



PARLIAMENT OF TASMANIA

TRANSCRIPT

HOUSE OF ASSEMBLY

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

Aurora Energy Pty Ltd

Wednesday 4 December 2024

MEMBERS

Mr Street (Chair);
Mr Behrakis MP (Deputy Chair);
Mr O'Byrne MP;
Mr Willie MP;
Mr Winter MP; and
Dr Woodruff MP

OTHER PARTICIPATING MEMBERS

Mr Shelton MP;
Mr Garland MP;
Ms Finlay MP;
Mr Bayley MP; and
Ms Johnston MP

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

The committee resumed at 2.30 p.m.

CHAIR - The time scheduled for scrutiny of Aurora Energy is two hours. Members will be familiar with the practice of seeking additional information, which must be agreed to be taken by either the minister or the Chair and then provided in writing to the secretary. I'll invite the minister to make an introduction of the people who are at the table with him and then a brief opening statement before we go to questions.

Mr DUIGAN - Thank you, chair. With me at the table today is Keryn Nylander, Deputy Chair of Aurora; Nigel Clark, Chief Executive Officer; Nicole Hunt, Chief People Officer; to my right is Ilise Bourke, my chief of staff, who won't be taking questions. To her right, Alistair Burke, Chief Operating Officer; and James Chisholm, Chief Financial Officer of Aurora.

I am pleased to be here at the Aurora Energy GBE scrutiny hearing for the 2023-24 financial year performance as one of the shareholder ministers. Firstly, let me thank the board, the executive and, of course, all 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 enquiries 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 that they need to manage their energy usage more efficiently, and, in turn, manage their electricity bills. Aurora has delivered smart metres to over 80 per cent of their customer base, which is a nation-leading result, and continues to provide free access to the aurora+ app to support access to energy data, providing an important tool for managing energy use and reducing bill shock, while providing access to three hours of free 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 the government took strong action to provide electricity bill relief. Aurora, as well as other retailers, is essential for our electricity bill support to reach Tasmanians, for example, the renewable energy dividend, with Hydro dividends distributed to customers, a \$250 credit for households and \$300 credit for businesses. There were also some of the most generous concessions in the nation to help those Tasmanians in need, and other rebates delivered in partnership with the Australian Government for residential and small business customers as well.

For the year ahead, 2024-25, every Tasmanian household will receive at least \$550 in energy bill relief as a result of combined state and federal energy bill relief, and concession holders will receive up to \$1433. Recently the Tasmanian independent regulator confirmed that Tasmania has the lowest regulated electricity prices in the nation.

I would also like to acknowledge Aurora's efforts in supporting customers experiencing financial vulnerability through its Your Energy Support or Yes program and, of course, our Knock to Stay Connected program.

PUBLIC

In closing, let me thank Aurora for continuing to have community as a major focus with the creation of the Power People Project, becoming a founding partner of Variety Schools Breakfast program and supporting staff to volunteer in the community. With that, let me pass to the deputy chair.

Ms NYLANDER - Thank you very much. I'm pleased to appear before the committee today as acting chair of Aurora. When we consider the year that has been, we're 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 from significant energy system transformation, we remain 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 would like them in the prior year, we reshaped our frontline model which saw a significant uplift in operational and customer outcomes. We encouraged 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 valuable elements of aurora+. As of November, this number has reached over 103,000.

We continued to rapidly roll out metres throughout the year. Between October 2023 and November 2024, 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 by the end of 2026, well ahead of national recommendations of 2030.

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 therefore to deliver its supercharged renewable energy dividend, which provided \$250 in financial assistance to every Tasmanian household and \$300 to 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, which are some of the most generous in the country.

Appreciating cost-of-living pressures and the need to be ever more present in the Tasmanian community, Aurora Energy also strengthened its community engagement efforts in 2023-24. We worked 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 also teamed up, as the minister said, 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.

In 2024-25, it is fair to say the industry in which we operate again appears uncertain as the transition to renewable energy gathers pace. We will continue to work hard, though, to remain relevant and trusted with our Tasmanian customers in an increasingly competitive

PUBLIC

market. Tasmanians can be guaranteed that when they need us, they'll be able to speak with someone who lives here, understands Tasmanians' energy needs, and genuinely cares about them and our community, knowing all our financial returns remain within the state for the benefit of Tasmanians.

Ms FINLAY - Minister, in your opening remarks and followed up by the acting chair, I note the comment - and there's a repetition in the discussions - around energy having the lowest regulated prices. However, you admitted to saying that we have the highest bills in the country because of our cold weather and our poor housing stock.

What actually matters to Tasmanians is the price of their bills - what's the number on their bills - so I'm really interested in that today. I'm wondering whether you support the 2025 pricing determination - the preliminary submission that was made by Aurora and the contents of that submission?

Mr DUIGAN - What I would say is that it is absolutely true that Tasmanians have the lowest regulated energy prices in the country, and that's been determined by the regulator.

In terms of submissions that have been made to the regulator about the price determination for 2025, Aurora has to run its business. We would understand that it has imperatives to make that business profitable and sustainable as it goes forward.

Ms FINLAY - Did you sign off on the preliminary submission?

Mr DUIGAN - I would need to check that out.

Ms FINLAY - Have you read the submission?

Mr DUIGAN - I'm certainly aware of the submission.

Ms FINLAY - Have you read it? Are you aware of all the content?

Mr DUIGAN - I'm not probably going to take a test on it right now, but I'm aware of the 2025 price determination and the need to progress that.

Ms FINLAY - So within it, it actually identifies - and again you've admitted, to repeat, that Tasmania actually has the highest bills in the country, and that is because of our circumstances here. It's all very well -

Mr DUIGAN - It's also because we don't have a lot of gas in our market. Our houses are electrified -

Ms FINLAY - But you would have to acknowledge as a member of Cabinet that our housing stock is poor and our weather is cold, and for many Tasmanians who are on concessions, actually finding money in their budgets every day for their accounts and for their bills, whether that be groceries, fuel or power, is a stretch. I think it is important to acknowledge in the community, honestly, as we do everywhere else, that the bills are the highest in the country.

CHAIR - I need a question, Ms Finlay.

PUBLIC

Ms FINLAY - The question is do you support all of the recommendations in here about pricing increases?

Mr DUIGAN - What I will say is in the last decade, power prices in Tasmania, in real terms, have gone down by 15 per cent. I understand there is a cost-of-living challenge at the moment, but I think a really important point that we all need to recognise is that the cost of energy in Tasmania in real terms has fallen 15 per cent in the last 10 years.

Ms FINLAY - I'm talking about power bills.

CHAIR - Ms Finlay, I won't warn you again not to interject while the minister is answering the question.

Mr DUIGAN - Hydro Tasmania, TasNetworks -

Ms FINLAY - The question, Chair, was whether he supports the recommendations from -

CHAIR - You won't interject on me either, Ms Finlay. The minister is answering the question.

Mr DUIGAN - This is a really critical thing. I know you would like to seek to create some political mileage out of this, but the reality is that in the last 10 years in real terms power bills have gone down. That is not a circumstance you could apply to many metrics across normal households, I think you would agree with that.

Ms FINLAY - Chair, we're talking about two different things and I would trust that the minister knows that. There is the power of energy and there is power prices

CHAIR - I am going to move on to Mr Bayley.

Ms FINLAY - My question, Chair, was does he support the recommendations for increases?

CHAIR - Ms Finlay, if you continue to talk over the top of me you'll be asked to leave. I am moving on to Mr Bayley.

Mr BAYLEY - My question is to the chair. We are in a competitive market and I think there are eight or nine energy retailers in the state operating now. Aurora is obviously the only government-owned one. I'm interested in your strategies around retention of customers with the cost-of-living crisis and people increasingly aware of their options, they're going to go shopping around and look for options and you have retention agents. I'm interested in the strategies and tactics you employ to try to retain customers. Have you got protocols or a particular script or approach that you can share?

Ms NYLANDER - Absolutely. I will throw to our CEO in a moment who will also hand over to our chief customer officer because we're talking about strategies, but I can say we are absolutely are working as hard as we can to retain our clients and to serve our customers as the Tasmanian-owned and operated retailer. That is why our dividend isn't as high a return to the

PUBLIC

government because we are investing in the business which it hadn't been enough in recent years. We're absolutely investing in the business to make it from a digital investment point of view. The aurora+ app is the main focus that we want to educate and get engagement on with our Tasmanian customers.

That is our main portal. We are investing heavily in the business to make sure it is modernised and ready to be able to provide the services that we need, which again will impact our profitability and make us more effective and efficient. With that sort of principle, we are up for competition and retaining our customers. I will throw to the CEO who will speak to that.

Mr CLARK - Retention is obviously a key activity in a retail market that is competitive. We don't like to lose customers, so if someone does leave us we will call them back and try to understand their reasoning for why they left us. For us, ultimately, it is about how we improve further our service and product offerings and understand why someone might choose to leave us. Also we talk then to the virtues of the positives of what Aurora Energy does, what we are about as a brand, being Tasmanian based, the things we do in the community such as the work we do in trying to help energy literacy. In a lot of cases, we will have success in winning the customer back.

Mr BAYLEY - Do you know what sort of percentage there is in getting the customer back? Have you got data on that?

Mr CLARK - We do have data, but it is not something we would really put on the public record. It is a healthy percentage but it is certainly not the majority come back. You will have patches where you win some and lose some. It is variable over time.

Mr BAYLEY - How do you do that? Have you got incentives to induce people back? Can you offer them lower prices than what they would have been having before, had they not left you, or are there sort of free periods that you can offer? What are the sorts of inducements you can put on the table to get them back? I guess the concept is if you're trying to get them back it's probably too late at that point. I guess the question is how much of those kinds of inducements can be offered before customers actually leave Aurora in the first place?

Mr CLARK - I'm happy to take that, minister.

Mr DUIGAN - Yes, please.

Mr CLARK - You will win back customers at times because they have not understood, for instance, the deal they've been signed up on with a competitor, so that can be one aspect that will bring them back. Do we horse-trade down with large specific discounts? No, we don't. The very vast majority of our customers are on the standing offer tariffs in Tasmania. We will do different powerhouse [?? 2:45:16] campaigns and different things that may be part of an element, but once again, it's -

Mr BAYLEY - Is that like free power for a period of time or something like that?

Mr CLARK - An extra three hours of power and things, but these are all elements of competition, as you'd appreciate, so we don't generally talk publicly about it.

Ms JOHNSTON - To you, minister and to the chair, I understand that Aurora has been supporting the government's energy hardship fund through an additional \$200,000 a year, but I understand that Aurora's withdrawn that support for this year, leaving the energy hardship fund chronically underfunded so that charities aren't able to provide support to community members in need of energy bill support once they've exhausted the allocation. The energy hardship fund funding in 2024 is \$350,000 per year, an increase of 19.9 per cent on the 2015 funding, but over that same period the number of people in debt has increased by 300 per cent and CPI has increased by 31.4 per cent, meaning there has been a corresponding real cut in funding of 11.5 per cent. To meet the current levels of demand, the energy hardship fund needs to be at least double. Will Aurora consider reallocating some of the unspent Energy Bill Relief Fund to properly fund the energy hardship fund?

Mr DUIGAN - I will leave the Aurora aspect of that question for the chair and the CEO, but I think it's incumbent upon me to point to the fact that the government has leaned in extremely heavily in terms of energy bill relief in a challenging cost-of-living time for Tasmanian families. Every Tasmanian household, as I outlined in my opening remarks, will receive support this year up to a level of \$1433 if you are a concession card holder and eligible for that.

The government recognises the challenges that exist in the community and it has leant heavily into this space to provide energy relief. To the specifics of the Energy Bill Relief Fund and Aurora's participation in that particular program, that's one for the CEO.

Mr CLARK - Thanks, minister. We did not actually reduce our overall funding, all we had was redistributions, so this year we embarked on a debt forgiveness program, a market-leading program that targets forgiveness for people who have been in chronic long-term debt and we had a vast array of other projects that we continued to fund. The Energy Bill Relief Fund that we've funded previously in the past went off injections that we made into that fund at different times and we had a \$5 million fund also during COVID that ran its course, but in overall terms we have not reduced funding. We've actually redirected it into what we think is a more meaningful program. Alistair, our COO, can expand further on some of the other fund initiatives.

Mr BURKE - Thanks, Nigel. In terms of our support, it covers off a range of areas. I think Nigel spoke to some of the broader community partnerships and support that we have. In particular, I can talk to our YES program and some of the partnerships and support that we provide through that, particularly over the last financial year and since that time. As Nigel spoke to, in May this year we introduced a debt forgiveness program which, as we understand, is quite unique across the NEM. It seeks to address some of that long-term debt that built up through COVID-19, where traditional collection measures and additional protections were put in place by the regulator to support customers, but as a result of that there was a significant amount of debt that built up. Looking at the customer's ability to pay back that debt, obviously if we didn't do more to support them, it would've taken them, in some cases, up to 10 years to pay back some of that debt. That was one of the key drivers for thinking a bit outside the box on how we can support those customers a bit differently and since May, we've waived over \$400,000 in debt that's built up for those YES customers.

In addition to that, over the last financial year we were able to provide almost \$300,000 in incentive payments to hardship customers as well under a scheme where, if customers continue to meet their obligations, Aurora would essentially pay one of their invoices per

quarter for them up to a set amount and, as I said, that was almost \$300,000. We also continue to support Cancer Council Tasmania with almost \$20,000 of support for Cancer Council patients and on top of that almost \$40,000 in support for domestic violence-impacted customers and \$35,000 into the newest program, which we know is obviously key in terms of supporting customers to become more energy-efficient and ultimately reduce their overall power bill.

Ms FINLAY - Talking about debt recovery and customers getting into long-term debt, the dollar figure on their power bill is what is actually happening and hurting households. Any increases within Aurora that would then transfer across to the household bill is of importance today. There are a number of recommendations within these preliminary submissions for increases. That was why I asked whether you had, one, read it and, two, endorsed it and were aware of what those recommendations were.

One of the recommendations is an increase of 20 per cent for the retail operating costs. I am wondering if that's something you endorse and support?

Mr DUIGAN - What I would say, and I think the submission is a matter for Aurora. It knows its business inside and out. If you look at the financials of the business, for a business that trades close to a billion dollars' worth of energy annually and the profit realised across that activity is circa \$2.3 million, the margins are very, very slim. There is risk attendant with that. What we don't want is for our government-backed standing offer provider, energy retailer in the state, who provides energy to 93 per cent of retail customers, to be unfinancial. I think that's a very bad outcome. I would support any sensible measures that Aurora deems are appropriate for the ongoing sustainability of the business.

Ms FINLAY - When you identify the benefits provided to the households in terms of the relief provided, that 20 per cent increase is about a \$34 increase to the household bill of a general householder. Has there been a 20 per cent increase in the operational costs to Aurora? And do you think it's fair that there's a 20 per cent increase in the household without that?

Mr DUIGAN - You're absolutely in the realms of speculation. There have been no increases. There will be no increases until the Economic Regulator sets the prices, and it may well go down.

Ms FINLAY - That's smoke and mirrors.

Mr DUIGAN - No, it's not.

Ms FINLAY - You know that the bills being received in households are the highest in the country. Those household bills, without your relief and without the measures being taken, are increasing in real terms to people in the community.

Mr DUIGAN - No.

Ms FINLAY - Your energy price versus the household bill, they're the highest in the country and those increases are going to make that bill even more.

Mr DUIGAN - Tasmanians have the lowest reliance on gas, so there is a very high level of electrification in our homes. As I have said and will continue to say repeatedly, real prices for Tasmanian energy for customers have gone down in the last decade.

Ms FINLAY - I really hope, minister, that you understand the difference between price and the account, because the amount of energy someone is using in their home when it's cold and when the household insulation is poor, they're using more energy relative to their counterparts in other states of Australia. You can go on about the actual price of the power but the household bills reflect that the people in our community being hit hardest by cost-of-living pressures are, unfortunately, those more likely to be living in a home with poorer standards, poorer heating. I know you talk about energy literacy -

CHAIR - You need a question, Ms Finlay.

Ms FINLAY - The minister actually invited this comment.

CHAIR - He didn't invite the comment. You aren't entitled to make comments. You're entitled to ask questions, Ms Finlay.

Ms FINLAY - My first question was whether he endorsed the increases in the submission, which he didn't answer in the first round. This round is: has there been a 20 per cent increase in the operational costs of Aurora?

Mr DUIGAN - What I would say is that the prices, Tasmanian energy price will be set by the regulator to factor in all -

Ms FINLAY - Yes, and this is a submission to the prices and I am asking you if you agree with the contents of that submission.

CHAIR - Ms Finlay, this is your last warning.

Mr DUIGAN - all of the component elements of the electricity price, be that transmission, be that generation, be that retail.

Mr BAYLEY - I'm interested in talking to the chair about solar. In a cost-of-living crisis and, indeed, a climate crisis, solar is incredibly important. I'm interested in what Aurora is doing to assist with the uptake of solar. As a question to lead into that, what percentage of users are currently producing power through rooftop solar?

Mr CLARK - We have approximately 42,300 customers that are currently receiving the feed-in tariff (FiT) for solar production, so it's a reasonable percentage of our customer base. Obviously, they get paid the FiT rate that's determined by the Economic Regulator. That is adjusted each July. As prices adjust, it is linked to the wholesale price outcomes, so it will move around year on year. In the July just gone, we saw a 15 per cent decrease in wholesale costs. As a result, the FiT came down, linked to that, but our FiT is still a very generous 8.935 cents per kilowatt hour. It stacks up very well against where other jurisdictions have moved. Victoria is 3.3 cents, New South Wales ranges between 4.9 to 6.3 cents, south-east Queensland varies by retailer up to 8 cents. So, you can see that our tariff, as determined by OTTER (Office of the Tasmanian Economic Regulator), is a competitive rate.

Mr BAYLEY - What percentage of your customer base is that 42,000? Also, do you know what percentage of energy is fed back into the grid from rooftop solar?

PUBLIC

Mr CLARK - I don't know the percentage of energy.

Mr DUIGAN - I'm happy to take a swing at that. I believe it is in the order of 3.3 per cent of Tasmania's energy production via rooftop solar.

Mr BAYLEY - I also asked about the percentage of customer base.

Mr CLARK - It would be about 15 per cent.

Mr BAYLEY - Right. What are you doing to encourage greater uptake?

Mr CLARK - I think the way that we would answer that is through the technology update. With solar, you need the proper metering, so the advanced meter rollout. Further than that, bringing energy literacy to customers, so through our A+. It has the ability for customers to understand their usage, to understand their solar production. For us, it's energy literacy engagement in supporting the customer in their endeavours.

Mr SHELTON - How can the digital channel, aurora+, be used to combat the cost-of-living pressures? And how has Aurora Energy encouraged as many Tasmanians as possible to benefit from it?

Mr DUIGAN - Thank you Mr Shelton, I appreciate the question. Yes, aurora+ is a very useful tool in providing Tasmanians greater control over their energy usage and, ultimately, their energy bills. It provides users advanced meter data to offer customers visibility of their daily energy consumption in dollar terms, empowering customers to make more informed energy choices and better manage their energy use. I can highly recommend it. Being able to see how and when you are using energy is powerful as it provides a proof to help change habits around the home, which is even more important in Tasmania's cooler climate, noting the cheapest kilowatt of energy is the one you do not use, to your point, Ms Finlay.

Because customers have visibility of exactly what they owe 24/7 and billed monthly, aurora+ empowers customers to make the necessary adjustments needed to bring down their energy bill. In fact, Aurora Energy has reported that Tasmanians using aurora+ are half as likely to experience bill shock as quarterly billed customers, and their debt levels are significantly lower than customers who don't.

I'm proud to say that over 100,000 Tasmanians are now making the most of the digital channel, which has been achieved through a number of enhancements. In January 2024, Power Hours was launched by Aurora to deliver more value back to customers. Through the combination of open and targeted Power Hours events, aurora+ residential customers can use unlimited electricity free of charge in a range of weekday and weekend time slots. I believe since its inception, around \$600,000 is the current statistic that has been saved by energy users through Power Hours.

Mr O'BYRNE - Actually it's a nice little lead-in. I've got a question from a constituent around some of the marketing around aurora+. This constituent has an aged family member who has low levels of financial literacy. They are on a direct debit, so you're charging in arrears so they're never in debt, effectively. But every month they get an email saying: 'You are zero-plus below balance. Please log in and pay, and make sure you don't get behind', et cetera. It causes a lot of unnecessary stress and I'm not sure why you would target your direct debit

PUBLIC

clients on the basis that they're already paying and they will pay unless they default and then there is other matters. Maybe you could talk about why you would do that. A number of people are getting stressed.

Mr DUIGAN - Thank you, I appreciate the question. I believe I had a similar circumstance as a direct debit customer of Aurora. I think I was getting those emails, but I believe they have actually stopped in recent times.

Mr CLARK - I will ask Will Barbour, our chief customer officer, to come to the table to answer this one. Thanks, Will.

Mr DUIGAN - For the purposes of Hansard, Will Barbour, chief customer officer.

Mr BARBOUR - Thank you for the question. aurora+ prompts a number of notifications to customers depending on bill cycle and behaviour. We actually took some feedback on the number of notifications and we've been working on a review of those. To the minister's point, I believe that one is one that has actually been reviewed and removed recently or adjusted as part of the recent update to the user experience and user interface of aurora+.

Mr O'BYRNE - Well, it does beg the question, for a client who's on direct debit and never in arrears, why would you even spam them like that? Through the minister.

Mr BARBOUR - That is a good question. There may have been a scenario whereby for that customer, there might have been a component within the app where it would prompt if there'd been a history. Obviously I can't speak to an individual case, but if there is any failure, for example, of direct debit, it would be one that we have probably picked up in that review and made a change as part of the recent update to aurora+.

Mr O'BYRNE - Can you confirm that they will no longer get those messages? They have never been in arrears and they're a good family.

Mr BARBOUR - Again, without knowing the individual case, I wouldn't want to confirm, but as I say, we've recently undertaken a review of the notifications that are prompted through aurora+ and made some changes to those.

Mr DUIGAN - If you're happy to provide details to my office, I will more than gladly look into it.

Mr GARLAND - Who currently advocates on behalf of consumers to the economic regulator to ensure that their interests are considered in setting prices, or advocates to government on their behalf?

Mr DUIGAN - My understanding is that there is a consumer group that is consulted as part of OTTER's work.

Mr CLARK - I can contribute a little bit further. In providing our tariff strategies, we will meet with a consumer representative group. We had some workshops this year, but obviously all the submissions that are put into that process with OTTER are public and OTTER will then run some consultations in regard to that process. Alistair, our COO, anything further on that?

Mr BURKE - OTTER themselves, as Nigel said, have a customer consultative committee which meets regularly and they go through all the different elements of the pricing framework. It can be a complex methodology so it's important that those who are impacted have that sort of visibility through that process. The regulator's office takes control of that engagement piece but through the end-to-end process there is a number of opportunities where different interested parties can contribute to and provide feedback to the price determination process. That includes entities such as TasCOSS (Tasmanian Council of Social Services) and other peak representative bodies who will review it and provide submissions on behalf of their constituents.

Mr GARLAND - TasCOSS is a charitable NGO so they don't receive any government funding to advocate on behalf of energy consumers. Is that right?

Mr DUIGAN - I would be guessing but I would imagine TasCOSS would receive state government support. I'm happy to be corrected on that, but that would be an expectation.

Ms FINLAY - I'm interested in following down the line of the aurora+ app in terms of the benefits. I think any opportunity to digitise is really important, but I think it's also important to recognise the demographics of the people who are benefiting and the people who are being left out. You mentioned that 50 per cent of the people who have already transferred across are less likely to be in arrears. I suspect that 50,000 people, which is half of your 100,000, would have never been in arrears like the family Mr O'Byrne spoke of. I think it is useful to insinuate that that is because of the app but I suspect they probably would have already been good customers.

My question is about the people who haven't transferred across when we're talking about people under pressure, increasing debts and the capacity for people to pay their power bills getting less and less all the time. Most likely older people in rural areas with very low digital literacy are the people who aren't transferring across and will be struggling with other areas. What have you done to understand and support that group who may never transfer across but will be in the most need of support?

Mr DUIGAN - I think you're absolutely right in the picture you paint. I think that is why you would say that the people who are heavily engaged with the app and monitor their use and potentially have a solar cell and all those sorts of things are the ones we're probably capturing. There is a harder to reach segment of the population no doubt and I understand that through the increasing need for digitisation in the business that's work the company is leaning into.

I would also talk to the fact that there are still quite a lot of touchpoints outside the app and outside digital means that are incorporated into reaching people who are struggling to pay their bills, so there is still that traditional piece, but to the point about reaching more people, I think there is quite a bit of work happening in that space and I'm happy for Nigel or Karen to speak to that.

Ms FINLAY - The question specifically is of those people who haven't transferred, are they the people who are also under the highest bill debt pressure?

Mr CLARK - It is worth remembering why that percentage of people is not higher at this point in time. There are still about 60,000 residents to be put onto a smart meter and to be

on aurora+ one has to have a smart meter. Secondly, during the year we've recently done the modification to allow people with quarterly bills to now come onto A+, which previously wasn't the case. We expect to have a large take-up over time of quarterly bills and then obviously people converting to the new meters as well, but Will can elaborate further on the dynamics of how we're growing at a steady rate.

Mr BARBOUR - The growth of aurora+, as we move past 103,000 customers now using that channel, really needs to be, and is, supported by expansion of the functionality and accessibility of the app. I mentioned earlier the update recently to the user experience and user interface. Simple things like dark mode and contrast and help with being able to adjust font size and what have you have helped with usability of the app. We've also put in place programs and face-to-face events over the last year whereby we actually step into the community and walk people through how to use the channel.

Although a number of us probably find ourselves referring to it as the app, it's also available on desktop and tablet and we've worked, for example, with the likes of the State Library network and held events whereby people can turn up and use those public terminals to check their usage and pay their bills. Outside of that, there is an ongoing pipeline of work to continue to improve the accessibility and usability of aurora+.

Ms FINLAY - With the link between the Power Hours and the aurora+ app that's still connected, and you've got 103,000 people on the app now, how many people have participated in the Power Hours? I think there's an update from the annual report. You said \$600,000.

Mr DUIGAN - I believe that's the number I've seen, \$631,000 or something like that.

Mr CLARK - Will can give the most recent data.

Mr BARBOUR - As of this morning, up to around 73,000 Tasmanians have engaged with at least one Power Hours event.

Mr BAYLEY - This sort of continues the theme of digital literacy, but perhaps power literacy in relation to the options for customers to pick peak and off-peak versus flat rate application. What does Aurora do to help a customer make the best possible decision? It obviously depends on a customer's use and timing of use as to when it would be better to be locked into peak and off peak versus a flat rate. What do you do there to help a customer make the best possible decision given it's a pretty complicated space for many people?

Mr CLARK - I think the key thing to understand with energy literacy is the energy industry isn't easy to understand - things like tariffs and the like and moving to advanced meters. The Power People program that we started this year is specifically related to that, of training the trainer, if you like, on this very topic, and then being able to pass that through the community. As Will alluded to, things like shopping centre pop-ups, going into aged care homes, or aged care villages, I should say. There's a variety of things that have been done to educate the difference between time-of-use and flat rate tariffs.

Obviously, our industry came out of a flat rate tariff only logic in days of old, when the meter person came four times a year. You only had a flat rate, so most people are comfortable with flat rates and that's all they understand.

Our challenge, as you said, is we try to educate people on time-of-use tariffs. The time-of-use Tariff 93 was rated the lowest by the regulator last year in the tariff structures, so we do have a very competitive time-of-use tariff, but there are things that obviously happen when people engage with us in the call centre and the like.

Alistair, could you maybe elaborate a little bit further? Thanks.

Mr BURKE - Yes, absolutely. We've got a range of tools that are available for customers to essentially compare the different tariffs and compare their consumption and see which one is the best for their needs. On our website we've got a tariff comparator tool. We also obviously have those similar tools available to our customer call centre agents when customers ring up and have a tariff conversation.

The really positive thing that we have in Tasmania now, which isn't possible yet across all of Australia, is because of our saturation of advanced metres we've got really accurate metering data that we can actually use to inform those discussions. I think what we've seen in other jurisdictions is where customers have changed tariffs at the same time as a meter exchange, for example, that may not necessarily be the right option for them. We haven't taken that approach in Tasmania. We've had very much an opt-in framework with customers, and that usually happens after 12 months of a customer being on an advanced metre, so you've actually got real historical data to base that off.

Obviously, it's always very hard with energy to know based on the individual customer and their behaviours what might happen into the future, but once you've got some strong evidence of what a customer does at their place, you can then go through the tariff calculator and the different tools to give a much more accurate view of what's the best option for them. We know from the research that we've done based on when customers use their energy that the vast majority of Tasmanian customers are better off on a time-of-use tariff. Again, it's something that we obviously engage with them closely on to make sure they understand it fully.

Mr BAYLEY - Do you do that proactively after 12 months? The smart meter goes in and then 12 months later there's a sort of proactive process with that customer to discuss their best possible power options or tariff options?

Mr BURKE - We do, but within the bounds of being able to send proactive comms to customers. Some customers have opted out of those types of interactions, but we're able to. We absolutely trigger off emails and other forms of communication to alert customers that we think they might be on a better offer. Again, that's something that we think adds a lot of value to customers. It's a role that we think we can play as a Tasmanian owned and operated energy business - how can we proactively add value and help customers get on to the best arrangement for them?

Ms JOHNSTON - Minister, in relation to my previous question, I recognise and welcome all the initiatives that were outlined, and they are providing assistance. The fact still remains, though, that there are many Tasmanians who need to access the government's energy hardship fund but have been unable to because the funds have run out. They're oversubscribed.

Yesterday you couldn't answer where the surplus energy bill relief fund payments that were budgeted for have gone. These are estimated to be around \$20 million. Could you and

will you redirect some of that funding to the Energy Hardship Fund to ensure that those Tasmanians who would have access, if there'd been sufficient funding, can have access to that?

Mr DUIGAN - I certainly won't be making any commitments here at the table today, but I would again point to all of the work that the government has done through renewable energy dividends, through energy bill relief payments, through a number of concession available payments for people. We are leaning like no government has ever done before into energy price support, and we are doing that. Aurora Energy, as they have mentioned, have forgiven \$274,000 worth of debt this financial year.

We're not shying away from the fact that we understand it's a tough time out there and people are having a challenge meeting their bills. I think that in the energy space, the government and the energy businesses in Tasmania are doing a very good job at shielding the impacts.

Ms JOHNSTON - Do you accept -

CHAIR - Sorry, I am going to go to Mr O'Byrne. I understand, Ms Johnston, but with three independents at the table,

Ms JOHNSTON - They seem to get supplementaries. Mr O'Byrne and Mr Garland both got supplementaries. It's just a supplementary to this question. It would save time.

CHAIR - I'm trying to make sure that the independents and the Greens get equal number of questions as per the rotation. It is difficult when there's three independents at the table and only one member of the Greens.

Mr O'BYRNE - I'm happy to cede that. I'll come back in the next turn around.

Ms JOHNSTON - Thank you, Mr O'Byrne.

CHAIR - Thank you, Mr O'Byrne. I'll go to Ms Johnston.

Ms JOHNSTON - Minister, do you accept though that there is approximately \$20 million underspent from the Energy Bill Relief Fund that is specifically designed to go to Tasmanians who are struggling with cost-of-living pressures and their energy bill that hasn't been spent by this government? Do you have plans to spend it and where?

Mr DUIGAN - I, as Energy minister, am focused on making sure that anyone who was eligible for that payment received it. If anyone who is eligible has not received it, then I would ask that they contact the retailer or the government and I will make sure that they get it.

Ms FINLAY - On that, later I was going to ask some questions about the number of small businesses that received that, so it'd be good if we can get the answers to that a little later, because it does seem that not everybody has received what they were entitled to. Under this power hours and the link to the aurora+ app, it does seem like the people that are capable, able and financially on top of all of their accounts are getting a benefit.

I just did a quick calculation, and it seems like that's probably about an \$8 benefit in a in a year, as I understand it, for using those power hours. I'm interested in how much it costs to

PUBLIC

develop the program and to market the program. There's a lot of advertising and a lot of talking around it, and it appears to me that the people that are benefiting aren't the people that are under pressure.

In the preliminary submission to the regulator a few years ago, there were 2 per cent of Tasmanians that were in debt, whereas the last reported - the 2022-23 year - was 6 per cent. Could you tell me the number of people in the 2023-24 year - the percentage of Tasmanians - that are in debt? The only figure that is skyrocketing across the country is Tasmania.

You say that the government's leaning in in terms of supporting Tasmanians. We have a screamer of an increase in the number of Tasmanians who are in debt. Everyone else is flatlining in managing the debt of customers. What's the percentage of Tasmanians who are in debt for the 2023-24 year?

Mr DUIGAN - I will pass the detail of that question onto management, but just in terms of power hours - I think it must be also recognised that while it's a benefit for customers, the retail energy space in Tasmania is contested. It is a competitive space, so I could see that power hours would be used as a way to hold and retain customers.

Ms FINLAY - I appreciate that, minister. I am keen on the costs to develop a market, but I'm also keen on, in a marketing sense - it's great to spruik these things and to encourage people to come across because of them, but the reality is that the benefits are low. They feel like they're high with the marketing that occurs, and it's in your face all the time on the buses and things. Whereas an equivalent amount - the hardship - if you're overdue with your bill that's going up by 140 per cent, and the people that are in hardship will have to pay more, but the people that are doing okay are actually paying less.

Mr DUIGAN - Are you talking about the late fee?

Ms FINLAY - Yes. It doesn't seem like a great balance.

Mr DUIGAN - Which hasn't moved in two decades.

Ms FINLAY - At the moment, while Tasmania is the only jurisdiction that's skyrocketing -

CHAIR - Is there a question at the end of this, Ms Finlay?

Ms FINLAY - I've already asked the question, sorry, Chair. How much did the marketing and the development of the power hours cost, and what percentage of Tasmanians are in debt in the 2023-24 year?

Mr CLARK - We'll cover the debt first - Alistair, if you can pick that one up.

Mr BURKE - For the period June, at the end of June 2024, there was just over 12,000 of customers in debt.

Ms FINLAY - Wow. Oh, thousand, not per cent. Thank you, sorry. I'll take the 'wow' back.

Mr BURKE - Yes. I think from our perspective, we've acknowledged that this is a challenge for a range of customers, not just in Tasmania, but across Australia, particularly post-COVID and the most recent cost-of-living challenges. It has been a significant focus of Aurora to work through how we can continue to support customers in lowering their individual debt.

One of the key things we've identified over that period of time is one of the real challenges is actually engaging with customers and getting them to engage with us so that we can offer them the right support for their needs. Since about February this year, we set up a new team within Aurora with the purpose to make proactive contacts to customers, particularly those that fall due, because we know the data tells us the earlier you can intervene the better to avoid customers building up that debt which they then have challenges to pay off. Through that period, we've made, over a range of our proactive campaigns, over 140,000 calls to Tasmanians. Through that, we've seen a contributor to our hardship program numbers increasing and customers getting the help that they need.

What we have also seen, and this has been reported recently through a range of Australian Energy Regulator reporting, is that Tasmania is actually only one of two jurisdictions which saw a reduction in debt over the last financial year.

Ms FINLAY - 2023-24?

Mr BURKE - The 2023-24 year. That, I guess, bucks the national trend, where across the NEM (National Electricity Market) regions, energy debt increased by 6 per cent.

Ms FINLAY - Can you outline what those reductions were in real dollar terms and percentage terms? It's not reported here.

Mr BURKE - In real dollar terms, I can talk to some specific metrics that we capture and report. We've seen -

Ms FINLAY - What it was and what it is, I suppose.

Mr BURKE - Yes, so that's captured and reported in averages, average debt levels across customers in debt. We have seen a 13 per cent reduction of those customers in debt to the lowest average debt per balance.

Ms FINLAY - Is that because of the COVID? I mean, that would be because of COVID money, wouldn't it?

Mr BURKE - There is a range of reasons why I think we've seen customer debt come down. I think part of it is to do with the support measures and the different rebate schemes that have been available. I think there also has been a significant focus from us personally. We have seen, I guess, the level of support and proactive measures make a big difference.

The average customer debt is now down to \$754 for those that are in debt, which, as I said, is the lowest since COVID. We've got a range of other metrics we can talk to in the different debt categories. Pleasingly, in those higher debt buckets in particular, we've seen real significant reductions in that long-term debt over the past 12 months.

PUBLIC

Mr O'BYRNE - Back to the direct debit, can I just clarify: did you say that it had been removed in the latest update?

Mr BARBOUR - I've actually just had a clarification on that. The update to the user experience has enabled a toggle to turn off what's called the balance card within - sorry, minister, I should have gone by you.

Mr DUIGAN - All good, Will. Thank you.

Mr BARBOUR - To enable the customer to toggle that off and on, in line with toggling off the balance, what's called the balance card, in aurora+. That change was part of a broader suite that came through customer and staff feedback. Some customers find the balance card very useful because, obviously, you can track your balance and your usage as the month or the quarter progresses. But for others it's less useful for those customers.

There is a trigger in there for the communications for a direct debit customer feedback that some still want to see their balance. If you, for example, are managing your bank accounts to ensure there's enough there to pay at the time that the bill is due, it's important for you to be able to see your balance. But the function is now there for you to turn it off, if you turn off the balance card display.

Mr O'BYRNE - So, even though you have direct debit clients who have a good record, they pay for everything, you're still going to spam them unless they go into an app they actually pay for to get it done. With direct debit, why would you continue to spam them? I don't appreciate the sort of option -

Mr DUIGAN - If I may, some customers appreciate knowing what the direct debit level will be so that they have enough money in the account to cover that. I think that's pretty reasonable.

Mr O'BYRNE - I have also had a message in the last few minutes. It's a beautiful thing. I've got a colleague who's watching and I've advised them to get on with their life. They've actually had two unsolicited messages through their app in the last two days. It's not like a regular - why would they get two messages in two days when their account balance is zero, when they are not in debt?

Mr BARBOUR - Again, we'd have to have a look at that individual case. As I said earlier, there are some prompts that are triggered through aurora+ so we'd have to have a look at that individual case and see if we can solve that for whoever's just sent you that text message. I'm not sure I would use the word 'spam' for messaging that comes from aurora+ because they are triggers based on an event. And, as I said, customers do have the ability to turn off the notification that we've just talked about. That's up to the customer, whether or not they would like to see that balance and like to receive that notification. We obviously don't have the ability to track the amount of money in people's bank accounts. They do that themselves, and some customers choose to use that notification to understand whether or not they're ready to pay that bill.

Mr O'BYRNE - It does stress those with a low level of financial literacy, but I accept your answer.

PUBLIC

Mr CLARK - Can I just add further, it's actually industry best practice to tell someone on a direct debit the amount that's going to be withdrawn. That is a very normal thing.

Mr O'BYRNE - That's not the information they are getting, though.

Mr CLARK - It is a very normal thing on services in water and energy, and the balance -

Mr O'BYRNE - No, you're confusing what I'm asking.

Mr CLARK - I will just correct you. The balance isn't zero. When someone is on a direct debit, it pays their balance automatically, but they are not on a balance of zero. They build up a balance. It's best practice to tell someone how much money is going to be withdrawn from your bank account so that they don't have a failed payment.

Mr O'BYRNE - It says:

Your Aurora balance is below zero.

Why does it say 'below zero'? 'Your Aurora balance' - I'm reading from it now - 'is below zero'.

Mr CLARK - You would have to provide us the details. We don't have access to what you're referring.

Mr O'BYRNE - That's a message from your company.

Mr CLARK - You can be below zero because you can forward pay. Many customers pay more than what they owe so they have a credit balance. That is very typical as well.

Mr BAYLEY - Just to continue the questioning around the Power Hours, the annual report shows that, on average, Tasmanians save 75 cents per Power Hours event, not per cent. Going to Ms Finlay's question around costs, I'm not sure that that question was necessarily answered. I'm interested in your analysis about savings to Tasmanians versus costs to Aurora, and whether you think this is an effective tool. What are you trying to achieve and is it effective in meeting your goals?

Mr CLARK - As far as the benefits of what we're trying to achieve, I'll hand to Will. As far as the cost of the application, that's commercial-in-confidence because, as you would appreciate, it's part of our broader marketing budget, the total scheme of Power Hours. But certainly, if the inference is, 'Is a cost greater than what the benefit is that we have paid out?', certainly not. The cost was nowhere near that. What we're trying to achieve in Power Hours is a combination of loyalty, marketing, energy literacy is probably the most critical element. And on that note, Will, if you could just explain a little bit further, thanks.

Mr BARBOUR - It's a good question because it does go well and truly beyond the dollars. To some of the points we've already heard, we see the best outcomes for our customers when they start to understand their consumption and they build their energy literacy. We see those results, e.g., lowest bill shock score through our aurora+ customers and generally those who are on a time of use tariff. They build their understanding and that helps them to drive down their bills. So it's a core building block.

You mentioned the average dollar figure. Power Hours is interesting in that the saving goes up the more you use it, so it's a new proposition. It's not even a year old yet and what we've seen to date is a number of customers who are still learning to interact with it. We've added things like splash screens within the app to help people to understand how to get the best value out of Power Hours. Fundamentally, it's around helping people to understand, 'If I get on top of my consumption and I understand if I can shift that to a different time of the day, I can reduce my bills'.

Mr BAYLEY - My understanding is, through you, chair or minister, that it's limited in terms of the time slots that customers can choose, therefore, it's limited in the context of exactly how much they can save. What's your intentions for next year? Have you done a review and an assessment and are going to make some refinements so you can improve the customer experience and benefit? What's your intention in the coming years with regard to this initiative?

Mr CLARK - Safe to say it will continue as part of our program fund, but we won't sit here and elaborate our marketing strategy. We're in competition with other retailers, but we will continue to surprise and delight Tasmanian customers with Power Hours amongst many other things we do for the customers, so it will continue to evolve and add value to Tasmanians.

Mr BAYLEY - Do you intend to make it available to all time of use slots or still have it restricted?

Ms NYLANDER - It's expanded already and is available over a whole week in some instances. It's a work in progress. We're adding more as we get feedback, so it's not only daytime spots, it's right across the board and even in some peak times. It's not a cynical exercise here, this is a genuine effort to improve and develop and Will can talk a little bit more on that.

Mr BARBOUR - As I mentioned, the proposition is set to turn one in January so we've now seen what summer events, autumn events, winter events and spring events look like from customer uptake and behaviour. Take, for example, the Christmas event that's coming up on 23 December for six days where there's a mix of peak and off-peak events that run for four hours each. It is the first version of the proposition so we had to develop something that we knew would work across the user base of over 100,000 people. We are looking at ways to diversify it and update its flexibility.

I'm not really able to go into details around what's in the development pipeline for Power Hours, but it's fair to say that we've got a constant feedback loop from customers through surveys on the back of every single event and we've taken some wonderful feedback that's shaping how we change that.

Mr BAYLEY - So, you're confident it's working for them and the intention is to keep it going.

Mr SHELTON - Minister, how is Aurora Energy using its own resources to better support broader community initiatives around Tasmania?

Mr DUIGAN - Thank you, Mr Shelton; I appreciate the question. Aurora Energy encourages its people to be active participants in the community and help make a difference. Their corporate volunteering program gives employees two days of paid community service

leave each year to support meaningful connections with local communities through both skilled and operational volunteering. In 2023-24, Aurora Energy's volunteering efforts increased by 2473 per cent compared with the previous year, contributing over 1800 volunteering hours in both Hobart and Launceston.

As a Tasmanian-owned and operating business, it is important that Aurora Energy actively gives back to the communities in which it lives, works and plays, and volunteers are the beating heart of the community sector and deserve to have a light shone upon their contribution. In recognition of the impact that Aurora Energy has had in its local community, Aurora Energy has been awarded the Volunteering Tasmania's Volunteer Impact Award Corporate Partnership. The Tasmanian Volunteering Awards are the only statewide awards program recognising excellence in volunteering and showcasing inspiring stories of individual and organisational giving across Tasmania. The awards are an important initiative of Volunteering Tasmania and are strongly supported by the Tasmanian government.

Not only did Aurora Energy win the award this year, Aurora Energy also sponsored the Lifetime Achievement Award and has been doing so since 2019. It was great to see Alanna Wilson received this award after her years of dedicated commitment to Make-a-Wish, so thanks to all those Aurora staff that are out there doing their bit for their communities.

Mr GARLAND - In your statement of corporate intent from 2023-24 of this current financial year, you're aiming for a return to government of \$6.6 million. In 2026-27, it is \$18.2 million. This year the return to the government was less than \$1 million. Presumably you will be putting in a submission to the regulator as they embark on their investigation before making their price determination early next year for an increase to the retail percentage you can charge to meet your shareholder dividend goal of \$18 million in 2026-27. The cost to serve in retail margin in this financial year is 11 per cent price stack. What will you be asking for in the next price determination from the Economic Regulator to get you up to your profit projection?

Mr DUIGAN - Thank you, I appreciate that and refer to comments I made earlier about having a sustainable energy retailer serving the needs of Tasmanian customers. I think it's absolutely important. It's a government business enterprise that operates on and for the benefit of Tasmanians. We've heard about a lot of the work that Aurora does in the community, a lot of the work that Aurora does in ensuring that every Tasmanian has access to the energy that they require and a lot of work that Aurora does in making sure people are able to meet their energy needs and obligations. In terms of what Aurora sees as a reasonable representation in the price stack for its retailing position, I think that's a matter for the business.

Mr GARLAND - Why haven't you published your statement of corporate intent for this year?

Ms NYLANDER - I thought we had.

Mr DUIGAN - I would have expected it would have been published. It's certainly been agreed to.

Mr GARLAND - As far as I'm aware, it's not been published.

Mr DUIGAN - We might just take that on notice and see whether that is indeed the case.

Ms FINLAY - I'd like to ask more questions around the profile of the debt. You were starting to talk about buckets, after 30 days, 60, 90, 180 and beyond, have you got a chart that compares this year and last in those buckets that you could table?

Mr BURKE - In terms of the buckets -

Ms FINLAY - I'm using your terminology.

Mr BURKE - Yes, the categories. The way that we capture and report them is by dollar value essentially. Debt that falls within less than \$500 and the customers who fall within that tranche -

Ms FINLAY - As opposed to age. There would be age reporting somewhere, I would have thought, on debt?

Mr BURKE - We do have, in terms of the actual -

Ms FINLAY - What document's that in?

Mr CHISHOLM - This is the annual report.

Ms FINLAY - What page are you on?

Mr CHISHOLM - Page 55.

Ms FINLAY - Thank you, I scrambled to find it a minute ago and couldn't. So that's in percentages and that's for one year - is that right?

Mr CHISHOLM - We've got the balance as at the end of the last financial year and the table below has the balance for the year before. When you're looking at that table, the first column relates to accrued income and billed energy so that's not relevant for your question. It's the next columns along, so from that, current, less than 30, 30 to 60, 61 to 180, and greater than 180 days. What you'll see is that the debt balances in the current and the younger debt have decreased year on year. For the 180-plus debt, the reason that is not coming down is more that we've lost some functionality which we're putting into our new billing system which allows us to write off debt, so that's not currently available and hence that bucket is growing, but it's debt that we've fully written off. In the younger buckets we have made a lot of progress since the previous financial year.

Ms FINLAY - Great. That actually leads to my next question. In terms of the forgone debt that that's been written off, what allocation of that 13 per cent, I think you said, reduction in overall debt can be attributed to debts that have been written off? There is a growing pressure in the community to be able to afford their bills and people are falling into debt. You've forgone some debts so that's actually taken a reduction out of the total, but the pressure is still in the community. What percentage of that 13 per cent reduction will have been attributable to the forgone debt?

Mr BURKE -Just to clarify, when you say, 'the foregone', do you mean the debt forgiveness program specifically or more broadly, the writing off of bad debt?

Ms FINLAY - Both categories. I know that you had a particular effort in bringing out having debts to be paid off, but you also had a fund that you used - well, not a fund that you used, but you've also written off debts significantly. Again, it's about how the picture is painted. There's been a reduction this year, but that actually could be attributable to the fact that there are debts that have been written off, as opposed to people being able to bring their debts under control.

Mr BURKE - Yes. To the first point around writing off debt more broadly, as James said, we actually haven't had the functionality to write off debt, and we only do that when debt becomes what we classify as inactive - when there's no longer an active connection attached to an account. We haven't been doing that recently, so that won't have been an impact on those figures.

In terms of the debt forgiveness program, I think what's important to remember is that's only available to our YES customers, which only makes up around 2 per cent of our customer base. Obviously, the debt challenge that we've had is much broader than that. Yes, the debt forgiveness program would have had a significant impact for vulnerable customers - the small number of vulnerable customers in comparison to our overall customer base - but the actual debt reduction we've seen is obviously much more substantial to that, and therefore would be across all of our customer segments.

Ms FINLAY - If I could just have another question -

DEPUTY CHAIR - Last question, and then we'll move on.

Ms FINLAY - In terms of the customers that are under pressure, have significant debt and therefore have their connections disconnected, we've had a conversation before around how many are then reconnected through contact, but there are still a number of people that are never reconnected. I'd like to understand the role that Aurora plays in those customers and the numbers of those customers. To you, minister, a second part of that question is, as a government, what do you do about customers that are disconnected, don't reconnect and then are left without a power connection. What's the government response in that situation?

Mr BURKE - What I could talk to, from Aurora's point of view, is obviously the fact that customer disconnection is an absolute last resort for us and yes, there's a number of steps that we take over a long period of time, leading up to a point where a customer may be faced with a disconnection scenario. That obviously includes contact over a range of different channels - text message, emails, proactive phone calls, all of those types of things - to try and engage with the customer and avoid that scenario occurring.

The other really important thing that we've done, again, looking for opportunities to try and intervene and support the customer before it gets to that point, is the Knock to Stay Connected program with TasNetworks, where we attend sites to try and speak with the customer directly before that. That's where we can ultimately play the biggest role in trying to avoid disconnections.

There are a small number of disconnections that do take place, which, as I said, we do try and avoid. In those scenarios, what we've seen, to your direct question, over the past financial year, is actually a reduction. The number of residential customers that are reconnected

PUBLIC

within a seven-day window, which is what we can track, is 30 per cent. The inference we take is that the amount of proactive activity that we're now taking means that a number of customers, those who truly need support, are getting it prior to facing disconnection.

Ms FINLAY - That's a percentage. Could you detail the number of customers that are disconnected?

DEPUTY CHAIR - Sorry, Ms Finlay, that was your last question.

Ms FINLAY - Well, I asked the question and I didn't get an answer. I got a percentage, and talking in percentages doesn't paint a picture. I'd like to know the number of customers -

DEPUTY CHAIR - If you've got a clarification, ask, but no preamble -

Ms FINLAY - What's the number?

Mr BURKE - The number of?

Ms FINLAY - People that are disconnected and then not reconnected.

Mr BURKE - I'll get that number and confirm for you.

Mr BAYLEY - I want to move to your staff. There's a snapshot in the annual report that talks to the diversity within the staff and education attainment levels and the like. I'm interested in staff satisfaction surveys, or unfair dismissal claims that might be on the cards or ongoing at the moment. Can you talk us through where you're at in relation to surveying your staff or its health and wellbeing, and if you have active unfair dismissal cases underway?

Mr CLARK - Sure. I'll ask our CPO to take that one. Thanks, Nic.

Ms HUNT - Thank you. With our engagement surveys, we conduct those three times a year. We also have an additional annual cultural survey as well, which measures the underlying culture and how our people are really feeling - that our values are being demonstrated consistently.

Mr BAYLEY - They are not published publicly, are they?

Ms HUNT - The culture results aren't, but the engagement results are. The engagement results are really about that pulse check around are we living our values and how are our people feeling in terms of being connected to those. Our most recent survey in October, we had 79 per cent as our result, with a target of 70 per cent.

Mr BAYLEY - How does that compare over recent years?

Ms HUNT - Over recent years - the 2023-24 period was 67 per cent; 2022-23 was 66 per cent, so just slightly below target. We are really pleased with how we have been progressing with our investment in our engagement and culture for our people over the last periods. Our last two results, prior to the most recent one of 79 per cent, were on the target of 70 per cent, so certainly heading in a really positive direction.

PUBLIC

Mr BAYLEY - What about active claims full stop, whether it be unfair dismissal or bullying, harassment or other processes underway. Where are you at in that regard?

Ms HUNT - We don't have any active industrial claims relating to unfair dismissal, bullying or harassment, and we haven't been in the industrial arena for a number of years now in that respect.

DEPUTY CHAIR - With the independents, I am not sure how the rotation's been going. The independents cumulatively get the same number of questions as the Greens, and I want to be as fair as possible with this. It is either everyone goes through every time and you only get one question, maybe two, or we kind of rotate each time round and you guys can ask a line of questioning. I am happy with what you guys are more comfortable with, but I see multiple people putting their -

Mr BAYLEY - Go all of the way through.

Mr O'BYRNE - Let's just roll through.

DEPUTY CHAIR - In that case, I think Ms Johnston would be next, and then we'll come through.

Ms JOHNSTON - Thank you, Chair. I do have to leave shortly, so happy to pass it on later. Minister, yesterday you were asked about a 140 per cent increase in late payment fees, and the rationale offered was that it hasn't increased in 20 years and you needed to benchmark it with other retailers. I am interested in what is the purpose of a late payment fee, and will that purpose change whether the fee is \$5 or \$12, or if there is just a friendly reminder that is sent out rather than a fee?

Mr DUIGAN - Thank you. I appreciate the question. I reiterate that the \$5 late payment fee feels like a bit of a hangover, I think, when you say it out loud - there aren't too many late payment fees at the \$5 level now. Obviously, a late payment fee is there to incentivise people to pay on time. That is an important part of running a business. As to how Aurora has arrived at the new fee, I would be happy for the management -

Ms JOHNSTON - That bit, I think, was answered yesterday. I am happy with that answer.

Mr DUIGAN - Yes. It is a pretty standard thing, I would have thought, and to contemporise the value of it I think is reasonable.

Ms JOHNSTON - So, your view is that it is to incentivise payment on time? A \$12 fee is obviously more than \$5 and there is a pain point there. How much revenue does Aurora project increasing to fees to \$12 will generate in the next financial year, and will this revenue raise be reinvested into the kind of customer supports to try and encourage people to pay on time or to provide assistance, or will it just go into the dividend to the government?

Mr DUIGAN - That would be a question for, I am sure, the management.

PUBLIC

Mr CLARK - As far as a forward projection, obviously we do not know how many people are going to pay late. I think we can't really answer that question. All we can answer is -

Ms JOHNSTON - Based on last year's numbers, can you give an indication? You would have an idea of how many people paid late last year and how much you received in revenue from late payments?

Mr CLARK - Yes. James? We have the historic numbers.

Mr DUIGAN - Noting that you would expect a vast decrease in that number due to the new lofty \$12 late payment fee.

Ms JOHNSTON - Hopefully, if you spent the -

Ms FINLAY - Let's see what happens next year, minister.

Ms JOHNSTON - That's it.

Ms FINLAY - You might not want to be saying that comment with a smile on your face.

Ms JOHNSTON - You can spend \$20 million on preventing that in the first place.

Mr DUIGAN - Indeed.

Mr CHISHOLM - I suppose the late payment fee is about trying to change behaviour, and the more people that pay late - and I know there are a lot of people who can afford it but if there is not a late payment fee they may not, and that adds cost to the business. That is the sort of incentive we are trying to drive in terms of the projections. It is quite difficult for us at the moment because the last couple of years have been impacted by the late payment fee functionality within our new billing system not working properly, so we've actually stopped late payment fees over the last six months and we're in the process of trying to get that functionality -

Ms FINLAY - You've had a 13 per cent reduction in debt.

CHAIR - Ms Finlay, you'll get your moment.

Mr CHISHOLM - To answer your specific question, it is quite difficult. When it was operating the year prior to last, it was at about that \$350,000 mark, so I suppose you could double it.

Mr O'BYRNE - I was going to let this go, but given the nature of the last response I will ask it. Thank you for explaining the functionality of the app. I appreciate that, but that doesn't explain the email that people received unsolicited to direct debit clients. The email doesn't give account details, it doesn't say how much you're in arrears or not, it's just a one-off email separate from the bill saying get in and pay your bill, but you're on direct debit and you have no bill. I understand the app and I get that, although I think it's clunky and for some people it's problematic because they're not good with apps, but it doesn't explain the email, which has

PUBLIC

nothing to do with the app and the notification. Maybe you could explain why Aurora customers on direct debit who are not in arrears are receiving every month an email saying pay.

Mr DUIGAN - I will pass that one to management.

Mr BARBOUR - At risk of covering the ground we covered earlier -

Mr O'BYRNE - It's an email, not an app, so it's different ground.

Mr BARBOUR - Yes. As part of your use of aurora+ there are within the terms and conditions provisions for receiving emails relating to actions within the app. At the moment, we don't push notifications on an individual basis. We have the ability to push notifications on a cohort basis. Obviously if you're going to push a notification relating to someone's individual bill amount, you need to make sure it's landing with the right person. That is something that's within our pipeline at the moment.

In relation to direct debit to touch on the point from earlier, many customers like to know when they're billed, because the bill cycle does still exist -

Mr O'BYRNE - But they get a separate bill and then they get a separate email. I understand the bill, tickety boo, but why would you give them a spam email on something that's like that?

Mr BARBOUR - Just to be clear, this is not a spam email but it isn't broadcast broadly to the whole 103,000. If you're a direct debit customer and your bill cycle is coming to its end, that is, your bill is due, you will receive an email to say your bill cycle is coming to an end and you will have an amount due, so you do have an amount due once you come to the end of that billing cycle and it's a notification to say through your direct debit that there is a charge coming and that's helpful for many customers who may manage multiple bank accounts and need to ensure that they have the right amount of money in that bank account.

Mr O'BYRNE - So you're sending out a bill notification email and an email basically saying 'you owe nothing but please pay more'. That's the confusion people have. They get their bill and they don't know why you're sending all these emails. While I've been sitting here, three people who I do not know have been watching saying, 'Good question, I get that, I think it's outrageous that we get this email'.

Mr BARBOUR - If those good folks are still listening, all they need to do is toggle the balance card on their app and they won't receive that.

Mr O'BYRNE - What if they don't use their app? What if they don't access the app and there is no function to it, they just get the email?

Mr BARBOUR - It sounds like they are aurora+ users if they're receiving that notification. It's probably worth clarifying too that there is something due at the end of a billing cycle so yes, direct debit is a good option for the automatic payments and they also receive the direct debit discount if they're using direct debit as their channel, but it's not the fact that zero dollars is due at the end of your billing cycle. There's still a due amount at the end of your billing cycle and direct debit is your method of paying for that due amount.

Ms FINLAY - I want to go back to the matter of disconnections. Obviously the focus of this whole inquiry is around pricing and hardship, so I want to know the specific number of people who have been disconnected, then the people who didn't reconnect - the number of people without a disconnection - because we're sort of building up here that there's an increase in the retail operating costs proposed, there's an increase in the late fees, there'd be a disconnection fee, there'd be a reconnection fee, and then we have a cohort of people who are disconnected from power and haven't reconnected and I'd like to know that number.

Mr DUIGAN - Thank you, and before Alistair potentially provides you some detail, I want to give you some context around Knock to Stay Connected, which is TasNetworks' program. Forgive me, my memory may not be 100 per cent, but I think we engaged in around 500 -

Ms FINLAY - It was 580.

Mr DUIGAN - 580 interventions, which stopped 65 per cent of those potential disconnections, so it's a really valuable touchpoint that we have and it substantially changes what that otherwise would look like, so it's not -

Ms FINLAY - I get that. We've prosecuted this in another place but what we haven't had is the number of people that are not reconnected? I think, as a community -

Mr DUIGAN - I think there is a cohort, as you have identified, and there is work happening at the national level because this is obviously not a circumstance peculiar to Tasmania. There are people who -

Ms FINLAY - They are Tasmanians.

Mr DUIGAN - Correct.

Mr BURKE - To your specific question, I think the first point, and this is important, is that of all the customers who go through that collection cycle, only 33 per cent actually end up in disconnection, those who are scheduled, so those have to get all the way through to the final stage of scheduling for disconnection. There's only 33 per cent that actually go through and, as the minister said, a large part of that is the success of Knock to Stay Connected.

We see 37 per cent who get to that point end up in our Hardship YES program. So, there's a greater percentage of those who get support rather than those who do get disconnected. In terms of the last financial year for small customers, there were 295 disconnections completed. As I said earlier, in terms of the customers who reconnect, we only track that within a seven-day window so we don't track it into the future, and there was 190 of those disconnections which didn't reconnect within seven days.

What we don't also see is customers who churn to other retailers as a result of that disconnection. Obviously, there are other retailers in the market and there is the option for customers to sign up with another retailer at a site which we don't have visibility of, and as I said, we also don't track any activity beyond that seven-day mark for a range of reasons.

Ms FINLAY - And a customer is a household, isn't it, so that would be 190 households?

PUBLIC

Mr BURKE - Yes, connection points, households. We refer to them as NMIs - national meter identifier - that's how we technically refer to them, but essentially that's residential connection points that have been disconnected.

Mr CLARK - Can we also just clarify one other thing? Besides the fact they can move to another retailer, they could also be signed up under another family member's name, so to get the absolute answer on that is quite impossible. All we can see is those who leave or resign under the same name, but as Alistair said, they could go to a competitor and we don't have those facts.

Ms FINLAY - That's right, but for a period of seven days, if they re-signed under a different name but at the same address, often I've disconnected and reconnected before moving from property to property and if you move from address to address, but if you reconnect that address - I'm making an assumption, I haven't done that - you would identify the property as much as the individual in that case.

Mr CLARK - It could be a similar name match but it may not be; it could be a completely different surname.

Ms FINLAY - But the property where the energy is being connected would be part of the matching process because you're connecting it to the property.

Mr CLARK - You're basically signing up a new account detail on who's re-signing up at that house so it basically creates a new event.

Mr BAYLEY - I don't want this to be a Dorothy Dixier, and I'm all into electric cars, but I'm really interested in the e-transport initiative on your website, which is clearly a partnership with a car leasing company. Could you explain that for us? Besides the logic that an electric car uses electricity and will, therefore, need to have a connection and perhaps an Aurora customer, what's the interest? Does it cost, does it earn you a return, having this relationship with carbar? There are plenty of other good Tasmanian, including electric car wholesalers and providers like the Good Car Company and so on. So, I just invite you to unpack this a little bit because it's an initiative I hadn't understood fully in the past.

Mr BARBOUR - Obviously, in Tassie, EVs are still relatively small in number on the roads. I think it's around 4000 at the moment. Aurora, given our remit and our commitment to the community, wanted to bring something to Tasmania to help Tasmanians test electric vehicles. We spoke to a number of potential partners and engaged carbar, who are an interstate provider, but on the proviso that when they came to Tasmania, we would act as a marketing partner for them, stepping into a relatively small market, and give them the surety that they would have contact with an established business on the ground.

The thing we find quite attractive about carbar is that it's a subscription model. They don't sell vehicles direct to Tasmanians. Tasmanians can subscribe to test an EV. That brings with it a level of quite attractive -

Mr BAYLEY - What does that mean? A subscription versus a novated lease, for example? Or something else? What's a subscription?

Mr BARBOUR - In the same way that you would subscribe to an online streaming service such as Netflix, you can subscribe to this vehicle. It's not as involved and it's not a time commitment like a novated lease is. There's a 30-day sign-off notification, but what we've found, especially through the period when there were long wait times for electric vehicles, Tasmanians could get into a vehicle, use it for six months, then maybe swap it for another one, test that. It helps to alleviate some of the concerns people have around things like range anxiety, availability of charge points, because they're not making a commitment to buy or to novate, but they can subscribe for a period and test an EV.

Mr BAYLEY - Is this costing Aurora, or do you receive a return from this relationship? How does it work commercially?

Mr BARBOUR - There is a cost to the partnership, but obviously we're in a commercial agreement with that provider and there is a relatively small return on a per-subscription basis. We very much saw a role for a business that wants Tasmanians to choose us for their energy future, and to break down some of the barriers and make energy easy for us to help Tasmanians get into an EV. So, our primary motive wasn't necessarily for carbar to only be about commercial return. There was an element here of bringing something new to Tasmania and also to make EVs more accessible for Tasmanians, and it has helped with that.

Mr BAYLEY - Does it come with a home charging port or something like that, linked to an Aurora account? Is there a relationship to the actual power bill for the user?

Mr BARBOUR - It's available to Aurora Energy customers. Carbar, as the provider of the vehicle, also take care of home charger installation if the customer wishes. Many customers are happy to trickle-charge overnight. I think one of the things customers learn is that you don't actually need that EV to be at 100 per cent all the time, especially if it's someone who uses it mostly around Hobart, Launceston, Devonport, Burnie or urban areas. Carbar take care of all the maintenance of the vehicle and the insurances, and the customer is responsible only for charging that vehicle.

Mr BAYLEY - Just a quick follow-up. How long has it been going for and what's the assessment? Is it working for you? Is it a good deal? Are you going to stick with it for the coming years?

Mr BARBOUR - We found carbar to be a good solid partner. It's going well. It's meant that a number of Tasmanians have been able to test an EV for the first time, mix and match and change the models that they're trying out and, for some, have a stopgap EV while there were long wait times, or remain long wait times with some models. It's our intention that we maintain a relationship with that provider.

Mr SHELTON - Minister, what community organisations have received support from Aurora Energy this year? And can you tell us a little more about the financial support and how that's enabled them to benefit local communities?

Mr DUIGAN - Thank you, Mr Shelton, I would be very pleased to do that.

Before I do, I must, in answer to Mr Garland's question around the statement of corporate intent, which is not in fact published at this time, the ministerial statement of expectation has

been finalised and published, I believe. The statement of corporate intent hasn't been quite finalised yet but will be up, as I understand it, before the end of the year, so good pick-up.

Aurora Energy continues to actively participate in the Tasmanian community through its community programs. This is designed to provide targeted support for not-for-profit organisations through a range of investments and partnerships that contribute to making energy easy. In 2023-24, Aurora Energy contributed over half-a-million dollars' worth of worthwhile support to causes, including \$50,000 to the Ronald McDonald House to give Tasmanian families a place to call home while their child receives care in hospital. In May 2024, Aurora Energy teamed up with Variety Tasmania to become a founding partner of its Variety School Breakfast Club. This multi-year \$70,000 annual agreement will fund 12 schools' breakfast programs located across Tasmania, enabling all students to access a nutritious breakfast five days per week.

Appreciating cost-of-living pressures and the need to be ever more present in the community, Aurora Energy works collaboratively alongside TasNetworks and the Tasmanian Men's Shed Association to deliver an innovative community engagement program aimed to increase energy literacy, known as the Power People Project, which I've had some contact with. The Power People Project involves training individuals known as Power People with the knowledge and skills needed to understand energy usage, manage cost effectively and make informed decisions in the evolving energy landscape. Once training is completed, Power People share their valuable information and insights across their networks.

Aurora Energy's Community Investment Strategy aims to help customers increase their energy literacy and improve energy efficiency of their homes. Since November 2015, Aurora Energy has provided over \$2.89 million in funding to the program and have recently committed a further three years at \$200,000 per annum.

Ms FINLAY - The Aurora submission to the regulator on the pricing determination outlines a number of increases. We've spoken already about the retail operating costs, a 20 per cent increase, the late fees, 140 per cent increase. There's also a request for consideration of an increase in the retail margin. ACCC recently did a report where across the NEM it found that that margin was about 3.4 per cent or \$49 per residential customer. The request through Aurora is for a 5.5 per cent retail margin, which would see it at about \$100 per residential customer. Do you think it's reasonable that there's a difference in these retail margins proposed by Aurora?

Mr DUIGAN - As I think I've spoken to about several aspects of that submission, I think it is absolutely critical that we have a sustainable business. I would defer to the senior management and the board of Aurora to make determinations about what they see as the sustainable model for that business as it moves forward. As I think is on show for all of us to see in the annual report that the margins for Aurora are pretty thin. There are cost pressures in businesses across the state. Aurora is not isolated from those cost pressures. There are cost pressures for families and for people running households, and energy bills are part of them. I would say that the Tasmanian energy businesses, Aurora included in that, has done a very good job over the past decade of keeping energy prices in Tasmania low. And in real terms, energy prices have gone down.

Ms FINLAY - Yes, but household bills, minister. You can keep saying that on repeat.

CHAIR - No, Ms Finlay.

Ms FINLAY - He had a full stop at the end of his sentence, Chair.

CHAIR - He did, and so you can ask another question, not make another statement.

Ms FINLAY - Across all of government, there's an expectation that there's an efficiency dividend being required across all departments. It's tough everywhere, of course. Some of my other portfolio areas, for instance, Biosecurity, which is essential for Tasmania, still has to apply the efficiency dividend. In the submission, Aurora's view is that an efficiency factor shouldn't be applied at the same time that they're seeking to increase both their retail operating costs and their margin. Do you think that is reasonable given the expectation across all the other government entities?

Mr DUIGAN - What is contained in that submission is Aurora's view of the world.

Ms FINLAY - But as minister do you support it?

Mr DUIGAN - I support, as I have repeatedly said, Aurora being on a sound financial footing. I think that's critical. The regulator will make the price determination about what is fair and reasonable. I think that is a system that has served us well, as evidenced by statements that I won't inflict on you again, but we are in a reasonable space.

Ms FINLAY - One of the other things we have discussed over other scrutiny in the last couple of days is around Basslink and the decision that is not yet made but is likely to be made come 1 July around that being a regulated asset. I know you might shrug and reply that it's a decision not yet made but we all need to be preparing for that. In the submission, Aurora also stated that costs related to the services such as Basslink should be proportionally recovered from all electricity customers in Tasmania. That is another increase and we talked about this yesterday. There are layers on layers of increases to Tasmanian households and small businesses and Basslink becoming regulated will be another. There will have been modelling done, so can you please outline to the committee what that will mean for household customers if that is regulated come 1 July? What modelling is being done to prepare?

Mr DUIGAN - Certainly in the context of an Aurora Energy GBE hearing, I won't be speculating on things that may or may not occur with the Basslink regulation.

Ms FINLAY - I'm not asking you to speculate. In the modelling in preparation for that occur, Aurora are clearly aware that it's a possibility because it is included in their submission. In the submission, they believe it is appropriate that the costs should be recovered. I am asking, through you to the CEO, to outline in dollar terms what that would mean per customer?

Mr DUIGAN - What I think is really important to recognise with Basslink, given it is an interconnector that has been there for 20-something years, is that up until this point today as we sit here, all the costs of that interconnector have been borne by Tasmanians. Having that transition into a regulated asset, as it should be, means the Victorian customer would get to bear some of the cost of that as well, and our view of the world is that that's as it should be.

Ms FINLAY - Sure. However, that has been from Hydro. There will be that dollar figure within the papers of the people here from Aurora at the table. I am asking you to indicate in the

PUBLIC

modelling what the indication is of the increase in customer bills by recovering the cost of Basslink.

Mr DUIGAN - It is a live decision. It is a decision that has not been made and I certainly won't be speculating.

Ms FINLAY - Are you refusing to provide the answer, minister? In the modelling -

DEPUTY CHAIR - I am going to move on to Mr Bayley.

Ms FINLAY - Are you shielding them, Chair?

DEPUTY CHAIR - Excuse me. Do not question the integrity of me sitting in this Chair, Ms Finlay.

Mr BAYLEY - I will go to gas, if I may. You are also the gas retailer and in a climate crisis we need to do all we can to get off fossil fuels and that includes gas. Can you tell us what you are doing to help clients and customers get off gas and on to electricity and how you are supporting them to make that switch? Or are you still marketing gas connections as a positive, going forward?

Mr CLARK - No, effectively we do not market for new gas connections and the gas market in Tasmania is very static. As you would appreciate, only a small amount of residential households have gas. Our current position is that we support choice, so for those customers on gas we have not looked to exit them off that fuel, but nor do we at the moment have any active programs to help them in the sort of cost transition if they chose to come off gas and onto electrification. That's not to say we won't have something in the future but at this current point in time we don't have an active program.

Mr BAYLEY - Putting aside the climate issues and fossil fuel issues, there has been a fair bit of research and media reporting recently, I guess, over the last year or so, about the household impacts of gas as well, the emissions in the house and the impact on human health and wellbeing. Do you have any fears about that going forward and any kind of liability issues or is it something you should be thinking about in terms of proactively helping people get off gas, not only because of climate issues but because of those household emissions and human health impacts?

Mr CLARK - At this point in time we haven't had brought to our attention any major health aspects of being a gas retailer.

Mr BAYLEY - You haven't seen them discussed in the media over recent years?

Mr CLARK - We've seen media stories, but I think I could pull out enough stories that would be both promoting and detracting from gas, so at this point in time we supply it. It's an active fuel and has been for many decades in Tasmania. As I said, we provide our customers with that choice.

Mr SHELTON - Minister, how is Aurora Energy supporting its staff to stay engaged and productive in the workplace?

Mr DUIGAN - Thank you, Mr Shelton; I appreciate your question, as always. Aurora Energy's aim is to create a workplace where their people feel psychologically safe and can bring their best selves to work, whatever that might look like for them on any given day. They provide their people with access to a range of training to bolster their mental health skills and this includes psychological safety training for leaders [?? 4:16:46] and board, which is also covered in the relative due diligence training. There are trained mental health first aid officers to offer peer support and mental health training for all employees using modules developed by the Black Dog Institute. This training has given employees the skills to identify the signs and symptoms of mental illness and there is a toolkit to refer people on to support services and Black Dog webinars for leaders and mental health first aiders.

In 2025 Aurora Energy will continue its focus on fostering a psychologically safe workplace by rolling out the resilience project e-learning to all employees. This training will provide employees with more skills around mental health, including the importance of self-care, the power of positive 'emphsons' - I'm not sure if that's a word or a typo; anyway, I'll read it as presented - practising gratitude, empathy and mindfulness. It might be emotions.

Mr BAYLEY - Didn't Mr Shelton give you the answer?

Mr DUIGAN - No, this is all coming off the top of my head. The resilience project has assisted over 1 million Australians, 1000 schools and 500 workplaces to deliver mental health strategies. Leaders in Aurora's talent acceleration program will also be trained to create psychologically safe environments and they will then deliver this training across the business. Aurora Energy focuses on creating psychologically safe workplaces and provides their employees with the skills they can use in all aspects of their life.

The levity in that answer is on my behalf. It is a serious topic, and I congratulate them.

Ms FINLAY - My question is for the chair. In dollar terms I'm wondering if you can outline Aurora's proposal to the impact on Tasmanian households from the Basslink costs?

Mr DUIGAN - Again -

Ms FINLAY - I am able to ask a question to the chair.

CHAIR - Minister, the member is able to ask the chair the question directly. The chair can then choose whether she passes it to the minister, the CEO or anybody else at the table.

Ms NYLANDER - That's not something I think is appropriate to answer. We're not talking about Basslink. We obviously have made a pitch in our determination there and -

Ms FINLAY - It's relevant to Aurora's operations though, because it will go onto the bills of households and it's included in the submission so it is relevant to the-

Ms NYLANDER - It's there and it's for the regulatory part of this process that we're going through that we put forward.

Ms FINLAY - Could I ask a different question, then?

Mr DUIGAN - Could I just add something?

CHAIR - The minister will add to the answer before I come back to you, Ms Finlay.

Mr DUIGAN - I understand what you're seeking, but what I think is critically important in the discussion is the fact that any price determination hasn't been agreed. That will be provided by the Australian Energy Regulator and so in terms of attributing a dollar amount to any aspect of that, it is very difficult in the absence of that.

Ms FINLAY - My question for the chair is, have you, the CFO or the CEO done any modelling on what that figure would be?

Ms NYLANDER - I will refer that to the CEO, but all I would say is that what is put there, all we are raising is the cost of our ability to operate in the market, and the cost that's associated with that. There are multiple costs; we can't wear that and be a sustainable business. That's the context of what we've put there. It's all for discussion with the regulator. That's one of the facets of it.

Ms FINLAY - I understand that, as an organisation, given that you're aware of those costs, there would have been modelling done and there would be a number?

Ms NYLANDER - I'll pass that to the CEO.

Mr CLARK - Per the minister, we don't know what the cost is because the AER hasn't regulated on it, so we don't have a number. Our point in the submission is on the principle, and that is that transmission and distribution costs are passed through, as per all other transmission and distribution costs.

Mr GARLAND - In your submission to the energy committee, you pointed out that Aurora disproportionately bears the burden of providing financial support for energy customers experiencing energy debts or poverty, even though you are only responsible for 11 per cent of the retail electricity charge. You believe Hydro Tasmania and TasNetworks, who are responsible for a much larger share of the retail electricity charge, should bear a much greater responsibility for financial support for those experiencing energy poverty.

Can you elaborate on this and do you have any suggestions as to what this might look like?

Mr DUIGAN - Thank you; I appreciate the question. I think you identify rightly that all of the cost of energy debt does indeed live with the retailer. I believe that is the same situation across Australia, not just here in Tasmania.

Certainly, as part of price determinations and things of that nature, those would be factors that are taken into consideration. As you see, the Aurora component of that price stack, that's one of the things that lives in there. In terms of how the business views that responsibility and whether it sees any potential opportunity for changing that, I'm happy to pass to the chair or CEO.

Mr CLARK - I'll just add two things. I think, one, it is the norm. The process in the NEM is effectively that the retailer bears that issue. What I would highlight is that the more key thing that we do is work closely with TasNetworks where we can do innovative projects

like the meter rollout. The more efficiently we can do that, then the greater savings that we can bring to Tasmanian customers. In the spirit of Tasmania, there are obviously those elements that we try to seek efficiently.

As far as the bad debt - no, that is borne by us, but obviously we believe we're the most capable in managing that process in an efficient, professional way, as has been elaborated today. The price determination does give some reflection for those bad debt costs as part of the cost stack build up. As I said at the beginning, we're in norm to where the rest of the market operates.

Mr BAYLEY - Looking at your statement of expectations and actually the one of TasNetworks as well, I'm interested in the terminology. This may be pedantic, but why do you term your statements of expectations 'members statements of expectations' as opposed to a 'ministerial statement of expectations', which is the normal language and what we've usually called these kinds of things in the past.

The Macquarie Point Development Corporation, Homes Tasmania and others have got ministerial statements of expectations. It, to me, seems like a change and a diminution of the statement of expectations. You're not just a member, minister; you're the minister and you have responsibility and accountability. Why is it the members' statement of expectations, not the ministerial statement of expectations?

Mr DUIGAN - I guess I'm a member of the shareholder group, which consists of two ministers. My understanding of why that particular word is used in that context is for that.

Mr BAYLEY - Because it's a joint statement?

Mr DUIGAN - I'm a member of a small group, but that's as I understand that.

Mr BAYLEY - Okay. I accept that.

Ms FINLAY - In terms of efficiencies and costs, I note in the annual report there was a comment - pleasingly - about staffing numbers in Hobart and in Launceston, looking to move into the CBD area. I'm interested in -

Ms NYLANDER - We're already in the CBD. We're going to new premises that are being renovated at the moment.

Ms FINLAY - In terms of the premises in Hobart - and can you remind me where you are in Launceston?

Ms NYLANDER - We're in George Street and we're moving to another part of George Street.

Ms FINLAY - It was just raised with me that the property in Hobart doesn't have an active reception area and whether, given the transition to digital and things, it was necessary to have CBD locations. Can you just talk through a reflection in terms of the operating costs and efficiencies and things?

Ms HUNT - Previously, we were at Kirksway Place in Salamanca and transitioned into the city in the Hobart office. We, at times, still service our customers. Whilst we don't actively promote that - our service offering is to service through our digital channels or through our contact centre, and then looking at other opportunities, which we've spoken about earlier today, around our customer support programs and how we actually engage with the community through our vulnerable customers and providing them with energy literacy support.

In regard to our Launceston office, the intention for that move is because the existing office is no longer fit for purpose for us. It's critically important that we can service the entire state, and having our Launceston team is important to us. Transitioning and fitting out a new building that can house us more effectively so that we can work collaboratively within the office space, which is a prevention that we have today in the existing building, will allow us the capacity to do that.

It also has the ability, in the future, if we would like to extend offering to a more traditional reception area, that is something that we have the capacity to be able to test and trial in the future.

Ms FINLAY - I suspect you won't want to reveal pure dollar terms, although it is reported in the annual report in terms of lease responsibilities, but will the move in Launceston result in a percentage increase of the lease amount annually - is there an increase?

Ms HUNT - I could talk to the overall cost of that, which is around \$3 million for the entire fit-out and move into that building, but noting that, we were at the stage with our existing building now that we've been in there for quite some time - it's quite dated. We would have needed to refit the building if we were to stay in the space today, so it was essential for us to be able to provide greater capacity for our employees.

Ms FINLAY - What's the specific address that you're moving to in Launceston?

Ms NYLANDER - I think it's 33, off the top of my head, and it's the former MAIB building on the second floor. It's a significantly larger space than what we've got now.

Mr CLARK - It's worth noting that it's a larger floor plate. We value our employees coming into the office and working under our better fit program, so this floor plate needed to be larger to allow our full Launceston office. I think the other key thing to point out about both locations is, we're obviously in competition for talent in the market, and for us to be in a location that's accessible by good transport - public transport in particular - is really important. Both of those locations ticked a bill of accessibility, modern premises and allow us to attract the best employees to work for Aurora.

Ms FINLAY - Have you got ongoing arrangements in the current location in Hobart, or is there likely to be a need for a future move in Hobart?

Mr CLARK - We have no plans to move. We have a fit-for-purpose, excellent office that was only moved into not that many years ago.

CHAIR - The time being 4.30 p.m., the time allocated for scrutiny of this organisation has now expired. I thank you all for your attendance.

PUBLIC

The witnesses withdrew.

The committee suspended at 4.30 p.m.