

Submission to the Australian Government Inquiry into Opportunities in the circular economy by Gippsland Climate Change Network.

Gippsland is undergoing a profound economic transition. The 2017 closure of the Hazelwood mine and power station resulted in the displacement of approximately 750 workers. In 2021, Energy Australia announced that it will cease electricity production at Yallourn by 2028, affecting around 500 workers. AGL has stated that the Loy Yang A power station will close in 2035, with the Loy Yang mine—supplying both Loy Yang A and Loy Yang B—licensed to continue production until 2048. The power sector alone supports thousands of local jobs, which will be impacted over the next decade. In 2023, Opal at Maryvale ceased white paper production at its Paper Manufacturing Plant, leading to the loss of approximately 200 jobs. The mill continues to operate three paper machines producing packaging paper grades. Additionally, the native timber harvesting industry has closed, prompting a transition to plantation timber, impacting several hundred workers in the forestry sector.

However despite this dramatic disruption, the future of Gippsland is very much looking to seize and have a prominent role in the move to a low emissions clean economy that is happening internationally, nationally and Victoria. But when we talk about or hear the term clean economy, it is not only about generating, storing and sharing renewable energy. It is also about the circular economy and how to get better and smarter in designing, making and using materials, products and services, that leads to reduction in the generation of waste. We also believe that these new technologies can replace job losses in traditional industries as mentioned above.

Governments and Regions around the world are making the shift to a more circular global economy, and many Gippsland organisations and communities are employing circular economy principles. Examples of this can be seen at <https://static1.squarespace.com/static/6010bb8bcba0327f522f48cd/t/66fcc64d84020023ae2153a8/1727841871770/Gippsland-Circular-Economy-Initiatives-2-pager-Jan22-Jun24.pdf>

Recognising and responding to this shift is important for Victoria's international competitiveness. The GCCN want to make sure the Gippsland likewise are part of this opportunity.

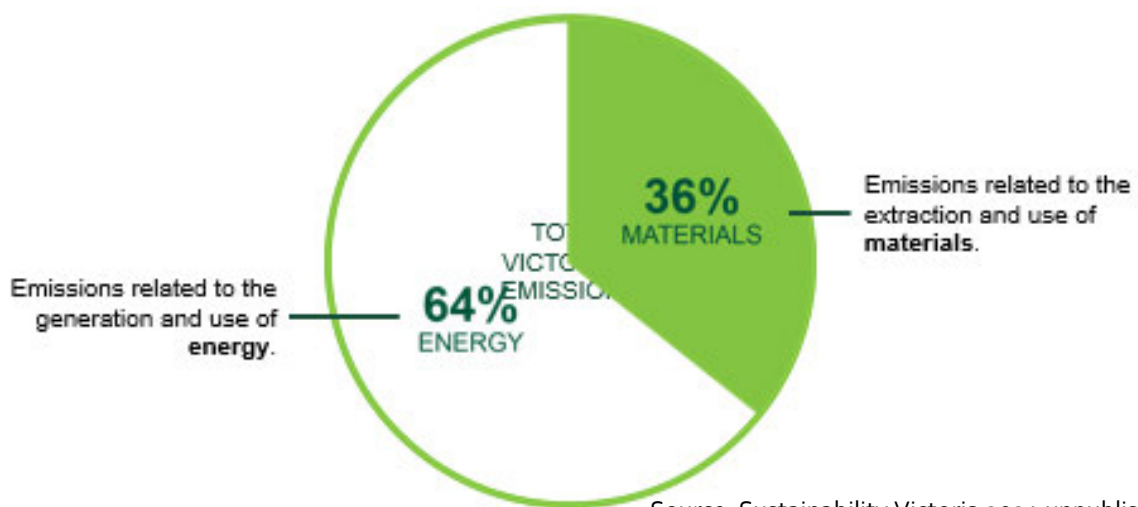
GCCN is actively involved and supportive of the Circular Economy in Gippsland because it has been shown internationally and in Australia to.

- create jobs and contribute to economic growth

- Improve productivity and get more value from recovered resources
- Decarbonise the economy

2021 Analysis by the Clean Energy Finance Corporation (CEFC) found that circular economy practices like using waste products as concrete supplement was one of the “most cost efficient and effective abatement options in the built environment”

<https://www.cefc.com.au/media/ovrkk5l3/australian-buildings-and-infrastructure-opportunities-for-cutting-embodied-carbon.pdf>



Source: Sustainability Victoria 2024 unpublished

The GCCN sees the Circular Economy as providing benefits to;

Business: Cost savings, supply chain resilience and simplification, improved brand, drives innovation

Government; reduced human health risks, economic resilience, reduce import dependency, reduced climate change liability, improved ecologic services and resource security.

Community; increase jobs, reduced health risks, lower household costs, increase job security

Gippsland is an Agricultural Powerhouse in Victoria with 22% of the national footprint, and nearly a third of the Victoria’s Horticultural product coming from the region. However over 70% of that product is exported raw out the of the region for processing. If the region could build processing capacity in the region adopting circular principles around material and resource use, this would not only add value to the Region’s regional product value, but also strengthen its reputation as a region embracing the change to a clean economy.

Several circular economy related initiatives have looked to build on this such as industry led investigations into advanced vegetable processing, seaweed, vertical

farming and industrial hemp using. These require resourcing and seed funding to move beyond feasibility to business case and commercialisation stages.

With the significant Gippsland pipeline of clean energy infrastructure planned for the region (offshore wind, transmission, storage, onshore wind and solar), there is a significant opportunity to adopt circularity principles in the design, construction, operation and maintenance, and decommissioning. There is precedent in the approach occurring in Northern Europe and Asia.

In our opinion, there needs to be a national mandate for circular procurement, as well as local procurement principles. We have local manufacturers (eg Plasgain in Drouin and Elecsome's SolarCrete in Kilmany) of products suitable for this infrastructure using circularity (such as recycled content), that result by contractors (not only 1st tier, but 2nd and 3rd tier) going for product from out of the region. In the case of Plasgain this was a wind farm contracting virgin plastic High voltage cable covers from Thailand, rather than recycled content product made in Drouin. The multinational windfarm companies like Orsted and Vestas are already embedding and reporting on Circularity in their projects overseas, but without a requirement here in Australia, there is a risk of it being an afterthought, and not even a consideration by sub-contractors.

GCCN is a supporter of the Gippsland Circular Economy Hub. It's a collaborative network of organisations looking to develop understanding and adoption of circularity and facilitate new opportunities as the region transition to a cleaner economy with further details at <https://www.foodandfibregippsland.com.au/gippsland-circular-economy-hub>

It operates through inkind staff time and focuses on facilitating local priorities related to the Circular Economy. One example of this the GCCN program- Gippsland Circular Futures supporting SMEs in Gippsland to understand what CE is and how they can take steps to be involved <https://www.gccn.org.au/news/gippsland-circular-futures-initiative>

The Gippsland Climate Change Network strongly supports the development of circularity networks, where local capacity is built through the presence of positive role models and the sharing of expertise among participants. With targeted concessions and clear Federal leadership, these businesses have the potential to expand and create sustainable circular economy opportunities, both within our region and across Australia.

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