



Lemma Government guarantees electricity workers' jobs under changes

10 December, 2007

The NSW Government will guarantee the jobs and conditions of public sector retail and generation electricity workers across NSW, under the State Government's reforms announced today.

Premier Morris Lemma said under the changes:

- Generation workers would be able to move to guaranteed new jobs and receive generous incentive payments;
- Most operational retail workers would be able to stay in their current jobs for up to three years, as part of service agreements with the new private sector owners;
- At the end of any transitional service agreement period, these retail staff would be given the choice of taking up offers from the new private sector operators and receive a generous incentive payment, or they would stay with the State-owned distribution companies; and
- Some retail staff (eg marketing, trading) would be given the choice to take up offers from the new private sector owners immediately and receive a generous incentive payment.

These arrangements will apply to retail and generation workers at their current locations across the State.

The details of the generous incentive payments will be confirmed with unions – see attached.

Mr Lemma said information and details of the transition options would be presented in the coming weeks to about 1,400 award workers employed by the State Government's electricity retail businesses, and about 1,700 award workers attached to the three state generation corporations.

About 11,500 workers engaged in transmission and distribution will not be affected by the announced changes and will remain employed by NSW Government-owned entities.

“We will honour our commitment to maintain ownership of every piece of energy infrastructure the taxpayer currently owns,” Mr Lemma said.

“However, the operation of generation and the ownership and operation of the retail lists and functions will transfer to the private sector under the changes – keeping the lights on into the future and freeing up billions of dollars to invest in vital infrastructure and services.”

TRANSFER PAYMENT

Employees will receive a transfer payment, calculated against their years of service, using the following formula:

| Length of Service | Transfer Payment Weeks's ordinary time base rate of pay ⁽¹⁾ |
|--|--|
| Less than one year | 0 |
| 1 year or more, but less than 2 years | 7.5 |
| 2 years or more, but less than 3 years | 13.125 |
| 3 years or more, but less than 4 years | 18.75 |
| 4 years or more, but less than 5 years | 22.50 |
| 5 years or more, but less than 6 years | 26.25 |
| 6 years or more | 30 |

(1) rate of pay applicable to the appointed grade of an employee. It does not include allowances, loadings, overtime or penalty rates of pay. It is likely that this payment will be taxed at the marginal rate.

Examples:

An employee on an annual base rate of pay of \$65,000 who has been with [Macquarie Generation / Delta Electricity/ Eraring Energy] for 7 years would receive a payment of \$37,372.

An employee on an annual base rate of pay of \$50,000 who has been with [EnergyAustralia / Country Energy / Integral Energy] for 5 years would receive a payment of \$25,154.