

**Attachment Four: Slide pack for Future of Work Forum on Just transitions**



**MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT**  
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# Just transitions: Gap analysis

Exploring what a successful just transition looks like, where the gaps and opportunities lie, and how this shapes the priorities of the Forum

Future of Work Tripartite Forum September 2022



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## Purpose of this slide pack

- To provide the Future of Work Tripartite Forum (the Forum) with an overview of:
  - **what a well-functioning approach to just transitions looks** like for workers and businesses, informed by a review of the domestic and international literature and experience; and
  - **how existing (or planned) policy settings support a well-functioning approach to just transitions**
  - **opportunities to strengthen the approach to just transitions**
- To generate discussion on priority areas for the Forum to focus on and next steps.

## Process

- **Officials reviewed the literature on the impacts transitions** – focusing on the reforms of the 1980's, technological change and the move to a low-emissions economy
- **Components of a well-functioning approach to just transitions** for workers and businesses were then identified and tested with social partners
- Officials undertook a **stocktake of existing policies and programmes** that relate to a just transition in Aotearoa New Zealand.
- The **policies and programs were then mapped across the components** of a well-functioning approach to just-transitions.
- Officials **assessed how well the existing suite of measures mapped against components** of just transitions. Based on this, opportunities for improvement were identified and the potential role of the Forum considered.
- The work is **not an evaluation** of the effectiveness of current policies and programmes. Gaps reflect the presence or absence of work in an area.

## Summary of key findings

- **Future of work trends are changing the nature of work in New Zealand.** In particular, New Zealand's response to climate change could have significant impacts on the labour market as we transition to a low emissions economy. We need to ensure that economic transitions are fair.
- **History tells us the impacts of transitions do not fall equitably across communities, regions or sectors.** In particular, regionally isolated households and workers, Māori firms and workers, workers with no or low levels of formal qualifications, women, Pasifika workers, workers in high emissions sectors are likely to be more at risk of displacement, or face other disproportionate impacts if displaced or if their needs are not taken into account.
- **There is already a significant program of work which will directly or indirectly assist in the pursuit of a just transition.** Active Labour Market Programmes, Regional Skills Leadership Groups, Workforce Development Councils, just transitions Partnerships, Industry Transformation Plans, Government Investment in Decarbonising Industry and the New Zealand Income Insurance Scheme all have a role to play. These initiatives will need time to embed.
- **We don't know the future, so approaches need to be both flexible** (e.g. we can pull different levers at different times) and **targeted** to those who bear the greatest costs and are least able to respond by themselves.

## Summary of key findings cont.

- There are **opportunities** for enhancing the system...
  - Building a more **robust understanding of the likely impacts of transitions** will help target support to those workers communities, regions and businesses that needed it (in a way that is efficient and effective)
  - Better understanding **options for matching skills in declining jobs with those in growth areas, and challenges and opportunities for earning while learning/in-work training** will help keep people connected to the workforce
  - Exploring options **for targeted support for SME's** – particularly Māori SMEs – will help small business capitalise on opportunities presented by the transition to a low emissions economy
  - Working with businesses to better understand the **challenges associated with the uptake of new technology**, including regulatory barriers, will help clear the way for **new sectors and new employment opportunities** (or for existing sectors to adopt new ways of operating)

## Just transitions – What it means and why it matters

- The Forum's agreed definition of a just transition states that:

*"A just transition is a process run in partnership between the Government, Māori, as Te Tiriti o Waitangi partners, social partners (business and unions), local communities and local Government. **The process is designed to secure rights and livelihoods when communities, industry or the country experience economic shocks or structural change.**"*

The list of principles for a just transition, for the purposes of our Future of Work Tripartite Forum work, is provided in **Annex One**.

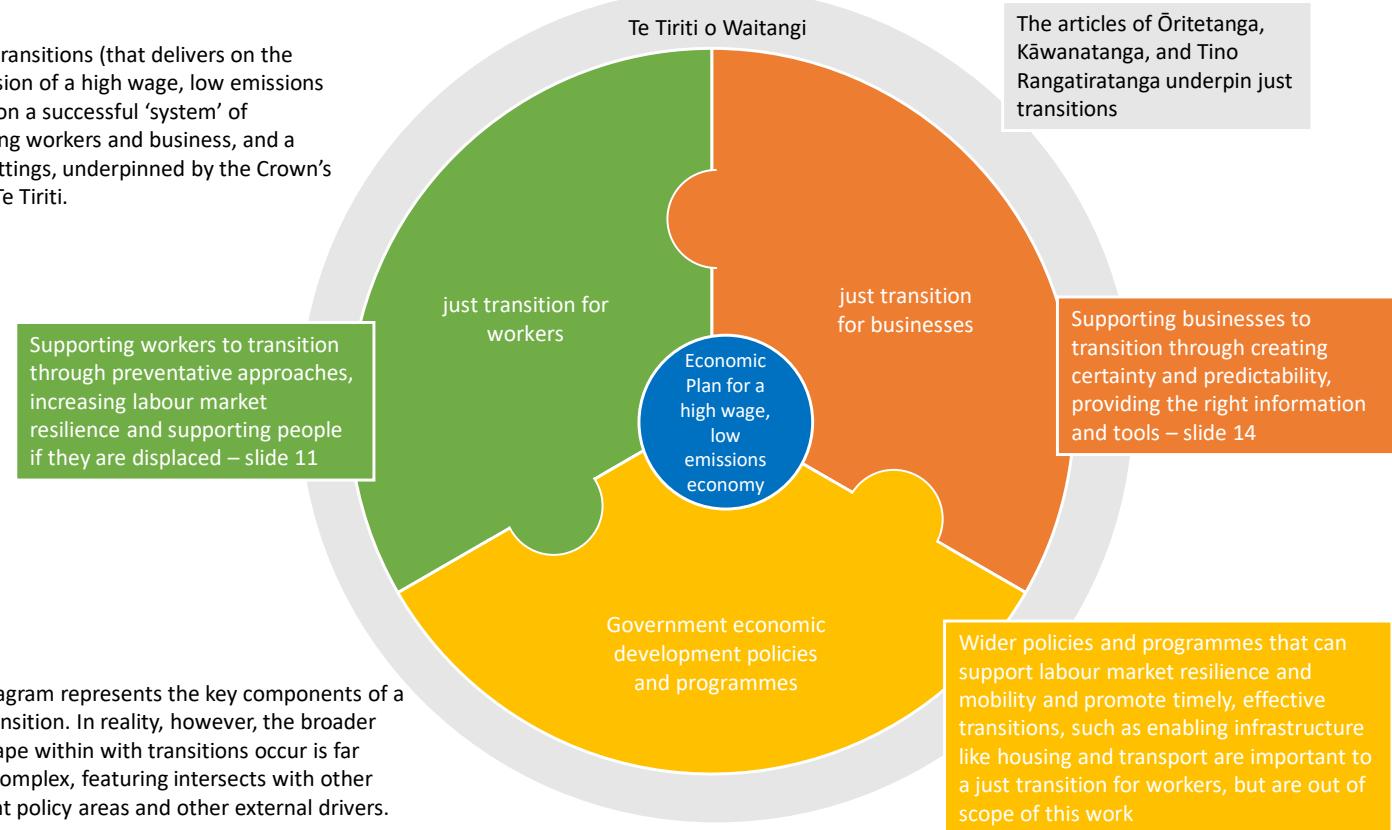
- As the Forum noted in March....

*"The New Zealand economy will face uncertain future disruptions. Challenges from climate change, automation and the impacts of globalisation will occur alongside recessions, business restructuring and other international and national factors. ...At times, the challenges posed by these future disruptions, the transition to the future of work, and the interaction between these will affect a community, region or industry. If not addressed promptly and proactively they will negatively impact businesses and workers alike. The economy will be unnecessarily impacted, skills will be lost, and human capital will be destroyed in the process. These changes risk reducing the availability of decent work together with secure and liveable incomes."*

- We can address these challenges through a just transition, towards a more productive, sustainable, and inclusive economy and society.

# Landscape for achieving a just transition

Achieving a just transitions (that delivers on the Government's vision of a high wage, low emissions economy) relies on a successful 'system' of measures involving workers and business, and a wider array of settings, underpinned by the Crown's commitment to Te Tiriti.



# Who is most likely to be impacted by a transition

***Economic transitions can have deep and sustained impacts on our economy and labour market***

Based on a review of three important transition case studies (climate change, technology change, and the 1980s reforms) it is clear the costs of adjusting to economic transitions can fall heavily on particular groups, such as Māori firms and workers, small businesses in exposed industries, and regions of Aotearoa with tight labour markets.

Economic transitions can drive:

- economic displacement
- changes to the mix of skills in demand
- increasing costs of operating for firms, and
- reduced household wellbeing

Just transitions presents an opportunity to avoid the worst of the impacts experienced in past transitions. By proactively working to rebalance the labour market and supporting at risk firms there is an opportunity to more equitably share the benefits of the transition and the opportunities associated with emerging sectors of the economy.

## Who is most likely to be impacted by a transition cont.

*Yet gaps in our knowledge remain around...*

- **Granular information on regions, towns, communities** and firms most at risk of poor outcomes.
- The **timing or magnitude of household impacts** of climate change mitigation policies and associated policy responses that could support low-income households to transition.
- The **expected timing and scale of the costs of policy interventions** (e.g. ETS pricing) that businesses could face in the transition to a low emissions economy.
- Understanding **whether current settings are likely to meet the needs of Māori workers and firms in a just transition**, and how mana motuhake can be strengthened so that Māori are leading just transitions solutions for Māori
- The **impacts of transitions on population groups** e.g., younger workers, Pasifika, recent migrants.
- The **needs of high emissions intensity firms and industries** (both large firms and SMEs) in the transition to a low emissions economy.
- The **nature of transitional changes in the future** - e.g., how emerging technologies will impact the demand for certain skills.

Transitioning to a high-wage, low-emissions economy sits within a broader context of social, economic, and political dynamics, both internationally and domestically. It's probable (if not inevitable) that some of these changes will play out in ways not envisaged today. Our approach to supporting just transitions needs to be both flexible (e.g. we can pull different levers at different times) and targeted to those who bear the greatest costs and are least able to respond by themselves.

## Components of a just transition for workers and business

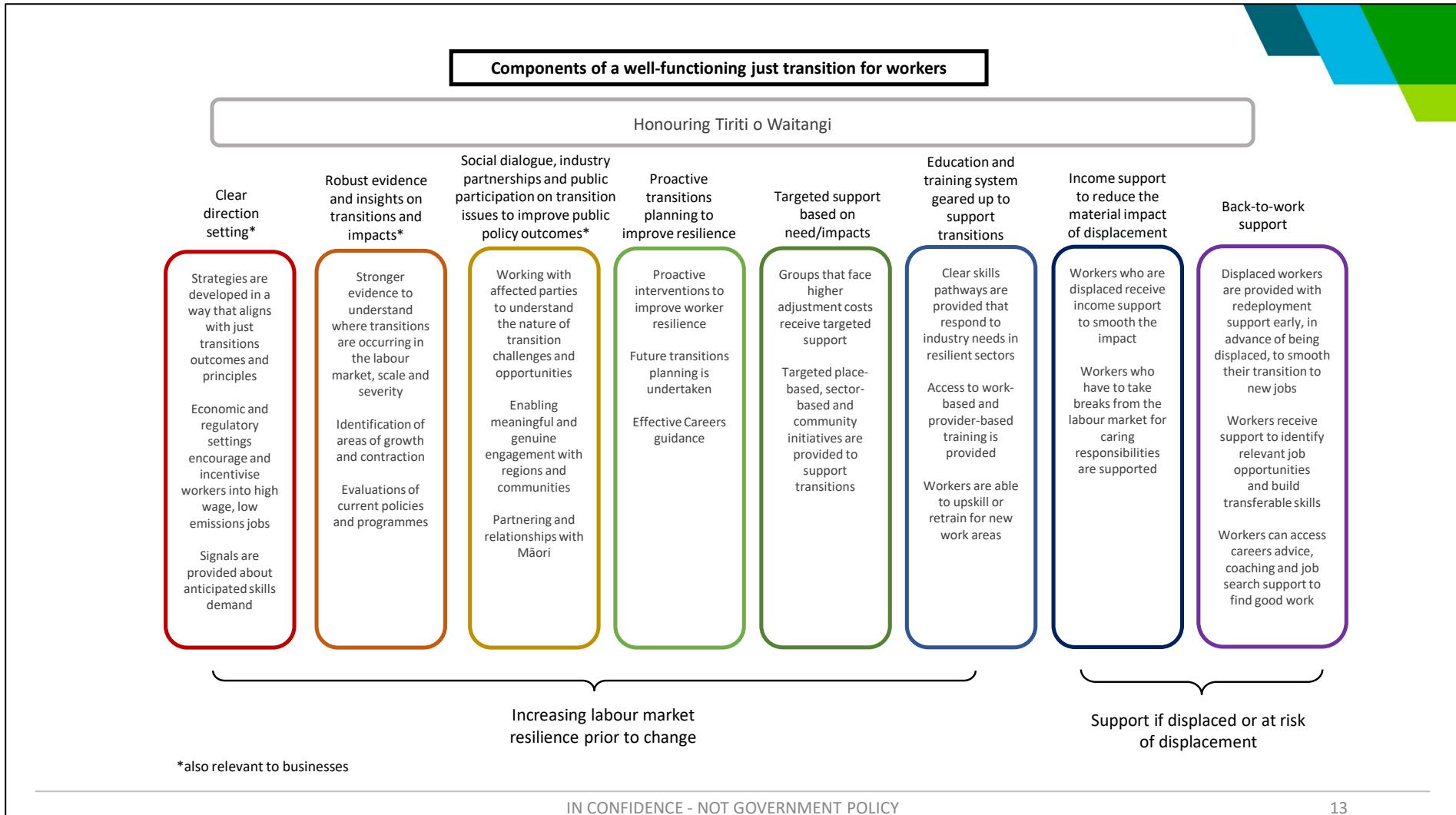
A review of the domestic and international literature (and previous experience in NZ) reveals that just transitions require a range of levers that:

- **span the full period of the transition** – from the lead-up to the transition (which might include mechanisms that set or influence the overall direction, scale and pace of change) through to the period after the substantive transition has occurred
- **can be used flexibly** by government, workers (and their representatives) and businesses
- **can be adapted** to respond to a variety of transition shocks, including being targeted to those most likely to be impacted

## Components of a just transition for workers and business cont.

Officials have mapped components of just transitions to inform the Forum's discussion. The diagrams on the following slides set out what might be needed for a just transition including:

- smoothing impacts for workers through interventions that both **increase labour market resilience in anticipation of transition** and support people if they are, or are at risk of being, displaced as a result of transition
- **creating certainty and predictability for business** and providing the right information and tools to enable business to decide their adjustment path through the transition; and
- **broader government policies that aid a just transition**
- the relational spheres of **Māori leadership and partnership**



**Components of a well-functioning just transition for business**

Honouring Te Tiriti o Waitangi

Clearer direction setting and regulatory certainty\*

- Strategies are developed in a way that aligns with just transitions outcomes and principles
- Economic and regulatory settings encourage and incentivise high wage, low emissions jobs and businesses
- Pace of change is orderly and well signalled
- Regulatory settings are flexible, enabling businesses to transitions

Diffusion of ideas and technology, and increasing awareness of transitions to aid planning and preparation

- Horizon scanning on changing consumer behaviours is undertaken and learning is shared on international approaches to transitions
- Education, behaviour change and marketing campaigns highlight transition opportunities
- There is diffusion/adoption of new technologies and operating models that support globally competitive businesses in transition-aligned sectors
- 'Success stories' of effective transitions for New Zealand firms and workers are showcased

Targeted assistance for businesses who'd benefit from support to transition effectively

- Firms that have fewer resources and capacity to respond to transitions can access targeted support
- Support is available for firms to innovate through R&D
- Efforts are taken to overcome inequities that make it difficult for particular firms to access government tools and resources
- Māori-led, Government-enabled approaches recognise mana motuhake
- Initiatives can be tailored to different types of firms*

Advisory support, training programmes and mentor networks

- Workshops, design labs, training programmes, and one-to-one business advisory support is provided
- Support to enhance managerial capability to successfully navigate business transitions is available
- Business ecosystems and mentoring on transitional challenges is provided
- Industry guidance and support to develop transition plans
- One-to-many digital tools and resources are provided (eg carbon emissions assessments)

Access to skilled workers

- Employers understand the skills they require in line with transitions
- There is a direct link between industry needs and the training and education system.
- Businesses play a role in growing the skills they need.
- In-work training and development to enable transitions
- Enabling businesses to provide support for skilled workers e.g. childcare

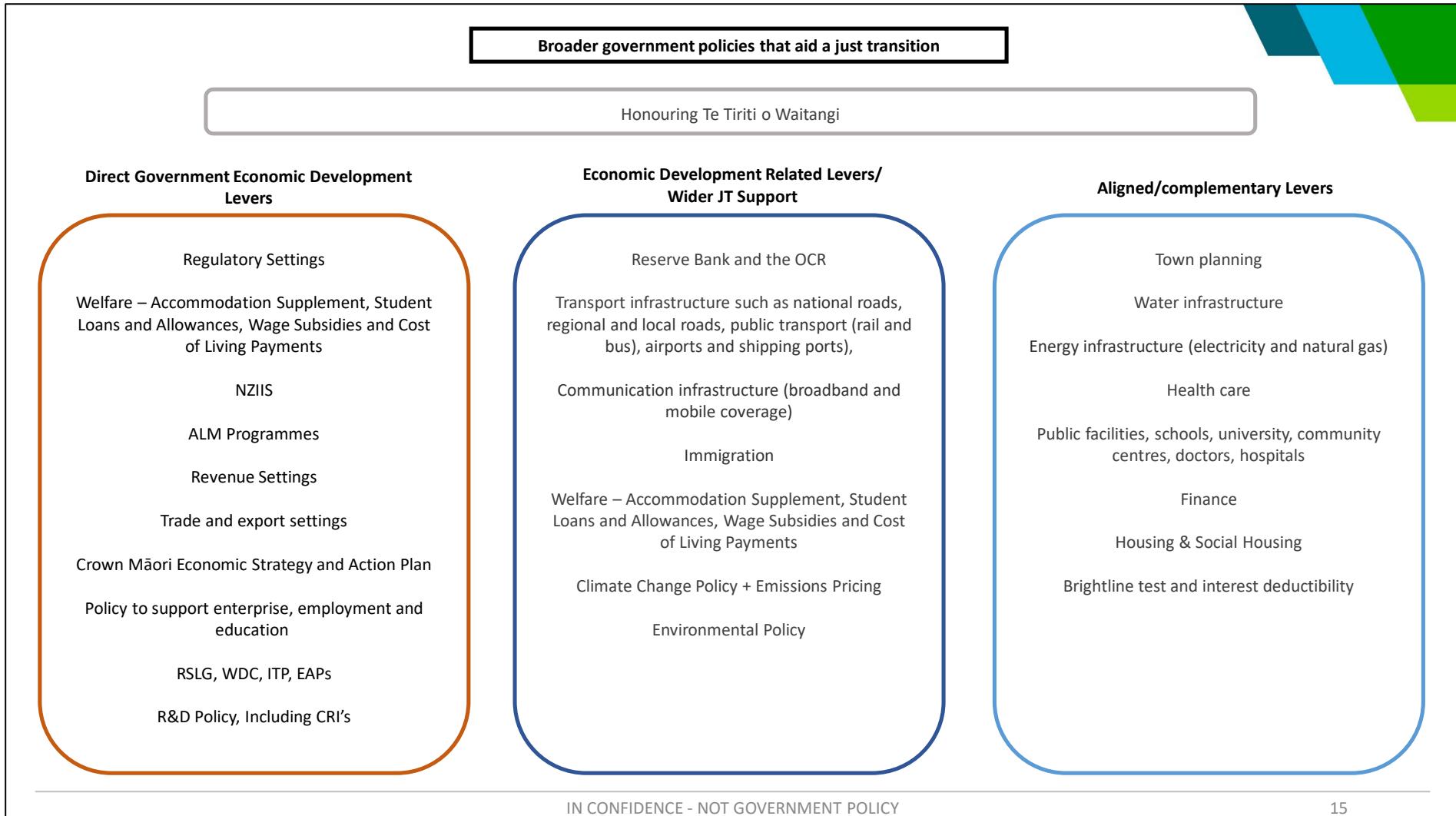
Access to capital

- Businesses are linked to existing pools of capital to support transitions
- Government co-funding is targeted at transitions-aligned sectors and business opportunities
- There is access to international pools of capital
- Government policy settings stimulate transitions-aligned domestic investment

Increasing business certainty and predictability of the nature, pace and opportunities in transitions

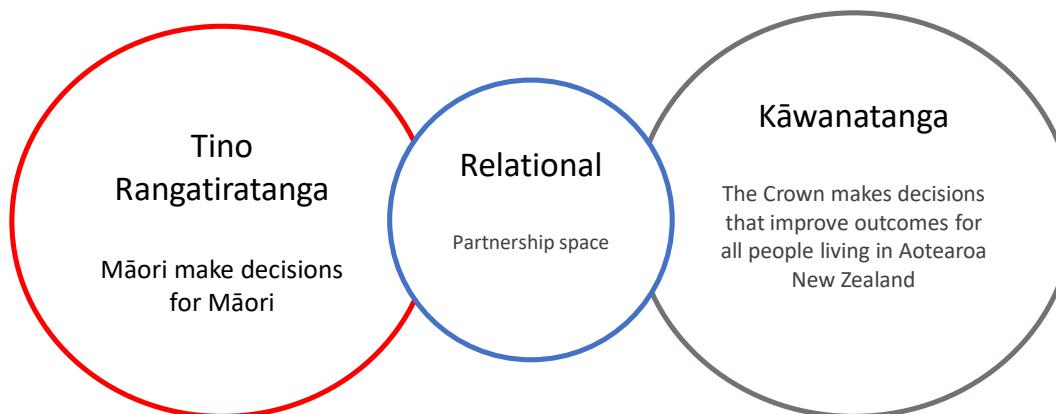
Support for businesses to re-orient their businesses in line with transitional requirements

\*also relevant to workers



# Honouring Te Tiriti o Waitangi

- Work has **not** been undertaken to define what a just transition looks like for Māori
- Further work would be needed to understand whether current settings are likely to meet the needs of Māori workers and firms in a just transition, and how mana motuhake can be strengthened so that Māori are leading just transitions solutions for Māori
- The Māori Future of Work rōpū have drawn on the Matike Mai Aotearoa report by Moana Jackson and Margaret Mutu to guide relational spheres of Māori leadership and partnership as part of the Papatūānuku domain/focus area of the report *Maranga Ake, a call to action for Māori in the Future of work*.
- The diagram below has been included to draw connections with the Forum's just transitions work programme and the work of the Māori Future of Work rōpū ahead of the November Forum on Māori and the Future of Work.



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# Summary of opportunities/role for Forum

Gap identified	Opportunity	Role for Forum
Gap in evidence base on the impacts of transitions, particularly in terms of distributional impacts.	Improve data on the regions, towns, communities and firms most at risk of poor outcomes. Improve understanding of the timing and magnitude of impacts on households	Support improving the evidence base on the impacts of transitions on different sub-groups.
Limited understanding of future skills requirements and how to ensure skills supply aligns with demand	Understand the gaps between the current state of skills in declining jobs and the future state of skills that will be in demand by emerging industries, and challenges in accessing training	BusinessNZ and CTU could utilise their networks to gather feedback from businesses and workers on challenges with and opportunities for skills matching and earning while learning/in-work training opportunities and barriers
Qualitative evidence from businesses, workers and others on the anticipated or likely impact of regulatory settings (in the climate change space) is limited.	Coordination between businesses as innovators and government to understand what regulatory barriers exist	BusinessNZ and CTU could utilise their networks to facilitate engagement with businesses on the key issues regulatory barriers they experience in the context of new technology or supporting transitions
Gap in coordination across key challenges for diffusion of ideas and tech	Improve understanding of regulatory systems and share information and ideas about funding and support for new tech	BusinessNZ and CTU could utilise their networks to engage with businesses and workers about challenges with and key focus areas for taking up new technology
Gap in understanding alignment of current investment signals and incentives, and how to mobilise private capital	Understand how investment signals and incentives are aligned and Government levers for mobilising private capital to support transitions	Seek feedback from businesses and workers on access to capital and just transitions

## Discussion questions

- Do the findings fit with the perspective and experience of the Forum? Do you agree with the gaps that have been identified?
- Where does the Forum see priorities for supporting just transitions?
  - Where does the Forum see gaps in knowledge and data and what is the role of the Forum in filling those gaps?
- What is the role of the Forum in addressing these priorities?

## Annexes

Future of Work Tripartite Forum September 2022

## Annex 1: Stocktake of programmes and high level gap analysis

- Our cross-agency stocktake of existing (or planned) labour market and business-focused policy settings found:
- over 100 programmes or initiatives that may relate to a just transition
- Of these, around 30 are related to a just transition as they are intended to manage the impacts of transitions. Around 70 programmes are indirectly related as they are likely to assist in managing the impacts of the transition.
- Slides 22-27 take a deeper dive into the levers under each of the just transitions systems, providing a high-level description of the current state policy suite, and an assessment of the degree to which this lever is fully utilised by asking if the existing suite of interventions under this area:
  - respond to workers or businesses most likely to be impacted
  - are flexible enough to respond to a variety of shocks
- We have also indicated what the potential role for the Forum could be in supporting opportunities or priorities.

# High level assessment: current just transition supports for workers

## Evidence and insights on transitions and impacts

**AGENCIES/ENTITIES INVOLVED:** MBIE, MSD, MoE, Stats NZ, Callaghan, Reserve Bank, Climate Change Commission

**CURRENT STATE:**

- Limited information on impacts at individual, household and regional levels making it harder to target policy (particularly for marginalised groups).
- Limited information on which firms are most likely to be impacted by transitions, how and when the costs might fall, particular impacts for small businesses.
- RSLGs and WDCs can provide insights with regional and industry-specific views
- Action in Women's Employment Action Plan to monitor women's participation in the labour market and the supports government provides to facilitate improved labour market outcomes for women
- Emissions Reduction Plan/Equitable Transitions Strategy will address some gaps.

**OPPORTUNITY:**

- Improve data on impacts at individual, household and regional levels, especially for marginalised groups
- Improve data and understanding of the impact of policies on business, especially the additive impacts of multiple policy reforms

**POSSIBLE DIRECTION FOR THE FORUM:**

The Forum could champion an evidence-informed approach to shaping the future work of the Forum, starting with supporting the work to improve the evidence base on the impacts of transitions on different population groups.

## Social dialogue, industry partnerships and public participation

**AGENCIES INVOLVED:** MBIE, MfE

**CURRENT STATE:**

Sizeable amount of work under way in this area and key stakeholders are deeply engaged in both labour market planning and other direction-setting work, e.g.

- Regional Skills Leadership Groups taking climate change into account and passing onto Workforce Development Councils and Te Pūkenga
- participation in sector transition planning through Industry Transformation Plans and just transitions Partnerships.
- the Future of Work Forum and the Māori Future of Work rōpu are looking at just transitions as part of their work
- work on Māori Climate Action Platform
- Emissions Reduction Plan public participation actions
- The development of the Equitable Transition Strategy will involve social dialogue

**OPPORTUNITY:**

- Opportunities may arise from the upcoming Māori and the Future of Work Forum in November

**POSSIBLE DIRECTION FOR THE FORUM:**

At this stage, the Forum could maintain its existing role (e.g. continuing a watching brief on ITPs and RSLGs), but note that new opportunities for the Forum's involvement may arise from the November session.

## Proactive transitions planning

**AGENCIES INVOLVED:** MBIE, MPI, DOC, LINZ, MfE, MPI, MoE, MSD

**CURRENT STATE:**

- Gap in overarching workforce planning system outside of sectors and regions
- Just Transitions Partnership team developing a resource with MOTU to help regions do their own transitions planning (i.e. with less hands on central government involvement/support).
- Industry Transformation Plans support industries to transform to a lower emissions future, and workforce planning towards a high wage economy
- Active Labour Market Programmes review identified a gap in initiatives responding to economically displaced workers, including early interventions, and is looking into expanding support for these workers.
- The Equitable Transition Strategy may include actions for proactive labour market planning
- The Sector Workforce Engagement Programme is being reset, which includes advice on options to address gaps in the workforce planning system

**OPPORTUNITY:**

- Consider options to improve overarching workforce planning system

**POSSIBLE DIRECTION FOR THE FORUM:**

No immediate action for the Forum, depends on direction for Sector Workforce Engagement Programme reset.

## High level assessment: current just transition supports for workers

### Targeted approaches based on need

**AGENCIES INVOLVED:** MBIE, MSD, MPP, MEC, MfW, TPK, MYD, OfS, TEC

**CURRENT STATE:**

- Good coverage of plans for impacted groups that we know of on an ethnicity, age and gender basis, including Employment Actions Plans target Māori, Pacific, Women, older workers, younger workers, workers with disabilities, and former refugees, recent migrants and ethnic communities.
- However, a number of these plans were developed at a general labour market participation level and their flexibility to deal with shocks is untested.
- MSD shifting focus to proactively supporting people at risk of poor labour market outcomes, prioritising people who most need employment assistance in line with Government priorities

**OPPORTUNITY:**

- A lot of actions and initiatives have recently started, including a number of Employment Action Plans published this year, so it is too early to evaluate how these might fill gaps.

**POSSIBLE DIRECTION FOR THE FORUM:**

No obvious role for the Forum given current work.

### Education and training system

**AGENCIES INVOLVED:** MoE, TEC, MSD, MPI

**CURRENT STATE:**

- Ongoing reforms in this space (e.g. Apprenticeship Boost, the Reform of Vocational Education programme) are designed to meet the increase in demand and supply for transitional needs. RSLGs and WDCs are intended to provide direct links to address skill shortages.
- Gap in how high-emissions employees can signal their skills and how any gap between the current and future needed signal can be bridged
- Tahatū online career planning and Career Strategy
- Targeted financial assistance to take up study and training e.g. Training Incentive Allowance
- BAU employment services e.g. Mana in Mahi, Flexi Wage and Skills for Industry
- New skill standards, and Rules for the development of micro-credentials underway following amendments to the Education and Training Act 2020

**OPPORTUNITY:**

- Understand the gaps between the current state of skills in declining jobs and the future state of skills that will be in demand by emerging industries, and challenges in access training

**POSSIBLE DIRECTION FOR THE FORUM:**

BusinessNZ and CTU could utilise their networks to gather feedback from businesses and workers on challenges with and opportunities for skills matching, and earning while learning/in-work training opportunities and barriers

## High level assessment: current just transition supports for workers

### Income support

**AGENCIES INVOLVED:** MSD, MBIE

**CURRENT STATE:**

- There is a gap currently in supports for economically displaced workers, however there is work ongoing to address these gaps:
- New Zealand Income Insurance Scheme – which will provide displaced workers with 80% of their previous income for a period of time after losing their job.
- Welfare Overhaul – systems and processes, improving access to housing, disability and other supports, reviewing income support settings, tax credits, additional financial support e.g., accommodation and childcare assistance
- Existing welfare provisions provide a degree of support to displaced workers (where eligible)

**OPPORTUNITY:**

- None identified

**POSSIBLE DIRECTION FOR THE FORUM:**

The Forum could continue its existing watching brief of the work programme in this space. While recognising that gaps exist, a significant programme of work is already underway and there is limited capacity for further work.

### Back to work support

**AGENCIES INVOLVED:** MSD, MBIE, TEC

**CURRENT STATE:**

- A range of existing support levers in this space, particularly for training and upskilling. While gaps exist (e.g. barriers to accessing childcare, with associated gender impacts/disparities), there are avenues to address at least some of these challenges/issues via existing initiatives already underway.
- At least 120 national Active Labour Market Programmes (ALMPs), various regional ALMPs currently in place (includes programmes for supporting people into work as well as back to work)
- The Review of ALMPs found gaps in additional support for displaced workers most at risk of poor labour market outcomes, work underway to address this. Work also underway to consider ALMPs and employment support needs of future NZIIS claimants as part of the review
- NZIIS is developing a levy-funded case management service

**OPPORTUNITY:**

- Opportunities may arise from the pay transparency research that will be reported back to the Forum at a later date

**POSSIBLE DIRECTION FOR THE FORUM:**

The Forum could continue its existing watching brief of the work programme in this space. While recognising that gaps exist, a significant program of work is already underway and there is limited capacity for further work.

## High level assessment: current just transition supports for business

### Direction setting and regulatory certainty

**AGENCIES INVOLVED:** MBIE, MfE, TSY, DIA

**CURRENT STATE:**

- Gap in understanding regulatory systems for transitions, and whether there are regulatory settings that lock in path dependencies and barriers to transitions.
- The economic strategy and forward work programmes announced as part of the emissions reduction plan will fill some of the gap.

**OPPORTUNITY:**

- Coordination between businesses as innovators and government to understand what regulatory barriers exist

**POSSIBLE DIRECTION FOR THE FORUM:**  
BusinessNZ and CTU could utilise their networks to facilitate engagement with businesses on the key issues and regulatory barriers they experience in the context of new technology or supporting transitions.

### Diffusion of ideas and tech, and increasing awareness of transitions

**AGENCIES INVOLVED:** Callaghan, MfE, EECA, MPI, MBIE, Ara Ake

**CURRENT STATE:**

- Gap in coordination on key challenges. Early climate funding focused on existing tech over new tech
- ERP actions for Climate Innovation Platforms, Advanced Technology road map, strategic partnerships to ensure R&D has more focus
- Various partnerships, incubator and accelerator programmes that focus on energy/climate EECA GIDI fund
- Te Ara Paerangi in very early stages

**OPPORTUNITY:**

- Improve understanding of where regulatory systems are both facilitating or impeding the adoption of new technology
- Share information and ideas about funding options and other support mechanisms for new technology more widely

**POSSIBLE DIRECTION FOR THE FORUM:**  
BusinessNZ and CTU could utilise their networks to engage with businesses and workers about challenges with and key focus areas for taking up new technology

### Targeted support for businesses

**AGENCIES INVOLVED:** MBIE, TPK, TEC, MPI, MfE

**CURRENT STATE:**

- Gap in the system for targeted support for Māori SMEs and micro SMEs to have the enabling ingredients and support to take up the opportunities presented by transitions

**OPPORTUNITY:**

- Increase targeted support for SMEs including Māori SMEs looking to reduce emissions or capitalise on existing opportunities

**POSSIBLE DIRECTION FOR THE FORUM:**  
No immediate action, but note that new opportunities for the Forum's involvement may arise from the November session.

## High level assessment: current just transition supports for business

### Advisory support and training programmes

**AGENCIES:** MBIE, MFE, EECA, Callaghan, TPK, NZTE

**CURRENT STATE:**

- Preliminary work underway on NAP action for researching business adaptation preparedness and providing guidance for small businesses to adapt
- NAP action to develop a one-stop shop Climate Adaptation Portal on adaptation guidance for businesses and other affected groups (local govt, iwi, communities, insurers etc).
- Potential gap in the guidance/support for proactive workforce transitions in emissions intensive firms.
- MOTU's just transition guide for the layperson audience

**OPPORTUNITY:**

- None identified

**POSSIBLE DIRECTION FOR THE FORUM:**  
No immediate action, depends on direction for Sector Workforce Engagement Programme reset. Social partners are on the governance group.

### Access to skilled workers

**AGENCIES:** MBIE, MoE, TEC

**CURRENT STATE:**

- Gap in incentives for in-work training, including a role for Government, businesses and workers to deliver, champion and take up in work training programmes that promote greater labour market resilience to economic transition.
- Some BAU MSD programmes can support with this. However, they tend to support people into work and training e.g. Mana in Mahi rather than when someone is already in work

**OPPORTUNITY:**

- Consider ways to recognise skills, map standards across occupations towards a future state

**POSSIBLE DIRECTION FOR THE FORUM:**  
BusinessNZ and CTU could utilise their networks to gather feedback from businesses and workers on challenges with and opportunities for skills matching.

### Access to capital

**AGENCIES:** MBIE

**CURRENT STATE:**

- Gap in understanding of the alignment of investment signals/incentives for supporting transition aligned growth.
- Gap in understanding Government levers for mobilising private capital to support business transitions
- Emissions reduction plan/funding and financing the transition.
- Green Investment Finance
- ERP actions for mobilising private capital and aligning investment e.g. Green Bonds

**OPPORTUNITY:**

- Understand how investment signals and incentives are aligned
- Understand Government levers for mobilising private capital to support transitions

**POSSIBLE DIRECTION FOR THE FORUM:**

The Forum is not typically involved in the access to capital space, but could seek feedback from businesses and workers on access to capital and just transitions

## Annex 2: Definition of a Just Transition for the Future of Work Tripartite Forum

- A just transition is a process run in partnership between the Government, Māori, as Te Tiriti o Waitangi partners, social partners (business and unions), local communities and local Government. The process is designed to secure rights and livelihoods when communities, industry or the country experience economic shocks or structural change.
- The New Zealand economy will face uncertain future disruptions. Challenges from climate change, automation and the impacts of globalisation will occur alongside recessions, business restructuring and other international and national factors.
- At times, the challenges posed by these future disruptions, the transition to the future of work, and the interaction between these will affect a community, region or industry. If not addressed promptly and proactively they will negatively impact businesses and workers alike. The economy will be unnecessarily impacted, skills will be lost, and human capital will be destroyed in the process. These changes risk reducing the availability of decent work together with secure and liveable incomes.
- We can address these challenges through a just transition, towards a more productive, sustainable, and inclusive economy and society.

## A Just Transition process:

- Mitigates the negative impacts of the transition and existing change processes
- Enables valuable change to occur and capitalizes on opportunities that come about because of the transition
- Prepares New Zealand's response to future adverse shocks
- Proactively shapes the economy to minimise the future impacts of change, and builds New Zealand's social, economic, and environmental capacity to respond to threats to its wellbeing
- Seeks to determine whether a change can be mitigated by government or other action, and what sort of action is necessary
- Recognizes that not all shocks are necessarily adverse
- Is a partnership with Māori, as Te Tiriti o Waitangi partners, social partners (business and workers) and local communities
- Strengthens the ability of communities, workforces, and industry to determine their own futures over the long term
- Seeks to equitably share the costs, benefits, and opportunities of change across society and the economy and mitigates the potential for that change to create larger economic inequality
- Is as fair and inclusive as possible to everyone concerned, creating decent work opportunities, and leaving no one behind
- Ensures that the workers directly affected by a transition do not unfairly shoulder the burden of transitions.
- Delivers for more marginalized groups and sectors of the community. It supports these groups to play a leadership role in identifying and planning for the actions that will be needed for their transition over the short-, medium- and long-term.
- Actively works to achieve these outcomes