



Vegetation labour statement

- ▶ This document summarises the reasons why the dedicated Vegetation team labour supporting Essential Energy's vegetation transition is required, and why the decision was made to recruit Full-Time Employees (FTEs) compared to other employment terms.
- ▶ The Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022 amends the Fair Work Act 2009 to limit the use of fixed term contracts for the same role beyond two years (including renewals), or two consecutive contracts – whichever is shorter. The new legislation is effective **6 December 2023**.
- ▶ Essential Energy's Vegetation team is an aging workforce with 21 FTEs over the age of 60, and therefore eligible for entering the 'Transition to Retirement Plan' by FY33 when the project finishes.
- ▶ Essential Energy also observes a significant attrition rate and skill transfer rate internally within the business.
- ▶ It is well understood that more workers that are experienced and skilled will be required to enable the energy transition into the future.

• Why can't the requested vegetation staff be put on as temporary contract / labour hire staff?

The Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022 amends the Fair Work Act 2009 to limit the use of fixed term contracts for the same role beyond two years (including renewals), or two consecutive contracts – whichever is shorter.

The new legislation is effective **6 December 2023**.

See below excerpt from our internal Guide for Managers - Fixed term contract employees. This summarises the Fair Work Legislation Amendment, Dec 2023.

Manager Guide

Fixed Term Contract Employees

Purpose: To provide guidance and assistance to leaders who have either already engaged or plan to engage an employee through a fixed-term contract. It is designed to help you navigate the legislative changes that are effective 6 December 2023.

What is changing?

Fixed Term Contract – Changes to Legislation

The Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022 amends the Fair Work Act 2009 to limit the use of fixed term contracts for the same role beyond two years (including renewals), or two consecutive contracts – whichever is shorter.

The new legislation is effective **6 December 2023**.

What does this mean?

The new provisions apply to a contract of employment entered into on or after the commencement of the new provisions, whether or not a previous contract was entered into prior to the commencement of the new provisions.

That is, where there is an employee who is already engaged on a fixed term contract as at 6 December 2023, the terms of that contract can continue to apply and the employment can continue.

Any future contract must comply with the new provision.

That means that after 6 December 2023, you will not be able to:

- Offer a new fixed term contract for the same role beyond 2 years.
- Renew a fixed term contract for the same role that has already been renewed once, or
- Renew a fixed term contract for the same role which lasts for more than 2 years (including the period of the first contract).

These changes do not alter our obligations under the Essential Energy Enterprise Agreement 2021 (the Enterprise Agreement) Clause 3.2.3.



- **What is the exit strategy for the additional vegetation staff after the 8-year transition?**

Essential Energy's workforce data shows four key patterns that will influence the long-term plan for the additional ten full time employees required to deliver the vegetation transition. These are:

- The age profile of the existing workforce highlights the future replacement needs:

Count of "Vegetation Officer", who are > 60 years of age, with forecast out to 28/02/2033

	Sum of 60+ @ 28/02/2025	Sum of 60+ @ 28/02/2028	Sum of 60+ @ 28/02/2030	Sum of 60+ @ 28/02/2033
Grand Total	7	12	19	21

Count of "Vegetation Officer", who are > 65 years of age, with forecast out to 28/02/2033

	Sum of 65+ @ 28/02/2025	Sum of 65+ @ 28/02/2028	Sum of 65+ @ 28/02/2030	Sum of 65+ @ 28/02/2033
Grand Total	1	3	7	12

- The current rolling 12-month attrition rate (headcount) is:
 - 5.28% for Essential Energy
 - 5.66% for Vegetation Operations
- The mobility trend (internal transfers, secondments etc.) for the 12 months to 28/02/2025 is 20.1% for Essential Energy.
- The Energy Transition is resulting in the need for experienced and skilled labour at Essential Energy. In September 2024 Essential Energy engaged an external consulting group to help understand future demand. The findings showed overall growth across Essential Energy's critical workforce segments is likely to be required by FY34, with each segment showing distinct growth requirements driven by the unique demands of the energy transition.