

24 April 2020

To: Prime Minister Jacinda Ardern
Minister James Shaw
Minister David Parker
Minister Grant Robertson
Minister Shane Jones
Minister Phil Twyford
Minister Megan Woods
Minister Damien O'Connor
Minister Eugenie Sage

Re: Investment in the post-pandemic economy

Dear Prime Minister and Ministers,

I am writing on behalf of the Sustainable Business Network and our members to ask that sustainability is at the centre of every investment decision in the post Covid-19 economy.

Our network comprises more than 600 businesses and social enterprises, representing every size and sector of the economy. We have asked for their views and incorporated a representative selection of them in this letter.

We believe sustainable business must become the core of a resilient New Zealand. As a fundamental part of this we also need to put Mātauranga Māori principles at the heart of these investment decisions. If we don't invest for the long-term now, we will be burdening future generations with a climate debt on top of the Covid debt.

We ask that the government invests in the following five ways:

1. Only investing in initiatives that reduce carbon, pollution and waste, and directly improve the wellbeing of every New Zealander throughout the multi-generational long term.

We get what we pay for: The health of our people and our air, land and water are currently at risk. This is because significant investment in this economy still goes to activities that damage them. Government, banks and big businesses alike

should accompany sustainable investment with more rigorous monitoring and targets. They should also specifically target rapid improvement in wellbeing measures like the Living Standards Framework. Sectoral support, transport projects, cities, buildings and infrastructure must all be subject to these conditions. We need to bring forward investments that address the climate resilience of infrastructure.

Selection of comments from our members:

“Ensure wellbeing is at the heart of decision-making.”

“Need for decisions to be shown to make economic sense as well as environmental sense, the win-win.”

“Ensure funded/planned projects (which address systemic issues) don’t get halted/cancelled in favour of ‘shovel ready’ projects.”

“At each decision apply the qualifying question, ‘does this work take us towards a low carbon future?’”

Specific ideas

[Plastic Packaging Circular Innovation Programme](#) - \$600,000 is needed to allow NZ businesses to meet 2025 plastic packaging commitments safely post Covid-19 through resources, tools, events, advice and communications facilitated by 3 positions. This will significantly reduce costs to landfill and increase the value derived from collection and processing systems nationally.

Change government procurement rules (e.g. GETS Rule #3) to reward businesses that deliver more sustainable outcomes (through the lens of climate, circular, etc.).

Developing key inter-city electric rail services.

More domestic closed loop recycling facilities (e.g. for polypropylene - type 5 plastic).

Revamp the 'healthy homes' programme (insulation, PV+ battery with smart grid, etc.) and consider funding models that allow for impact investments.

2. Investing rapidly and heavily in ecological conservation and regeneration.

Valuing what we value: Our system has for centuries provided very high rewards for unsustainable and inequitable commercial activities. The ongoing degradation of our whole country’s natural systems means we must look beyond geographically limited conservation. We need projects that can show results in national ecological regeneration.

Selection of comments from our members:

“This crisis has shown the value of government to take a strong lead in an emergency – adopt a similar approach for the climate and ecological crises.”

“Restoration/conservation projects could offer investment and employment opportunities. It would be great if these could be coordinated with farmers to plant private, marginal, and/or erosion-prone land.”

Specific ideas

‘Partnering to Plant Aotearoa’ is a new partnership between the Sustainable Business Network (Million Metres), Te Whangai Trust and Ngā Uri O Hau Native Nursery. It will build a national restoration network delivering long term employment, training and pastoral care for NZ’s most vulnerable communities while restoring Aotearoa’s blue/green infrastructure along our waterways (rural and urban). An investment of \$22 million will be needed to deliver 50 new jobs, retention of existing jobs, planting up to one million trees and waterway improvements.

‘Revitalising New Zealand’s communities through nature-based employment’ is a collaboration between Treaty partners, central & local government, businesses and NGOs. \$1 billion invested over 3 years will help businesses retain their staff and significantly progress the Government’s environmental priorities. It involves 6,000-7,000 jobs created each year to deliver priority goals including climate change, freshwater, One Billion Trees, marine and more.

Restore the mauri of our marine environment: SBN’s [Gulf project](#) has identified ways that we impact on water through what we do on land. We need to invest in blue/ green infrastructure and change people’s behaviours (shift transport modes and support flexi-work) to restore our marine environment.

3. Invest in meaningful, sustainable, long term employment.

Just transitions for jobs: There is an urgent need to reskill and re-employ those made redundant in sectors that are shrinking in the current conditions. It’s also inevitable that other unsustainable sectors must shrink in coming years. We need cross sector partnerships to reshape our workforce for these realities. This is the fairest way to safeguard employment, support communities and hone our economy.

Selection of comments from our members:

“[We need] improved incentives and facilitation / support for innovative start-ups.”

“Use this opportunity to revise our thinking on where NZ has comparative advantage, fully embedding sustainability within that analysis.”

Specific projects

A \$250,000 annual investment would create 2 roles focused on providing free and open access to tools and resources for young professionals desperately wanting to build capability in areas of sustainable business leadership. [The Now Crowd](#) focuses on building skills in sustainability and resiliency in NZ's workforce, through training our future leaders.

Partnership opportunity for SBN, government & tertiary institutions to collaborate to deliver skills training – creating micro-accreditation using resources SBN has created. This would involve creating roles for three people to run training, that would be open-sourced and free. Investment required: \$500,000 per year (not including process for NZQA qualifications).

Develop more business and regional innovation hubs.

While employment opportunities may be lower (over the next few years) increase the length of tertiary courses to include sustainability-themed education and training.

4. Invest to expand and accelerate regenerative food production.

Becoming a good food nation: Our relationship with food is central to the wellbeing of our people, land, water and economy. We lack food diversity, especially for export. We have intensified agriculture, especially dairy. And we continue to rely heavily on food imports. These all represent unsustainable risks to our long-term prosperity and wellbeing. Food systems that demonstrate how they directly feed our people, provide a range of new export opportunities and help clean up our air, land and water should now be invested in as a national imperative.

Selection of comments from our members:

“Regarding food production, it's not just about local = good, non-local/export = bad, we need to be more nuanced than that, and assess both against sustainable/regenerative criteria.”

Specific ideas

Expanding the [Good Food Boost](#) mentoring programme: supporting and promoting NZ sustainable food businesses and increasing their resiliency. \$150,000 per year would be sufficient to keep this programme in play – creating 1 job but increasing the resiliency of a minimum of 30 SMEs (approx. jobs) in the food sector.

Support food rescue charities to move to a paid model.

Urban networks of hot composting and regenerative food growing. The composting alone would employ 2 people per 1500 houses, which equates to around 300 jobs in Auckland alone. Then add to that the jobs created by the urban farms.

Use this opportunity to develop capability in carbon in soil sequestration (e.g. biochar).

Invest in agriculture as a solution to rebuild soil, climate resiliency on farm, job retention, and health and wellbeing of communities. Invest in and monitor a collaboration programme pilot for agriculture proposed for the Waikato Phase One Funding. \$360,000 is needed to lead the collaborative participation of multiple sectors of society affected by Covid-19, climate change, water, health, poverty, housing and social inequality. This will help provide growth through infrastructure, business and employment opportunities based on regenerative economic and agricultural principles.

5. Invest in resilience and emission reductions in New Zealand's small and medium-sized businesses (SMEs).

Strengthening the backbone of the New Zealand economy: Before Covid-19, SMEs accounted for 97% of all New Zealand businesses. They employed more than 630,000 people, or 29% of all New Zealand employees. They generated 28% of New Zealand gross domestic product (GDP), 35% if the self-employed are included. It is likely that the sector's contribution to climate change is of a similar magnitude to its contribution to GDP. SMEs must be empowered to be more resilient in the face of ongoing climate change and other challenges like this pandemic. They must be helped to contribute more to national cuts in greenhouse gas emissions. For example, they can contribute to low carbon mobility or moving to a low waste, circular economy. Supportive procurement rules will incentivise and support them.

Selection of comments from our members:

"Build regional/local supply chains that are redistributive (fairer) and regenerative (circular)."

Specific ideas

Invest \$500,000 in building resiliency and action from SMEs via the [Climate Action 20/25](#) programme – an open sourced toolkit for SMEs, supported with a communications campaign and recognition of SME leadership on climate action. Create 2 new roles and ensure more security of existing jobs by improving resiliency.

Circular Economy guidance for SMEs: resources and support to help transition SMEs to more circular business models and grasp the economic benefits identified in the [Circular Economy Opportunity for Auckland](#) report. This identified an \$8.8 billion opportunity for Auckland alone associated with circular innovation in transport, food waste and construction. This would be best delivered in partnership with ATEED, SBN and progressive enterprises from these sectors. An investment of \$250,000 would enable support to be delivered to 150 businesses via the creation of a new role.

Proposed Institute of Remanufacturing - help build NZ's capability around remanufacturing, enabling greater resiliency and self-sufficiency as a country, as well as being a key enabler of the circular economy. \$500,000 would kick start it via 2 roles and supporting infrastructure, with the aim of upskilling and developing new employment.

Incentivise businesses to continue working from home where possible and tie incentive plan into public transport use and other shared mobility by using tax breaks or other financial incentive mechanisms.

Invest in SMEs that help reduce carbon emissions and waste, as well as provide jobs, such as Again Again re-usable cup scheme (and their extension into other single use packaging systems).

Now is the time to invest in the things that matter and will create a better future for all New Zealanders.

On behalf of our Network, I ask that the government seizes this opportunity and takes a leadership role in sustainability, as it has done with the pandemic.

SBN will continue to collect plans and initiatives from our business network (many of whom are SMEs). If you are interested in an update on this, please let me know.

Yours sincerely

A handwritten signature in black ink, appearing to be 'RB' or similar initials, written in a cursive style.

Rachel Brown ONZM

Founder and CEO, Sustainable Business Network