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# Going Full Circle

Six focus areas for shifting Aotearoa New Zealand to a low carbon circular economy

EXECUTIVE SUMMARY | SEPTEMBER 2021

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# Executive Summary

**Aotearoa New Zealand is facing a choice that will determine our economic prosperity, the state of our environment and the wellbeing of our people.**

We need to choose whether to cling to the existing ‘take-make-waste’, linear economy that we have followed for around 80 years. Or to transition to a circular economy, where waste, pollution and greenhouse gases are designed out, materials are kept in circulation and natural systems are regenerated.

The evidence shows there is only one viable option for long-term economic prosperity. A low carbon circular economy means avoiding the costly extraction, creation and disposal of wasted resources. It means stopping current destructive practices and regenerating healthy, natural systems. The benefits are undisputed. However, transitioning to a circular economy involves a significant shift in the way we think, live and work.

The Sustainable Business Network (SBN) has been working to accelerate the transition to a circular economy in Aotearoa New Zealand since 2014. That year, we conducted a qualitative analysis of the status of the circular economy. Since then, we have led a study which quantified the economic benefits of a circular economy for Auckland at an additional \$8.8 billion. We have created a suite of practical circular economy resources; built New

Zealand’s first product stewardship directory; created a Climate Action Toolbox; and trained hundreds of businesses in circular economy practices.

Since starting this work, others have joined the growing movement in Aotearoa New Zealand. Interest has been growing from Government agencies, the Climate Change Commission, Ministry for the Environment, Ministry for Business, Innovation and Employment, councils and many in the private sector.

This report assesses the state of the circular economy in Aotearoa New Zealand in 2021. It is the culmination of research, stakeholder interviews and seven years’ experience helping Kiwi businesses adapt to a circular economy.

## Progress is too slow

**The report shows that while there are some signs of change, progress is simply too slow.**

The speed of change is not commensurate with the urgency of the challenges facing us. The state of the climate, resource depletion and degradation of nature require immediate action. It requires a system-wide approach.

New Zealand businesses need to move beyond an incremental focus on recycling to much more progressive strategies that enable them to

transition to a circular economy. However they need the right systems in place to make this change easier.

The message to businesses is clear. If they do not start to adjust now, they are putting off the inevitable. They will suffer from rising costs, regulatory pressure, reduced market share, staff disenchantment and tainted brand reputation.

The report examines the state of play in the six areas we first identified in 2014. Progress is still needed in each in order to shift the current, entrenched, economic system to a circular economy:

- **Designing** for circular outcomes
- Stimulating **demand** for more circular solutions
- Adopting **business models** that promote circular practices
- Establishing accessible **infrastructure**
- Embedding new **technology**
- Developing **policy and legislation**



## Early signs of progress

There are some early signs of progress of the emerging new economy:

- New procurement policies within corporates and government agencies are facilitating the adoption of more circular practices within businesses
- Increasing numbers of businesses are changing packaging to reduce single-use plastic. Some are taking this a step further to re-design products themselves to cut out unnecessary waste
- Some emerging businesses are adopting innovative business models to eliminate waste from day one
- Consumers are driving change by increasingly choosing products and packaging that won't end up in landfill
- Government is starting to signal and enact legislation as well as increasing investment to incentivise the shift to a low carbon circular economy, such as a phased increase in the waste levy. The incorporation of mātauranga Māori will lead to more progressive circular government activity

However, we need much faster progress. We are currently operating a dying model while doing little to allow the new to break through.

## We need to unite behind a vision

If the private and public sectors in Aotearoa New Zealand can agree on a vision for a future circular economy 'end state', we will have a greater chance of achieving it.

A holistic and compelling vision would act as a guiding light for business, government and society. It would help drive action across the six key areas outlined in this report.

The vision and the action that follows should focus on bringing about a fair and equitable society, economic prosperity and regeneration of our natural environment. It should be based on net zero carbon and mātauranga Māori.

By incorporating mātauranga Māori at the heart we have the potential to create an inclusive and unique vision for Aotearoa New Zealand.

No business can make this transition in isolation. Businesses, government and communities need to work in collaboration. Each has an essential role in the transition, whether working on pioneering business models, business guidance, policy and regulation, or community engagement.

Aotearoa New Zealand has the opportunity to be a leader in the transition to a circular economy and provide inspiration and a pathway for other countries to follow.

The choice – and the opportunity – is ours.

## A vision of a unique circular economy for Aotearoa New Zealand

In 2050 our economy will have been transformed. It will have achieved net positive carbon. Waste and pollution will have been eradicated. Our environment will have been regenerated. Our people will be thriving. We will be a role model for the world.

This will have been achieved by a fundamental shift by government, business and society to the wholesale adoption of a unique Aotearoa New Zealand circular economy.

Pioneering businesses will have trailblazed the transition by embracing circular business models. Government will have provided incentives. Society will be thriving through full and meaningful employment, and access to products and services that enhance wellbeing.



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