



By your side



# Joint Torrens Island Union Submission

Written submission to the Net Zero Economy Authority on the Energy Industry Jobs Plan.



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# Introduction

Unions representing workers across Torrens Island Power Station view the Energy Industry Jobs Plan as necessary to adequately support workers at the Torrens Island Power Station.

The Torrens workforce provide essential services to South Australians and the national electricity grid and will be required to maintain the safe operation of the plant up until closure. It is in the public interest to ensure these workers are supported to transition into secure work following closure to keep these highly skilled workers working within South Australia. The Energy Industry Jobs Plan is an essential step in achieving this and is aligned with the objectives of the Federal Government and the Australian Parliament in legislating for a national Net Zero Economy Authority following years of campaigning by Unions throughout Australia.

The following Unions make up the “Single Bargaining Unit” (SBU) at Torrens Island, representing the workers affected by closure and endorse this submission:

- Australian Services Union SA+NT Branch;
- Australian Manufacturing Workers SA Branch;
- Communications, Electrical and Plumbing Union South Australia;
- Australian Workers Union SA Branch; and
- Professionals Australia

Establishing an Energy Industry Jobs Plan for Torrens Island strongly aligns with the Object of the Net Zero Economy Authority Act, by helping ensure the region, its communities and workers are supported to share the benefits of the net zero transition.

## Torrens Island and its Workforce

Torrens Island Power Station is South Australia’s largest gas-fired power station and has operated for nearly 60 years and long before privatisation. There are 130 directly employed workers onsite, in addition to a substantial number of indirectly engaged workers, who have served South Australia and the national electricity grid for decades with the power station providing secure and well-paid employment for generations.

The workforce is highly skilled, and the Unions understand approximately 80% of the current workforce will be seeking to continue employment following closure on June 30, 2026. That is, the SBU expects over a hundred AGL employees will become ‘participating employees’ in a community of interest established by the NZEA. This number does not include employees of dependent contractors, at least a number of whom would also seek to become ‘participating employees’.

Feedback from members on site is that despite existing supports negotiated by union members with AGL during Enterprise Bargaining there remain several gaps in available transition support that make the establishment of an Energy Industry Jobs Plan Community of Interest covering Torrens Island essential.

Closure was announced in November 2022. With just 16 months until closure, the clock is ticking for additional supports to be put in place to support these highly skilled workers to transition into alternate employment that is both secure and well-paid. Workers at Torrens Island deserve the support of the new Net Zero Economy Authority and an Energy Industry Jobs Plan.

# Inadequacy of Current Transition Supports

The SBU maintains that the current transition supports on offer are inadequate to facilitate re-employment for both AGL employees and employees of dependent contractors, as set out below. Existing supports are limited to the direct-hire workforce and will not assist employees of contractors at all. Moreover, the AGL supports for direct-hire workers are not sufficient in themselves to achieve optimal re-employment outcomes for its workforce.

Due to the closure being announced during Enterprise Bargaining, Union members were able to negotiate improved transition arrangements with AGL. These include:

- Additional 8 weeks redundancy for all workers employed until closure
- Individual training plans with a budget of \$5000 for each transitioning employee
- The establishment of a Transition Working Group with Unions, AGL and workers to consult on transition arrangements

The above outcomes were negotiated within the limitations of an Enterprise Bargaining framework.

Despite the efforts of the SBU, the Torrens Agreement does not provide for:

- Equivalent training budget above \$5000 to what is provided to AGL power station workers interstate.
- A commitment to extend the scope of the Enterprise Agreement to AGL owned Barker Inlet power station or renewable projects operating on site. This would ensure existing employment conditions continue for any workers continuing to work on the Island after the closure of Torrens B station. This is despite Barker Inlet currently being operated by the Torrens Island workforce and the Torrens Island Battery maintenance being contracted out to another company.
- The provision of paid leave to attend the training courses enrolled in by workers with their training budget
- The provision of voluntary early retirement packages from AGL to current workers

Beyond the above, the current enforceable supports in the enterprise agreement are minimal. 'Pre-privatisation' employees have right of return to the workplace of the SA Government pursuant to Section 24 the Electricity Corporations (Restructuring and Disposal) Act 1999 (SA), but this applies to only a small portion of the current workforce.

Employees have a right to seek an early separation within the last 12 months of the closure of AGL Torrens Island (s16.3, AGL Torrens Island Pty Ltd Enterprise Agreement 2023) however the Enterprise Agreement provides only a right to request. There can be no certainty for employees who may be able to obtain new employment that this request will be properly considered by AGL.

Without the powers of the Authority, the unions representing the workforce anticipate that there will be a divergence between the business needs of the employer and its ability to provide for an orderly transition of employees to new employment opportunities. The powers of the Authority are required to facilitate a coordinated transition of impacted employees with related employers in region.

The local Transition Working Group is no replacement for the Net Zero Economy Authority and the Energy Industry Jobs Plan. To date, it has provided a forum for information sharing, feedback and input between AGL, Unions and the workforce, but its scope is limited and has not resulted in engagement with potential employers to facilitate an orderly transition despite repeated requests from the Unions and workforce.

The need for additional supports for employees of dependent contractors is just as pressing, as they will not be entitled to the benefits afforded by the AGL Enterprise Agreement.

The feedback from members on the current supports being provided is that there are clear gaps with the current approach that could be vastly improved by the implementation of the Energy Industry Jobs Plan.

A community of interest determination will provide the impetus and the forum for serious consideration of the gaps in existing supports, in the presence of all worker representatives and both the operator and the dependent contractors. With the facilitation of the NZEA, the SBU is confident that sensible agreements are likely to be reached to assist both workers to find decent alternative employment and employers to meet their transition obligations to the local community, without undermining operational requirements.

**“ AGL support is really just a tick box exercise. Yes, they have the new transition hub and will have various expos (need to wait and see what they bring). However, their input into individuals is minimal and the transition plans are really just a paper exercise to say we have covered this, they are very basic, and all accountability is on the employee.**

— Union Member.

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The current supports available to the Torrens workforce will result in the 80% of the current workforce who have identified that they want to continue working to be left to compete in the broader South Australian labour market, with a largely self-directed approach to retraining with the funds that are available. Not establishing an Energy Industry Jobs Plan would result in similar outcomes to other industrial closures. The current lack of coordination and proactive engagement with potential employers is leaving the Torrens workforce on the back foot ahead of closure. Research by Jobs and Skills Australia into the South Australian labour market has found that the number one source of recruitment in South Australia is word of mouth (28%)<sup>1</sup> - ie a direct connection between the business and worker. Workers who in many cases have worked at Torrens for significant periods of their careers will need more support than is on offer from their employer to facilitate new jobs in comparative industries and roles.

**“ Torrens will be a difficult transition...there is no other big power station to go to and limited heavy industry...I do not even know what jobs may be suitable or whether employers would consider me for the positions I think may be suitable.**

— Union Member.

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<sup>1</sup> Jobs and Skills Australia, Recruitment Experiences and Outlook Survey, Greater Adelaide, weighted data. 12 months to July 2024

While the existing Enterprise Agreement conditions provide some supports, its provisions fall well short of the objective of the Act to “ensure...workers are supported to manage the impacts, and share in the benefits, of Australia’s transition to a net zero emissions economy”.

## Necessity of a Torrens Island Community of Interest under the Energy Industry Jobs Plan

Unions at Torrens Island and our members see a clear role for the Authority and the Energy Industry Jobs Plan to support a smoother transition for impacted workers at Torrens Island Power Station.

When considering the objects of the Act, we consider it is most appropriate for an application by the Authority to be made. There is a clear requirement for the Authority to ensure the South Australian community and Torrens Island workers are supported to manage the impact of the closure of Torrens Island Power station.

Additionally, the announcement being made prior to the establishment of the Authority means the application ought to be made to ensure there is an orderly and positive economic transformation. Torrens is South Australia’s largest baseload power station and so it is appropriate for the Authority to seek to make an application in order to satisfy the objects of the Act.

The establishment of the Energy Industry Jobs Plan over Torrens Island Power Station would enable:

- Improved engagement with potential employers in a coordinated manner to connect transitioning workers with potential employers in coordination with the operating requirements of the power station until closure
- Improved coordination of training opportunities
- Improved ability for workers, particularly shift workers, to engage on paid time with training opportunities
- Improved engagement with identified ‘dependent employers’ and their workforce in the transition process

It will also provide some level of certainty for the workforce. Already members are reporting an increase in health and safety incident reporting following the announcement of closure. Certainty for the workforce will support the safe operation of the power station until closure.

### *Potential Employer Engagement*

Unions and our members have consistently identified a need for earlier and better coordination by AGL of opportunities to connect transitioning employees with potential employers and to coordinate training opportunities around these potential future jobs.

The requirement of AGL to retain all current workers until closure for the ongoing safe operation of the power station has prevented this early engagement from meaningfully occurring. The establishment of the Energy Industry Jobs Plan would allow for this process to be coordinated in a way that:

1. Ensures AGL has the required workforce until closure
2. Identifies potential employers who can be incentivised to take on workers and/or provide early retirements to create opportunities for Torrens workers
3. Enable Torrens workers to better utilise training funding to retrain and reskill to match potential future jobs

Unions have identified within our own membership opportunities for employers to be proactively engaged with ahead of closure both within and outside of the local energy industry. A list of identified employers is provided at Appendix One.

The highly skilled nature of the Torrens Island workforce means that with relevant retraining opportunities and active coordination workers wanting to continue their career could do so locally. Connecting the workers with these employers and proactively incentivizing them to hire or create positions through early retirement within their existing workforce is not within the power of AGL or the SBU alone –only the establishment of an Energy Industry Jobs Plan could achieve it.

The cohort of employees working as operators who were previously utilising their trade qualifications are likely the highest risk cohort within the Torrens workforce due to the limited number of similar jobs in the South Australian labour market and the considerable amount of time since they were last employed in a trade-based role. Neighbouring power stations including Pelican Point and Osborne and SA Power Networks and Electranet all have small 24/7 shift workforces performing similar work. The size of these small workforces means that without an Energy Industry Jobs Plan and the incentivisation of early retirements and proactive engagement with the potential employers it is unlikely that job openings will be available for the Torrens workforce.

It is the view of the unions that there is significant capacity of other employers in the geographic area of Torrens Island to offer employment to Torrens employees with the support of the Authority in a way which would not occur if left to the free market.

**“ I have no idea what employers there are out there and what roles they have. I have an Electrical and Instrumentation Trade background but have not been on the tools for over 12 years now.**

— Union Member.

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Within South Australia opportunities for redeployment within AGL are limited. Some positions are likely to arise from the ongoing operation of Barker Inlet Power Station on site, renewable projects and some other roles within AGL’s broader business operations but not to the scale that would support widespread redeployment of the Torrens workforce. The situation requires the Energy Industry Jobs Plan to coordinate employment opportunities within the broader South Australian labour market.

**“ I personally have suggested to AGL that these companies are given an opportunity to speak with Torrens employees about what opportunities they may have moving forward but this has yet to come to fruition. As a worker that has never been retrenched it is difficult to know what skills are required outside of Torrens, particularly after being in this role for nearly 20 years.**

— Union Member.

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With the support of the Energy Industry Jobs Plan not only can the highly skilled Torrens Island workforce be placed into comparative roles utilising their skills – they can be placed in roles with secure, well-paid work with comparative Enterprise Agreements.

**“ I fully expect in any new employment I will be on a lower remuneration and have less benefits than what I have at Torrens...without doubt this will give individuals an understanding of what is out there, what employers are looking for and potential timeframes for recruitment.**

— Union Member.

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### *Training Coordination*

Members have raised feedback that the lack of engagement with potential employers have left them “flying blind” on how to best spend their training budgets.

The establishment of the Energy Industry Jobs Plan would provide additional support directly to workers to better organise their training for future employment.

Union members on site have consistently raised with the Unions uncertainty and anxiety on where and how to spend their existing training budget due to a lack of understanding of the skills needs of potential employers. A number of workers on Torrens Island have worked at Torrens for a significant period of time. This means a number of workers feel their skills have become site specific and need more guidance and support to update existing skills and qualifications to best position them for employment post-closure.

There has been an ongoing issue coordinating existing site transition supports and opportunities to enable the participation of the shift worker part of the workforce (Operations). Feedback from members has been that due to the 24/7 nature of shift work the scheduling of stand-alone events has prevented workers scheduled to be on night shift to be able to attend the day. A lack of local transition events being repeated to enable participation across multiple shift groups or coordinating them with existing training day has limited participation from the operations work group.

**“ Inadequate use of training days, lack of training opportunities, minimal allocations of funds to train, courses not catering for shift workers, training within own time.**

— Union member on current gaps in training opportunities ahead of closure.

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## *Dependent Employers*

To date, there appears to have been limited engagement with other employers on Torrens Island who are likely to be substantially impacted by the closure.

The Torrens Island Unions have identified potentially impacted workforces at dependent employers.

Without the Energy Industry Jobs Plan, this auxiliary workforce will also be significantly impacted by the closure and left without any support to transition into new employment.

## *Proposed Geographic Area*

The currently proposed geographic area in the consultation paper should be expanded to include the Local Government Areas of:

- Onkaparinga
- Adelaide Hills
- Mount Barker
- Adelaide Plains Council
- Light Regional Council

This is based on the Unions' understanding of where current employees live and drive to Torrens Island to work. These also fit comfortably within the broad understanding of the labour market of the Adelaide region.

# Conclusion

The joint Unions at Torrens Island Power Station strongly support the Net Zero Economy Authority applying to the Fair Work Commission to formalise and implement an Energy Industry Jobs Plan to support the workforce at Torrens Island Power Station. The SBU considers that establishing a Jobs Plan is entirely consistent with the legislative purpose and in the public interest, helping ensure ongoing jobs in South Australia for the highly-skilled workforce that operate and maintain the station. Union members at Torrens Island actively campaigned for the establishment of the NZEA and look forward to working with the Authority on the next steps in achieving a fair and orderly transition.

# Appendix One – Potential Receiving Employers

- Engie, Pelican Point Power Station
- ATCO, Osborne Cogeneration
- SA Power Networks and Enerven (Utilities Management Pty Ltd)
- Electranet
- Consolidated Power Projects
- Downer
- ASC
- BAE Systems Maritime
- Adelaide Brighton Cement
- Coopers Brewery