

ESTIMATES COMMITTEE
Question Taken on Notice

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From: Mr Joshua Burgoyne

To: Mr Peter Wilson

Portfolio: Essential Services

Agency: Power and Water Corporation

Subject: Gas sales

QUESTION

In last year's SCI, it was stated, 'Overall gas sales volumes have reduced by approximately 10% over the four-year SCI period, resulting in an EBITDA reduction of \$50m for gas services when comparing the published SCI to the current SCI forecast to 2024–25.' Can you confirm whether that figure is increasing over the forward estimates, and do you have a current figure of losses?

ANSWER

Power and Water Corporation can confirm that the Earnings Before Interest Tax Depreciation and Amortisation ('EBITDA') for Gas Services is increasing over the forward estimates (i.e. from 2022-23 to 2025-26).

When comparing Power and Water's published Statement of Corporate Intent (SCI) for the period 2022-23 to 2025-26, to the four-year forward estimates contained in the current SCI, EBITDA is projected to increase by \$57.6 million.

However, projections contained in both the published and current SCI assume that Blacktip gas production would have been restored for the majority of the forecast period in order to meet Power and Water Corporation's contract entitlements (in accordance with Eni's projections). However, as at the end of May 2023, Blacktip production had not been restored to contractual obligations.

Power and Water Corporation is evaluating the impacts of this delay.