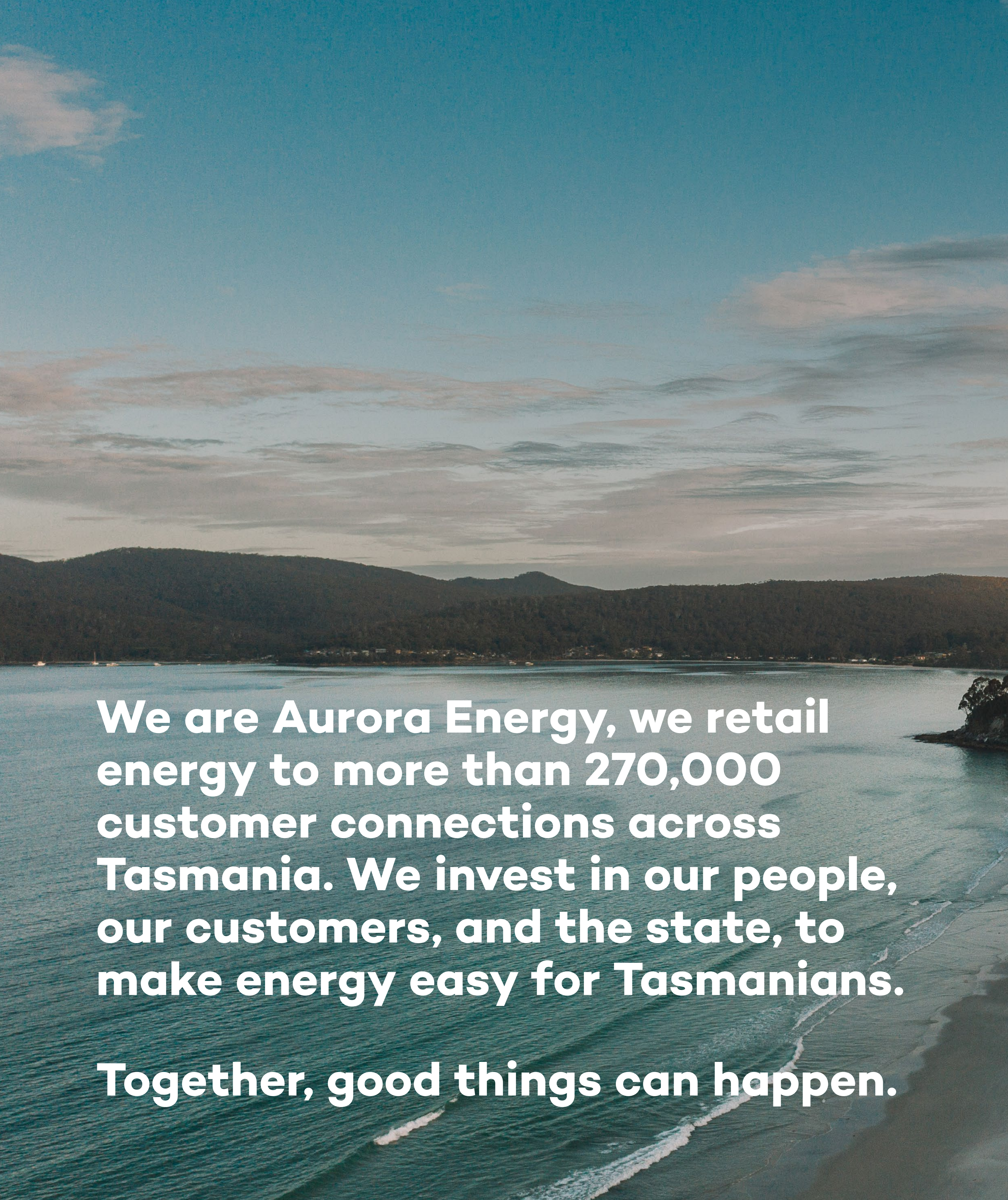
Annual Report.

2023 - 2024

aurora energy



We are Aurora Energy, we retail energy to more than 270,000 customer connections across Tasmania. We invest in our people, our customers, and the state, to make energy easy for Tasmanians.

Together, good things can happen.

The year at a glance.

over 95K	Empowered more customers to keep on top of energy costs via aurora+, with over 95,000 customers now signed up to the digital channel.
	Delivered a range of support measures to ease cost-of-living pressures, including the Supercharged Renewable Energy Dividend to homes and small businesses in the state.
Power Hours	Provided 692,000 hours' worth of free electricity through Power Hours as a way to say thanks and give back to our loyal customers who use aurora+.
	Invested over $400,000 in partnerships and donations to support worthwhile projects and causes, including a new multi-year, $70,000 annual agreement with Variety Tasmania to become the founding partner of its Variety School Breakfast Club.
80%	Continued to invest in Tasmania's energy future, with close to 222,000 customers or 80 per cent of homes now connected to an advanced meter.
	Launched the Power People Project alongside TasNetworks and the Tasmanian Men's Shed Association with the aim of increasing energy literacy within the community.
	Enhanced the aurora+ signup journey to create a better user experience to help as many customers as possible gain greater visibility and control of their energy costs.
	Waived $247,000 in outstanding energy charges as part of our debt forgiveness program.
	Completed the successful migration of our entire customer base onto our new retail energy platform that will enable us to substantially enhance our frontline service capabilities.
	Developed new retail market energy offers to respond to regulatory changes and keep customer choice front of mind.
	Invested $5.37M in projects to enhance business performance and customer experience.

Contents.

Chair and CEO Review.

On behalf of the Board and Management of Aurora Energy, it is with pleasure we present the 2023-24 Annual Report.

When we consider the year that has been, we are extremely proud of our proactiveness to further make energy easy for our customers as Tasmania's only fully owned and operated energy retailer.

Despite great change and uncertainty amid a once in 100-year energy system transformation, we remained focussed 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 $2.2M. This allowed us to return $0.9M to the Tasmanian Government to remain within the state.

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. Improvements in recruitment processes, employee upskilling, labour hire practices and further system investments all contributed to improved service level metrics. The completion of the customer migration onto our new retail energy platform was a further key enabler.

As part of the broader customer experience, we continued with our digital investment in Tasmania, for Tasmanians.

We encouraged a greater number of customers to keep on top of energy costs through aurora+. We achieved this via new functionality such as offering quarterly billing customers the ability to access the digital channel and further enhancing the signup journey to create a better user experience. Excitingly, over 95,000 customers, or more than one in three Tasmanian homes, is now benefitting from having access to energy usage information at their fingertips and other value elements of aurora+.

To say thanks for being with us and giving back to our loyal customers who use aurora+, we launched Power Hours in January 2024. Each event gives the opportunity to use unlimited electricity, free of charge in an available time slot of the customer's choice. So far Tasmanians have saved approximately $305,000 over a total of 692,000 free hours.

A key driver to delivering aurora+ is the need for an advanced (smart) meter. We continued to rapidly roll out meters throughout the year, which will help facilitate the delivery of modern products and enable insights to empower customers to better understand their energy usage. Over 80 per cent of Tasmanian residences and businesses have had an advanced meter installed, which is in line with the State Government's commitment that the rollout will be complete by the end of 2026 and well ahead of national recommendations of 2030.

Research tells us that there is a direct positive correlation with having an advanced meter and aurora+, and customers' propensity to engage with us, leading to much greater customer connection and satisfaction. These tools are our cornerstone foundational investment for future service delivery excellence to our valued customers.

In 2023-24, we were happy to successfully complete the migration of the entire customer base onto our new retail energy platform. We are very appreciative of the significant work and unwavering commitment of our people to deliver this complex project and look forward to its contribution to a positive Aurora Energy customer experience over many years to come.

Thank you to the former Chair

"Mary's leadership, wisdom, intellect and energy system understanding has allowed Aurora Energy to grow and mature despite ongoing challenges in the external environment. Her guidance and personable approach with all Aurora employees were greatly appreciated and admired. I wish her all the best for her future endeavours."

Nigel Clark, CEO

Despite having the lowest regulated electricity prices in Australia, being Tasmanians ourselves, we understand the difficulty being felt by homes and businesses across the state and have shown we are committed to doing what we can to help Tasmanians doing it tough.

We worked alongside the State Government to deliver its supercharged Renewable Energy Dividend, which provided $250 in financial assistance to every Tasmanian household and $300 to around 35,000 small businesses.

It came off the back of distributing Energy Bill Relief Fund payments to more than 100,000 customers, including small business. This targeted bill relief that included an expanded cohort of welfare recipients was in addition to existing energy concessions that we issue annually that 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 teamed up with Variety Tasmania to become the founding partner of its Variety School Breakfast Club, which will enable allocated schools to deliver a nutritious breakfast five days a week to all students.

Not least, we continued to encourage our employees to be active participants in the community to help make a difference resulting in us boosting our volunteering efforts sevenfold to over 1800 hours of direct contribution.

Within the business, a new Vision and Purpose were launched in the back half of 2023. They will help guide Aurora Energy into the future and inform the way that we make decisions, prioritise our work and ensure that we're all moving forwards towards our shared goals.

We were also delighted to put pen to paper on a new location for our northern office that will further enhance a whole state presence and promote collaboration across our Launceston and Hobart teams.

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 must ensure we remain relevant and trusted with our Tasmanian customers in an increasingly competitive market.

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

Keryn Nylander
Acting Chair

Nigel Clark
Chief Executive Officer

We get Tasmanians.

We take pride in putting our customers first and their needs inform our decisions.

Relieving cost-of-living pressures

Understanding the difficulty being felt by homes and businesses across the state, we worked alongside both State and Federal Government to provide cost-of-living relief.

On behalf of the Tasmanian Government, we administered the supercharged Renewable Energy Dividend to deliver $250 to every Aurora Energy residential electricity account holder and $300 to all eligible small businesses.

In 2023-24, we also facilitated the payments from the State and Federal Government's combined Energy Bill Relief Fund. The Fund will provide eligible households with $500 of targeted electricity bill rebates over two years, while small businesses have already received $650.

We also waived $247,000 in outstanding energy charges as part of our debt forgiveness program, provided close to $270,000 in incentive payments to customers on our hardship program and allocated much-needed relief to individuals via the Tasmanian Government energy hardship fund.

Aurora members at the Red Shield Appeal Breakfast

The Salvation Army Doorways state-wide meeting

Helping those experiencing vulnerability

A continued focus on expanding the reach and impact of the Your Energy Support (YES) program enabled 347 customers to successfully complete the program in 2023-24.

Our nationally recognised YES program is available to customers who need a little hand getting back on top of their energy bill.

Working closely with them, the YES team can work out an affordable payment plan to aid customers to take control of their usage and bill.

The program has assisted over 15,000 customers since its creation in 2014.

> I can't believe what you and Team Aurora have done for me! From the bottom of my heart thank you so much!! When a terminal illness popped its head up recently, it came as a massive shock to me and my family. Bless you for listening and I hope that lovely things come your way."
>
> **Rohan, YES customer**

Knocking to stay connected

We continued to embrace our commitment to the Energy Charter as a proud founding signatory, working on a number of activities, including Knock to Stay Connected in tandem with TasNetworks.

The program aims at providing customers one last physical warning to avoid disconnection.

In total 580 knocks were made, resulting in a 65 per cent success rate of cancelling the disconnection due to payments being made or the customer entering a payment plan or the YES program.

Given its success more broadly across the Charter, Knock to Stay Connected won the Shared Value International Innovation Award in Hong Kong.

Supporting Tasmanians to become energy efficient

Inefficient energy use is a key driver of high power bills, which is why we focus on helping customers become more energy efficient.

In 2023-24, we provided additional funding of $35,000 to the No Interest Loans (NILS) Energy Saver Loan and Subsidy program, which assists to bring practical and lasting benefits to those customers most in need. Our contribution enabled 291 Tasmanians on a low-income access to energy efficient products, including 92 heat pumps, 103 fridges, 84 washing machines and 13 freezers.

Since November 2015, we have provided more than $2.89M in funding to the program and are committed for another three years.

The combination of a NILS loan and the subsidy, means that each dollar of subsidy we provide saves a Tasmanian $7 compared to if they had to use a rent to buy scheme to purchase their white goods.

> Took the pressure off financially so I didn't have to find such a large amount of money, whilst allowing my daughter to have a warm-or cool room to be in."
>
> **NILS Energy Saver Loan and Subsidy recipient**

Showing up for the rural community

We attended Australia's largest agricultural field days event in May 2024 to show our support of the Tasmanian rural community.

Agfest offers a truly unique opportunity to showcase your brand, products and services to an audience of over 50,000 patrons.

This year attendees could go into the draw to win one month of free electricity with Power Hours, help us power Tassie kids through the Variety School Breakfast Club and capture memories at our photo booth. The site also provided an opportunity for our staff to engage face-to-face with the public.

Community engagement team members Stacey and Tiff

Right: Team members Jordan and Jacqui colouring at Agfest to help power Tassie Kids.


Powering Tassie Kids
Aurora Energy will energise education as founding partner of the Variety schools breakfast club.
9 tassie schools supported over 3 years = 28,800 breakfasts
Breakfast club leads to better outcomes for Tassie kids -
1 apple or orange = 1 breakfast for a Tassie kid
variety
variety
auroraenergy

Curiosity.
Bring it.
Use it.

We creatively explore solutions and use these ideas to challenge how things are done.

Evolving aurora+ to meet customer needs

In 2023-24, we continued to enhance the customer experience of aurora+ users to encourage a greater number of Tasmanians to better understand and control their energy costs.

We achieved this via new functionality such as offering quarterly billing customers the ability to access aurora+ and augmenting the signup journey to make it more streamlined.

Other enhancements included multifactor authentication to strengthen cybersecurity for customers' data privacy and infrastructure improvements to ensure reliable app performance for a growing aurora+ customer base.

Over 95,000 customers, or more than one in three Tasmanian homes, is now benefitting from having access to energy usage information at their fingertips.

aurora+ lets customers track their usage in dollars and kilowatt hours, and helps them conveniently manage their account from a smartphone, tablet or desktop computer to find efficiencies.

It is available to anyone with an advanced meter on an eligible tariff and there is no fee to use it.

> I've been using aurora+ for my energy needs. With aurora+, I've noticed a significant improvement in my energy efficiency, resulting in lower bills each month. I highly recommend aurora+ for anyone looking for reliable energy solutions."
>
> **Madushani, aurora+ user (Google reviews)**

Celebrating 90,000 aurora+ users

Power Hours

Giving back to loyal customers

We were excited to launch Power Hours to give back to our loyal customers who use aurora+.

Power Hours is a new offer that delivers value directly back to our customers in the form of free electricity. Each event gives aurora+ residential customers the opportunity to use unlimited electricity, free of charge in an available time slot of their choice.

The first six events were a raging success, with almost 58,000 Tasmanians taking advantage and participating in at least one event, saving approximately $305,000 over a total of 692,000 free hours.

Tasmanians can expect this to become an ongoing feature of using aurora+.

We've introduced Power Hours to provide savings to customers from each event that add up over the year and we hope it will also empower Tasmanians to make better decisions when it comes to their electricity usage.

> I enjoyed using the tumble dryer and air conditioning without worrying about the cost. Even though it was only two hours, it was an excellent opportunity to catch up on washing items that couldn't be dried outside due to the weather."
>
> **Karen, explains her experience with Power Hours (Google reviews)**

95,000 aurora+ users

Advanced meters being displayed

Continuing to roll out advanced meters

The roll out of advanced (smart) meters continued strongly, with installations totalling 220,000 at the end of the financial year. This translates to close to 80 per cent of our residential and small business customers having leading-edge meter technology.

We lead the country in our retailer-led roll out program and are well on track to meet the State Government's promise of all homes and businesses around Tasmania having an advanced meter by December 2026.

Advanced meters provide customers with direct access to their energy usage, and when combined with aurora+, enables them to make more informed energy decisions and even helps identify when high-energy consuming items around the home become faulty or are being used more than expected.

They are also the enabler to the likes of rooftop solar PV and will increasingly in the future be essential for the connection of in-home energy resources.

Looking ahead, we will continue to focus on supporting our small and medium business customers transition to advanced meters, as well as expanding further into rural and regional areas of the state.

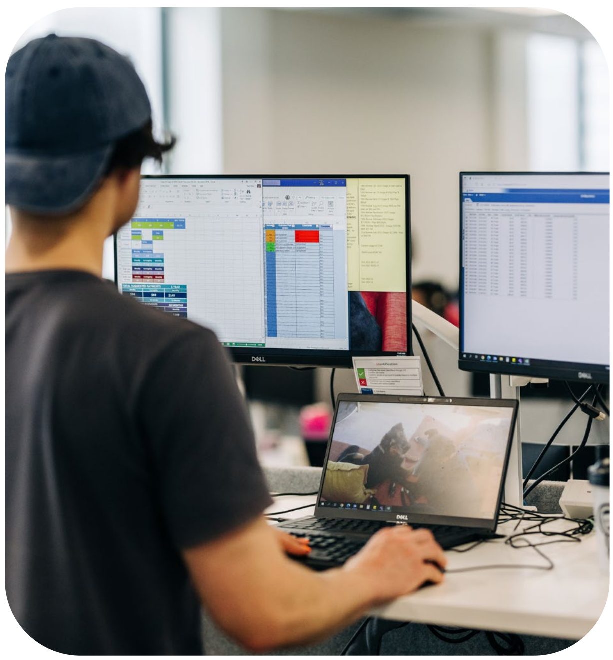
Migrating customers complete

The final customer was migrated to our new retail energy platform in June 2024.

The retail energy platform will enable us to substantially enhance our frontline service capabilities. It is a fully supported and flexible customer care and billing system, which will allow us to match pace of change within Tasmania's energy market by launching new products and services quickly and deliver targeted experiences to our customers.

As a significant information system upgrade, its implementation required the focus of multiple operational teams over several years.

However, by undertaking the project on a staged basis, we were able to ensure a positive customer experience for majority of our customers.



YES team member Ben hard at work


Good Morning, Helynn
Balance
$47.41
Top Up Now
Days Prepaid
15 Days
View Usage
Current time period
Off-Peak Until 5:00 PM
Information last updated 28/10/2022 at 11:56am
TASMETERING
Connecting Future Energy

Together we thrive.

We collaborate, share our learnings, have fun, and celebrate together.

Bringing power to the people

We worked collaboratively alongside TasNetworks and the Tasmanian Men's Shed Association with the aim of increasing energy literacy within the community.

The co-designed initiative, known as the Power People Project, empowers individuals with the knowledge and skills needed to understand their energy usage, manage costs effectively, and make informed decisions in the ever-evolving energy landscape.

It involves training individuals known as 'Power People' within the Men's Sheds, who in turn share valuable information and insights about the energy sector with their local communities.

This year, we delivered a pilot program with six member sheds (Channel, Dover, Howrah, Kings Meadows, Rosebery and Waratah) and we have plans to roll out the program to the entire network of more than 70 sheds.

It is clear energy literacy is more crucial than ever as the energy transition occurring within Australia gathers pace.

> It's exciting for our members to be trained and educated on the latest and most efficient methods in reducing power usage. This in turn will result in cost savings to both men's sheds and their members, but also their families and friends."
>
> **Bruce Weller, Tasmanian Men's Shed Association secretary**

$70K pa for school breakfasts

Serving up breakfast to Tassie students

Knowing the importance of a nutritious start to the day, we teamed up with Variety Tasmania to become the founding partner of its Variety School Breakfast Club.

The multi-year, $70,000 annual agreement will fund 12 schools' breakfast programs from different areas across the state every year, enabling them to deliver a healthy breakfast five days a week to all students.

The Breakfast Club was first piloted in 2022 and has provided 30,000 breakfasts across 10 schools over two years.

Parents are also invited to join in, drink a cup of tea, and chat to teachers and students to facilitate communication and sense of community.

> Our partnership with Aurora provides the much-needed funds to expand the Variety Kids Breakfast Program. We applaud Aurora for recognising the value of investing in the health and well-being of our Tassie kids and our communities more broadly."
>
> **Mohammad Aldergham, Variety Tasmania CEO**

CEO Nigel with Variety Tasmania CEO Mohammad Aldergham

Sleeping rough for a good cause

Six members of the Aurora Energy family braved the cold to take part in the Salvos Sleep Out in August 2023.

The group spent the night away from the comfort of their homes to raise funds and awareness towards the Street2Home community outreach program.

Our fundraisers raised close to $5,000, with Aurora Energy matching that amount dollar for dollar, contributing $10,000 toward the event.

Salvos Sleepout is an event that involves participants spending a night sleeping out in the open with limited comforts and learning about the challenges faced by those who sleep rough daily.

Aurora members brave the cold at the Salvos Sleep Out

Aurora matches $ for $

Giving back to the community

As a Tasmanian-owned and operated business, it is important that we give back to the communities in which we operate.

The Tasmanian connection is part of our DNA and that is why we encourage our people to be active community members to help make a difference.

In 2023-24, our volunteering efforts increased by 2,473 per cent with over 1800 hours contributed across Hobart and Launceston.

Our Volunteering Program enables each employee to access two paid days of volunteering leave a year.

This year we have volunteered with several community organisations, including Aurora Disability, Lifeblood, Ronald McDonald House, Salvos, Variety Tasmania and Vinnies.

> Having Aurora Energy's support makes a very real difference to the lives of Tasmanians seeking our help. Their dedication to helping others is an example of how businesses can find ways through their networks and skills to help the community."
>
> **Heather Kent, Vinnies Tas CEO**

Contracts expert Suzanne volunteering at Ronald McDonald House

Right: Aurora Energy supporting St Vincent De Paul during National Volunteering Week, packing 'snack packs' for families experiencing cost of living pressure. From left, Stacey Collins, Heather Kent, Nigel Clark and Susan Webb.


AURORA FASHION IS HERE
Speak up
Be brave
WE SEIZE OPPORTUNITIES, TO LEARN, TO SPEAK UP.
We are brave enough to call ourselves out.
Every day is an opportunity
Don't Give Up!
Lunchbox Packs
Nice & Natural
THICK SHAKE
JOHN WEST
HERCULES

Every day is an opportunity.

We don’t carry our mistakes, we learn from them, and create strength through our expertise.

81%
participation

Checking in on culture

We believe that workplace culture is shaped, influenced and owned by everyone at Aurora Energy.

Once a year we take a moment to survey our people so we can measure their experience as it relates to culture. This helps us understand if there are aspects of the business that need extra time and focus.

The June 2024 survey had 81 per cent participation rate returning a 67 per cent aspirational culture result. This measures the percentage of Aurora Energy people who feel our Aurora Way values are being consistently demonstrated throughout the organisation.

Supporting this strong culture was the result that 91 per cent of survey respondents felt their leader was a great role model and 83 per cent felt that collaboration in the business was driving the right outcomes for Tasmanians.

Encouragingly the last six months have shown an engagement result of 70 per cent.

Reframing our Aurora Way values

Our values are so much more than just words on a wall. They guide our behaviour, what we strive for and how we work together.

We recently reframed our values through a co-design process. This process reviewed and retained aspects that resonated with our current culture, and updated aspects to reflect our future direction.

> I admire the business for acknowledging that the values needed some changing to be fit for purpose for the present-day Aurora Energy. It was great to be a part of a group who felt passionately about our existing values, but even bigger passion to ensure they reflect where we are now, and where we want to go moving forward."

Emma, Program Operations Partner, who was involved in the co-design process

Members participating in a values workshop

Modernising our people experience

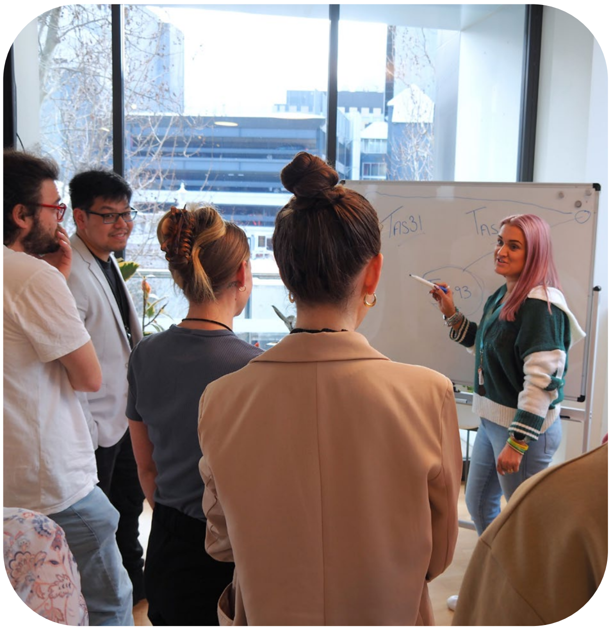
To modernise and digitise the way we train, recruit and manage our people's experience, we have rolled out a digital platform that we call 'Hive'.

As an energy retailer, it is important that our people have a consistent training approach to important topics including Life Support, Cyber Security, and Mental Health.

Hive is part of Aurora Energy's digital transformation. Since launching in February 2024, our people have completed 538.5 hours of training in the platform. In total, Aurora Energy employees completed a massive 11,083 training hours in 2023-24.

> Online learning revolutionises the way we train our people, offering flexibility, personalised experiences, and access to a wealth of resources. This evolution not only enhances skill development but also empowers our people to grow and thrive in a dynamic, digital world."

Nathan, Capability Lead



Trainer Channy making sure our newest frontline agents are ready to help customers

Relocating for the future

As your Tasmanian owned and operated energy retailer, it is important that we provide our customers with energy advice for locals, by locals. We do this by having employees based in Launceston and Hobart.

To demonstrate our commitment to our customers and northern-based employees, we have begun the process of relocating to a larger office space in the Launceston CBD.

This site will provide us with the flexibility to target recruiting more talent in this area of the state and provide the team with a fit-for-purpose office space.

The office relocation is planned to be completed by December 2024.

"There will be more opportunity to work together in the office, meaning more connection and more collaboration. Greater opportunities for growth of the team and increased ability to host our Hobart teammates."

Erin, Strategic Workforce Planning Manager, and Launceston-based team member.

A design concept featuring tones inspired by Tasmania

Embracing differences in the workplace

We recently surveyed our people with a plan to build on our workplace culture that celebrates diversity, promotes equity, fosters inclusion, drives organisational performance, and enables us to understand and connect better with our diverse customers.

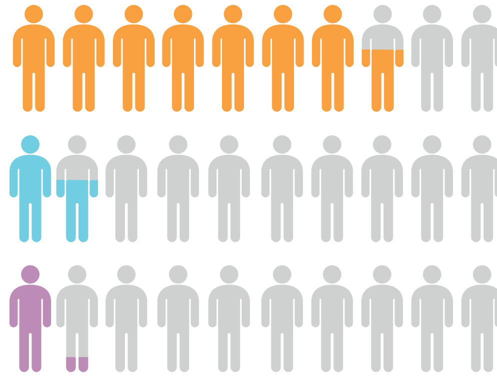
If our workforce has representatives from groups across the community, then we should be able to understand and serve our community better.

Diverse employee groups have come together to talk about what is important to them as we build on our inclusive culture.

The year ahead will see us develop and implement initiatives that address priorities of inclusive leadership, psychological safety, living our values and creating a feedback focus, while continuing to celebrate and further understand our diversity.

Aurora celebrates diversity

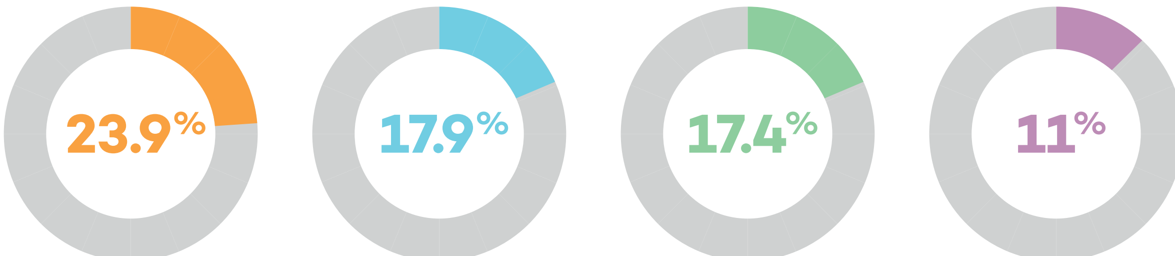
Our workplace snapshot.



76.1% Born in Australia

16.9% Born overseas

11.4% Born in Asia

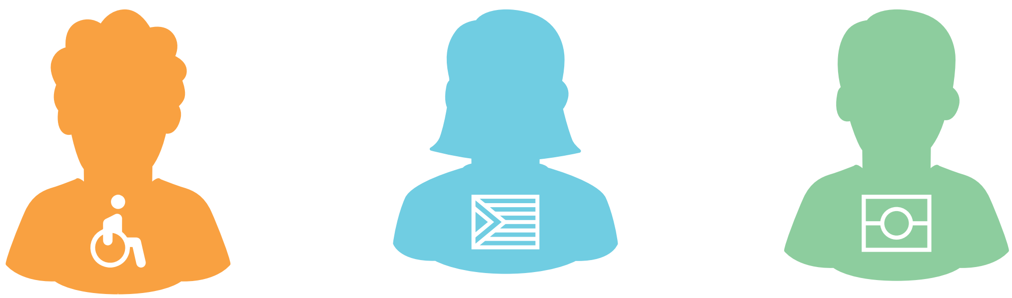


Have Postgraduate qualifications

Have Bachelor level qualifications

Identify as Neurodivergent

Are multilingual



9.9% Identify as having a disability

5.5% Identify as LGBTIQ+

4% Identify as Aboriginal & Torres Strait Islander

Statement of Corporate Intent

Company Overview

Aurora Energy is a State-owned Company established in 1998 under the Electricity Companies Act 1997. Aurora Energy's two shareholders are the Minister for Energy and the Treasurer.

Aurora Energy provides electricity and gas retail services in fully competitive markets to more than 270,000 customer connections throughout mainland Tasmania. As part of its retail offering, Aurora Energy offers a range of electricity and gas products tailored to the needs of customers through tariffs, market contracts and payment options.

The principal objectives of the Company as outlined in the Electricity Companies Act 1997 and the Constitution's Memorandum of Association are to:

- operate its activities in accordance with sound commercial practice; and
- maximise its sustainable return to its shareholders.

Aurora Energy pays dividends to the Shareholders, which are used by the Government for the benefit of the Tasmanian community.

Shareholders' Statement of Expectations

Aurora Energy's strategic direction for 2023-24 and beyond has been developed on the basis of a set of underlying business imperatives, outlined in the Members' Statement of Expectations.

These are to:

a) focus on its core business, the delivery of electricity retail services on mainland Tasmania;

b) operate its activities in accordance with sound commercial practice;

c) maximise its sustainable return to shareholders;

d) operate as an efficient entity providing services in a cost effective manner and target an underlying cost to serve below the regulatory allowance for a regulated retailer in the Tasmanian market;

e) prudently manage the risks of operating in a competitive retail market in the State;

f) maintain flexibility for a potential future divestment of the business; and

g) maintain a customer-centric focus and efficiently deliver the State's electricity concessions on behalf of the Government.

Key Performance Measures

KPI	Performance Measure	2023-24 Target	2023-24 Actual	Outcome
Customer	Customer Value Index score	26.0	27.6	●
	Percentage of customers with an advanced meter	75.0%	79.2%	●
	aurora+ active users	100k	95.8k	●
	Material cyber or privacy breaches	0	0	●
People	Medically-Treated Injuries	0	3	●
	Employee engagement score	>70%	67%	●
Profitability	Earnings Before Interest & Tax	$9.0M	$3.2M	●
	Returns to Government (Accrual)	$6.6M	$5.2M	●
Compliance	Maximum Type 1 Non Compliance events related to NECF	0	3	●

Performance Commentary

Aurora Energy met or exceeded a total of three out of nine key performance indicators (KPIs) for 2023-24. Customer-focused KPIs were mostly achieved, with the customer value index score, advanced meter rollout and cyber and privacy targets all being met. Despite consistent growth in the uptake of aurora+, the active users fell short of the target at 30 June 2024.

During 2023-24, Aurora Energy's employee engagement score increased slightly from the previous year's result of 66 per cent. Aurora Energy's ongoing focus on workplace culture will continue in the 2024-25 financial year, alongside embedding our reframed Aurora Way Values, and bringing to life how employees individually and collectively contribute towards achieving our Vision and Purpose.

There were three medically treated injuries reported during the 2023-24 period. All three incidents were unique in nature, with no trends identified.

Aurora Energy's profitability measures finished the 2023-24 financial year below target. This result was primarily driven by unfavourable operating costs, including bad and doubtful debts expense as cost of living pressures continued through the year.

There were three non-compliance events during the 2023-24 financial year. Aurora Energy identified and self-reported one isolated incorrect disconnection incident in the first half of the year and two incidents relating to life support protections in the second half of the year, all incidents were extensively investigated and appropriate remediation and mitigation actions plans put in place. Aurora Energy takes its compliance obligations extremely seriously and has a strong historical compliance record since it commenced its participation in the National Energy Consumer Framework in July 2012.

Corporate Governance Statement

Aurora Energy is a proprietary limited company established under the *Electricity Companies Act 1997 (Tas)* and incorporated under Corporations Law. As a state-owned corporation, its Shareholders are the Minster for Energy and Renewables and Tasmanian Treasurer, on behalf of the Tasmanian community.

Aurora Energy adopts both the Tasmanian Government's Corporate Governance Principles (2008) and has early adopted the ASX Corporate Governance Council's Corporate Governance Principles & Recommendations (4th edition). If a contradiction arises between the two, Aurora Energy complies with the Tasmanian Government Principles to reflect their design specifically for government-owned enterprises. Aurora Energy's Shareholders have issued a series of other Guidelines designed to support and complement their Corporate Governance Principles.

The following information summarises Aurora Energy's disclosures against both sets of Principles. A complete set of disclosures and further supporting information is available on Aurora Energy's website: **auroraenergy.com.au**

Board and Committee Attendance 2023-24

Board Member	Board[1]		P&C Committee		BARCC		Board Strategy Sessions	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Mary O'Kane (until March 2024)	8[1]	8	3	3	3	3	1	1
Yvonne Rundle (until November 2023)	6[1]	6	2	2	2	2	1	1
Kellie Benda (from November 2023)	6[2]	6	1	1	3	3	-	-
Keryn Nylander	12[3]	12	3	3	5	5	1	1
Janine Healey	12[3]	12	3	3	5	5	1	1
Rhys Edwards (from November 2022)	12[3]	12	3	3	5	5	1	1

[1] Includes two circulating resolutions
[2] Includes one circulating resolution
[3] Includes three circulating resolutions

Board Composition

Aurora Energy is managed by a Board of up to five directors and a management team led by the Chief Executive Officer (CEO).

The Board has two permanent committees: Board People & Culture Committee (P&CC) and Board Audit, Risk and Compliance Committee (BARCC).

Ms Keryn Nylander

BA, FAICD
Acting Board Chair
Independent Director
Chair – People & Culture Committee
Member – Audit, Risk and Compliance Committee

Keryn was appointed a Director in August 2018, and Deputy Board Chair on 26 March 2020. She is a member of Aurora Energy's Board People & Culture Committee and the Board Audit, Risk and Compliance Committee.

Appointed November 2018

Current term: Three year term appointed until 2024 AGM

Mr Rhys Edwards

B.Ec (Hons), MSc Soc.Res, FAICD
Independent Director
Member – Audit, Risk and Compliance Committee and People & Culture Committee

Rhys was appointed a Director November 2022. He is a member of Aurora Energy's Board People & Culture Committee and a member of the Board Audit, Risk & Compliance Committee.

Appointed November 2022

Current term: Three year term appointed until 2025 AGM.

Ms Kellie Benda

BA (Industrial Relations), LLB, MappFin, Harvard AMP, FAICD
Independent Director
Member – Audit, Risk and Compliance Committee and People & Culture Committee

Kellie was appointed a Director in November 2023. She is a member of Aurora Energy's Board Audit, Risk and Compliance Committee and a member of the Board People & Culture Committee.

Appointed November 2023

Current term: Three year term appointed until 2026 AGM

Mrs Janine Healey

B. Bus (Accounting), FCAANZS, FAICD, FTIA CTA
Independent Director
Chair – Audit, Risk and Compliance Committee
Member – People & Culture Committee

Janine was appointed a Director in November 2022. She is a member of Aurora Energy's Board People & Culture Committee and a member of the Board Audit, Risk & Compliance Committee.

Appointed November 2022
Current term: Three year term appointed until 2025 AGM

Mr Oliver Cousland

LLB, B.Com, GAICD, GIA (Cert)
Company Secretary/General Counsel

Oliver was appointed Company Secretary in January 2016. He joined Aurora Energy in 2014 and his responsibilities include management of legal services, procurement, risk, compliance, internal audit, government and stakeholder relations, strategy, corporate affairs, Board secretariat and corporate governance.

Leadership Team

From left to right

Mr James Chisholm, **CPA, MBA. Chief Financial Officer**

Mrs Nicole Hunt, **FCPHR. Chief People Officer**

Mr Andrew Crozier, **Ba (Hons), GAICD. Chief Digital Officer**

Mr Nigel Clark, **BBus, GAICD, FCPA, CFTP(Snr). Chief Executive Officer**

Mr Alistair Burke, **BBus, LLB, GAICD, GIA (Cert). Chief Operating Officer**

Mr Oliver Cousland, **LLB, B.Com, GAICD, GIA (Cert). Company Secretary/General Counsel**

Corporate Governance Principles

Principle 1: Lay solid foundations for management and oversight

Aurora Energy complies with Principle 1.

The Board's role and responsibilities are articulated in the Board Charter and Matters Reserved to the Board, both of which are available on Aurora Energy's website. Amongst other things, the Board governs the business in accordance with the *Electricity Companies Act 1997 (Tas)*; approves high level strategy, policy and risk appetite; monitors performance; oversees risk management and the internal control environment; and maintains communications with Shareholders.

The CEO and Leadership Team manage the business on a day to day basis, while the Board's Delegation Policy specifies other responsibilities and powers delegated to management.

The Board Charter also sets out the role of the Board Chair and directors' rights to access company information, professional advice and the company secretary.

Through the Board People & Culture Committee, the Board evaluates the performance of the CEO and Leadership Team against specific key performance indicators established at the beginning of each year. Evaluations have occurred throughout the year in accordance with the agreed process.

Relevant Charters, Codes and policies, including Matters Reserved to the Board, are available at **www.auroraenergy.com.au**

Principle 2: Structure the Board to add value

Aurora Energy complies with Principle 2.

In accordance with the Constitution, the Shareholders appointed Director O'Kane Chair at the 2023 Annual General Meeting. As required under the Constitution the Chair of the Board is appointed by the Shareholders annually at the AGM. Director O'Kane resigned to join the AEMO Board as Chair in March 2024 and Director Nylander assumed the role of acting Chair of the Board.

The Charter of the Board People & Culture Committee prescribes its responsibilities regarding senior management appointments, performance and succession planning, as well as organisational and remuneration structures. Membership of the Committee and meeting attendances are listed earlier in this section.

The Shareholders' "Board Appointments Guideline" describes the composition of the Director Selection Advisory Panel. The Board prepares its optimal Skills Matrix for the Panel and this is regularly refreshed.

The Board maintains a Director Induction program. The program is managed by the Board Chair and Company Secretary.

Further information on the Board People & Culture Committee is provided under Principle 8. It's Charter and other policies are available at **www.auroraenergy.com.au**

Principle 3: Promote ethical and responsible decision making

Aurora Energy complies with Principle 3.

The Board Charter commits the Board to maintaining the highest ethical standards. Along with letters of appointment, the Charter expects directors to demonstrate the spirit and intent of Aurora Energy's Code of Conduct as well as comply with all applicable legislation, lawful direction from Shareholders and company policies.

The Board People & Culture Committee oversees the Code of Conduct and its integration into the company's culture. In addition, Aurora Energy also has a number of more specific policies and procedures that relate to our commitment to comply with our legal obligations and to act ethically and responsibly. These include the Compliance Policy, Fraud and Corruption Policy, Public Interest Disclosures ("Whistleblowers") Policy, Workplace Behaviour Policy, Procurement Policy, Modern Slavery Policy and Conflict of Interest, Gifts and Benefits Procedure.

The Code of Conduct and other relevant policies are available at **auroraenergy.com.au**

Right to information disclosures

Aurora Energy complies with the *Right to Information Act (Tas)* (RTI Act), including through active disclosure of information without the need for formal right to information requests. In accordance with the RTI Act, the following formal assessed disclosures are provided for 2023-24.

Right to Information Act statistics 2023-24	
Number of applications received for assessed disclosures	3
Number of applications where information was disclosed in full	1
Number of applications refused and the Section	Nil
Number of applications relating to exempt information and the relevant sections	2 (Sections 17(1)(a), 27 and 38 of the RTI Act).
Number of applications for internal review and the outcomes	1 (Aurora Energy maintained the validity of its original decision but decided to waive its right to an exemption under section 27 of the RTI Act in relation to some of the information previously withheld).

Public interest disclosures

Aurora Energy is subject to the *Public Interest Disclosures Act 2002 (Tas)* (PID Act). In accordance with the PID Act, the following disclosures are provided for 2023-24.

Public Interest Disclosure Act statistics 2023-24	
Number of disclosures either received, determined to be public interest disclosures, investigated, declined to be investigated or substantiated following investigation by Aurora Energy	Nil
Number of disclosures reported by Aurora Energy to Ombudsman	Nil
Number of disclosures referred by Ombudsman to Aurora Energy	Nil
Number of recommendations made by the Ombudsman to Aurora Energy	Nil

Further information on Aurora Energy's Public Interest Disclosure Policy is available at **auroraenergy.com.au**

Principle 4: Safeguard integrity in financial reporting

Aurora Energy complies with Principle 4.

The Board Audit, Risk and Compliance Committee oversees corporate and financial reporting processes, risk management and internal control, and compliance and audit frameworks. It is chaired by an independent director who is not the Board Chair.

As part of the end-of year processes, the Committee received the required declarations by the CEO and CFO, under S295A of the *Corporations Act*.

As required under the *Audit Act 2008 (Tas)*, the Tasmanian Auditor-General is appointed by the Shareholders at each AGM. The Assistant Auditor-General attended the 2023 AGM.

The Board Audit, Risk and Compliance Committee's Charter and relevant policies are available at **auroraenergy.com.au**

Principle 5: Make timely and balanced disclosure

Aurora Energy complies with Principle 5 as it applies to its context.

The Board approved Shareholder Communications Policy addresses the principles for timely, factual, complete and balanced information. Established processes are in place to recognise and communicate material matters routinely as well as those requiring continuous disclosure. The Chair and CEO met with Shareholders (or their representatives) frequently throughout the year.

Relevant policies are available at **auroraenergy.com.au**

Principle 6: Respect the rights of shareholders

Aurora Energy complies with Principle 6.

Under its Charter and Matters Reserved to the Board, the Board maintains the relationship with the company's Shareholders.

The Constitution and enabling legislation specify the rights and responsibilities of Shareholders. As well, Shareholders can issue various Guidelines and Directives to the company. Accordingly, Shareholders have issued a Statement of Expectations to the Board which set out the Shareholders expectations in relation to the strategic priorities and performance of the company and is incorporated in Aurora Energy's Corporate Plan and the Board agrees a Statement of Corporate Intent with Shareholders each year.

The Board Charter and relevant policies are available at **auroraenergy.com.au**

Principle 7: Recognise and manage risk

Aurora Energy complies with Principle 7.

As stated under Principle 4, the Board Audit, Risk and Compliance Committee oversees the system of risk management and internal control, amongst other things.

The Committee reviewed Aurora Energy's risk framework during the year. It also reviewed current and emerging risks throughout the year and monitored the status of plans and controls to manage those risks. The Committee formally reported to the Board on the status of risk and the integrity of the risk management framework.

The risk management framework addresses all emerging and current risks facing the company. Material risks were discussed directly with Shareholders at regularly scheduled meetings.

The Committee's Charter and relevant policies are available at **auroraenergy.com.au**

Principle 8: Remunerate fairly and responsibly

Aurora Energy complies with Principle 8.

On behalf of the Board, the Board People & Culture Committee oversees Aurora Energy's remuneration framework, including executive remuneration policy, company-wide remuneration strategies, enterprise agreement renegotiations and related matters. Aurora Energy has a Board approved Executive Remuneration Policy which complies with the Shareholder's Guideline for Director and Executive Remuneration. Directors are paid remuneration as is resolved by the Shareholders from time to time. That remuneration is based on the Government Board and Committee Remuneration Framework administered by the Department of Premier and Cabinet.

The 2023-24 Financial Statements detail the remuneration of directors and key management personnel, and its composition.

The Committee Charter and other policies are available at **auroraenergy.com.au**

Shareholder Directions and Guidelines

In 2023-24, Aurora Energy did not receive any formal directions to undertake non-commercial activities in accordance with the requirements of Section 4.4 of the *Members' Statement of Expectations*.

Buy Local

Under the Buy Local Guidelines for Tasmanian Government Businesses, entities are required to establish appropriate reporting regimes in relation to purchases, consultants and the engagement of Tasmanian businesses and provide details of these annually.

Details for Aurora Energy for the 2023-24 financial year are provided in the table below.

Purchases from Tasmanian Business	
% of purchases from Tasmanian businesses	96.4%
Value of purchases from Tasmanian businesses	$959,358,300

Consultancies valued at more than $50,000 (ex GST)				
Name of consultant	**Location**	**Description**	**Period of engagement**	**Amount**
Tasmanian Audit Office	TAS	Audit Services	1/07/2023 - 30/06/2024	$159,300.00
Deloitte Touche Tohmatsu	TAS	Internal Audit Services	1/07/2023 - 30/06/2024	$81,585.00
Frontier Economics	VIC	Retail Electricity Pricing Framework Review	1/10/2023 - 21/12/2023	$57,375.00
13 other consultants were engaged for $50,000 or less totalling:				**$236,408.15**
Total payments to consultants				**$534,668.15**

Payment of Accounts

Payment Measure	
Creditor Days	65.2
Number of accounts due for payment	3,482
Number of accounts paid on time	2,958
Amount due for payment	$1,077,755,029.99
Amount paid on time	$1,039,935,591.34
Number of payments for interest on overdue accounts	0
Interest paid on overdue accounts	0

Payments not paid in accordance with the due date required further action to be taken before payment could be made. For example, invoices may have been incomplete or inaccurate or they may have been disputed when the invoice did not match the goods or services provided.

Overseas Travel

No Aurora Energy employees undertook overseas travel for the company during 2023-24.

Superannuation

Superannuation Aurora Energy complied with its obligations under the *Superannuation Guarantee (Administration) Act 1992 (Cth)* in respect of employees of Aurora Energy who are members of complying superannuation schemes.

Remuneration Report

Remuneration levels for key management personnel are set in accordance with the Director and Executive Remuneration Guidelines, dated June 2021. Under these Guidelines, remuneration bands for Chief Executive Officers (CEO) are determined by the Treasurer and reflect the principles outlined in the Guidelines broadly and align with State Service Heads of Agency. Positioning within the bands depends on the complexity and size of the business and the environment in which the business operates. Remuneration for other senior executives is set with reference to the CEO's band.

The CEO is appointed by the Board. The Board consults with the Treasurer when determining the CEO's remuneration package.

The employment terms and conditions of senior executives are contained in individual employment contracts and prescribe the total remuneration, superannuation, annual and long service leave, and salary sacrifice provisions.

The performance of each senior executive, including the CEO, is reviewed annually which includes a review of their remuneration package. The terms of employment of each senior executive, including the CEO, contain a termination clause that requires the senior executives or the Board to provide a minimum notice period of up to 3 months for senior executives and 6 months for the CEO prior to the termination of the contract. Whilst not automatic, contracts can be extended.

Aurora Energy's approach to executive remuneration supports the ability to attract, retain and motivate competent and experienced executive management personnel, while aligning with Aurora Energy's capacity to be a stand-alone electricity retailer in a competitive market.

Salary positioning is determined by the skills and experience the individual brings to the role, market factors (e.g. scarcity of particular skills in the market), performance in role and Aurora Energy's ability to fund remuneration increases year on year.

For details of payments made to senior executives, refer to note D4 of the Financial Statements. Aurora Energy does not currently offer performance based payments. In the event that a program is implemented, the requirements outlined in the Guidelines will be adopted.

Modern Slavery Compliance

Aurora Energy is committed to operating ethically and taking action to assess and address the risks of modern slavery in our supply chain and operations. A number of actions are undertaken to mitigate the risks of modern slavery in the business, including scoping and mapping of the supply chain and appropriate due diligence in the procurement of goods and services. Where possible, Aurora Energy ensures that all key suppliers are contractually required to comply with the *Modern Slavey Act 2018* (Cth) ('Modern Slavery Act'). Aurora Energy also has a Modern Slavery Policy, Supplier Code of Conduct and a Public Interest Disclosure Policy which support its commitment to complying with the Modern Slavery Act.

An important part of Aurora Energy's approach to modern slavery is to issue key suppliers with a questionnaire each reporting period. The questionnaire asks suppliers to provide details on their modern slavery policies and training, as well as information about their key suppliers and subcontractors. Where Aurora Energy identify that remediation of modern slavery risks is required, it will work with the relevant supplier to develop actionable solutions or consider alternative arrangements.

Aurora Energy is currently in the process of obtaining supplier responses to a modern slavery questionnaire which will help inform its Modern Slavery Statement for 2023-24 which is due by 31 December 2024.

Financial Report.

Contents.

Directors' Report

Directors' report on the operations of the company and on the Financial Statements for the Financial Year Ended 30 June 2024.

Directors and Company Secretary

The Directors of the company in office between 1 July 2023 and the date of this report were Ms K Nylander, Mrs J Healey, Mr R Edwards.

Mrs Y Rundle was a director from 1 July 2023 until 30 November 2023.

Professor M O'Kane was a director from 1 July 2023 until 4 March 2024.

Mr K Benda joined the Board on 30 November 2023 and remained as director at the date of this report.

Principal Activities

The primary purpose of the company is the retailing of electricity to Tasmanian customers. A further purpose is to undertake the retailing of gas.

Review and Results of Operations

The following table outlines key financial information for the company:

Indicator ($M)	2023-24	2022-23	Var.
Operating Revenue	956.7	939.4	17.3
Profit Before Tax	3.2	11.7	(8.5)
Total Comprehensive Income	64.5	(161.5)	226
Underlying Profit/ (Loss) Before Tax[1]	1.4	6.7	(5.3)
Net assets	98.7	38.4	60.3
Cash on Hand	61.4	18.5	42.9
Shareholder Returns[2]	6.2	1.6	4.6

[1] Underlying Profit Before Tax is Profit Before Tax less unrealised derivative fair value movements and onerous contract provision movements.

[2] Shareholder returns is calculated on a cash basis and includes dividends paid and other distributions.

Aurora Energy reported a Profit Before Tax of $3.2M for 2023-24. The 2023-24 result represents a reduced performance from the prior year Profit Before Tax of $11.7M, with the current year experiencing higher wholesale costs for the business. Bad debt expense is lower in 2023-24, driven by concentrated efforts to recover ageing debt and the cost-of-living relief provided through the Tasmanian and Australian Government Energy Bill Relief Fund.

Aurora Energy's net asset position as at 30 June 2024 was $98.7M, an increase of $60.3M from the previous year. The main driver of the net asset position was the change in the value of electricity derivatives as at 30 June 2024, this change in value has also resulted in a significant net cash flow hedge gain of $62.2M being included both in the cash flow hedge reserve in Equity and Total Comprehensive Income at 30 June 2024. Aurora Energy's cash position at 30 June 2024 benefitted from cash received for the Supercharged Energy Dividend program, this cash will offset lower receipts from customers in the first quarter of FY25.

Changes in State of Affairs

There have been no significant changes in the state of affairs of Aurora Energy for the 2023-24 financial year.

Subsequent Events

There have been no matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect Aurora Energy, its operations or results in the reporting period.

Likely Future Developments

External market forces are rapidly changing the future of the electricity market at a global, national and local level. The National Electricity Market (NEM) is in a significant state of transition which will continue to accelerate as changes to the generation mix in the NEM are made to meet the Australian Governments legislated emissions reductions targets of 43% by 2030 (on 2005 levels) and net zero by 2050. Whilst in Tasmania we are well placed in terms of our renewable energy assets, further interconnection with the national market will introduce new challenges (and opportunities) for the business.

Higher wholesale prices and rising cost of living continues to have an impact on household budgets and customers' ability to pay their energy bills. Aurora Energy remains focused on managing these risks to the business and has financing facilities and strategies in place to manage a range of downside scenarios. Aurora Energy will provide ongoing support to its customers to manage their electricity bills through a range of measures including the Your Energy Support (YES) program, distribution of Federal and State Government energy relief payments and further rollouts of advanced meters whilst encouraging and advocating for customers to increase their usage of the aurora+ App in understanding and controlling energy usage.

Customers' needs and expectations are continuing to evolve and competition in the Tasmanian retail electricity market remains an ongoing challenge for the business. Aurora Energy will continue to meet these challenges through its strategic response, in particular focusing on customer loyalty and retention through a digital customer experience and a more seamless customer service model.

Environmental Regulation

The operations of the company are subject to State and Commonwealth environmental legislation including the *Tasmanian Environmental Management and Pollution Control Act 1994* and *Commonwealth Environmental Protection and Biodiversity Conservation Act 1999*. No environmental protection notices were served, prosecutions launched, or fines issued against Aurora Energy under environmental legislation during the year under review.

Dividends

In respect of the financial year ended 30 June 2023, a final dividend of $4.221M was paid to the Shareholder, on 21 December 2023.

In line with the requirements of Aurora Energy's Constitution and the Dividend Guideline for Tasmanian Government Businesses, the dividend related to 2023-24 profits will be recommended prior to 31 October 2024.

Indemnification and Insurance

Aurora Energy has indemnified its directors and executive officers to the extent permitted by law against liabilities and legal costs incurred by them while acting in their capacity as directors and executive officers of the company.

The company has insured its directors, company secretary and executive officers of the company against liabilities as permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

During or since the end of the financial year the company has not indemnified or made a relevant agreement to indemnify the auditor of the company against a liability incurred as the auditor. In addition, the company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by the auditor.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on the following page.

Rounding of Amounts

The company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016. In accordance with that Corporations Instrument, amounts in the Directors' Report and the Financial Statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Directors:

Ms K Nylander
Acting Chair
29 August 2024

Mrs J Healey
Director
29 August 2024

Tasmanian Audit Office

Level 2, 144 Macquarie Street, Hobart, Tasmania, 7000
Postal Address GPO Box 851, Hobart, Tasmania, 7001
Phone: 03 6173 0900
Email: admin@audit.tas.gov.au
Web: www.audit.tas.gov.au

29 August 2024

The Board of Directors
Aurora Energy Pty Ltd
GPO Box 191
HOBART TAS 7000

Dear Board Members

Auditor's Independence Declaration

In accordance with section 307C of the *Corporations Act 2001*, I provide the following declaration of independence.

As the auditor of the financial report of Aurora Energy Pty Ltd for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit

(b) any applicable code of professional conduct in relation to the audit.

In accordance with the *Corporations Act 2001* a copy of this declaration must be included in the Directors' Report.

Yours sincerely

David Bond

Financial Statements.

Aurora Energy Pty Ltd Financial Report for year ended 30 June 2024
ABN 85 082 464 622

Directors' Declaration

In accordance with a resolution of the directors of Aurora Energy Pty Ltd, we state that:

In the opinion of the directors:

a) the financial statements and notes of the company are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the company's financial position as at 30 June 2024 and of its performance for the year ended on that date;

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

b) The financial statements and notes comply with International Financial Reporting Standards (with the exception of the early adoption of the ISSB Standards: IFRS S1 and IFRS S2) as disclosed in Note A.

c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Ms K Nylander

Acting Chair
29 August 2024

Mrs J Healey

Director
29 August 2024

Statement of comprehensive income for the financial year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Revenue			
Sales revenue from contracts with customers	B1(a)	951,919	934,490
Interest revenue	B1(b)	1,251	1,110
Other revenue	B1(c)	3,571	3,834
Total revenue		956,741	939,434
Expenses			
Energy and network purchases		(876,300)	(847,470)
Electricity derivative fair value movements	B1(d)	(11)	(49)
Functional expenses	B1(e)	(68,132)	(65,390)
Finance expenses	B1(f)	(240)	(487)
Depreciation and amortisation expense	B1(g)	(3,389)	(4,438)
Other expenses from operating activities	B1(h)	(5,456)	(9,854)
Total expenses		(953,528)	(927,688)
Profit/(Loss) before income tax equivalent expense		3,213	11,746
Income tax equivalent (expense)/benefit	B2(a)	(1,007)	(3,541)
Profit/(Loss) for the year from continuing operations		2,206	8,205
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Actuarial superannuation re-measurement (losses)/gains	D(i)	(26)	13
Income tax equivalent relating to items that will not be reclassified subsequently	B2(b)	8	(4)
		(18)	9
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges:			
Gain/(loss) taken to equity	F3(b),E1(h)	41,264	(68,757)
Transferred to profit for the year	F3(b),E1(h)	47,709	(173,750)
Income tax equivalent relating to items that may be reclassified subsequently	B2(b),F3(b)	(26,692)	72,752
		62,281	(169,755)
Other comprehensive income for the year net of income tax equivalent		62,263	(169,746)
Total comprehensive income for the period		64,469	(161,541)

Notes to and forming part of the accounts are included on pages 45 to 82

Statement of financial position as at 30 June 2024

	Note	2024 $'000	2023 $'000
ASSETS			
Current assets			
Cash and cash equivalents	B3	61,402	18,528
Trade and other receivables	C1	160,374	153,059
Inventories	C2	13,196	5,778
Current tax asset	B2(c)	4,206	2,930
Financial assets	C3	131,280	45,117
Other current assets	C4	4,665	6,455
Total current assets		375,123	231,867
Non-current assets			
Property, plant and equipment	C5	4,138	4,834
Right-of-use assets	C12(a)	4,364	5,122
Deferred tax assets	B2(d)	16,105	42,039
Intangible assets	C6	5,183	6,075
Financial assets	C7	39,960	56,361
Total non-current assets		69,750	114,431
Total assets		444,873	346,298
LIABILITIES			
Current liabilities			
Trade and other payables	C8	198,685	107,410
Provisions	C9	3,809	5,086
Lease liabilities	C12(b)	818	760
Contract liabilities	C10	90,507	37,765
Financial liabilities	C11	15,957	107,516
Total current liabilities		309,776	258,537
Non-current liabilities			
Deferred tax liabilities	B2(d)	27,358	26,895
Provisions	C9	2,111	2,094
Lease liabilities	C12(b)	4,831	5,731
Financial liabilities	C11	2,101	14,593
Total non-current liabilities		36,401	49,313
Total liabilities		346,177	307,850
Net assets		98,696	38,448
EQUITY			
Issued capital	F1	50,212	50,212
Reserves	F3	48,195	(14,086)
Retained earnings	F2	289	2,322
Total Equity		98,696	38,448

Notes to and forming part of the accounts are included on pages 45 to 82

Statement of changes in equity for the financial year ended 30 June 2024

	Note	Share capital $'000	Cash flow hedge reserve $'000	Retained earnings $'000	Total equity $'000
Balance 30 June 2022		50,212	155,669	(5,892)	199,989
Transactions with owners in their capacity as owners:					
Dividends paid	B4	-	-	-	-
		50,212	155,669	(5,892)	199,989
Profit for the period		-	-	8,205	8,205
Other comprehensive income		-	(169,755)	9	(169,746)
Total comprehensive income for the period		-	(169,755)	8,214	(161,524)
Balance 30 June 2023		50,212	(14,086)	2,322	38,448
Transactions with owners in their capacity as owners:					
Dividend paid	B4	-	-	4,221	4,221
		50,212	(14,086)	(1,899)	34,227
Profit for the period		-		2,206	2,206
Other comprehensive income		-	62,281	(18)	62,263
Total comprehensive income for the period		-	62,281	2,188	64,469
Balance 30 June 2024		50,212	48,195	289	98,696

Notes to and forming part of the accounts are included on pages 45 to 82

Statement of cash flows for the financial year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers		940,296	1,014,477
Government support payments received		94,089	10,420
Interest received		1,251	1,109
Payments to suppliers and employees		(971,897)	(1,019,386)
Interest and other finance costs paid		(899)	(1,165)
Income tax equivalents paid		(2,570)	-
Net cash provided by operating activities	**B3(b)**	60,270	**5,455**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	-
Payment for property, plant and equipment		(102)	(1,023)
Payment for intangible assets		(941)	(723)
Net cash used in investing activities		(1,043)	(1,746)
Cash flows from financing activities			
Proceeds from borrowings		111,000	120,000
Repayment of borrowings		(111,000)	(120,000)
Repayment of lease liabilities	B3(c)	(842)	(719)
Dividend paid	B4	(4,221)	-
Large Scale Generation Certificates Shortfall (Refundable)	C7	(11,290)	(15,300)
Net cash used by financing activities		(16,353)	(16,019)
Net (decrease)/increase in cash and cash equivalents		42,874	(12,310)
Cash and cash equivalents at the beginning of financial year		18,528	30,838
Cash and cash equivalents at the end of financial year	B3	61,402	18,528

Notes to and forming part of the accounts are included on pages 45 to 82

Section A: Corporate information and basis of preparation

A1 Company information

Aurora Energy Pty Ltd (the company), is a private for-profit company incorporated in Australia and operating in Australia.

Aurora Energy's registered office and its principal place of business are as follows:

Registered office:	Level 4, 50 Elizabeth St HOBART TAS 7000
Principal place of business:	Level 4, 50 Elizabeth St HOBART TAS 7000

The primary purpose of the company is the retailing of electricity to Tasmanian customers. A further purpose is to undertake the retailing of gas.

The financial statements were authorised for issue by the Directors on 29th August 2024.

A2 Basis of preparation

The financial report is a general purpose financial report prepared on an accrual basis under the historical cost convention with the exception of certain plant and equipment and corresponding depreciation, and derivative financial instruments which are carried at fair value.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

The company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016. In accordance with that Corporations Instrument, amounts in the Financial Statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

A3 Statement of compliance

The financial report is prepared in accordance with:

- *Corporations Act 2001* as amended;
- *Electricity Companies Act 1997* and Treasurer's Instructions issued under the *Government Business Enterprises Act 1995*; and
- Australian Accounting Standards (AASBs), and complies with other requirements of the law.

In the current year, the company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). The financial statements and notes also comply with International Financial Reporting Standards (with the exception of the early adoption of the ISSB Standards: IFRS S1 and IFRS S2) as disclosed in Note A4.

A4 New and revised standards

The adoption of the following new and revised Standards has no material impact on the financial statements of the company.

- *AASB 2021-2 - Disclosure of Accounting Policies and Definitions of Accounting Estimates*
- *AASB 2021-5 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- *AASB 2021-6 - Disclosure of Accounting Policies: Tier 2 and Other AAS's*

A4 New and revised standards (continued)

The following standards and amendments were available for early adoption but have not been applied by the company in these financial statements:

- *AASB 2020-1 and AASB 2022-6 – Non-current Liabilities with Covenants*

The company anticipates that the adoption of these Standards in future periods will have no material financial impact on the financial statements of the company. There may be some changes in the disclosures made.

These Standards and Interpretations will be first applied in the financial report of the company that relates to the annual reporting period beginning after the effective date of each pronouncement.

IFRS Accounting Standards and IFRS Interpretations Committee Interpretations issued but not yet effective, but for which Australian equivalent Standards and Interpretations have not yet been issued.

In June 2023 the International Sustainability Standards Board (ISSB) issued its first two IFRS Sustainability Disclosure Standards, IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.

The Australian Accounting Standards Board have now issued three draft Australian Sustainability Standards (ASRS) that propose the requirements for climate related financial information in line with IFRS S1 and IFRS S2. These standards are:

a) ASRS1 – General Requirements for Disclosure of Climate-related Financial Information, developed using IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information as a baseline with scope limitation to climate-related financial disclosure;

b) ASRS2 – Climate-related Financial Disclosures, developed using IFRS S2 Climate-related Disclosures as the baseline; and

c) ASRS 101 References in Australian Sustainability Reporting Standards, developed as a service standard that would be updated periodically to list the relevant versions of any non-legislative documents published in Australia and foreign documents that are referenced in ASRS Standards

Aurora Energy is designated a Tier 2 organisation and is thus due to commence reporting in the 2026-27 financial year.

A5 Significant accounting judgements

Judgements made by Aurora Energy in the application of accounting standards that have significant effects on the financial statements and estimated with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note E3.

A6 Comparisons with previous year

Where necessary, comparative figures are adjusted to conform with changes in presentation in the current year.

Section B: Detailed information on financial performance

B1 Operating Profit

Accounting Policy

Revenue recognition and unbilled electricity sales

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Sales revenue from contracts with customers

Revenue from the sale of electricity to retail customers is recognised at the time of the provision of the electricity to the customer. Income from the sale of retail electricity is the value of electricity units supplied to customers during the year. Included in this income is unbilled electricity (a contract asset). Unbilled electricity sales is an estimate of the value of electricity units supplied to customers between the date of the last meter reading and the year end, and is included in electricity sales (refer notes C1 and E3). Electricity and gas sales are recognised at a point in time when they pass through a meter, and this is regarded as the satisfaction of performance obligations by Aurora Energy. No costs incurred in obtaining contracts with customers are recognised as contract assets.

As a practical expedient, the performance obligations remaining on contracts with customers are not disclosed as Aurora Energy has a right to consideration from customers in an amount that corresponds directly with the value to the customers of the performance obligations completed to date.

Revenues are not accrued or deferred for amounts that are allowed to be recovered from customers (or credited to them) through regulatory pricing mechanisms in future years. These include amounts that are recoverable or will result in credits to customers as a direct result of under or over recoveries in the current and prior periods.

Revenue is disclosed net of concessions and waivers. Concession discounts and waivers represent variable consideration under AASB 15 Revenue from contracts with customers, which requires electricity revenue to be disclosed on a net basis.

Interest and other revenue

Interest revenue relates to interest earned on cash investments and overdue customer electricity debt.

Other revenue includes rental income from sub-lease arrangement, connection and service order fees, and concession administration fees.

		2024 $'000	2023 $'000
B1(a)	**Sales Revenue from contracts with customers**		
	Sales to Residential Electricity Customers	508,393	494,377
	Sales to Business Electricity Customers	435,276	430,817
	Sales to Residential Gas Customers	5,346	4,952
	Sales to Business Gas Customers	2,904	4,344
		951,919	934,490
B1(b)	**Interest revenue**		
	Money market investments	25	17
	Bank investments	974	766
	Trade receivables	252	327
		1,251	1,110

B1 Operating Profit (continued)

		2024 $'000	2023 $'000
B1(c)	**Other revenue**		
	Connection & services order fees	2,920	3,279
	Other	651	555
		3,571	3,834

B1(d)	**Electricity derivative fair value movements**		
	Gain/(loss) on derivatives in a fair value hedge accounting relationship (note E1(h))	(16,228)	(51,515)
	Gain/(loss) on adjustment to hedged item in a fair value hedge accounting relationship (note E1(h))	16,217	51,466
		(11)	(49)

B1(e)	**Functional expenses**		
	Labour	(33,907)	(33,033)
	IT, communication and other service fees and charges	(34,225)	(32,357)
		(68,132)	(65,390)

B1(f)	**Finance expenses**		
	Interest expense on leasing arrangements (note C12(c))	(246)	(274)
	Unwinding of Discount on Onerous Contracts (note C9)	-	(205)
	Other finance expenses	6	(8)
		(240)	(487)

B1(g)	**Depreciation and amortisation**		
	Property, plant and equipment depreciation (note C5)	(798)	(868)
	Intangibles amortisation (note C6)	(1,833)	(2,812)
	Right-of-use assets (note C12(c))	(758)	(758)
		(3,389)	(4,438)

B1(h)	**Other expenses**		
	Credit losses on trade receivables (note C1(a))	(5,456)	(9,854)
		(5,456)	(9,854)

B2 Income Tax

Accounting Policy

The *Electricity Companies Act 1997* Section 14 requires the company to comply with part 10 of the *Government Business Enterprises Act 1995*. The company is required to calculate a tax equivalent as if it were a company subject to Commonwealth income tax laws.

(i) Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

(ii) Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

(iii) Current and deferred tax for the period is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

		2024 $'000	2023 $'000
B2(a)	**Income tax recognised in profit**		
	Tax expense comprises:		
	Current tax expense	1,007	3,541
	Total tax expense from continuing operations	1,007	3,541
	Profit/(loss) before income tax equivalent expense	3,213	11,746
	Income tax equivalent expense calculated at 30%	964	3,524
	Non-deductible expenses	43	17
	Income tax equivalent expense	1,007	3,541

B2 Income Tax (continued)

		2024 $'000	2023 $'000
B2(b)	**Income tax recognised directly in equity**		
	The following current and deferred amounts were charged directly to equity during the period:		
	Deferred tax:		
	Financial instruments	(26,692)	72,752
	Provisions	8	(4)
		(26,684)	72,748
B2(c)	**Current tax assets and liabilities**		
	Income tax (receivable)/payable:	(4,206)	(2,930)
B2(d)	**Deferred tax balances**		
	Deferred tax assets comprise:		
	Temporary differences	16,105	42,039
	Deferred tax liabilities comprise:		
	Temporary differences	(27,358)	(26,895)
	Net deferred asset / (liability)	(11,253)	15,144

Taxable and deductible temporary differences arise from the following:

2024	**Opening balance $'000**	**Charged to income $'000**	**Charged to equity $'000**	**Closing Balance $'000**
Gross deferred tax liabilities:				
Property, plant and equipment	918	123	-	1,041
Financial instruments & other	25,977	(26,352)	26,692	26,317
	26,895	(26,229)	26,692	27,358
Gross deferred tax assets:				
Provisions	9,306	657	8	9,971
Tax losses – revenue	-	-	-	-
Financial instruments & other	32,011	(26,348)	-	5,663
Property, plant and equipment	722	(251)	-	471
	42,039	(25,942)	8	16,105
Net deferred tax asset / (liability)	15,144	287	(26,684)	(11,253)

B2 Income Tax (continued)

B2(d) Deferred tax balances (continued)

2023	Opening balance $'000	Charged to income $'000	Charged to equity $'000	Closing Balance $'000
Gross deferred tax liabilities:				
Property, plant and equipment	1,096	(178)	-	918
Financial instruments & other	99,204	(475)	(72,752)	25,977
	100,300	(653)	(72,752)	26,895
Gross deferred tax assets:				
Provisions	8,697	612	(4)	9,306
Tax losses - revenue	2,790	(2,790)	-	-
Financial instruments & other	32,539	(528)	-	32,011
Property, plant and equipment	1,014	(292)	-	722
	45,040	(2,998)	(4)	42,039
Net deferred tax assets / (liability)	(55,260)	(2,345)	72,748	15,144

B3 Cash and cash equivalents

Accounting Policy

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts. Any bank overdrafts are included within trade and other payables on the statement of financial position.

	2024 $'000	2023 $'000
Bank balances	60,802	17,928
Money market investments	600	600
Cash and cash equivalents	61,402	18,528

Aurora Energy's cash and cash equivalents are subject to internal and external restrictions that limit amounts available for discretionary or future use. These include:

	2024	2023
Restricted funds		
Security deposits held	4,028	1,734
Employee provisions	5,920	7,180
Total restricted funds	9,948	8,914
Unrestricted cash and cash equivalents	51,454	9,614

In addition to these restricted funds, Aurora Energy also has Contract Liabilities at Note C10(e) of $90.5M (2023: $37.7M) that represent customer accounts paid in advance.

B3 Cash and cash equivalents (continued)

B3(a) Financing facilities

The company had access to financing facilities at 30 June as indicated below:

2024	Facility Limit $'000	Facility Used $'000	Balance $'000
Borrowing Facilities	175,000	-	175,000
Bank Guarantee Facilities	320,000	160,700	159,300
	495,000	160,700	334,300

2023	Facility Limit $'000	Facility Used $'000	Balance $'000
Borrowing Facilities	145,000	-	145,000
Bank Guarantee Facilities	350,000	111,700	238,300
	495,000	111,700	383,300

Under the Tasmanian Public Finance Corporation Act 1985 , the Government has provided a guarantee of Aurora Energy's borrowings from the Tasmanian Public Finance Corporation. As at 30 June 2024, this support was limited to a maximum of $495.0 million (2023: $495.0M).

	2024 $'000	2023 $'000
B3(b) Reconciliation of profit for the period to net cash provided by operating activities		
Operating (loss)/profit after income tax equivalents	2,206	8,205
Depreciation & amortisation costs	3,389	4,438
Fair value through (profit) or loss of financial instruments	11	49
(Decrease)/increase in onerous contract provision	(1,720)	(5,070)
(Increase)/decrease in accrued interest/market traded receivables	(57,591)	165,350
(Increase)/decrease in other assets	1,789	(608)
Decrease/(increase) in inventories	(7,418)	(2,487)
(Increase)/decrease in trade and other receivables	(7,315)	4,761
(Increase)/decrease in deferred and current taxes	(1,579)	3,548
Increase/(decrease) in trade and other payables	75,322	(171,657)
(Decrease)/increase in employee provisions	434	(133)
Increase/(decrease) in contract liabilities	52,742	(941)
Net cash provided by operating activities	60,270	5,455

B3 Cash and cash equivalents (continued)

B3(c) Reconciliation of changes in liabilities arising from financing activities

	2023	Cash Flows	Non-cash changes	2024
	$'000	$'000	$'000	$'000
Lease liabilities	6,491	(842)	-	5,649
Total changes in liabilities arising from financing activities	6.491	(842)	-	5,649

B4 Dividends

	2024	2023
	$'000	$'000
Declared and paid, dividends on ordinary shares	4,221	-

Section C: Detailed information on statement of financial position items

C1 Current trade and other receivables

Accounting Policy

Trade receivables and other receivables are recorded at amounts due less any allowance for expected credit losses (ECLs). Due to their short term nature, they are not discounted. Trade receivables are non-interest bearing and are generally on terms from 14 to 30 days. The balance of the allowance for ECLs is reviewed monthly using a provision matrix to measure credit losses. The provision rates are based on days past due. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

	2024	2023
	$'000	**$'000**
Trade receivables	64,540	69,900
Accrued income	36,414	23,787
Unbilled energy sales	86,555	82,947
Provision for expected credit losses	(27,135)	(23,575)
	160,374	153,059

Of the total $64.5M (2023: $69.9M) of trade receivables, current receivables of $24.1M (2023: $31.1M) have an average period outstanding of 8.0 days. It is considered that there are no indications as of the reporting date that the debtors will not meet their payment obligations, unless otherwise provided.

C1(a) Movement in the allowance for expected credit losses of debts:

	2024	2023
Balance at the beginning of the year	23,575	16,596
Credit losses recognised on receivables	5,456	9,854
Amounts written off as uncollectable	(2,933)	(3,879)
Amounts recovered during the year	1,037	1,004
Balance at the end of the year	27,135	23,575

Debtor collectability is assessed on an ongoing basis and any resulting credit losses are recognised in the income statement. To measure expected credit losses, trade receivables and unbilled revenue balances have been grouped based on shared credit risk characteristics and ageing profiles. A debtor balance is written off when recovery is assessed to be no longer possible.

C1 Current trade and other receivables (continued)

C1(b) Credit risk exposure of trade receivables and contract assets

2024

	Trade receivables							
			Days past due					
	Accrued Income & Unbilled Energy	Current	<30 days	30-60 days	61-180 days	>180 days	Total Receivables	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Expected credit loss rate	2.77%	3.70%	9.61%	22.79%	45.67%	85.92%		
Gross carrying amount	122,968	24,128	8,126	3,697	7,606	20,984	64,541	187,509
Expected credit loss	3,409	600	781	843	3,473	18,029	23,726	27,135

2023

	Trade receivables							
			Days past due					
	Accrued Income & Unbilled Energy	Current	<30 days	30-60 days	61-180 days	>180 days	Total Receivables	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Expected credit loss rate	2.47%	3.09%	7.74%	29.77%	58.87%	87.63%		
Gross carrying amount	106,732	31,142	11,614	4,229	7,777	15,140	69,900	176,634
Expected credit loss	2,636	935	899	1,259	4,578	13,268	20,939	23,575

The company holds no collateral over these balances, with the exception of a small number of large customers for which account security has been determined necessary to mitigate their risk of default.

C2 Inventories

Accounting Policy

Inventories including renewable energy certificates are carried at the lower of cost and net realisable value.

Renewable Energy Target measures are contained in the Federal renewable energy legislation that commenced on 1 April 2001. The aims of the measures are to increase the proportion of energy from renewable generators. Renewable energy generators are able to issue RECs (Renewable Energy Certificates), where 1 REC is 1MWh of electricity based on the amount of renewable energy generated from a defined renewable source. From 1 January 2011, the scheme was split into two parts, the Large-scale Renewable Energy Target (LRET) and the Small-scale Renewable Energy Scheme (SRES). Retailers are required to purchase sufficient large-scale generation certificates (LGCs) and small-scale technology certificates (STCs) (based on a percentage of the retailers' energy acquisitions) to meet their obligations under the Act for each calendar year. STCs are submitted to the Regulator on a quarterly basis and LGCs in February of each year. The price of RECs (LGCs and STCs) varies, so the company has implemented a purchasing target to mitigate market risk. Aurora Energy, to mitigate its market risk, acquires its RECs by forward REC purchase contracts in accordance with the benchmark, with purchases on the spot market and from the STC Clearing House. This allows Aurora Energy to lock in a price for the future delivery and settlement of RECs. The liability for the acquittal of RECs is recognised in the statement of financial position, trade and other payables, on a continuous basis as electricity is purchased. The expense for RECs is recognised on the statement of comprehensive income, within energy and network purchases, on a continuous basis as electricity is purchased.

Any RECs purchased but not yet remitted to the Regulator are included in inventory.

	2024 $'000	2023 $'000
Renewable energy certificates (valued at cost or net realisable value)	13,196	5,778
	13,196	5,778

Renewable energy certificates recognised as an expense for the year ended 30 June 2024 totalled $55.9M (2023: $62.2M).

C3 Current financial assets

Interest accrued	149	149
Market traded receivables[1]	57,590	-
Derivative contracts (at fair value) (note E1)	58,240	44,968
Large Scale Generation Certificates Shortfall (refundable)	15,301	-
Total current financial assets	131,280	45,117

[1] The market traded receivables relate to contracts for difference for energy purchases and are neither past due nor impaired. There are no indications that these debtors will not meet their payment obligations.

C4 Other current Assets

Prepayments	667	2,980
Customer services obligation recoveries[2]	3,998	3,474
	4,665	6,455

[2] Customer services obligation recoveries relate to accrued customer concession recoveries not yet billed to the State Government.

C5 Property, plant and equipment

Accounting Policy

(i) Valuation

The value of property, plant and equipment is recorded at depreciated cost adjusted for any accumulated impairment losses.

(ii) Depreciation

Depreciation on property, plant and equipment is based on the straight-line method so as to write off the net cost or other revalued amount of each asset over its expected useful life. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

In accordance with Australian Accounting Standard AASB 116 Property, Plant and Equipment balances of accumulated depreciation are transferred to the appropriate asset accounts when assets are revalued each year.

The depreciation rates used for each class of assets were consistent with prior year and listed below:

Class of non-current asset	Depreciation Rate
Computer equipment	33.3%
Leasehold improvements	10% - 67%
Other	10% - 33.3%

	2024 $'000	2023 $'000
Opening gross carrying amount	10,177	9,225
Additions	4	952
Disposals	-	-
Closing gross carrying amount	10,181	10,177
Opening accumulated depreciation	(5,429)	(4,561)
Disposals	-	-
Depreciation expense (i)	(798)	(868)
Closing accumulated depreciation	(6,227)	(5,429)
Net book value - at recoverable amount	3,954	4,748
Capital works in progress – at cost	184	86
Total property, plant and equipment	4,138	4,834

(i) Aggregate depreciation allocated during the year is recognised as an expense in the line item 'depreciation and amortisation expense' in the statement of comprehensive income.

C6 Intangible assets

Accounting Policy

An intangible asset shall be recognised if, and only if it is probable that future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

	2024 $'000	2023 $'000
Opening gross carrying amount	77,125	76,342
Additions	1,262	783
Disposals	-	-
Closing gross carrying amount	78,387	77,125
Opening accumulated amortisation	(71,850)	(69,038)
Amortisation expense (i)	(1,833)	(2,812)
Closing accumulated amortisation	(73,683)	(71,850)
Net book value - at recoverable amount	4,704	5,275
Software works in progress – at cost	479	800
Total intangible assets	5,183	6,075

(i) Amortisation expense is included in the line item 'depreciation and amortisation expense' in the statement of comprehensive income.

C7 Non-current financial assets

	2024 $'000	2023 $'000
Large Scale Generation Certificates Shortfall (refundable)	11,290	15,301
Derivative contracts (at fair value) (note E1)	28,670	41,060
	39,960	56,361

In line with Renewable Energy Target rules, Aurora Energy elected to shortfall 24.4% of its 2024 (2023: 24.4%) Large-Scale Generation Certificates (LGC) liability in February 2024 and will made good on the shortfall with Calendar year 2025 LGCs. The shortfall amount of $11.3M ($15.3M:2023) is fully refundable to Aurora once the calendar year 2025 LGC's are acquitted in February 2026.

C8 Current trade and other payables

Accounting Policy

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services. Due to their short-term nature, they are not discounted.

Trade payables	156,708	76,179
Accrued expenses	4,193	1,867
Accrued REC expenses	37,784	29,364
	198,685	107,410

All trade payables and accrued expenses are unsecured.

C9 Provisions

Accounting Policy

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Provisions are measured at the present value of Aurora Energy's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time (unwinding of discount) is recognised in finance costs on the statement of comprehensive income.

If Aurora Energy has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision.

C9 Provisions (continued)

	2024 $'000	2023 $'000
Current employee provisions (note D1)	3,809	3,368
Current onerous contract provision*	-	1,718
	3,809	5,086
Non-current employee provisions (note D2)	2,111	2,094
Non-current onerous contract provision*	-	-
	2,111	2,094
Provision for onerous contract*		
Opening balance	1,718	6,789
Provision reassessment	-	(1,868)
Utilised	(1,718)	(3,408)
Unwinding of discount	-	205
Closing balance	-	1,718

* Aurora Energy had a long-term contract for the purchase of an energy related product that was assessed as onerous in 2018-19 due to the forward market prices and the economic value that Aurora Energy could obtain from the product being less than the total cost of the contract at the time. Increases in the forward market prices has led to favourable reassessments of the provision, which are included in the line item energy and network purchases on the statement of comprehensive income. The provision was calculated utilising a market price range from an external provider. The rate within the range that reflects the current market conditions is then utilised to determine the provision value. From year to year the spread of the range may move, and rates will vary between bid and offer rates dependent upon the prevailing market. The rate used for 2023-24 was the offer rate (2022-23:offer rate). The contract was fully unwound in 2023-24 and at reporting date was assessed no longer onerous.

C10 Contract liabilities

Accounting Policy

Aurora Energy receives income from customers in advance of retail electricity bills being issued to customers. Income in advance is recognised as revenue by Aurora Energy at the point retail electricity bills are issued to customers and debt is incurred on customer accounts. Electricity bills are typically issued on a quarterly basis.

		2024	2023
	Income received in advance	90,507	37,765
		90,507	37,765
C10(a)	**Movement in the income received in advance:**		
	Balance at the beginning of the year	37,765	37,432
	Transferred to revenue during the year	(35,226)	(34,289)
	Advance customer payments received during the year	87,968	34,622
	Balance at the end of the year	90,507	37,765

C11 Financial liabilities

	2024 $'000	2023 $'000
Current financial liabilities (note E1):		
Derivative contracts (at fair value)	5,229	75,467
Market traded payables	-	15,970
Fair value adjustment to hedged item designated in a fair value hedge accounting relationship	10,728	16,079
Total current financial liabilities	15,957	107,516
Non-current financial liabilities (note E1):		
Derivatives contracts (at fair value)	2,101	3,726
Fair value adjustment to hedged item designated in a fair value hedge accounting relationship	-	10,867
Total non-current financial liabilities	2,101	14,593

C12 Lease commitments

Accounting Policy

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in for consideration.

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the company's incremental borrowing rate. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

Both the right-of-use assets and lease liabilities have been presented as separate line items in the statement of financial position.

At 30 June 2024, Aurora Energy has two lease commitments relating to office buildings, one each in Hobart and Launceston. There is also a new contingent liability for the forthcoming additional lease for Launceston accommodation has occurred as a result of a planned move to new premises during the 2024-25 financial year.

C12(a) Rights-of-use assets

Opening balance	5,122	5,698
Additions	-	182
Disposals	-	-
Depreciation	(758)	(758)
Closing balance	4,364	5,122

C12 Lease commitments (continued)

		2024 $'000	2023 $'000
C12(b)	**Lease liabilities**		
	Non-cancellable lease payments		
	Less than one year	818	760
	One to five years	4,740	4,469
	Longer than five years	91	1,262
	Total discounted lease liabilities	5,649	6,491
	Current	818	760
	Non-current	4,831	5,731
	Lease liabilities in statement of financial position	5,649	6,491
C12(c)	**Amounts recognised in profit and loss**		
	Depreciation expense on right-of-use assets	758	758
	Interest expense on lease liabilities	246	274
	Income from sub-leasing right-of-use assets	(294)	(286)
		710	746

Both the Elizabeth Street & George Street (Offices) leases contain an extension option exercisable by the company before the end of the lease period. The extension option is only exercisable by the company and not the lessor. The company has assessed that it is not reasonably certain to exercise the extension option at the commencement of the lease and therefore has not recognised the extension as part of its leases.

The company has estimated that the potential future lease payments, should it exercise the extension, would result in an increase in lease liability of $4.5M (2023: $4.3M.)

Section D: Employee benefits

Accounting Policy

(i) Superannuation

The Retirement Benefits Fund (RBF) is a defined benefits superannuation scheme for Tasmanian Government employees. The RBF liability carried represents the present value of the defined benefit obligation adjusted for unrecognised service cost net of the fair value of the plan assets. The net assets, operating costs and investment returns of the RBF are allocated to Aurora Energy based on the percentage of funded past service liabilities for Aurora Energy compared to the funded past service liabilities for the whole of government. The RBF scheme was closed to new members from 15 May 1999.

The RBF is funded by employee and employer contributions. Employee contributions to the funds are transferred to RBF. An internal net interest charge, calculated by the application of market-related interest rates and after advice from the company's actuary, is added to this provision each year.

Actuarial gains or losses are recognised in the statement of other comprehensive income and are recorded as a movement in retained earnings.

(ii) Other employee entitlement provisions

Contributions to these provisions are charged directly to cost centres as part of employment costs. The company adopts the present value basis of measurement methodology where the liability recognised is the present value of expected non-current future payments to be made in respect of services provided by employees up to reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows. Annual leave and long service leave provisions are classified as current where the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. This does not imply that there is an expectation that the current provision will be paid out within the next twelve months.

D1 Current employee provisions

	2024 $'000	2023 $'000
Employee entitlements:		
Annual leave	2,035	1,894
Long service leave	1,256	932
Superannuation	379	295
Retirements Benefits Fund (note D(i))	59	57
	3,727	3,178
Other current provisions:		
Payroll tax	80	190
	80	190
Total current provisions	3,809	3,368

D2 Non-current employee provisions

	2024 $'000	2023 $'000
Employee entitlements:		
Long service leave	886	895
Superannuation	89	90
Retirements Benefits Fund (note D(i))	1,076	1,049
	2,051	2,034
Other non-current provisions:		
Payroll tax	60	60
	60	60
Total non-current provisions	2,111	2,094

D3 Net transfer (to)/from employee provisions:

Employee entitlements	(570)	136
Payroll tax	111	8
	(459)	144

D4 Key management personnel compensation

The key management personnel of the company during the year were:

Professor M O'Kane (Chair, non-executive director 01/07/23 – 04/03/24)	Mr N. Clark (Chief Executive Officer)
Ms K Nylander (non-executive director 01/07/23 – 04/03/24 Acting Chair 04/03/24 - 30/06/24)	Mr A Burke (Chief Operating Officer)
Mrs Y Rundle (non-executive director 01/07/23 – 30/11/23)	Mr J Chisholm (Chief Financial Officer)
Ms K Benda (non-executive director 30/11/23 – 30/6/24)	Mr O Cousland (Company Secretary / General Counsel)
Mrs J Healey (non-executive director)	Mr A Crozier (Chief Digital Officer)
Mr R Edwards (non-executive director)	Mrs N Hunt (Chief People Officer)

The aggregate compensation of the key management personnel of the company is set out below:

	Director Remuneration		Executive Remuneration		Consolidated	
	2024 $	2023 $	2024 $	2023 $	2024 $	2023 $
Short-term employee benefits	244,370	245,097	1,715,356	1,696,622	1,959,726	1,941,719
Post-employment benefits	26,481	24,837	164,388	161,104	190,869	185,941
Long-term employee benefits	-	-	89,215	(143,006)	89,215	(143,006)
Termination Benefits	-	-	-	356,551	-	356,551
	270,851	269,934	1,968,959	2,071,271	2,239,810	2,341,205

There were no short-term incentive payments paid in 2023-24 nor 2022-23.

D4 Key management personnel compensation (continued)

Director remuneration[1]

The following tables disclose the remuneration details for each person that acted as a non-executive director during the current and previous financial years:

2024

Name	Position	Period	Directors' Fees $	Committee Fees $	Other Benefits[2] $	Superannuation[3] $	Total $
Non-Executive Directors							
Professor M O'Kane	Chairperson	01/07/2023 to 04/03/2024	40,594	3,692	813	4,871	49,970
Ms K Nylander	Director Acting Chair	01/07/2023 to 04/03/2024 04/03/2024 to 30/06/2024	46,404	8,334	1,200	6,042	61,980
Mrs Y Rundle	Director	To 30/11/2023	16,781	3,546	800	2,256	23,383
Mrs J Healey	Director	Full term	40,029	7,152	1,200	5,209	53,590
Mr R Edwards	Director	Full term	40,029	5,556	1,200	5,195	51,980
Ms K Benda	Director	From 30/11/2023	23,248	3,192	600	2,908	29,948
Total			**207,085**	**31,472**	**5,813**	**26,481**	**270,851**

2023

Name	Position	Period	Directors' Fees $	Committee Fees $	Other Benefits[2] $	Superannuation[3] $	Total $
Non-Executive Directors							
Professor M O'Kane	Chairperson	Full term	59,924	5,410	1,200	6,860	73,394
Ms K Nylander	Director	Full term	40,183	7,087	1,500	4,944	53,714
Mrs Y Rundle	Director	Full term	40,183	8,124	1,500	5,053	54,860
Mrs J Healey	Director	From 25/11/2022	24,017	3,341	600	2,854	30,812
Mr R Edwards	Director	From 25/11/2022	24,017	3,341	600	2,693	30,651
Mr T James	Director	To 25/11/2022	16,321	6,849	900	2,433	26,503
Total			**204,645**	**34,152**	**6,300**	**24,837**	**269,934**

[1] Amounts are all forms of consideration paid, payable or provided by the entity, i.e., disclosure is made on an accruals basis as at 30 June.

[2] Other Benefits include travel and other expenses

[3] Superannuation means the contribution to the superannuation fund of the individual.

D4 Key management personnel compensation (continued)

Executive remuneration

The following tables disclose the remuneration details for each person who acted as a senior executive during the current and previous financial years.

2024

Name	Position	Period	Salary[1] $	Short term incentive payments[2] $	Other Monetary Benefits[3] $
Mr N Clark	Chief Executive Officer	Full year	396,217	-	-
Mr A Burke	Chief Operating Officer	Full year	248,053	-	-
Mr J Chisholm	Chief Financial Officer	Full year	283,878	-	19,686
Mr O Cousland	Company Secretary / General Counsel	Full year	237,067	-	-
Mr A Crozier	Chief Digital Officer	Full year	294,530	-	-
Mrs N Hunt	Chief People Officer	Full year	224,738	-	109
Total			**1,684,483**	**-**	**19,795**

1 Salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts

2 Short term incentive payments are non-recurrent payments which depend on achieving specified performance goals within specified timeframes

3 Other monetary benefits includes all other forms of employment allowances, payments in lieu of leave, and any other compensation paid and payable

4 Aurora Energy does not provide motor vehicles to Executives

2023

Name	Position	Period	Salary[1] $	Short term incentive payments[2] $	Other Monetary Benefits[3] $
Mrs R Kardos	Chief Executive Officer	To 18/10/2022	108,357	-	-
Mr N Clark	Chief Executive Officer	From 19/10/2022	250,814	-	66,077
Mr O Cousland	Company Secretary / General Counsel	Full year	226,023	-	-
Mr A Burke	Acting Chief Operating Officer Chief Operating Officer	15/08/2022 to 30/04/2023 From 01/05/2023	203,149	-	-
Mr A Crozier	Chief Digital Officer	Full year	287,687	-	-
Mrs N Hunt	Chief People Officer	From 29/08/2022	171,709	-	-
Mr J Chisholm	Chief Financial Officer	Full year	269,315	-	28,772
Mr K Ingham	Chief Operating Officer	To 21/09/2022	64,563	-	-
Total			**1,581,617**	**-**	**94,849**

* Mrs Kardos' termination benefits included unused leave entitlements together with an eligible termination payment representing a contract payout.

1 Salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts

2 Short term incentive payments are non-recurrent payments which depend on achieving specified performance goals within specified timeframes. No Short-term incentives were paid during the 2022-23 financial year.

3 Other monetary benefits include all other forms of employment allowances, payments in lieu of leave, and any other compensation paid and payable

4 Vehicle benefits include all motor vehicle running costs. Aurora Energy did not provide any motor vehicle benefits during the 2022-2023 financial year.

Vehicle Benefits[4] $	Other Non-Monetary Benefits[5]	Superannuation[6] $	Reported Remuneration[7] $	Other Long-Term Benefits[8] $	Termination Benefits[9] $	Total $
-	-	27,358	423,575	16,337	-	439,912
-	-	27,302	275,355	17,487	-	292,842
-	11,078	27,492	342,134	14,229	-	356,363
-	-	26,092	263,159	2,805	-	265,964
-	-	31,397	325,927	27,272	-	353,199
-	-	24,747	249,594	11,085	-	260,679
-	**11,078**	**164,388**	**1,879,744**	**89,215**	**-**	**1,968,959**

5 Other Non Monetary Benefits includes any direct benefit received by the individual for which no direct payment was made to the person, eg car parking, health insurance

6 Superannuation means the contribution to the superannuation fund of the individual.

7 Reported Remuneration includes the individual's salary, short term incentive payments, other monetary benefits, vehicle benefits, other non-monetary benefits and superannuation

8 Other long term benefits include annual and long service leave movements.

9 Termination benefits include all forms of benefits paid or accrued as a consequence of termination.

Vehicle Benefits[4] $	Other Non-Monetary Benefits[5]	Superannuation[6] $	Reported Remuneration[7] $	Other Long-Term Benefits[8] $	Termination Benefits[9] $	Total $
-	-	7,820	116,177	(113,361)	224,148*	226,964
-	2,598	27,651	347,140	14,572	-	361,712
-	-	23,732	249,755	7,370	-	257,125
-	-	21,331	224,480	28,316	-	252,796
-	-	27,483	315,170	18,006	-	333,176
-	-	18,030	189,739	2,315	-	192,054
-	17,558	28,278	343,923	21,523	-	365,446
-	-	6,779	71,342	(121,747)	132,403	81,998
-	**20,156**	**161,104**	**1,857,726**	**(143,006)**	**356,551**	**2,071,271**

5 Other Non-Monetary Benefits includes any direct benefit received by the individual for which no direct payment was made to the person, e.g., car parking, health insurance. The Non-Monetary Benefit disclosed represents the Fringe Benefits Tax Payable on Relocation Housing Allowances paid during the FBT year to 31st March 2023.

6 Superannuation means the contribution to the superannuation fund of the individual.

7 Reported Remuneration includes the individual's salary, short term incentive payments, other monetary benefits, vehicle benefits, other non-monetary benefits, and superannuation.

8 Other long term benefits include annual and long service leave movements.

9 Termination benefits include all forms of benefits paid or accrued as a consequence of termination.

D4 Key management personnel compensation (continued)

Remuneration Principles

Non-Executive Directors

Non-executive directors are appointed by the Treasurer and Portfolio Minister. Each instrument of appointment is for a maximum period of three years and prescribes the relevant remuneration provisions. Directors can be reappointed. The level of fees paid to the non-executive directors is administered by the Department of Premier and Cabinet, as is additional fees paid in respect of their work on Board committees.

Executive remuneration

Remuneration levels for key management personnel are set in accordance with the Director and Executive Remuneration Guidelines, dated June 2021. Under these Guidelines, remuneration bands for Chief Executive Officers (CEO) are determined by the Treasurer and reflect the principles outlined in the Guidelines broadly and align with State Service Heads of Agency. Positioning within the bands depends on the complexity and size of the business and the environment in which the business operates. Remuneration for other senior executives is set with reference to the CEO's salary band.

The CEO is appointed by the Board. The Board consults with the Treasurer when determining the CEO's remuneration package.

The employment terms and conditions of senior executives are contained in individual employment contracts and prescribe the total remuneration, superannuation, annual and long service leave, and salary sacrifice provisions.

The performance of each senior executive, including the CEO, is reviewed annually which includes a review of their remuneration package. The terms of employment of each senior executive, including the CEO, contain a termination clause that requires the senior executives or the Board to provide a minimum notice period of up to 3 months for senior executives and 6 months for the CEO prior to the termination of the contract. Whilst not automatic, contracts can be extended

Short term incentive payments

Aurora Energy does not currently offer performance-based payments. In the event that a program is implemented, the requirements outlined in the Guidelines will be adopted.

Section E: Risk and fair value

E1 Financial instruments

Accounting Policy

Derivative Financial Instruments

The company enters into various financial instruments in the form of electricity swaps in order to manage financial exposures faced by the company from its operations. In accordance with its Treasury and Energy Risk Policies, the company does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss on the statement of comprehensive income immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss on the statement of comprehensive income depends on the nature of the hedge relationship. On the date the contract is entered, each contract is recorded in Aurora Energy's hedge accounting system where the relevant effectiveness tests and documentation is created at inception and all further designation and valuation data is recorded. The fair value of a hedging instrument is presented as current or non-current based on the timing of the contractual cash flows, with cash flows expected to be realised or settled after 12 months classified as non-current and cash flows expected to be realised or settled within 12 months classified as current. Other derivatives are presented as current assets or current liabilities.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risk and characteristics are not closely related to those host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss on the statement of comprehensive income.

Hedging

The company designates certain derivatives as either hedges of the fair value of recognised assets or liabilities of firm commitments (fair value hedges) or hedges of highly probable forecast transactions (cash flow hedges).

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss on the statement of comprehensive income immediately, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss on the statement of comprehensive income from that date.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or losses relating to ineffective portions are recognised immediately in profit or loss on the statement of comprehensive income. Amounts deferred in equity are recycled in profit or loss on the statement of comprehensive income in the periods when the hedged item is recognised in profit or loss on the statement of comprehensive income. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss on the statement of comprehensive income. When the forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss on the statement of comprehensive income.

E1 Financial instruments (continued)

E1(a) Capital risk management

The company's objective is to have an appropriate capital structure that ensures financial flexibility and fiscal discipline and therefore ongoing viability to continue to provide returns for shareholders.

The Treasurer provided explicit support to the Tasmanian Public Finance Corporation for the Company's borrowings as part of the Government's response to the COVID-19 pandemic. This support is limited to a maximum borrowing limit of $495 million (2023 $495M).

As at 30 June 2024 this guarantee remains in place.

Aurora Energy holds no debt as at 30 June 2024

E1(b) Categories of financial instruments

	2024 $'000 Carrying amount	2023 $'000 Carrying amount
Financial assets		
Amortised cost		
- Cash and cash equivalents	61,402	18,528
- Trade and other receivables	64,540	69,900
- Market traded receivables	57,590	-
Financial liabilities		
Amortised cost		
- Trade and other payables	156,706	76,179
- Market traded payables	-	15,970
Derivative instruments		
Fair value through other comprehensive income		
- Electricity swaps – note E1(f)	68,851	(20,111)

E1(c) Financial risk management

The company's Treasury function coordinates access to financial markets, and manages the risks relating to the operations of the company. Risk management in respect of energy commodity exposures is managed under board approved Energy Risk Management (ERM) principles. Treasury and ERM operate under policies approved by the Board.

The company's activities exposed it primarily to the financial risks of changes in energy consumption and price (determined to be one risk category). The company enters into a variety of derivative financial instruments to manage its exposure to these risks, including:

- electricity swaps and cap options to hedge the energy consumption and price risk arising on purchases and sales of electricity to customers.

E1 Financial instruments (continued)

E1(d) Credit risk management

Credit risk represents the loss that would be recognised at the reporting date if counterparties failed to meet their contractual obligations. The company measures credit risk as the positive revaluation of financial instruments plus the potential credit exposure and an amount for settlement risk.

Credit risk associated with receivables is described in note C1.

A Board approved Counterparty Credit Risk Framework establishes credit limits for parties depending on their credit rating. The company also uses ISDA agreements with derivative counterparties in order to limit exposure to credit risk through the netting of amounts receivable from and amounts payable to individual counterparties. The Framework is overseen by the company's Energy Risk and Compliance Committee and Treasury Committee with delegations set by Board approved policies.

The majority of the company's counterparty credit risk is to Australian based banks, financial institutions and electricity generators. At balance date, the only significant concentration of credit risk with any counterparty is to Hydro Tasmania as the dominant generator in Tasmania and the Westpac Bank for bank deposits. There is no material concentration risk in retail customers.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the company's maximum exposure to credit risk at reporting date. In respect to those financial assets and the credit risk embedded within them, the company holds no significant collateral as security and there are no other significant credit enhancements in respect of these assets.

The company accepts guarantees from Australian financial institutions on behalf of major customers and supply contracts as collateral in respect of the financial assets/receivables.

E1(e) Liquidity risk management

Prudent liquidity management involves maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. To help counter this risk, the company has adequate stand-by facilities and other funding arrangements in place as disclosed in note B3(a) and only uses financial instruments that are highly tradable. Aurora Energy's facilities are reviewed periodically to ensure it retains access to appropriate financing facilities to fund a range of downside scenarios.

The company continuously monitors forecast and actual cash flows and matches the maturity profiles of financial assets and liabilities.

E1 Financial instruments (continued)

E1(e) Liquidity risk management (continued)

The following tables detail the company's remaining contractual maturity for its financial assets and liabilities and expected maturity of derivative instruments. The tables have been drawn up based on the undiscounted cash flows based on the earliest date on which the company can be required to pay its financial liabilities and receive its financial assets and is expected to settle its derivative instruments.

2024	Weighted average effective interest rate %	1 year or less $'000	1 to 2 years $'000	2 to 5 years $'000	Over 5 years $'000
Financial assets					
Cash and short term deposits	4.33	61,402	-	-	-
Trade and other receivables	-	64,540	-	-	-
Market traded receivables	-	57,591	-	-	-
Electricity derivatives	-	59,017	27,756	2,883	-
		242,550	27,756	2,883	-
Financial liabilities					
Trade and other payables	-	156,706	-	-	-
Electricity derivatives	-	16,176	1,889	484	-
Market traded payables	-	-	-	-	-
		172,882	1,889	484	-

2023	Weighted average effective interest rate %	1 year or less $'000	1 to 2 years $'000	2 to 5 years $'000	Over 5 years $'000
Financial assets					
Cash and short term deposits	3.68	18,528	-	-	-
Trade and other receivables	-	69,900	-	-	-
Electricity derivatives	-	46,003	37,313	6,337	-
		134,431	37,313	6,337	-
Financial liabilities					
Trade and other payables	-	76,179	-	-	-
Electricity derivatives	-	93,712	15,200	153	-
Market traded payables		15,970	-	-	-
		185,861	15,200	153	-

E1 Financial instruments (continued)

E1(f) Market risk management

Price risk management

The company is exposed to commodity price risk from electricity associated with the purchase and/or sale of electricity. To manage its commodity price risks in respect to electricity, the company enters into electricity derivatives, including caps and swaps.

The key elements of the company's strategy include:

- Energy trading risks being actively managed and monitored against Board approved limits. These limits cover relative and absolute trading limits;
- Incorporating sufficient margin within contestable retail customer contract pricing to adequately cover costs and generate the required return for risk; and
- Ensuring alignment between key terms of customer sales and associated hedge contracts.

The company's overall strategy provides for the utilisation of market exposure as per limits set out in the Board approved Energy Risk Policy.

The following tables detail the remaining terms of energy derivatives contracts outstanding as at reporting date and their fair values.

2024	1 year or less $'000	1 to 2 years $'000	2 to 5 years $'000	Over 5 years $'000	Total $'000
Assets					
Derivatives designated hedge in a cash flow relationship	47,512	26,174	2,495	-	76,181
Derivatives designated in a fair value hedge relationship	10,728	-	-	-	10,728
	58,240	26,174	2,495	-	86,909
Liabilities					
Derivatives designated hedge in a cash flow relationship	(5,229)	(1,751)	(350)	-	(7,330)
Derivatives designated in a fair value hedge relationship	(10,728)	-	-	-	(10,728)
	(15,957)	(1,751)	(350)	-	(18,058)
Total asset/(liability)	42,283	24,423	2,145	-	68,851

2023	1 year or less $'000	1 to 2 years $'000	2 to 5 years $'000	Over 5 years $'000	Total $'000
Assets					
Derivatives designated hedge in a cash flow relationship	28,885	24,421	5,767	-	59,073
Derivatives designated in a fair value hedge relationship	16,083	10,872	-	-	26,955
	44,968	35,293	5,767	-	86,028
Liabilities					
Derivatives designated hedge in a cash flow relationship	(75,467)	(3,592)	(137)	-	(79,196)
Derivatives designated in a fair value hedge relationship	(16,079)	(10,864)	-	-	(26,943)
	(91,546)	(14,456)	(137)	-	(106,139)
Total asset/(liability)	(46,578)	20,837	5,630	-	(20,111)

E1 Financial instruments (continued)

E1(f) Market risk management (continued)

Price sensitivity

The following table summarises the impact of increases/decreases of the relevant forward prices for electricity on the company's post tax profit for the year and on other components of equity. The sensitivity analysis is calculated based on a calculation of the region's volatility of price as observed over the past year to provide an indicator of likely potential variation to profit and equity of the company. A twenty dollar per megawatt hour rate variation (2023: $20), up and down, has been used in the analysis for 30 June 2024. Actual results may differ dependent on future market conditions. All variables other than the relevant primary risk variable identified are held constant in the analysis.

	Impact on post tax profit of the Company	Post tax impact on equity of the Company
	+/(-) ($'000)	+/(-) ($'000)
2024		
Electricity forward price	- / -	67,491 / (67,490)
2023		
Electricity forward price	4 / (4)	59,372 / (59,378)

Profit for the year would increase/(decrease) as a result of electricity derivatives which do not qualify for cash flow hedge accounting (ineffective) under AASB 9 or differences in the discount rates applied in valuing fair value hedges and their underlying hedged asset or liability that is attributable to the hedged risk. There were no ineffective cash flow hedges as at 30 June 2024. Equity would increase/(decrease) as a result of electricity derivatives which do qualify for cash flow hedge accounting under AASB 9 and any profit or losses arising from fair value hedges or ineffective cash flow hedges.

E1(g) Fair value of financial instruments

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximate their fair values.

The fair value of derivative instruments is calculated using quoted prices or where such prices are not available use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

Derivative transactions are only used for the purpose of managing financial exposures that arise from underlying business positions. Therefore, fair values should not be assessed in isolation. The overall impact should take account of the underlying exposures being hedged.

Electricity Derivative Contracts

The company has in place hedge arrangements for a portion of its customer load. Hedges take the form of electricity swap agreements. The economic effect of these arrangements is to transfer to the counterparties some of the variable price risk and to fix the cost of electricity to the company in line with the revenue streams that are contracted for with customers.

- The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.
- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

E1 Financial instruments (continued)

E1(g) Fair value of financial instruments (continued)

30 June 2024	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Derivative instruments				
- Electricity swaps – note E1(f)	-	68,851	-	68,851

There were no transfers between Level 1, 2 and 3 in the period.

30 June 2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Derivative instruments				
- Electricity swaps – note E1(f)	-	(20,111)	-	(20,111)

There were no transfers between Level 1, 2 and 3 in the period.

Significant assumptions used in determining fair value of financial assets and liabilities.

The financial statements include electricity swaps and customer contracts which are measured at fair value. Their fair values are determined using valuation techniques based on the calculation of the present value of expected future cash flows. Inputs to these valuation techniques include some assumptions relating to the electricity forward prices in Tasmania that are supportable by regulated market prices and forecast of future load demand.

E1(h) Impact of hedging on the statement of financial position and statement of comprehensive income

Fair value hedges

The impact of the hedging instruments on the statement of financial position

30 June 2024	Nominal MWh	Carrying amount	Line item in statement of financial position	Change in fair value used for measuring ineffectiveness for the period
		$'000		$'000
Electricity price swaps	54	10,728	Current financial assets	(16,228)
			Non-current financial assets	-
	54	10,728		(16,228)

The impact of the hedged items on the statement of financial position

30 June 2024	Carrying amount $'000	Accumulated fair value adjustments $'000	Line item in statement of financial position	Change in fair value used for measuring ineffectiveness for the period $'000
Customer sales contracts	(10,728)	(10,728)	Other current liabilities.	16,217
		-	Other non-current liabilities	-
	(10,728)	(10,728)		16,217

E1 Financial instruments (continued)

E1(h) Impact of hedging on the statement of financial position and statement of comprehensive income (continued)

The ineffectiveness recognised in the statement of comprehensive income was $0.011M in the line electricity derivative fair value movements.

The hedge ineffectiveness arises from the counterparties' credit risk differently impacting the fair value movements of the hedging instruments and the hedged items.

The impact of the hedging instruments on the statement of financial position

30 June 2023	Nominal MWh	Carrying amount $'000	Line item in statement of financial position	Change in fair value used for measuring ineffectiveness for the period $'000
Electricity price swaps	54	16,083	Current financial assets	(51,515)
		10,872	Non-current financial assets	-
Closing balance	54	26,955		(51,515)

The impact of the hedged items on the statement of financial position

30 June 2023	Carrying amount $'000	Accumulated fair value adjustments $'000	Line item in statement of financial position	Change in fair value used for measuring ineffectiveness for the period $'000
Customer sales contracts	(16,078)	(16,078)	Other current liabilities.	51,466
	(10,867)	(10,867)	Other non-current liabilities	-
	(26,945)	(26,945)		51,466

The ineffectiveness recognised in the statement of comprehensive income was $0.049M in the line electricity derivative fair value movements.

The hedge ineffectiveness arises from the counterparties' credit risk differently impacting the fair value movements of the hedging instruments and the hedged items.

Cash flow hedges

The impact of cash flow hedged items on the statement of comprehensive income

30 June 2024	Total hedging gain/(loss) recognised in OCI $'000	Ineffective-ness recognised in P&L $'000	Line item in P&L	Amount reclassified from OCI to P&L $'000	Line item in P&L
Electricity price swaps	41,264	-	Electricity derivative fair value movements	47,709	Energy and network purchases
30 June 2023					
Electricity price swaps	(68,757)	-	Electricity derivative fair value movements	(173,750)	Energy and network purchases

E1 Financial instruments (continued)

E1(h) Impact of hedging on the statement of financial position and statement of comprehensive income (continued)

The impact of cash flow hedged items on the statement of financial position

	30 June 2024		30 June 2023	
	Change in fair value used for measuring ineffectiveness for the period	Cash flow hedge reserve	Change in fair value used for measuring ineffectiveness for the period	Cash flow hedge reserve
	$'000	$'000	$'000	$'000
Electricity price swaps	41,264	48,196	(68,757)	(14,086)

E2 Fair value measurement

The following tables provide the fair value measurement hierarchy of the company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 30 June 2024:

	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable Inputs (Level 2)	Significant unobservable Inputs (Level 3)
Assets measured at fair value		$'000	$'000	$'000	$'000
Derivative financial assets					
Electricity derivatives	30 June 24	86,910	-	86,910	-
There have been no transfers between Level 1, 2 and 3 in the period					
Liabilities measured at fair value					
Derivative financial liabilities					
Electricity derivatives	30 June 24	7,330	-	7,330	-
Fair value adjustment to hedged items in fair value hedges	30 June 24	10,728	-	10,728	-
There have been no transfers between Level 1, 2 and 3 in the period					

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 30 June 2023:

	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable Inputs (Level 2)	Significant unobservable Inputs (Level 3)
Assets measured at fair value		$'000	$'000	$'000	$'000
Derivative financial assets					
Electricity derivatives	30 June 23	86,028	-	86,028	-
There have been no transfers between Level 1, 2 and 3 in the period					
Liabilities measured at fair value					
Derivative financial liabilities					
Electricity derivatives	30 June 23	79,194	-	79,194	-
Fair value adjustment to hedged items in fair value hedges	30 June 23	26,945	-	26,945	-
There have been no transfers between Level 1, 2 and 3 in the period					

E3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Assessment of impairment of non-financial assets

The company considers annually whether such assets have suffered any impairment, in accordance with the accounting policy stated in note F7(b).

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of the following key assumptions:

- forecast electricity price pool outcomes and regulated revenues;
- customer churn to competitors with the introduction of full retail contestability from 1 July 2014; and
- discount rates.

Where an indicator of impairment exists, Aurora Energy makes a formal estimate of the recoverable amount of the cash generating unit. The whole of Aurora Energy is one cash generating unit.

A four year Corporate Plan for Aurora Energy has been approved by the Board. The plan reflects up-to-date information, and the projections represent management's best estimate of future financial performance. Based on the future projections of Aurora Energy, the Board has determined that no indicators of impairment exist and, accordingly, no formal estimate of the recoverable amount has been performed.

(ii) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market (for example, certain types of electricity derivatives) is determined by using valuation techniques. The company uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at each balance sheet date.

(iii) Unbilled revenue

Unbilled electricity sales are an estimate of the value of electricity units supplied between the date of the last meter reading and the year-end. The estimate of the units supplied is based on the customer historic usage profile adjusted to reflect the actual wholesale electricity purchases and the unit price used reflects the relevant tariff prices.

(iv) Unbilled use of system expense

Unbilled use of system charges is an estimate of the system cost of delivering electricity to the customer between the date of the last meter reading and year end. The estimate is based on the same meter data and customer profiles as used in the unbilled revenue estimates but using the appropriate use of system tariffs.

(v) Recovery of deferred tax asset

Deferred tax assets are recognised for deductible temporary differences and tax losses (on revenue account) as Aurora Energy considers that it is probable that future taxable profits will be available to utilise those temporary differences and tax losses.

(vi) Provision for an onerous contact

Aurora Energy had a contract for the purchase of energy related products that was considered onerous at 30 June 2019 due to a reduction in forward market prices. A provision was raised for the difference between the contract purchase cost and the expected economic value of the purchases to Aurora Energy. This contract has been fully unwound in 2023-34 and at reporting date was assessed as no longer onerous.

(vii) Expected Credit Loss of Trade Receivables

The expected credit losses reflect potential loss from the non-payment of trade receivables. The key sources of estimation uncertainty in the expected credit loss calculation are the extent to which the effects of interest rate rises and cost of living increases impact the 2023-24 financial year. The provision rates for the allowance for expected credit losses reflect the experience of credit losses in the 12 months leading up to 30 June 2024.

Section F: Other information

F1 Share capital

Accounting Policy

Ordinary shares are classified as equity.

	2024 $'000	2023 $'000
Issued and paid-up capital		
112,700,004 ordinary shares, fully paid	50,212	50,212

	2024 No.	2024 $'000
Authorised shares, shares have no par value	500,000,000	-
Movements in ordinary share capital		
Balance at beginning of year	112,700,004	50,212
Movements	-	-
Balance at end of year	112,700,004	50,212

F2 Retained earnings

	2024 $'000	2023 $'000
Balance at beginning of year	2,322	(5,892)
Net profit attributable to members of the entity	2,206	8,205
Dividend provided/paid (note B4)	(4,221)	-
Actuarial gain on RBF defined benefit plan net of tax (note D(i))	(18)	9
Balance at end of year	289	2,322

F3 Reserves

		2024 $'000	2023 $'000
F3(a)	**Reserves comprise**		
	Cash flow hedge reserve	48,195	(14,086)
		48,195	(14,086)
F3(b)	**Movements in reserves**		
	Cash flow hedge reserve		
	Balance at beginning of year	(14,086)	155,669
	Gain recognised		
	Electricity price swaps	41,264	(68,757)
	Transferred to profit		
	Electricity price swaps	47,709	(173,750)
	Deferred tax arising on hedges	(26,692)	72,752
	Balance at end of year	48,195	(14,086)

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in profit or loss when the hedged transaction impacts the profit or loss.

F4 Related party disclosures

F4(a) Equity interests in related parties

Equity interests in subsidiaries

Aurora Energy has no equity interests in related parties or subsidiaries.

F4(b) Key management personnel compensation

Details of key management personnel compensation are disclosed in note D4 to the financial statements.

F4(c) Transactions with key management personnel

Ministers of the Crown are considered to be part of key management personnel and as such the Ministers and their close family members and controlled entities of Ministers and their close family members are related parties to Aurora Energy.

All transactions with key management personnel, including the supply of electricity for domestic purposes and to key management personnel related entities, were conducted on an arm's length basis in the normal course of business and on commercial terms and conditions.

F4 Related party disclosures (continued)

F4(d) Controlling entity

The Crown (Tasmanian government) is the ultimate parent entity of Aurora Energy Pty Ltd.

The company retails electricity and undertakes certain other transactions with government entities on an arm's length basis in the normal course of business and on commercial terms and conditions.

The company purchased electricity transmission services, distribution services, telecommunications, and information technology services from TasNetworks. The company purchases electricity derivatives from Hydro Tasmania.

The company supplied electrical services to TasNetworks and Hydro Tasmania.

All transactions with TasNetworks and Hydro Tasmania were on an arm's length basis in the normal course of business and on commercial terms and conditions.

F5 Auditors' remuneration

	2024	2023
	$	$
Amounts received, due and receivable, by the Auditor-General from the company for:		
Auditing the accounts of the company	150,000	124,650
Auditing Financial Services Licence	9,700	6,430
	159,700	131,080

F6 Contingent liabilities

There are no claims related to property loss, personal injury (excluding claims by employees for personal injuries), contractual and other matters outstanding at the date of publication of these accounts.

Aurora Energy has one new contingent liability whereby a new contract was entered into in relation to office accommodation in Launceston with a commencement date of 1 December 2024.

The directors are not aware of any other matters, based on legal advice, which would require a provision as at the signing date of these accounts.

F7 Other accounting policies

F7(a) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

(i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

(ii) for receivables and payables which are recognised inclusive of GST, the net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis.

F7 Other accounting policies (continued)

F7(b) Impairment of assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. As per AASB136 *Impairment of Assets*, the company undertakes impairment tests of any intangible assets with an indefinite useful life and those not yet available for use (i.e., Work in Progress).

Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset (or cash-generating unit) for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

F8 Subsequent events

At the time of signing these financial statements there have been no material subsequent events.

Independent Auditor's Report

To the Members of Aurora Energy Pty Ltd

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of the Aurora Energy Pty Ltd (the Company), which comprises the statement of financial position as at 30 June 2024 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In my opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of the Company on 29th August 2024 and included in the Directors' Report, would be in the same terms if provided to the directors at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Why this matter is considered to be one of the most significant matters in the audit	**Audit procedures to address the matter included**
Fair Instruments valuation and hedge accounting *Refer to notes B1(d), C3, C11, E1, E2 and E3(ii)*	
Aurora Energy entered into electricity swaps in order to manage financial exposures faced in purchasing electricity. At inception, each contract is recorded in the hedge accounting system where the relevant effectiveness tests and documentation is created. Further designation and valuation data is also recorded. These financial instruments are recorded at fair value. At 30 June 2024, Aurora Energy held derivative financial assets valued at $86.91 million, and derivative financial liabilities valued at $18.05 million. Valuation and accounting for these financial instruments is complex.	• Engaged a derivative valuation expert to evaluate the valuation of derivative instruments, assessed the reasonableness of hedge effectiveness testing and evaluate sensitivity analysis and disclosure requirements for compliance with relevant Australian Accounting Standards. • Evaluated the adequacy of the expert's work to ensure the expert's conclusions were consistent with other audit evidence, assumptions and methods used by the expert were relevant and reasonable and source data used was relevant, complete and accurate. • Evaluated the adequacy of relevant disclosures within the financial report.

Unbilled energy sales *Refer to notes B1, C1 and E3(iii)*	
Aurora Energy's electricity sales included an estimate of unbilled energy supplied to customers between the date of the last meter reading and the year end. At 30 June 2024, unbilled energy sales were estimated at $86.55 million. Determining the volume of unbilled energy involves significant management judgement to estimate consumption between the last electricity bill and the end of the reporting period to calculate the unbilled energy sales.	• Sample test of management's oversight regarding the completeness and accuracy of the unbilled energy sales calculation data and methodology. • Evaluated the methodology for estimating unbilled energy sales. • Reviewed management's assumptions and estimates to assess that they were appropriate, adequately supported, and based on accurate and relevant data. • Analysed energy sales and performed recalculations.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's Directors' Report for the year ended 30 June 2024, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

David Bond
Assistant Auditor-General
Delegate of the Auditor-General
Tasmanian Audit Office

30 August 2024
Hobart


BOTTOM DRYER
TOP DRYER
BOTTOM DRYER
Speed Queen
LINT COMPARTMENT MUST BE CLEANED DAILY


Speed Queen
LINT COMPARTMENT MUST BE CLEANED DAILY

Making energy easy for Tasmanians.