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Mr David De Silva  
Chair  
Territory Generation Board  
PO Box 1721  
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Dear Mr De Silva *David,*

I refer to your Ministerial Brief of 1 March 2017, responding to my request for consideration and advice on whether, in the Board's opinion, issuing a Direction under section 8(4)(c) of the *Government Owned Corporations Act* that Territory Generation (T-Gen) comply with the Northern Territory Government's 'Strengthened Buy Local' reforms would not be in the best interests of T-Gen or its subsidiaries.

While I acknowledge your concerns, as shareholding Minister, to further support the industry development and jobs growth objectives of Government, I formally direct, under section 8(4)(c) of the Act, that T-Gen comply with the Northern Territory Government's 'Strengthened Buy Local' reforms, noting that the requirements of sections 8(5)(a) and 8(5)(b) of the Act have been met.

I consider that T-Gen's draft updated Procurement Policy is not consistent with the principles of the Territory's procurement policy. As such, I do not approve T-Gen's proposed updated Policy. In accordance with section 36(4) of the Act, I have consulted on this issue with the Essential Services Minister.

This Direction will have many benefits to the Territory. However, in making this decision, I acknowledge your feedback on the costs. In particular that T-Gen has been unable to estimate the size of any increased costs to T-Gen due to the Direction. As such, I request that T-Gen closely monitor the ongoing implementation of this Direction and report back to me as necessary.

I request that T-Gen further review and update its Policy to include the key actions and initiatives within Government's 'Strengthened Buy Local' reforms, and submit it to me for approval, in accordance with section 36(3) of the Act, by Friday 28 April 2017.

Yours sincerely

NICOLE MANISON

22 MAR 2017

