



NEW ZEALAND COUNCIL OF TRADE UNIONS  
*Te Kauae Kaimahi*

**Submission of the  
New Zealand Council of Trade Unions  
Te Kauae Kaimahi**

**to the**

**Ministry for the Environment**

**on the**

**Zero Carbon Bill Consultation**

**P O Box 6645**

**Wellington**

**18 July 2018**

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## Summary of recommendations

1. That the Zero Carbon Act and the Terms of Reference of the Climate Commission include an explicit commitment to a Just Transition in response to climate change.
2. That a Just Transition requires substantive action to start now and include long-term planning to make sure social and economic costs of transition are spread sustainably
3. That a Just Transition requires support for comprehensive action to reduce all greenhouse gas emissions, with Carbon budgets fixed well in advance to provide certainty and incentivise investment in alternatives.
4. That a Just Transition requires orderly transition plans for affected industries, including comprehensive support for workers whose jobs are affected, including support for retraining and redeployment into decent jobs in sustainable industries.
5. That the Climate Commission include a voice for working people by appointing Commissioners with appropriate experience and expertise, and by convening broad consultative forums.
6. That the Climate Commission consider the impacts, both positive and negative, of transition to a zero-carbon low-emissions economy on working people, and provide recommendations to Government to ensure the transition is achieved in ways that are equitable and fair in the distribution of costs and opportunities.

7. That the Climate Commission make recommendations to Government to ensure that the employment impacts of a transition to a zero-carbon low-emissions economy maximise the opportunities and support for decent work in sustainable industries.

## **1. Introduction**

- 1.1. This submission is made on behalf of the 30 unions affiliated to the New Zealand Council of Trade Unions Te Kauae Kaimahi (CTU). With 320,000 members, the CTU is one of the largest democratic organisations in New Zealand.
- 1.2. The CTU acknowledges Te Tiriti o Waitangi as the founding document of Aotearoa New Zealand and formally acknowledges this through Te Rūnanga o Ngā Kaimahi Māori o Aotearoa (Te Rūnanga) the Māori arm of Te Kauae Kaimahi (CTU) which represents approximately 60,000 Māori workers.
- 1.3. Working people around the world are being affected by climate change now, in their homes, their jobs and their communities. Not everyone will be affected by climate change equally. It is working people and the least well-off who will feel the brunt of climate change, here in Aotearoa, the Pacific, and around the world.
- 1.1. Working people, united through the international trade union movement, have voiced their support for a just transition to a sustainable low-emissions economy in response to climate change.

## **2. Commitment to a Just Transition**

- 2.1. The Council of Trade Unions supports a just transition to a low-emissions zero-carbon economy. Our commitment to a just transition is informed by the recommendations of the International Labour Organisation (ILO) and the International Trade Union Confederation (ITUC).<sup>1</sup>
- 2.2. Our policy commitment to a Just Transition has been formed by a working group of our affiliate unions.<sup>2</sup> In it, we advocate for a coordinated approach for whole

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<sup>1</sup> ITUC. 2017. Just Transition - Where are We Now and What's Next? A Guide to National Policies and International Climate Governance. <https://www.ituc-csi.org/just-transition-where-are-we-now>; ILO. 2015. Guidelines for a Just Transition Towards Environmentally Sustainable Economies and Societies for All. [http://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---emp\\_ent/documents/publication/wcms\\_432859.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_432859.pdf)

<sup>2</sup> CTU. 2017. Just Transition – A Working People's Response to Climate Change. <http://www.union.org.nz/justtransition/>

workforces and communities, rather than support for individuals only, to ensure that New Zealand's transition to zero carbon is managed in a fair and just manner.

- 2.3. At the core of the Just Transition approach is a social guarantee backed by the state that workers in affected industries will be supported through change, including through opportunities to transition into new jobs created in renewable industries and energy generation.
- 2.4. For a Just Transition to succeed, substantive action needs to start now and include long-term planning to make sure the costs are spread sustainably and do not fall disproportionately on future generations of working people. Therefore, the CTU's support for a Just Transition includes support for comprehensive action to reduce all greenhouse gas emissions, with Carbon budgets fixed well in advance to provide certainty and incentivise investment in alternatives.
- 2.5. A Just Transition would require orderly *transition plans* involving the transformation or closure of existing enterprises where necessary and, simultaneously, the creation of new ones or expansion of existing ones which could provide new and decent work for displaced workers and communities.
- 2.6. Transition plans could include industry-wide multi-employer pooling and redeployment schemes which provide retrenched workers with opportunities to transfer to new roles in similar industries.
- 2.7. Transition plans would also need to include labour adjustment packages that support workers in transition into new decent and secure jobs, including:
  - Job placement, career planning and information services
  - Retraining with the option for this to be undertaken while still being employed.
  - Formal recognition of prior learning and other support, such as heavy vehicle licences
  - Financial and personal support sufficient to minimise income loss, and
  - Travel subsidies and relocation assistance.

### **3. Survey Findings**

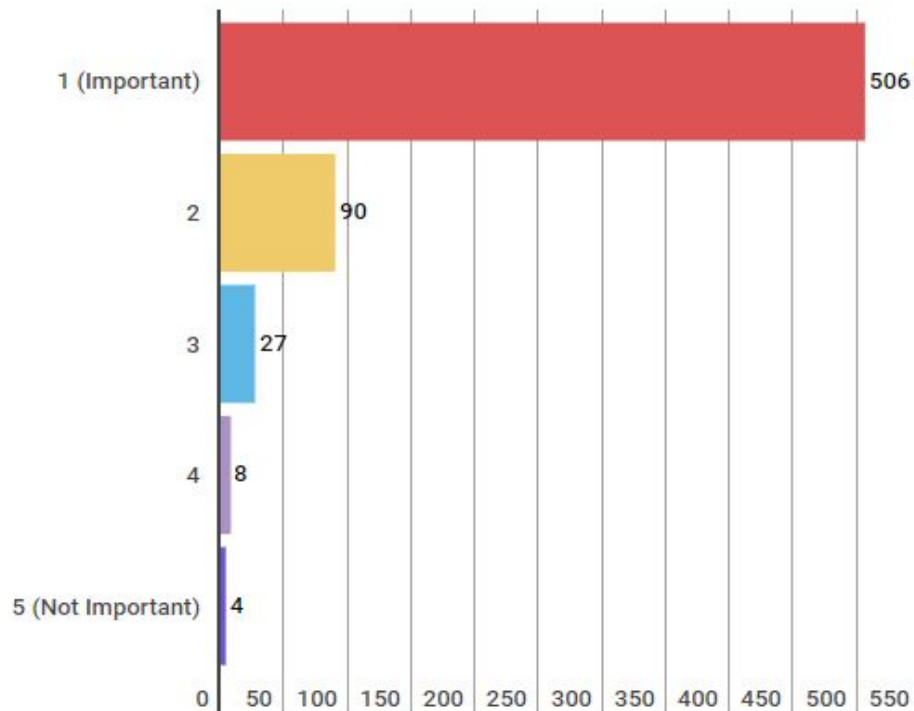
- 3.1. To support this submission, we conducted a survey through our campaigning site Together.org.nz. The survey was promoted through social media and email to union networks and those who had previously engaged with Together campaigns.

- 3.2. The survey received 693 responses. The responses covered a full range of occupations in the public and private sector, in addition to retired and unemployed workers. The largest groups in the public sector were currently employed in Education, Health, and community services. Workers in the private sector included significant numbers in retail, service, manufacturing and transport.
- 3.3. The survey results demonstrated a strong mandate from union members and those who have supported our campaigns in the past, in support of the core CTU positions on a Just Transition. Results are presented in the thematic sections below.

#### **4. A voice for working people**

- 4.1. To build support for action on climate change, the Climate Commission needs to be given a Terms of Reference that includes broad consultation with the public, including working people and their unions. This could include convening regular meetings of a public stakeholder forum.
- 4.2. To build public confidence and engagement in a just transition, the Commission will need more than technical expertise. The CTU calls for the appointment of Commissioners with strong connections to working communities, including Māori and Pasifika, and with industry and workforce planning experience. The Commission will also need sufficient capacity, including support staff with appropriate experience, to consult and make specific recommendations on the industry and workforce planning necessary to achieve emissions reduction targets.
- 4.3. Responses to our Just Transition survey showed strong support for a voice for working people in the design of the Zero Carbon Act and the Climate Commission. Respondents were asked: 'How important do you think it is that working people, and their unions as representatives, are a central part of the transition to a sustainable economy?' On a five-point scale, 80% of respondents answered '1' for Important and 14% indicated '2' for quite important.

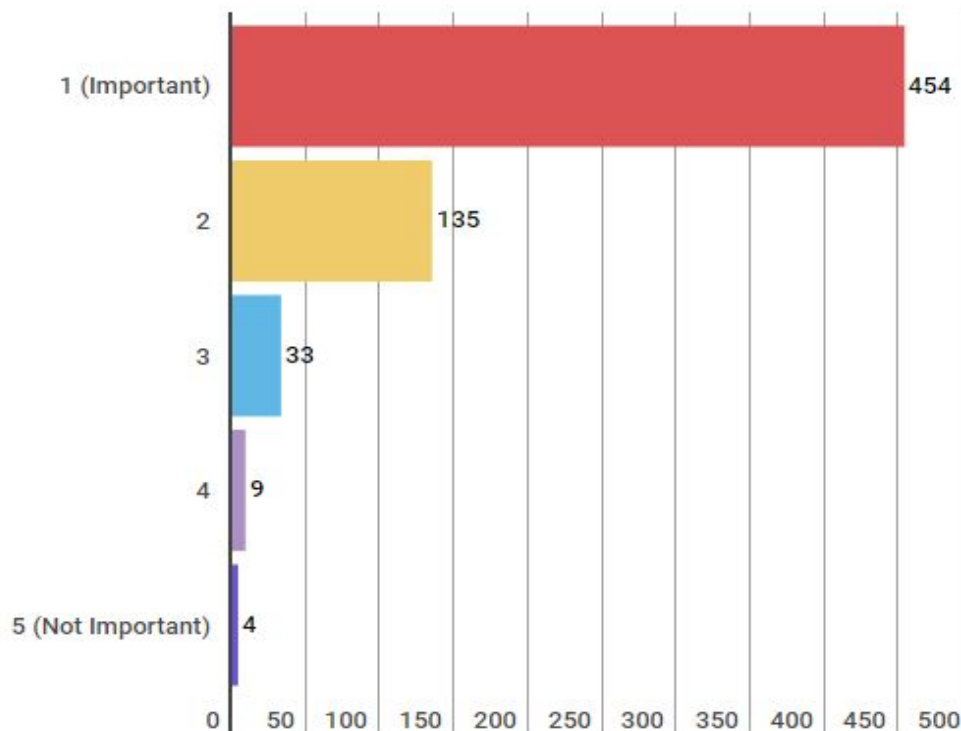
How important do you think it is that working people, and their unions as representatives, are a central part of the transition to a sustainable economy?



## 5. Anticipate and measure impacts on working people

- 5.1. The Commission will also need to consider the equity, fairness, and distribution of impacts in how the transition to a zero-carbon low-emissions economy is achieved.
- 5.2. Results of our Just Transition survey strongly endorsed the need to consider the costs and impacts for working people, including employment and incomes, in planning the transition to a low-emissions zero-carbon economy. Asked to rate the importance of these impacts being considered in transition planning, 72% answered '1' for important and 21% answered '2' for quite important.

The Government talks briefly about the impact of zero-carbon legislation on working people, costs, income and jobs in this round of consultation. How important do you think it is that these ideas and impacts are specifically included in the law that sets out how we will make the transition?

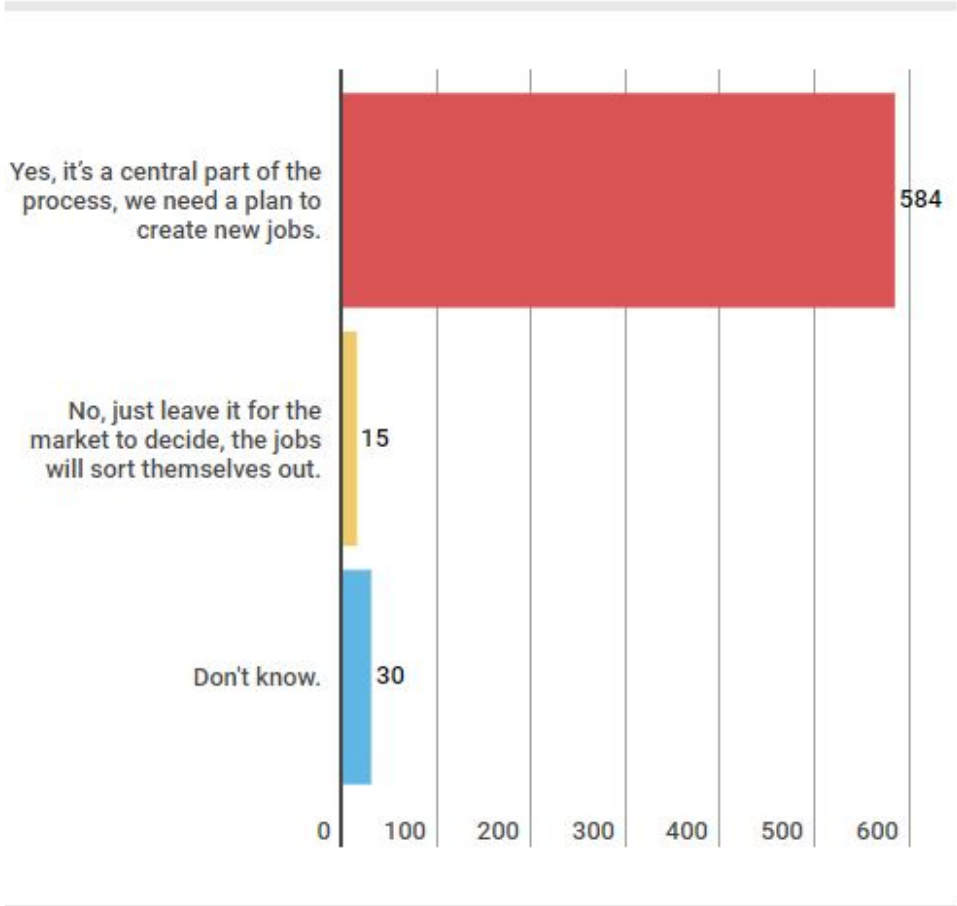


## 6. Support for jobs in sustainable industries

- 6.1. As part of a Just Transition, new job opportunities in the low carbon economy and the transformation of existing jobs and industries should be promoted through public and private investment in low-carbon development strategies and technologies.
- 6.2. Our Just Transition survey showed very strong support for government action to promote sustainable jobs. Participants were asked: 'Do you support government actively kickstarting sustainable industries that have good jobs alongside limiting damaging emissions, through things like the Provincial Growth Fund?' In response, 93% indicated support for the statement 'Yes, it's a central part of the process, we

need a plan to create new jobs.’

Do you support government actively kickstarting sustainable industries that have good jobs alongside limiting damaging emissions, through things like the Provincial Growth Fund?

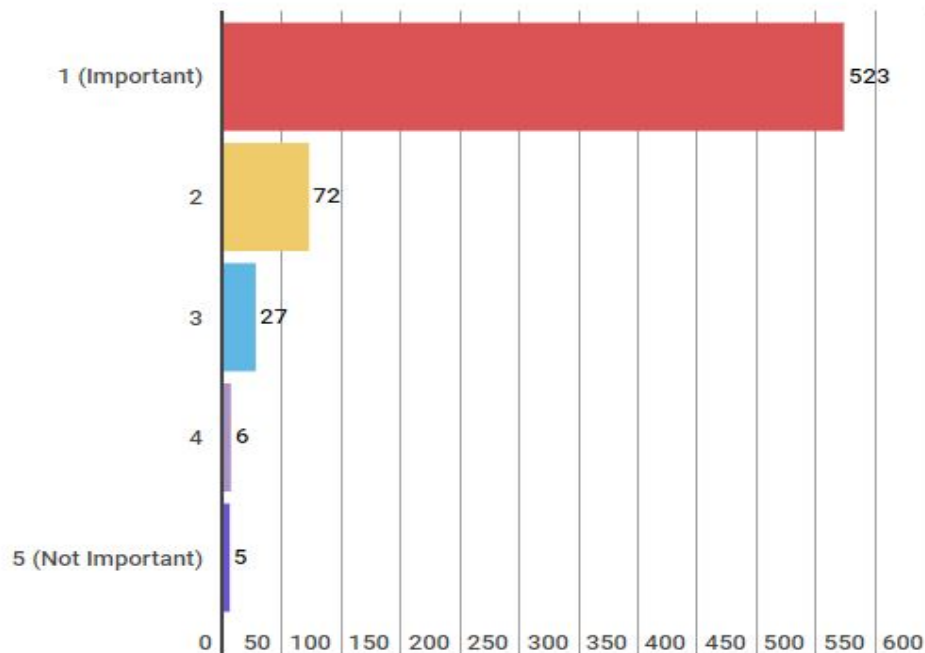


**7. Support for decent work**

- 7.1. Planning for a Just Transition to a low-emissions zero-carbon economy needs to include support for decent work.
- 7.2. Our Just Transition survey showed strong support for guarantees of decent work in sustainable industries. Respondents were asked to rank their response to the question: ‘Is it important that any government support for sustainable industries should require some minimum guarantees about the kind of employment they will offer (for example, wages, hours of work, health and safety and training)?’ 83% answered ‘1’ for important and 11% answered ‘2’ for quite important.



Is it important that any government support for sustainable industries should require some minimum guarantees about the kind of employment they will offer (for example, wages, hours of work, health and safety and training)?



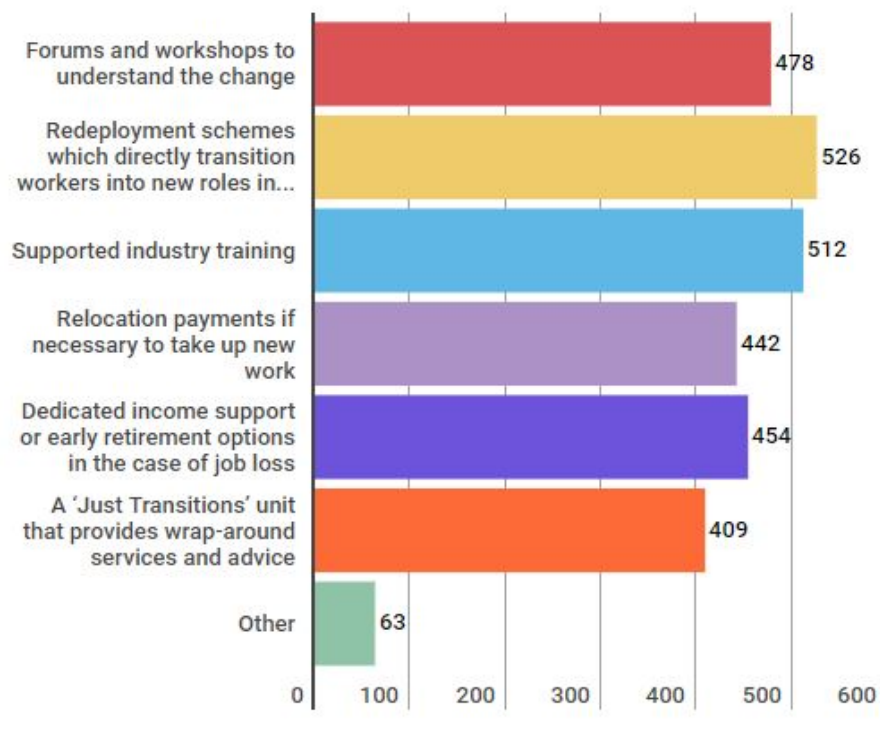
## 8. Support for workers in affected industries

- 8.1. Where high-emitting industries will need to close or undergo major change as part of a transition to a low-emissions zero-carbon economy, workers currently employed in those industries need a range of supports to ensure a just transition for working people and communities.
- 8.2. The CTU calls for a just transition that ensures these workers are supported through:
  - Forums and workshops to understand the change
  - Redeployment schemes which directly transition workers into new roles in similar industries
  - Supported industry training

- Relocation payments if necessary to take up new work
- Dedicated income support or early retirement options in the case of job loss
- A 'Just Transitions' unit that provides wrap-around services and advice

Our Just Transition survey showed strong majority support for each of the above suggestions. Respondents were asked 'What support do you think should be available to people working in 'sunset' industries which will be impacted by the climate change plan? (Tick all that apply.)' and provided with the options listed above. Redeployment schemes received the highest support at 83%, followed by industry training with 81%, forums and workshops with 76%, income support with 72%, relocation payments with 70%, and a 'Just Transitions' government unit with 64% support.

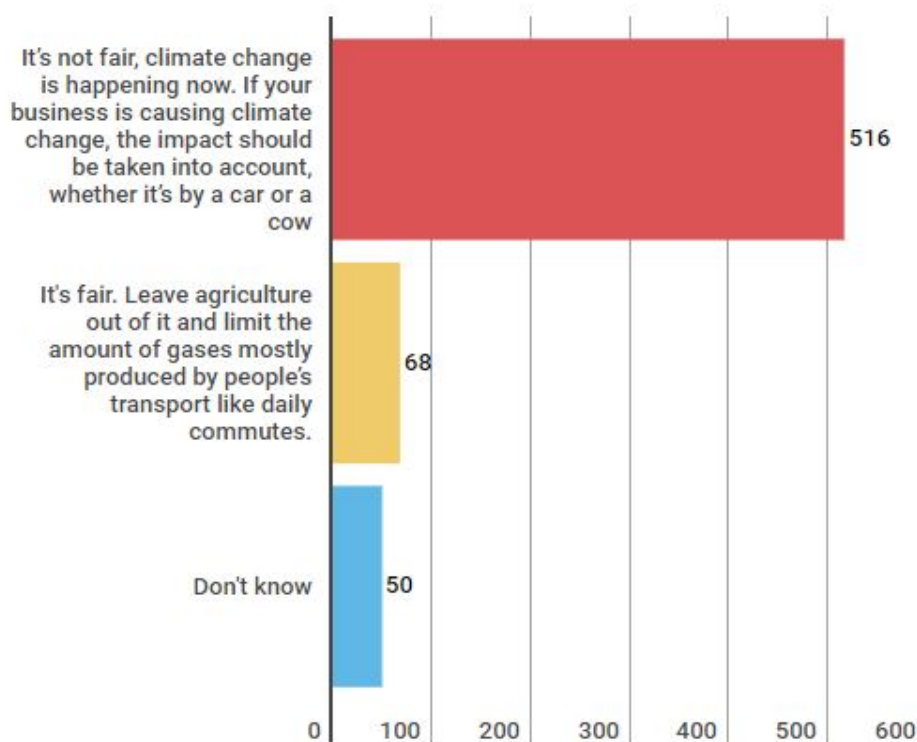
What support do you think should be available to people working in 'sunset' industries which will be impacted by the climate change plan? (Select all that apply.)



## **9. A comprehensive plan to reduce all greenhouse gas emissions**

- 9.1. The CTU supports comprehensive regulation to reduce all greenhouse gases, as part of a Just Transition to a low-emissions zero-carbon economy.
- 9.2. All industries, including agriculture and farming, need to do their bit to reduce greenhouse gas emissions, and should be included within the regulatory framework of the Zero Carbon Act and the Carbon Budgets set by the Climate Commission.
- 9.3. To allow the time and certainty needed for a just transition, including through signals that incentivise private investment, the Climate Commission needs to set budgets for maximum emissions well in advance. The proposal in the consultation document to set carbon budgets 15 years ahead would allow for this long-term planning. Future governments should not be enabled to relax targets set in carbon budgets, but should have the ability to 'ratchet up' to more ambitious targets.
- 9.4. Carbon Budgets should be accompanied by a social impact analysis and a just transition plan outlining actions to support working people and communities affected by transition, including support for creating decent work in sustainable industries.
- 9.5. Our Just Transition survey showed strong support (81%) for including all harmful greenhouse gases, regardless of origin, in carbon budgeting processes overseen by the Climate Commission.

The Government wants to know whether we should include all harmful greenhouse gasses in our climate plan to reach zero emissions. Another option is looser rules, or leaving out some gases like methane and nitrogen which are mainly from farming. Do you think this is fair?



## 10. Conclusion

- 10.1. The CTU supports a Just Transition, in response to climate change, to a low-emissions zero-carbon economy. This will require substantive action starting now to reduce all greenhouse gas emissions and to sustainably spread the costs of transition.
- 10.2. The Zero Carbon Act should commit the government to a Just Transition and require the Climate Commission to consult and make recommendations to achieve this.