Zero Waste Aotearoa feedback

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We appreciate the work that is being done by MFAT to progress more productive use of energy and resources through our trade agreements and this opportunity to offer feedback on the Green Economy Partnership Agreement.

Zero Waste Aotearoa is committed to building a waste-free future together by;

1. Offering practical solutions to the root causes of waste
2. Connecting across communities to collectively prevent waste, and to repair, reuse, recycle and compost
3. Leading a movement to end waste.

Zero Waste Aotearoa has 82 full members who provide practical reuse, repair, recycling, composting and behaviour change services. Collectively they employ 1,185 people, deliver 5,724 workshops and events, enable 9,201 volunteers, recover 43,882 tonnes of material and feed $87 million back into local economies each year.

Summary

Trade agreements based in good practice will catalyse the New Zealand's government and businesses to progress key actions that will underpin a shift to a safe, clean, green low carbon resource efficient economy.

It is important to:

- Take a precautionary approach to waste to energy and incineration activities including sustainable aviation fuel and use of hazardous materials and chemicals of concern. These have complex environmental, economic and health impacts which need careful consideration. They have the potential to cause more problems than they solve.
- Align New Zealand legislation, regulation and trade activities with good practice models being developed in Europe and other proactive jurisdictions as this will ensure access to high value markets and clean, safe and sustainable products and packaging.
- Invest in policy work on legislation, regulation, compliance, monitoring and enforcement so New Zealand catches up with our key trading partners and New Zealand businesses are supported to put products and packaging on the market that meets standards and back the 100% pure NZ brand.
- Take a holistic approach that considers impacts across systems, boundaries, borders and global networks so cost and risk is not displaced to other countries.
- It is critical that Māori are actively engaged in the development of trade policy and negotiations, that Māori rights and interests are reflected and that Te Tiriti is at the heart of discussions, policy development and negotiations.

Overview

GEPA gives New Zealand an opportunity to contribute towards the development of innovative trade policy frameworks to accelerate the uptake and deployment of low-emissions and resource-efficient production and consumption practices.

We fully support this intention. Trade has a critical contribution to make in addressing global sustainability challenges including the net zero transition, and it is vital that New Zealand is part of a broader approach to enhance cross-border trade and investment in the green economy, and to support emerging green sectors onshore and offshore.

More productive use of resources and energy is a key goal for New Zealand and our trading partners. It is vital that these issues are central to the trade policy conversation.

Wasteful production and consumption practices and careless use of hazardous materials and chemicals of concern have a negative impact on our environment and on human health.

Effective waste reduction, reuse, recycling and composting systems and safe waste management systems are critical pieces of public infrastructure that enable businesses, households and visitors to participate in the circular economy at home and at work.

Effective regulatory frameworks and compliance , monitoring and enforcement systems are necessary to support our export industries as well as our onshore tourism industry. This drives the production and consumption of resource efficient imports and exports.

Trade agreements with circular conditions establish an operating environment that requires businesses to design better products and packaging and to adopt more resource and energy efficient business models.

Businesses exporting from New Zealand need to be able to meet international design standards for products and packaging so they can access markets. Businesses exporting to New Zealand depend on there being an effective regulatory framework and reuse, recycling and composting systems in place so they can compete on a level playing field and deliver on their reuse, repair and recyclability promises to their customers.

Responses to questions

1 What are the key economic opportunities and challenges with regard to sustainability, environment and climate change? What principles or priorities should guide the development of the GEPA?

Challenge - New Zealand has fallen behind

There is a widening gap between the image of ourselves we portray on the global stage for trade and tourism (100% Pure) and the reality on the ground where we are falling further and further behind our key trading partners on environmental and climate change policy and action.

It is important to recognise that New Zealand is coming off a very low base in resource and energy efficiency. There is a lot of work to do to catch up to where other countries and collectives such as the European Union are at.

Successive New Zealand Governments have not been proactive in establishing regulatory frameworks and practical activities that are focused on responsible production and consumption in order to develop a low waste, low emissions green economy.

We have not not invested in effective systems to prevent and reduce waste or integrated waste reduction/resource efficiency into trade, economic, infrastructure or climate change thinking and planning.

The main opportunities to reduce resource and energy use are upstream at the top of the supply chain to design waste and pollution out of products and packaging and to keep materials and products in circulation for as long as possible so that the use value of resources and embodied energy is maximised.

The connection between regulating to drive change in business models and product and packaging design in order to reduce waste and emissions is not being properly explored or leveraged. The limited action that has been taken largely focuses on the disposal of end of life products and packaging with a small amount of recycling and composting.

Waste reduction and management needs to be recognised as a sector with specific drivers, opportunities and funding and finance mechanisms and included in a coordinated planning and investment programme.

Challenge - Need a proactive approach

Circular economy policy is a mechanism for connecting thinking about resource and energy use with the business and service models that pull natural resources out of our environment and into our economy. The New Zealand government has dropped work on this down the priority list.

MBIE works at the top of the supply chain / waste hierarchy and MfE at the bottom. Work on the circular economy at MBIE has been shut down. MfE is left to try and create the regulatory frameworks to shape producer and consumer behaviour with limited resources and low political support.

MfE budgets have been cut, planned policy and regulatory framework development has been deferred or abandoned, waste disposal levy funds that were once ring-fenced for investment in waste minimisation are being used for other purposes, and MfE itself is being reorganised into the new mega ministry focused on development and consenting.

Many companies actively lobby against regulatory changes that they fear would impact the viability of their business models which depend on being able to internalise profit and externalise cost and risk onto society and the environment in the short, medium and long term.

New Zealand needs to Invest in policy work and implement legislation, regulation, compliance, monitoring and enforcement so New Zealand catches up with our key trading partners and New Zealand businesses are supported to put products and packaging on the market that meets standards and back the 100% pure NZ brand.

Challenge - Resource efficiency takes a back seat

The way we measure, report on and set targets for emissions in the global reporting framework focuses on emissions produced onshore (production emissions). Waste emissions therefore appear to be largely methane from decomposition of organic materials in landfills. All the policy and investment relating to emissions reduction through the waste sector has been focused here.

The GHG emissions that are generated offshore to produce goods and food consumed in NZ are not factored into our ERP actions because they are invisible to our accountability frameworks. These supply chain emissions are part of business thinking through scope 3 but this is not integrated into government policy.

New Zealand claims special status around our agricultural emissions which we justify on the basis that we are helping to feed the world. We do not properly acknowledge or factor in the emissions and other environmental impacts other countries bear to produce goods and services consumed here.

Generally work on understanding resource productivity takes a back seat to work on understanding labour productivity. The Parliamentary Commissioner for the Environment is working to estimate the impact of New Zealand's resource consumption: see Waste generation and Filling some gaps as well as a series of other reports.

Circle economy's Circularity Gap reports and UNEPs emissions gap and adaptation gap work clearly show the scale of the negative environmental impacts of extraction, production, consumption and disposal on ecosystems, biodiversity and human health upstream via pollution, unsustainable resource extraction and land use change and downstream via pollution, escape to the environment and disposal methods such as landfill and incineration.

Policy measures that would tackle both resource and energy productivity such as extended producer responsibility frameworks need to be prioritised and invested in.

Challenge - Removal of drivers from Government Procurement Rules

It is disappointing to see the weakening of the Government Procurement rules with the removal of the requirement to consider waste and GHG emission impacts as part of the procurement process. This is a backward step.

Strategic use of procurement to build resource and energy efficiency measures into short, medium and long term spending and contracts across government is a commonly used tool in countries around the world to create greener economies.

Responsible expenditure of public funds requires due consideration of the climate, resource and energy efficiency impacts of spending decisions. New Zealand needs to build this into government, local government, business and household spending decisions.

Opportunity - Align with progressive trading partners

Aligning with trading partners who have proactive and progressive regulatory frameworks will stimulate New Zealand to modernise its regulatory framework and standards. Access to Premium prices and markets will depend on New Zealand exporters being aligned with global good practice.

MBIE is clear that Circularity is a driver for our key trading partners pointing out that our trading partners are investing in developing a wide range of circular economy strategies, policies and regulatory measures In order to encourage circular business models, resource and energy efficiency and to prevent waste.

China, Australia, USA, Japan, the United Kingdom and the European Union all have circular economy objectives in their trade policies. There are circular economy provisions in our free trade agreements with the EU, UK and Australia.

Aligning New Zealand legislation, regulation and trade activities with good practice models being developed in Europe and other proactive jurisdictions as this will ensure access to high value markets and clean, safe and sustainable products and packaging.

Our current low standards around resource and energy efficiency mean New Zealand faces issues with dumping of low quality products and packaging in New Zealand which are not able to access markets with stricter rules.

Opportunity - Apply the Precautionary principle

Work being done in Europe acknowledges that achieving a circular economy is complex and possible. It requires:

- coordinated action across diverse pieces of legislation
- holistic approach across the lifecycle - extraction, manufacturing, use, recycling and end-of life disposal.

It recognises that that pollution and environmental damage puts at risk both our:

- Health and wellbeing
- Economic security and future prosperity.

This work recognises that building a healthy circular economy involves integrating chemicals, products and waste under the Circular Economy Act. Key principles that underpin this work include:

Pollution is preventable so it is important to be proactive rather than reactive.
Work being done in Europe focuses at the top of the supply chain where products, packaging and business models are designed and produced. This is considered to be the most effective and efficient intervention point.

In a clean and safe circular economy, all materials and products should be free from harmful chemicals in order to ensure their safety for both primary and secondary uses. This requires action:

- upstream to ensure products and packaging are safe and sustainable by design and
- downstream to increase safety and trust in recycled materials and products.

Transparency, information disclosure and traceability underpins good practice and decision making.
Binding requirements for traceability of chemicals and materials along the supply and recovery chain is necessary to achieve a clean, safe circular economy. Good decisions on recyclability and markets for secondary materials require access to information on chemical content of products.

Clean safe products and packaging do not contain toxic or hazardous substances. Substances of very high concern need to be included in Digital Product Passports. Decontamination of materials containing hazardous chemicals and or substances of concern is necessary.

Sound definitions and clear decision points across the supply and recovery chains are crucial to ensure clarity and enforceability. End of waste criteria are being developed and used to define when materials that have gone through reuse or recycling processes stop being waste and become secondary raw materials. This ensures high quality, safe and technically compliant materials can be traded and used as a valuable resource.

Challenge - Identify greenwashing

One of the reported areas of interest for GEPA is trade in environmental goods and services, including emerging technologies such as hydrogen and sustainable aviation fuel. A critical issue with novel technologies like sustainable aviation fuel is being able to tease out the real opportunities from the greenwash claims.

Sustainability and circular claims are common in waste to energy proposals. Evidence to support them less so. MBIE notes that reporting, disclosures and greenwash prevention are key issues. This is a particular risk for emerging technologies where the promotion of benefits often goes ahead of the ability to deliver.

Many organisations and jurisdictions are putting in place disclosure requirements, criteria, standards and expectations so that companies have to substantiate their claims.

Waste is often targeted as a feedstock for waste to energy and incineration proposals. There is a big difference between clean single stream feedstock and mixed solid waste. The Garbage in, Garbage out principle needs to be applied to thinking about this.

Waste materials, products and packaging often contain hazardous materials and chemicals of concern. These do not magically disappear during the process of converting waste into heat and energy. Harmful by products flow through into bottom and fly ash, digestate, air emissions and water.

Development of Sustainable Aviation fuel

In relation to Sustainable Aviation Fuel development in New Zealand we note that:

- The idea of sustainable aviation fuel is a seductive decarbonisation option for airline companies whose business model relies on consumption of fossil fuel especially for long haul flights where battery or hydrogen options are impractical.
- There is a strong incentive to promote the potential of SAF to customers and shareholders in advance of being able to deliver it as a viable alternative.
- Airline companies are pulling back[1] on their targets and timelines for sustainable aviation fuel because it's more expensive, 'advanced' technologies are in development and unproven technically and/or economically[2], require government/ public investment/subsidies, supply is limited (about 1% of global jet fuel demand met by SAF), use of SAF requires more modern engines and planes. [3]
- Using organic sources for SAF and claiming emissions reductions is based on the idea that CO2 from SAF burned is being absorbed by plants growing in real time. Globally there is a net loss of forest cover so these claims rest on a weak basis in reality.
- Technologies to produce SAF from municipal waste create harmful by-products (solid, liquid and gas) due to contamination of feedstock by hazardous materials and chemicals of concern

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[1] See https://www.greenairnews.com/?p=7253 for an overview of Air NZ position - "*Securing SAF at "commercial prices" is a central element of the transition plan, but is heavily reliant on external developments in production, technology, certification, costs and policy support, the airline said, revealing that SAF represented just 0.4% of Air New Zealand's 2024 fuel use, with supplies uplifted in New Zealand, Singapore and the US.*"

[2] https://www.greenairnews.com/?p=8361 for example Fulcrum energy which was a participant in a New Zealand feasibility study https://www.incineratorfree.nz/community-struggles/ministry-of-tourism-waste-to-energy

[3] See https://nsip-documents.planninginspectorate.gov.uk/published-documents/TR020005-001640-D1_Nutfield%20Conservation%20Society_Written%20Representation_The%20reality%20of%20waste-derived%20fuels%20-%20up%20in%20the%20air.pdf Summary of key issues here https://resource-recycling.com/analysis/opinion/2021/12/15/in-my-opinion-why-waste-to-fuel-for-airlines-wont-ever-take-off/

- Production of SAF is theoretically possible in New Zealand however it relies on accessing large volumes of wood waste and / or producing e-SAF which requires large amounts of green electricity and green hydrogen. Both options are in competition with other sectors and transport modalities for feedstock, access to land to grow it and electricity supply. Both require large investments in plant, equipment and infrastructure.

Organics as alternative fuel sources

Opportunities to replace fossil fuels with renewable energy derived from organic sources are popular waste and emissions reduction strategies. This is a complex space and New Zealand has not done the work required to properly understand the key issues, costs, risks and benefits. MBIE has done some preliminary work on this but New Zealand does not have the regulatory, compliance, monitoring or enforcement framework necessary to ensure clean, safe and sustainable practice.

A report by the Australian Productivity Commission - Australia's circular economy: unlocking the opportunities provides some useful commentary on this. They note that[4]:

- Lack of understanding and differentiation between different types of processes is limiting the development of safe use of organics and materials. This restricts the development of clean technologies and enables the development of unsafe and polluting ones. Definitions, boundaries and assessment criteria are not defined. Careful development of regulations and standards is necessary to enable the use of tools like standards, assessment criteria, guidelines, end-of-waste coding to define when materials and products are and are not 'waste'.
- A clear understanding of the impacts, costs, risks and benefits of various technologies is necessary. "*By classifying all 'thermal' treatments of waste together (such as incineration, pyrolysis and gasification), regulations can become poorly targeted and fail to account for the specific costs, risks and benefits of each process.*"[5]
- The composition of the feedstock is a critical issue. Products, materials and packaging often contain hazardous materials and chemicals of concern. Existing and emerging contaminants need to be prevented from entering products and the waste stream in the first place. Contaminants and toxic chemicals in, will result in contaminated and toxic secondary materials and by products emitted in discharges to land, air and water.
- It is expensive to decontaminate feedstock to make it safe for secondary uses. Testing of outputs from these processes is expensive. European and Australian commentators suggest testing of inputs to ensure hazardous substances and chemicals of concern are not able to enter the process in the first place. We note that

[4] See chapter 3 for detail.

[5] Australia's circular economy: unlocking the opportunities p53/54

plastics which are often proposed as feedstock for thermal processes contain thousands of different chemicals including substances of concern. Proposals for thermal treatments of products sometimes claim that the ash band byproducts from their processes are 'biochar' when they are not and have been derived from mixed solid waste contaminated by hazardous materials and chemicals of concern.

- The goal in a circular economy is to see each product and material going to the highest value possible end use. Thermal technologies are last resort options that have a low conversion rate of feedstock to energy and struggle to decontaminate feedstock.
- Separate collection of organic material is necessary to reduce contamination and maintain value for high value end uses such as returning carbon and nutrients to soils. Development and enforcement of standards for safe application of processed organics to land is necessary.
- A rigorous regulatory framework is required to realise the benefits of circulating products and materials to create more circular economies.

Opportunity - Polluter pays principle

Extended producer responsibility / Product stewardship frameworks are valuable bundles of tools to make the flows of materials, products and packaging through our economy more safe, viable and circular. MBIE and MfE (waste and resource efficiency strategy, work programme, proposals for legislation and regulation) have identified the value of these.

In many jurisdictions these kinds of frameworks are already well developed and they are being iterated to make them more effective over time. Key elements are:

- influencing the design of products, packaging and business models to make them safer and more resource and energy efficient.
- Internalising the environmental and social costs including health impacts, into business models so that polluters pay for the costs imposed on society and the environment when their products go into the market.
- This involves Industry taking responsibility for helping to organise systems and processes for reuse, repair, and recycling and covering the real capital and operational costs of doing so.

New Zealand needs to progress the development of these frameworks to align with trading partners. One example is the use of drink container return schemes to double the recycling rate and halve litter which supports circular economy and creates better environmental outcomes. 35 countries already have schemes in place. Singapore is implementing one and Chile has a focus on supporting and expanding reuse systems which is a higher order activity with better resource and energy outcomes. New Zealand has had a scheme and legislation in development for two parliamentary terms with little practical progress made.

Waste disposal practices such as landfill and incineration, littering and escape to the environment, and downcycling all create liabilities for future generations to deal with. Companies putting products and packaging on the market and those who benefit from their use are not paying the real cost. This needs to be addressed by establishing effective product stewardship frameworks. New Zealand is using an increasing proportion of the funds from waste disposal levies on cleaning up past contaminated sites and landfills at risk of inundation at the expense of proactively investing in systems and infrastructure that would ensure us a cleaner, greener more circular economy.

'Convenience' and 'safety' are focused on the relationship at the point of purchase. Displacement of cost, risk, health and environmental impacts into other countries where products and packaging are produced or recycled and or disposed of is hidden from decision making processes. These cross boundary impacts and trade offs need to be made clear and transparent.

2 What are the current and future barriers to accessing international markets for green goods and services from New Zealand, or to attracting investment for green transition activities?

Re: Interoperability of environmental credentials, green standards and labelling for exported goods.

As outlined above New Zealand has fallen behind many countries we trade with and we need to invest in catching up.

Re: Sustainable finance and green investment

Clear guidelines and criteria are needed to ensure investment in activities and infrastructure that will result in a genuine shift to greener and more sustainable and circular economies.

The European Union's sustainable finance framework has three main elements.

1. the EU Taxonomy Regulation (2020/852): Establishes a classification system for environmentally sustainable economic activities. It requires "substantial contribution" to climate goals and "do no significant harm" (DNSH) to other objectives. We note that incineration is excluded because it harms the transition to a circular economy.

2. Sustainable Finance Disclosure Regulation (SFDR): Since March 2021, requires financial market participants to disclose how they integrate sustainability risks and report on sustainability impacts, with amendments proposed in Nov 2025 to improve usability.
3. Corporate Sustainability Reporting Directive (CSRD): Mandates that large companies disclose sustainability risks and impacts, using European Sustainability Reporting Standards (ESRS), effective for reports starting in 2025.

The goal being to give clear definitions to investors to protect against greenwashing, create a common language and increase transparency, gather more accurate data, and support companies to benefit from good practice around disclosures. This framework is a work in progress and is being refined over time to make it more effective.

Re: Trading of 'intangible environmental attributes' such as carbon and nature credits, as well as other forms of credits or certificates.

As outlined above New Zealand's reputation as a clean green exporter and destination is at risk. We need to address issues relating to displacement offshore of negative production impacts, resource use land use change and GHG emissions generation. Any intangible environmental attributes we seek to trade in needs to be based in fact.

We need to invest in development of the regulatory framework and infrastructure required to enable New Zealand businesses and households to have access to services that make our economy more circular.

3. What environmental and climate standards and certifications for products, services and investment should be a focus for GEPA? How could GEPA promote alignment and coherence internationally?

Work is being done in many jurisdictions to develop standards that underpin a clean, safe circular economy. As outlined above the best approach is to piggy back on the efforts of those that are already further along the path. All of our main trading partners have good practice examples we could adopt and learn from.

3 How could GEPA complement existing environmental treaties and trade agreements (e.g. Paris Agreement, Convention on Biodiversity, Comprehensive and Progressive Agreement for Trans-Pacific Partnership, Agreement on Climate Change, Trade and Sustainability)?

GEPA should reflect the best current thinking that has been embedded in current agreements. The concept of the circular economy was being built into New Zealand policy development but this has been dropped by the current Government. This work needs to be invested in so that New Zealand can catch up with trading partners and secure access to markets and meet the expectations of visitors, businesses and residents.

4 How could GEPA reflect Māori interests and perspectives with respect to the environment and sustainable trade? What Māori provenance qualities and business practices could be better recognised internationally for their sustainability attributes?

We fully support māori organisations and representatives being actively involved in the development of trade policy and practice. This is both necessary and valuable.

It is critical that Māori rights and interests are reflected in trade agreements and policy development. The core values and principles embodied in Te Tiriti need to be at the heart of conversations and negotiations.

We make the following observations based on our experience and observation.

Māori enterprise and action has a value well beyond the turnover generated by Māori led business. Māori led businesses are leading the way in:

- using long term thinking and planning to guide their decision making.
- Taking a holistic systems approach to understanding the impact of business activities and investment decisions
- Considering all dimensions of wellbeing in planning and decision making processes
- Acknowledging the value of looking up and down supply and recovery chains to understand the upstream and downstream impacts of product and packaging design and business models
- Focusing on activities which actively regenerate ecosystems and communities over time so that things are left in better shape than they were before.