

SA Power Networks/Enerven EA Update 4-8-20

Today the SBU met with the Utilities Management Pty Ltd. (SA Power Networks/Enerven) bargaining team to discuss the proposed enterprise agreement (EA).

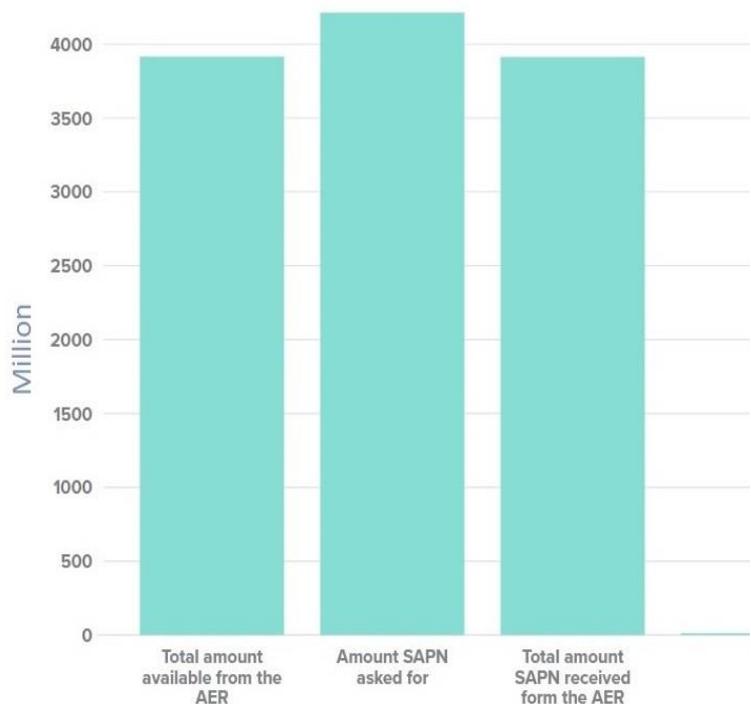
The meeting was opened by Ben Jewell with an acknowledgment of country presented by Jason Lailey.

SA Power Networks/Enerven then provided a presentation re-iterating the bleak economic outlook due to reportedly adverse effects of the Australian Energy Regulator (AER) regulatory reset. The company also cited the COVID 19 pandemic, but said that they are unable to quantify the impact of COVID 19 on SAPNs financial position.

The presentation included slides addressing the SBU's question 'where's the half a billion' in revenue shortfall reported by CEO Rob Stobbe.

If we understand the information presented today correctly, the justification for SAPNs claim that there has been a "Half a Billion" shortfall in revenue is based on the fact that the AER has changed the rules that apply to the regulatory reset. The difference in revenue referred to is based on what SAPN could have claimed over 5 years under the AER rules that applied to the 2015 – 2020 regulatory reset compared to what SAPN could claim under the rules applicable to the 2020-2025 reset period.

This is why SAPN reduced their revenue proposal by \$300 Million in their second reset proposal. SAPN told us today that, in effect the AER set the maximum available at \$3,920 M. SA Power Networks asked for \$3,916M, they received \$3,914.2M. A difference of \$1.8M.





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The SBU maintains that claiming a \$500M revenue shortfall is not a justifiable argument. But, alternatively, if maintaining a past trajectory of revenue is a justifiable expectation, the same principal should be applied to employee wages.

After giving their presentation the SA Power Networks Bargaining team re-enforced that their position has not changed. They maintained that the 12 month/2% offer is a “good deal”.

After much discussion, the SBU reiterated the feedback of our members, we outlined that the removal of the BBIP is a major point of contention in our membership and although it’s not covered under the EA, it represents a severe financial impact to workers across SA Power Networks. We explained that there are many issues that employees would like to address by way of EA negotiations that would be foregone if a rollover agreement was accepted. Our members feel that A short agreement coupled with a low wage increase offer, is simply not good enough.

Specifically, the position put by the SBU to SA Power Networks/Enerven was:

The SBU notes: The SAPN Offer has not changed despite the feedback provided to SAPN from the SBU.

The SBU re-iterates that the strong feedback from our members is that a 12-month rollover agreement would be acceptable by a majority of our members if it included a rollover of the current annual wage increase of 3.5%.

Alternatively, the SBU will seek an endorsement of a Combined Log of Claims.

What next?

UMPL advised us that they will try to get back to the SBU with a response to our position by Friday 7 August. We will keep you updated.

If you have any questions or comments please contact your union workplace delegate or your SBU Organiser.