**Productivity Commission CE submission**

CASE STUDIES

**Activities occurring** in AU

* customer takeback schemes such as shoes and sports balls ([Tread Lightly](https://treadlightly.asga.com.au/)), clothing and textiles ([Upparel](https://upparel.com.au/) and their partners), Sheridan bed linen recycling. See [here](https://gateway.stewardshipexcellence.com.au/) for more details
* [Block Texx](https://www.blocktexx.com/) separating polyester and cotton from polycotton, reprocessing plant in QLD
* [Textile Recyclers AU](https://texrecaus.com/)
* Brands sourcing of recycled content materials in products and packaging e.g. Repreve ® recycled polyester, Fairtrade Organic Cotton (regeneration and no-toxic), recycled wool
* Many different businesses are getting their electronics refurbished, cleaned and donated, or parts (minerals and metals) recycled into new electronics e.g., <https://actlogistics.com.au/>
* [TIC Group](https://www.ticgroup.com.au/contact-us/)
* [Good360](https://good360.org/) redistribute unsold items to charities
* [FF&3](https://ff3.co/about/) offer circular solutions for furniture, fixtures
* [Circonomy](https://circonomy.com.au/?srsltid=AfmBOor78m-WBmcjN53W6MrCEE0Gv8aRz_JZ-nQz1UA2wmCG7upE7skp) offer circular solutions, including repair, refurb, resale – depot in QLD and NSW
* Battery Stewardship Council B-Cycle – lithium ion and household battery recycling through a range of retail drop-off points
* [Close the Loop](https://www.closetheloop.co.nz/) – turning used soft plastic and printer toners etc into roading
* Car battery recycling with Century Yuasa
* Used motor oil recycling through Supercheap Auto stores and Cleanaway
* [ReGround](https://www.reground.com.au/) offer a range of solutions – coloured soft plastic, coffee grounds
* Macpac customer repairs on backpacks, camping equipment, clothing. Has been in place since Macpac began in 1973. For more detail <https://www.macpac.co.nz/warranty-repairs.html> Repairs are done in AU and NZ to extend the useful life of the products; 1 store in AU and 1 store in NZ have dedicated repairs counters
* Macpac has a product recovery program that keeps returned/faulty or end of life products out of landfill – through a social enterprise in Melbourne and targeted donations to local outdoor organisations or school outdoor education programs; textile recycling through Upparel
* Macpac has reusable mailer satchels they use within their AU sites – freight provider doesn’t supply details that allow us to track how often these are used, but they have been in use for 3 years in AU
* Rebel repairs some exercise equipment to extend the useful life of the products

**How these affect outcomes:**

Employees empowered and engaged to help reduce environmental impacts and do the right thing; customers and the public have options to do the right thing through the home collection boxes for textiles; reduces waste to landfill but may result in more freight emissions; reduces waste disposal costs for consumers and businesses, may increase business freight costs slightly, improved community outcomes through targeted donations of pre-loved but fully functional product to organisations in need.

Level of uptake: check the websites above to learn more. Seems to be a high level of uptake in textile recycling by corporates. Level of uptake depends on leadership at the business/organisation, ease of accessing it.

Business reasons: if solutions exist to keep materials from landfill then we want to utilise them; responsibly dispose of materials that customers can’t recycle at kerbside e.g. shoes, clothing; reduce business waste, reduce environmental impacts and support communities in need; show the commitment to circularity; enable customers to do something positive with their end of use products – turn ‘unwanteds’ into useable feedstock for new products, work towards waste diversion targets

Effectiveness & Cost: freight costs unquantified, as are the labour costs to gather data and track.

AUSTRALIA’S OVERALL POTENTIAL TO MOVE TO A MORE CIRCULAR ECONOMY, AS WELL AS HOW BEST TO MONITOR PROGRESS AND MEASURE SUCCESS.

To be effective a huge cultural shift in Australia is required that requires engagement from Federal Government, State Governments, Councils, Public institutions, Businesses.

Start with governments, infrastructure projects. Talk about it. Celebrate the successes and what it means from an environmental and social point of view.

Add circular economy to school curriculums, and offer it at tertiary institutions.

Moving to a circular economy requires infrastructure in all states, as the biggest impact businesses are likely to operate nation-wide. It also requires a huge, nation-wide consumer education campaign, as businesses can’t do it without customers being on board.

Monitoring progress and measuring success is hard and will be different for each sector. Success will be different for depending on the products/services. This aspect is a burden for businesses and is often a reason for not engaging. There is no consistency and the scrutiny around greenwashing means businesses are scared to share their progress.

How our society lives now, fast-paced, with access to everything from everywhere at every time, and the buy now pay later options. It’s a throw-away society with short-term mindsets and short attention spans.

Constant retail sales fuels consumers into thinking they need to buy things and buy new things. Social media, marketing and advertising is focused on “new” and consumerism. People don’t need to pay full price as everything’s on sale somewhere sometime. That’s led to the majority of consumers being bargain hunters, who typically care less about the quality of the items and more about the price – and being able to acquire new things.

We all have too much stuff and need to live like our grandparents – they made do with what they had, they made what they could themselves, they purchased high quality products with a long-term mindset, knew how to look after and repair things and did not waste much.

Attitudes: The general public need to be educated on how to look after their ‘stuff’ and acquire and value the skills to repair things, or have easy access to repairers, spare parts. Currently few incentives for people to do this.

Studies have shown that while consumers value “sustainability” they’re not prepared to pay more for it yet expect retailers to be doing their best in terms of social and environmental impacts.

Manufacturing higher quality products or those that are made from recycled content materials/certified materials, designed to last longer etc often costs more to produce and therefore the price point is higher. This is a barrier to most consumers making conscious, more responsible decisions. Are the higher costs even justified? E.g. recycled post-it notes are 3x more expensive than virgin ones!

If customers don’t understand the longer-term value in purchasing high quality products they will not be prepared to spend more, and instead choose a lower-quality cheaper item that is more likely to fail and become waste.

Incentivize businesses to innovate – focusing on problematic, high-volume products and turning them into feedstock for products that are needed now and in the long-term e.g. roading, flooring, computers.

These opportunities can improve environmental outcomes through less waste to landfill (and the related GHG emissions), help the community access repairs and quality pre-loved items. Reduce reliance on charity stores for accepting consumer’s unwanted goods. Educate consumers and help charity stores advertise what they need – the standards of goods, enable consumers to have other options other than charity stores – repair. This will help with the cultural shift to value belongings and quality items more.

For high levels of adoption in AU we need a level playing field (i.e. that includes offshore/international companies to adhere to the same practices/rules as AU businesses), a nation-wide education campaign and a repairs economy.

**For a repairs economy**:

* There needs to be training programs, pathways for employment (will create practical jobs that may help reinvigorate a manufacturing sector)
* We need to learn from the current repairs we have before their skills and tools are lost
* Consumers must be able to easily access it, and that it doesn’t cost more than a replacement item
* Consumers need forums to learn the skills to DIY repairs
* We need access to spare parts and tools to repair
* The removal of the stigma of repairing, having imperfect items, receiving donations, repairing or buying secondhand.

The opportunities with the largest scope are those materials that create the biggest environmental issue and are the largest material by weight (e.g. concrete)

Federal government and state government infrastructure projects have a large scope for improving outcomes due to the scale, number of people involved and variety of materials used.

For retailers, conducting life-cycle assessments for products are expensive, time-consuming and therefore often unfeasible. Businesses would do better having access to sophisticated programs that can do the assessment for them.

It’s difficult to calculate the benefits and costs in the long-term if considering GHG emissions or “the Planet cost”.

A cost/volume-based impact analysis is always important and priorities change based on the business/organisationi e.g. clear soft plastics by weight are immaterial when compared to construction materials. So if you used both those materials and were focused on waste reduction you’d focus on construction first.

Opportunity to align with global best practice legislation e.g. the Europe. As that’s the gold standard. The more alignment there is across the world the more level the playing field for all retailers.

THE MAIN REASONS BUSINESSES AND CONSUMERS HAVE NOT ADOPTED CIRCULAR ECONOMY PRACTICES

A lot of Australian businesses manufacture their goods off-shore, and to enable a fully circular system they would need to send their used materials back to their manufacturer off-shore for reprocessing into new products. The carbon impact of that freight will be substantial, delays in receiving a large enough volume of products/materials to justify the shipping may also be prohibitive. That may be why the only circular principles they can employ is using recycled content/renewable material.

More re-processing manufacturing infrastructure required in Australia, so items don’t need to be shipped across the country/offshore to be repaired or recovered from landfill.

Lack of a complete, robust, and nation-wide solutions.

Without a thriving and accessible repair industry customers are disincentivized to repair, when the costs and ease of repairing damaged products are far higher and take longer than buying a replacement.

For a repairs economy to work, we need training pathways - providers to teach people how to repair things, access to spare parts, materials and tools to do the repairs, an attitude of resource scarcity, problem solving and creativity. Older people know how to fix things, they can train younger people, which helps build community and give more aging people a purpose in life.

Complicated to coordinate practices that require customers to engage, logistics, labour to sort, and the infrastructure for reprocessing the materials into something useful. Health & safety risks of handling pre-loved or damaged items can affect willingness to adopt circularity practices.

GOVERNMENTS

Alignment and harmonisation across all states is essential. Without this CE is too complicated for nation-wide businesses.

Without regulation no cultural shift will happen, and there won’t be a level playing field. If international/off-shore brands are not included in the scope of regulation there is unlikely to be much industry support, as those large, international businesses would be free-riders.

Request to provide a 18-24 month lead time to enable businesses to prepare for any regulations.

Let businesses share a road map of their plans, as in some instances there may be issues in complying by the timeframe e.g. reporting requirements, finding new trade partners etc. 0 mnjui89

Governments could leverage Indigenous knowledge and their resource-scarcity mindset and living without waste.