

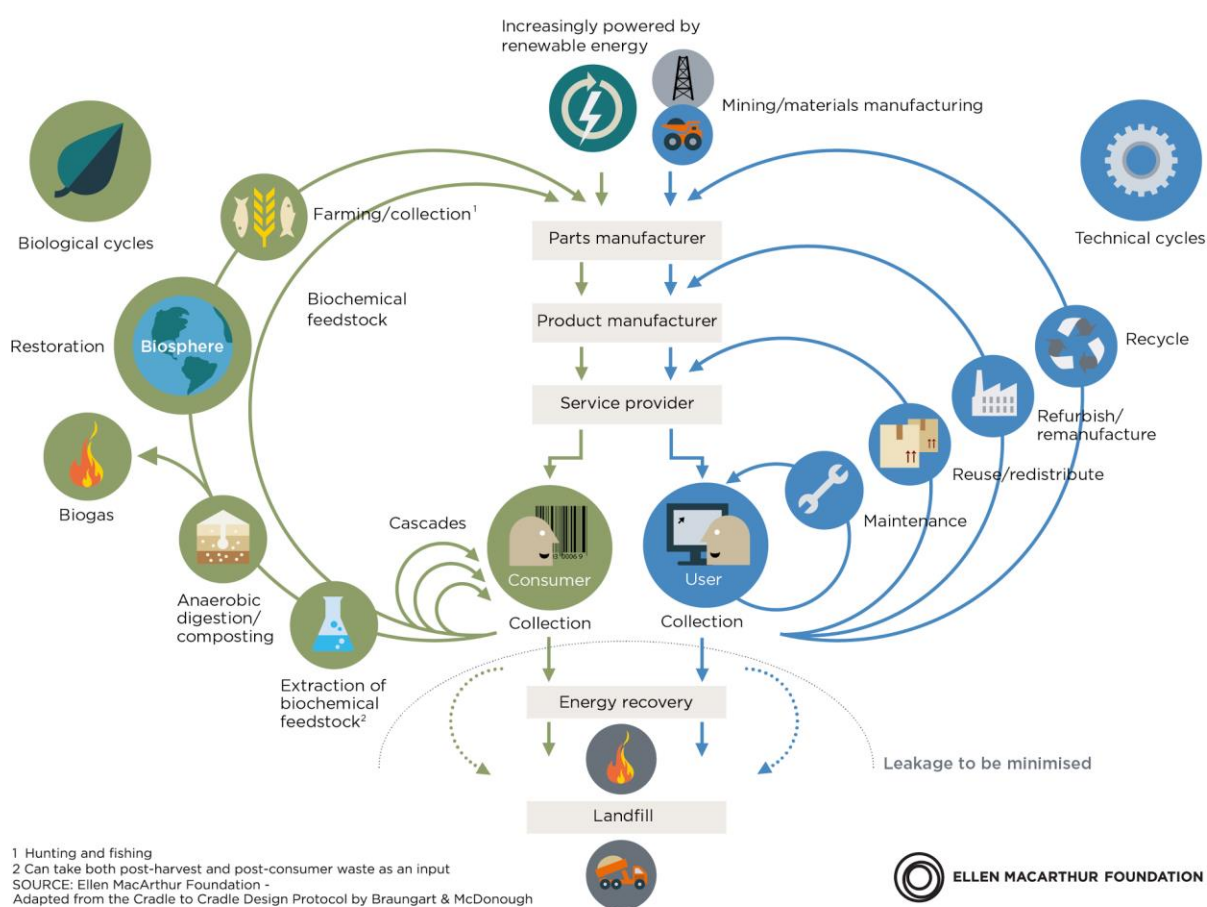
2nd October 2017

Re: Submission to the Low emissions economy inquiry

A significant and scalable opportunity for a lower emission economy in New Zealand is represented by a transition from a linear (take – make – dispose) economy to a circular economy. In a circular economy economic growth is decoupled from resource use by maximising the life cycle of materials, optimising usage and ensuring that all materials are reutilised at the end of their life.

It is a regenerative system by design with biological and technical material flows maximising value at all life stages.

CIRCULAR ECONOMY - an industrial system that is restorative by design



The economic, low emissions and social (Job creation) opportunity for the circular economy has been well documented in studies across the developed World.

A comparable country to NZ in terms of population, Scotland, has identified annual cost savings of £0.8-1.5 billion from increased circularity in manufacturing. This equates to around 5 to 9% of total turnover from the sector. Likewise, an analysis of 10 consumer goods categories, such as clothes and food, revealed potential annual cost savings of £1.5 billion. In terms of emissions, Scotland identified they can save 11 million tonnes of greenhouse gases per year by 2050 via moving to a circular economyⁱ.

We are seeing Businesses and Cities throughout the World and in New Zealand becoming increasingly engaged in circular economy related activity to realize these opportunities.

The Sustainable Business Network (SBN) has identified, and is working on, six leverage points that are key to unlocking a more circular economy in NZ.

Supporting organisations to address these leverage points will, we believe, significantly help speed up the transition to a low emissions, productive and ultimately circular economy.

6 leverage points to transitioning towards a more circular economy

1. **Design** – design products and services for a circular economy rather than retrofitting solutions into ‘linear’ products.
2. **Demand** – procure products and services that support a circular economy
3. **Infrastructure** – establish a support infrastructure in NZ that facilitates circular economy solutions
4. **Business models** – support businesses adapt their current and establish new business models to be more circular
5. **Technology** – facilitate the increased use of technology (e.g. Internet of Things, 3D printing and Artificial Intelligence) to create more circular solutions
6. **Policy** – support the transition to a circular economy via appropriate policy levers e.g. a Waste Levy fee increase.

ⁱ Scotland and the Circular Economy, Ellen MacArthur Foundation in collaboration with Zero Waste Scotland and Scottish Enterprise