

# PSA submission to Climate Commission on its draft advice to Government on climate action in Aotearoa

March 2021

## About the PSA

The New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi (the PSA) is the largest trade union in New Zealand with over 78,000 members. We are a democratic and bicultural organisation representing people working in: the Public Service including for departments, crown agents and other crown entities, and state owned enterprises; local government; tertiary education institutions; and non-governmental organisations working in the health, social services and community sectors. Te Rūnanga o Ngā Toa Āwhina is the Māori arm of the PSA membership.

The PSA is affiliated to Te Kauae Kaimahi the New Zealand Council of Trade Unions, Public Services International and UniGlobal.

## Our values

### Solidarity - Kotahitanga

We champion members' interests with a strong effective voice. We stand together, supporting and empowering members, individually and collectively.

### Social justice - Pāpori Ture Tika

We take a stand for decent treatment and justice. We embrace diversity and challenge inequality.

### Integrity and respect - Te Pono me te Whakaute

Our actions are characterised by professionalism, integrity and respect.

### Solution focused - Otinga Arotahi

We are a progressive and constructive union, constantly seeking solutions that improve members' working lives.

### Democratic - Tā te Nuinga e Whakatau ai

We encourage participation from members. We aim to be transparent, accessible and inclusive in the way we work.

## Summary of PSA recommendations

The PSA mostly supports the recommendations in the report. This summary of our recommendations is where we have identified gaps, want to challenge any recommendations or positions outlined in the draft advice, or want to strengthen any of its recommendations or positions.

1. That Aotearoa/New Zealand should be as ambitious as possible in our response to climate change, meaning that the commitments and targets outlined in this draft advice be subject to ongoing review and be accelerated as circumstances may require and technological developments permit.
2. That the work of the Future of Work Forum be better integrated with the work of the Climate Change Commission and climate change policy work within Government.
3. That these efforts to promote cross-Government co-operation be supported by the use of one of the formal mechanisms for promoting inter agency collaboration under the Public Service Act 2020.
4. That the partnership with Iwi/Māori should be expressed in terms of giving effect to Te Tiriti o Waitangi and that aside from the formal iwi and Māori organisations the Government should engage with union Māori representative structures such as the PSA's Te Rūnanga o Ngā Toa Āwhina.
5. That the Climate Commission encourage the Government to review the role of local government and raise with the Government the need for local government to be appropriately resourced for the tasks it will need to undertake, regarding climate change.
6. That while the PSA sees the value in an ongoing public forum on climate change as proposed in the draft advice, there needs to be other forums that build on the principle of trying to build consensus at all levels of New Zealand society and engage both institutional stakeholders as well as citizens.
7. That the role of unions needs to be recognised throughout the draft advice, and specifically there needs to be a separate point under necessary action 1, about engagement with workers through their unions.
8. That the Commission's final advice not only refer to the need for Government support low income workers through climate change transitions and the importance of getting workers into higher-wage and 'higher skilled' jobs, but also addressing the undervaluation of predominantly female low paid jobs and the need for better pay more generally.
9. That the deadline for the development of an Equitable Transitions Strategy, be brought forward from December 2023.
10. That the final advice to Government should recognise that we need to be able to improve our ability to tax wealth if we are to have a truly fair tax system that generates the revenue needed to support a just transition.
11. That the final advice to the Government recognise that climate change will bring major challenges for Pasefika, Deaf and disabled people and other marginalised and minority communities in Aotearoa/New Zealand and that it recommend that the Government's programme of work address these.

12. That the final advice to Government contain recommendations for a programme of work on the impact of climate change on women and ensure that women are represented in decision and policy-making on climate change responses.
13. That employment law be further reformed to promote multi-employer collective bargaining, collective bargaining generally and Fair Pay Agreements, and to strengthen the role of unions.
14. That the final advice to Government contain explicit support for a policy of social insurance to support displaced and potentially displaced workers through a just transition to allow them to reskill, retrain and be redeployed into to new jobs.
15. That the final advice to Government recognise that the state also has an important role in shaping the future of work, by being an exemplar employer, by promoting change and job transformation through investment in low carbon industries and procurement practice, and showing leadership in areas of the economy where Government agencies are participants.
16. That the final advice to Government recommend free public transport as a universal basic public service that will contribute to a drop in carbon emissions.
17. That while working from home has a place as a tool for reducing emissions from commuting, it needs to be done properly. Employers need to engage with their workers and unions on the design of jobs as part of flexible work arrangements, and support people working from home to have an appropriate working space and equipment and secure work.
18. That we bring forward the date for setting a renewable energy target from 30 June 2023 to 2022.
19. That the Climate Commission consider including the three changes to drive better investment in the private sector proposed by the Sustainable Finance Forum in their final advice to Government.

## Introduction

The PSA welcomes the opportunity to submit on the Climate Commission's draft advice to Government. We strongly support the direction of the recommendations and are pleased to see the commitment to have net zero emissions of long-lived gases by 2050 and reduce biogenic methane emissions by between 24-47% by 2050. However, we are aware of the scale of the challenge and believe that we need to be as ambitious as possible. It is our expectation that these commitments will be subject to ongoing review and will be accelerated as circumstances may require and technological developments permit.

As a union the PSA's interest in the draft Climate Commission's advice to Government is primarily about the impact on workers of the transition to a zero carbon economy and the contribution that workers can make to achieving that outcome. There are many points in the draft advice where the impact on New Zealanders in general and workers in particular are discussed, but the frame is generally through the eyes of employers. We would like that to be rectified in the final advice to Government and proper emphasis be given to the role of unions and to workers as active agents for change, as well as ensuring that workers are properly supported during that change.

As the largest union in the public sector, we have an interest in the role that effective government and effective governance can play in achieving a zero carbon economy. The draft advice acknowledges in several places that the market alone cannot make the changes necessary. The PSA believes that the scale of the challenge means that we need to utilise the full range of Government functions: not just as regulator but also as funder, owner and provider of services. It is clear from the report that the extent of Government activity must increase and in order to ensure the outcomes it wants in certain areas Government may need to perform some functions itself, rather than just regulating the private sector or providing it with appropriate incentives. This is also true of local government, and we strongly support the need for greater co-operation and alignment between local government and central government.

Te Rūnanga o Ngā Toa Āwhina represents and promotes the interests of Māori members within the PSA. It provides a network to ensure Māori have a voice in the PSA, from the workplace to the union's top decision-making bodies and they were involved in the development of this submission.

We want workplaces that reflect the Te Tiriti o Waitangi principles of partnership, protection and participation, that place people at the centre, and where workers (through their unions) and employers can work together in good faith. We want inclusive workplaces with a culture of respect for diversity, with recognition of tikanga Māori and te reo Māori skills so Māori workers can fully contribute and be respected for their contribution. These are workplaces where Māori can be Māori.

This means that a commitment to involve workers in effecting change while also properly supporting them, needs to ensure that the needs of Māori workers in particular are recognised and addressed. Recognising the particular needs of Māori as Tangata Whenua also opens the door to consider how other marginalised groups in the workforce might have their skills and needs recognised and accommodated.

Our Māori members are also participants in their communities, hapu and iwi and they have a deep interest in the recommendations of the Commission on working in partnership with Māori.

We also note that it is expected that climate change will impact disproportionately on women and as a union with over 70% female members we feel that this is a group whose needs the Climate Commission could do more to address.

All our members will play a significant role in Government's response to climate change. They are helping to shape the policy from within their agencies, they will help implement their agencies' plans and strategies and as workers they will be involved in how their organisations lead and respond to change within the workplace. The PSA and its members look forward to that challenge.

This submission was put together with reference to the PSA's Sustainability Policy and our other policies and strategies, including our 'Transformed Work' strategic goal. Our Sustainability Policy commits the PSA to addressing our own practices as an organisation and employer as they contribute to climate change and environmental degradation, to working with our members to improve the practices of their employers and to campaigning on issues like climate change. Our Transformed Work strategic goal is focused on providing safe and healthy workplaces, where workers have security and careers, are treated fairly and have their voice respected and heard.

As part of our commitment the PSA has established an Eco Network for the purpose of building union organisation to improve workplace sustainability, and contribute to global campaigning for environmental justice and action on climate change, and engaged with them in developing this submission.

We have structured this submission around the recommendations and consultation questions contained in the draft advice that are most relevant to the PSA and its members.

## Budget recommendations

### Consultation question 1: Do you support the principles we have used to guide our analysis?

The PSA supports the principles that the Commission has used to guide their analysis, but we do have some comment on what some of them might mean in practice.

#### **Principle 4: avoid unnecessary cost**

It is hard to disagree with this principle as we don't want actions that incur unnecessary cost but establishing what 'unnecessary' cost is may be a challenge.

There will be both direct and indirect costs as a result of these changes and these are likely to lead to increases in rates and taxes, as well as to the cost of products and services. We are still struggling with the legacy of a low and inequitable tax regime introduced during the 1980s and after 40 years there is a reluctance within the electorate to see substantial change. It is possible that one positive outcome from Covid will be that the country will be more receptive to tax reform that delivers more revenue to government and is also fairer to low income earners.

Consistent with this is the need to ensure that increases in cost impact mainly on those who are able to afford them.

#### **Principle 5: transition in an equitable and inclusive way**

This principle is very important to the PSA and the union movement. We have memories of the ruthless reforms of the 1980s and 1990s and how those impacted on workers and their families and the impact on incomes and inequalities are clear<sup>1</sup>. There was no consideration then of a 'just transition' and we cannot afford to make the same mistake twice. Workers must be properly supported during the change processes to come and they and their unions must be central to the decision-making process when their workplaces transform.

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<sup>1</sup> <https://www.mbie.govt.nz/assets/695e21c9c3/working-group-report.pdf>, pp9 – 13.

This also applies to the Commission and its work. Unions need to be involved not only in the workplace but where decisions are being made at a strategic and policy level. For example, there is work underway in the Future of Work Forum, which is a tripartite forum between unions, employers and the Government, that is highly relevant to the climate change debate. Consideration could be given to better integrating this with the work of the Climate Commission and the policy work of Government on climate change.

### **Principle 7: leverage co-benefits**

The PSA welcomes this principle as recognition that we cannot respond to climate change without recognising that all our actions are connected. The report recognises this at various points, for example in housing. One of the important connections that can be made is that workers who are financially secure and working in good quality jobs are more likely to look beyond their day to day needs and be able to engage with change. One way of ensuring this is through extending the benefits of collective bargaining to more workers and growing union membership. We understand that issues such as these are not the primary responsibility of the Climate Commission but it will be important for the Commission to be aware of the issues and supportive when engaging with stakeholders and other agencies of Government.

### **Consultation question 2 (emissions budget numbers): do you support budget recommendation 1?**

### **Consultation question 3: do you support our proposed break down of emissions budgets between gross long-lived gases, biogenic methane and carbon removals from forestry?**

The PSA is not in a position to comment on the science of these recommendations but we note the findings of the Oxfam report *A Fair 2030 Target for Aotearoa*, that taking into account New Zealand's relatively high levels of economic development, an equitable contribution to lowering carbon emissions would require at least an 80% reduction by 2030. Further taking into account New Zealand's historic responsibility for emissions would require even steeper cuts.

We support a high level of ambition and it is our expectation that the Governments commitments will be subject to ongoing review and may be accelerated as circumstances require and technological developments permit.

### **Consultation question 4 (limit on offshore mitigation for emissions budgets): do you support budget recommendation 4**

The PSA fully supports the limits on offshore mitigation for emissions budgets and the restricted circumstances justifying its use. It is critical that New Zealand pulls its weight and mitigates its own emissions except in exceptional circumstances.

## Enabling Recommendations

### Consultation question 5: do you support enabling recommendation 1 on cross-party support for emissions budgets?

We partially agree with enabling recommendation 1 on cross-party support for emissions budgets. The level of cross party support for the Climate Commission Act is one of its strengths and Governments should engage with all political parties to seek support for emissions budgets, but when science and the data indicate that more ambitious emissions budgets are necessary the country cannot be held hostage by parties that disagree.

### Consultation question 6: do you support enabling recommendation 2 on co-ordinating efforts to address climate change across Government?

The PSA fully supports the recommendation on co-ordinating efforts to address climate change across Government. We further recommend that these efforts be supported by the use of one of the formal mechanisms for promoting inter agency collaboration under the Public Service Act 2020. Throughout the development of this legislation climate change was referred to as the type of ‘wicked’ or complex issue that required a more formal co-ordination of Government efforts than was possible under the State Sector Act. The Act provides for 3 formal arrangements: inter-departmental ventures; interdepartmental executive boards; and joint operational agreements.

Interdepartmental joint ventures apply to departments, departmental agencies and a couple of non-public service departments only and their purpose is:

- a) to deliver services or carry out regulatory functions that relate to the responsibilities of 2 or more departments;
- b) to assist to develop and implement operational policy relating to those services or regulatory functions.

Interdepartmental executive boards apply to the same group of agencies as the joint ventures but their purpose is more strategic:

- a) To align and co-ordinate strategic policy, planning, and budgeting activities for 2 or more departments with responsibilities in a subject matter area
- b) to support those departments to undertake priority work in the subject matter area
- c) to support cross-department initiatives in the subject matter area.

Joint operational agreements apply to ‘public service agencies’, which includes Crown Agents, but the purpose of having such an agreement is merely to provide a ‘formal structure for co-operative and collaborative working arrangements between public service agencies’.

There is a need for deep integration and co-ordination across Government, which suggests that the stronger commitment required of an interdepartmental joint venture may be required. The strategic leadership is likely to remain with the Climate Commission and the Ministry for the Environment allowing the relevant departments to focus on consistent operational policy and services to support

different regions and localities, private and public employers, unions, Māori, other communities and local government respond to the challenges of climate change. Any joint venture will need to consider how to go beyond the departments and departmental agencies bound by the joint venture to make sure that those groups affected by its decisions, such as those listed above, have a seat at the table.

**Consultation question 7: do you support enabling recommendation 3 on creating a genuine, active and enduring partnership with iwi/Māori?**

The PSA fully supports this recommendation but it should be expressed in terms of giving effect to Te Tiriti o Waitangi. A meaningful partnership with Iwi/Māori at all levels will be essential for the effective delivery of climate change measures. Aside from the formal iwi and Māori organisations the Government should engage with union Māori representative such as the PSA's Te Rūnanga o Ngā Toa Āwhina. There are a growing number of established organisations that have put in place Māori structures and their specialist voices should also be heard.

The PSA also welcomes the integration of the the Māori framework He Ara Waiora tikanga, and the values of manaakitanga, kotahitanga, tiakitangi and whanaungatanga into the Commission's draft advice.

**Consultation question 8: do you support enabling recommendation 4 on central and local government working in partnership?**

We fully support the recommendation on central and local government working in partnership on climate change issues. Local government is a key sector in delivering climate related change in areas such as transport, waste and urban planning. However, we are not sure that draft advice recognises the barriers to making that happen. For too long local government has been seen as a tool of central government, rather than a level of government in its own right. We understand that the Minister of Local Government wants to initiate a conversation about the role of local government in light of the forthcoming three waters reforms and the reform of the RMA. This will be timely and it will need to address the role of local government in the response to climate change. We hope that this will lead to a review of the Local Government Act that will, among other things, make clear the constitutional role of local government.

The Government will need to turn its mind to the resourcing of local government too. Councils are concerned about their financial ability to address their infrastructure deficits, and many are worried about the impact of the three waters reform on their asset base and revenue, before they even get into the costs arising from climate change. The Productivity Commission recently reviewed the income of local government and made some fairly cautious recommendations that would lesson the reliance of councils on rates, but there is no sign of these being picked up by Government. We recommend that the Climate Commission raise with the Government the need for local government to be appropriately resourced for the tasks it will need to undertake.

We support the progress indicators as these should help focus the minds of the Government on how to better equip local government for the challenges ahead.

**Consultation question 9: do you support enabling recommendation 5 on establishing processes for incorporating the views of all New Zealanders?**

The PSA partially supports the recommendation on establishing processes for incorporating the views of all New Zealanders. We definitely see the value in an ongoing public forum on climate change as proposed in the draft advice, but there needs to be other forums that build on the principle of trying to build consensus at all levels of New Zealand society and engage both institutional stakeholders as well as citizens. The public forum idea could be applied locally, perhaps in the form of a citizens' jury or other forms of participatory openness<sup>2</sup>, when local authorities and government agencies are trying to build consensus around actions in response to climate change.

*Well-moderated deliberation, by drawing on the power of cognitive diversity, can be a highly effective means of unearthing problems and finding solutions. Citizens do not have to be geniuses; it is the system – the sharing of knowledge, the diversity of approaches – that turns their views into collective wisdom<sup>3</sup>.*

Institutional stakeholders such as unions and employers could be engaged by way of a formal advisory body, or perhaps by establishing a formal link to the Future of Work Forum, which already involves the Government, employers and unions.

We have already stated our support for the earlier recommendation on partnership with iwi/Māori, and there should ways to reach out to other communities in New Zealand such as Pasefika and the disabled community.

**Consultation question 10: do you support our approach to focus on decarbonising sources of long-lived gas emissions where possible?**

**Consultation question 11: do you support our approach to focus on growing new native forests to create a long-lived source of carbon removals?**

**Consultation question 12: do you support the overall path that we have proposed to meet the first three budgets?**

The PSA is supportive of the approach to focus on decarbonising sources of long-lived gas emissions, the approach to focus on growing new native forests and overall path that has been proposed to meet the first three budgets. Our caveat is that all these approaches should be subject to review and amended as necessary as the science and data dictates.

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<sup>2</sup> P. 30, Max Rashbrooke (2017), *Bridges Both Ways*, IGPS, Victoria University of Wellington

<sup>3</sup> Max Rashbrooke (2018), *Government for the Public Good*, Bridget Williams Books

### Consultation question 13: do you support the package of recommendations and actions we have proposed to increase the likelihood of an equitable inclusive and well-planned climate transition?

A just transition is central to the PSA's interest in this draft advice. We are concerned that our members and workers generally need support through the process, which will also help ensure that they in turn support the process.

We partially support the package of recommendations for an equitable, inclusive and well-planned climate transition. Overall it is going in the right direction and ticks most of the boxes, but we have a number of concerns. We refer the Commission to the excellent international advice available<sup>4</sup>.

#### **The role of unions**

There is no mention of unions as the collective voice of workers. Unions have a clear interest in changes in workplaces and in reskilling and the vocational education and training system. However, unions have role as public interest institutions. They have a wider interest, as is demonstrated by the PSA's 'Purpose':

*To build a union that is able to influence the industrial, economic, political and social environment in order to advance the interests of PSA members.*

Those interests include a sustainable future and while our particular focus is on workplace and industrial matters, it is impossible to separate those issues from the wider challenges of sustainability facing our planet, such as climate change. We also recognise that poor environmental outcomes are linked to unequal and unsustainable economic outcomes, which are directly linked to poor and unequal social outcomes.

There needs to be a separate point under necessary action 1, about engagement with workers through their unions. At the moment this is primarily engaging with employers.

#### **Low incomes and pay equity**

The draft advice correctly identifies the risk that the cost of transition (e.g. in the upfront costs of buying electric vehicles or moving to more efficient and healthy heating arrangements in the home) will fall disproportionately on those on low incomes. Māori and Pasifika are overrepresented in this group.

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<sup>4</sup> ILO (2015) Guidelines for a just transition towards environmentally sustainable economies and societies for all [https://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---emp\\_ent/documents/publication/wcms\\_432859.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_432859.pdf)

ILO (2019) The employment impact of climate change adaptation [https://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/documents/publication/wcms\\_645572.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_645572.pdf)

OECD Just Transition Centre (2017) Just Transition <https://www.oecd.org/environment/cc/g20-climate/collapsecontents/Just-Transition-Centre-report-just-transition.pdf>

The Commission recognises that this is an issue for the Government, who will need to provide support to those on low incomes, but we also need to address those low incomes. Part of that is ensuring that workers have proper career paths and are supported to reskill and move into higher paid work. The draft advice acknowledges that the Crown–Māori Economic Development Strategy, He kai kei aku ringa, also has a goal of growing the future Māori workforce into higher-wage, higher-skilled jobs. However, in our work on pay equity we have been seeking to address the undervaluation of women’s work. Anne Junor<sup>5</sup> and others have drawn attention to this and the need to recognise those skills and pay those who perform this work appropriately. In addition to our work on pay equity Te Rūnanga o Ngā Toa Āwhina is pursuing a claim as part of the Mana Wahine Inquiry before the Waitangi Tribunal, that wahine Māori have experienced discrimination and under valuation in employment.

We recommend that the Commission’s final advice not only refer to the need for Government support low income workers through climate change transitions and the importance of getting workers into higher-wage and ‘higher skilled’ jobs, but also addressing the undervaluation of predominantly female low paid jobs and the need for equitable pay for all.

### **Equitable Transitions Strategy**

We strongly support the development of an Equitable Transitions Strategy, but we think that it needs to be developed before December 2023. It is likely to be an evolving document as the science develops and we learn from our experiences, so it is not essential to get everything right from the beginning, but it is essential to make a start. It needs to address all the issues we raise here.

### **Tax**

We are pleased to see that tax will be a focus of the strategy. While we recognise that there may be a need to tweak the tax system to compensate for loss of revenue as taxable activities change, more fundamental change is required to help overcome inequality in general, as well as inequality in the transition. Inequality will hamper the transition we need as those on low and fixed incomes are forced to struggle day-to-day and tax reform has its part to play. We may well need targeted environmental taxes, but we definitely need to be able to improve our ability to tax wealth if we are to have a truly fair tax system that generates the revenue needed to support a just transition and we would like the Climate Commission to include recognition of this in the final advice to Government.

### **Minority and marginalised communities**

The PSA acknowledges the consideration given to ensuring that Māori are involved as partners in the transition process and to addressing their needs, but we must not forget other minority and marginalised communities. Pasefika people are similarly grouped in low income jobs, many of which are vulnerable to climate change. People experiencing disability have the lowest levels of

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<sup>5</sup> See for example Hampton, I and Junor, A (2015) ‘Stages of the Social Construction of Skill:

Revisiting Debates over Service Skill Recognition’ *Sociological Compass*, Vol 9, Issue 6 pp.450-463

<https://onlinelibrary.wiley.com/doi/abs/10.1111/soc4.12266>

employment and face other issues such as accessibility to public transport. Others, such as Muslim and Asian communities will have their own challenges and these need to be addressed too.

While the focus of this draft advice is on Aotearoa/New Zealand and how we meet our emissions reduction obligations, it would be good if the Commission could turn its mind to how this country could better support the Pacific nations who are facing more immediate issues from sea level rise. Pasefika communities here will also have difficulty in considering their situation separately from their homeland. Support for our Pacific neighbours should be seen as part of supporting our Pasefika communities.

The final advice to the Government needs to recognise that climate change will bring major challenges for Pasefika, Deaf and disabled people and other marginalised and minority communities in Aotearoa/New Zealand and recommend that the Government's programme of work needs to address these.

### **Women**

International bodies like the IPCC and the United Nations have noted that climate change will have a negative impact on women, but the draft advice does not make any recommendations that refer to women specifically. We draw attention to the advice of the United Nations Environment Programme<sup>6</sup> that includes the following recommendations:

- Conduct systematic research of climate change from environmental, development and gender equity perspectives to fill urgent gaps in research, knowledge and data
- Ensure an enabling environment for the increased participation and substantive inputs of women in decision and policy-making in local, community, national, regional and international institutions, and processes, negotiations and policies related to climate change issues.

The final advice to Government needs to contain recommendations for a programme of work on the impact of climate change on women and to ensure that women are represented in decision and policy-making on climate change responses.

### **The future of work**

As has been referenced elsewhere in this submission, there is a Future of Work Forum that involves unions, employers and the Government. This is a useful forum to lead work on workplaces and workforce issues and feed into the policy processes around such things as the vocational education and training system.

We agree that retraining, reskilling and redeployment will be necessary to ensure workers and workplaces adapt to these changes. This will require effective and adaptable formal education,

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<sup>6</sup>UNEP(2011), *Women at the Frontline of Climate Change, Gender Risks and Hopes: A rapid response assessment* [https://www.ipcc.ch/apps/nj-lite/ar5wg2/nj-lite\\_download2.php?id=9719](https://www.ipcc.ch/apps/nj-lite/ar5wg2/nj-lite_download2.php?id=9719)

training, retraining and life-long learning, and unions need to be involved in the planning and policy development that drives this work.

Social protection measures will be essential to support workers in industries undergoing change. The PSA supports the development of a system of social insurance for employment as the basis of an active labour market policy, which is under consideration by the Government at the moment. Workers who lose their jobs, as a result of adaptation to climate change (or other similar circumstances), should be provided with an adequate income for a defined period while they retrain and/or are redeployed. We recommend that the Commission also explicitly support this policy.

Collective bargaining and union membership should be strengthened and employment law further reformed. The highly individualised workplace model we have been working within since 1991 needs to change. This pits workers against each other and sees the employer as the font of all wisdom and authority. There is a need for greater collective response both within workplaces and across society, and unions are well placed to lead in this space. Collective bargaining is an important means of delivering processes for a just transition both within individual organisations and across whole industries. We need to strengthen multi-employer collective bargaining and promote Fair Pay Agreements.

The state also has an important role in shaping the future of work, by being an exemplar employer and by promoting change and job transformation through investment in low carbon industries and procurement practice.

### **Housing**

Housing is another area where the Government can lead, both through its regulatory function, but also as a housing provider. State houses should demonstrate the highest standards on insulation and energy efficiency. As much as possible they should be located in areas that minimise commute times or are well served by public transport.

While it is appropriate for the Government to assess the impact of insulation programmes on housing and rental affordability, they should not shy away from being ambitious in this area. Insulation is not the main contributor to housing costs and the housing crisis.

## **Policy Recommendations**

### **Consultation question 14: do you support the package of recommendations and actions for the transport sector?**

The PSA fully supports the proposed package of recommendations and actions for the transport sector. Even with electric vehicles we need to promote a shift away from the individual car to a diverse range of low emission transport options. However, there some areas which benefit from further consideration.

### **Free public transport**

The report talks about targeted fare reductions on public transport but as part of its Aotearoa Wellbeing Commitment campaign the PSA has been promoting free public transport<sup>7</sup>. This is seen as an essential part of universal public services that every New Zealander should have access to and that will have a significant impact on carbon emissions. This is an area in which we think we can be more ambitious and commit to expanding the network and making it more accessible, as well as providing free public transport.

### **Working from home**

We know that working from home will help reduce emissions from transport. The PSA is supportive of promoting this option but it needs to be done carefully and voluntarily as our lessons from Covid 19 demonstrate.

Not all homes are suitable for working in and not all jobs can be done or done easily from home. The health and safety obligations on employers do not disappear because the worker is not in the traditional workplace but there can be considerable health and safety risks that arise from working from home. Mental health is a particular concern as workers work in isolation from each other, but physical health from poor working posture and trips and slips hazards are also issues.

Following the level 4 lockdown last year we survey our members to find out more about their experience of working from home and the results have been very recently published in a paper<sup>8</sup> prepared in conjunction with the Centre for Labour, Employment and Work at Victoria University of Wellington. Over 16,000 members responded, providing an extremely useful database to help us understand the benefits and costs of working from home.

Over half of those surveyed (58.2 percent) worked from home during level 4 restrictions. Working at home for most (57.7 percent) occurred in a shared living space, while just over a third had access to a separate dedicated workspace (34.2 percent). Employers provided laptops, phones, headsets, cameras, and communication software, whereas employees were more likely to source their desktop computer, desk, chair and cover their internet and telecommunication costs. Staff indicated they needed additional technology, greater clarity of work expectations and more communication with their teams and managers to help them work from home effectively.

The authors concluded that this research “...reveals that mandating WFH as a temporary health measure results in variable outcomes for workers according to their living and caring circumstances. Whereas the mutual benefits of WFH may now be evident for organisations, it is also clear that WFH can lead to a range of challenges, including a blurring of work boundaries and tendency towards ‘work without end’. Understanding the psychosocial hazards of WFH and providing greater clarity of

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<sup>7</sup> [https://www.letsdoevenbetter.nz/public\\_transport](https://www.letsdoevenbetter.nz/public_transport)

<sup>8</sup> Donnelly, N. Windelov, K. Fromm, A. Irving, B. *Will Covid be a game-changer for flexible work? Public sector workers' experiences of working from home during a national lockdown*, Centre for Labour, Employment and Work, Victoria University of Wellington.

work expectations and guidelines on workers' ability to 'disconnect from work' will provide organisations with greater insight into the health, safety, and wellbeing challenges that people face during crises.”

There is also a risk that working from home might be used as a means to undermine secure work and sound terms and conditions.

We have had some employers in the community sector decree that working from home will apply to everyone, as a cost saving measure. As our research demonstrates, working from home will not suit everyone and a mandatory approach is not helpful.

If done properly, where the employer engages with their workers and unions on the design of their jobs as part of flexible work arrangement, supports someone working from home to have an appropriate working space and equipment, and secure work, then working from home will have a place as one tool in reducing emissions from commuting.

### **Consultation question 15: do you support the package of recommendations and actions for the heat, industry and power sectors?**

The PSA supports the package of recommendations and actions for the heat, industry and power sectors but wishes to make the following specific comments:

- We wonder if 30 June 2023 is a little late to be setting a renewable energy target of at least 60%, together with a supporting strategy. Surely it is possible to bring this date forward to next year?
- The steps outlined under Necessary Action 5 suggest that the electricity market is likely to undergo something of a revolution in which there will be greater opportunities for independent generation and distributed generation. While these developments are interesting and welcome (including the opportunities for Māori collectives to provide. Generation) this section does not address the failures of the competitive electricity market of the last 20 – 30 years to keep prices down<sup>9</sup>, nor the role of the state in ensuring an essential public service is maintained while reducing the impact on the environment. While the Climate Commission is not in a position to recommend major change to the way our electricity system works it is important that the Government takes a leadership role through the entities where it does retain (some) ownership – the mixed ownership model power companies and Transpower. Transpower will remain central to the distribution of power generated by different sources in the future and its role should not be undermined.
- We note that the draft advice calls for urgent regulation to prevent the future installing of any coal boilers but we need to set clear targets to get buildings that already have coal fired

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<sup>9</sup> <https://www.scoop.co.nz/stories/HL1111/S00231/water-and-electricity-in-the-wellington-region-1990-to-2010.htm>

boilers to move to electricity. It is good to see the state sector showing some leadership on this issue<sup>10</sup> but more needs to be done.

- We strongly support a coordinated approach across Government agencies and local councils to embed a strong relationship between urban planning, design and transport. The embedding of sustainability principles into work of the new Housing Acceleration Fund<sup>11</sup> could be considered.

#### **Consultation question 16: do you support the package of recommendations and actions for the agriculture sector?**

#### **Consultation question 17: do you support the package of recommendations and actions for the forestry sector?**

The PSA fully supports the package of recommendations and actions for these two sectors. Where the state has an ownership interest in these sectors (such as Landcorp) we would recommend that it demonstrates leadership on climate change response.

#### **Consultation question 18: do you support the package of recommendations and actions for the waste sector?**

The PSA fully supports the package of recommendations and actions for the waste sector. Waste is an area where the Government and local authorities need to work together. We need a consistent approach across the country and councils need to be supported to ensure that they have the capacity and capability to educate the public and implement more climate friendly waste processes.

#### **Consultation question 19: do you support the package of recommendations and actions to create a multi sector strategy?**

There needs to be greater consistency and co-ordination across Government and between Government, local government and the private sector than at present if we are to deliver an effective multi-sector strategy. We fully support the package of recommendations and actions to create a multi sector strategy. In addition we would make the following points:

- The new Public Service Act provides for some options that we discuss earlier in this submission. We need some machinery of Government change to support better integration and co-ordination.
- The draft advice talks about the need for incentives and encourage for the private sector and local government to change practice. While 'buy in' by the private sector is preferable, we note that the Sustainable Finance Forum recommendations included three key changes to drive better investment and we would ask the Commission to consider including these in their final advice:

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<sup>10</sup> <https://www.stuff.co.nz/national/politics/119091081/government-starts-to-take-public-sector-off-coal-with-eight-schools-and-a-hospital>

<sup>11</sup> <https://www.beehive.govt.nz/sites/default/files/2021-03/Housing%20Package%20Detail.pdf>

- Support education and capability-building about climate change among company directors, financial advisers and other financial institutions, across central and local government, universities and schools and members of the public.
- Establish regulatory standards for finance that will set a framework for re-directing funding from fossil fuels and carbon intensive companies towards low carbon companies and climate solutions. These standards for the finance sector need to be included in Codes of Conduct and regulations covering KiwiSave and other investments. This needs to be supported by extending the government's requirements for climate disclosure to include large private companies and the public sector.
- Require company directors and trustees to take climate issues into account in their policies and decision-making
- Our comments earlier about the need for employment law reform to support collective bargaining also apply here. We would emphasise the opportunity for the Government to act as an exemplar employer and lead the way.
- We strongly support the idea that Government procurement policies can be changed to include climate change considerations. We consider that they should also support exemplar employer practice in such areas as secure work, equal pay, collective bargaining and the role of unions in order to help develop workplaces where the workers can have space to think about climate change issues and have the opportunity to be heard.

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