



OFFICIAL

Energy Industry Jobs Plan

Redeployment Grants Program Consultation

Australia's energy transition is a significant source of economic opportunity for our industries, regions and workers.

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Contents

Key terms	3
Purpose of this paper	4
Background	5
Redeployment Grants Program	6
Objectives	6
Step-by-step process	7
Determining receiving employer eligibility	8
Hiring Incentive Grants	10
Early Retirement Grants	11
Grant conditions	12
Next steps	13

Key terms

The following terms and definitions are used for the purposes of this consultation paper. Some have been paraphrased from the definitions contained in the *Net Zero Economy Authority Act 2024*, and simplified for use in this consultation paper.

Closing employer: a corporation that owns and/or operates a coal or gas-fired power station that has provided notice that it intends to close the whole or part of the facility and has formally provided the electricity market with an expected closure date.

Dependent employer: a company that has a commercial relationship with a closing employer and, will or will be likely to cease a substantial part of their business operations at the site of the power station or in the same geographic area as the power station as a direct result of the eventual closure of that power station.

Energy Industry Jobs Plan (EIJP): The Energy Industry Jobs Plan (the EIJP) establishes a framework that ensures workers at closing power stations and dependent employers can access supports from their employers to prepare for and transition into their next job.

Fair Work Commission: Australia's workplace relations tribunal that has a key role in the EIJP – making legally-binding determinations to apply the EIJP framework to particular power station closures and employers.

Net Zero Economy Authority: the Australian Government statutory authority established to promote a positive and orderly economic transformation in key industrial regions as Australia transitions to a net zero emissions economy.

Participating employee: a transition employee who has given their employer an expression of interest in finding other employment.

Receiving employer: an employer in the region that has submitted a successful expression of interest to the Net Zero Economy Authority's Chief Executive Officer, indicating that it may be able to offer employment to participating employees of a closing employer or dependent employer.

Transition employee: an employee of a closing or dependent employer who is employed in the business operations that will cease as a result of the power station closure.

Purpose of this paper

The Australian Government has tasked the Net Zero Economy Authority (the Authority) with promoting orderly and positive economic transformation as the world decarbonises. As an emissions-intensive economy, Australia's net zero transformation will lead to major economic and workforce change, particularly in our industrial regions.

The Energy Industry Jobs Plan (the EIJP) establishes a framework that ensures workers at closing coal or gas fired power stations can access supports from their employers to prepare for and transition into their next job. This framework can extend to businesses within the supply chain that have a direct commercial relationship with the power station, and where their operations will be substantially impacted by the closure – for example, a coal mine that supplies a power station.

Under the EIJP, employers are required to provide supports to their employees to prepare for and transition into a new job. This includes access to training, financial and career advice, and flexible work arrangements or paid time-off to access these supports. To complement these employer-provided supports, the Authority will provide targeted supports, including EIJP redeployment grants, to encourage employers to take on workers who have lost their job as a result of the power station closure.

This consultation paper has been prepared by the Authority to invite feedback on the design of the EIJP redeployment grants program. We are seeking feedback from stakeholders who may participate in the EIJP, may offer employment to impacted workers and/or those with experience with structural adjustment programs.

The design elements proposed in this consultation paper are preliminary and subject to change. The Authority will consider input from stakeholders to inform and finalise the design of the guidelines for the EIJP redeployment grants program.

Background

Large shifts in industry composition, including the closure of a large employer such as a power station, can disrupt local labour markets and have a significant negative impact on workers and their communities.

Past experience from the closure of the Northern Power Station in Port Augusta, SA in 2016, which closed suddenly with no formal transition plan in place, indicated that only one third of affected workers found employment in the local area, one third retired and left the workforce, and one third needed to relocate in order to find employment.¹ Individuals who have been unemployed for a significant period of time face greater difficulty, on average, finding subsequent work, due to skill depreciation, loss of motivation, screening-out by employers and marginalisation from the labour market.²

Hiring grants and early retirement initiatives to improve workforce outcomes have been a feature of some international worker transition programs, such as the German Commission on Growth, Structural Change and Employment,³ and have also been utilised in Australia, most notably during the Hazelwood Power Station closure in 2017.

The Worker Transfer Scheme for Hazelwood Power Station facilitated the redeployment of skilled Hazelwood employees to other coal-fired power stations in the Latrobe Valley, Victoria. The Victorian Government provided \$20 million under the scheme with the objective of subsidising up to 150 early retirement packages at receiving employers to create vacancies for employees from Hazelwood power stations. The scheme was successful in creating 90 vacancies for redeployed workers across three other power stations within the Latrobe Valley.⁴

Worker supports under the EIJP

Under the Energy Industry Jobs Plan (EIJP), employers named in a Community of Interest determination by the Fair Work Commission will be legally required to provide their employees with workforce transition supports. This may include access to training, financial and career advice, and paid time off or flexible work arrangements to access these supports.

It is proposed that supports provided by employers will be complemented by redeployment support services administered by the Authority, to assist other businesses based in the same region to connect with and offer employment opportunities to participating employees. This will include:

- engaging regionally-based EIJP Jobs Coordinators to work with employers to identify potential future job opportunities at businesses that have expressed interest in hiring workers; and
- developing an online EIJP jobs board that can be used to connect participating employees with actual job vacancies, and connect employers with skilled workers.

To further support successful worker transitions and create new employment opportunities, it is also proposed that the Authority will offer financial incentives through the EIJP redeployment grants program. This paper is seeking stakeholder views to assist in the design of these grants.

Following a Fair Work Commission Determination to establish a Community of Interest, these supports will be put in place and will be available to participating employees of closing employers or dependent employers.

¹ See the Port Augusta case study in Environment Victoria, (Oct. 2021), [Submission - Inquiry into the closure of the Hazelwood and Yallourn Power Stations - Parliament of Victoria](#)

² [National Skills Commission Annual Report 2020-2021](#)

³ Industrial Relations Research Centre University of New South Wales, (Oct. 2018), [The Ruhr or Appalachia? Deciding the future of Australia's coal power workers and communities](#)

⁴ Victorian Parliament Legislative Council, [Inquiry into closure of Hazelwood and Yallourn power stations](#), 2022

EIJP Redeployment Grants Program

As part of the 2024-25 Budget, the Australian Government committed \$34.3 million over four years for the delivery of the EIJP redeployment grants program, designed to support employees from closing power stations and their dependent supply chain businesses (dependent employers) to find new employment by encouraging other regional based employers to offer jobs to participating employees.

The Australian Government has provided authority for two types of incentive payments for inclusion in the Energy Industry Jobs Plan redeployment grants program:

- A direct hiring incentive payment to a receiving employer to take on a participating employee from a closing power station or dependent employer to assist with onboarding costs, set at \$10,000 per worker employed.
- Financial support for receiving employers to offer early retirement packages to their existing employees in order to create vacancies for participating employees from power stations or dependent employers.

These grant payments will be made to a receiving employer (not the participating employee), and a participating employee will be able to attract one grant – i.e. will not be able to attract both a hiring incentive and an early retirement payment.

The Authority is seeking stakeholder views on the proposed grant conditions for these two incentive types, to ensure they best reflect user needs, and to inform decisions about balancing grant prioritisation and scope of supports.

Objective of grants program

The objective of the EIJP redeployment grants program is to support the orderly transition of employees from closing power stations and their dependent employers to new employment, by maximising re-employment opportunities. The grants program will assist other regionally based employers to access a highly skilled workforce and also support closing employers to retain key workers to safely operate facilities until scheduled closure dates.

To support these objectives the redeployment grants program aims to achieve the following outcomes:

- incentivise businesses to participate in the EIJP as a receiving employer and offer new employment opportunities to participating employees
- support businesses to offer early retirement packages to existing staff to create vacancies for transitioning workers, where necessary and appropriate.

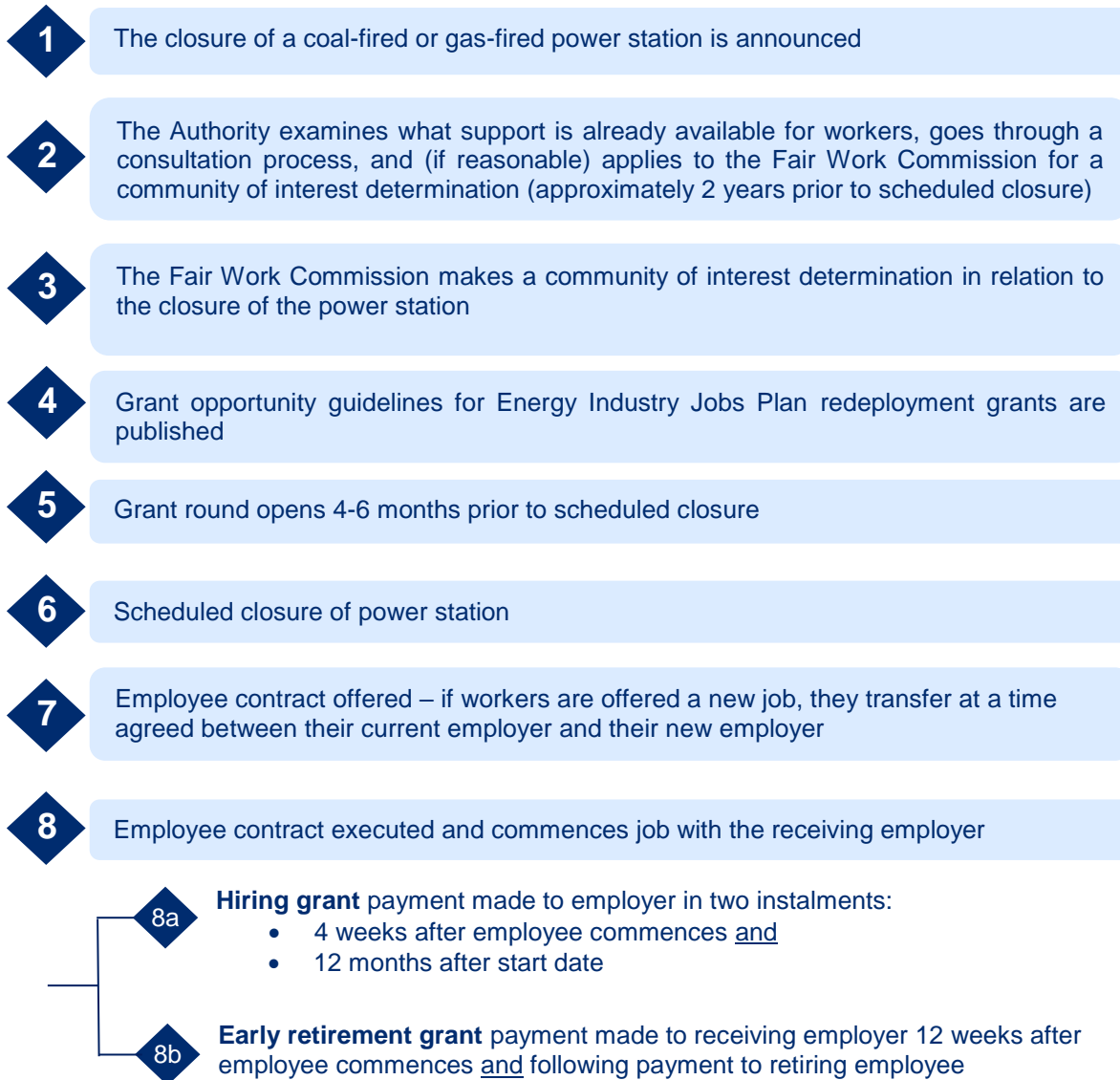
These objectives are consistent with legislative functions of the Authority to support workers in emissions-intensive industries to access new employment or improve their employment prospects.

Discussion Question

1. Do you have any comments on the proposed objective and outcomes of the redeployment grants program? Are there further objectives or outcomes the Authority should consider for these grant programs?

Step-by-step process

The step-by-step process diagram below illustrates the proposed sequence of the EIJP redeployment grants program.



Eligibility

Eligible receiving employers

As noted in the step-by-step process above, it is proposed that EIJP redeployment grant rounds for specific closures will occur after the Fair Work Commission makes a written community of interest determination under Section 57 of the *Net Zero Economy Authority Act 2024*.

It is proposed that grant payments would be available only to employers who have been specified as a Receiving Employer by the CEO of the Net Zero Economy Authority (and have met all relevant criteria associated with the guidelines of the funding round for which they have applied).

Participation in the EIJP redeployment program will be voluntary for receiving employers, and all hiring decisions would be at the discretion of the employer – noting they would need to recruit a transitioning employee to be eligible for grant payment.

The Authority has developed broad guidelines to assist the CEO of the Authority in determining which employers should be specified as receiving employers, as outlined in subsection 6(10) of the *Net Zero Economy Authority Act 2024* (the Act).⁵

The guidelines state that the CEO should give primary consideration to an employer's ability to support the delivery of the EIJP, including ensuring that enough receiving employers participate in the program to offer a range of suitable employment opportunities to participating employees.

The guidelines state that the CEO may also consider the following factors:

- The ability of the employer to provide ongoing employment to participating employees.
- The ability of the employer to provide employment in roles that are an appropriate match for the identified skills, competencies, and career aspirations of participating employees, including the employer's ability to support any additional training needs of participating employees.
- The geographic proximity of the employer to closing employers or their dependent employers.
- The ability of the employer to provide a safe work environment, and whether it has work health and safety policies and practices that are compliant with the relevant Commonwealth and State legislation where the receiving employer is located.
- The employer's record of meeting obligations under national fair work, anti-discrimination, and work health and safety legislation.
- The nature and extent of any corporate relationship between the receiving employer and a closing or dependent employer.
- The specific circumstances of the relevant power station closure, including prevailing regional labour market conditions.

The guidelines are designed to give the CEO some flexibility in determining a receiving employer. For example, while the aim would be to attract regional employers to participate, it would not prevent an out of region employer being included, if that was deemed appropriate for a particular closure and employment opportunities that were available were well paid and a good match for the identified skills, competencies, and career aspirations of participating employees.

Consideration could also be given for engaging receiving employers in sectors which deliver project-based work like construction or renewable energy development, which may offer a combination of ongoing work and long-term contracts.

⁵ Net Zero Economy Authority, (Feb 2025), [Guidelines for Determining a Receiving Employer](#) Notifiable Instrument 2025

Once an employer has expressed interest in participating in the EIJP and been specified as a receiving employer by the CEO (by written determination), it is proposed that the employer would be eligible to apply for EIJP redeployment grant payments. The CEO would be able to add or remove a business from the list of eligible receiving employers at any time, including where new receiving employers are identified, or where it is determined that a business is no longer a suitable receiving employer. Terms and conditions would also be attached to any grant payments received (see relevant sections of this consultation paper for more details on potential grant conditions).

Eligible participating employees

It is proposed that the Authority would provide EIJP redeployment grants for a Receiving Employer to take on a participating employee from a closing power station or dependent employer specified in a Fair Work Commission Community of Interest determination.

When making a decision about which closing or dependent employers to include in an application to the Fair Work Commission, the CEO of the Authority is required to consider whether it is reasonable to include each specific employer. There may be instances where workers in a dependent or closing employer may be impacted, but that the CEO considered that it was not reasonable to include their employer in a Fair Work Commission determination. In this instance, those impacted workers would fall outside the proposed grant eligibility of being a participating employee of an employer specified in a determination.

The grants are not intended to support individuals in the broader community who indirectly lose their job as a result of the power station closure.

Discussion Questions - Eligibility

2. To what extent do you agree with the proposed eligibility criteria for receiving employers (alignment to receiving employer guidelines, geographical proximity, industry, ongoing roles)? Are there other factors which should be considered when determining receiving employer eligibility?
3. To what extent do you agree with the proposed eligibility criteria for participating employees (eg employer must be specified in determination)? Are there other factors which should be considered when determining participating employee eligibility?

Proposed conditions - Hiring Incentive Grants

It is proposed that the Authority will deliver hiring incentive grants for a receiving employer to take on a participating employee from a closing power station or dependent employer specified in a Fair Work Commission determination.

The Authority will publish all eligible closing and dependent employers to assist receiving employers in determining eligibility of participating employees for grant payments. The regionally-based EIJP Job Coordinators and Online Jobs Board will also be available to assist businesses to determine eligibility for payments.

The intention of the hiring incentive grant is to support positions that promote ongoing employment in good jobs, safe working environments and suitably matched for the workers skills, competencies and career aspirations. To be eligible for grant payments, these positions would not be casual or labour-hire. However, we are seeking feedback from stakeholders on how we consider eligibility for hiring incentives in project-based sectors who may use fixed term contracts. In order to maximise the pool of available employment opportunities, the Authority does not currently plan to limit grants to specific industries or roles.

It is envisaged that the grant rounds would open 4-6 months prior to the scheduled closure date for the power station, to reflect that actual job opportunities and hiring activity are unlikely to occur any earlier.

What would the Australian Government contribution be?

Eligible employers would receive a payment of \$10,000 for each eligible participating employee engaged through the EIJP process. The proposed payment process would involve two instalments – one payment four weeks after the employee has commenced, and the second paid 12 months after the start date. This encourages retention of the employee, and ongoing employment, while managing the reporting burden placed on the receiving employer.

When would participating employees be available to start their new employment?

To be eligible for a redeployment grant, the participating employee would generally start at the receiving employer after the closure date of the closing or dependent employer or as otherwise agreed between the parties (the closing employer, the receiving employer and the employee). This is proposed to help ensure that power stations or dependent employers can retain key personal required for safely operating the facility up until the scheduled closure date, and that the hiring incentive complements existing retention initiatives that deliver benefits to impacted workers (such as redundancies).

Discussion Questions – Hiring incentives

4. To what extent do you agree with the proposed conditions for Hiring incentives? What other factors should be considered (e.g. targeting at specific industries, businesses or roles which will be harder to place)?
5. To what extent do you agree with the proposed payment structure and timing of the Hiring incentives (ie open 4-6 months prior to closure, payments at 4 weeks and 12 months)? What other timing or payment structure models should be considered?

Proposed conditions - Early Retirement Grants

To support job opportunities for transitioning workers, the Authority may provide targeted assistance for receiving employers to offer early retirement packages to their existing workers, aged 55 and above, to create vacancies for participating employees from a closing power station or dependent employer.

We are interested in feedback on how early retirement grants could be deployed, and whether there are particular issues which should be considered during design, including their suitability in particular regions and labour markets, who would be eligible, and the right level to set Government contributions.

When would Early Retirement Grants be deployed?

In some instances, hiring incentive grants may not be enough to generate new ongoing employment opportunities within the same regional labour market for participating employees impacted by the closure of a power station, and targeted intervention through assistance for early retirement may be required to create vacancies. The use of these particular grant types will need to be considered within the total grant funding envelope and the total number of participating employees impacted by a power station closure, noting the significantly higher per-capita cost compared to hiring incentives.

The benefits and uptake of early retirement schemes may differ depending on the region. The Authority could consider labour market analysis undertaken through the relevant EIJP Community of Interest consultation process, and work to engage receiving employers, to identify the level of existing roles/vacancies in the job market and if there may be a shortage of suitable roles for transitioning workers. This might signify a need for early retirement schemes in that specific region or for specific roles. Where there are identified skills or workforce shortages at the regional level, the Authority could adjust the balance of hiring incentives and early retirement packages to support skills and workforce retention and to support a greater number of workers overall into employment.

Early retirement packages could also be targeted at industries which may be able to offer ongoing roles that provide a strong match with the skills and experience of participating employees at risk of not successfully transitioning to new employment. This may include other regional-based coal or gas-fired power generators, mines, or other heavy industry, noting some workers may have existing qualifications and skills specific to those industries. The Authority has also been advised of the highly specialised nature of power stations – and that experienced operators, who have learned the individual characteristics and unique performance traits of specific generators over many years, are highly valued and difficult to replace.

While the decision to retire can be a lengthy process for individuals, it is envisaged that these grants will become available 4-6 months prior to closure of a power station, given it is a condition that the position created will be filled by a participating employee who has lost their job as a result of the power station closing.

What would the Australian Government contribution be?

Government contributions will need to be set at a level which encourages receiving employer participation while balancing available funds in the program and the responsibilities of employers to support their workers.

The initial design we are proposing is to set the Government's contribution at 50% of the total cost of the early retirement package, to a maximum contribution of \$80,000 for the employee taking the early retirement. This co-contribution model provides significant assistance to industry, but also recognises that employers are primarily responsible for meeting the package costs of their employees.

What conditions must be met by the receiving employer?

The Authority would make a contribution to an early retirement package where the ongoing vacancy created is filled by a transitioning worker participating in the EIJP, where the employer provides evidence of an early retirement package being provided to the retiring employee. These grants are intended as a reimbursement model, and it would be the responsibility of the employer and employee to ensure they are aware of, and comply with relevant industrial relations and tax obligations.

It is envisaged that the Government contribution would be paid after the new employee has been employed for a minimum defined period of 12 weeks in an ongoing role. This is to support the objective of ongoing

employment, while balancing a reasonable time period before reimbursing the receiving employer toward the cost of the early retirement.

Similar to hiring incentives, the intention of the early retirement grant is to support the transfer of workers to positions that provide ongoing employment in good jobs, safe environments and suitably matched for the workers skills, competencies and career aspirations. These positions would not be casual, labour-hire or fixed term.

The proposed payment process would involve the following evidence to support payment of the grant:

- Prior to offering an early retirement package, that the worker receiving the early retirement packages has received appropriate, independent financial advice and agrees to participate.
- The receiving employer has paid an early retirement package to the former employee.
- The employer provides evidence of the total amount of the early retirement incentive (excluding payment of accrued leave).
- An eligible participating transitioning worker has been engaged for at least 12 weeks.
- The Receiving Employer is unable to re-employ the employee that accepted early retirement for at least 12 months (or the employer would need to repay the grant).

Discussion Questions – Early Retirement Grants

6. To what extent do you agree with the proposed conditions for the early retirement grants (eg open 4-6 months prior to closure, 55+, independent financial advice, 50% contribution capped at \$80,000, any industry, fill an ongoing roles)? Are there other considerations which may improve how the early retirement grants could support the creation of vacancies for workers directly impacted by a power station closure?
7. What measures should be put in place to avoid unintended labour force outcomes from offering early retirement (noting many businesses are experiencing workforce shortages) and should other options for transitioning participating employees be exhausted before early retirement grants are on offer?

For employers or employer organisations

8. Given current labour market considerations, what capacity or willingness do employers have to offer early retirements to existing employees to create vacancies?
9. What potential obstacles could employers face in offering early retirement packages to existing employees, and what additional supports may be needed?

For employees or employee organisations

10. What level of demand would you anticipate from employees in receiving employers to access early retirement provisions?
11. What are the potential barriers for employees to access early retirement and what additional supports or protections may be needed?

Next steps

You can submit feedback to the Authority via the dedicated [consultation link](#).

Submissions to this paper, including on issues and questions below, will be accepted up until **Friday 28 November 2025** and feedback will be considered in the final design of the Grant Opportunity Guidelines.

More information will be published on the Authority's website once guidelines have been approved. This will include:

- publication of the Grant Opportunities Guidelines (expected to be in mid-2026)
- announcement of the grant rounds 4-6 months prior to each eligible scheduled power station closure
- information material to support receiving employers to access the redeployment grants program.

For more information on the Energy Industry Jobs Plan, please visit the [Net Zero Economy Authority website](#).

Discussion Questions – Further feedback

12. Do you have any other feedback in relation to the design of the EIJP redeployment grants that you have not yet had an opportunity to provide?