



# A JUST TRANSITION TO A LOW EMISSIONS ECONOMY



# This presentation will cover

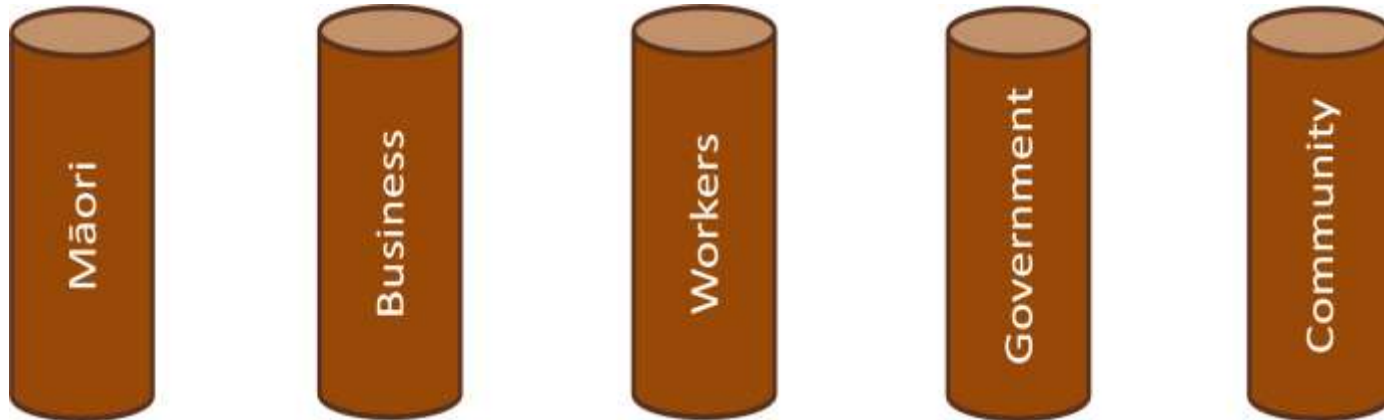
- Background to MIBE's Just Transitions Unit
- How MBIE has been implementing a 'Just Transition' work programme
- Partnership with Taranaki
- Where to from here?



# What 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 Māori, 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.



# 12 April 2018 – policy announcement



# Was it a big deal?

## THE VALUE OF THE OIL & GAS INDUSTRY TO NEW ZEALAND

### GLOBAL O&G MARKET

Offshore and local direct investment into New Zealand by industry

### Exports (direct)

Oil: \$1.6 billion

Methanol: \$1 billion (estimated)

### Exports (Indirect)

Undetermined: Natural gas used to underpin energy needs of major industries and products for export.

### TANGIBLES

Total jobs: 11,720\*

GDP: \$2.79 billion

Royalties: \$371 million

Company tax: \$300 million (estimated)

PAYE: undetermined

### Exploration and production

Jobs: 6,481

GDP: \$1.74 billion

### Midstream/downstream processing

Jobs: 3,237

GDP: \$1.04 billion

### NEW ZEALAND ECONOMIC AND SOCIAL WELLBEING

Energy companies and electricity generation

Businesses and households

Contribution to and security of New Zealand's energy supply

Provision of heat, warmth, light, transportation, fuel, production

22% of New Zealand's primary energy supply

10% of electricity generated

Economic vibrancy, diversity of skills

Infrastructure development

Enhancement of business systems, capability, health and safety

Knowledge, careers, scientific discovery

Technological stretch, innovation

Business expansion, export development

Diversification, leverage

Transferability to other sectors, fostering advancement

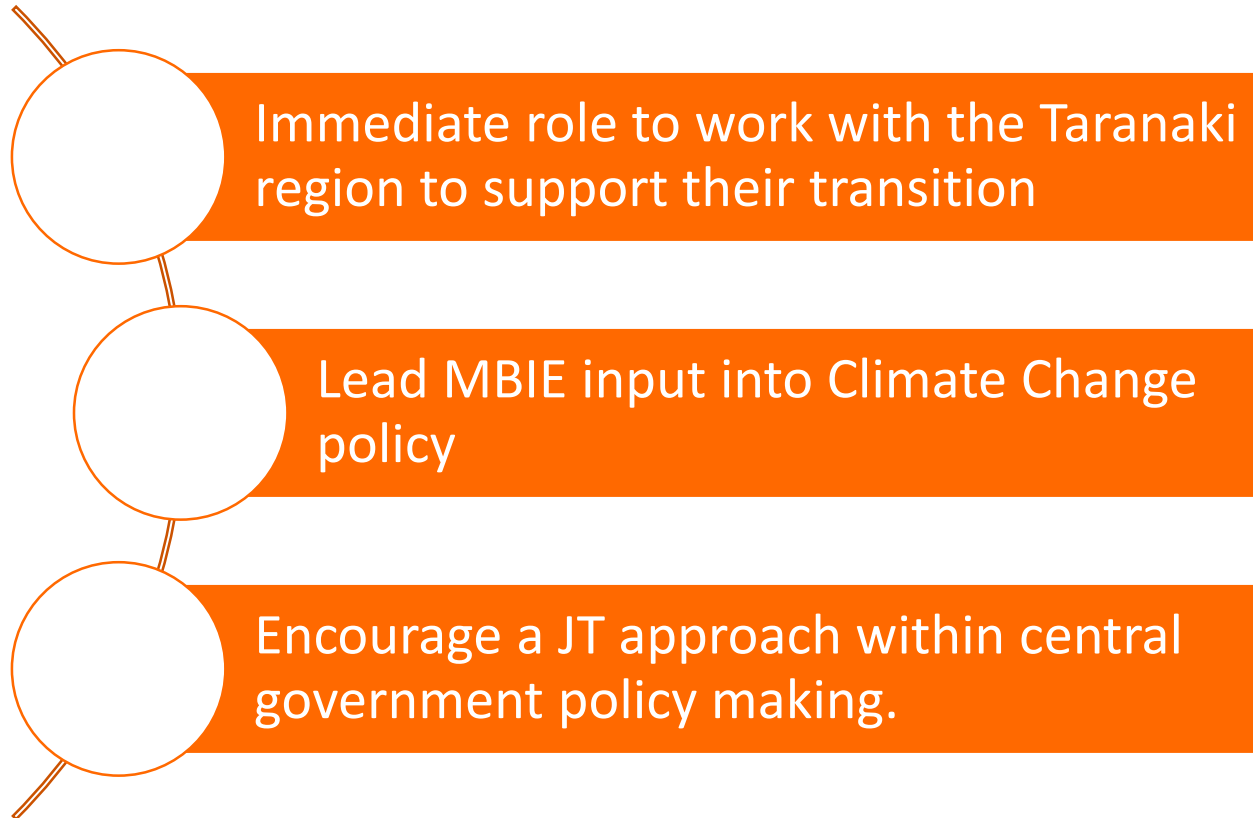
Community investments

Potential for economic transformation

\*Direct jobs = 5,088, total impact: 11,720



# .....the Just Transitions Unit came into being...



# Our approach – Regional and Sectoral

Our role is to **help shape and coordinate** the work that supports a just transition to a low emissions economy.

To do this we are using a **regional** and **sectoral** lens.

Regional: We are starting with Taranaki given decisions on oil and gas exploration and the commitment made to the region to work with them on a just transition.

Sectoral: Our sectoral focus is supporting MBIE's energy policy lead on new energy (including hydrogen), and industrial/process heat. Also working with key sectors on Industry Transformation Plans (national level)

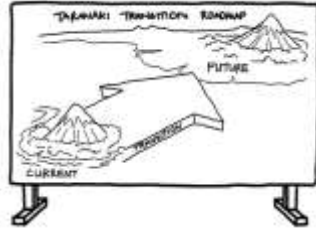




# Progress since April 2018

## Taranaki 2050 Roadmap

- Draft launched at Just Transitions Summit in May and finalised in July 2019
- 18 agencies, 10 teams across MBIE involved
- Co-design process to build the Roadmap
- 29 public workshops, 1000+ participants
- JT support of co-design process including drafting of 50+ documents, attendance at 23 workshops



## National Just Transition Summit

- Held in New Plymouth in May
- Launch of the National New Energy Development Centre, and a new energy research fund
- 500+ attendees from across Central Govt, Local Govt, Māori/iwi, business, workers, and broader community (including youth)
- 59 speakers – international, national
- PM + 5 Ministers



## MBIE Climate Change leadership

- Led MBIE's input into new Climate Change Legislation (ZCB) and review of the Emissions Trading Scheme
- Co-led government's response to the Productivity Commission low emissions economy report
- Contributing to analysis of distributional impacts
- iCCC support / response



## Cross-agency transition leadership

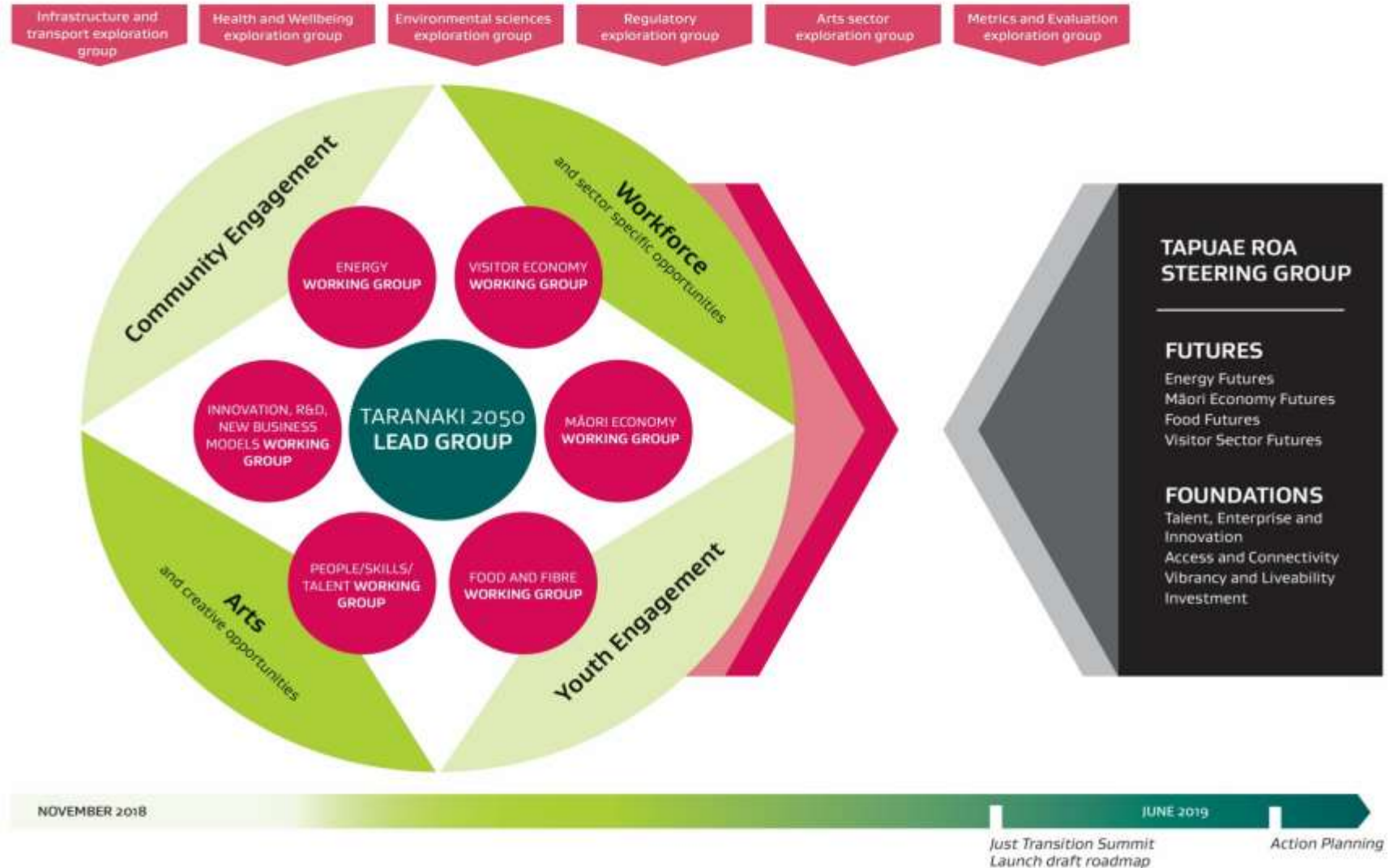
- Led inter-agency just transition group to help integrate JT approach in govt climate change policy work
- Hosted Academic Roundtable in 2018
- New ways of working across stakeholders, agencies (including collaboration on a new Employment Related Education Leave course for workers to participate in transition planning exercises)
- Establishing partnership and strategy transitions teams within MBIE.





# Co-creating the Roadmap

## TARANAKI 2050 JUST TRANSITION ROADMAP *Development Process*









# NATIONAL NEW ENERGY DEVELOPMENT CENTRE

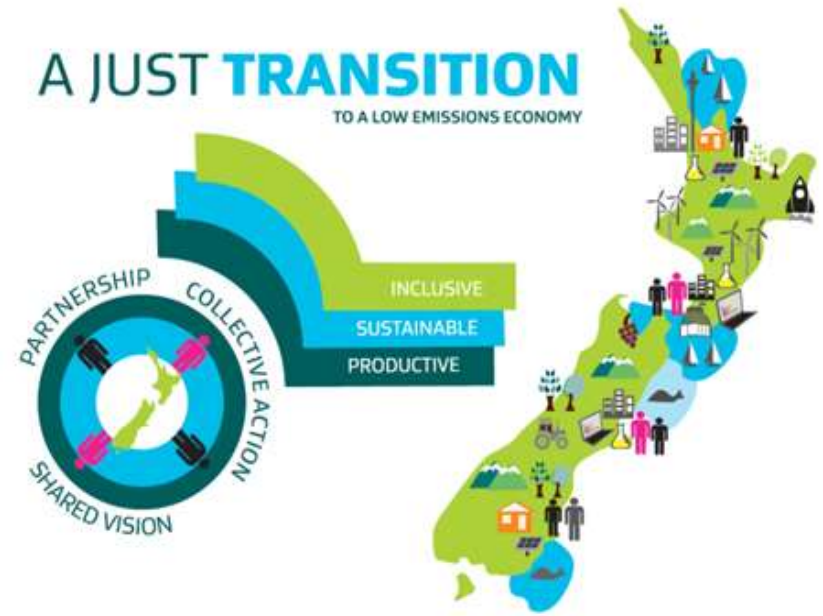
**TAPUAE**  
MAKE WAY  
**ROA**  
FOR TARANAKI

**TARANAKI**  
like no other

# Insights so far....

- Change can be an opportunity
- True partnering is the aim, but takes time and adequate resourcing
- People-focused approach reframes thinking on solutions and opportunities

# Questions?



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