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## Submission to Net Zero Economy Authority Energy Industry Jobs Plan closure of Torrens Island Power Station.

### Submission by Dr Caleb Goods<sup>1</sup> and Professor Bradon Ellem<sup>2</sup>

We understand that this consultation process is primarily focused on those impacted by the closure of the Torrens Island Power Station, and the views of a research team based in Western Australia may not be your primary interest. Thus, we will keep our comments brief, but they are informed by many years of research, including for the International Labor Organisation, on just transition programmes internationally, in Australia and most particularly and recently in Collie Western Australia (for a recent publication on this case see: Goods and Ellem, 2024).

Our feedback primarily relates to question 4: 'Would the establishment of an EIJP support a smoother transition for impacted workers and their local community?' Our unequivocal answer to this is 'yes', for the reasons set out below:

1. On average, power station workforces in Australia and in similar countries, such as Germany (Reitzenstein et al., 2020; Sheldon et al., 2018; Bosch, 2023; Galgóczi, 2020), are classified as older workers and so for many impacted workers a strong programme that utilises early retirement packages for workers over the age of 50 or 55 would be highly valuable. This process is best co-ordinated through government agencies (i.e. an EIJP process) in collaboration with industry and unions.
2. As per research above, workers at power stations are highly skilled workers, primarily in electrical and metal trades. There is no doubt, given current labour market conditions, that these impacted workers should have good prospects for finding similar skilled work in the current labour market. Nevertheless, there are some issues that need to be addressed, again best done through a coordinated EIJP process:
  - a. Many certifications and training packages that workers complete in power station settings are run in house and not formally recognised outside the current employer, therefore this needs to be rectified in a systematic way.
  - b. Paid time off work to complete re-certification/training will be essential.

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- c. Paid time off work to undertake job search, training and similar processes to enhance worker employability will also be important in supporting the successful transition of workers before June 2026.
3. The use of early retirement packages and the strong labour market conditions, meaning impacted workers, particular skilled, will be, or already are, moving into new job opportunities, two processes that need to be supported (by an EIJP) if a smooth transition is to be achieved. These two processes do create a tension which is how to support those workers out of the power station while also ensuring the safe and continued operations of the power plant until mid-2026. Retention of workers has been an issue in the Collie Just Transition programme, and one response has been the use of retention bonus, which may well be useful in Torrens Island Power Station.
4. The final point relates to NZEA and the use of EIJP more generally. Given this is the first possible opportunity for an EIJP, we think it would be very wise to apply that process as a test case, as this case is most likely a 'smoother' 'outlier energy workforce transition' compared to the power station closures that are looming across Australia. Torrens Island Power Station is a gas fired power station with a relatively small workforce embedded in a major urban area. In Australia, the vast majority of power station closures over the coming decade will be of coal fired power stations in regional areas. These are fundamentally different transitions. Coal fired power stations have larger workforces and the coalfired power is enmeshed with coal mines where there are significant numbers of coal miners who are more likely to be lower skilled (but reasonably well paid) and for whom the transition will be much harder than those skilled workers in the power plants themselves, i.e. the Torrens gas plant is a much 'easier' transition, than most of the coal fired power stations coming down the line and it would be wise to engage the EIJP process here as a first attempt to smooth the transition of Australia's fossil fuel energy workforce, which should inform the Authority and associated institutions, such as the Fair Work Commission, about the challenge of transition and how to best confront this challenge in different contexts.

## REFERENCE LIST

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