



Independent Pricing and Regulatory Tribunal
New South Wales

Electricity networks audit guideline – Employment guarantees



© Independent Pricing and Regulatory Tribunal of New South Wales 2017

This work is copyright. The *Copyright Act 1968* permits fair dealing for study, research, news reporting, criticism and review. Selected passages, tables or diagrams may be reproduced for such purposes provided acknowledgement of the source is included.

ISBN 978-1-76049-144-4

The Tribunal members for this review are:

Dr Peter J Boxall AO, Chair

Mr Ed Willett

Ms Deborah Cope

Inquiries regarding this document should be directed to a staff member:

Christine Allen (02) 9290 8412

Erin Cini (02) 9113 7778

Amendment record

Issue	Date issued	Summary of amendments made
ENRAG - original	June 2016	First release of final Audit Guideline.
ENRAG v2	May 2017	Addition of Ms Deborah Cope as a Committee member, replacing Ms Catherine Jones. Amendments to Chapter 3 and appendix A regarding audit process. Addition of section 3.5.5. Removal of section 3.7.1 from previous version. Addition of Chapter 8 regarding audit of employment guarantee compliance. Addition of Table E.1 related to Employment Guarantees compliance audits. .
ENRAG v3	May 2017	Various amendments unrelated to Employment Guarantees audits.
ENRAG – Employment guarantees audits	October 2017	Separate audit guidelines published. Minor additions and wording changes to improve clarity.

Contents

1	Employment guarantees	1
1.1	Objective	1
1.2	Scope	1
1.3	Specific auditor expertise	1
1.4	Audit timing	1
1.5	Criteria	2
	Appendices	3
A	Audit criteria for employment guarantees audits	5

1 Employment guarantees

IPART is responsible for monitoring and enforcing a network operator's compliance with employment guarantees under Schedule 4 of the *Electricity Network Assets (Authorised Transactions) Act 2015* (the Act).¹ These guarantees provide for minimum employee numbers, changes in office location and other workplace protections and they apply to TransGrid, Ausgrid and Endeavour Energy.

IPART may direct an audit of a network operator's compliance with the employment guarantees. This audit requirement applies to TransGrid, Ausgrid and Endeavour Energy.

All audits must be carried out in accordance with this Guideline and IPART's *Audit Guideline – Audit fundamentals, process and timing*.

1.1 Objective

The objective of this audit is to assess the network operator's compliance with their obligations under Schedule 4 of the Act, with reference to additional definitions provided in IPART's Reporting Manual.

1.2 Scope

The audit must be comprehensive in assessing the network operator's compliance with Schedule 4 of the Act and meet any requirements specified by IPART.

1.3 Specific auditor expertise

When assessing the auditor, we will consider their qualifications and experience in the following areas:

- ▼ Expertise in workplace relations operations.
- ▼ Extensive experience in auditing workplace relations and/or human resources operations, including auditing compliance with, or other experience with the provisions of the *Fair Work Act 2009* (Cth).

1.4 Audit timing

Audit timing will be at the discretion of the Tribunal.

¹ The Act (except schedule 6) commenced on 4 June 2015.

1.5 Criteria

The auditor will review audit evidence to test against the audit criteria listed in Table A.1 in appendix A.



Appendices



A Audit criteria for employment guarantees audits

Table A.1 Minimum audit criteria for audits of compliance with employment guarantees

Reference – Schedule 4 of ENAAT Act	Minimum audit criteria	Auditor's comments	Audit Grade
Clause 2	There was no variation in a continuing employee's salary under an enterprise agreement except in accordance with the <i>Fair Work Act 2009</i> of the Commonwealth.		
Clause 3	The reported numbers of full time equivalent employees are accurate.		
Clause 20	Employees have been correctly classified as an 'employee of the network operator'. Have regard to definitions in cls 16, 17, 18, and 20 of the Act, and IPART's guidance on application of certain terms, as provided in IPART's <i>Electricity networks reporting manual – Employment guarantees</i> .		
Clause 21	The methodology used to calculate the average number of full time employees is correct.		
Clause 21	The calculation of average number of hours worked by full time employees, with regard to definitions in cls 20, 21 and IPART's <i>Electricity networks reporting manual – Employment guarantees</i> is accurate.		
Clause 21	Part time employees are correctly classified.		
Clause 21	The total number of hours worked by part time employees has been correctly calculated.		
Clause 4	The terms and conditions applied to any voluntary redundancies offered are in accordance with Clause 4.		
Clause 5	Forced redundancies of continuing employees were either by agreement between the affected employee or a person authorised to act on their behalf or on behalf of a majority of them, or in accordance with the <i>Fair Work Act 2009</i> of the Commonwealth.		
Clause 6	Annual leave, extended or long service leave or sick leave accrued or accruing immediately before the transaction was transferred appropriately and no employee has lost any of their entitlements.		
Clause 7	The employment of a continuing employee is taken not to have been broken by a transfer of employment under this Act, and service is appropriately recognised by the new employer.		
Clause 9	An administrative centre has been maintained within the vicinity of an administrative centre existing before the transaction, except as reported to IPART. The information reported to IPART is accurate. This should be assessed with regard to IPART's definitions provided in the Reporting Manual.		

Clause 10	<p>The network should maintain any employee relocation policy that was applicable to continuing employees on the commencement of the employment guarantee period for the duration of the employment guarantee period.</p> <p>Any amendments made to the relocation policy existing at the commencement of the employment guarantee period that was applicable to the continuing employees were made either by agreement with the affected employees or in accordance with the <i>Fair Work Act 2009</i>.</p>		
Clause 11	Any variation to an enterprise agreement in its application to a continuing employee during the employment guarantee period, was in accordance with the Fair Work Act 2009 of the Commonwealth.		
Clause 12	There has been no impact on a continuing employee's entitlement to continue as a contributor, member or employee for the purposes of any superannuation scheme in respect of which he or she was a contributor, member or employee as an employee of an electricity network SOC on the commencement of this Act, except by agreement or in accordance with any applicable law, and the employer has not accessed any funds deposited in a superannuation account of the employee except as permitted by a law of the State or the Commonwealth.		
Clause 14	<p>Existing apprentices have been employed in accordance with the requirements that:</p> <ul style="list-style-type: none"> ▼ they have been offered suitable (relevant to the apprenticeship) employment once training is completed (if reasonable business hiring standards of the employer are met), and ▼ the employment has not been terminated for 2 years (except in the case of serious misconduct, or pursuant to reasonable disciplinary procedures, or by agreement with the employee). 		
Clause 15	The network has taken on the appropriate number of apprentices in the financial year, in accordance with Clause 15(2), if the number of FTEs fell below 110% of the appropriate staffing level in the 4th quarter of the preceding financial year.		