



1 November 2024

The Chair
Australian Government Productivity Commission
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Dear Chair and colleagues

Response to call for submissions: Australia's opportunities in Circular Economy

Background

Wannon Water provides water and sewage services to South West Victoria. Wannon Water endorsed a Circular Economy Roadmap in 2022 which made a commitment to create and sustain a regional 'hub' for stakeholders to learn, collaborate and activate initiatives to grow circularity.

Wannon Water has convened stakeholders on a number of occasions, most recently at our regional forum held in October 2024.

Wannon Water welcomes the opportunity to provide a submission to the Productivity Commission on Australia's opportunities in the circular economy. Our submission aims to provide a regional perspective, aggregating insights from regional stakeholders that attended our recent forum.

Where are the priority opportunities for Australia?

Priority opportunities for the Barwon South West Region are articulated in the [Barwon South West Regional circular economy plan](#).

Anecdotally, some of the current focus areas for stakeholders in our region as enablers for further progress include:

- Collaboration between organisations to understand opportunities to process aggregated feedstocks (e.g. organics)
- Education programs for staff, community and schools on waste avoidance
- Procuring sustainable products, or products that enable reuse schemes

What hurdles and barriers exist?

Barriers against each of the focus areas are described in further detail below.

Collaboration and communication in regions:

In a regional context, resource recovery has additional challenges associated with:

- Facilitating the aggregation of feedstock from multiple parties to generate volumes of economic viability to process that attracts investment
- Linking processing capacity and capability with viable local end markets (given isolation from metropolitan markets).

For regional initiatives to succeed there is a need to facilitate collaboration across a value chain. Currently successful projects regionally are built off the back of informal networks and existing relationships. To achieve a step change in uptake of circular projects we, as a region, need better ways of information sharing, and improved capacity to facilitate connection building across sectors.

Education and awareness:

Currently consumers (both community and industry) are not informed or empowered to make environmentally conscious choices nor understand the environmental impact of their purchasing decisions or opportunities to avoid waste. Generally, “new” is perceived to be better by consumers. Waste is not seen as a valuable resource by industry, and uptake or effort to identify waste material as an input for other processes (industrial symbiosis) is limited.

Scaling up initiatives is reported to be a key challenge of undertaking circular economy initiatives in a regional context. Without a step change in mindset enabled by education and awareness, our region’s circular initiatives won’t be prioritized or get the support they need to scale.

Product stewardship and standardization:

Challenges associated with making environmentally conscious purchasing decisions include:

- A non-standardised approach to products making environmental claims which makes it difficult to efficiently compare products (a variety of ecolabels, missing information on full lifecycle impacts, missing information on carbon impacts).
- Unsubstantiated environmental claims on products that are difficult for an individual to efficiently check and use to inform purchasing decisions (claims such as eco-friendly, planet friendly, biodegradable).
- A lack of standards applicable to product design or material choice, meaning some products are not reusable or recyclable.
- In some instances there isn’t a product available and no incentive for manufacturers to design products differently. Well designed products have to compete with cheaper, badly designed products that haven’t priced for externalities.

In our experience these issues are exacerbated in regional areas who have a higher proportion of small to medium sized businesses where individuals do not have time to research and identify circular products. A lack of standardization of material used in products dilutes the ability to create secondary markets of scale in regions where scale is a key challenge.

What action should governments take?

Possible actions to be taken against each of the focus areas are described below.

Collaboration and communication in regions:

We see benefit in enabling placebased leaders for regional circular economy initiatives through funding for regions to resource the establishment of circular economy hubs. Circular economy hubs are aimed at:

- Providing a platform for regional stakeholders to share information and identify material/resource synergies
- Enabling sharing of tools and information to remove duplication of effort
- Facilitate regional demonstration projects that connect stakeholders across a value chain and to improve visibility of circular economy benefits

Education and awareness:

We see benefit in allocating funding for public awareness, education and capability programs that encourage consumers and industry to adopt new consumption patterns in line with circular economy principles and change the mindset that waste has no value.

These education programs could be specifically designed for regional place based leaders to access and leverage.

Product stewardship and standardization:

Regional stakeholders are looking for top down strengthening of product stewardship regulation to make purchasing easier and create and strengthen regional markets for secondary materials.

Examples of how the EU has strengthened regulation include the following examples: [Regulation of green claims](#), [Ecodesign Standards](#), [Right to Repair](#).

Closing

Thank you for the opportunity to provide a submission.

Yours sincerely

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