

24 August 2020



## WHAT

Three electricity network operators - Ausgrid, Endeavour Energy and TransGrid – are required to report to IPART each quarter on their compliance with certain legislated employment guarantees.<sup>1</sup> These relate to appropriate staffing levels, changes to workplace locations, and some other employment conditions.

The network operators have reported full compliance with their obligations for the April to June 2020 quarter.



## WHY

In its move to lease out the three electricity networks, the NSW Parliament imposed employment guarantees for a five year period from 1 July 2015.<sup>2</sup>

IPART was assigned the role of monitoring and enforcing compliance with the employment guarantees.



## WHO

Ausgrid, Endeavour Energy and TransGrid are the three network operators that the NSW Government announced (in 2015) would be partially or fully leased to private operators. TransGrid was leased out in December 2015, Ausgrid was partially leased out in December 2016 and Endeavour Energy was partially leased out in June 2017.



## HOW

The employment guarantees set an *appropriate staffing level* for each of the three network operators. This includes people employed directly by the network operators, and can also include, in certain limited circumstances, persons employed by either:

- ▼ an associated entity, or
- ▼ another entity that provides the services of the persons exclusively to the network operator on an ongoing basis.

The *appropriate staffing level* and the actual numbers of full-time equivalent employees reported to IPART for the quarter are below.

Appropriate staffing level		Reported
Ausgrid	3,570	3,980
Endeavour E.	2,100	2,294
TransGrid	1,000	1,147

The network operators reported full compliance with the *appropriate staffing level* and other employment guarantees.



## WHAT NEXT

The *employment guarantees period* was 1 July 2015 to 30 June 2020.

Under the employment guarantees, if the staffing levels of a network operator for Q4 of a financial year (within the employment guarantees period) is less than 110% of its appropriate staffing level (**110% threshold**), the network operator must hire a sufficient number of apprentices during the following financial year.

Ausgrid's and TransGrid's reported staffing levels were above the 110% threshold.<sup>3</sup> They

1 These exist under Schedule 4 of the Electricity Network Assets (Authorised Transactions) Act 2015 (Act).

2 Depending on the full time equivalent employees in the fourth quarter of the financial year 2019-20, the minimum number of

apprentices may extend into the financial year following the five year employment guarantees period.

3 Refer to clause 15(1) and 15(2) of Schedule 4 to the Act.

no longer have any employment guarantee obligations to meet or report.

Endeavour Energy's reported staffing level was below the 110% threshold. It will be required to employ 10 apprentices in 2020-21 to meet its *guaranteed apprentice intake*.

This will be the final Fact Sheet detailing the reported quarterly compliance with legislated employment guarantees. IPART expects to issue a further Fact Sheet in 2021 to report on Endeavour Energy's compliance with the apprentice employment obligation.