14 April 2025

Shareholder Policy and Markets Branch
Department of Treasury and Finance
By email: governmentbusinesses@treasury.tas.gov.au

To Whom It May Concern

Submission to Government Business Governance Reforms Bill 2025 – Consultation Draft

Aurora Energy welcomes the opportunity to provide feedback on the Tasmanian Government's *Government Business Governance Reforms Bill 2025* (Reforms Bill).

Aurora Energy supports the objectives of the Tasmanian Government's Government Business Governance Reform Plan which aims to improve the transparency, performance and accountability of its Government Business Enterprises (GBEs) and State-owned Corporations (SOCs).

Aurora Energy acknowledges that sound governance arrangements and transparent, constructive and collaborative relationships with its Shareholders are critical for the success of the business. These matters are already embedded in the way in which Aurora Energy operates. As previously advised, pleasingly, Aurora Energy already meets many of the Draft Plan reform proposals.

Aurora Energy has limited feedback on the Reforms Bill and is broadly supportive of the proposals in relation to publication of Aurora Energy's Statement of Corporate Intent and half year-yearly progress reports, continuous disclosure obligations and director term limits. Aurora Energy notes that elements of the governance reforms will be contained in sub-ordinate instruments and until that detail is available, Aurora Energy is unable to comment.

Further specific feedback is detailed below.

a) Shareholder Directions

The Reforms Bill includes the power for Shareholding Ministers to issue a direction to a Government business or a wholly-owned subsidiary. The Reforms Bill provides that a direction must not be contrary to the Government business's Portfolio Act or another State or Commonwealth Act but may be contrary to other expectations as set out in other governance

documents such as a Ministerial Charter or Members' Statement of Expectations, Constitutions or Treasurer's Instructions.

It is noted that Aurora Energy's Shareholders currently have the ability to direct Aurora Energy to undertake an activity and this must be published in Aurora Energy's annual report. Aurora Energy's Constitution currently contains the following requirement:

'Notwithstanding anything to the contrary in these Articles, the Directors must comply with any lawful directions given in writing by the Members.'

The proposed change raises the question that there could be a conflict between a Shareholder direction that is not contrary to the Government business's Portfolio Act or another Act yet be contrary to a director's fiduciary duty or other obligation not detailed in a State or Commonwealth Act. Aurora Energy suggests that this is a point that should be considered by Government as it finalises the Reforms Bill.

b) Sponsorship Framework

Aurora Energy supports the proposed amendments to establish a Sponsorship Framework and has no in principle concerns with the proposed amendment. However, further clarification on what is defined as 'sponsorship' activity and the financial threshold are required to be determined before Aurora Energy can comment on any potential impacts.

Aurora Energy looks forward to continuing to work with the Government on this important initiative.

Should you have any questions regarding this submission, please contact [redacted]

Yours sincerely

Nigel Clark
Chief Executive Officer