

## Annex Four: Joint Social Partner Memo on Partnership for a Just Transition

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# Partnership for Just Transition

Future of Work Tripartite Forum

June 2021

In collaboration with their workers and governments, companies can support a just transition by ensuring that the jobs they create as they decarbonise their business models are good, decent jobs.

*The B Team. Business Pledge for Just Transition and Decent Green Jobs*

Action is needed now as delay is not only bad for the environment, but it also increases costs, reduces jobs, and makes the necessary transition more difficult in the future

*CTU Director of Policy, Craig Renney.*

There are many exciting opportunities to decarbonise the energy sector, but it will require a huge effort and we will need to ensure the right skills are in the sector.

*Business Energy Council Executive Director, Tina Schirr.*

### **The transition to a low emissions economy presents an urgent challenge...**

When it comes to meeting the challenge of the transition to a low-emissions economy, the future of work is now. Changes to the way we produce goods and provide services are either happening now or are already overdue. The pace of this change is accelerating and change without engagement and planning leads to disadvantage for the already vulnerable.

He Pou a Rangi, the Climate Change Commission, has recently released their final advice to Government, setting out an evidence-based path for New Zealand to meet our domestic and international commitments to reduce carbon emissions.

In their submissions to the Commission, both Business and Unions have indicated broad support for the path the Commission has charted, while also drawing attention to areas of particular challenge and urgency for action to ensure a just transition to a thriving low-emissions economy.

In their submission to Commission, the CTU wrote:

The CTU supports a Just Transition to a low-emissions economy. This means that substantive and ambitious action needs to start now to transform New Zealand's economy and to make sure that all working people have opportunities for decent work in sustainable industries. A Just Transition

requires an approach that includes participation of working people through their unions in decision making from the outset, in a process that spans enterprises and industries.

Submissions from CTU-affiliated unions also voiced the strong support of working people for a Just Transition, including by ensuring continuity of public services and support for communities in transition, education and skills development to meet future workforce needs, promoting strategic public investment in low-emissions energy and transport infrastructure, and guaranteeing good employment standards in all aspects of the transition.

In a joint submission, the Sustainable Business Council and Climate Leaders Coalition wrote:

We agree that the transition to a low-emissions and climate-resilient society needs to be well-signalled, equitable, and inclusive in order to maximise the opportunities, minimise disruption and inequalities, and be enduring as a result. This will require proactive, transparent, and co-developed localised transition planning.

To achieve this future for New Zealand, it is critical that consideration is given now to what new skills, knowledge, and capability will be needed in the current and future workforce. Jobs, education, and training is an area that we think requires further analysis. Business, as a partner to government in ensuring an equitable transition, can offer insights to support the development of a vision for the workforce of the future, identify enabling policy and skills transition pathways to support the transformation of key sectors, and provide signalling on future skill needs to help employees adapt to the changing nature of work and the labour market.<sup>1</sup>

To meet the emission-reduction targets set by Government, and progress along the path charted by the Climate Change Commission, will require coordinated action by enterprises and engaged workforces participating through their unions, working in partnership with iwi and communities, and with significant funding and investment from local and central government.

If we succeed in meeting this challenge, quite apart from the contribution we will be making to maintaining a liveable climate, we will come through the transition stronger and more equitable as a nation. We will have had the experience of meeting a shared challenge by finding common ground through dialogue, investment and taking action together. In the world of work, our workforces will be more skilled, engaged, and sure of their value as part of productive firms, caring and effective public services, and thriving, prosperous communities.

The Future of Work tripartite forum provides important opportunities for social dialogue to form shared strategies for transition at a national level. In this paper we suggest items for a forward agenda to continue these discussions and connect with regional planning processes, as well as proposing cooperation on an immediate initiative to support workplace engagement on Just Transition.

### **... requiring inclusive social dialogue and decision-making at national and regional scales...**

The Future of Work Tripartite Forum will continue to support a strategic overview and leadership role in promoting social dialogue founded in Tripartite and Tripartite-plus approaches.

In the New Zealand context, social dialogue based on a tripartite-plus approach requires leadership of iwi and hapū Māori as partners alongside business, unions, and government. Further work will be required to

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<sup>1</sup> Sustainable Business Council and Climate Leaders Coalition. 2021. Submission to the Climate Change Commission. [https://www.sbc.org.nz/\\_data/assets/pdf\\_file/0019/214138/SBC-and-CLC-submission-to-Climate-Change-Commission-26-March-2021.pdf](https://www.sbc.org.nz/_data/assets/pdf_file/0019/214138/SBC-and-CLC-submission-to-Climate-Change-Commission-26-March-2021.pdf) p18

build this partnership capacity into the Future of Work Tripartite forum, including through liaison with already existing national forums for Māori leadership and iwi-Crown relations.

In pursuing social dialogue for Just Transition there is much to learn and build on from the Taranaki 2050 process that can be applied in other regions and at the national level. The Taranaki 2050 process was a consultation exercise led by Venture Taranaki to co-design a roadmap and sectoral plans for transition. In the process of identifying emerging needs, gaps, and opportunities for economic transitions, the participants in the process developed relationships that have endured beyond the initial exercise. The Taranaki process has now evolved into a regional social partnership founded on seven pou: iwi, unions, business, education, community, local government, and central government. Each pou is now represented on a leadership group, Ngā kaiwhakatere o Taranaki, that has taken ownership of shared efforts to fund, implement and continuously develop the regional transition strategy and plans.

### **... to plan and act for changes in the world of work...**

The Future of Work tripartite forum has an important role to play in ensuring social partners are engaged at a strategic and systems level in coordinating a Just Transition approach to the employment implications of a transition to a low-emissions economy. A Just Transition approach includes planning and action to:

- Ensure comprehensive forecasting and mapping of employment impacts of transitions:
  - Economy wide, by region, by demographics, and by industry
  - Likely job losses and opportunities for job growth
  - Skills gaps and needs in growth areas and emerging industries
  - Understanding of labour market mobility, including alignment of broader infrastructure needs (for example, housing, transport, education and health) in regions of growth.
- Meet the forecast trends with comprehensive transition planning: for the whole economy, for each region, and for each industry (including public services); ensuring that these are compatible and that planners and stakeholders in each are talking to each other.
- Where job loss is anticipated, implement pre-emptive and proactive supports
  - Job placement, career planning and information services
  - Funded retraining with the option for this to be undertaken while still being employed and/or with appropriate social supports.
  - Industry-wide collaboration on skill development and redeployment opportunities, including the potential for multi-employer pooling/transfer and redeployment programs
  - Formal recognition of prior learning, recognition of current competency and other support
  - Ensure that Māori and Pasifika workers, and other groups most vulnerable to economic shocks, are specifically supported and engaged, including through their union structures
  - Engage mana whenua and communities and enable their ability to plan, implement and lead support
  - Ensure that public services, including for employment support, are available where necessary to meet community need, with strengthened capacity and clear service delivery accountability
- Plan to maximise opportunities for decent work in emerging low emissions industries
  - Work proactively to provide and promote training to meet new skills needs at all levels of education
  - Ensure that employment equity is promoted and that specific support is available to ensure that opportunities for decent work are available to Māori, Pasifika, women, youth, disabled people and any other disadvantaged communities.
- Plan and build capacity for support ready to deploy where needed to support workforces and communities in the event of an announced workplace closure or other major change.

### **... engaging businesses and workforces to raise standards and lower emissions...**

Business and unions agree that the Future of Work tripartite forum can play a valuable role in coordinating and supporting the development of Just Transition approaches through workplace and industry partnerships. In our workplaces, in our industries, and through national social dialogue, we can meet our shared goals of productive, rewarding and decent work in low emissions industry by

- Engaging workforces with preparation and planning, including:
  - Investing time, commitment and resources into training for both workers and management in how to engage productively for shared outcomes
  - Creating a high-trust culture and the right forums and processes for engagement, co-design, and sharing of best practice
- Applying workforce engagement processes to the challenges of transition, including:
  - Actively promoting and investing in innovation and initiatives to lower emissions, reduce waste, improve energy efficiency, skills development and productivity

### **Recommendations:**

That the Future of Work Tripartite forum:

1. Agree to establish a tripartite (plus) Just Transition Governance Group, with appropriate secretariat support, for the transition to a low-emissions economy, with responsibility to:
  - a. Take a strategic and system-level view of Just Transition approaches to planning, investment and action in each of the areas where the forum anticipates disruptive change, with a particular focus on workforce transition planning and skill development.
  - b. report on progress and with recommendations to the Forum, and to Ministers as appropriate, to navigate a Just Transition while minimising abrupt labour market and economic shocks
2. Promote regular engagement of social partners and tripartite (plus) cooperation on research and intelligence to inform a Just Transition:
  - c. Request officials to provide secretariat support across relevant agencies to coordinate regular, on-going engagement with social partners, nationally and in regions as appropriate, to support the development of regional and national Just Transition planning.
  - d. Request officials to coordinate joint tripartite (plus) work on research and modelling for a Just Transition, including:
    - i. Further and more refined economic modelling, including employment impacts, and including baseline data collection where needed, of various transition pathways by industry and region with people-centered demographic overlays.
    - ii. International research to inform New Zealand of developments and innovation that can be contextualised to support New Zealand's approach to Just Transition
    - iii. Participatory research with workers and employers on what good outcomes look like for them in a Just Transition, to help define and refine our goals and ensure support and responses are 'in the right way, in the right place and at the right time'. Research design and analysis should include Te Ao Māori perspectives, along with a focus on equity for disadvantaged groups.
3. Agree to establish workplace partnership projects for Just Transition, initially on a trial basis for a limited number of agreed workplaces, with the objectives of:
  - e. Encouraging innovation based on workforce engagement, through:
    - i. Training of workforce Just Transition Representatives. Representatives may be elected, or be existing delegates nominated by a union in the workplace.
    - ii. Facilitating engagement between Just Transition reps and managers to identify opportunities to reduce emissions while promoting a workforce that is skilled, secure, healthy and safe
    - iii. Funding to support the cost of paid time for training and discussion
    - iv. Facilitation of whole-of-workforce forums to jointly present and discuss proposed changes and Just Transition activities

- f. Aligning to existing processes, including the development of Industry Transformation Plans, Workforce Development Councils and Regional Skills Leadership Groups.
4. Establishing a fund, under the oversight of the Just Transitions Governance Group to provide grants for activities that are agreed through the workplace partnership projects and contribute to a Just Transition approach through emissions reduction and workforce development.
5. Strengthen the tripartite approach to employment and skills development as a critical component of a Just Transition, building on the success of Covid response and recovery initiatives, by:
  - a. Establishing the Apprenticeship Boost as a permanent fixture to build technical skills across the workforce;
  - b. Resuming the Forum's work on in-work training and life-long learning with the objectives of:
    - i. providing access to, and support for, vocational education and training throughout people's working lives;
    - ii. supporting business to build capability for on-job training, including appropriate service delivery and supports;
    - iii. supporting the development of the education and skills system, so that at all levels it is responsive to the changing skills and research needed to support business and workers through a Just Transition.
6. Through the Just Transition Governance Group and as a future item for the Forum, develop a shared view of good employment practices to guide government support for Just Transition, including through government procurement and strategic investment.