



**PARLIAMENT OF TASMANIA**

**TRANSCRIPT**

**LEGISLATIVE COUNCIL**

**GOVERNMENT BUSINESSES SCRUTINY COMMITTEE A**

**Aurora Energy Pty Ltd**

**Tuesday 3 December 2024**

**MEMBERS**

Hon Ruth Forrest MLC (Chair);  
Hon Dean Harriss MLC;  
Hon Sarah Lovell MLC;  
Hon Cassy O'Connor MLC; and  
Hon Bec Thomas MLC



## **WITNESSES IN ATTENDANCE**

**Hon. Nick Duigan MLC**, Minister for Energy and Renewables, Minister for Sports and Events, Minister for Parks

**Keryn Nylander**, Deputy Chair

**Nigel Clark**, Chief Executive Officer

**James Chisholm**, Chief Financial Officer

**Alistair Burke**, Chief Operating Officer

**Will Barbour**, Chief Customer Officer



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**The committee resumed at 4.01 p.m.**

**CHAIR** - Thank you, minister, for appearing before the Government Businesses Scrutiny Committee, for Aurora on this occasion.

I'll invite you to introduce the members of the team along the table and they may like to introduce themselves as to their roles or you can introduce them, whichever. Then I assume you'd like to make a brief opening statement. Then if it acting chair would like to, she's welcome to as well.

**Mr DUIGAN** - Thank you, Chair. With me at the table, we have Keryn Nylander, deputy chair; Nigel Clark, chief executive officer; to my right is my chief of staff, Ilise Bourke, who won't be taking questions; James Chisholm, chief financial officer; and Alistair Burke, chief operating officer of Aurora.

I'm pleased to be here at the Aurora Energy GBE scrutiny hearing for 2023-24 as one of the shareholder ministers.

Firstly, let me thank the board and the executive and the employees of Aurora Energy for continuing to provide high levels of service to their more than 270,000 Tasmanian electricity and gas account holders. Aurora has approximately 300 staff situated between their Hobart and Launceston offices, dealing with over half a million customer calls, emails and web inquiries every year. Employees have also migrated Aurora's entire customer base to a new energy retail platform to ensure a positive customer experience for years to come.

Our government supports Aurora's work to improve energy literacy and provide Tasmanians with the information and tools they need to manage their energy usage more efficiently and in turn manage their electricity bills. Aurora has delivered smart meters to over 80 per cent of their customer base, which is a nation-leading result and continues to provide free access to their aurora+ app to support access to energy use data, providing an important tool for managing energy usage while reducing bill shock, also while providing access to free hours of power.

The 2023-24 year continued to be a challenging period for Tasmanians with cost-of-living pressures and I'm very proud to say that this government took strong action to provide electricity bill relief. Aurora, as well as other retailers are essential for our electricity bill support to reach Tasmanians, such as the Renewable Energy Dividend Scheme, with hydro dividends in excess of \$90 million being shared with Tasmanians, some of the most generous concessions in the nation to those Tasmanians in need. Other rebates delivered in partnership with the Australian Government for residential and small business customers. For the year ahead, every Tasmanian household will receive \$550 in energy bill relief.

I would also like to acknowledge Aurora's efforts in supporting customers experiencing financial vulnerability through the Your Energy Support, or YES, and Knock to Stay Connected programs. These programs provide affordable payment plans, tailored energy saving advice, protection from disconnection and more. With those few words, I'll hand over to the acting chair to provide some introductory remarks.

**Ms NYLANDER** - Thank you, minister. I'm pleased to appear before the committee today as acting chair of Aurora Energy. When we consider the year that it's been, we're

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extremely proud of our efforts to make energy easy for our customers as Tasmania's only fully owned and operated energy retailer.

Despite great change and uncertainty amid significant energy system transformation, we remained focused on helping our customers make more-informed energy choices and delivering value to them whilst giving back to the community.

From a financial viewpoint, Aurora Energy in 2023-24 recorded a profit after tax of \$2.2 million. This allowed us to return \$900,000 to the Tasmanian government. Acknowledging customer service levels were not where we'd like them in the prior year, we reshaped our frontline model which saw a significant uplift in operational and customer outcomes. We encourage a greater number of customers to keep on top of energy costs through Aurora+. At the end of 2023-24, more than 95,000 customers, or more than one in three Tasmanian homes, were benefiting from having access to energy usage information at their fingertips and other value elements of the aurora+ app. As of November this year, the number reached over 103,000 using that.

To say thanks for being with us and giving back to our customers who use aurora+, we launched Power Hours in January. Each event gives the opportunity to use uncapped electricity free of charge in an available time slot of the customer's choice. Since its launch in January, Tasmanians saved approximately \$488,000 and accessed over 1.2 million free hours of electricity.

We continued to rapidly roll out meters throughout the year. Between October 2023 and November this year, more than 55,000 customers received their advanced meter. Over 80 per cent of Tasmanian residences and businesses have had an advanced meter installed, which is in line with the state government's commitment that the rollout will be complete by the end of 2026 and well ahead of the national recommendation of 2030.

In 2023-24, we were happy to successfully complete the migration of the entire customer base onto our new retail energy platform. Despite having the lowest regulated electricity prices in Australia, we understand the difficulty being felt by homes and businesses across the state. We worked alongside the state government to deliver its Supercharged Renewable Energy Dividend, which provided \$250 in financial assistance to every Tasmanian household and \$300 to around 35,000 small businesses. It came off the back of distributing Energy Bill Relief Fund payments to more than 100,000 customers, including small business. This targeted bill relief was in addition to existing energy concessions that we issue annually that are some of the most generous in the country. As part of our debt forgiveness program, Aurora Energy waived \$247,000 in outstanding energy charges, helping vulnerable customers to get back on top of their energy costs.

Appreciating cost of living pressures and the need to be ever more present in the Tasmanian community, Aurora Energy has also strengthened our community engagement efforts. We work collaboratively alongside TasNetworks and the Tasmanian Men's Shed Association to create the Power People Project with the aim of increasing energy literacy within the community. We teamed up with Variety Tasmania to become the founding partner of its Variety School Breakfast Club, which will enable allocated schools to deliver a nutritious breakfast five days a week to all students.

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We provided additional funding of \$35,000 to the No Interest Loans, Energy Saver Loan and Subsidy Program (NILS). Our contribution enabled 291 Tasmanians on a low income to access energy efficient products. Since November 2015, we have provided more than \$2.8 million in funding to the program. Not least, we continue to encourage our employees to be active participants in the community to help make a difference, resulting in us boosting our volunteering efforts sevenfold to over 1800 hours of direct contribution. Because of our efforts in this space, we were delighted to receive Volunteering Tasmania's Volunteer Impact Award in November.

In 2024-25, it's fair to say the industry in which we operate again appears uncertain as the transition to renewable energy gathers pace. We'll work hard to remain relevant and trusted with our Tasmanian customers in an increasingly competitive market. Tasmanians can be guaranteed that when they need us they'll be able to speak with someone who lives here, who understands Tasmanian energy needs and who genuinely cares about them and our community, knowing all our financial returns remain within the state for the benefit of Tasmanians. Thank you.

**CHAIR** - We'll come to some of those things later on, I'm sure. Earlier in the day we had TASCORP, who indicated that Aurora Energy had breached one of the borrowing covenants in August 2023. They indicated it was as a result of market values of derivatives. I find Hydro accounts difficult to read. I'm sure you understand them fully, minister. Perhaps not. Maybe this is not a question for you to answer, but the people at the table.

I want to understand a bit more about how Aurora goes about buying and selling electricity because it feeds into that matter, I think, and I'll come back to that. On the buying side, you buy from AEMO, Aurora buys from AEMO. I assume that's the case. Then you place an order and you pay for that, but you also have wholesale contracts with Hydro as well to settle.

I'm trying to understand how that works and how you address the volatility in the current market, particularly as the transition continues, and how much exposure you have in the spot market.

**Mr DUIGAN** - Thank you, Chair. Aware of the issue that was raised this morning, subsequent to it being raised, it wasn't one, I don't think, had been covered with me previously, but as I understand it, it's an anomaly that may occur from time to time and potentially we need to look at.

**CHAIR** - I'll come to the derivative party in a minute, but I want to understand how this works first then we'll go to that.

**Mr DUIGAN** - Obviously on the detail of that question I would throw to, potentially the CEO.

**Mr CLARK** - Thanks, minister. I'll cover the first part about the buying of energy and then the CFA. James can explain the breach. You're 100 per cent correct. All energy participants you pay AEMO the spot price and the spot price is the price that varies every 5 minutes, so it's continually bouncing around. Obviously for us to run a sustainable business and for customers, customers don't want a price that's bouncing around every 5 minutes. We effectively hedge that risk with the likes of Hydro Tasmania and turn a variable price into a

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fixed price. In essence we have derivative contracts like all electricity retailers fundamentally have and these are subject to valuation, but in essence all our purchases are from AEMO and then we have square up settlements with Hydro to turn that into a fixed price.

**CHAIR** - The wholesale contracts are with AEMO?

**Mr CLARK** - No, our wholesale contracts are with the likes of Hydro Tasmania; primarily they are the counterparty that we deal with.

**CHAIR** - Right, okay.

**Mr CLARK** - But the way the market works is anyone who's a participant taking energy out of the market through customers, you pay AEMO that spot price.

**Mr DUIGAN** - I think broadly for the average energy consumer in Tasmania having a regulated price and an independent regulator to do that job to take the volatility out is important and increasingly important as you identified as we transition into, particularly on mainland Australia.

**CHAIR** - The actual spot price is not regulated?

**Mr DUIGAN** - No, but we have a regulated price for our customers here in Tasmania.

**CHAIR** - Because of the agreements that were struck with Hydro?

**Mr CLARK** - No, we have a separate mechanism that ultimately determines the price that gets set each May that applies from 1 July, the WCRI instrument that effectively picks up those contract prices and puts together a collation of those to determine that price once a year. That's a separate mechanism again. The spot price is unregulated, it does have a cap that it can go to, but contract market is a contract market and then you have the instrument that is used to set prices in Tasmania.

**CHAIR** - The hedges you take out with Hydro are to manage that volatility.

**Mr CLARK** - Correct.

**CHAIR** - And that's what led to the breach?

**Mr CLARK** - I'll let my CFO James cover the breach.

**Mr CHISHOLM** - Yes, thanks, Nigel. The breach was, we have some covenants which we need to adhere to and one of them is around a 10 per cent move in net assets. We enter into these derivatives and those derivatives sort of form the basis of the prices we charge to customers. Under the accounting standards we have to continuously value these derivatives. So it's struck at a point in time and one of our main contracts is the whole of metre hedge which we have with Hydro. That price is built up on an averaging of prices two years prior to when that contract is actually struck. But once we execute that contract, then depending on what happens in the actual forward contract market will change the value of that particular contract and under the accounting standards we have to track that value and show it.

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Unfortunately it is unhelpful from a read of the accounts because the other side of those derivatives are the contracts and prices we charge customers, but the accounting standards don't require us to value those, so in essence from a business point of view, although it looks like there's a lot of volatility, it's fixed in our customer prices so there is an offset for us as a business. Unfortunately, the accounts don't reflect that, hence when you look at this net asset value test, this 10 per cent move would be relevant for a lot of businesses because that sort of move would be a material issue for businesses to consider, but for our business it's this noise which creates something which isn't an issue for us.

A lot of businesses, typically with their syndicated debt facilities would, in essence, have definitions which exclude the moves in derivatives out of this net asset calculation specifically for this particular test, but with TASCORP they have more general standards type documentation which cover a wide range of business and hence, we have to manage that. So obviously we work with TASCORP and keep them informed around these moves, but it doesn't indicate that there's an issue with the business.

**CHAIR** - Then did you inform TASCORP, minister, of the breach? Or did they let you know once you provided the information to them?

**Mr CHISHOLM** - We have a requirement to actually provide them information around the fact that the net asset values have moved more than a certain amount and that's in breach of our covenants, but then they would take that away. Is it an issue? Well, they've looked at it and said 'come back', obviously, because they understand that this is just an aspect of our business which is really beyond our control. Because we had that contract in place sort of around that 22 June moving into that particular financial year, obviously we had the spike in prices off the back of the Ukraine war.

So, we had struck this contract at a low price and then under this mark to market valuation, all it says is, say the strike price is \$80, the current market price is \$120. All of a sudden it shows that we have this large asset and then as that contract rolls off, we have a big drop in net asset value because that contract pretty much gets replaced by a new contract that we have executed another point in time which would be closer to the market value.

If you look in the annual accounts under the OCI, you will see that the last few years in particular, we have had really large swings, and that's all to do with the movement in our derivative values that we have in place with Hydro.

**CHAIR** - Just perhaps to repeat slowly what has been said. At balance date, whatever contracts are current are valued and if the market prices have changed, the amounts required to be paid by Aurora will have changed, and these changes are recorded as movements in the value?

**Mr CHISHOLM** - No. This is just purely a mark to market move. This just tracks the value of the specific derivatives. What we pay Hydro, or what they pay us, is related to the actual strike price. It's got nothing to do with the current market price. It's got to do with the current spot price that we pay in the market for our customers versus what we've struck in this contract.

Then quite separate to that, the accounting standards require us to actually revalue these based on the current contract market. So, in essence, if you look at the accounts, the transactions

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that are flowing through that OCI component, it's noise. It doesn't really help you understand the actual cost of energy. If you look in our energy purchases line that reflects the difference between what we've paid an AEMO for the spot price for the customers of volume times, the price every 5 minutes versus a contract for different settlements. So, every couple of weeks we have a settlement with Hydro that basically gives us a settlement. If we struck a price at \$80 and the average price is \$100 in the spot market, in essence Hydro is paying us \$20. If it's \$60 we're paying Hydro \$20 and hence we get this price, \$80.00. That's the price we'd look to reflect in our customer's contracts so that we don't have this variability in our business earnings.

**CHAIR** - Just one there on the contracts. Minister, as I understand Aurora Energy still has a power purchase agreement with Cattle Hill. Can you explain how that works?

It's part of the NEM and Aurora Energy still buys electricity from the market, AEMO. How does it work with Cattle Hill with that power purchase agreement?

**Mr CLARK** - The contract with Cattle Hill is actually not buying energy, it's buying LGCs. Let's say that was an energy contract, a PPA with them would be the same as what James just described as if I have a hedge contract with Hydro Tasmania. Effectively, all I do now is have a hedge contract with a wind farm or Cattle Hill. In the case of Cattle Hill, for us it's purely buying LGC certificates. No energy.

**CHAIR** - We know that LGCs are becoming redundant in 2030. What does that mean then? Will there be no PPA there or will it be a different PPA?

**Mr CHISHOLM** - The PPA we have in place ends at the end of 2030. It runs in line with the current LGC scheme. There's no mark to market on that particular contract because it's to do with the physical delivery of certificates, but it's accounted in a different way. In the past you would have seen it was an onerous contract. It's no longer onerous, but that methodology around whether it's onerous or not takes the same approach. At a point in time it looks at the price you've agreed to buy these certificates at and that looks at a current market price and it works out the difference.

**CHAIR** - If it's to purchase LGCs, why is it no longer onerous if the value of LGCs is going to fall away as we get closer to 2030?

**Mr CHISHOLM** - It just reflects the prices we have in our PPA. It's not a flat price.

**CHAIR** - Which you're not going to show us because it's commercially sensitive.

**Ms O'CONNOR** - On the LGCs, page 56 of the annual report under current financial assets, to explain how it works where in the previous year, there's a flat line next to large scale generation certificates shortfall and then \$15 million this year and how that works.

**Mr CHISHOLM** - As part of the renewable energy trade-in scheme to try to help participants, there's an option where you can shortfall. You have an obligation for a particular calendar year of LGCs, but under the scheme you can shortfall. What this allows businesses to do is instead of, for example, for the calendar 23 certificates instead of surrendering the whole liability with calendar 23 certificates, you would buy certificates in a future period, say calendar 25. The reason you would do that is they're cheaper. You would use those certificates instead

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of the calendar 23, but you'd only need to surrender those off the back of the calendar 25. What the requirement is that you actually pay the shortfall payment. It's \$65 -

**CHAIR** - The difference.

**Mr CHISHOLM** - No, this is a pure \$65 price that you pay per certificate. When we pay that, the cash goes out the door and we recognise this asset. In terms of the actual renewable energy liability which runs through the PNL, it's a combination of -

**Ms O'CONNOR** - What's the PNL?

**Mr CHISHOLM** - Profit and loss statement. What runs through the profit and loss statement is a reflection of the price that we've acquired these cal 25 certificates and the cal 23. It's a blended price. The reason we've done it is we have been able to get certificates in the future at a lower price. The cost for the business is the cost of carry, because we've got to pay the cash out and then once we surrender those cal 25 certificates, we get this money refunded to us. It's basically money we put up, money we get back once we surrender the certificates we've shortfalled in that calendar 23 period. That amount there relates to calendar 22 certificates. We've done it twice, once on the cal 22 and then if you look in the non-current, we do have the 2023s in there as well.

**CHAIR** - It's about \$27 million due to be refunded. Is that right?

**Mr CHISHOLM** - That's right. But it's not a full \$27 million cash impact to us because the cash impact to us is the difference between what we would have to have bought and surrender those certificates within that year. It's really the price difference. For example, if we had an option to buy the calendar 23 certificates at \$50 but we've now paid the \$65, is a \$15 certificate amount. What you can't see and hear, this is the straight \$65 amount. But, what you can't see is the benefit we've had in our cashflow by not having to surrender those other certificates. But, there is a cost of care. The cost of care is the difference between that price we would have had to pay for those certificates and the actual shortfall amount.

Obviously, we look at this economically and we make sure there is financial benefit to Aurora.

**Ms O'CONNOR** - Thank you. In TASCORP's Annual Report, they detail the number of their clients and the client advances, they're called, minister. It's probably good news, but Aurora Energy in the last two financial years has had zero-dollar client advances from TASCORP, unlike most other GBEs there.

Do you want to take the opportunity, minister, to talk about how good that is?

**CHAIR** - You just joined the Liberal Party.

**Ms O'CONNOR** - Longtime liberal. Yeah.

**Mr DUIGAN** - Certainly happy to pass to the chair or the CEO to communicate the goodness of that news.

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**Ms O'CONNOR** - And also in the broader context of the debt that's carried by Aurora and how you are managing that?

**Mr CHISHOLM** - We effectively don't have any debt in in our operations at the moment. Obviously, that's a good thing for us.

Our main support that we require, which TASCORP gives us, is effectively when you're in the wholesale national electricity market there is a lot of credit support you have to provide. What you see is lines of support, effectively, that we need to carry the volume of business that we do in the national market.

The main support we have, it's not a loan, but it's basically lines of support from TASCORP. But, as far as debt itself, you're spot on, we have zero debt.

**Ms O'CONNOR** - There's something in here about earnings from borrowings. There's the repayment of borrowings on page 44, and then proceeds from borrowing. Those borrowings are the money you're talking about just now, through your minister, which are short-term lending's in order to trade?

**Mr CLARK** - Correct. But, the borrowings you're talking about there is we will within a month - obviously cashflows vary - we might have a big payment due to AEMO tomorrow. We might have a short-term borrowing for two days and then we'll pay it back. Our net position is we're not in debt, but we will have monies going in and out depending on the cycle of a cashflow.

But the support that they provide us, that we provide to AEMO is effectively dictated by the rules of being in the national market.

**Ms O'CONNOR** - The covenant breach the Chair asked about before, given you don't have a substantive standing debt to TASCORP, that covenant breach was over short-term lending to trade was it and repayment of that?

**Mr CHISHOLM** - That's just more under our syndicated facility requirements. We have these facilities in place which allow us to provide working capital as the CEO outlined to manage our day-to-day. It also provides us lines of guarantees, bank guarantees which we need to post to AEMO in order to manage our prudential requirements. Basically that's our contract with TASCORP that says it has a range of covenants. One of them is around the movement in net position. Regardless of how much we've drawn down, it's more about what the covenants are within the actual loan documents we have with TASCORP where this has come about?

**Ms O'CONNOR** - Would it be, is it possible to share with the committee, and through you, minister, an understanding of how much is borrowed from TASCORP on a short-term basis in a year in order to do that trading?

**CHAIR** - Is that the \$110 million here turned around, in and out. \$120 million last year.

**Ms O'CONNOR** - I gather there's quite large sums.

**Mr CHISHOLM** - There are large sums, but it's not the 110. The 110 rarely reflects an aggregation of we've borrowed, we've paid back. It aggregates all the borrowings, and all the

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drawdowns we've done and all the payback. But it doesn't say that we've drawn down 110 and then paid back 110. We could draw down 10, pay back 10, draw down 20, payback 20, and what that does -

**CHAIR** - That's a cumulative over the year.

**Mr CHISHOLM** - That's a cumulative amount over a year. Typically, if we are drawing down, it is in a \$20-30 million type level.

**Ms O'CONNOR** - Over the year, or at any one purchase point?

**Mr CHISHOLM** - At a point in time. I think it's AEMO payments, it's TasNetwork payments. You know, we have to pay AEMO, we have to pay TasNetworks, before our customers pay us. This really is working capital. We could have an occasion where have to pay out AEMO, pay our TasNetworks. We have to draw down a bit of money.

**CHAIR** - They don't like to be paid late.

**Mr CHISHOLM** - No.

**Ms O'CONNOR** - TASCORP is like an ATM, almost, for you?

**Mr CHISHOLM** - Yes. They provide working capital facilities, pretty much - almost like a bank overdraft facility that you are tapping into, which we need in order to manage. We wouldn't be able to survive without it.

**Ms O'CONNOR** - Of course. Okay.

**CHAIR** - AEMO won't be paid late.

**Mr CLARK** - We have people on quarterly billing, so a good example is quarterly billing. We've paid out nearly three months worth of energy and network costs before the customer pays us.

**CHAIR** - Really pleased to see you put that back as an option to the aurora+ app, because that was one of the reasons why we didn't sign up.

**Mr CLARK** - We took our customers' feedback and addressed that.

**Ms NYLANDER** - We thought everyone would be happy for it to be shorter, but not necessarily.

**CHAIR** - We also didn't want to pay for it at the beginning either. For the app.

**Ms LOVELL** - Minister, through you, a question for the acting chair and CEO. The Premier announced on 3 November 2024 a plan to review GBEs, and with a potential or possibility of privatisation, and has said that transport and energy businesses will be the priority. When were you advised of that review? When did you become aware?

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**Ms NYLANDER** - That weekend, prior to it being announced. Advance warning, the day before.

**Ms LOVELL** - Have you had any engagement with the government since then about what the review might look like for Aurora, or time lines, or what criteria there might be to determine potential privatisation or otherwise?

**Ms NYLANDER** - Yes, there has. There's been good communication. There's been a chair and a CEO roundtable, which we participated in. There's been communication about how the process is going to run. We've been asked, as all other SOCs and GBEs have, to participate in that, to put in a submission. I think, yes, there's an openness - certainly around the roundtable, there was a desire, certainly from Aurora's point of view, that we see no threat in the review being undertaken. We report monthly as it is.

We don't believe there's anything that isn't - there are things that surely could be improved, we're not saying there wouldn't be. However, we are happy to participate in that review process, and we've indicated we'll put a submission in. It's up to the government what they do in terms of the sale process, if that's the pathway. At this stage we're looking at participating in what better reforms there can be, from a reporting point of view. Already we're reporting on a monthly basis, so from our point of view, there shouldn't be any surprises for the government.

**CHAIR** - Probably more aimed at others.

**Ms LOVELL** - I reckon so. Minister, will you rule out privatisation of Aurora?

**Mr DUIGAN** - I don't think it's helpful for me to be doing any of those sorts of things, understanding there's a review underway. What I absolutely commit to is conducting that review in a way that looks at our government business enterprises with a longer time horizon, and to try to better understand how they benefit Tasmanians - and that's as it should be. I point to the energy businesses, the energy GBEs, as having done an outstanding job in the last decade or so in terms of managing the cost of energy to Tasmanians, noting that power prices in Tasmania, in real terms - it may not feel like it - but power prices in Tasmania in real terms in the last decade have gone down. Aurora has been a big part of that, as has Hydro Tasmania and TasNetworks.

I think there is a broad agreement that it is timely that we have a review. We need to do the work and understand what the opportunities may or may not be and seek input. As I've said in other forums, I think it's really important to get the input from our GBEs into what the learnings are that they bring to this. Particularly in the cases of mature energy businesses, I think it's critical feedback that we get.

**Ms LOVELL** - I have some questions on another topic. You mentioned earlier the YES (Your Energy Support) program. In the annual report it talks about it, I think, 14,000 customers accessing that program over a period of time. Do you have a breakdown, particularly this last financial year and maybe the two before that, as to how many customers have accessed that program?

**Mr DUIGAN** - Yes, I'm pretty sure I've seen that.

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**Mr CLARK** - Our CEO, Alistair, can elaborate further on the YES program.

**Mr BURKE** - Currently there's approximately, or at the end of the last financial year, there were just over 6000 customers on the YES program, which was an increase year-on-year of just over 20 per cent. I'm happy to talk about some of the specific work we've been doing to support that program and to identify customers who can benefit from being involved.

In terms of the breakdown across previous years, as at September 2023 there were 4800 customers, so that speaks to that increase over the prior 12 to 18 months that I touched on. Prior to that, in September 2022 there were 4200 customers. We have seen an increase in participants over the last period, which is understandable given the challenges that customers have been facing, not only in Tasmania but across the entire country, in terms of cost of living and energy debt. It's certainly been a big focus of ours, in terms of how we can identify customers who can benefit from that program.

There's a significant energy literacy piece, and what we found, particularly through COVID, there were some real challenges getting customer engagement. That's why we've put a lot of effort and investment into proactively contacting customers that might be at risk of falling into debt, and working with them as early as possible to get them the support they need.

**Ms LOVELL** - There was, I know, some funding for the Energy Bill Relief Fund which was in Tasmania through the federal government, paid out over two years - \$250 per eligible customer per year. Originally that was budgeted for 140,000 customers, but the annual report shows that that's gone to 100,000 customers. I guess the question is, is that the number who were eligible, or were there more that were? Is there some reason for the discrepancy, and what's happened to the rest of that funding that should've flowed through for that?

**Mr DUIGAN** - That was a jointly funded program through the state and federal government, I think a \$90 million program. What I would like to do is put on the record my thanks to Aurora for getting, well, primarily Aurora, getting those payments out the door and to people - you know, quite a substantial job of work. What I would say is it happened very seamlessly, whether it was that program or whether it was our renewable energy dividend or suchlike. People have been getting those things and they're very welcome, I know.

In terms of the number of people who received that energy bill relief payment, my understanding is that all the people who were eligible for it received it. There may have been some discrepancy in what the estimated figure was and the number of people who were, in fact, eligible for it. My understanding is that anyone who was eligible has received it. If they haven't, please let us know.

**Ms LOVELL** - Was money allocated in the Budget, and the money that came from the federal government, too, was that for 140,000 customers?

**Mr DUIGAN** - I believe it was a \$90 million joint allocation, \$45 each from state and federal governments.

**Ms LOVELL** - What's happened to that extra money that hasn't gone out to the customers?

**Mr DUIGAN** - That would be something I would need to investigate, unless -

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**Ms LOVELL** - No? That's fine.

**Ms O'CONNOR** - Imagine what sort of energy efficiency you could roll out across households for \$90 million for perpetual energy bill savings, rather than a one-off.

**Mr DUIGAN** - Yes.

**Mr CLARK** - In essence, \$45 million has been applied so far for that particular scheme - \$45 million has been paid out.

**Ms THOMAS** - In the submission to the pricing schedule commencing 1 July 2025, there's a note that Aurora is proposing to increase the late fee from \$5 to \$12, which is 140 per cent increase. What is the rationale for this and how much has been collected in late payment fees annually over the last few years?

**Mr DUIGAN** - One for the team.

**Mr CHISHOLM** - I don't have the late payment fee number. We can probably try and get somebody to send that through. The basis for the increase was that number has not changed for about 10 years and it reflects what we've seen a lot of other businesses charge for late payment fees. That's the basis for that request, to make it. Here we go. It hasn't changed for over 20 years. There you go. That's the exact number.

**Ms THOMAS** - It's been \$5 in 20 years.

**Mr CHISHOLM** - We've done some benchmarking and the jurisdictions other companies are charging, sort of that \$12 to \$15 mark. That's the basis for that change.

**Ms THOMAS** - What measures are there to assist customers who do pay late?

**Mr DUIGAN** - One of the things we always try to impress upon people is, if they're having trouble paying their bills, we've talked a little bit about Your Energy Support program and things of that nature, we know that the earlier people address their difficulty in coping with their energy bills, the better the outcome, generally speaking. There have been debt forgiveness programs and things of that nature when people can't see horizon for coping with their energy debt. Aurora has been particularly proactive in that space in terms of those kinds of things.

**Ms NYLANDER** - The investment in Aurora+ is designed to give people line of sight on a minute-by-minute basis effectively in front of them. The aim is to not let them get in that situation where possible by giving them line of sight and ability to pay in advance or in real time.

**Mr CLARK** - Alistair could elaborate a little bit further on the multiple measures that we employ with people that might be having a payment difficulty.

**Mr BURKE** - It really does depend on the individual circumstances of the customer. It may be as simple as a payment extension and a one-off payment extension. We have very easy ways for customers to do that. They can do it through Aurora+ without ever needing to speak to somebody at Aurora. It can go from there to payment plans, which is a conversation we have

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with customers to really understand what is their capacity to pay. Again, taking into account their specific circumstances, right out to our YES program, which is that long-term customer support and ongoing support around not just paying their bill, but also how to improve energy efficiency, how to reduce their consumption and some of those more sustainable measures that can have benefit for customers, not just in the short-term, but moving forward in terms of their consumption. We have a range of options. Those are a lot of the operational type things that are there. As we've spoken about before, we also have a range of other support measures through the YES program. We have the debt forgiveness program, which at this point we've been able to waive over \$400,000 since that started and that really goes to some of that long-term debt that we saw built up through COVID and post the pandemic. We've also done payment matching regimes through the YES program, so that where customers are paying off some of their bills, Aurora will match one of those payments. We did that for the last financial year. On top of the payment plan options, there's also other support measures to try to bring down that debt.

**Mr DUIGAN** - I would also add that the state government, federal government, lots of leaning in to provide energy concessions for consumers at various levels through the spectrum in the course of the year. It is worth noting that a concession card holder in Tasmania this year will get a \$1433 knock off their energy bill. In some circumstances, people not paying very much for their energy at all. It has been a focus.

**Mr CHISHOLM** - I do have the late payment fee number. In the 2021-22 period it was about \$330,000. In 2022-23 it was only \$50,000. And the reason it's dropped off is to do with the new billing system implementation, and this functionality wasn't in place. And it's now functionality that's come back into place. So, I think, that 2021-22 is probably a more accurate run rate to where we were with a \$5 late payment fee.

**Ms THOMAS** - Thank you.

**Ms O'CONNOR** - I want to talk about your Power Hours program. The annual report here on page 4 talks about the Power Hours. So, a program that's been in place since January 2024 has saved all the Tasmanians who are involved a total of \$305,000.

What is the average saving per Power Hours event? Because our maths and you know, I can't vouch for this, is that it's \$0.75 per power hours event.

**Mr DUIGAN** - I think I can update your \$305,000 to \$461,000 since launch January 2024 until presumably about now.

In terms of how that number is calculated and whether the two mathematical equations will line up, I think probably is a matter for the chair.

**Ms O'CONNOR** - Yeah. I'm trying to ascertain what's the real savings here. Because it looks and sounds good. But then when you go into the actual contract, the terms and conditions, all the power is with Aurora. People are locked in to a time slot on the app that they can't change. All the discretion to cancel Power Hours is with Aurora. All discretion to change terms and conditions again with Aurora.

So, we don't want this to look like a marketing tool. We want it to look like a genuine cost-of-living - well, we want it to be - a genuine cost-of-living measure.

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So, what's the understanding of what a household might say who has signed up to Power Hours? And presumably the Power Hours are not in peak time. So, is there an understanding of what's being saved by eligible, that is, households who've signed up?

**Mr CLARK** - I'll ask my chief customer officer, Will Barbour, to come up. He looks after this area. But, while Will is coming to the table, just to put on the record that there's a number of things there. It's obviously not forced on anybody. People don't have to sign up. It's free through the aurora+ app for people to engage. We never put out there any rules from the point of view of them changing those rules. It is effectively a loyalty and a cost-of-living support measure that we voluntarily introduced.

Will can elaborate a little bit more on some of your other questions.

**Ms O'CONNOR** - Do you want me to repeat them, Will, because you've come from far to be at the table?

**CHAIR** - For the purpose of *Hansard*.

**Mr CLARK** - At the table, Will Barbour, chief customer officer of Aurora Energy.

**Mr BARBOUR** - I think I'm comfortable with the question, but thank you for the opportunity to clarify.

A bit of background, Power Hours, as you say, is available to residential customers. One of the components of that - of the value proposition - is indeed that: value. But it's important to remember that, as we've heard a couple of times so far, another part of it is engagement. What we see is engagement with aurora+ and visibility over energy consumption can actually lead part of that building block of energy literacy can actually lead to greater savings.

We understand that Power Hours events, and I will come back to the average savings in a tick. Power Hours events don't necessarily change the bill significantly within a particular month, but that's not necessarily its aim. It's around understanding. And what we see is when people have the ability to understand their usage, get themselves under the right tariff and then actually control the consumption, that can really drive the bills down.

The average saving is a bit of a blunt read unfortunately with the annual report because power hours you save as much as you use. If you activate a slot of one of the many slots, and some of those are peak times, many off peak but some of them are peak, and then don't use electricity outside of, say, your fridge, then it's going to record a low saving.

**Ms O'CONNOR** - Okay. How does it work in terms of peak times? Is Aurora wanting to encourage people to use less during peak times? Do you want to knock the top off the peaks? Is that part of what's happening? Or are they offered as Power Hours?

**Mr BARBOUR** - They are. If you take for example the Christmas event which has been available for a few days now, that runs across almost a week and there are peak and off-peak slots available.

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Coming back to the idea of building energy literacy and understanding though, we certainly see when we look at our figures that most Tasmanians, the majority of Tasmanians would be better off on a time of use tariff. When we look at that, we look at historical data, and the customers who return the best customer experience survey metrics to us are those who are on time of use, who are tracking their energy consumption and making use of the peak and off-peak. Part of Power Hours is building understanding that peak and off-peak exists and if you leverage that you can actually drive your bill down.

**Ms O'CONNOR** - So, is there a plan? Is Power Hours going to become a permanent feature of Aurora's operations? Is there any plan to extend or expand it?

**Mr BARBOUR**- It's fully embedded. It's been running for almost one year. Late January earlier this year was the first event and it's approaching its one-year anniversary. As I say, there's an event for a few weeks' time and the next one will be in January. It's now part of our proposition.

**Ms O'CONNOR** - Can I just ask, now that you've got an app in place and you've got Power Hours that is making people more aware of their usage, have you noticed any changes in power consumption from people who have the app?

**Mr BARBOUR**- I'm not sure I can answer that. As for broader consumption, we certainly do see shifts in usage patterns.

**Ms O'CONNOR** - From individual households?

**Mr BARBOUR**- That's right. The proposition shows that people understand if you shift your energy, they will shift their energy to use an event, and one of the core components of the proposition is building that literacy. Then we tend to see a higher usage or proportion of aurora+ users on time of use tariffs because they have that visibility and we know that that tends to drive their bills down should they use the time of use tariff accordingly.

**Mr CLARK** - Most engaged customers also come out very clearly as those with an advanced meter with aurora+, typically monthly billing and a time of use tariffs.

**Ms O'CONNOR** - Right on top of it.

**Mr CLARK** - We do extensive quarterly surveys and it gives us that proof point that if we can get that sweet spot for a lot of people, then they are the more engaged and satisfied customers.

**CHAIR** - And they cook the turkey in the free hour.

**Ms O'CONNOR** - You can't cook a turkey in an hour, Ruth.

**Mr DUIGAN** - The rare turkey, anyone?

**Ms THOMAS** - Whilst I appreciate the concept and the benefits to individual households, there's no such thing as free anything. Someone has to pay. My mind went to the analogy at council we had for a time of a free landfill day where you could go to the tip for free. It wasn't actually free and it ended up costing ratepayers, every single ratepayer, a lot

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more in the long run and also had the negative consequence of encouraging people to dump stuff rather than repurpose or recycle or reuse. We scrapped the free tip day for that reason.

I wonder if there's - what impact does it have? Does it mean Aurora makes less profit because Aurora is effectively paying for that energy? I'm assuming it doesn't mean prices go up for everyone else to pay to cover that loss?

My other concern was, does it encourage people to be reckless with power use because for that hour they'll have four TVs on in the house and won't care because they don't have to pay for it. Do you know what I mean? Has there been any analysis of those potential negative impacts?

**Mr CLARK** - I'm happy to take it from a financial point of view. No, absolutely it does not contribute to people paying more. Our regulated price regime dictates our tariffs.

While on the one hand you might look at it and say, 'Well, it's a cost to Aurora', and does it lead to less dividends to the government? That is one perspective, but the flip side perspective, as well explained, is by us creating engagement with the app and with our services through the app, then it will also save us costs because we have a lot of self-service mechanisms on the app. Increasingly, you're adding more in there, so the flip side is we will then get cost savings in Alistair's area.

So, there is a yin and a yang that comes together in that equation. For us, we know long-term Tasmanians, if they are engaged, understand their energy use and patterns and, to be honest, take advantage of the technology that we've rolled out in Tasmania. We are the most leading state with the retailer-led roll-out of advanced meters far more than any other state, we will be finished basically at the end of calendar 2025. To make this investment, to do this effort, we really want to get benefit for everyday Tasmanians. So, we don't see it as a cost.

**Mr DUIGAN** - And, certainly from government to help promote that energy literacy piece, is really important, because it is an opportunity for people to pay less if you are active and if you are across it and you are interested, there is an opportunity to save a few bucks. I see it as a valuable tool from that perspective as well.

**Ms NYLANDER** - That's why our profit has been hit because the business hadn't been invested in enough and we need to become more digital and more modernised. There's been a big investment in the last 18 months or so, which is why our return this year was lower. But we're investing in the business and part of that is in things like the app, because that's the way we can connect and have a better relationship.

**CHAIR** - Can I go to perhaps some staff matters? I was really pleased to see the level of reporting around the diversity of your workforce. So, a big tick for Aurora. I haven't seen in any others, so tick for that. Small cross for not reporting your gender pay gap. TasNetworks do. Yes, we do for a little while now. So, do you know what your gender pay gap is?

**Mr DUIGAN** - Thank you, Chair. I would need to refer that.

**Mr CLARK** - Yes, I'd like to ask Nicole Hunt, our Chief People Officer to come for any questions of people matters, payroll and the like. Nicole will be very well placed to cover. Thanks.

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**Mr DUIGAN** - Thank you and for Hansard, Nicole Hunt at the table, Chief People Officer.

**Ms HUNT** - Thank you. It's an interesting and complex question to some extent, the gender pay gap, and can be influenced by various factors including the under representation of women in senior roles.

**CHAIR** - That's why I'm asking the question.

**Ms HUNT** - Yes. So, across our entire workforce, pleasingly, we have nearly a 50 per cent split across the entire workplace of male to female at a senior leader level, which includes the executive team. We currently sit at 33 per cent females. We put a lot of focus into that over the last two years particularly and pleasingly that has increased from 18 per cent and we have a lot of plans in place to continue to build that diversity across our workforce.

**CHAIR** - So the question was, what's the gender pay gap?

**Ms HUNT** - So there's a pay gap that comes into place because of the lower levels of senior leaders. But from a holistic level, but from a role-by-role basis, there's not -

**CHAIR** - No, that is against the law from a role-by-role basis. I'm interested in what the gender pay gap is. There's a formula that sits on the workplace equality -

**Ms LOVELL** - Gender and Equality Agency.

**CHAIR** - Yes, Workplace Gender Equality Agency, a federal agency that tells you how to calculate it. Okay so next year, minister, can we have an -

**Mr DUIGAN** - Let's make a note of that.

**CHAIR** - audit in the annual report.

**Ms LOVELL** - Do you know what it is currently?

**CHAIR** - I know, I look across the table. I know that Karen's acting. There's a male chair that's been appointed.

**Ms NYLANDER** - Three female non-executive directors out of five.

**CHAIR** - Yes, I know but the Chair gets paid more than the rest and the executive team. Minister, we would like this reported so we can keep an eye on it and acknowledge there has been work being done to address it.

**Mr DUIGAN** - Thank you. I believe that has been noted and look forward to the next annual report.

**Ms LOVELL** - Can I just clarify? Do you know what it is currently?

**Ms HUNT** - Not based on the formula that you're referring to. I don't have that.

**CHAIR** - So, it hasn't been calculated by the organisation?

**Ms HUNT** - No it hasn't.

**CHAIR** - Will you do that and come back to us, minister?

**Mr DUIGAN** - Is that something that's within our realms to do?

**Ms LOVELL** - Before when you said there is a gender pay gap, is that just an assumption you're making based on the breakdown of the workforce? I've assumed from that you had calculated it in some way.

**Ms HUNT** - Across our cohorts of our business, across our executive team, across our senior leader team, we utilise the Mercer remuneration framework, which has a point system that helps us allocate the ranges of our salaries for those roles. Within those, we've assessed against those any level of gender pay gap. We certainly don't see that there is any type of gender pay gap for like-for-like roles across that cohort. The remaining cohort of our organisation is bound by our enterprise agreement which has very specific definitions of particular roles that fall within the remuneration framework. Again, we've assessed against that because the EA dictates any of those salaries that are required for our employees.

**Mr DUIGAN** - Happy with that?

**Ms LOVELL** - I wouldn't say I'm happy with it, but I understand it.

**CHAIR** - It is missing the point we're making in that whilst there's an appropriate approach at various levels to make sure that men and women are paid equally, equal pay, equal work.

**Mr DUIGAN** - If there's a deficiency in the annual report, I will seek to address it.

**Ms LOVELL** - I did have one follow up. Nicole, I'm not sure if it was you who mentioned that there were steps being taken to try to encourage more women and address that lack of diversity in that regard. Can you talk through what those measures are?

**Ms HUNT** - We have quite a robust leader development program. As part of that program, we look at a lot of different elements. One of those is unconscious bias training, which is a program that will be coming up for all our leaders and hiring managers. We look at psych safety, which is a well embedded program of work which touches all levels from the executive team down. There is also our engagement through the board in terms of the importance of creating a psych safety and culturally strong workforce. Through those programs, as well as our emerging leaders program, we're really focused on attracting highly skilled and capable females into the workforce. That's something, as I said, we've seen a significant shift in the last two years moving from 18 per cent to 33 per cent and something that will be a continued focus for us.

**Mr CLARK** - It's worth noting, organisations that have a large portion of a call centre, which we do, call centres are traditionally more percentage orientated female. To have an organisation where you have a large call centre as a base, to expect you will get equalisation of

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that would be highly unlikely because of that pure dynamic mix of females tending to dominate a call centre make up. It's worth noting that two thirds of our workforce are in the call centre and the greater majority is female. When we produce the statistics, I know for a fact it will be no different to any other organisation that has a large call centre basis. We'll provide you -

**CHAIR** - You could attract more men into the call centre.

**Ms LOVELL** - I did note you celebrated International Women's Day on Facebook. This might be something you could look at for next year.

**Mr CLARK** - We don't bias in how we recruit. We recruit the best people that come through, whether that be male or female, into our call centre.

**CHAIR** - The job can be more attractive to males or females depending on how it's promoted and advertised.

**Mr CLARK** - We check our advertising regularly for 'have we got inherent biases in how we go to the market?'. In our recent cohorts, if I think of the last two that I've sat in front of, they would be still slightly biased towards female representation. There are males coming into our call centre.

**Ms NYLANDER** - You touched on that, but diversity, as you commented, is something that is actually of importance as well, not just the gender split. That side of it is has been a marked improvement and it adds a great deal to the offering for our customers as well.

**CHAIR** - I do commend you on that reporting. None that we've seen have anywhere near the level of reporting around other measures of diversity.

If I go to other people matters, you've had three medically treated injuries. I'm not sure how that compares to last year. I haven't read last year's report, but it's got a red dot, which means it wasn't good. If you can outline, minister, what the three injuries related to the nature of the industries and how it compares.

**Mr DUIGAN** - Thank you, Chair.

**Ms HUNT** - Our target for medically treated injuries is zero because, obviously, we want to create a workplace which is which is free from injury for our employees. The three injuries that were sustained are not based on any systemic type of issue. They're very individual in nature and largely were due to workplace injuries that occurred in a one-off incident.

**CHAIR** - Are we talking about serious injuries.

**Ms HUNT** - No, they're not serious injuries. Two of those were managed very quickly with the employees returning to full duties. One of them is an ongoing injury we are working closely with the employee to manage that.

**CHAIR** - This is a matter the Auditor-General reported as well. There was a type one non-compliance event. This relates to two incidents of, I assume, disconnections of people on life support and one with an incorrect disconnection, which is probably not life threatening, but the other two could be. How did that happen and what do you do about it?

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**Mr CLARK** - We did not disconnect anyone on life support. I'll ask our CEO Alistair to elaborate on on these incidents. Thanks, Alastair.

**Mr BURKE** - Thank you. It's similar with the medical treated KPI of zero as a target for any compliance-related events. Over a long period of time, Aurora's had a very strong focus on compliance. I understand how important it is for us and our customers. In the last financial year, we had three discrete incidents which resulted in an immediately reportable report to the Australian Energy Regulator. One of those related to an incorrect disconnection. That was quickly resolved with the customer being without power for only four hours. That was resolved very quickly.

Then we had two separate incidents which related to the status of our customers in the market. It didn't actually, as Nigel said, have anything to do with the customers electricity supply. There were no customers disconnected or impacted as a result of those.

We didn't meet our obligations by updating the market quick enough to reflect the customers life support status.

**CHAIR** - You got onto a life support requirement and you hadn't identified AEMO quickly enough?

**Mr BURKE** - Correct. Yes, we have an obligation, it's not just AEMO, it's the other market participants. It's really important all market participants obviously update any customer details just so everybody knows about that customer and we didn't do that quickly enough.

**CHAIR** - Were they new customers or they were customers that shifted address?

**Mr BURKE** - It can be either these specific customers. I'd have to double check whether they were move customers or new customers with us. Either way we have a number of checks and balances, controls to make sure that we get the right information from customers, particularly anything to do with life support. We obviously have a lot of checks to make sure that's captured correctly in our systems. Then the role we play in the market, it's important that that is then updated in the market at the same time.

Those two incidents related to the market status, not actually any incident at the customer's premise. Off the back of those we've done an extensive amount of work to make sure there are no gaps in our operation environment. We get internal audit functions to look at these type of operational areas regularly to make sure there's nothing we've missed. We've done a number of actions and taken a number of steps to reduce the risk of those happening again.

**CHAIR** - I assume those customers have generators on site because there are power outages. If you live on the north-west coast it happens quite often lately.

**Mr BURKE** - Sorry, do you mean life support customers generally have generation devices?

**CHAIR** - Yes.

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**Mr BURKE** - That's not something we monitor. The life support protection relates to an approved list of life support devices like a CPAP machine or something like that the customer is reliant on. In terms of generation on site, my assumption would be -

**CHAIR** - It could be a dialysis machine, for example. When we had those significant power outages for two or more weeks, then you'll be dead before - it will be dead or go to hospital, ideally go to hospital and dialysed there, but -

**Mr BURKE** - Yes and that's why it's a, yes, apart from Aurora or a retailer, there's obviously significant obligations placed on distributors and network providers to ensure that they also -

**CHAIR** - That's a matter for TasNetworks, then.

**Mr BURKE** - So that's more of a matter for TasNetworks, yes.

**CHAIR** - That's okay. That's all right.

**Ms O'CONNOR** - Thanks, Chair. How many other retailers are operating in Tasmania at the moment?

**Mr CLARK** - Will, would you like to cover this one, thanks?

**Mr BARBOUR** - Happy to. So, within the large customer segments, it's essentially two. Then, within the small customer segment, which is where the bulk of our customers sit across residential and SMB, is Aurora, and probably four active retailers and then some others who are very niche and probably approach very low numbers of customers with quite targeted niche propositions. We would typically keep an eye on four other retailers.

**Ms O'CONNOR** - Okay. I'm interested to learn what 'keeping an eye on' means. So, in terms of the larger customers, you identified one other retailer in that space. Who's that?

**Mr BARBOUR** - Do you want to speak to this one, James, or do you want me to run -

**Mr CHISHOLM** - I can pick this one up. So that's Shell - ERM was bought out by Shell. So, they've been competing in this market.

**Ms O'CONNOR** - Shell, the fossil fuel company?

**Mr CHISHOLM** - Yes.

**Ms O'CONNOR** - Oh, great.

**Mr CHISHOLM** - Yes, since 2014, so they have about 30 per cent of the market for C and I [commercial and industrial] customers.

**Ms O'CONNOR** - Well, I hope you retain your share and more. So, the question is when, if a customer comes to Aurora and says, 'I've got a better deal out of another retailer,' what is the response and how does Aurora make sure it's not behaving in a mercenary, corporatist way while protecting its interests?

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**CHAIR** - Predatory.

**Ms O'CONNOR** - What was that, sorry?

**CHAIR** - Predatory.

**Ms O'CONNOR** - Yes, predatory, which is not in Aurora's DNA, but also there's more competition here. You need to protect Aurora's interest. You may have customers moving for one reason or another. How does Aurora respond to that?

**Mr CLARK** - I'll ask Will again. There's numerous retention strategies that we'll employ and maybe if you just elaborate a little bit further. Thanks.

**Mr BARBOUR** - Yes, happy to. It's a good question. So, there is obviously a level of detail here that I would rather avoid given that we operate in a competitive environment -

**Ms O'CONNOR** - Sure.

**Mr BARBOUR** - But I will say probably first and foremost, we're very much conscious of our market share and our origin as a true 100 per cent monopoly market share retailer, but conscious of the market share we have today and, as you say, good corporate citizens, it's not in our DNA to behave badly. So, we keep that in mind with everything we do.

One of the things that's risen out of a competitive environment, we very much diversified our proposition. So, things like aurora+ and Power Hours, which there is that loyalty component to Power Hours, our product suite, some of the focus we place on things like time-of-use tariffs and helping customers to understand. So there's that extra value, and then some of the other aspects to broader proposition energy efficiency and channels to market.

It's an evolution and there's that diversification of our product suite and our channels but, essentially, we try to work with a customer to find value for them and ensure that we're doing the best thing by them.

**Ms O'CONNOR** - Is that a slightly longer way of saying there is direct contact? If a customer says, 'I'm out, I've had enough of you guys, I've got a cheaper arrangement,' there would be direct contact from Aurora to that customer to explore why they were making that choice and try to talk them out of it.

**Mr BARBOUR** - Yes, that's correct.

**Ms O'CONNOR** - Okay. The time-of-use tariffs, which I gather are the best value for money for customers, why are they not the default? Does that require the app or why is it not just a broad offering for all customers?

**Mr DUIGAN** - Certainly my understanding is if people would like to adopt a time-of-use tariff, that is absolutely something that they can do, noting that, if you establish a new connection to a new home, for example, that that would be the default. The time-of-use tariff would be the default, noting there is an option for a market offering flat-rate tariff.

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**CHAIR** - What's the tariff number for anyone who might be watching and wanted to check if they're on it?

**Mr DUIGAN** - Tariff number, it's not 31 or 41. Is it 22?

**Ms O'CONNOR** - If you could do this.

**Mr CLARK** - The flat rate is 31/41 and 93 is the residential.

**Ms O'CONNOR** - Good on you for having a go. At the table and all. That was terrific.

Regarding the not larger customer base, the major industrials and the like, but the broader customer base for retailers in Tasmania, how much does Aurora hold?

**CHAIR** - Residential and business?

**Ms O'CONNOR** - Residential and business, not major industrials. Given that you once had 100 per cent of the share, where are we now?

**Ms NYLANDER** - Ninety-three?

**Mr CLARK** - About 93 per cent.

**Ms O'CONNOR** - Are you seeing that fundamentally hold?

**Mr CLARK** - It fluctuates at different times of the year. It can be moving down. We have fought hard, as you said earlier. It's important for us to maintain critical size of our base. We fight hard to try and hold that ground. That's the easiest way to put it.

**Ms O'CONNOR** - Does Aurora have any engagement with TasGas and gas as a source of power.

**CHAIR** - They're called Solstice now.

**Ms O'CONNOR** - Oh, sorry.

**Mr CLARK** - Yes, they are the distributor for gas. Our only official dealing with them is we have a small amount of gas customers, so we pay them for the distribution that they do. That's effectively it.

**Ms O'CONNOR** - As far as we know, what's happening with the gas market? Do we know?

**Mr CLARK** - It's pretty much flat. Not growing based on the numbers we would see anyway. It doesn't seem to be actively growing in the small end, no.

**Ms O'CONNOR** - Great.

**CHAIR** - On page 32 of the annual report, you've got consultancies. The [inaudible] standards require that you have to report those above \$50,000. You have listed the Tasmanian

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Audit Office as a consultant. I don't think that's how they see themselves. You might like to review that allocation to the Audit Office there. Noting that, they are also the biggest consultant, though they are not a consultant. There are another couple of little ones, \$81,000 and \$57,000. Then you've got 13 other consultants who are engaged for less than \$50,000 that make up \$236,000. That's a much larger number. If you take out the Audit Office especially, it's a much larger number than just those two. Are you able to provide more of a breakdown of some of those consultants, what they were for? I know there's a legal requirement around reporting, but there's so many obviously. There are 13 as opposed to two, I'll say, not three, consultants that you have to report on. It'd be helpful to have a bit more vision of that.

**Mr DUIGAN** - You'd like to understand what those other 13 are, what are they engaged in doing for the business?

**CHAIR** - Yes. We talk about buy local. It's very high, probably the highest we've seen in our scrutiny today, 96.4 per cent of your buy local, but, in terms of consultancies, what are they, what's the purpose? There are only 13. I wonder if you could provide detail to that 13.

**Mr DUIGAN** - I think you could probably provide some information at the table what, what the likely -

**Mr CLARK** - It would get into things like primarily where we would bring in specialist expertise. For instance, in this year gone, we did some work on our risk management policies in energy trading. We brought in an expert in that area.

**CHAIR** - A smart person.

**Mr CLARK** - to come in and basically review what we were doing, help us plot the road map to best practice. I think what you'd find is those type that they would be the ones that would make up. It's specialists, because we aren't a large company, as you'd appreciate, so sometimes you need to go to the market to effectively help bring in that resource for a short period of time, a defined project.

**CHAIR** - That said, I accept that. Can you talk me through, minister, a bit about the IT capability in the business, the skills and particularly with regard to cyber security? We've got a lot of smart meters out there. We've people engaging with the aurora+ app and a lot of personal information that's stored. What capability and what investment's been made in IT.

**Mr DUIGAN** - Thank you. Noting the points you have made which are absolutely relevant to this. Certainly in the energy landscape it is an increasing area of interest and concern and investment indeed. I'm happy for the business to find some.

**MR CLARK** - It's an area we take incredibly seriously. We continue to be committed to cyber security, fully recognising the growing risks of information theft and impacts on the business. In 2023-24 year, we invested approximately \$1.4 million in cybersecurity technologies, services and service providers.

Our cybersecurity is underpinned by 24/7 security operations centre (SOC), providing continuous monitoring of cyber threats and anomalous usage alerts across systems including the likes of customer facing aurora+ platform, our website. We also last year introduced multi factor authentication onto aurora+, which was a significant step forward. We also provide

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extensive cyber awareness training to all our staff. We also had a continuity emergency exercise last year, specifically on a cyber event. There are many things we do that continue to move us up the cyber maturity continuum.

In the year coming, we have further projects in place will take out some sensitive customer data. That will be totally removed from our systems things we believe we don't need to store. That project is trained in this year, funded in this year and will be another significant step forward by the end of for year 2025.

**CHAIR** - In terms of monitoring of the threats and breaches, how many threats have been identified and have you had any breaches you're aware of. Knowing that we've probably been one that all of us is probably suffering and we don't know about it.

**Mr CLARK** - I'm not aware we have had any significant breaches in the year, certainly as far as threats. If our CEO was here, he would be talking about how you get thousands and tonnes of attacks that are continually pinging your system on a daily basis. Obviously, the systems we have in place, that certainly is clearly identified. But from a threat point of view, we've not had any major breaches in the year just gone or the year before that.

**CHAIR** - That's the answer we wanted because if it wasn't picking up many then you think your system is not robust enough.

**Ms O'CONNOR** - The right to information on page 30 of the annual report talks about three applications that were received for assessed disclosures. Only one of them was the information released in full. Then there's been an internal review and an outcome and Aurora decided to waive its right to an exemption. What was the application released in full in relation to? I'm sure it'll be on the assessed disclosure spot somewhere deep in the website.

**Mr DUIGAN** - I will seek a bit of detail on that.

**Ms O'CONNOR** - Three RTIs in a year is not a huge volume.

**Mr CLARK** - That one relates to a customer wanted customer usage data information and we gave it in full to them.

**Ms O'CONNOR** - The other two were not refused, were they released in part to your knowledge?

**Mr CLARK** - Correct.

**Ms O'CONNOR** - Okay. We have varying approaches to right to information across government agencies and the Integrity Commission's written a helpful report about some of the activities of the health department. Philosophically, what is Aurora's approach to right to information? Is it wherever possible to actively disclose and to be open in the spirit of the act or not?

**Mr CLARK** - A simple answer would be we would always seek to comply with the act. Obviously, the delicate issues at times would simply be ones of commercial confidentiality that may come into play with certain types of contracts and the like. Otherwise, I think we would always seek to participate within the spirit of the regulation.

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**Ms O'CONNOR** - Yes, the health department said that too, but they weren't, but I'm sure that Aurora is. Is there a delegated RTI officer with Aurora?

**Mr BURKE** - Yes there is. Our company secretary, general counsel is the RTI officer and also our head of legal risk and compliance. To elaborate on Nigel's answer, one of the reasons why if you look over a number of years, Aurora's had quite low RTI requests is because we have endeavoured where possible to release information without having to go down that formal process. Obviously, there are situations where requests come through where it might relate to protected areas under the act where we'll, as Nigel said, refer to the specifics of the act for guidance on those decisions. Generally, we've always taken a proactive release stance where possible.

**Ms O'CONNOR** - That's really good to hear.

**Mr CLARK** - The other thing we're doing is investing in CDR, if you think about consumer rights, we are in throes of that project at the moment which -

**CHAIR** - What's that stand for?

**Mr CLARK** - Consumer data rights. That will give a more simple ability for someone to request their historical usage for instance, of their national meter identifier and they might then use that to go and talk to a vendor or some other provider. We are busy delivering the CDR project this year. That's another form of consumer rights.

**Ms O'CONNOR** - And that's not something that requires a legislative change or anything. That would come down to an Aurora policy that's applied.

**Mr CLARK** - Yes. Actually we're fulfilling a regulatory obligation Australia-wide on CDR. That was in a national regulation -

**Ms O'CONNOR** - A national regulatory, okay.

**Mr CLARK** - That that was then brought down through into the states. Not dissimilar to what the banks and some of the other industries went through with CDR.

**Ms O'CONNOR** - Presumably all Tasmanian GBEs will have to apply CDR consumer data rights principles or -

**Mr CLARK** - I'm not sure.

**Ms O'CONNOR** - I know you can't but -

**Mr CLARK** - I can only speak for energy.

**Ms O'CONNOR** - You've got a few GBEs under your belt, minister.

**Mr DUIGAN** - Yep and I would need to take that one on notice to say whether that national work had filtered through into other areas, noting that some of those other businesses probably don't hold the same level of consumer data -.

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**Ms O'CONNOR** - Customer data, yes.

**Mr CLARK** - Yep.

**Mr DUIGAN** - and where the risks and the rewards lie.

**Ms O'CONNOR** - When we talk about consumer data rights, we're talking about the individual electricity consumer? We're not talking about a person having a right, for example, to access information about what's charged to major power users in Tasmania when the power is given away?

**Mr CLARK** - No. This is simply your data of your consumption of your NMI, effectively.

**Ms O'CONNOR** - Your individual data rights. Okay. Thanks.

**CHAIR** - Good try.

**Ms O'CONNOR** - Always trying.

**Ms THOMAS** - Thank you. In relation to the billing and how Aurora as the retailer is responsible for billing for all the components of energy, but only receives 12 per cent I think it is, of that -

**CHAIR** - Price tag.

**Ms THOMAS** - Yes. Has there been any consideration of the equity of this in Aurora carrying all the risk and what any other models might be for charging for those components?

**Mr DUIGAN** - Ultimately, people want to receive only one bill. They probably don't want a bill from Hydro or TasNetworks and all the others. Retailers would typically provide that billing service on behalf of, in the case of Tasmania, our energy providers and our energy distributors. We would seek to compensate Aurora and other retailers through our regional price, which obviously has a component in there for the retail provision of that energy service. That would be how I would look at it. I'm happy to hear any thoughts the business might have on that.

**CHAIR** - If I could just perhaps add to it a little bit for your team. If there's unpaid bills and there's not an insignificant number of bills that are written off for the reason to understand, but all that burden, all that unpaid debt, 30 per cent of that bill is a networking charge. Roughly 30 per cent is your wholesale and there's the other bits and pieces and 12 per cent retail. Aurora has to pick up and lose the whole lot. I got \$400 from TasNetworks recently. It was very nice because we'd had lots of power outages.

**Ms O'CONNOR** - Was that for your solar? Oh.

**CHAIR** - As usual in my area. Whilst the inconvenience of that is one thing. They have my details. They send me cheques in the mail. It was a pain in the neck, but anyway. You have to go the bank, yeah. They do have the details. They have to pay me under their service

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agreement. I'm wondering if this happens anywhere as to whether there is some apportionment of those bad debts to the other components of that bill.

**Mr DUIGAN** - I have discussed that as I understand it, I would be happy for Nigel or the chair to let us understand if there are any avenues for Aurora to seek reimbursement from TasNetworks or Hydro or the other component parts of that debt.

**CHAIR** - I'll stick with those two because they're the big ones.

**Mr CLARK** - Two parts. Your first proposition is correct. The burden does fall with the retailer in the way that the Australian energy industry has been set up. It falls 100 per cent with the retailer. As far as how our pricing regime deals with some of that debt obligation, Alistair, would you like to expand a little bit further? Thanks.

**Mr BURKE** - To reiterate, there's a range of rules around how the supply chain works and the role of retailers in passing a bill onto customers and what needs to be captured in the bill is highly regulated through the National Energy Retail Rules. We don't have much influence over those different elements. It is part and parcel of being a retailer. The reality of that is that we do wear the bad debt risk the entire - and other retailers - price stack. That is why we have a lot of focus on it. There are elements to our regulated price framework in terms of how Aurora is compensated through that framework to make up for some of the risk inherent in being an energy retailer and some of that risk does relate to bad debt expense.

**CHAIR** - Some of that 12 per cent price stack takes into account an assumed level of bad debt, is that right?

**Mr BURKE** - Correct. Part of our regulatory pricing determination and process is reviewing, I guess, how that has impacted us as a retailer over the period and that forms part of that overall price stack. The actual reality might be very different from what was actually considered as part of the pricing determination and that's why we still need to manage it very closely as a retailer, as all retailers do. We're managing that risk.

**CHAIR** - So do you have any idea, minister, of what the actual cost to Aurora is? To run the business overall, how much of that 12 per cent covers that and how much spare is there?

**Mr DUIGAN** - I don't know of the 12 per cent, what percentage of that is attributed to bad debt provisions.

**CHAIR** - I'm not suggesting that. I'm asking how much does it cost to run the business with all the things the business does, then the 12 per cent of the price stack is what Aurora charges? Does that cover those costs with a bit to spare or is it really tight and that's why you have to chase every bad debt?

**Mr DUIGAN** - Through the company's annual result where you see a relatively modest profit posted, it would suggest that there is a margin, but it's a relatively thin margin. In terms of recovering debt and forgiving some debt where appropriate and the way the business goes about managing that balance, I think you would say is pretty close to the mark.

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**CHAIR** - If you think about the additional number of people who might have defaulted on their bills without the various top-up payments during the last little while, it would have been quite significant, I imagine.

**Mr DUIGAN** - Quite possibly, and I think it's a dynamic state and it's something, as government, you continue to monitor, you continue to provide relief where you believe that's appropriate.

**CHAIR** - The rules are the rules. Can I just ask you a little bit about sustainability reporting and how well prepared Aurora is? I'm not sure whether in the first round or second round -

**Ms NYLANDER** - Second round.

**CHAIR** - Second round. So in terms of getting ready for that, in any event, do you have an assurance framework yet and how's that progressing? How are you planning to measure scope 3 emissions, which are pretty hard to capture?

There were two questions in it.

**Mr DUIGAN** - Ollie Cousland, company secretary and general counsel.

**CHAIR** - You may need to, if *Hansard* hasn't got the spelling of your name, with all due respect, we may need to provide that to make it correct in our records.

**Mr COUSLAND** - Thank you. So, we are in the second tranche, so we start having to report in 2026. So we've undertaken some work to start developing a baseline of our carbon emissions so that we can start tracking that so that we can start reporting from 2026 when the mandatory reporting comes in. We've also been gathering some information to start the broader ESG reporting beyond the environmental aspects and we'll be starting to roll that out in the coming years when we're required.

**CHAIR** - In terms of measuring scope 3 emissions, I mean offset, it's not an easy task. What work is being done there?

**Mr COUSLAND** - We're only in the very early stages of attaining the baseline. So, we haven't got to the stage where we've needed to work out that level of detail yet.

**Ms O'CONNOR** - Will you have it done in time by the mandatory reporting day?

**Mr COUSLAND** - Yes, 2026. We'll be ahead of it.

**CHAIR** - Do you have any other questions on that?

**Ms O'CONNOR** - Not necessarily. No, I was watching you closely.

**CHAIR** - Oh, yes. I know the government's doing a review of governance, perhaps not targeted as much at Aurora but some others perhaps. But I'm just interested in terms of the board, how often board performance reviews are done and how they're done and how they're reported and what are the metrics that are measured in that?

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**Ms NYLANDER** - Yes, we have board performance reviews. We have and I'll throw to Ollie in a minute for the process, but certainly there's board performance reviews undertaken annually, we also get independent oversight of that. So did you want to sort of speak a little bit more on that, Ollie?

**Ms COUSLAND** - Yeah, sure. As Keryn mentioned, we do annual performance reviews of the directors in the committee performance. Every third year we attempted to get an external consultant to help do more of an independent review and that feedback goes back through the chair to the directors and then any recommendations are adopted and picked up for the following year.

**CHAIR** - When was that last external review done?

**Mr COUSLAND** - I think, I would have to have a quick look to check. It would be -

**Ms NYLANDER** - I think we're due next year for that. So I'd say it was two years ago and I think we're due next year to have an external.

**Mr DUIGAN** - I don't think it's been done.

**CHAIR** - So that's an external company that does that?

**Mr COUSLAND** - Yes.

**CHAIR** - In terms of the one that was done two and a half years ago thereabouts, what was the feedback from that?

**Ms NYLANDER** - In terms of areas of improvement or whatever?

**CHAIR** - Any 'must do betters' or -

**Ms NYLANDER** - Not that I can recall, no. There's a process of independent feedback. Each director can raise issues. There's a proper process where the chair meets one-on-one with the directors and gives the feedback that was given. With the third year external, that is more comprehensive. We didn't feel that was -

**CHAIR** - The feedback is given by the external consultant?

**Ms NYLANDER** - Yes. We didn't feel it's necessary to do that every year. It's a cost as well as it felt that it's a functioning board. There's been good turnover, good input, but obviously we provide access to that feedback to the minister as well. There's a performance reporting mechanism from that review.

**CHAIR** - It's only the every-third-year review that's provided to the minister. The rest is internal.

**Ms NYLANDER** - Internal, but as part of our reporting, if there were any issues that would have been raised, to my recollection there hasn't been anything, but it's as part of our reporting cycle.

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**Mr DUIGAN** - Any reappointments that are made, that performance information is included for my reference in those kinds of decisions as well.

**CHAIR** - So in terms of board renewal and diversity on the board, you've got gender diversity, but it doesn't appear to be a lot of other diversity just by looking at the faces. With all due respect to those faces, I know most of them quite well. I'm interested in how the recruitment is for new board members and is there attention paid to trying to increase the diversity both in age and perhaps geographic areas as well as culturally diverse individuals, et cetera?

**Mr DUIGAN** - For the record, I'll state that I think we have a level of diversity among our energy GBE boards with Aurora, 60 per cent are Tasmanian based, which is one of the things that we would be considering in our review, a 60 per cent female-male gender split. For TasNetworks it's 60 per cent Tasmanian based, 40 per cent female-male. Hydro is 20 per cent, although about to be potentially more than that, Tasmania based, 40 per cent female-male gender ratio. To your point about a wider lens on diversity, I think we're probably not being as prescriptive in any way, shape or form around that. I don't know that any level of diversity makes you ineligible, nor does it rule you in.

**Ms NYLANDER** - It's a skills base, the process, as you understand.

**Ms O'CONNOR** - They're not mutually exclusive. I know you know that.

**Ms NYLANDER** - It is an independent firm that does the recruiting. I can't speak to that instruction. From the board's point of view, we very clearly set up the skills that we feel we are missing and the firm that's appointed to go and do that process undertakes to do that. It's based on what skill we need. In some cases, we do need to source that outside. In terms of broader diversity, there isn't an exclusion, it's simply who's the best person for that role with that skill set we need.

**CHAIR** - We do know that people who are recruiting tend to recruit people who look like them. That's just the way it goes. Unless you completely de-identify people, it's a bit hard to not be swayed.

**Mr DUIGAN** - I imagine professional recruiting companies have some sort of mechanism for looking into these things.

**CHAIR** - Maybe they do. Maybe that's a question when you're looking at engaging a recruitment agency you should ask them how they go about that. I'm not sure that they do.

**Ms O'CONNOR** - I loved that line of questioning. It was very good. What's the full-time equivalent workforce of Aurora this year as at now?

**Ms HUNT** - The full-time equivalent at the end of the financial year was 282 employees.

**Ms O'CONNOR** - Does that include the call centre staff?

**Ms HUNT** - Yes.

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**Ms O'CONNOR** - How does that compare to the employment, the workforce at Aurora, in previous times? Are we seeing staff numbers increase or are there plans to maintain that level of staff?

**Mr DUIGAN** - Look, thank you, and I think I relatively recently looked at staffing levels in Aurora and I'd say there has been a modest increase in head count over time, perhaps in the last three years that I looked at, from sort of 280 to that circa 300. But I'm sure Nigel probably has a better understanding of what the longer-term trajectory of employment at Aurora looks like.

**Mr CLARK** - Thanks minister. Yeah, it's true to say in the last three or so years, the numbers increased fundamentally due to the billing system transition that the company was going through. So, it led to a build-up that would just naturally lead to some decrease over the coming years. But we would just see that as natural attrition. So, we are slightly higher than where you would say our historical level is.

**Ms O'CONNOR** - Thanks, Nigel, and so it sounds like from what you just said though there's no planning to remove or get rid of those extra staff who've come on board, it's an attrition process, so, you won't be filling some vacancies and you'll be juggling as you go.

**Mr CLARK** - That's correct. Our call centres always have a fairly healthy attrition rate. So, we just see that the natural events will take care of numbers over time.

**Ms O'CONNOR** - What's the total staffing roughly in the call centre? How big is it?

**Ms HUNT** - It might be one for Alastair actually to answer. But if I could just slightly correct my previous number that I provided, it's actually 294, not 280.

**Ms O'CONNOR** - So, the minister was right when you said it was nudging 300.

**Ms HUNT** - He did. He was spot on. He's all over the numbers.

**CHAIR** - He's out recruiting the other six.

**Ms HUNT** - I think Alistair can, instead of me taking a rough guess and can probably provide -

**Mr BURKE** - Yeah, that's right and there are different lenses you can look at it through. I guess across our entire operational team, at the moment we're about 170, which makes up a big part of our business. But that's not just our call centre facing teams. We also have a significant what we call our sort of meter-to-cash operations, which is all about metering, billing, credit management, all those sorts of teams as well, which sit in our operational area. In our call, more of our customer operations customer channel facing teams, there's around 70 to 75, but even that number includes obviously team leaders, support roles. We have a customer advocacy team, which is sort of heightened support, complaints management functions. So, there's a variety of roles within that number. They're not all call-taking roles, and I think across our entire operational area what we see is there's always opportunities for people to move through different roles, whether it be project-based or just working on a focus of the business at a point in time. So, there can be a lot of movement within our operational area when different opportunities arise.

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**Ms O'CONNOR** - Thank you for that answer. Does Aurora actively encourage those career pathways for the staff you want to retain? Is that an explicit and active push?

**Mr CLARK** - Yes, it is. There's numerous and I will let Nicole and Alistair elaborate. But certainly, for our internal paths, talent development, leadership development, there's extensive programs that we run. But, Nicole, would you like to maybe elaborate?

**Ms HUNT** - I think the beauty of the call centre environment is it's not always about progression into a higher role, into a leadership role. There's multiple areas of career development which can take you into some of the more specialised skill sets. So, whether that's in our credit advocacy, metering type of teams and then, as indicated, we have our development programs to support those particularly in leadership or specific capabilities that people have those kind of innate skills in across the business.

**Ms O'CONNOR** - Does Aurora have a graduate program?

**Ms HUNT** - We don't have a graduate program at the moment. Previously, we have utilised more of an intern type of program. We've been pretty focused on some of our core strategic objectives over the last few years. So that's something that we have a program waiting. When the timing is right for the business, that's something that we would look to execute for the right types of roles, again, within the business.

**Ms NYLANDER** - We have Emerging Leaders and we participate in that.

**Ms HUNT** - We do, Emerging Leaders, participate in that.

**Ms O'CONNOR** - Okay, emerging leaders from within the organisation who you talent-spot, you pick out and provide the opportunity to -

**Ms NYLANDER** - Yes, as part of the succession planning. Obviously there are different tiers all throughout the business. That is a work in progress now.

**Ms O'CONNOR** - That's good.

**Mr CLARK** - We have KPIs that go to the point of - obviously promotions/appointments coming from within, but also we track heavily those that we identify as talent and that we retain. We're very focused on internal growth. I'm not 'parachuting' people into the organisation.

**Ms O'CONNOR** - Yes. Thank you.

**CHAIR** - Just on that, in terms of increasing diversity around your board table, do you have intern programs for board, for a board intern?

**Ms NYLANDER** - No, but we have talked about that, and that is part of the review discussion that we have undertaken with the other GBEs and SOCs. I know that's in some of the - well, it's certainly in a former board, Tasmanian Bank of Us. I was part of facilitating that there, and we've had discussions. We are looking at how we can get more diversity and experience on the board, and not just in terms of permanency.

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**CHAIR** - You touched on professional development in responding to Cassy, but is there a particular professional development program for senior executives but also for board members? Or don't the board do much in the way of professional development?

**Ms NYLANDER** - The board does and we can still do more, clearly, but obviously through the Institute of Company Directors, and we're encouraged to be members of peak bodies or anything relevant to our particular skill set. In terms of development, professional development, there's an area we can probably look to do more, but yes, it's encouraged.

**CHAIR** - I can't think which other GBE it was I've heard from today, but they were talking about doing confirmation bias training. Is that something that's been considered?

**Ms NYLANDER** - Do you mean unconscious bias training?

**CHAIR** - Yes, sorry. Unconscious bias training.

**Ms HUNT** - Yes, that's absolutely part of our leader development program or our hiring managers as part of our approach to DEI and building our culture at Aurora Energy. That's a future program of work that we have planned to deliver across the business.

**CHAIR** - When you say 'across the business', who will be able to access that sort of training?

**Ms HUNT** - It will be different for different levels of the organisation. Obviously, leaders generally and hiring managers have a greater role in terms of, you know, setting the tone and really leading by example around the cultural alignment that we have, in that sense. Elements of that will be rolled out to the business. We have a digital platform where our employees can participate in learning, and there will be unconscious biases, a suite of learning that all of our employees will be able to access.

**CHAIR** - Is there an opportunity for them to learn more about how the not-complicated-at-all national electricity market works?

**Ms HUNT** - There's always space for additional learning for all of our employees.

**Mr CLARK** - We're very proud, actually, of the online learning platform that was delivered into the business in the last year. The team have been building numerous training modules and some of it will include NEM 101, but for instance -

**CHAIR** - RMIT actually provides some good training programs. You don't have to rebuild those. They've already got them.

**Mr CLARK** - No, those ones are out, but recently we've rolled through things like mental health training through the Black Dog Institute and a variety of things. That's become a really powerful tool for us in lifting the profile in a company.

**CHAIR** - You did say that there's been, in the call centre particularly, there's often a fairly steady turnover of staff. Do you do exit interviews or offer exit surveys for all staff, and what's the take-up if you do?

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**Ms HUNT** - We do exit interviews. I don't have the specific figures in front of me, but it's quite high in terms of those that participate. My recollection of the last survey results - it was around 80 per cent in terms of those that are exiting the organisation. Obviously some can be exiting at some times that, you know, aren't satisfied, or for various reasons wouldn't give a positive result, but generally, we have a positive exit interview result that comes through the process.

**CHAIR** - What are the main reasons for people seeking to leave Aurora?

**Ms HUNT** - In the last 12 months, specifically, we've had some relocation, those returning interstate. Some of that has come through the back of those relocating through COVID, end of visas, those types of relationships, where people will transition on from Aurora. At times it's long tenure, so looking at other opportunities across a similar type of sector.

**CHAIR** - Did you ask about psychosocial safety? There are the legal requirements to manage the psychosocial safety of your workforce. What's being done in the business to address that?

**Ms HUNT** - Over the last 12 to 18 months, we have had a program which is focused absolutely on understanding psycho safety and the importance of our role across the organisation to create an environment where our employees feel safe and that they belong. That has come from the executive team down across the business. We've put a lot of focus, and had regular modules, for our leaders to participate in really understanding the importance of that, and how that translates into supporting their employees.

Coupled with that, as Nigel mentioned, we've had some of the online training which has been around mental health management, supported by the Black Dog Institute. In the future, our next round of modules into the New Year will be focused on resilience for our employees. There's quite a suite that's focused in that space.

**CHAIR** - How often do you do surveys of your workforce?

**Ms HUNT** - We do our surveys three times a year for our engagement survey, and incorporated within those we have some focus, particularly it could be on our culture survey - there's a culture measure which is done annually. We also do some other elements within our survey which could be focused on workplace behaviour/psycho safety, or diversity and inclusion have been some other elements that we would survey within those mechanisms for our employees.

**CHAIR** - They are done three times a year?

**Ms HUNT** - Engagements, yes. Every four months.

**CHAIR** - Are they pulse surveys?

**Ms HUNT** - Yes, that's a pulse survey.

**CHAIR** - There are three pulse surveys a year. Do you do a larger staff satisfaction survey? How often does that occur?

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**Ms HUNT** - Yes. That is once a year with our culture survey, which is a broader culture and engagement survey.

**CHAIR** - What's the feedback been like? Do you have the most recent results of that?

**Ms HUNT** - Our most recent survey was conducted across September and October. We're really pleased with our results. We had a 79 per cent engagement result. Our target is 70. We've progressively seen that increase over the last two surveys. That has come about through the work that we've been doing to refine our strategy and our vision and purpose, which our people have played a part of, through that process as well. We have slightly adjusted our values to make sure that they are really connected and best represent our people, our vision and purpose.

Our people are telling us that they're really connected into our strategy. They understand it. They understand that making energy easy for Tasmanians is incredibly important. We've also seen some great improvements in the leadership development across all of our results. It is certainly something we're proud of, and we'll continue to concentrate on making sure that we have a strong culture and a highly engaged workforce.

**CHAIR** - There were no alarm bells? When we asked this question of TasNetworks last year, that dominated the front page of the newspapers. You've had no occurrences that would raise concern about bullying? Harassment?

**Ms HUNT** - No. I think there's a number of measures that, as you would know, talk to those types of results, whether that's through an engagement or culture survey, through medically treated incidents, through industrial incidents, things like that. We don't have any concerns in that respect that have come through any of those mechanisms to us and in fact our culture survey, which is our annual survey. This really demonstrates for us or indicates, it's not just that whole solve how connected our people are to our values. This is about how our people recognise that our values are consistently demonstrated. In the last 12 months we've seen that increase by 13 points.

**Ms O'CONNOR** - That's very effective.

**Mr CLARK** - We focus very much on creating that trust, safety. We've talked about the vulnerability and through leadership that's a key part that we play as a team, both to our self, first and foremost as an executive team, but then into our middle leadership and then into the organisation. To have a 15 point move in 18 months in engagement is a multitude of things that need to come together to bring that.

**CHAIR** - Need to be commended.

**Ms NYLANDER** - Yes. It's a real focus for us and even at the board level it's an absolute priority. The other thing is we've also had education sessions, psychosocial DI presentations wholesale. From a learning point of view, we're across the whole spectrum of the business. The board is being educated at the same time on everything, including leading the culture, importance of culture.

**CHAIR** - That's a very positive note to finish on, minister. Thank you to just a couple of people who turned up with you today.

## **PUBLIC**

**Mr DUIGAN** - We want to set a new record.

**CHAIR** - You might have set a new record. Thank you, minister. I don't think there were any questions on notice for your team?

**Ms O'CONNOR** - I might have sent one through.

**CHAIR** - If there is, we'll send it through to you.

**Ms LOVELL** - I had one on the energy.

**CHAIR** - There was one. Okay, that's alright. We'll write to you. We'll get that sent out maybe tomorrow, maybe not tonight.

Other than that, we thank you for your appearance and time today.

**The witnesses withdrew at 6.03 p.m.**