



## Submission to the Net Zero Economy Authority Redeployment Grants Program Consultation

**Mining and Energy Union, November 2025**

The Mining and Energy Union (MEU) is the principal union in the coal industry, including mines, power stations and ports. The MEU also covers workers in metalliferous mining, including iron ore train drivers, oil, gas, electricity and the coke industry, with over 25,000 members nationally. MEU members are significantly impacted by the energy transition and will be highly represented among workers displaced by coal closures.

We welcome the opportunity to provide feedback to the Net Zero Economy Authority (NZEa) on the design of the Energy Industry Jobs Plan (EIJP) Redeployment Grants Program.

The MEU has long advocated for co-ordinated national support for workers displaced by emissions reduction policies, to ensure workers and communities don't pay an unfair price for action to address climate change. This advocacy was instrumental to the eventual passage of the *Net Zero Economy Authority Act 2024* and establishment of the NZEA in December last year.

The need for coordinated redeployment schemes for workers affected by coal-fired power station closures has been at the centre of our advocacy. This focus reflects the fact that the true measure of a successful transition is in the creation of clear pathways to new, secure, jobs. Other supports like retraining, career guidance, and financial advice are important, but they are inadequate on their own. A successful workforce transition requires job creation *and* coordinated pathways that facilitate workers into these jobs at the right time – not years before or after closure.

Pooled redeployment schemes have been a key feature of international 'best practice' examples of large-scale workforce transition. For example, pooled redeployment of workers across remaining black coal mines in Germany's Ruhr Valley meant that the industry's decades-long decline and eventual closure occurred without a single forced redundancy. More recently, the implementation of recommendations from Germany's Coal Commission is seeing redeployment schemes being utilised in Germany's brown coal and remaining black coal power sectors to support transitioning workers.<sup>1</sup>

Closer to home, the Hazelwood Worker Transfer Scheme was an innovative program set up at short notice to redeploy Hazelwood workers impacted by the power station's 2017 closure to other Latrobe Valley coal power stations. Established at the urging of unions at Hazelwood, the scheme was financially supported by the Victorian Government and saw around 250 older workers at Yallourn and Loy Yang express interest in early retirement to free up vacancies for Hazelwood workers. In the end, employers made 90 positions vacant through early retirement, with the

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<sup>1</sup> See 'internal recruitment', p. 99 of the Final Report of the Commission on Growth, Structural Change and Employment, 2019. <https://www.bundeswirtschaftsministerium.de/Redaktion/EN/Publikationen/commission-on-growth-structural-change-and-employment.pdf>

Victorian Government contributing \$75,000 to each early retirement package. While this partially successful result fell short of the scheme's goals and could not redeploy all 700 workers at the mine and power station, it provides important lessons for the design of the NZEA's redeployment program.

The main lesson is that the Hazelwood Worker Transfer Scheme was limited by its reliance on voluntary receiving employer participation. We are therefore concerned that a voluntary approach based solely on incentive grants will lead to a piecemeal redeployment scheme that assists only a small number of participating employees. The scale of coal power station closures, and the impacts on regional economies, demands a concerted effort to proactively create redeployment opportunities that can transition large cohorts of workers. Furthermore, if the NZEA's redeployment program only assists a handful of workers into new roles, workers across the coal power sector will likely lose trust that the EIJF process can offer them more than band-aid solutions.

Redeployment is the most important element of any EIJF. To deliver a comprehensive redeployment scheme with the capacity to support a large workforce into new jobs, the Government must use all levers at its disposal and work alongside state government. Hiring incentive grants and early retirement grants should be just one element of a broader Government effort. Investment in job creation in coal power regions is urgent and the Government's industry policy initiatives, such as Future Made In Australia, and procurement policies must be used as leverage to require industries receiving support to participate as EIJF receiving employers.

The MEU is extremely concerned that the proposed Redeployment Grants Program, as outlined in the consultation paper, is gravely insufficient to address the worker redeployment challenge ahead. We believe that the quantum of grants coupled with the voluntary nature of the scheme means that this program would shift the dial on redeployment only in the most ideal of circumstances; that is, when closures occur in a context of significant and diverse industrial activity generating hundreds of suitable jobs in energy regions. These are not the circumstances surrounding the next two expected coal power station closures, Eraring and Yallourn. The Latrobe Valley in particular is facing a dearth of investment in new industry to replace coal power jobs, while timeframes for new industry in the Hunter region lag the power station's closure date.

The Redeployment Grants Program should not be approached as a 'one size fits all.' Incentives that may be sufficient in one set of circumstances surrounding a closure may be woefully inadequate in another, and the program cannot be relied upon alone to create the promised bridge to new employment that power station workers need and deserve. Our below responses to the consultation questions address the detail of the NZEA's proposed Redeployment Grants Program design.

## **Objectives**

- *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?*

The language of the objective should be strengthened by focusing on the role of the redeployment grants program in coordinating and facilitating – not just supporting – the successful transition of employees into suitable ongoing employment.

Though we agree with the proposed outcomes, we consider them to be actions rather than outcomes, and to be lacking in ambition. As currently proposed, a mostly unsuccessful redeployment scheme could be considered to have achieved the outcomes even if only a small minority of participating employees were placed into new roles. Incentivising businesses to participate in the EIJP as receiving employers and supporting the delivery of early retirement packages to create vacancies are important actions for the redeployment program – but the primary outcome that the program should be directed towards is the facilitation and coordination of a workforce transition which successfully redeploys the majority of participating employees.

Coal power station closures impact hundreds of workers, requiring a structural response that can coordinate the transition of large cohorts of participating employees to new jobs by creating tangible redeployment pathways for them. With such narrow outcomes as those proposed by the consultation paper, there is a risk that the redeployment program is approached by the NZEA as a backstop option for a small number of participating employees, rather than the central component of the EIJP with broad application across the majority of participating employees.

## **Eligibility**

- *To what extent do you agree with the proposed eligibility criteria for participating employers (alignment to receiving employer guidelines, geographical proximity, industry, ongoing roles)? Are there other factors which should be considered when determining employer eligibility?*

We broadly agree with the proposed eligibility criteria for participating employers. We encourage the NZEA to pursue other coal power stations, with later closure schedules, to become receiving employers. Other coal power stations proximate to the closing employer would provide the most suitable redeployment pathway for later-career participating employees who need to work a few more years before contemplating retirement and for whom retraining for an entirely new career is not appropriate.

We note the guidelines allow the CEO of the NZEA to consider factors including ‘the nature and extent of any corporate relationship between the receiving employer and a closing or dependent employer’ when specifying receiving employers. We understand that this consideration would help ensure that closing and dependent employers do not receive incentive grants to make redeployments that they would have made anyway in the absence of those grants. However, we

expect that certain dependent employers, particularly dependent coal mines, may operate other mines or facilities that are suitable destinations for redeployment of participating employees, but would require grant assistance to create the necessary vacancies via early retirement packages. This guideline should therefore not be misused to prevent such employers from being specified as receiving employers.

- *To what extent do you agree with the proposed eligibility criteria for participating employees (e.g. employer must be specified in determination)? Are there other factors which should be considered when determining participating employee eligibility?*

The proposed eligibility criteria for participating employees leaves a significant loophole which may unfairly prevent directly affected workers from accessing suitable redeployment opportunities created by the EIJP, solely because their employer was not included in a Community of Interest determination. This is an issue that we highlighted in our September submission to the ongoing statutory review of the EIJP, as well as our July submission to the Earing EIJP consultation.

Access to skilled and motivated workers is a key incentive for receiving employers to participate in the EIJP. If some closing and dependent employers are excluded from a Community of Interest, and therefore access to suitable workers through the grants program is more limited, this could reduce the incentive for potential receiving employers to participate in the EIJP.

Our firm position is that all closing and dependent employers must be specified in the Community of Interest Determination for each closure. If changes were made to the EIJP framework to ensure this, the proposed eligibility criteria in the consultation paper would be appropriate. However, given Community of Interest Determinations can currently be made with only partial coverage of employers who employ directly impacted workers, the eligibility requirement for participating employees must be broadened for the purposes of the redeployment grants program. Under the redeployment grants program, receiving employers should be able to receive a grant for taking on any worker directly impacted by the power station closure, including those whose employers were excluded from a Community of Interest.

The NZEA should maintain its connections with transition employees for several years after closure to assist them in identifying and accessing job opportunities which may arise at a later time (e.g., roles in new industries as they become established). This ongoing guidance and support is particularly important for transition employees that were not redeployed into suitable ongoing roles at the time of closure.

## **Proposed conditions for hiring incentive grants**

- *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)?*

The proposed conditions for hiring incentive grants are appropriate, but the role for the NZEA in facilitating the grants should be more expansive. The NZEA should take a more proactive role in matching receiving employers to participating employees, beyond simply providing information on eligibility, publishing lists of employers, and administering an online jobs board. There is an opportunity for the EIJP Job Coordinator to play an active role in job matching and supporting workers and employers to identify suitable opportunities.

- *To what extent do you agree with the proposed payment structure and timing of the hiring incentives (i.e., open 4-6 months prior to closure, payments at 4 weeks and 12 months)? What other timing or payment structure models should be considered?*

\$10,000 per worker is a modest grant and we expect that it may assist in directing receiving employers towards participating employees to fill roles they were already intending to hire for. We do not expect a grant of this size would facilitate the creation of new jobs.

We recognise that the timing of the grants process is challenging to get right. While we understand that, for the most part, job opportunities and hiring activity for most participating employees are unlikely to occur earlier than 4-6 months prior to the power station closure, we do not think the grant rounds should be limited to this late stage. There is a need for earlier grant rounds to support the hiring of workers made redundant earlier on in the closure process (e.g., upon partial closures of generating units). To give workers certainty and direction in their retraining and upskilling choices, connections with potentially suitable receiving employers should also be built well in advance of hiring grant rounds.

Having participating employees commence at a receiving employer upon closure or at an earlier time agreed between both employers and the employee is sensible and assists workers in being able to plan for their futures with greater confidence, and without the fear that job opportunities will pass them by while their skills are still needed to operate the closing power station. By providing certainty around the date of redeployment, this arrangement also supports workers to access the redundancy packages to which they are entitled from their closing or dependent employer – a critical safety net that will help workers navigate changes in income experienced during their transition.

## **Proposed conditions for early retirement grants**

- *To what extent do you agree with the proposed conditions for the early retirement grants (e.g., open 4-6 months prior to closure, 55+, independent financial advice, 50% contribution capped at \$80,000, any industry, fill an ongoing role)? 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?*

The proposed design of the early retirement grants will do little to reassure power station workers in regions where there are few or no new jobs in the pipeline and proposals for new industries have barely progressed. The NZEA should be empowered to coordinate large-scale redeployment and early retirement schemes, but the consultation paper's proposed conditions are narrow and prescriptive.

The limited funds proposed for administering the entire redeployment grants scheme, including the early retirement component of the scheme, compound the issues created by the voluntary nature of receiving employer participation. If the Government intends to proceed with its 'carrot-only' approach of incentivising voluntary participation for receiving employers, it will need much stronger incentives than the 50 per cent contribution to a cap of \$80,000 which is proposed here. The voluntary approach and limited grant funds will result in a piecemeal redeployment scheme that supports only a handful of redeployments, rather than a comprehensive program that can successfully coordinate the redeployment of a large power station workforce.

The Authority should tailor its approach to early retirement grants on a case-by-case basis, rather than imposing the same grant amounts and conditions on all potential receiving employers. To set up the most effective redeployment pathways, larger grants (and/or Government contributions greater than 50 per cent) should be an option where necessary to create vacancies at the most appropriate receiving facilities, such as neighbouring coal power stations.

For example, in the Latrobe Valley, it is critical that a substantial number of vacancies for displaced Yallourn workers are created through early retirement at Loy Yang A and B. With no new major industrial facilities in the Latrobe Valley slated to be operational by 2028, all efforts must go towards establishing redeployment pathways to the remaining power stations. Waiting for receiving employers to volunteer for a modest and prescriptively designed grant scheme will not deliver a just transition for Yallourn workers – or for any other power station workforce where appropriate alternative employers are not established.

The Government needs to cooperate with state governments and use multiple levers to create redeployment opportunities. Unions have advocated for and welcomed the Government's focus on industry policy and regional investment. These important initiatives should be leveraged to direct investment in job creation in transitioning regions. Conditions should be placed on projects receiving Government support (including through procurement policies or Future Made In Australia initiatives), requiring their participation in local EIJs as receiving employers. State government control of mining leases offers another avenue to secure redeployment opportunities in the mining industry, or as part of rehabilitation and productive post-mining land uses.

Other proposed conditions for administering early retirement grants are broadly appropriate, including an eligibility age of 55 years, ensuring independent financial advice for workers considering taking early retirement, and the payment of grants to employers after the package has been paid to the retiring worker and the redeployed worker has been engaged for at least 12 weeks. Connections must be established between transition employees and prospective receiving employers well in advance of 4-6 months prior to closure. We support the requirement for vacancies to be in ongoing roles, and encourage the NZEA to focus on receiving employers in industries which suit the skills and aptitudes of participating workers.

- *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?*

Other options for transitioning employees should not be exhausted before offering early retirement grants. The scale of change to the local labour market due to a power station closure, and the challenge of coordinating the redeployment of hundreds of displaced workers, requires that all pathways be fully pursued by Government to ensure the greatest possible prospects for a successful workforce transition.

We don't expect that the proposed measures will lead to unintended labour force outcomes. Given the voluntary nature of participation for both receiving employers and employees eligible for early retirement, we don't expect that early retirement grants would lead to an exacerbation of workforce shortages. Those employers struggling with labour shortages would not require early retirements to create job vacancies for participating employees – and would therefore be ideal candidates for the hiring incentive grants. Similarly, concerns about incentivising skilled workers to retire in an environment of workforce shortages are misplaced, as there is nothing preventing workers who have received an early retirement package from seeking employment from a different employer.

- *What level of demand would you anticipate from employees in receiving employers to access early retirement provisions?*

Redeployment opportunities for participating employees should be sought from any industry that can offer well-paid, ongoing, quality jobs suited to an experienced blue-collar workforce. Some of the best-suited local receiving employers for workers impacted by coal power station closures will be other employers in the coal industry, including export coal mines and neighbouring coal power stations and their dependent mines. In regions like the Hunter and Central Queensland, the export coal industry will remain the major blue-collar employer well into the 2030s at least. Meanwhile, regions like the Latrobe Valley have a deeply concerning lack of new industries and jobs in the pipeline and so pooled redeployment to other coal power stations (and dependent mines) with later closure dates will be required.

The MEU recently commissioned focus group research into the experiences of our members in coal mining and coal power, including their future expectations and the impacts of industry transition. This research identified that the 'late career' cohort of workers in their 50s and above were focused on setting themselves up for retirement. Where they see receiving a redundancy payment as a possibility in the future (e.g., due to an expected site closure), the priority of late career workers is to maximise this payment to offset any reduction in years worked.

In this context, we believe that coal industry workers over the age of 55, including at sites not slated for closure, may be interested in taking-up early retirement if they believe that the package they receive would set them up financially to finish working.

Redundancy provisions in enterprise agreements for coal mines and power stations are generally higher than standards in other industries. Minimum redundancy provisions in Black Coal Mining Industry Award are higher than the National Employment Standards in recognition of the volatile nature of the coal industry – with at least four weeks' notice and retrenchment pay of two weeks per year of service (capped at 30 weeks) on top of base severance pay of one week per year of service. Agreements negotiated by the MEU typically provide for redundancy provisions significantly higher than Award minimums. At a number of power stations, we have negotiated redundancy entitlements with caps nearing – and sometimes exceeding – 100 weeks' pay.

Although the consultation paper does not propose how receiving employers should calculate early retirement packages for workers, our expectation would be that any worker taking an early retirement package would receive at least the equivalent of their above-award enterprise-bargained redundancy entitlements. We consider that this would be the minimum amount required to incentivise a worker in our industries to take an early retirement package, especially for workers younger than 60. If retirement packages equivalent to voluntary redundancy packages were offered, we expect that there would be reasonable uptake – especially from those in physically demanding roles or with long service.

For example, in 2017 there was considerable interest in early retirement from workers at Loy Yang and, indeed, at Yallourn to create vacancies for displaced workers as part of the Hazelwood Worker Transfer Scheme. The early retirement packages in this scheme were calculated at 3 weeks' pay per year of service with a cap of 52 weeks' pay. This proved to be an attractive package for workers nearing retirement in 2017, which was at least a decade before the possibility of receiving a redundancy package due to their own worksite's closure.

For workers in other industries, the choice to accept an early retirement package would entail different considerations. In industries where closure and redundancy are not on the horizon, or where typical redundancy entitlements are more modest, early retirement packages would not be 'in competition' with expected redundancy pay-outs. This would make possible early retirement packages more attractive to late-career workers.

- *What are the potential barriers for employees to access early retirement and what additional supports or protections may be needed?*

The proposed conditions for accessing the early retirement grants, including its voluntary nature for workers and the requirement for independent financial advice, ensures that workers considering accessing early retirement provisions are able to make an informed choice. Receiving employers should invite expressions of interest in early retirement from their workforce prior to raising the topic with any individual worker to ensure that workers do not feel pressured and can make an independent decision.

Early retirement packages which are lower in value than a worker's redundancy entitlement would be the clearest barrier preventing workers from seriously considering the option. The tax implications of accepting an early retirement package instead of an expected genuine redundancy payment would also weigh into workers' decisions. Receiving employers and the Victorian Government applied to the ATO to ensure that early retirement packages under the Hazelwood Scheme would be subject to tax arrangements applicable to genuine redundancies.

Nonetheless, our experience with the Hazelwood Worker Transfer Scheme found that the most decisive obstacle to the success of the scheme was not worker interest in early retirement, but company refusal to accommodate worker interest. The Hazelwood scheme garnered approximately 250 expressions of interest in early retirement across the neighbouring Latrobe Valley power stations, but employers accepted only 90 for early retirement despite committing to a goal of 150 worker redeployments. Further, and of great concern, MEU members reported that transitioning Hazelwood workers who had been vocal advocates for workers' interests, including union activists, experienced discrimination during the redeployment process and were not successful in securing positions despite their extensive experience. Government investment in redeployment incentives must come with a commitment to transparency, fairness and protection against hiring discrimination.

The redeployment scheme is the most important component of the EIJF framework. The success or failure of an EIJF will hinge on the ability to redeploy workers into quality jobs in their local regions. Workers are currently extremely worried about their futures, with promised new industries still in the distant future despite closure dates moving ever closer. Alongside urgent investment in new industries and economic diversification for coal power regions, the NZEA and Government must lead the development of redeployment schemes, utilising all available levers and applying pressure to receiving employers. The proposals for the redeployment grants scheme are far too modest and prescriptive to facilitate the large-scale redeployment of displaced workers that is required.