

Enquiries: David Bills
Reference: ACC2024/153354

1 November 2024

Leanne Schuck
Opportunities in the Circular Economy - Inquiry
Productivity Commission
Locked Bag 2, Collins St East
Melbourne VIC 8003

Dear Ms. Schuck,

RE: Opportunities in the circular economy

The City of Adelaide (CoA) welcomes the opportunity to provide feedback to the Australian Government Productivity Commission regarding the *Inquiry on the Opportunities in the Circular Economy*.

The Productivity Commission requested information on the following, which CoA understands will inform policymaking regarding strengthening the Australian Circular Economy:

- *The potential scope to lift Australia's materials productivity and efficiency, and the best metrics to measure this opportunity and improvements made.*
- *Priority circular economy opportunities for Australia, including identification of the sectors, products or supply chain segments:*

This letter is an administrative response based on current Council policy and the CoA *Strategic Plan 2024-2028*. It was not subject to a separate Council decision.

This response provides feedback structured on CoA's strategic objectives and the four information requests listed in the Call for Submissions document:

- (1) Circular economy success stories and measures of success,
- (2) Priority opportunities to progress the circular economy,
- (3) Hurdles and barriers to a circular economy, and
- (4) Governments' role in the circular economy.

Circular Economy in context with CoA's strategic objectives

CoA recognises that a circular economy addresses resource scarcity, environmental pollution, and the economic constraints tied to current patterns of production and consumption. Transitioning to a circular economy opens avenues for innovation, economic expansion and job creation. This requires structural changes that go beyond recycling.

Accordingly, CoA's [Strategic Plan 2024-2028](#), [Integrated Climate Strategy 2030](#) and [Economic Development Strategy](#) seek to achieve more circularity by 2030:

The *Integrated Climate Strategy* includes the following three priorities to transition to a decarbonised economy:

- *Priority 10 Growth in circular economy industries in the city (through key industry areas – food, fashion, festivals, fit-outs, furniture, fix-its/repair)*
- *Priority 11 Procurement decisions that localise supply, prioritise reuse and drive green industries and,*
- *Priority 12 Zero avoidable kerbside waste to landfill ('zero waste') by 2030*

The *Economic Development Strategy* also seeks a green economy that *improves our capacity to adapt to climate change, develop systems built on circular economy principles and reduce waste and consumption, leading to more effective use of resources.*

CoA will foster critical connections and support industry in this transition through the same key industry areas listed in the Integrated Climate Strategy.

Information request 1 - Circular economy success stories and measures of success

Circular Adelaide: The adoption of circularity within industry and the wider community is at varying stages of implementation. On 2 May 2024, CoA launched the online platform [Circular Adelaide](#) to drive community awareness of circular activities occurring within the CoA boundary, promote businesses undertaking circular activities, and provide education to the wider public. This platform has over 150 businesses listed on the site and with limited promotion to date, has already resulted in 4000 users and nearly 8000 page views.

CoA supports increased and ongoing communication, and education on the benefits of a circular economy to drive further awareness and implementation.

Soft Plastics Recycling: CoA supports the re-establishment of soft plastics recycling. In 2022, CoA partnered with [Central Adelaide Waste and Recycling Authority](#) (CAWRA) and the [Australian Food & Grocery Council](#) (AFGC) on a residential kerbside collection [soft plastics recycling trial](#). This trial is part of the National Plastics Recycling Scheme project (NPRS) / Soft Plastic Stewardship Australia (SPSA) by Australia's food and grocery manufacturing industry. The South Australian portion of this trial also includes the Cities of Charles Sturt and Port Adelaide Enfield and was supported by Green Industries SA (GISA). The trial is intended to:

- Inform the design of a scalable model for 'bag-in-bin' kerbside collection and sorting of soft plastic packaging / test additional services using existing kerbside systems
- Accelerate the development of a viable and efficient advanced recycling industry for soft plastics in Australia
- Support delivery of the [National Plastics Plan 2021](#) with targets including [70% of plastic packaging being recycled or composted](#) and [50% average recycled content within packaging](#)
- Collect data to inform government agencies and assist with the development of product stewardship schemes, such as the NPRS/SPSA

- Show leadership in facilitating circular economy and resource recovery activities
Better understand the end-to-end logistics and likely costs of a full-scale soft plastic recycling service

While South Australian partners have committed and are ready to launch part 2 of the trial which extends collection to more households, limited processing facilities and end-market security has delayed the implementation. Reducing the risk associated with limited processing facilities and end-market, and investment in research and development to ensure food grade soft plastics return to food grade soft plastic products will enable scaling of trials and eventual transition to business as usual. A trial extension is expected to contribute to economic development through end market products and reduce the amount of soft plastics sent to landfill contributing to government targets.

CoA calls for ongoing partnership with and funding from State and Federal Governments to implement system improvements and generate end-markets for recyclable material.

Reuse and Recycle Hubs While primarily implemented as a method to recover and divert hard-to-recycle- products from landfill, CoA's [Reuse and Recycle Hubs](#) are an integral part of facilitating a circular economy being manufactured of recycled plastic and recyclable at end-of-product-life.

An important component of the Hubs' development was securing reputable, accountable, and transparent partners to reuse or process the materials collected. Where possible, CoA has partnered with local organisations to reuse and recycle the materials collected. Ongoing success requires continual monitoring, partnership maintenance and appropriate resources to support.

Initiatives like this are well received by the community and result in good diversion outcomes: To date, users of these Hubs have diverted 7600L (2000kg) of materials from landfill, including printer cartridges, fluorescent tubes, x-rays, batteries, blister packs, bread tags and small e-waste items. If sent to landfill, these materials would incur a Solid Waste Landfill Levy cost of \$161 per tonne.

CoA calls for:

- Extended producer responsibility schemes to support reallocation of costs of product management to producers, in particular for hard-to-recycle items and items with no recycling pathway.
- Systemisation of Reuse and Recycle Hubs to improve access and consistency of collection.

Information request 2 - Priority opportunities to progress the circular economy

CoA's *Integrated Climate Strategy 2030* prioritises *growth in circular economy industries in the city*. The following key industry areas where CoA will leverage its point of differentiation and deliver outcomes with inter-council/state benefits:

- **Food:** CoA has a vibrant local food culture with food precincts like the East End, Gouger Street, Hindley Street and O'Connell Street, and is home to Adelaide Central Market, one of the largest undercover fresh produce markets in the

Southern Hemisphere. However, Australia wastes approximately 7.3 million tonnes of food annually, valued at \$20 billion¹. This results in social impacts (food insecurity), environmental impacts (embodied water and energy, methane production when sent to landfill and lost soil improvement opportunities) and has economic implications (\$10 billion economic loss for households).

There is an opportunity to reduce food waste generation to reduce economic loss (throughout supply chains & communities) and expand recovery to improve circular outcomes through local composting.

- **Festivals:** South Australia is the festival state with the city hosting the second-largest open access arts festival in the world. Approximately 76,000 tourists attended Adelaide festivals in 2018, spending \$94 million during their stays (excluding ticket expenditure). However, typical event recycling diversion is estimated to be only 43%².

There are opportunities to avoid waste generation, recover more resources and boost awareness of circular economy and how it can be practically delivered in all festivals.

- **Fashion:** The Fashion industry is SA's largest creative industry consisting of 1500 businesses and contributes \$218 million, excluding retail, to the state's economy³. Rundle Mall is South Australia's premier shopping destination with over 700 retailers and is home to Adelaide Fashion Week⁴. However, households generate nearly 90% of all textile waste (~247,000 tonnes)⁵ which was 4.34% by weight of household waste in CoA's 2022 waste audit. This material when sent to landfill incurs a cost of \$161/tonne) which is passed to Councils.

Sustainability was a key theme in Adelaide Fashion Week 2024 with events, panel sessions and pop ups showcasing circular economy and sustainability within the industry.

There are opportunities to boost the local economy through innovation in the textile/fashion industries leading to high quality resources remaining in circulation and reducing impacts of fast fashion.

- **Fit outs:** CoA has a vibrant business and construction sector with a growing interest in sustainability. CoA is actively promoting and supporting building reuse, rather than demolition and rebuild, through its [Adaptive Reuse City Housing Initiative \(ARCHI\)](#) and through the Adelaide Central Market's multi-faceted guidance for environmental sustainability for tenant's fit-outs.⁶

¹ [Green Industries SA: Valuing Our Food Waste](#)

² [Green Industries SA \(GISA\) Guideline for Waste and Recycling at events & venues \(2022\)](#)

³ [South Australian Fashion Industry Association – A voice for South Australian fashion industries](#)

⁴ [Rundle Mall: About Rundle Mall](#)

⁵ [Australian Bureau of Statistics: Waste Account, Australia, Experimental Estimates, 2018-19 financial year](#)

⁶ [Adelaide Central Market: Sustainability-Strategy 24-27](#)

There are opportunities to further support fit outs in city businesses to move higher up the Resource Recovery Hierarchy and integrate circular economy principles.

Fix-its (Repair): With rising costs of living, repairing goods can boost community resilience, reduce unnecessary expenditure and keep materials in circulation through skill-share and repair. CoA supports organisations in the council area that commercially repair or restore items as well as hosting and promoting Repair Cafes, through the Circular Adelaide platform.

There are opportunities to encourage expansion of product-as-a-service and sustainable subscription schemes which deliver greater and more localised circularity.

- **Furniture:** CoA is dynamic with a high level of transiency in our resident population, large numbers of students and international students visiting for short periods of time which can result in high turnover of products, including furniture. Lower cost furniture may cost more to move than to simply discard, which transfers the costs of collection and disposal to councils. CoA has collaborated with a large student housing complex in the city to initiate the use of a hiring and selling platform (Rosella Street) to help hyper-localise circularity and prevent the waste (material and financial) of functional and reusable furniture.

There are opportunities to move higher up in the resource recovery hierarchy and enable product (furniture) sharing/recovery in a city environment.

Information request 3 - Hurdles and barriers to a circular economy

As outlined in the responses to *Information Request 1* above, challenges and barriers to implementing a circular economy include a lack of adequate and sustained resourcing, industry knowledge, strong partnerships and financial costs, which are often passed down to councils.

Lack of established and/or reliable end-markets for processing material can impact scale/scope of innovative projects and buy-in/trust from the community.

Mandatory and robust product stewardship schemes are needed to allocate the responsibility of products on the producer. This is expected to generate input for end-markets and revalue waste as a resource.

Legislation change to support prioritisation of resource recovery is needed. Effective solutions seen in other South Australian councils include frequency changes for waste/green organics. Part-funded through State Government (Green Industries SA) CoA is currently trialing additional servicing of green organics in smaller green lid bins to cater for higher density laneway dwellings, as well as shared precinct bins for select higher-density laneways where bins present amenity and safety issues and where diversion is lower. It is anticipated that these

system changes will enable better recovery of food and garden organics. CoA calls for legislation that supports prioritisation of resource recovery in a financially sustainable manner.

Information request 4 - Governments' role in the circular economy

To support the transition to a circular economy, CoA will involve broad stakeholders and the State Government to localise supply chains and prioritise reuse.

CoA calls for:

- Ongoing partnerships and funding support from State and Federal Government to implement a sustained transition to a circular economy.
- Stronger policies that support a circular economy including procurement and infrastructure policies, minimum diversion rates for varying industries, and expansion of building codes that support stronger resource recovery.

Should you have any questions or wish to seek clarification about any of the above, please contact David Bills, Manager Low Carbon and Circular Economy,

Kind regards,

Sarah Gilmour
Associate Director Park Lands Policy & Sustainability

