

Circular Economy Policy Statement

Boomerang Alliance* (BA) welcomes Government action to apply Circular Economy principles into National and State Waste policies. A circular economy offers a viable pathway to improving environmental, social, and economic outcomes, particularly in relation to problematic and hazardous wastes and all efforts should be taken to support and facilitate a timely transition away from the traditional linear economy. A linear economy that creates and promotes unnecessary wastefulness.

In the context of waste management, Australia's reliance on offshore processing of recyclable materials and comingled collection has left the nation with a set of major market challenges in the wake of the China National Sword policy. This watershed moment offers a unique chance to turn our attention inwards and capitalise on the enormous opportunities it presents. It is imperative that we reduce Australia's reliance on offshore processing and develop the domestic capacity that will enable us to responsibly and effectively manage the waste generated at home and insulate ourselves from the impacts of global resource market fluctuations. A viable domestic recycling industry is also a more responsible environmental approach.

Additionally, sending our wastes offshore for recycling was always questionable given the working conditions some workers had to endure and the potential environmental consequences of poor recycling management practices.

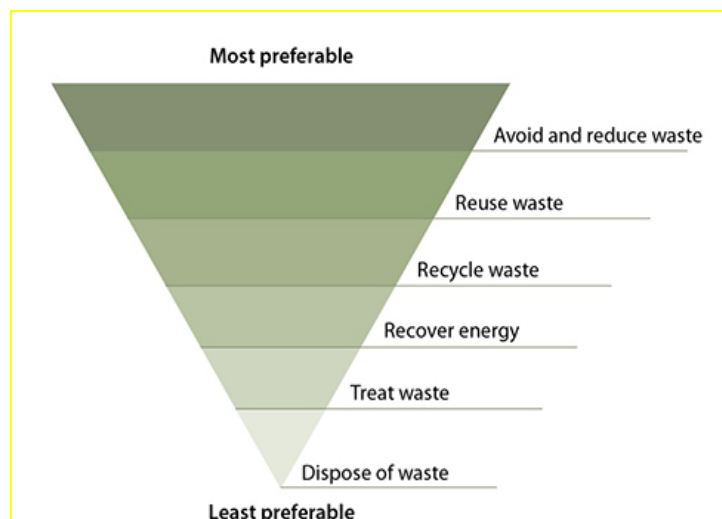
Developing a viable domestic recycling industry must be accompanied by complementary efforts across the product lifecycle and the firm application of Circular Economy Principles. It is a complex task and BA cautions that there also exists a strong push for waste to energy (particularly through incineration of mixed wastes) and extra landfilling by some councils and if these are locked in by contract, then the circular economy will have been stymied. A number of considerations are essential for the policy to succeed.

Circular Economy Principles

- Prioritise the use of renewable, non-toxic, and sustainable materials in manufacturing
- Design products for reuse, resource recovery or take-back as part of their lifecycle
- Maximise product lifespans through maintenance and repair
- Manage discarded products so that they can be efficiently collected for reuse or recycling
- Collaborate through the product supply chain to maximise resource value, jobs and business opportunities in collection and resource recovery, with low priority on waste to energy particularly from mixed wastes given their inherent air pollution risks and diversion from higher value and job creation recycling
- Apply waste avoidance practices by all (government, industry, and the community)

Waste Hierarchy

A Circular Economy policy must take a holistic approach to converting the existing economic model away from the current linear approach and must be primarily driven by the efforts focused on the top tiers of the waste hierarchy.



Source - NSW Environment Protection Authority

Waste avoidance and reduction must underpin the policy to drive the elimination of problematic and unnecessary waste, particularly in areas of packaging and distribution, but also across the broader product spectrum. The current overuse of virgin plastics in the consumer-packaged goods industry is a major source of waste and pollution and regulation designed to minimise this excess across all industries must form a key pillar of the policy. Similarly, the prevalence of single-use plastics must be addressed, by supporting materials innovation, uptake of reusable alternatives and investment in infrastructure to support the growing market for compostable packaging and service-ware.

Reuse of existing resources provides an economically beneficial model by which to keep materials circulating within the market. The costs associated with reuse of existing materials are generally lower, maintaining resources in their original form rather than incurring the costs of reprocessing and recreating, or downcycling for other uses. Improvements in product design will also facilitate improved reuse profiles and this consideration must be incorporated into the education system to embed circular economy thinking in product design at the earliest stages.

Domestic **Recycling** capacity must be enhanced to handle a larger proportion of the waste being generated within the market. Initiatives such as the Australian Packaging Covenant Organisations Australasian Recycling Label have merit, but the lack of consistency in processing capabilities across local government jurisdictions results in confusion at the household level and the subsequent contamination of household waste streams. Local government and the recycling sector must be effectively supported to raise processing services to best practice standards, and this must also be complemented by increased education at the consumer level to improve system inputs and minimise contamination.

Sustainable choices should not be presented to the market as a luxury. Offering consumers assistance with making informed purchasing decisions is not sufficient, particularly in the current environment where the sustainable option is often the less financially accessible choice for households. The onus should not be placed on consumers to make the 'right' choice, but rather should be placed on producers to bring products to market that meet strict sustainability benchmarks.

As per the examples being seen in countries such as France, producers should be penalised for delivering unsustainable choices - eg: the use of virgin plastics in packaging. Penalties can easily be delivered in the form of disincentives for unsustainable product design and incentives for the utilisation of sustainable or recycled materials – eg: sliding tax concessions for plastic avoidance or for the increased use of post-consumer recycled plastic content in packaging. These levers can be implemented across fixed time

frames, the normalise the financial burden on business while driving economies of scale around sustainable / recycled materials, which will in turn, reduce the costs to business over time.

The implementation of strong standards in government procurement will serve as a demand driver to stimulate industry change, forming a further foundational pillar on which the success of the policy will depend.

Energy Recovery, Waste Treatment and Disposal

Waste to Energy (WtE) includes a wide range of technologies. Some such as anaerobic digestion or landfill gas capture are beneficial and complement a circular economy. Other WtE technologies such the incineration of mixed wastes contradicts a circular economy. A recent EU Commission paper on the circular economy finds mixed waste incineration undermines recycling, and to be incompatible with the circular economy. It recommends the phasing out of these facilities in favour of investment in improved resource recovery and recycling.

Boomerang Alliance strongly opposes the use of mixed waste incineration and other incompatible WtE processes as an element of the circular economy as this represents a highly inefficient use of resources. Primarily, it does not achieve the objectives of retaining resources in the system for as long as possible. Additionally, the misleading information around the economics, safety and efficiency of most incineration technologies continues to ignore the negative environmental and human impacts associated with GHG emissions, human health concerns and compromised agricultural land quality. Such plants also carry high financial costs over time and requires a consistent flow of materials to provide economic viability.

Further to this, incineration fails to provide the same potential for job creation as expansion of the recycling / repair / reuse sectors; the costly energy generation is insignificant when compared to the energy savings achieved through sustainable waste handling methods; incineration also adds to the use of landfill due to the production of toxic outputs which subsequently require additional handling. Such plants have yet to receive a community licence to operate.

By delivering improved outcomes at the top of the waste hierarchy, the requirement at the lower tiers will be eliminated and the objectives of a zero-waste economy will be more readily attainable. This can be successfully achieved through a well-implemented Circular Economy policy.

Regulatory vs Voluntary Frameworks

For a Circular Economy model to be effective, it must eliminate the potential for ‘free-riders’ to operate outside the scope of the policy. Australia has a unique opportunity to lead the way on implementing a best practice standard for those seeking to do business in resource recovery.

To achieve this however, Government must utilise strong regulatory frameworks through which to create and monitor a level playing field for business operating within the marketplace. The implementation of voluntary frameworks will provide little incentive for compliance and result in poor outcomes.

This is particularly relevant to a number of the outlined policy principles.

Policy Principle	Comments
Minimise Consumption of Finite Resources	<ul style="list-style-type: none"> Replacement of raw materials with recovered and recycled products must be accompanied by mandated content targets, increasing over time to achieve the stated principle at the highest level.
Decouple economic growth from resource consumption	<ul style="list-style-type: none"> Resource reuse must be assessed through obligatory data collection and reporting frameworks, to ensure compliance and stimulate the development of markets for reprocessed materials
Design out waste and pollution	<ul style="list-style-type: none"> Low or Zero Waste Design principles must be disseminated across the NSW education system, to ensure that circular thinking is embedded at the earliest stages of learning

	<ul style="list-style-type: none"> Design standards must be implemented for domestic and imported products entering the NSW market, to design out problematic materials and ensure end-of-life handling guidance (incorporating comprehensive resource and materials recovery processes information) accompanies all products being brought to market. Penalties or entry barriers must drive adherence to these requirements.
Keep products and materials in use	<ul style="list-style-type: none"> Local government / recyclers must be adequately funded or incentivised to support improved collection and processing of materials, and this must be facilitated through the legislated allocation of environmental funding obtained through sources such as landfill levies. Government procurement standards must be mandated to drive market development for recycled / reused content Downcycling must be a measure of last resort, as this represents an inefficient use of resources

Regarding Policy Focus Areas

Innovation is best stimulated in response to need. The implementation of strong government regulation, accompanied by ambitious time scales, will provide an ideal scenario in which to stimulate creativity. The shift from siloed 'industry-centric' thinking to a holistic, circular purview, must involve participants at all points of an industry 'circle' and must be supported through the facilitation of collaborative hubs and strategic partnering opportunities. Connecting the points of the circle will encourage understanding and lead to the development of new ideas that will support the scaling required to turn concept to reality. Government must take a proactive role in enabling that collaboration to occur across target sectors.

Proactive Procurement must form the basis of any circular economy model and the purchasing power of Government must be effectively mobilised to initiate and encourage the achievement of the policy objectives. Registration processes for the sale and distribution of products should require a detailed articulation of materials composition, including verifiable recycled or reused content reporting, in addition to end-of-life recovery and processing within the Australian territory. This would enable the implementation of restrictions on problematic materials and facilitate a 'carrot and stick' approach to control the use of virgin or undesirable resources.

Robust, regulated **Extended Producer Responsibility (EPR)** schemes, rather than the weaker voluntary 'Product Stewardship' models currently favoured by the Commonwealth Government, offer a proven framework in which to capture, process and ensure the continued reutilisation of resources, while placing the financial burden on producers to design, deliver and cover the costs of delivering the most resource-efficient products possible.

Container Deposit Schemes highlight the beneficial results that mandatory EPR can have on problem waste. These schemes continue to deliver positive impacts on container litter with the high quality, source-separated materials that are captured commanding a high price on commodity markets due to clean resource streams and significantly lower contamination levels. Such schemes, however, must be regulated to avoid the presence of free riders placing an unfair burden on compliant businesses.

While the Commonwealth Government has initiated a number of Product Stewardship schemes, addressing issues such as e-waste, batteries, mobile telephones, tyres, and packaging, among others, the voluntary nature of these programs has demonstrated that they fail to achieve the desired outcomes either as to goals or in a sufficient timeframe. This is particularly relevant in sectors heavily reliant on imported products where no compliance obligation exists on offshore producers. Without producer obligation, to cover the costs of the recovery and handling, collection services are often insufficient or inconvenient and consumer education and communication around the schemes is often lacking, allowing products to easily escape the system and make their way to landfill.

Valuing Organics is a vital element in the creating a circular economy by removing organics from landfill, thereby reducing emissions, creating quality composted output, and supporting the transition away from single-use plastics to compostables, as stated in the Commonwealth Government's 2018 Packaging targets. Local government must be supported to establish organics collection services and the composting sector must be incentivised to improve coverage and accessibility to composting services. In the shorter term, local community initiatives should be established to support composting and vermiculture, thereby creating space for local government and industry to develop the infrastructure required to provide comprehensive community coverage.

The Commonwealth Government's recently launched **Responsible Packaging** targets are a positive step in addressing the plastic waste generated from packaging but should be a starting point from which Government should seek to achieve better outcomes in shorter time frames.

This is particularly relevant in relation to the objective of 30% average recycled content in packaging, which BA considers is insufficient to drive the development of a circular economy for plastics. Whole-of-Government procurement guidelines framed by progressively increasing requirements for recycled content will provide an effective starting point on which to develop demand in the marketplace and drive the business innovation required to effectively circularise the packaging industry.

In the context of phasing out problematic or unnecessary single-use plastics, all Governments must ban plastic shopping bags to drive the take up of alternatives in the short term. Additionally, support for community-based initiatives such as the Boomerang Alliance's Plastic Free Place-Communities Taking Control (CTC) program, which works closely with heavy users of single-use plastics such as the food service and hospitality sector to transition away from plastics, will serve to create demand for alternative materials and reshape the single-use plastic landscape.

NB: Under the auspices of the CTC program, BA has established Plastic Free Wollongong, Plastic Free Noosa, Plastic Free Byron and is currently launching Plastic Free Bassendean (WA). Plastic Free Noosa alone has eliminated 1.4 million pieces of single-use plastic over a 9-month period from February to November 2018, highlighting the success of BA's strategic approach.

* **Boomerang Alliance** represents 55 Australian and International Community and Local Government groups on issues of waste and pollution. We are:

