

# Net Zero Economy Authority consultation: Energy Industry Jobs Plan statutory review

Submission of The Australian Workers' Union

September 2025

## Introduction

The Australian Workers' Union (AWU) is one of Australia's largest and most diverse unions. We represent around 78,000 workers across the length of the country and breadth of the economy. This includes tens of thousands of workers in industries exposed to pressure and uncertainty by the energy transition. Notably, we have members at 160 facilities covered by the Safeguard Mechanism. Among this cohort are around 6,000 steelworkers, over 5,000 workers in aluminium smelting and alumina processing, and more than 1,000 in cement production. We also represent a portion of the workforce at power stations scheduled for closure in coming years - including riggers, scaffolders and crane operators at Torrens Island Power Station.

This membership affords the AWU a strong interest in ensuring a positive energy transition for all workers, especially those made vulnerable by the shift towards net zero. The transition cannot be about building new industries alone: Government, industry and other stakeholders must endeavour to support existing, high-emitting facilities to move successfully to new energy sources wherever possible.

But for those facilities that are forced to close - no more than the small minority without a feasible transition pathway, we hope - every effort must be taken to support workers into quality alternative jobs. While it is appropriate that the Commonwealth's current focus is on delivering this support to workers at legacy power stations and related mines, a broader approach will almost certainly be required in the longer-term.

Just transitions are not only a question of fairness for workers jeopardised by factors out of their control. Of affording them the opportunity to find safe, secure and well-paid work, and to do so in their own community. Nor is it just a matter of ensuring that displaced workers' skills and expertise are deployed in existing or emerging industries that would benefit from them. Just transitions are essential to safeguarding the sometimes-fragile social licence that underpins the energy transition itself.

The AWU has thus supported the Net Zero Economy Authority as essential to facilitating an orderly and positive energy transition for vulnerable workers. We have been an active participant in debate around the authority's formation, its responsibilities and approach to delivering worker supports. We have also participated in the ongoing community of interest process undertaken by the NZEA in relation to Torrens Island Power Station.

We welcome the opportunity to advocate for refinement of the NZEA and its regulatory framework provided by the Energy Industry Jobs Plan (EIJP) Statutory Review. In our

view, there are important learning opportunities arising from ongoing community of interest processes, as well as from examples of just transitions best practice in other jurisdictions. We also welcome Professor Green's wide examination of the potential shape of a *'fit-for-purpose EIJP into the future'*.<sup>1</sup>

This submission focuses on priority reforms for AWU members, including those in industrial facilities which may come within the future remit of the NZEA. In particular, we argue for a community of interest-EIJP process that is both broader and nimbler in its approach to devising and delivering supports, to ensure all workers have reasonable and equal opportunity to access NZEA assistance.

We also note and welcome submissions to the review by the ACTU and other unions present in facilities that are the authority's current focus. We are proud to partner with the wider union movement in advancing the case for a Net Zero Economy Authority that can deliver a just transition for all affected workers.

A summary of our recommendations is provided below. We would welcome any queries or opportunities to further assist the review.

## Recommendations

**Recommendation 1:** The NZEA Act should provide for the automatic declaration of a community of interest, inclusive of the closing employer, as soon as any notice of closure is available.

**Recommendation 2:** The NZEA Act should afford the CEO capacity to extend the community of interest-EIJP process to an industry sector facility at serious risk of closure or major job losses in connection to the energy transition.

**Recommendation 3:** The NZEA Act should afford the CEO, relevant unions and affected workers a right to apply to the Fair Work Commission for a community of interest to be declared in relation to a facility, on the basis that cessation of all or most operations is highly likely.

**Recommendation 4:** The NZEA Act should provide for the prima facie inclusion of all dependent employers in a community of interest.

**Recommendation 5:** The NZEA Act should require closing employers to ensure equal support is provided to all workers under an EIJP, where a dependent employer is unable to deliver supports as required.

**Recommendation 6:** The Commonwealth should increase financial incentives to participate in pooled redeployment to better reflect projected employer costs.

**Recommendation 7:** The NZEA Act should afford the authority power to compel employers to participate as receiving employers where a firm's location, operations and employee skills profile warrants their inclusion.

**Recommendation 8:** The Commonwealth should make the NZEA responsible for coordinating investment by its Specialist Investment Vehicles and Future Made in Australia programs.

**Recommendation 9:** The Commonwealth should amend instruments governing the Specialist Investment Vehicles and Future Made in Australia to prioritise investment in NZEA-designated areas.

**Recommendation 10:** The NZEA Act should require a relevant beneficiary of support via a Specialist Investment Vehicle or Future Made in Australia program to participate as a receiving employer in an Energy Industry Jobs Plan.

**Recommendation 11:** The Commonwealth should establish the 'single front door' within the NZEA.

**Recommendation 12:** The NZEA should pursue heightened engagement with state governments in exercising its investment and development coordination functions.

**Recommendation 13:** The NZEA Act should provide that any support or outcome delivered through an EIJP does not impact a worker's redundancy entitlements.

**Recommendation 14:** The Commonwealth should reserve half of the monies allocated to the Workforce Transition Fund to union-led projects and proposals

**Recommendation 15:** The Commonwealths should allocate additional monies to the Workforce Transition Fund as affected communities require.

**Recommendation 16:** The Commonwealth should mandate a further review of the NZEA Act and the authority no later than two years after conclusion of the current review.

## Broader, nimbler support

In advocating an NZEA that can deliver broader support in a nimbler fashion, the AWU is concerned with the plight of workers at coal and gas-fired power stations, as well as those in industrial facilities not presently covered by the community of interest-EIJP process. In particular, we suggest that the authority's regulatory framework prevents it from *'giving participating employees sufficient time to effectively plan and prepare for their next career move'*,<sup>2</sup> as claimed.

Best practice suggests that supports to workers in closing facilities should be delivered early and remain available until well after the site moves to decommissioning. Workers require as much time as possible to devise and develop retraining plans, complete courses, and manage other challenges associated with redeployment. Moreover, while 'closure' is often thought of as a single date or event – the final watt supplied to the grid, the last product rolling off the line – for workers it is more akin to a years-long process. Many workers will depart a facility before operations cease, as maintenance schedules and production wind down in the lead up final closure. Some workers are also required to support decommissioning – often for extended periods.

It follows that NZEA supports must be made available to workers over as long a period as possible to avoid short-changing or even excluding affected workers. We note the WA Government's just transition plan for coal mining and power generation in Collie commenced in 2018, and will provide supports to workers and the community until after the region's coal plants are retired in 2029.<sup>3</sup>

As it stands, the *Net Zero Economy Act 2024* (the Act) requires the NZEA CEO to apply for a community of interest at least two years before closure, or 'as soon as practicable' if the relevant 'trigger notice' for closure arrives less than 42 months before the nominated closure date.<sup>4</sup> Once determined, a community of interest remains in place until six months after the closure date.<sup>5</sup> These requirements appear insufficient to ensure all affected workers can receive the full benefit of NZEA supports. These concerns apply particularly (but by no means exclusively) to workers at Torrens Island. With just over 10 months remaining until that plant's scheduled closure,<sup>6</sup> these workers remain without a community of interest determination - in limbo and ever-more unlikely to derive the full benefit of any future EIJP.

In addition, government must empower the authority to expand its remit beyond coal and gas power to high-emitting industrial facilities. The Act must support the NZEA to extend the community of interest-EIJP process to such facilities as and when required.

It is appropriate that government's priority is supporting high-emissions industrial facilities to a lower emissions future, rather than guiding them on a path to closure. Indeed, several such industries are among those with the most potential to support quality job retention and creation should Australia realise its 'green manufacturing superpower' ambition. In this respect, the AWU is wholly aligned with government. We continue to call for world-leading green industry investment via *Future Made in Australia* (FMIA), a level playing field through a stronger anti-dumping system and a carbon border adjustment, a larger *Powering the Regions Fund*, and more.

But regardless of the quantum and efficacy of industrial policy support, it is a difficult reality that not all industrial facilities are likely to survive the energy transition. Such closures will rarely be attributable exclusively to transition-related challenges. Multiple, complex energy and trade-related pressures often converge, as in the recent closures of Qenos and Oceania Glass. But it would be disservice to those affected, if not outright disingenuous, to neglect to classify such workers as displaced by the energy transition. The Qenos and Oceania closures also reflect that even a major operator and a keystone of local supply chains can fall into precarity relatively quickly.

We accept that extending the NZEA community of interest-EIJP scheme to emissions-intensive industrial sites presents practical obstacles. In particular, such facilities are not beholden to a requirement to provide formal notice of closure to a regulator. Moreover, any notice of closure will typically arrive later than in the energy sector.

Despite these challenges, reform can deliver a broader and nimbler community of interest-EIJP process to assist coal, gas and industrial workers alike. First, the Act should streamline the circuitous and inhibitive process to declare a community of interest by reversing its assumption around whether such a declaration should be made. The Act should provide for the automatic declaration of a community of interest, inclusive of the closing employer, for facilities in industries covered by the Act, as soon as any notice of closure (formal or otherwise) is available. The community of interest should be extended to dependent employers as they are identified by the NZEA. Automating this process would go a long way to providing affected workers adequate time to make best use of EIJP supports.

This change can be made while preserving a capacity to investigate and amend the scope of a community of interest as necessary. Dependent employers should be afforded a right to appeal their inclusion in the community of interest on reasonable grounds, such as insufficient connection to the closing employer.

The reform would also prevent the prospect of a manifestly unjust outcome such as that looming over the Eraring Power Station. The AWU understands that Eraring operator Origin has contended that it should be excluded from the site's community of interest on the grounds that its existing employee support programs are adequate. As we explore below, such programs do not suggest that mandated support through the NZEA is not required (see Recommendation 4). We also submit that closing employers should be required to support dependent employers where necessary (see Recommendation 5). But more generally, Origin's attempt to extract itself from a process concerning its own site is risible. It offends the basic intent of the community of interest-EIJP process and would all but defeat its purpose if achieved. The firm's exclusion would result in most workers impacted by the closure of one of Australia's largest power stations being deprived of support of the type and standard mandated by the Act.

Separately, the Act should empower the NZEA to extend EIJP support to industry sector workers as and when required. It should afford the CEO capacity to extend coverage of the community of interest-EIJP process to an industry sector site considered at serious risk of closure or major job losses in connection to the energy transition. The CEO should be empowered to make such a decision without legislative reform or completion of a prescribed investigative process.

Third, the Act should prescribe a right to apply to the Fair Work Commission for a community of interest to be declared in relation to a facility, absent a formal announcement of closure, on the basis that cessation of all or most of its operations is highly likely. This right should be afforded to the NZEA CEO, unions representing workers on site, and employees on site. It would further assist in addressing the vulnerabilities of industry sector workers, together with those in energy.



**Recommendation 1:** The NZEA Act should provide for the automatic declaration of a community of interest, inclusive of the closing employer, as soon as any notice of closure is available.

**Recommendation 2:** The NZEA Act should afford the CEO capacity to extend the community of interest-EIJP process to an industry sector facility at serious risk of closure or major job losses in connection to the energy transition.

**Recommendation 3:** The NZEA Act should afford the CEO, relevant unions and affected workers a right to apply to the Fair Work Commission for a community of interest to be declared in relation to a facility, on the basis that cessation of all or most operations is highly likely.

## Fairness and consistency

It is the AWU's firm view that the NZEA must facilitate equal support for all affected workers under a community of interest-EIJP process. That workers' jobs are victim to the energy transition should take precedence over the contracting and outsourcing arrangements preferred by the site's operator. Such arrangements may or may not provide for direct employment by the closing employer, but they do not alter the basic reality of major disruption to workers' lives.

This outlook is entirely consistent with the reality faced by construction workers at Torrens Island. AWU construction workers at the power station are engaged directly by AGL, but other construction workers performing similar work are employed through a contractor. The site's forthcoming closure means all these workers' jobs will no longer exist. That AGL has chosen to meet its construction needs through a mix of direct employment and contracting makes no difference to that fact, nor to the importance of these workers' contributions. It only reflects the operator's commercial and administrative inclination toward outsourcing - an all-too-common trend across myriad of industries.

As the Torrens example demonstrates, treating similarly affected workers differently under a community of interest-EIJP process, on the basis of employment by a closing or dependent employer, is both unfair and arbitrary. Yet the preliminary community of interest determination for Torrens Island proposes not to include employees of dependent employers. While the authority's proposed reasons for doing so vary between employers, we note that they include one employer's limited human resources capability, and another's small workforce. These, we suggest, are particularly inadequate as grounds

for a worker's exclusion. Nonetheless, the preliminary decision appears consistent with the Act, which requires the CEO to consider such factors in devising an application for a community of interest.<sup>7</sup>

In coming to such a decision, the CEO is also required to consider "*the existing supports that are available to facilitate transition employees of closing employers or dependent employers to find other employment...*"<sup>8</sup> In our view, such arrangements should not be regarded as substitutable for NZEA supports. They cannot provide certainty of follow-through, consistent quality of support, nor coordinated redeployment to other potential employers in the region, in the manner of an EIJP.

To support equal treatment of workers at an appropriately high standard, the Act should provide for the prima facie inclusion of all dependent employers in a community of interest. Dependent employers should be afforded a right to appeal their inclusion. The matters that the CEO is currently required to consider in applying for a community of interest<sup>9</sup> could be reformulated as grounds for any such appeal, if they reflected an overwhelming reason not to include a dependent employer.

We accept that not all workers brought into a community of interest via this reform will ultimately require supports. For instance, some dependent employers at Torrens Island are expected to retain staff and redeploy them to other worksites. But this should not be regarded as an obstacle to the reform. Government's priority should be to make supports available to all that might require them; Those that do not would simply exercise their discretion not to engage with the process.

**Recommendation 4:** The NZEA Act should provide for the prima facie inclusion of all dependent employers in a community of interest.

The AWU acknowledges that many dependent employers possess inferior financial and operational capabilities to that of closing employers. Closing employers are typically large, sophisticated corporates, while many dependent employers are modest small businesses. But, for the same reasons outlined above, an operator's decision to outsource functions to a less resourced entity should not impact an affected worker's right to support. Moreover, closing employers retain de facto control over all jobs and workers on site - as their discretion to outsource and or close a site reflects. In accordance with this financial and operational control, and with the need to ensure equality of support, the Act should require closing employers to meet any financial shortfall, where a dependent employer is unable to provide supports as required.

**Recommendation 5:** The NZEA Act should require closing employers to ensure equal support is provided to all workers under an EIJP, where a dependent employer is unable to deliver supports as required.

## Redeployment: Carrots and sticks

The AWU welcomes recognition that the NZEA's support programs aren't just about helping affected workers into alternative employment - they are about assisting workers to attain quality jobs within their own communities. The failure of redeployment efforts would place both workers and their wider communities at risk: Failed redeployment is a common harbinger of wider economic downturn and population outflow. As the responsible Minister states in his second reading speech, "*helping workers and their families stay in place helps communities stay whole.*"<sup>10</sup>

Unfortunately, it appears the NZEA's current powers are insufficient to ensure potential receiving employers participate in an EIJP. Despite the availability of financial incentives and the pressing timeline for redeployment to occur, it is unclear that any receiving employer has agreed to participate in pooled redeployment of Torrens Island workers.

In the AWU's view, addressing this issue is a matter of affording the NZEA both larger carrots and, as far as reasonable, a stick. Government should increase financial incentives to participate in pooled redeployment to better reflect employers' costs of participation. To ensure workers are provided with legitimate, permanent employment, these incentives could be delivered on the basis that affected workers remain in their roles for at least 12 months. The Act should be further amended to afford the NZEA the power to compel employers to participate as receiving employers where a firm's location, operations and employee skills profile suggests their inclusion is warranted.

**Recommendation 6:** The Commonwealth should increase financial incentives to participate in pooled redeployment to better reflect projected employer costs.

**Recommendation 7:** The NZEA Act should afford the authority power to compel employers to participate as receiving employers where a firm's location, operations and employee skills profile warrants their inclusion.

## Redeployment: Job creation

For many workers within the current and potential remit of the community of interest-EIJP process, the challenge of redeployment is likely to go beyond the adequacy of retraining or success in engaging alternate employers. Many large energy and industrial sites are situated in areas of limited economic complexity, giving rise to questions around whether redeployment of workers from a linchpin industry can occur at all. If there are simply no jobs to go to - or if workers don't know what the new jobs will be or when they will arrive - the NZEA will necessarily fail to meet its redeployment goals. We welcome clear acknowledgment of this challenge in the review's consultation paper: "*The EIJP cannot, and is not intended to, operate in isolation...The capacity for the EIJP to support workers...depends on the availability of new jobs in Australia's regions. Broader government efforts will be critical.*"<sup>11</sup>

In the AWU's view, these broader efforts should centre around boosting the NZEA's investment coordination role and functions. Government should place the authority at the heart of its industry investment and development agenda. The NZEA should be afforded responsibility for coordinating investment through government's various Specialist Investment Vehicles (SIVs) and FMIA programs. These initiatives present an increasingly large, overlapping and confusing patchwork; Potential recipients would benefit from coordination of their activities for reason of addressing this patchwork alone. But the focus of many such programs on the energy, resources and industry sectors makes it particularly appropriate that the NZEA be placed in charge of coordination. The largest beneficiaries of SIV and FMIA support are also those most likely to offer skills alignment with workers at closing and dependent employers. The SIVs, FMIA and NZEA are in this important sense aligned.

To assist the authority with this expanded role, the various investment mandates, regulations and policies governing the SIVs and FMIA should be amended to require prioritisation of investment in NZEA-designated geographic areas. To this end, the Commonwealth should specify a target (or multiple, fund-specific targets) for investment in NZEA-designated areas.

**Recommendation 8:** The Commonwealth should make the NZEA responsible for coordinating investment by its Specialist Investment Vehicles and Future Made in Australia programs.

**Recommendation 9:** The Commonwealth should amend instruments governing the Specialist Investment Vehicles and Future Made in Australia to prioritise investment in NZEA-designated areas.

Further reform is required to address the prospect that beneficiaries of public support through a SIV or FMIA program might seek to avoid capture by a community of interest-EIJP process. In supporting an energy, resources or industry sector project located wholly or substantially inside an NZEA-designated geographic area,<sup>12</sup> government should be required to impose a requirement that the recipient participate as a receiving employer in any Energy Industry Jobs Plan. Amending the *Net Zero Economy Act* to prescribe this requirement for all relevant support appears to be the simplest means of ensuring that firms are not permitted to benefit from large-scale government assistance without regard for some of the most vulnerable workers in their local regions.

**Recommendation 10:** The NZEA Act should require a relevant beneficiary of support via a Specialist Investment Vehicle or Future Made in Australia program to participate as a receiving employer in any Energy Industry Jobs Plan.

To further complement the NZEA's expanded coordination role, the Commonwealth's mooted 'single front door' for government-major investor engagement<sup>13</sup> should also sit with the NZEA.

**Recommendation 11:** The Commonwealth should establish the 'single front door' within the NZEA.

In taking on this key role in coordinating redevelopment of NZEA regions, the authority should also pursue heightened engagement with state governments. As well as having their own financial resources to deploy, state governments bring additional capabilities and insights to these efforts. Indeed, state governments have usually taken a prominent role in managing large-scale industry closures and redevelopment projects, such as in Collie transition or the closure of South Australia's Holden Elizabeth operations.<sup>14</sup> In pursuing integration of these efforts, the NZEA and state governments should seek to develop permanent mechanisms or authorities, rather than engaging on an ad hoc basis. This will assist with building institutional knowledge and thus foster improved outcomes.

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**Recommendation 12:** The NZEA should pursue heightened engagement with state governments in exercising its investment and development coordination functions.

## Redundancy provisions

The Act in its present form provides no clarity on the interaction between supports delivered under an EIJP and affected workers' redundancy entitlements. The AWU is concerned that employers in a community of interest may purport that a worker's redeployment through the EIJP would reduce or negate their redundancy entitlements. This would represent a clear affront to a just transition, and an inversion of the basic intent of the NZEA to increase support available to displaced workers. It should be explicitly ruled out in the Act.

**Recommendation 13:** The NZEA Act should provide that any support or outcome delivered through an EIJP does not impact a worker's redundancy entitlements.

## Workforce Transition Fund

The NZEA's announced '*Workforce Transition Fund*' can play an important role in further broadening the authority's transition support. Even a well-managed site closure will invariably impact a wider cohort of workers in the surrounding community than those at closing and dependent employers. In administering this fund, the NZEA should leverage unions' relationships and standing and help fill these gaps.

At least half of the monies provided to the fund should be reserved for union-led projects and proposals. Many unions enjoy a broad, longstanding presence in communities vulnerable to energy and industry sector closures. Unions' role as representatives of members' workplace interests also affords them unique insight into the challenges and opportunities arising from an area's transition. Union-led projects could include delivery of new types of employment supports in affected regions, or providing knowledge sharing, networking, and opportunity identification (as in Germany's *Revierwende* program for workers and regions affected by the coal phase out<sup>15</sup>).

We note also that the fund is likely to require additional resourcing as the NZEA's work expands. Government should approach resourcing it as a matter of ensuring sufficient resourcing to meet community need, rather than making best use of its initial allocation.

**Recommendation 14:** The Commonwealth should reserve half of the monies allocated to the Workforce Transition Fund to union-led projects and proposals

**Recommendation 15:** The Commonwealths should allocate additional monies to the Workforce Transition Fund as affected communities require.

## Future reviews

As our submission suggests, the present is in many respects an opportune moment to consider optimisation of the community of interest-EIJP process and the NZEA more generally. But it is unquestionably the case that delivery of an EIJP will provide important additional evidence for policymakers in this space. This will shed light on workers' subjective experience and satisfaction with the NZEA, as well as metrics such as wages in redeployed roles, the location and industries of those jobs, and the time required to secure alternative employment. Such data will come to hand as the NZEA's remit expands in the coming years. We thus implore government to commit to a further review of the Act and the authority in the near-term. This should occur no later than two years following the conclusion of the current review process.

**Recommendation 16:** The Commonwealth should mandate a further review of the NZEA Act and the authority no later than two years after conclusion of the current review.

## References

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<sup>1</sup> Consultation paper, pp. 11-12

<sup>2</sup> Ibid., p. 5

<sup>3</sup> Western Australia Government (2020), '*Collie's Just Transition Plan*', p. 15. Available at: [https://www.wa.gov.au/system/files/2020-12/Collies%20Just%20Transition\\_09%20December%202020\\_web.pdf](https://www.wa.gov.au/system/files/2020-12/Collies%20Just%20Transition_09%20December%202020_web.pdf);

Western Australia Government (2025), '*Collie Transition Package*'. Available at: <https://www.wa.gov.au/organisation/departments-of-the-premier-and-cabinet/collie-transition-package>

<sup>4</sup> *Net Zero Economy Authority Act 2024* (Cth), s56(2)

<sup>5</sup> Ibid., s57(6)

<sup>6</sup> Acknowledging the potential deferral of the closure date to 2027, AGL's stated intent remains closure on 30 June 2026:

AGL n.d., '*AGL on Torrens Island*'. Available at: <https://www.agl.com.au/about-agl/operations/agl-in-torrens-island?srsId=AfmBOoqzzwCdWBRuvz6ZQRBfBwPdISuY2ZG1A1qZHQasWQIsbJD8c2G>

<sup>7</sup> *Net Zero Economy Authority Act 2024* (Cth), s56(4)

<sup>8</sup> Ibid., s56(4)(b)

<sup>9</sup> Ibid., s56

<sup>10</sup> Parliament of Australia (2024), '*Net Zero Economy Authority Bill 2024 – Second Reading*'. Available at: <https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22chamber%2Fhansard%2F27626%2F0051%22>

<sup>11</sup> Consultation paper, p. 10

<sup>12</sup> *Net Zero Economy Authority Act 2024* (Cth), ss5, 8

<sup>13</sup> Australian Treasurer (2024), '*Establishing a single front door for major investors*'. Available at: <https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/establishing-single-front-door-major-investors>

<sup>14</sup> Hawker Britton (2013), '*Our Jobs Plan: South Australian Government Response to GM Holden closure*'. Available at: <https://www.hawkerbritton.com/wp-content/uploads/2017/03/Our%20Jobs%20Plan.pdf>

<sup>15</sup> Revierwende (2022), '*Just Transition in the German Coal Mining Regions*'. Available at: <https://revierwende.de/project-en/>