

Property & Accommodation Strategy

1. Background

With the disaggregation of the HEC in June 1998, a number of properties relative to the distribution business of the HEC were transferred to Aurora. This necessitated the development of various property and accommodation strategies to manage the requirements of a growing company and to oversee the rationalisation of property. Aurora's Property Rationalisation strategy (December 1998) and the CBD Accommodation strategy (September 1999) were approved by the Board and have been successfully completed. The Southern Accommodation strategy (also Board approved) is still in effect and is due to be completed by September 2010.

The Southern Accommodation strategy will be considered complete when there has been total consolidation of accommodation into 21 Kirksway Place and accommodation from the Moonah site has been divested and the site sold. To date, the strategy has seen the completion of building operations at Cambridge, including consolidating staff into the new building and the divestment of the Sorell Depot. In addition, and as a result of a Board approved revision of the Southern Accommodation Strategy, the Mornington Training Centre has been retained and is being upgraded.

With the pending completion of the Southern Accommodation Strategy it was deemed appropriate to review Aurora's accommodation needs for the future.

2. Aurora Property and Accommodation Strategy

This strategy is required to assist in establishing office accommodation from which Aurora Energy operates in Tasmania. It is aligned with the strategic direction of the company and will deliver on the following Aurora Strategy:

“Achieve and maintain a safe and healthy work environment”

Based upon advice received from the business, it has been assumed that there will be no major changes to the structure of Aurora and therefore the existing accommodation setup will largely remain unchanged. The Facilities Group and their major stakeholders will maintain continuous communication to ensure an alignment between property strategy and business direction if there is to be any new accommodation needs that may impact on the business and subsequently on the Property and Accommodation Strategy. As a result the focus for existing properties is solely with regard to maintenance and changes that may occur as a result of structural changes within divisions. No additional properties are foreseen as necessary for the business in the near future.

Aurora's current strategic position is such that office accommodation can, and is being leased, while properties that are used for specific operational requirements are owned.

The Facilities Group will oversee the work involved in the successful implementation of this strategy, with a focus on:

- Finalising the implementation of the Southern Accommodation Strategy.
- Completing the redevelopment of the Mornington Training Centre.
- Management of existing properties, with a focus on:
 - providing safe and healthy working environments;
 - ensuring effective provision of services by contractors; and
 - driving both operating and capital expenditure efficiencies.
- Developing adaptable new ways of working.

The review of Aurora’s accommodation highlighted the necessity to develop guidelines for general accommodation standards in the form of “The Facilities Management Plan” as discussed below.

This strategy will be regularly reviewed as part of the corporate planning and budgeting processes.

3. The Facilities Management Plan

The Facilities Management Plan sets out guidelines for the management of accommodation specifications from which Aurora Energy operates in Tasmania.

These guidelines provide the general / minimum specifications for Aurora office accommodation. It focuses on utilising space effectively and ensuring that accommodation is flexible, adaptable and functional while maximising cost effectiveness.