

ANNEX TWO: A JUST TRANSITION TO A LOW EMISSIONS ECONOMY

1. What do we mean by a just transition?

A **just transition** is about:

- understanding the different pathways we have to transform our economy (to one that is more **productive, sustainable and inclusive**);
- partnering with Maori/iwi, local government, business, communities and the workforce to identify, create and support new opportunities, new jobs, new skills and new investments that will emerge from transition;
- understanding how impacts of transition are distributed across the economy and making choices about how we manage these in an equitable and inclusive way; and
- building the social licence necessary to be ambitious in our approach to transforming the NZ economy.

A broad range of factors will impact on New Zealand's transformation over the next 30 years, including our response to **climate change**, technological development and the future of work.

We are focusing our just transition work on the pathways, partnerships and decisions that **support a just transition to a low emissions economy**.

3. MBIE Just Transitions Unit – 6 MONTHS WORK PROGRAMME

	Current activity	Six month progress
PARTNERSHIP	Partnering with Taranaki	Regional plan in place
	Develop prioritisation framework for other engagements	Framework being implemented
	Explore possible sectoral engagements	First sectoral engagement well underway
	Initiate dialogue with key social partners	Strong relationships exist with social partners
POLICY ALIGNMENT & COHERENCE	Input into ETS and other key climate change policy decisions	Key climate policy decisions incorporate just transitions perspective
	Engage Government agencies on their just transitions issues	Government agencies are using a just transitions lens in their work
	Understand policy levers and their relative priority	Progress report to DEV on levers
	Develop evidence base for transitions decisions and monitoring	Evidence base development well underway
SHARED VISION	Develop communications plan	Implementation of communications plan well underway
	Initiate dialogue with key stakeholders and influencers	Key stakeholders and influencers on board with transitions story
	Plan for national summit in Taranaki in May 2019	Planning for national conference largely in place

4. Questions for Ministers

- Are Ministers comfortable with how the just transition approach has been articulated?
- Do Ministers agree that the focus of the just transition work should be on a transition to a low emissions economy, but that the approach is an important lens for our broader economic strategy work?

2. How will we implement a just transition?

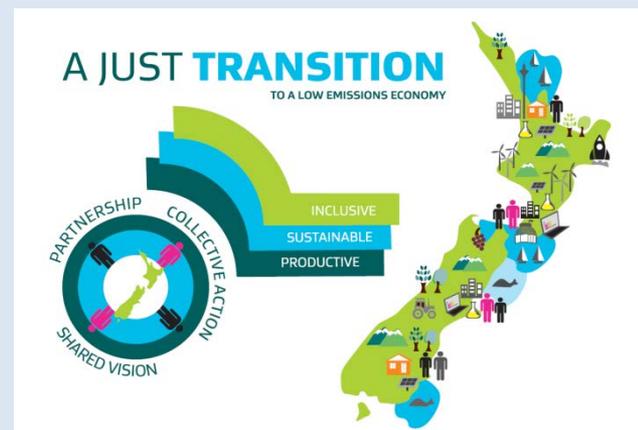
The transition to a low emissions economy will be the focus of our just transition work.

Taranaki is a key priority given recent decisions on oil and gas exploration. Work has started to develop an active partnership between central Government, Maori, councils, communities, workers and business to support a successful transition for the region to a clean energy and low emissions future.

Partnership is critical for a successful just transition. This means building effective and enduring relationships with Māori and iwi, business, workers, regions and communities from which we can co-create transition paths.

Applying a just transition approach will require commitment and alignment across a wide range of policy areas and portfolios.

Our education, skills, labour market and social support institutions will be critical for transitioning those affected by change into new opportunities. Policy and funding in other areas, for example, regional development, green investment, science, innovation, and business support can help catalyst and create those opportunities.



Working arrangements - MBIE has established a **Just Transitions Unit to help shape and coordinate this work programme**, working closely with MfE on the transition pathway and long-term planning required to meet our climate change objectives.

MfE's Transition Hub will lay the foundation for the transition; MBIE's Just Transition Unit will work across government on the complementary policies required to smooth the transition path and manage the effects on those most affected in a way that seeks to avoid significant social dislocation. This work could take place at the enterprise, sectoral or regional level, and/or by working directly with communities and vulnerable populations.

- Are Ministers willing to support the just transition approach through commitment and alignment of work programmes?
- Are Ministers comfortable with the proposed areas of focus for the Just Transitions Unit?

A JUST TRANSITION IS CORE TO OUR ECONOMIC STRATEGY

Vision: Improved wellbeing and higher living standards for all New Zealanders.

TBC – NOT GOVERNMENT POLICY

CPC-agreed outcomes, workstreams and priorities

CPC Agreed Outcomes

Developing Workstreams

Grow and share more fairly



New Zealand's prosperity

Partner with business to encourage innovation, productivity and build a skilled workforce

Ease the financial pressure on families

Strengthen the Maori and Pasifika contribution to the economy

Unlock new growth by building infrastructure

Supporting thriving



sustainable regions

Create new opportunities for regional economies to grow

Boost the international value and reputation of primary sector exports

Deliver responsible



governance with a broader measure of success

Build a track record as a responsible manager of the economy

Develop a broader set of success measures

Transitioning to a clean, green



carbon-neutral New Zealand

Support the transition to a net-zero emission and sustainable future

Protect natural capital and reverse the loss of indigenous biodiversity

The Just Transitions Lens

Across all these work streams we ask:

- What is it we are trying to achieve? What does success for New Zealand look like?
- What are the potential pathways for getting there? What are the potential impacts and opportunities within these pathways?
- Do some options have better distributional impacts (within and across generations) and how might these impact on our broader objectives?
- If so, what are the impacts on our broader objectives of preferring the options with the better distributional impacts?
- If we can't support the option with the better distributional impacts, what additional action can we take to ensure people are not left behind:
 - Can we work closely with the region/sector/communities to better understand their needs?
 - Can we put in place a targeted support package to identify and support transition to new jobs and new opportunities:
 - National or localised transition plans
 - Skills training and transition
 - Can we slow the pace of change to give people time to adjust?

Question: Are we comfortable that the economic strategy is fully embedding a just transition perspective?