

Aurora Energy Limited

Interim Report

For the Six months ended

31 December 2021

Aurora Energy Limited

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Aurora Energy Limited

Directors' report

The Directors of Aurora Energy Limited are pleased to present their report for the six months ended 31 December 2021.

Review of operations

Aurora Energy owns and operates the electricity network in Dunedin, Central Otago and Queenstown Lakes. We own the poles, lines and equipment that distribute electricity from Transpower's national grid to more than 92,000 homes, farms and businesses. Aurora Energy is responsible for maintaining and renewing infrastructure, and the safety and reliability of electricity supply is a critical driver across all elements of our business.

Aurora Energy is a wholly owned subsidiary of Dunedin City Holdings Limited, which is in turn owned by Dunedin City Council. Our key industry sector regulators are the Commerce Commission and the Electricity Authority.

Highlights for Six Months ended December 2021

- Completion of the Harbour Crossing submarine cable project, lifting the resilience of power supply to the Otago Peninsula
- Our community update, Your Network Your News, was distributed to 68,500 households
- We were placed 'Top of the class' in September, when the Electricity Authority released its pricing scorecards for New Zealand's 29 electricity distribution businesses
- We launched Phase 1 of our new Asset Management System (AMS)
- We consulted with the public on proposed changes to electricity distribution pricing. We want to reform our approach so it supports NZ's drive towards electrification and decarbonisation

Safety and Risk

Safety is our number one priority at Aurora Energy. We have continued to maintain our critical focus on improving the safety management of our network and the people working on it during the period under review.

We had a successful H&S review in August and our Public Safety Management System was found to be effectively implemented in accordance with NZS 7901.

Our regular programme of independent safety audits across the network was maintained. These audits are carried out by experienced external assessors in the field and provide valuable information to us on where improvements can be made to ensure the required standards of safe work practices and asset construction and maintenance are achieved.

We continue our internal focus on the health, safety and wellbeing of our staff. The Health and Safety team worked closely with the Wellbeing team on the following:

- A group of Health and Safety and Wellbeing team members completed Good Yarn training. This is an initiative with a focus on increasing mental health literacy across the business
- Walking and Activity challenge across both Dunedin and Central Otago. This was an initiative to encourage staff to get active by having a friendly competition to see who could walk, ride and bike the most of 46 specified tracks
- We continue to support the "White Ribbon" campaign against domestic violence and we are working towards accreditation
- Planning began for the 2022 Staff Health Event, with multiple speakers booked in to talk about various health issues

As an essential service provider, it is vital we are well prepared to respond to emergency situations that can disrupt electricity supply, such as major storms or earthquakes. Nine Aurora Energy staff members attended a two-day Coordinated Incident Management Systems (CIMS) training course in December. An emergency response desk-top training exercise was also held in December, to test our preparedness for an emergency event. The scenario utilised in the desk-top training was a fire and the operations and communications team were involved in the exercise.

Review of operations *continued*

Network reliability

As a regulated electricity distribution business, Aurora Energy is subject to network reliability standards approved by the Commerce Commission.

We are pleased to report that our planned and unplanned SAIDI and SAIFI performance for the 9 months ended December 2021 are tracking favourably against reliability limits approved for the current regulatory year.

Network investment

We continue to upgrade the most critical assets on our network, while also planning for the future of the network and regional growth.

We have launched Phase one of our Asset Management System (AMS), which will systemise our long-term asset management solution and deliver benefits for both Aurora Energy and our customers by having a single source of asset data that will help us manage our strategic assets more efficiently.

Backup electricity supply for Clyde advanced with a new 11kV line installed between Alexandra and Clyde, allowing the Alexandra network to take on Clyde township power when required.

New switchgear and protection equipment was installed in the Ettrick substation, which has improved the supply of electricity to the community.

In September, we completed the Harbour Crossing project, which involved removing six old lattice towers and overhead lines between Port Chalmers and Portbello and an old submarine cable, and replacing them with new submarine cables.

In December we completed a major piece of work on the electricity network that supplies Albert Town, Camp Hill, Hāwea Flat, Lake Hāwea and Makarora. This involved cutting power supply to over 1500 customers for ten hours, which is a larger and longer outage than usual. We engaged proactively with customers in relation to this planned outage and by bundling the work we were able to reduce the overall number of supply interruptions needed. This is an approach we intend to replicate on other large projects moving forward.

Planning for the \$6 million Arrowtown Ring Upgrade is progressing, with this project due to commence in April 2022.

We continue to work closely with our approved contractors as they carry out maintenance, renewal and customer connection work on the Aurora Energy electricity network.

Customised price-quality path (CPP)

As part of our CPP approval, we are required to report publicly on the delivery of our CPP.

By 31 March 2022, we will have disclosed a development plan, which will detail the improvement actions we plan to take throughout our CPP period relating to voltage quality, customer engagement on our customer charter, planned interruptions, asset management, asset data quality, quality assurance and cost estimation. We will also disclose a project and programme delivery plan, which will detail the projects and programmes we expect to deliver during the CPP period, along with a safety delivery plan, which will outline how the projects and programmes we plan to deliver are expected to reduce our network safety risk.

The first of our Annual Delivery Reports, which will detail how we have performed during the previous regulatory year, will be published by 31 August 2022.

Customers

Improving customer experiences and our engagement with customers and stakeholders continues to be a key priority for Aurora Energy.

We distributed our bi-annual community update, 'Your Network, Your News' to 68,500 households across our network in November, to provide an update on upgrades to the electricity network and share news on our sustainability focus and community support.

We have commenced a customer satisfaction survey by conducting 10 in-depth interviews with business and residential customers about their experiences with and knowledge of Aurora Energy. A similar survey will be undertaken in early 2022 with around 700 participants. This will be repeated each year to measure progress and inform our decision-making about how we can best meet our customers' needs.

Review of operations *continued*

We are making progress on the Outage Management System (OMS), which will improve our visibility and oversight of faults on the network, therefore improving the information we can provide to customers about unplanned outages.

New connections

Simple connection processes have now been automated, with 3,872 jobs in 2021 being processed through the system. The Aurora Energy Capital Contribution Policy was simplified in 2021, with a new rate card introduced to contractors that is easier to understand and use.

A team re-structure has enabled the creation of hybrid connections processing roles to ensure all connection applications can be administered in a timely manner. The contracting market for customer connections has continued to mature and capacity has been built to ensure we have service providers across the region as strong growth continues in the new housing and property development market.

Financial results

Our financial results exceeded performance targets for the reporting period.

The company recorded a net profit after tax of \$6.9 million for the six months to 31 December 2021, compared with a budgeted profit after tax of \$2.5 million.

Total revenue of \$63.9 million (HY20: \$58.2 million) was \$5.7 million higher than for the same period last year, driven by strong customer connections. HY21 use of system revenue (excluding pass-through costs) was \$4.4 million higher and other income (including customer contributions) was \$1.4 million higher than for the same six months last year.

Operating expenses (including network management, operations and maintenance) decreased by \$2.4 million to \$55.1 million (HY19: \$57.5 million) due to lower network maintenance and CPP application costs.

Asset additions were \$31.0 million (HY20: \$30.3 million) for the six-month reporting period.

Aurora Energy continues to fund its investment programmes through a combination of operating cash flows and term borrowings from Dunedin City Treasury Ltd. Term borrowings increased by \$9.9 million, from \$389.7 million as at 30 June 2021, to \$399.6 million at 31 December 2021.

Leadership

We welcomed Simon Clarke and Stephen Lewis to the Board after Brenden Hall's retirement as of 30 June 2021.

Matt Settle was appointed acting General Manager Operations and Network Performance following John Campbell's retirement in August 2021.

The Board thanks all Aurora Energy staff and contractors for their ongoing commitment and dedication during the last six months, as Aurora Energy continues to make major network upgrades and ongoing business improvements.

Dividends

No dividends were declared and paid during the period.

Events after balance sheet date

There were no significant events after the reporting period that would require adjustment or disclosure.

At the date of signing this Interim Report the Covid-19 Omicron variant had just been reported in the Queenstown and Dunedin regions. The Company has developed plans to mitigate the impact of Covid-19 on its activities and we are continuing to monitor this latest situation.

Statement of responsibility

The Directors accept responsibility for the preparation of the interim financial statements and the judgements used in them.

The Directors accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and

In the opinion of the Directors, the interim unaudited financial statements fairly reflect the financial position and operations of Aurora Energy Limited.

The Directors of Aurora Energy Limited have pleasure in presenting the interim unaudited financial statements, set out on pages 6 to 16, for the six months ended 31 December 2021 and authorises them for issue on 11 February 2022.



Stephen Thompson
Chairman



Margaret Devlin
Director

Aurora Energy Limited

Statement of Comprehensive Income For the Six months ending 31 December 2021

	Unaudited 6 months to 31 Dec 2021 \$'000	Unaudited 6 months to 31 Dec 2020 \$'000	Audited full year to 30 Jun 2021 \$'000
Operating revenue	63,913	58,216	116,254
Interest revenue	-	-	-
Total revenue	63,913	58,216	116,254
Audit fees	88	78	167
Bad debts written off	-	75	105
Directors remuneration & disbursements	156	158	325
Depreciation	11,666	10,858	22,370
Employee expenses	7,814	7,897	15,410
Interest	5,311	5,494	10,658
Increase (decrease) in provision for doubtful debts	60	-	(165)
Lease expenses-short term	60	13	100
Loss (gain) on sale / disposal of fixed assets	28	311	979
Network operations and maintenance	8,562	9,337	19,610
Transmission charges	15,514	15,609	30,310
Other operating expenses	5,830	7,642	14,732
Total expenses	55,089	57,471	114,601
Profit before tax	8,824	745	1,653
Income tax expense	1,882	284	972
Net profit after tax	6,942	461	681
Other comprehensive income:			
Interest rate swap hedges gains (losses) during the year	538	757	1,493
Total other comprehensive income	538	757	1,493
Total comprehensive income	7,480	1,218	2,174

Aurora Energy Limited

Statement of Changes in Equity For the Six months ending 31 December 2021

	Share capital \$'000	Hedge reserve \$'000	Retained earnings \$'000	Total equity \$'000
Unaudited				
Equity as at 1 July 2021	10,000	(538)	168,677	178,139
Profit after tax	-	-	6,942	6,942
Other comprehensive income	-	538	-	538
Equity as at 31 December 2021	10,000	-	175,619	185,619
Unaudited				
Equity as at 1 July 2020	10,000	(2,031)	167,996	175,965
Profit after tax	-	-	461	461
Other comprehensive income	-	757	-	757
Equity as at 31 December 2020	10,000	(1,274)	168,457	177,183
Audited				
Equity as at 1 July 2020	10,000	(2,031)	167,996	175,965
Profit after tax	-	-	681	681
Other comprehensive income	-	1,493	-	1,493
Equity as at 30 June 2021	10,000	(538)	168,677	178,139

Aurora Energy Limited

Balance Sheet As at 31 December 2021

		Unaudited 6 months to 31 Dec 2021 \$'000	Unaudited 6 months to 31 Dec 2020 \$'000	Audited full year to 30 Jun 2021 \$'000
	<i>Note</i>			
Current assets				
Cash and cash equivalents		147	51	50
Intra group advances	4	-	-	-
Trade and other receivables		8,294	9,546	13,575
Taxation receivable		4,059	5,337	4,558
Other current assets		633	1,155	698
Inventories		1,327	1,166	1,151
Total current assets		14,460	17,255	20,032
Non-current assets				
Property, plant and equipment	5	664,133	609,298	644,315
Intangible assets		3,149	2,117	2,553
Deferred tax asset		1,514	1,285	1,598
Right of use assets (ROU)	6	2,940	3,106	3,386
Investments		25	8	25
Total non-current assets		671,761	615,814	651,877
Total assets		686,221	633,069	671,909
Current liabilities				
Trade and other payables		14,981	15,859	18,891
Borrowings		1,046	1,203	651
Contract liabilities		2,331	5,040	2,504
Employee entitlements		2,163	2,063	1,611
Derivative financial instruments		-	-	748
Lease liabilities	6	988	988	1,044
Total current liabilities		21,509	25,153	25,449
Non-current liabilities				
Borrowings	7	399,610	355,165	389,740
Employee entitlements		171	192	391
Deferred tax liability		77,263	71,403	75,755
Lease liabilities	6	2,049	2,204	2,435
Derivative financial instruments	8	-	1,769	-
Total non-current liabilities		479,093	430,733	468,321
Total liabilities		500,602	455,886	493,770
Equity				
Share capital		10,000	10,000	10,000
Cash flow hedge reserves		-	(1,274)	(538)
Retained earnings		175,619	168,457	168,677
Total equity		185,619	177,183	178,139
Total liabilities and equity		686,221	633,069	671,909

Aurora Energy Limited

Statement of Cash Flows For the Six months ending 31 December 2021

		Unaudited 6 months to 31 Dec 2021 \$'000	Unaudited 6 months to 31 Dec 2020 \$'000	Audited full year to 30 Jun 2021 \$'000
Cash flow from operating activities	<i>Note</i>			
<i>Cash was provided from</i>				
Receipts from customers		68,508	61,628	116,415
Intra group transition payment		-	-	4,587
		68,508	61,628	121,002
<i>Cash was disbursed to</i>				
Payments to suppliers and employees		38,061	40,150	81,381
Net GST paid		(141)	256	(146)
Interest paid		5,062	5,193	10,907
		42,982	45,599	92,142
Net cash flow from operating activities	3	25,526	16,029	28,860
Cash flow from investing activities				
<i>Cash was provided from</i>				
Sale of property, plant and equipment		1,250	-	-
		1,250	-	-
<i>Cash was disbursed to</i>				
Purchase of property, plant and equipment		35,969	30,856	77,657
		35,969	30,856	77,657
Net cash flow from investing activities		(34,719)	(30,856)	(77,657)
Cash flow from financing activities				
<i>Cash was provided from</i>				
Receipts from borrowings		55,192	52,315	117,315
		55,192	52,315	117,315
<i>Cash was disbursed to</i>				
Repayment of borrowings		45,322	36,875	67,300
Lease liability repayment		580	615	1,221
		45,902	37,490	68,521
Net cash flow from financing activities		9,290	14,825	48,794
Net increase/(decrease) in cash and cash equivalents		97	(2)	(3)
Opening cash and cash equivalents		50	53	53
Closing cash and cash equivalents		147	51	50

Aurora Energy Limited

Notes to the financial statements (unaudited) For the six months ending 31 December 2021

1 Reporting entity

The financial statements presented here are for the reporting entity Aurora Energy Limited.

Aurora Energy Limited ("the Company") is an Energy Company as defined in the Energy Companies Act 1992. The Company, incorporated in New Zealand under the Companies Act 1993, is a wholly owned subsidiary of Dunedin City Holdings Limited. Dunedin City Holdings Limited is wholly owned by Dunedin City Council.

The financial statements of Aurora Energy Limited are for the six months ended 31 December 2021 and comply with the Financial Reporting Act 1993.

The financial statements are presented in New Zealand dollars (the functional currency of the Company) and have been rounded to the nearest thousand.

The Company is a Tier 1 for-profit entity as defined by the External Reporting Board (expenses over \$30 million).

2 Basis of preparation

The financial statements for the period ended 31 December 2021 are unaudited.

The financial statements have been prepared in accordance with and comply with NZ IAS 34, Interim Financial Reporting, and should be read in conjunction with the audited financial statements for the year ended 30 June 2021.

The accounting policies applied are consistent with those published in the annual report for the year ended 30 June 2021.

The judgements, estimates and assumptions used to prepare these interim financial statements are generally consistent with those used at 30 June 2021.

Aurora Energy Limited

Notes to the financial statements (unaudited) For the six months ending 31 December 2021

3 Reconciliation of operating surplus to net cash flows from operating activities

	6 months to 31 Dec 2021 \$'000	6 months to 31 Dec 2020 \$'000	full year to 30 Jun 2021 \$'000
Net profit after tax	6,942	461	681
<i>Items not involving cash flows</i>			
Depreciation	11,666	10,858	22,346
Increase / (decrease) in deferred tax	1,592	1,561	5,600
Non-cash component of finance costs	(147)	(90)	(244)
Other non-cash items	538	757	1,493
Non-cash component of investing activities	(537)		(17)
Increase / (decrease) in cash flow hedge valuation	(748)	(1,052)	(2,074)
<i>Impact of changes in working capital items</i>			
(Increase) / decrease in trade and other receivables	5,281	4,158	129
Increase / (decrease) in trade and other payables	(3,515)	(1,829)	651
Increase / (decrease) in provision for tax	499	(239)	540
Increase / (decrease) in contract liabilities	(173)	925	(1,611)
(Increase) / decrease in other current assets	65	(638)	(181)
(Increase) / decrease in inventories	(176)	381	396
Increase / (decrease) in other liabilities	332	268	15
<i>Items classified as investing or financing activities</i>			
Net (gain) / loss on sale of property, plant and equipment	565	311	1,485
Movement in capital creditors in accounts payable	3,342	197	(349)
Net cash inflows from operating activities	25,526	16,029	28,860

4 Intra group advances

	6 months to 31 Dec 2021 \$'000	6 months to 31 Dec 2020 \$'000	full year to 30 Jun 2021 \$'000
	-	-	-
	-	-	-

5 Property, plant and equipment

	6 months to 31 Dec 2021 \$'000	6 months to 31 Dec 2020 \$'000	full year to 30 Jun 2021 \$'000
Additions	31,009	30,307	76,640
Disposals	28	311	811
Capital commitments	38,111	31,821	21,791

There have been no material changes to the fair value assessment methods for property, plant and equipment asset classes between 30 June 2021 and 31 December 2021.

Aurora Energy Limited

Notes to the financial statements (unaudited) For the six months ending 31 December 2021

6 Right of use assets & Lease liabilities

Leases have been entered by the Company in regards to land and buildings, motor vehicles & plant and radio communication licences and equipment. Land & building leases have been negotiated for terms of one to five years, with rights of renewal applicable to most leases. Radio communication licence and equipment leases range from five to 33 years, with rights of renewal applicable to most leases. Vehicle leases have been negotiated for terms of three to five years.

Short-term leases and leases related to low-value items are accounted for applying paragraph 6 of NZ IFRS 16. The costs related to these leases are recognised as expenses in the Statement of Comprehensive Income.

Judgement has been used in determining whether it is reasonably certain that an extension or termination option will be exercised. Where it is reasonably certain that an extension option will be fulfilled, this has been included in the calculation of Right-of-use assets and liabilities.

Non-lease components of leases have been separated from lease components for all classes of assets except vehicles and office buildings.

7 Borrowings

There has been no material change to the accounting treatment of the term loan from Dunedin City Treasury Limited between 30 June 2021 and 31 December 2021.

8 Derivative financial instruments

	6 months to 31 Dec 2021 \$'000	6 months to 31 Dec 2020 \$'000	full year to 30 Jun 2021 \$'000
Fair value			
Interest rate swaps	-	1,769	748
Analysed as:			
Current	-	-	748
Non-current	-	1,769	-
	-	1,769	748

The Company held \$50 million of cash flow hedge instruments which expired on 15 November 2021.

9 Financial instruments

Financial assets such as Cash, Trade and other receivables, Tax receivables and Other current assets are measured at amortised cost. Long term investments are measured at fair value through the profit and loss. Financial liabilities such as Trade and other payables and Borrowings are recognised at amortised cost except derivative financial instruments which are recognised at fair value through the profit and loss.

Aurora Energy Limited

Notes to the financial statements (unaudited) For the six months ending 31 December 2021

10 Related party transactions

Transactions with Dunedin City Council

The Company undertakes transactions with Dunedin City Council (DCC) and other DCC controlled entities.

During the year, the Company provided services and traded with the DCC Group in respect of the following transactions:

	6 months to 31 Dec 2021 \$'000	6 months to 31 Dec 2020 \$'000	full year to 30 Jun 2021 \$'000
<i>Sales of services to DCC group entities:</i>			
Rent	80	83	262
Subvention/tax loss offset receipt	-	-	3,843
Corporate shared services	16	242	234
Sales of stock and other	89	545	1,197
Consulting & sundry services	-	-	107
Tax compensation	-	744	305
	185	1,614	5,948
<i>Sales of services to DCC:</i>			
Other	-	3	102
Amounts receivable by the Company at period end from DCC group entities			
Receivable from DCC	-	-	98
Receivable from DCC group entities	24	1,063	515
Intra-group advance to DCC group entities	-	-	-
	24	1,063	613

Aurora Energy Limited

Notes to the financial statements (unaudited) For the six months ending 31 December 2021

10 Related party transactions *continued*

	6 months to 31 Dec 2021 \$'000	6 months to 31 Dec 2020 \$'000	full year to 30 Jun 2021 \$'000
<i>Purchases of goods and services from DCC group entities</i>			
Capital work	10,936	14,448	31,299
Network operations and maintenance	7,053	9,228	19,447
Interest	5,449	5,567	10,896
Contracting services and supplies	242	465	1,334
Rent	235	238	456
Lease of meters	20	40	80
	23,935	29,986	63,512
<i>Purchases of goods and services from DCC</i>			
Rates & property leases	455	405	812
Capital work	-	-	36
	455	405	848
<i>Amounts payable by the Company at period end to DCC Entities</i>			
Payable to Dunedin City Council entities	405,282	362,155	395,540
	405,282	362,155	395,540

Transactions with companies in which directors have an interest during the period of this report

Services provided to companies in which directors held an interest

	6 months to 31 Dec 2021 \$	6 months to 31 Dec 2020 \$	full year to 30 Jun 2021 \$
Sale of inventory to Unison Contracting Services Ltd, a subsidiary company of Unison Networks Ltd, of which Mr B J Hall was a Director. Mr Hall retired as a director of Aurora Energy Ltd with effect from 30 June 2021.	-	8,887	23,904
Amounts receivable from Unison Contracting Services Ltd.	-	8,810	11,153

Aurora Energy Limited

Notes to the financial statements (unaudited) For the six months ending 31 December 2021

10 Related party transactions *continued*

Purchases of goods and services from companies in which directors held an interest during the period of this report

	6 months to 31 Dec 2021	6 months to 31 Dec 2020	full year to 30 Jun 2021
	\$	\$	\$
Passmore Consulting Services Ltd, of which Mr S R Thompson is a Director.	49,000	55,546	115,708
Deloitte Ltd, of which Mr S R Thompson was a consultant until May 2021.	-	86,251	99,144
Infrastructure New Zealand Ltd, of which Mrs Devlin is a Director.	3,990	3,990	3,990
ETEL Ltd, of which Mr B J Hall was a Director. Mr Hall retired as a director of Aurora Energy Ltd with effect from 30 June 2021.	-	122,330	196,601
Stratview Holdings Ltd, of which Mr B J Hall was a Director. Mr Hall retired as a director of Aurora Energy Ltd with effect from 30 June 2021.	-	31,445	62,971
Unison Contracting Services Ltd, a subsidiary company of Unison Networks Ltd, of which Mr B J Hall was a Director. Mr Hall retired as a director of Aurora Energy Ltd with effect from 30 June 2021.	-	4,311,700	9,675,683
Excellence in Business Solutions Limited of which Mrs Harvey is a Director and Shareholder.	24,750	31,445	62,971
Matua Governance Limited, of which Mr Clarke is a Director and Shareholder.	24,750	-	-
New Zealand Post Limited, of which Mr Clarke is a Director.	39	-	-

Aurora Energy Limited

Notes to the financial statements (unaudited) For the six months ending 31 December 2021

10 Related party transactions *continued*

Amounts payable to companies in which directors have an interest at end of financial period covered by this report

	6 months to 31 Dec 2021 \$	6 months to 31 Dec 2020 \$	full year to 30 Jun 2021 \$
Deloitte Ltd, of which Mr S R Thompson was a consultant until May 2021.	-	6,325	8,977
ETEL Ltd, of which Mr B J Hall was a Director until 30 June 2021.	-	31,878	12,852
Unison Contracting Services Ltd, a subsidiary company of Unison Networks Ltd, of which Mr B J Hall was a Director until 30 June 2021.	-	836,802	1,057,631

11 Contingent liabilities

Network Reliability Quality Limits

Network reliability standards are contained in the Commerce Commission's Default Price-Quality Path for Electricity Distribution Businesses.

The Company breached its regulated quality limits for the 2020 disclosure year.

At reporting date, the financial consequences of the above matter (if any) were not known.

Aurora Energy Limited

Directory

Directors

Stephen R Thompson (Chair)
Margaret P Devlin
Wendie N Harvey
Simon Clarke
Stephen Lewis

Registered Office

10 Halsey Street
Dunedin
New Zealand

Bankers

Westpac Banking Corporation

Solicitors

Gallaway Cook Allan
Chapman Tripp
Anderson Lloyd

Tax Advisors

Deloitte

Auditor

Audit New Zealand on behalf of the Controller and Auditor-General

Aurora Energy Limited

Statement of Service Performance For the Six months ending 31 December 2021

PERFORMANCE MEASURE	TARGET	OUTCOME
Safety		
- Zero serious harm events involving members of the public	Nil	Achieved
- Reduce levels of recordable harm	≤4.00 total recordable injury frequency rate (TRIFR) per 200,000 hours worked	Not Achieved. TRIFR for the six-month period is 4.5
Asset Management		
SAIDI	Full year target to 31 March 2022	
- Class B interruptions (planned)	≤ 195.96 minutes	On-track to achieve
- Class C interruptions (unplanned)	≤ 124.94 minutes	On-track to achieve
SAIFI	Full year target to 31 March 2022	
- Class B interruptions (planned)	≤ 1.11	On-track to achieve
- Class C interruptions (unplanned)	≤ 2.07	On-track to achieve
Asset Management Maturity		
- Implement process and capability improvements identified as necessary to enhance asset management practice	New asset management system is successfully implemented and operational by 30 June 2022	On-track to achieve
- Effective long-term planning for Aurora Energy's asset portfolio is in place	Annual and compliant Asset Management Plan is published as per regulatory requirements	On-track to achieve
Operational Performance		
- Ensure forward-looking work programmes are in place	Work programmes are delivered to Contractors on a rolling quarterly basis in accordance with Field Service contract terms.	Achieved
- Aurora Energy Risk Register is regularly reviewed & updated and the risk profile is managed in accordance with Board approved risk tolerance levels	Risk Management Framework embedded as evidenced by: - Risk registers reviewed regularly - Risk treatment plans reviewed regularly and up to date - Regular reporting to Board and Audit and Risk Committee	Existing Risk Management Framework currently under review. On-track to achieve
- Regularly test Aurora Energy's emergency response plan	Annual test of Aurora Energy's emergency response is completed and actions for improvements are documented.	On-track to achieve
Customer Orientation		
- Maintain community support through approved sponsorships and community initiatives	\$10,000 of sponsor-ship per annum.	Achieved
- To provide regular updates and consult with the community on the delivery of our CPP programme	Annual delivery reporting and regional community engagements are delivered in accordance with the final CPP decision	On-track to achieve

Aurora Energy Limited

Statement of Service Performance For the Six months ending 31 December 2021

PERFORMANCE MEASURE	TARGET	OUTCOME
Our Team		
- Support development opportunities for each team member	Learning & development plans in place for >75% of team members by 31 October each year	Achieved
- Understand opportunities for improvement within our team environment	>75% staff satisfaction result on annual employee survey	Survey yet to be undertaken
- Develop opportunities across the business that support the overall wellness of our team	A Board-approved Wellbeing Programme is in place. The Programme is reviewed and updated annually	On-track to achieve
- To pay all employees at or above the living wage	100% of permanent employees paid at or above the living wage	On-track to achieve
Sustainability		
- Contribute to Council's Carbon Neutrality initiatives	Systems for measuring and publicly reporting carbon emissions are established. The company will develop an emissions reduction strategy and associated targets for inclusion in its 2022/2023 Statement of Intent	On-track to achieve
- Minimise waste and the associated negative environmental impacts	A waste reduction / diversion strategy is to be in place by 30 June 2022, together with future waste reduction performance target	On-track to achieve
- Identify opportunities to transition light motor fleet to electric vehicles where appropriate and set transition targets	Transition targets for electrification of the company's motor fleet to be in place by 30 June 2022	On-track to achieve
- Maintain full compliance with the Resource Management Act	No breaches	Not achieved. Technical Breach of 25 year air discharge permit disclosed in 2021 Annual Report
Shareholder Objectives		
- Consult with the Shareholder at the earliest possible time on matters where conflict may or could result	No unnotified potential conflicts	Achieved
- On a "no surprises" basis, advise the Shareholder promptly of any substantive matter that has the potential to impact negatively on the Shareholder and the Company with a particular focus on the media	All substantive matters reported within 24 hours	Achieved
Financial Objectives		
Financial forecasts are set in the Statement of Intent for the year ending 30 June 2022. Aurora Energy Limited is on track to meet it's financial forecasts for the current year		