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Dear Adam

Re: Meeting to Discuss TransGrid's Business Efficiencies

Following our meeting of 7 February 2013, TransGrid agreed to provide a written response relating to the two main areas of concern raised by unions in attendance at the meeting. The two issues raised by the unions were the employment conditions for new and vacant roles in the Sydney Office, specifically the offering of new or vacant roles at standard hours, and the relocation of staff between our Sydney CBD and western Sydney sites.

It is TransGrid's position, as stated in prior correspondence, that the ability to offer roles under the standard hours arrangement is provided for within Clause 18.3 of the current Employees Agreement. In relation to the union concern regarding lack of consultation on this matter it is TransGrid's position that Clause 5.2 of the Employees Agreement clearly sets out that a matter is not considered significant, and therefore does not fall within the consultation clause, where a party is seeking to apply a condition that is provided for under the Agreement.

At the meeting I asked the unions to clarify the basis of their position if they disagreed with the above, and specifically if the unions believed that TransGrid was in breach of the Employees Agreement. I would again ask for the combined unions' position to be clarified.

Employees who do not seek to apply for new or vacant roles in the Sydney office will continue to have access to their current 9-day fortnight arrangements. Where an employee who is appointed on standard hours requests flexibility to address personal needs, TransGrid considers this is addressed through individual flexibility arrangements. TransGrid considers there is a greater level of flexibility available to employees through utilisation of an Individual Flexibility Arrangements than under the Employee Agreement.

In relation to the relocation of employees between our Sydney sites TransGrid is mindful of the potential impacts on employees and has taken a number of steps to minimise these impacts including:

- establishment of a job swap register;
- transparent information and early notification;
- targeted communications; and
- offer of a one-off assistance payments

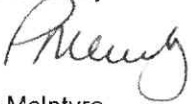
With just under 12 months until the relocation of these roles we will provide increased communication to employees on these matters and hope that this will assist in alleviating some concerns.

It is incorrect to suggest that TransGrid has not engaged with unions or their representatives on this matter as the accommodation strategy has been discussed at multiple Level 1 and 2 Committee meetings and in a meeting directly with relevant unions in late 2012. It is our expectation that discussions will continue on this matter at these forums as well as with individual unions which have members impacted by the move.

In recognition of the concerns raised at the meeting held on the 7 February, I again invite unions to raise any specific individual concerns directly with TransGrid so we can work with these employees. We would also welcome any other feedback from the unions on additional support processes that the company should consider.

If you have any questions or require further clarification on TransGrid's position on any of these matters please contact Ms Monica Lonergan, Manager People and Culture on 02 9284 3049 or via email at monica.lonergan@transgrid.com.au.

Yours faithfully

 25/2/2013
Peter McIntyre
Managing Director