

11 August 2017



## 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 2017 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.

<sup>1</sup> These exist under Schedule 4 of the *Electricity Network Assets (Authorised Transactions) Act 2015* (the Schedule).

<sup>2</sup> One obligation regarding apprentice intake extends into the financial year following the five year period.



## 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 to the network operator.

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	4,448
Endeavour E.	2,100	2,404
TransGrid	1,000	1,057

The network operators reported full compliance with the other employment guarantee conditions. Based on its 2015-16 fourth quarter staffing level, TransGrid was required to employ at least 5 new apprentices during 2016-17. It reported having employed 10 new apprentices.



## WHAT NEXT

TransGrid will need to hire at least 5 new apprentices in 2017-18 because its total FTE employee number is below the 110% threshold for the final quarter of 2016-17.

The network operators will continue to report to IPART on a quarterly basis on their compliance with the employment guarantees. IPART has decided to audit the networks' compliance with select clauses of the employment guarantees in Q4 2016-17. We will take appropriate enforcement action for any non-compliances.