territory

29 September 2014

Statement of Profit and Loss and Other Comprehensive Income
Indigenous Essential Services Pty Limited for the year ended 30 June 2014

	Note	2014 \$	2013 \$
Continuing Operations			
Revenue from sale of goods	3 (a)	34,499,780	33,224,366
Revenue from rendering of services	3 (b)	97,288,950	103,791,985
Interest revenue		709,150	1,249,216
Gifted assets		-	57,800,903
Other Income	3 (c)	1,101,926	596,273
Total revenue and income		133,599,806	196,662,743
Raw materials and consumables used		42,109,047	40,649,519
Depreciation and amortisation expenses		14,696,903	15,525,087
Finance costs		51,903	5,647
Other expenses	3 (d)	75,311,880	50,243,304
Surplus for the year from continuing operations		1,430,073	90,239,186
Surplus for the year		1,430,073	90,239,186
Other comprehensive income		-	-
Total comprehensive income for the year		1,430,073	90,239,186
Surplus attributable to Owner of the Company		1,430,073	90,239,186
Comprehensive income attributable to Owner of the Company		1,430,073	90,239,186

The Statement of Profit and Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity
Indigenous Essential Services Pty Limited for the year ended 30 June 2014

	Note	2014 \$	2013 \$
Contributed Equity			
Balance at the beginning of the year		10	10
Balance at the end of the year	10	10	10
Retained Earnings			
Balance at the beginning of the year		326,814,036	236,574,850
Surplus for the year		1,430,073	90,239,186
Balance at the end of the year	11	328,244,109	326,814,036
Total equity		328,244,119	326,814,046

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

Statement of Financial Position

Indigenous Essential Services Pty Ltd as at 30 June 2014

	Note	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	4 (a)	27,907,986	50,934,826
Trade and other receivables	5	385,401	292,009
Inventories	6	7,369,065	7,029,338
Other assets		98,372	26,566
Total current assets		35,760,824	58,282,740
NON-CURRENT ASSETS			
Property, plant and equipment	7	332,117,911	327,857,291
Total non-current assets		332,117,911	327,857,291
Total assets		367,878,735	386,140,032
CURRENT LIABILITIES			
Trade and other payables	8	32,100,872	51,291,118
Finance lease liability	9	792,531	714,536
Total current liabilities		32,893,403	52,005,654
NON-CURRENT LIABILITIES			
Finance lease liability	9	6,741,213	7,320,331
Total non-current liabilities		6,741,213	7,320,331
Total liabilities		39,634,615	59,325,985
Net assets		328,244,119	326,814,048
EQUITY			
Contributed equity	10	10	10
Retained earnings	11	328,244,109	326,814,036
Total equity		328,244,119	326,814,046

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

Statement of Cash Flows

Indigenous Essential Services Pty Limited for the year ended 30 June 2014

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		38,768,098	36,567,151
Payments to suppliers		(105,236,469)	(88,146,765)
Receipt of Government Grants		78,431,438	93,839,736
Interest received		740,025	1,330,637
Net cash provided by operating activities	4 (b)	12,703,092	43,590,759
CASH FLOWS USED IN INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		1,340	25,498
Purchase of property, plant and equipment		(35,099,025)	(46,674,067)
Net cash used in investing activities		(35,097,685)	(46,648,569)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Repayment of finance leases		(632,248)	(1,273,747)
Net cash used in investing activities		(632,248)	(1,273,747)
Net increase/(decrease) in cash and cash equivalents		(23,026,841)	(4,331,557)
Cash and cash equivalents at beginning of year		50,934,827	55,266,383
Cash and cash equivalents at end of year	4 (a)	27,907,986	50,934,826

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

Notes to the Financial Statements**Indigenous Essential Services Pty Limited for the year ended 30 June 2014****1) Company Information**

Indigenous Essential Services Pty Limited (the Company) is a not-for-profit proprietary company operating and domiciled in Australia. On 29 September 2014, the Directors authorised the issue of the Company's financial report for the year ended 30 June 2014.

2) Statement of significant accounting policies

The significant accounting policies which have been adopted in the preparation of this report are:

(a) Statement of compliance

This general purpose financial report has been prepared in accordance with Accounting Standards and Interpretations and the Corporations Act 2001. Accounting Standards include Australian equivalents to International Financial Reporting Standards (A-IFRS). The Government Owned Corporations Act 2001 requires the financial statements of the Company to comply with the requirements of the Corporations Act 2001.

Adoption of new and revised Accounting Standards

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Where applicable, details of the impact of the adoption of these new accounting standards are set out in the individual accounting policy notes below.

Standards and Interpretations effective for the first time in the current period

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the amounts reported or the presentation/disclosure in these financial statements:

<i>Standard or Interpretation</i>	<i>Nature of Change to Accounting Policy</i>
AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle'	The Annual Improvements to AASBs 2009 - 2011 have made a number of amendments to AASBs. The amendments that are relevant to the Company are the amendments to AASB 101 regarding when a statement of financial position as at the beginning of the preceding period (third statement of financial position) and the related notes are required to be presented. The amendments specify that a third statement of financial position is required when a) an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items in its financial statements, and b) the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position. The amendments specify that related notes are not required to accompany the third statement of financial position.
AASB CF 2013-1 'Amendments to the Australian Conceptual Framework' and AASB 2013- 9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments' (Part A Conceptual Framework)	<p>This amendment has incorporated IASB's Chapters 1 and 3 Conceptual Framework for Financial Reporting as an Appendix to the Australian Framework for the Preparation and Presentation of Financial Statements. The amendment also included not-for profit specific paragraphs to help clarify the concepts from the perspective of not-for-profit entities in the private and public sectors.</p> <p>As a result the Australian Conceptual Framework now supersedes the objective and the qualitative characteristics of financial statements, as well as the guidance previously available in Statement of Accounting Concepts SAC 2 'Objective of General Purpose Financial Reporting'. The adoption of this amending standard does not have any material impact on the financial statements.</p>

There are no new or revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, the following Standards and Interpretations were issued but not yet effective. The Company does not intend to adopt any of these pronouncements before their effective dates.

<i>Standard or Interpretation</i>	<i>Effective annual reporting periods beginning on or after</i>	<i>Expected to be initially applied in the financial year ending</i>
AASB 1031 'Materiality'	1 January 2014	30 June 2015
AASB 2013-3 'Amendments to AASB 135 - Recoverable Amount Disclosures for Non-Financial Assets'	1 January 2014	30 June 2015
AASB 2013-9 'Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments'	1 January 2014	30 June 2015
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2017	30 June 2018

Notes to the Financial Statements**Indigenous Essential Services Pty Limited for the year ended 30 June 2014****(b) Basis of preparation**

The financial report is prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets.

These accounting policies have been consistently applied by the Company unless otherwise stated and are consistent with those of the previous year.

The financial report is presented in Australian dollars.

(c) Use and revision of accounting estimates

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

(d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised (net of discounts and allowances) when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of goods to the customer. Sale of goods includes estimates for unbilled consumption of electricity and water as at reporting date.

Rendering of services

Revenue from the rendering of services is recognised when the service is provided, having regard for the costs incurred in providing those services.

Government grants

Revenue in the form of government grants is received from the Northern Territory Government. Government grants are assistance by the government in the form of transfers of resources to the Company in return for past or future compliance with certain conditions relating to the operating activities of the Company. Government grants also include government assistance where there are no conditions specifically relating to the operating activities of the Company other than the requirement to operate in certain regions or industry sectors.

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

Where the grant relates to an expense or capital item, it is recognised initially as deferred income in the statement of financial position and recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Interest Revenue

Interest revenue is recognised as it accrues.

(e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of the GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and creditors are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority (through Power and Water) is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority (through Power and Water) are classified as operating cash flows.

(f) Finance Costs

All finance costs are recognised as an expense in the period in which they are incurred.

(g) Income tax consolidation

The Power and Water Company is the head entity in a tax-consolidated group comprising all of its wholly-owned subsidiaries apart from Indigenous Essential Services Pty Limited. Indigenous Essential Services Pty Limited was removed from the National Tax Equivalent Regime effective 1 July 2003 as a not-for-profit entity.

(h) Cash and cash equivalents

Cash assets include cash on hand and at bank.

(i) Trade and other receivables

Trade and other receivables are recognised and carried at the original invoice amount less an allowance for any uncollectible amounts. Trade receivables are on 14 day terms and other receivables are on 30 day terms.

Notes to the Financial Statements**Indigenous Essential Services Pty Limited for the year ended 30 June 2014****(j) Inventories**

Inventories are carried at the lower of cost and net realisable value. Costs are assigned to inventory based on the weighted-average purchase cost of bringing each item to its present location and condition. Net realisable value represents the amounts expected to be realised from the use of the inventory.

(k) Property, plant and equipment**Acquisition of assets**

Freehold land, buildings and plant and equipment are originally stated at cost less accumulated depreciation (apart from Freehold Land as this is not depreciated) and any accumulated impairment losses. Such cost includes, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance is expensed as incurred.

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

Depreciation and amortisation*Complex assets*

The components of major assets that have materially different useful lives, are effectively accounted for as separate assets, and are separately depreciated.

Useful lives

All assets, excluding freehold land, have limited useful lives and are depreciated/amortised using the straight-line method over their estimated useful lives.

Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

Depreciation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation and amortisation is expensed.

The depreciation useful lives used for each class of asset are as follows:

Building, plant and equipment	June 2014	June 2013
Building and improvements	8 to 60 years	8 to 60 years
Plant and equipment	1 to 99 years	1 to 99 years
Intangibles	2 to 4 years	1 to 2 years

The depreciation useful lives used for each class of asset relating to finance leases are as follows:

Building, plant and equipment situated on finance leased land	June 2014	June 2013
Building and improvements	8 to 40 years	8 to 40 years
Plant and equipment	1 to 40 years	1 to 40 years
Finance leases	12 to 40 years	12 to 40 years

Impairment of assets

The carrying values of plant and equipment are assessed for indicators of impairment at each reporting date, with recoverable amounts being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the depreciated replacement cost, less any accumulated impairment losses.

Depreciated replacement cost is defined as the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

An impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

For property, plant and equipment, impairment losses are recognised in the Statement of Profit and Loss and Other Comprehensive Income.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss and Other Comprehensive Income in the year in which the asset is derecognised.

(l) Intangible assets

All intangible assets are acquired separately and are carried at cost less accumulated amortisation and accumulated impairment losses. Assets are amortised from the date of acquisition or from the time the asset is held ready for use. Amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only.

The Company doesn't have internally-generated intangible assets.

Purchased software

All purchased software items have limited useful lives and are amortised using the straight-line method 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.

Notes to the Financial Statements

Indigenous Essential Services Pty Limited for the year ended 30 June 2014

Derecognition and disposal

An intangible asset is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year in which the asset is derecognised.

(m) Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obligated to make future payments in respect of the purchase of these goods and services. Trade accounts payable are normally settled within 30 days.

(n) Financial Instruments

Financial instruments held by the Company consist of cash, trade and other receivables classified as 'loans and receivables' and payables classified as other financial liabilities measured and recognised in line with AASB 139 '*Financial Instruments: Recognition and Measurement*'. Interest revenue recognised is solely incurred by cash held.

(o) Leased Assets

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases

Leases under which the Company assumes substantially all the risks and benefits of ownership are classified as finance leases.

Finance leases are capitalised as at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership by the end of the lease term.

Operating leases

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. Lease incentives are recognised in profit or loss as an integral part of the total lease expense.

Notes to the Financial Statements

Indigenous Essential Services Pty Limited for the year ended 30 June 2014

	2014	2013
	\$	\$
3 Revenue and expenses		
<i>Revenue and expenses from continuing operations</i>		
(a) Sale of goods		
Electricity	30,286,129	28,809,524
Water	4,213,651	4,414,842
	<u>34,499,780</u>	<u>33,224,366</u>
(b) Rendering of services		
Recurrent grant	56,553,806	55,059,485
Capital grant	38,045,965	46,197,892
Services Rendered	2,689,179	2,534,608
	<u>97,288,950</u>	<u>103,791,985</u>
(c) Other income		
Capital contributions and recoverable works	773,435	439,452
Net profit/(loss) on disposal of property, plant and equipment	-	(132,857)
Other Income	328,491	289,678
	<u>1,101,926</u>	<u>596,273</u>
(d) Other expenses		
Repairs and maintenance	17,644,600	15,050,290
Net loss on disposal of property, plant and equipment	16,271,286	-
Direct personnel costs	14,705,462	14,955,356
Agents - Community Contract Fees	8,133,241	8,660,179
Other	18,557,291	11,577,479
	<u>75,311,880</u>	<u>50,243,304</u>

In 2013-14, the Company in conjunction with independent valuers undertook a complete physical verification of fixed assets as per requirements outlined in AASB 116 Property, Plant and Equipment. As part of this process, the operational and financial asset registers were aligned. Accordingly, items not on the operational asset register or not verified as "in use" have been disposed of with the balance of its written down value taken to the profit and loss statement. This verification process was last performed in 2007. The disposals have all been recorded in the current financial year as it is impractical to allocate these disposals to any particular year from when the previous verification process was performed.

Notes to the Financial Statements

Indigenous Essential Services Pty Limited for the year ended 30 June 2014

	2014	2013
	\$	\$
4 Cash and cash equivalents		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash at bank	27,907,986	50,934,826
The weighted average interest rate on cash assets at 2014 is 1.89% (2013 : 2.43%)		
(b) Reconciliation of net surplus to net cash flows from operations		
Net Surplus	1,430,073	90,239,186
<i>Adjustments for:</i>		
Depreciation	14,696,903	15,525,087
Contributed assets provided free of charge	-	(57,800,903)
Net (profit)/loss on disposal of property, plant and equipment	16,271,286	132,857
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in inventories	(339,726)	(229,900)
(Increase)/decrease in trade and other receivables	(93,391)	8,012,567
(Increase)/decrease in other assets	(71,803)	(14,891)
(Decrease)/increase in trade and other payables	(19,190,250)	(12,273,244)
Net cash flows from operating activities	12,703,092	43,590,759
5 Trade and other receivables		
Current		
Interest receivable	44,855	75,731
Other debtors	340,546	216,278
	385,401	292,009
<u>Ageing of trade and other receivables:</u>		
0-30 days	188,181	292,009
30 - 60 days	-	-
60 - 90 days	2,000	-
90 + days	195,219	-
	385,401	292,009
Receivables at 30 June 2014 are non-interest bearing.		
6 Inventories		
Materials and stores	72,871	12,742
Distillate Stocks	7,296,194	7,016,596
	7,369,065	7,029,338

The cost of inventories recognised as an expense during the year in respect of continuing operations was \$874,610 (2013: \$764,577).

The cost of distillate recognised as an expense during the year in respect of continuing operations was \$33,423,227 (2013: \$32,655,330).

Notes to the Financial Statements

Indigenous Essential Services Pty Limited for the year ended 30 June 2014

7 Property, plant and equipment

June 2014	Land \$	Buildings \$	Plant and Equipment \$	Finance Leases \$	Intangible Assets \$	Work in Progress \$	Total Property, Plant and Equipment \$
Cost							
Opening Balance per FIN STATS	11,332	48,971,076	432,913,454	9,308,613	109,715	65,892,134	557,206,324
Transfer/Restructure/Adjustments	20,955	676,252	(26,382,446)	131,123	(46)	26,542	(25,527,619)
Additions	-	-	-	-	-	60,754,383	60,754,383
Transfer From WIP	38,141	4,053,912	29,538,615	-	3,381	(33,630,669)	3,381
Disposals	-	(735,250)	(24,224,730)	-	-	-	(24,959,980)
Closing Balance	70,428	52,965,991	411,844,894	9,439,736	113,050	93,042,390	567,476,489
Accumulated Depreciation							
Opening Balance per FIN STATS	-	(26,465,364)	(201,898,798)	(920,403)	(64,462)	-	(229,349,027)
Transfer/Restructure/Adjustments	-	(38,659)	38,659	-	(1)	-	(1)
Depreciation	-	(2,045,098)	(12,084,777)	(545,846)	(21,182)	-	(14,696,903)
Disposals	-	199,035	8,488,318	-	-	-	8,687,353
Closing Balance	-	(28,350,086)	(205,456,598)	(1,466,249)	(85,645)	-	(235,358,578)
Written Down Value							
Opening Balance per FIN STATS	11,332	22,505,712	231,014,656	8,388,210	45,253	65,892,129	327,857,292
Transfer/Restructure/Adjustments	20,955	637,594	(26,343,786)	131,123	(47)	26,547	(25,527,615)
Additions	-	-	-	-	-	60,754,383	60,754,383
Depreciation	-	(2,045,098)	(12,084,777)	(545,846)	(21,182)	-	(14,696,903)
Transfer From WIP	38,141	4,053,912	29,538,615	-	3,381	(33,630,669)	3,381
Disposals	-	(536,215)	(15,736,412)	-	-	-	(16,272,627)
Closing Balance	70,428	24,615,905	206,388,296	7,973,487	27,405	93,042,390	332,117,911

June 2013	Land \$	Buildings \$	Plant and Equipment \$	Finance Leases \$	Intangible Assets \$	Work in Progress \$	Total Property, Plant and Equipment \$
Cost							
Opening Balance per FIN STATS	21,332	43,925,266	367,527,525	-	109,428	32,599,928	444,183,479
Additions	-	3,642,865	54,158,038	9,308,613	-	46,673,782	113,783,298
Transfer From WIP	-	1,402,944	11,978,632	-	287	(13,381,576)	287
Disposals	(10,000)	-	(750,741)	-	-	-	(760,741)
Closing Balance	11,332	48,971,075	432,913,454	9,308,613	109,715	65,892,134	557,206,323
Accumulated Depreciation							
Opening Balance per FIN STATS	-	(25,046,974)	(189,339,993)	-	(39,357)	-	(214,426,324)
Depreciation	-	(1,418,390)	(13,161,191)	(920,403)	(25,105)	-	(15,525,089)
Disposals	-	-	602,386	-	-	-	602,386
Closing Balance	-	(26,465,364)	(201,898,798)	(920,403)	(64,462)	-	(229,349,027)
Written Down Value							
Opening Balance per FIN STATS	21,332	18,878,292	178,187,532	-	70,071	32,599,923	229,757,150
Additions	-	3,642,865	54,158,038	9,308,613	-	46,673,782	113,783,298
Depreciation	-	(1,418,390)	(13,161,191)	(920,403)	(25,105)	-	(15,525,089)
Transfer From WIP	-	1,402,944	11,978,632	-	287	(13,381,576)	287
Disposals	(10,000)	-	(148,355)	-	-	-	(158,355)
Closing Balance	11,332	22,505,711	231,014,656	8,388,210	45,253	65,892,129	327,857,291

Notes to the Financial Statements**Indigenous Essential Services Pty Limited for the year ended 30 June 2014**

	2014	2013
	\$	\$
8 Trade and other payables		
Payable to controlling entity	9,366,034	10,300,135
Other creditors and accruals	7,961,065	10,650,356
Unearned revenue	14,773,773	30,340,627
	<u>32,100,872</u>	<u>51,291,118</u>

Trade and other payables are non-interest-bearing. The policy of the Company is to settle trade payables within 30 days. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

	2014	2013	2014	2013
	\$	\$	\$	\$
9 Finance lease liability				
		Minimum lease payments		Present value of the minimum lease payments
Not later than one year	858,858	748,262	792,531	714,536
1 to 5 years	3,042,247	2,993,047	2,477,475	2,550,275
Later than 5 years	9,128,170	9,778,358	4,263,737	4,770,056
	<u>13,029,275</u>	<u>13,519,667</u>	<u>7,533,743</u>	<u>8,034,867</u>
Less future finance charges	(5,495,532)	(5,484,801)	-	-
	<u>7,533,743</u>	<u>8,034,867</u>	<u>7,533,743</u>	<u>8,034,867</u>

Leasing arrangements

The Company leased land for its existing infrastructure assets on Indigenous land in 38 communities throughout the Northern Territory. The lease terms vary between 12 and 40 years with most of them providing the Company with lease extension options.

The present value discount factor used for the minimum lease payments was 4.72% at the inception of the leases in 2013. Leases added in 2014 have been calculated using a present value discount factor of 5.07%.

Notes to the Financial Statements

Indigenous Essential Services Pty Limited for the year ended 30 June 2014

	2014	2013
	\$	\$
10 Contributed equity		
Issued and paid-up share capital		
10 (2014: 10) ordinary shares of \$1 fully paid	10	10
	<u>10</u>	<u>10</u>
Fully paid ordinary shares carry one vote per share and carry the right to dividends. The shares have no par value.		
11 Retained earnings		
Retained earnings at beginning of year	326,814,036	236,574,850
Net surplus for the year	1,430,073	90,239,186
Retained earnings at end of the year	<u>328,244,109</u>	<u>326,814,036</u>
12 Commitments		
Capital expenditure commitments		
Contracted but not provided for and payable: within one year	<u>5,842,584</u>	<u>19,220,841</u>
13 Operating Lease Arrangements		
Payments recognised as an expense		
Minimum lease payments	551,799	865,698
	<u>551,799</u>	<u>865,698</u>

Notes to the Financial Statements**Indigenous Essential Services Pty Limited for the year ended 30 June 2014****14 Financial instruments****(a) Financial risk management objectives and policies**

The Company has various financial instruments such as trade receivables and trade payables. It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are liquidity risk and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below.

The Company's overall strategy remains unchanged from 2013.

(b) Market Risk

The Company provides electricity, water and sewerage services to remote Indigenous communities in the Northern Territory.

The Company receives grant funding from the Northern Territory Government to construct and maintain assets required to provide electricity, water and sewerage services to remote Indigenous communities in the Northern Territory. The Company is the only provider of these services to remote Indigenous communities in the Northern Territory.

A purchaser/provider agreement between the Company and the Northern Territory Government for the provision of water supply, sewerage and electrical services to remote Indigenous communities in the Northern Territory has been established for a period of three years from 1 July 2013 to 30 June 2016.

The following table sets out the source of the Company's income.

Source of Income	2014		2013	
	\$	%	\$	%
Grant funding	94,599,771	71%	101,257,377	52%
Electricity	30,286,129	23%	28,809,524	15%
Water	4,213,651	3%	4,414,842	2%
Services Rendered	2,689,179	2%	2,534,608	1%
Gifted Assets	-	0%	57,800,903	29%
Capital contributions and recoverable works	773,435	1%	439,452	0%
Interest	709,150	1%	1,249,216	1%
Other	328,491	0%	156,821	0%
Total Revenue	133,599,806	100%	196,662,743	100%

(c) Credit risk management

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk on receivables of the Company that has been recognised in the Statement of Financial Position is the carrying amount net of any provision for doubtful debts.

The Company performs works on behalf of Northern Territory Government agencies and private companies on a recoverable works basis. Funding for general recoverable works is obtained upfront thereby reducing credit risk associated with these transactions.

(d) Liquidity risk management

The Company's objective is to provide continued and reliable services to remote Indigenous communities in the Northern Territory within the grant funding and sales revenue it receives. Each year the Company limits expenditure to the level of grant funding and sales revenue it receives for that year.

Notes to the Financial Statements**Indigenous Essential Services Pty Limited for the year ended 30 June 2014****14 Financial Instruments (continued)****(e) Commodity price risk**

The Company is exposed to changes in the price of distillate which is used to power electricity generators. Each year grant funding received from the Northern Territory Government is based on an operational budget that includes an estimated cost of distillate consumption. In the event the distillate price varies upwards and the Company does not have sufficient grant funds to continue operating, the Company can apply to the Northern Territory Government for additional grant funds.

(f) Interest rate risk

Interest revenue is incurred solely on the cash balance held by the Company throughout the year. No interest expenses are incurred by the Company. Therefore the Company's exposure to interest rate risk is immaterial.

(g) Fair values

Net fair values of financial assets and liabilities approximate carrying values.

(h) Capital risk management

The Company's objectives when managing capital are to safeguard the principal business activities as a not-for-profit entity to provide electricity, water and sewerage services to remote Indigenous communities in the Northern Territory.

The capital structure of the Company consists of mainly cash and cash equivalents and equity attributable to the equity holder of the Company, comprising issued capital and retained earnings as disclosed in notes 10 and 11 respectively.

Operating cash flows are used to maintain and expand the Company's assets.

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

The Company overall strategy remains unchanged from prior years.

Notes to the Financial Statements

Indigenous Essential Services Pty Limited for the year ended 30 June 2014

15 Related party information

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year (for information regarding outstanding balances at year end refer to note 5 and note 8).

		Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
		\$	\$	\$	\$
Related party					
Power and Water Corporation	2014	-	30,003,787	-	9,366,034
	2013	375,000	24,690,006	-	10,300,135
Northern Territory Government	2014	95,373,206	2,122,652	28,147,912	10,241,696
	2013	101,696,832	826,171	51,010,557	27,855,580

- (i) The controlling entity of the Company is Power and Water Corporation, a government owned corporation pursuant to the *Government Owned Corporations Act 2001*. Power and Water Corporation is wholly owned by the Northern Territory Government.
- (ii) The Company purchases electricity, water and sewerage services from Power and Water Corporation's infrastructure for remote Indigenous communities that are able to be connected to this infrastructure rather than requiring stand alone infrastructure. In addition, the Company purchases labour, accounting, computing, human resources, secretarial services and utility services for its operations from Power and Water Corporation.
- (iii) The Company receives operational and capital grants from the Northern Territory Government enabling it to provide electricity, water and sewerage services to remote Indigenous communities. The Company also receives recoverable works funds for specific projects undertaken on behalf of the Northern Territory Government and unrelated third parties.

16 Economic dependency

The Company's revenue is derived from two main sources as follows:

	2014	2013
	%	%
Revenue derived from the Northern Territory Government	71%	81%
Revenue from provision of utility services	29%	19%
	100%	100%

17 Auditor's remuneration

	2014	2013
	\$	\$
Audit Services:		
Auditors of the Company - NT Auditor-General	37,170	35,940

Notes to the Financial Statements**Indigenous Essential Services Pty Limited for the year ended 30 June 2014****18 Director and executive disclosures***Directors*

The names of each person holding the position of director within Indigenous Essential Services Pty Limited during the financial year are listed in the Directors' report.

Directors do not receive any compensation for their directorship. No director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving directors' interest subsisting at year-end.

Compensation of key management personnel

Indigenous Essential Services Pty Ltd has no employees.

19 Events after the reporting period

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

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55 Mitchell Street, Darwin

Shop 21, Palmerston Shopping Centre
10 Temple Terrace, Palmerston

Ground Floor, Government Centre
5 First Street, Katherine

Shop 8, Alice Plaza
36 Todd Mall, Alice Springs

The logo for PowerWater, featuring the word "PowerWater" in a white sans-serif font. A stylized white leaf icon is positioned above the letter "a" in "Water".