

Media release

EMBARGOED until Thursday 10 May 2018

# Auckland could be \$8.8 billion better off in 2030, if it installed a circular economy

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An economic study of how Auckland could look in 12 years' time found we could be billions of dollars better off with much lower carbon emissions if we shifted to a circular economy.

[\*The Circular Economy Opportunity for Auckland\*](#) is the first report of its kind in New Zealand. It has been produced by the Sustainable Business Network in partnership with Auckland Tourism, Events and Economic Development (ATEED). The economic analysis was carried out by Sapere Research Group.

The report draws on research from overseas. It applies this to the Auckland economy, focusing on food, transport and the built environment. It is inspired by similar reports for London and Glasgow. These are now forming the basis for policy settings and business innovation across the world.

The report suggests the opportunity ranges from \$0.8-\$8.8 billion in additional GDP in 2030. Further analysis of data from the three key sectors in Auckland indicates an economic benefit ranging from \$6.3 -\$8.8 billion- towards the upper end of the initial estimation.

A circular economy de-couples resource use from economic growth. Lifecycles of materials are maximised, usage optimised and at the end of life all materials are reutilised. This requires a redesign of the current systems of extraction, production and disposal to ensure natural and technical resources stay in discreet systems or 'loops'.

The basic idea has been around in different forms since the late 1960s. But in recent decades it has been refined and more widely applied. It is now the model for huge areas of policy across the European Union. China passed a law for the promotion of the circular economy in 2008. The principles are now embedded in the country's national five year planning cycle.

James Griffin leads the Circular Economy Accelerator, part of the Sustainable Business Network.

He says: *"A more circular economy is inevitable. It is the only viable model for meeting the needs of a growing population within environmental boundaries. Applying circular economy thinking to*

*Auckland will future-proof prosperity. It will trigger a new era of business innovation. It will radically reduce the costs of our economic activity and the material inputs it requires. The only question is: how fast can we go to realise the opportunity?"*

ATEED has provided an economic perspective on the SBN report producing an insights paper entitled '[Circular Economy: A new dynamic for Auckland Businesses](#)'.

Patrick McVeigh is General Manager, Business, Innovation and Skills for ATEED.

He says:

*"Sustainable development is a priority for all communities, cities and countries. For Auckland, and New Zealand, there is a very real need for all residents and businesses to make a contribution to becoming a lower carbon economy.*

*"Auckland with its innovative, entrepreneurial business culture has the opportunity to position itself as a circular economy city for the world. The circular economy represents new business opportunities in growing global markets including new business models in transport, waste to value opportunities in the food sector and the re-use of construction materials.*

*"Auckland businesses pursuing process and product innovations that reflect circularity will create new forms of value, open up new markets and support sustainable growth by reducing reliance on finite resources."*

Associate Environment Minister Eugenie Sage says:

*"This work is a valuable contribution towards seeing the value of a circular economy. We need to stop thinking that recycling is the answer to our waste problems when actually producing less waste in the first place is better for the environment and our country.*

*"That will require a significant change to people's behaviour but we need to reduce the resources and waste used to create a product.*

*"It makes sense financially and environmentally to buy products that are made to last longer and can be repaired or be refurbished.*

*"Designing waste and pollution out of the system makes for a more sustainable society for future generations of New Zealanders. It creates long-term cost savings and more local job opportunities, encourages technical innovation, and reduces the amount of harmful waste produced, which decreases our impacts on climate change."*

[Read the full report here.](#)

Other key findings from the report:

In 2030:

- Adopting enhanced methods of construction could yield **\$2.5 billion**. This includes more reuse and high value recycling, industrialised processes and 3D printing, as well as designing for multi-purpose use
- Reducing food waste, and finding more commercial use for it e.g. for biogas or animal feed could yield **\$0.3 billion**

- Encouraging ride sharing, refurbishing commercial vehicles and reducing congestion could yield **\$1.8 billion**

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