



NEW ZEALAND COUNCIL OF TRADE UNIONS  
*Te Kauae Kaimahi*

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8 June 2018

The Productivity Commission  
Wellington

Re: Draft Report on Transitioning to a Low-emissions Economy

Dear Commissioners,

The New Zealand Council of Trade Unions Te Kauae Kaimahi (CTU) welcomes the Productivity Commission's work on transitioning to a low-emissions economy.

The CTU has a policy commitment to a Just Transition in response to Climate Change that was formed by a working group of our affiliate unions.<sup>1</sup> This commitment is informed by the recommendations of the International Labour Organisation (ILO) and the International Trade Union Confederation (ITUC).<sup>2</sup>

I was pleased to see reference to the CTU's policy on Just Transition included in the Commission's draft report and reflected in some aspects of your approach to 'inclusive transition'.

I would like to comment further on Finding 9.8:

F9.8 Interventions that respond to the "shock" of the loss of a major employer in a region should focus on the labour market and skills needs of individuals, and should be targeted to those who will have the most difficulty gaining new employment. This may include helping people move out of the affected region, to areas where employment prospects are stronger.

While the CTU agrees that interventions should focus on the needs of working people, we do not agree that this equates to an individually focused approach. In our view, a Just Transition needs to be a collective rather than an individual approach to employment support, embedded within strategic industrial and regional workforce planning.

A just transition should avoid employment 'shocks' through an orderly *transition plan* 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.

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<sup>1</sup> CTU. 2017. Just Transition – A Working People's Response to Climate Change.  
<http://www.union.org.nz/justtransition/>

<sup>2</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)

Where closures of enterprises or industries affect large numbers of workers, support for individuals needs to be complemented by collective approaches such as:

- Government facilitation of redeployment of workers, such as through 'pooling' of employees between firms with sharing of retrenchment through voluntary redundancy, or support for skilled workers to move into new industries to prevent their expertise being lost to the economy
- Undertaking skills mapping for the workforce to identify transferable skills and opportunities for accreditation
- Formal recognition of prior learning and other support e.g., assisting mine workers to gain heavy vehicle licenses that are not required on closed mine sites but would be needed to operate similar machinery in construction and other industries
- Appointing a skills and transition coordinator who is known and trusted by the workforce, such as a union delegate, to assist workers in accessing accreditation of work skills and new work opportunities
- Dedicated job placement, career planning and information services
- Retraining with options for this to be undertaken whilst still being employed.
- Financial and personal support sufficient to minimise income loss, and
- Travel subsidies and relocation assistance.

In Part Four of the draft report, the Commission has made a valuable contribution to analysis of changes that are needed in land use, transport, electricity generation, industrial processes, waste reduction, and the built environment. For each of these chapters, we would like to see a section in the final report explicitly address opportunities and challenges for employment in these sectors, in line with a Just Transition approach.

Yours sincerely,



Sam Huggard  
Secretary  
New Zealand Council of Trade Unions Te Kauae Kaimahi