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OFFICIAL

Joanne Chong  
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cc: Dr Alison Roberts, Commissioner, Productivity Commission

Dear Ms Chong

**Re: ACT NoWaste submission to the opportunities in the circular economy public inquiry**

Thank you for the opportunity to provide a submission to the Productivity Commission's inquiry into Australia's opportunities in the circular economy. I oversee ACT NoWaste which delivers the ACT Government's recycling and waste management program, including policy, services, infrastructure, education, and regulation. I am pleased to see the Australian Government initiating this inquiry, and that the findings will inform policymaking to strengthen Australia's circular economy. I look forward to discussing our submission with you on 4 November 2024.

By way of background, in August 2023, the ACT Government released the [ACT Circular Economy Strategy and Action Plan 2023-2030](#) (Strategy and Action Plan). The Strategy and Action Plan seeks to create opportunities for greater extended producer responsibility, grow markets for recovered materials and goods, and circular business models, and create high-value jobs and attract innovative new enterprises. The Strategy and Action Plan brings together various parts of the ACT Government with a role in developing a circular economy and outlines the steps we will take over the coming years to progress towards greater circularity. It also features opportunities for collaboration with industry and business.

To transition the ACT towards a more circular economy, the Strategy and Action Plan is guided by various actions which contribute to the refuse, rethink, reduce, reuse, repair, refurbish, remanufacture, repurpose, and recycle 'R-strategies'. The actions relate to the focus areas which were found to have the most transformative potential for a circular economy in the ACT. These are:

- Procurement, skills, innovation and governance
- Food and organics
- Built environment
- Consumer goods
- Emerging and problematic waste streams
- Creating space to showcase our commitment to the circular economy.

In October 2023, the ACT Government passed the [Circular Economy Act 2023 \(the CE Act\)](#). The CE Act provides a legislative framework to reduce waste and retain the value of



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resources through the introduction of powers for the Minister to create waste reduction requirements and waste processing requirements for businesses. The CE Act also repealed and replaced the *Plastic Reduction Act 2021* and continues the ACT's ban on problematic single-use plastics.

In relation to questions raised in the Call for Submissions paper we provide the following viewpoints from an ACT NoWaste perspective, noting that at the time of writing, the ACT Government is in Caretaker Period due to the ACT Elections.

### ***Information request 1: Circular economy success stories and measures of success***

#### **Australian case studies of circular economy activities already occurring**

There are many examples of circular economy action in the ACT which are being implemented by the business, the local community and the ACT Government. These examples employ different R-strategies, which fall into different stages of resource use and waste management in a circular economy.

- *Refuse* – examples include free reusable swap and go coffee cup schemes like Green Caffein, and the Conder House Laundry and Linen Service which provides the Modern Cloth Nappy Service.
- *Rethink* – examples include community-led tool and equipment libraries like Community Toolbox Canberra, and shared bike, car and e-scooter schemes which give people the option to rent transport.
- *Reduce* – examples include the ACT Food Co-op who compost food waste and provides plastic free shopping and a milk bottle exchange program, and OzHarvest who undertake food rescue activities.
- *Reuse* – examples include op shops in the region who offer high-quality second-hand clothes and household items for sale, and the Molonglo Group who are prototyping innovative construction techniques including reused and recycled low carbon materials.
- *Repair* – examples include clothing alteration and repair businesses across Canberra who extend the life of clothing and textiles, and Ex-Government Furniture who repair and resell excess office furniture in the Canberra region.
- *Refurbish* – examples include WV Technology who provide complete IT lifecycle services including refurbishing equipment and recovering sources from e-waste, and Renewed Appliances who repair and refurbish appliances, such as refrigerators, dryers and dishwashers.
- *Remanufacture* – examples include Corex who collect and recycle corflute from the ACT that goes on to be remanufactured into new corflute products, and Re.Cycle who collect and recycle eligible drink containers through the ACT Container Deposit Scheme that go on to be manufactured into new containers.
- *Repurpose* – an example includes Thor's Hammer who create furniture, joinery and architectural products from recycled timber, and repurpose sawdust from their operations into fire briquettes.



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- *Recycle* – examples include Global Warming and Goterra who recycle food waste, and B-cycle who collect eligible batteries from around 60 collection points in Canberra for recycling.

Several of these circular economy success stories have been published as case studies on the ACT Government Everyday Climate Choices website (<https://www.climatechoices.act.gov.au/case-studies>). This website provides further details on the challenges experienced and actions taken by each organisation to contribute to growing a circular economy.

***Australia's overall potential to move to a more circular economy, as well as how best to monitor progress and measure success***

The circular economy is a growing concept in Australia. In the past, waste management has focused on how to manage waste through recycling and disposal. Although recycling will continue to play an important role in keeping materials in circulation, with increased circularity we should be seeking to move beyond this and address waste avoidance through improved product design and reusability, and exploring opportunities across the entire product lifecycle.

We recognise our responsibility to act on the urgent challenges of a changing climate and minimising our environmental footprint, and we have turned our attention to how we can create, support, and foster a circular economy in the ACT. Although we are progressing on our own path, leadership from the Australian Government and nationwide collaboration between governments, industry, businesses and the community is crucial for the circular economy transition. We hope that the National Circular Economy Framework, which is under development by the Australian Government and informed by the Circular Economy Advisory Group, will pave the way forward for collaborative economy-wide effort towards a circular future.

Circular economy measurement is critical to enable monitoring of progress towards circularity. It would be beneficial to see the development of consistent circular economy metrics to measure progress nationally and at a jurisdictional level. We would like to see governments, industry, and the scientific and technical community continue to work together to see this achieved.

***Information request 2: Priority opportunities to progress the circular economy***

***Opportunities in Australia to improve environmental and economic outcomes through greater adoption of circular economy activities.***

In 2022 the ACT undertook analysis to inform development of the Strategy and Action Plan which considered potential focus areas/sectors that would provide the greatest opportunity to progress towards a circular economy. This analysis considered the transformative potential of various focus areas/sectors based on their contribution to material consumption, waste



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generation, and greenhouse gas emissions, as well as the opportunities they provide to create change across the supply chain.

The analysis found that the greatest gains for the ACT could be found from increasing the circularity of food and organics, built environment, consumer goods, and emerging and problematic waste streams. In addition to this analysis, we also identified the important role that government plays in creating space for circular economy initiatives, procurement, skill development, innovation and governance.

The benefits of a circular approach for food and organics include:

- reducing emissions from waste, cost savings from materials and energy use
- operational efficiencies for hospitality businesses that avoid food waste
- supporting the community to make informed choices and change food waste behaviours
- job creation, including through the collection and processing of organics
- improving the quality of our soils.

The benefits of a circular approach for the built environment include:

- more efficient use of materials while creating urban areas that are compact, efficient and liveable
- opportunities to rethink the design and maintenance of infrastructure and capitalise on the value of existing assets through new technologies and innovation
- potential economic savings and a reduction in greenhouse gas emissions
- opportunity to reduce our reliance on natural resources
- supporting greater resilience in a changing climate and future-proofing our city through purposeful design of the built environment.

The benefits of a circular approach for consumer goods include:

- reducing unnecessary consumption, materials use, and impacts from the production of these items
- supporting our transition from single-use to reusable items, and the elimination of unnecessary or environmentally harmful packaging
- more responsibility being placed on the creators and sellers of consumer goods through greater Extended Producer Responsibility
- encouraging economies of scale, reducing free riders, and facilitating opportunities for harmonising management across jurisdictions through regulated national product stewardship arrangements
- supporting innovation and job growth through the creation of new markets for recycled consumer goods.

The benefits of a circular approach for emerging and problematic waste streams include:



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- avoiding lock-in effects from design decisions that impact opportunities to further cycle materials later in their life
- innovation in product design and manufacturing
- supporting the creation of markets and jobs associated with recovered materials.

The benefits of creating space for the circular economy include:

- ensuring that space is reserved for circular economy activities and services
- opportunities for cross-border collaboration and the scaling of circular economy initiatives within the region
- providing space to scale up, collect and store small amounts of feedstock and manage the safe processing of waste resources to develop a strong regional economy.

### ***Information request 3: Hurdles and barriers to a circular economy***

*The main reasons businesses and consumers have not adopted circular economy practices to date.*

The ACT Government undertook six weeks of community consultation from October to December 2022 to inform the development of the Strategy and Action Plan.

Responses received during the consultation period indicated a general willingness in the community to participate in a circular economy, with many respondents already demonstrating behaviours consistent with the principles of a circular economy. This included purchasing second-hand goods and repairing household items.

Themes raised in written responses varied between respondents, with many businesses showing strong interest in food and organics, and community groups showing interest in creating space to showcase our commitment to the circular economy. To encourage greater industry participation, respondents indicated that end markets for recycled products and materials are needed, focusing on producing high-value recycled material to ensure products are recycled as many times as possible. Improved transparency around how items are recycled was noted as a way to increase consumer confidence.

In February 2023 ACT NoWaste held industry and business workshops under the themes identified in the draft Strategy. The workshops provided an opportunity for industry and business stakeholders across the supply chain to provide feedback on the draft Strategy, discuss potential collaborative opportunities to grow the circular economy, and identify and prioritise potential circular economy initiatives. Key enablers to progressing circular economy action in the ACT region that were identified include:

- *Food and organics* – community education and behaviour change, food waste avoidance, infrastructure and land use, policy, regulatory changes, government leadership at all levels, and incentives to support technology and infrastructure development.



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- *Built environment* – knowledge sharing, enabling conditions, design standards, procurement, investment in capability building, and advocacy to drive national change and evolve design standards.
- *Consumer goods* – developing a localised community hub, policy, funding, product stewardship, education, leadership, product stewardship and regulatory change at the national level, and creating space. As well as a focus on priority products like electronic goods, plastic packaging, homewares, car seats and mattresses.
- *Emerging and problematic waste streams* – regulatory and procurement frameworks, enabling local circular economy practices, focusing on 'refuse' options that eliminate the generation of problematic waste streams in the first place, and education. As well as a focus on priority waste streams like textiles, solar panels, batteries, and medical and hazardous chemicals.
- *Creating space to showcase commitment to the circular economy* – leveraging existing initiatives and governance frameworks, supporting the creation of physical and digital spaces for the circular economy, and identifying future land release that can support appropriate circular economy activity.

#### ***Information request 4: Governments' role in the circular economy***

The extent to which policy or regulatory changes could better enable the pursuit of circular economy activities.

The Strategy and Action Plan aligns with the Ellen Macarthur Foundation's five [universal circular economy policy goals](#). The goals, which are outlined below, focus on embedding circular economy principles across various settings, such as economic development, climate change, biodiversity and resource scarcity. Having a consistent set of national goals could assist Australia's transition towards a circular economy and minimise the risk of a fragmented approach.

- Collaborate to create systemic change towards a circular economy
- Enable the conditions needed to scale circular outcomes
- Invest in innovation, infrastructure, and skills
- Manage resources to preserve the value of goods and materials
- Stimulate the transition to the circular design of goods and services and circular business models.

The ACT recognises that interjurisdictional collaboration is key to developing effective circular economy policy objectives for Australia and leadership from the Australian Government can facilitate this. For the ACT in particular, regional collaboration with the NSW Government and Canberra Region Joint Organisation (CRJO) on circular economy initiatives is important to ensure interventions are effective and leverage economies of scale. Cross-jurisdictional strategic priority frameworks, such as the ACT-NSW-CRJO Canberra Region Economic Development Strategy, will be important to guide aligned investment of effort and resources.



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While government levers can create an environment for a circular economy to develop, the responsibility to establish a circular economy cannot be the sole responsibility of governments. Continued efforts and collaboration between governments, businesses, consumers, producers and sellers is critical to success. The feedback of local governments in the Canberra region has been that unless there is effective policy intervention, it is less likely that markets will optimise circularity.

Thank you for considering our feedback. If you would like to discuss any of the matters raised in this submission please contact Dr David Alexander, a/g Senior Director, Policy, Regulation and Partnerships in ACT NoWaste.

Dr Margaret Kitchin

Executive Branch Manager, ACT NoWaste  
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29<sup>th</sup> October 2024