

Productivity Commission

“Opportunities in the circular economy”



Submission from Circular Economy Huon

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Circular Economy Huon – Introduction

Circular Economy Huon (CEH) expanded from a small group, Circular Economy Cygnet, which was established in 2016, to include the whole Huon Valley which is a defined regional area with a variety of local industries including fruit growing, forest products and aquaculture, as well as service businesses.

Initially the question constantly asked of CEH was what was meant by a circular economy and now CE is widely recognized as the way of the future. This is encouraging. CEH has faced the challenges of what the new direction would look like in the Huon Valley, where critical new thinking could occur and what a credible vision for the future might be?

As a small community group CEH has worked on energy efficient housing, waste minimization and composting, and transport. CEH has concentrated on advocacy at local and state government levels to raise awareness of the need for development of a CE at the local level.

The Huon Valley population is relatively dispersed so residents need local public transport which is not available. Efficient local public transport would not only reduce emissions but also increase economic viability in the region which has a relatively low average income and this has been a high priority for CEH since 2018.

The importance of increasing community awareness of climate change has been a challenge for CEH, and the Huon Valley Council is now providing relevant information to the community, which is greatly appreciated.

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Opportunities for the Circular Economy

Is it CE or rebranded waste diversion?

In their eagerness to be considered players in the CE space governments may celebrate their jurisdictions being part of the circular economy when what they are really doing is trying to recycle, reuse and prolong the life of goods that have been produced through the linear economy. While CEH supports reuse and recycling we are concerned that meaningful change needs to happen at the conceptional and design stage of preproduction as well as through measures to prolong the life of a good.

What assistance is needed to improve the use of recycled clothing, building materials, furniture, household items, electrical goods?

Circular Economy in the Huon Valley

The economy in the Huon Valley is largely based on primary production, tourism, and general service industries - including health, education. There is very little manufacturing in the Valley. Most 'consumer' goods and materials in the municipality are manufactured elsewhere in Australia and overseas and unlikely to be .

There are a number of examples of where circular principles are being applied to primary production. This includes the production of wine and cider and more recently a variety of vinegars that would otherwise result in wasted fruit. The avoidance of waste in the primary industries is largely uncoordinated and CEH is of the opinion that there is scope for investigating the production of other goods to be produced either for local use or sale elsewhere. One such example would be an organic composting facility to maximise resource recovery from fish farms, orcharding, forestry and municipal waste.

Deal with 'waste' and packaging at source

Just as most areas of Australia now have a container deposit scheme for prescribed beverage containers, the same approach should be taken with all other goods and services. The benefit of container deposit schemes is that they result in less litter, make collection easier and give value to packaging so that it can be recycled. With all other consumer goods it is the consumer that is left with deciding how and where the packaging should be disposed of, and, at end of life, the item itself. A much better scheme would be for all consumer products to have the costs associated with the 'recycling' of packaging and product to be built into the purchase price.

Polluting production and the circular economy

Over the years local salmon producers have created products to make better use of the offcuts, skin and bones of processed fin fish. CEH endorses this approach to production. The early stages of production take place in on-land facilities which minimize external pollution. However there are serious concerns about the environmental damage which occurs after fish are transferred to pens in estuaries and bays. Far more serious consideration needs to be given to the environmental damage that is being caused by the aquaculture industry even when there are initiatives to make better use of waste fish products.

Of particular concern is the expansion of the industry. While low levels of production have lesser levels of pollution there is continuous pressure by the industry to expand, supported by the state government. Greater emphasis needs to be placed on the environmental impacts of industry so that they become more circular, supporting existing ecosystems.

Circularity and regional transport

Regional transport needs to be restructured to make better use of existing plant and equipment and reduce emissions. CEH has proposed to state and local government that there needs to be serious planning to implement an integrated transport strategy. The aim being to link active transport options, fixed route services, transport on demand, community transport, carpooling and private car usage. This would build vehicle occupancy thus reducing the number of vehicle movements.

Circularity and air transport to access interstate and overseas markets

Air transport is used to get perishable products to market and bring tourists into and out of Tasmania. There is a direct relationship between both the volume of goods exported and visitors to the state and the amount of green-house gas that is generated. While, in one sense it is good to earn more export dollars by (for example) sending fresh cherries to Japan – there is an increasing environmental cost as the emissions also increase and this adds to

climate change. Transport is a key component in the circular economy and often treated as an external. A truly circular approach to the economy must configure ways to reduce emissions.

Circular Economy, regional sustainability and planning

The circularity of a region is dependent on the degree in which the area is self-reliant. This includes looking at housing in the region where people work, medical services, retail, entertainment and education. Some of these factors lead to greater circularity in the Huon Valley, others, less circularity. The Valley has slightly cheaper housing than neighboring municipalities so that many people have to travel for employment. The same applies to health. While there are schools in the municipality, a CEH study showed that over 600 children a day are travelling to schools further afield.

The more reasons or needs that people have to leave an area the less sustainable is the community. Careful planning is needed to ensure there are adequate services to reduce the need for travel.

Taxation and subsidies

Taxation and subsidies can both hinder and help the switch to a more circular economy. There is scope for considering how Federal and State taxes could reduce cost structures for businesses like charity shops and services that repair a range of household, transport and commercial equipment. Taxation could also be used to incentivize reuse of materials in the production process, and, apply greater taxes to products that rely on virgin material.

Taxation needs to be restructured to encourage greater use of assets such as vehicles, plant and equipment and real estate between businesses. This is often referred to as the “sharing economy”. The greater use of assets leads to higher productivity and ‘unnecessary’ duplication. For example this may be facilitated through an equipment hire businesses or at a community level through the operation of a ‘tool library’.

The ‘right to repair’

Virtually all manufactured products purchased by households, businesses and government agencies in the Huon Valley originate from other jurisdictions in Australia and overseas. However there are relatively few products that can be readily repaired. Circular Economy Huon strongly urges government action to ensure that all products are repairable. Not only do they need to be repairable, but repairable for a reasonable price, within a reasonable period of time and without needing to be sent a long distance. So often now, even if an item can be repaired, the cost is prohibitive leading the consumer to ditch the item and buy a replacement.

Recommendations for more and improved circularity:

1. Provide regional advice and education to regional business, government and community about the benefits of CE.
2. Greater practical support for community groups that promote the CE.
3. Advance the principles of CE at and through state and local government.
4. The accelerated reduction of emissions are consistent with CE and as essential as following circularity.
5. Strong environmental principles are an essential element of circularity.