

SPEECH



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The Circular Economy

**Speech to the 34th Joint Conference for the Australia-Taiwan Business Council
and the ROC-Australia**

Thursday, 4 November 2021

W Hotel, Brisbane

Introduction and welcome

Thank you for the opportunity to speak to you today about the circular economy and the benefits it can bring.

Naturally, given my background as the Australian Government's Assistant Minister for Waste Reduction and Environmental Management, I will also be telling you about the approach that Australia is taking.

Before I begin, I wish to acknowledge the traditional owners of country throughout Australia and their continuing connection to land, sea and community. I am dialling in from **Brisbane, Australia** and I would like to acknowledge the Traditional Owners of the land upon which we are meeting here in Brisbane, the Turrbal and the Yuggera people, their cultures and their elders past, present and emerging. I would also like to acknowledge any Aboriginal and Torres Strait Islander people attending today's event.

1. Context setting: The circular economy in general

Increasingly, as we look around the globe, we can see countries shifting to a circular economy.

In these countries waste is recognised and treated as a valuable resource so when a product is no longer useful or required for its initial purpose, it is either reused, recycled or remanufactured for use in another product or process.

The Australian experience has been that the shift to a more circular economy offers many opportunities including the potential for industry to do more with what many people discard as rubbish.

It also offers solutions to a range of ongoing concerns including a scarcity of resources and climate change.

As Australia moves to a more circular economy we are benefiting from:

- more local jobs to support recycling and remanufacturing
- financial savings on raw materials
- reduced emissions from energy to extract virgin resources and transport waste
- a smaller amount of landfill and stockpiled waste both in Australia and overseas because we have banned sending our unprocessed waste plastic, paper, glass and tyres overseas.

2. The Australian context

Transitioning to a circular economy can also support us all in building back better in our post COVID-19 recoveries, as circularity not only supports new jobs but also builds economic resilience.

- In Australia, modelling shows that for every 10,000 tonnes of waste we divert from landfill to recycling, we create 6.4 new jobs in our growing waste and recycling industry.
- It also shows that transitioning to a circular economy in Australia could generate \$1.9 trillion in direct economic benefits over the twenty years to 2040.

In Australia, we generate 74.1 million tonnes of waste each year—the same weight as 45 million cars—and we recycle about 60%.

The Australian Government is strongly committed to reducing waste, increasing recycling rates and building capacity in our rapidly modernising waste and recycling industry.

These commitments are all part of our transition to a more circular economy.

To lead change, our 2018 National Waste Policy not only recognises our waste as a valuable resource but also sets the national agenda on waste and recycling to 2030.

Our 2019 National Waste Policy Action Plan implements the Policy. Underpinned by circularity principles, it includes 7 ambitious targets to guide investment and national efforts to 2030 and beyond.

Our targets are to:

- ban the export of waste plastic, paper, glass and tyres
- reduce the total waste generated in Australia by 10% per person by 2030
- recover 80% of all waste streams by 2030
- significantly increase the use of recycled content by governments and industry
- phase out problematic and unnecessary plastics by 2025
- halve the amount of organic waste sent to landfill by 2030
- make comprehensive, economy-wide and timely data publicly available.

3. The importance of partnerships

We developed our waste policy and action plan in a collaborative partnership with our state, territory and local governments as well as industry partners, non-government organisations and the community.

Working in a collaborative partnership is important because it recognises that everyone has a role to play in reducing waste and increasing recycling, and that no government can transition the country to a circular economy alone.

And as our supply chains and manufacturing processes become more globally integrated, it's also clear that no country can become circular on its own.

The Australia-Taiwan relationship is an important contributor to support the transition of our economies to more circular models.

- It's fantastic to see Australian company Cleanaway entering the Taiwanese market in partnership with Kang Lien Co. Ltd and being listed on the Taiwanese stock exchange.
- And to hear about new ventures like Taiwan's Ming Fu Group, who are establishing a waste plastic sorting and processing plant in Perth which will produce, and export recycled plastic flakes and pellets for use in manufacturing.
- One in four Australian homes has solar panels on their roof – many of them manufactured in Taiwan.

4. How circularity can benefit you

It's an impressive cohort of business leaders gathered here today, and accordingly a great opportunity to network and share learnings.

So, I'd like to take this opportunity to encourage you to consider what circularity can do for your business and what steps you can take to adopt a more circular approach.

In Australia, many businesses are unaware that circularity can benefit them – most of our businesses are small to medium enterprises.

And when you run a small business, you are not only its CEO, you are also its finance team, its communications team, and its sustainability officer.

Many business owners don't have much time to investigate what circularity can offer their business, and some even see embracing circularity as a risk which will force them to pass on new costs to their consumers.

While there is still work to do to make it easier for Australian businesses to embrace circularity, I am excited about the many opportunities that are being taken up, and how industry is continually innovating to work smarter and more sustainably.

In Australia, we already have a world class example of circularity in action at the Kwinana Industrial Zone in Western Australia. In this industrial precinct, businesses sell their waste to another business as an input and share technical expertise and skilled workforces.

There are about 150 exchanges ongoing in the precinct. For example, an alumina refinery might buy gypsum, a by-product from a chemical and fertiliser company down the road, then sell its organic waste to a worm farm up the road.

These synergies help support the demand for reusable and recyclable materials and improve the competitiveness of the participating companies by enabling them to monetise their waste and reduce input costs—and the savings are significant.

A 2012 study into the European manufacturing sector found that as much as 23% of the sectors' input costs could be saved by adopting more circular practices.

So, I encourage you all to explore the opportunities circularity might offer you, to form new connections, and to share learnings.

5. The Australian Government's role

To support Australia's transition to a more circular economy, the Government is driving a \$1 billion transformation of our waste and recycling industry.

We are stimulating new demand and growing markets in recycling and resource recovery through sustainable procurement.

Like Taiwan, we are developing standards to support the use of recycled content and using government procurement to generate new demand for recycled products.

The Australian Government has recognised the importance of closing the loop by buying recycled content and has released a Sustainable Procurement Guide and procurement toolkit to help its agencies buy products with recycled content.

In 2019-20, the Australian Government entered 81,174 contracts with a combined value of \$53.9 billion - but that figure is small in comparison to the purchasing power of our industries.

So, I encourage you to think about your own purchasing power and the role your business can play in supporting new demand for circular products and services.

6. Circularity through innovation

Innovation also plays an important role as we transform the way we manage and recycle our waste.

We have provided an additional \$30 million through the Cooperative Research Centres Program to fund research projects so that we can be informed by the latest science and make leading edge technology available.

One grant recipient has designed a system to collect soft plastics that are recycled by being turned back into crude oil. This ground-breaking recycling technology, developed by Australian firm Licella, has an 85 per cent yield rate with the remaining percentage producing the gas that powers the recycling process.

I'd encourage you to consider what business-research collaborations you might be able to engage in to develop new recycled materials and products.

7. Circularity through infrastructure

We are investing in improved waste management and resource recovery infrastructure to support increased processing capacity and support the industry.

As Australia's waste export ban is phased in, Australia must shift to recycling 645,000 tonnes of waste plastic, paper, glass and tyres domestically.

Our \$190 million Recycling Modernisation Fund is on track to leverage over \$800 million in investments from other levels of government and industry to expand Australia's recycling infrastructure.

So far, we have co-invested \$212 million with state and territory governments, and leveraged a further \$382 million from industry, for 78 new recycling and remanufacturing projects across the country, of which 23 are in regional and remote areas

Our \$57 million Food Waste for Healthy Soils Fund will leverage at least \$170 million in new or improved organic waste processing infrastructure and divert up to 3.4 million tonnes of food waste and garden waste from landfill every year.

The processed organic waste will be turned into compost and soil improvers to help our farmers.

This is a critical step in our goal to recover 80% of our organic waste materials by 2030.

By achieving our goal of 80% recovery for organic waste we will:

- generate \$401 million in industry value-add
- support up to 2,700 additional jobs
- avoid over 2 million tonnes of greenhouse gas emissions —equal to taking nearly half a million cars off the road.

8. Circularity in Manufacturing

And we are investing in the manufacturing industry and its transition towards circularity.

The investment driven by the National Waste Action Plan is complemented by the \$1.5 billion Modern Manufacturing Strategy (MMS), which is growing manufacturing in Australia across six priority areas including recycling and clean energy.

Sitting under the Modern Manufacturing Strategy, our Recycling and Clean Energy Manufacturing Priority Roadmap sets goals and identifies opportunities to guide action and investment.

Among other areas, it highlights opportunities include supporting recycling through better product design, adopting new recycling technology, and making products that use recycled feedstocks.

9. Circularity through product stewardship

We are supporting extended producer responsibility through product stewardship.

Our \$24.9 million National Product Stewardship Investment Fund has engaged businesses in 20 product stewardship schemes and established Australia's first Product Stewardship Centre of Excellence.

This investment will lead to 1.6 million tonnes of waste being diverted from landfill and support over 1,000 new jobs.

I'd encourage you to consider what happens to your firms' products at the end of their life, and how you might improve waste and recycling outcomes for your products at this point.

10. Getting our recycling right

We are also working with states and territories and local governments to harmonise our waste collection.

I applaud the Taiwanese Government's achievement of a 96.86% correct disposal rate for general waste in 2020, up from a 2.55% correct disposal rate in 1984. That's a very significant achievement and one that Australia would love to emulate.

In Australia, we have over 47 different kerbside bin systems—this makes it hard for people to know what bin to put their waste into and for us to conduct national education campaigns.

We are working with our state and territory governments, local governments, and with industry to improve the harmonisation of municipal waste collection and resource recovery

across Australia—from the kerbside recycling bin all the way through to re-processing and re-manufacturing of our recovered resources.

Greater consistency and better practice kerbside recycling collection and recovery will provide certainty to the public on how to recycle correctly and assist Australia's transition to a more circular economy.

11. Encouraging circular through packaging labelling

To improve circularity in packaging Australia has set an ambitious target for 100 per cent of Australian packaging to be recyclable, reusable or compostable by 2025.

We are working with industry to improve consumer recycling awareness and behaviours to minimise kerbside contamination and deliver cleaner waste streams.

We have endorsed the Australasian Recycling Label (ARL), an Australian developed and world leading recycling label to help households recycle correctly and assist brand owners to design packaging that can be recycled.

We are aiming to have 80% of supermarket products featuring the ARL by 2023.

We also know that adopting the ARL is more challenging for small-to-medium enterprise businesses. So we have invested \$5 million to help 20,000 SMEs adopt the ARL.

12. Using circularity to protect our oceans from plastic

Protecting the ocean and taking responsibility for our plastic waste are priorities for the Australian Government.

The Australian Government recognises that plastic is one of our biggest challenges—in Australia only 18% of plastic packaging is recycled for future use.

Domestically, we are taking unprecedented action to manage plastic pollution, to grow the sustainability of plastic and find new solutions.

We released our National Plastics Plan in March. Through this plan, we are attacking the plastic problem on five key fronts, through: legislation, investment, industry targets, research and development, and community education.

But no single nation can solve the plastic problem alone. An urgent global response is required now to stem the flow of plastics into our oceans, improve the health of our ocean and ensure a sustainable ocean economy.

This is particularly important for our Pacific region.

That is why Australia has joined others in calling for improved global action on marine plastic litter through a new global agreement.

We're consulting to inform Australia's views on the details of the arrangement in the lead up to the resumed fifth session of United Nations Environment Assembly meeting in February/March 2022.

We look forward to working collaboratively with the international community to seek global action to combat plastic pollution.

Conclusion

Australia's journey to becoming a circular economy and using our waste resources to create jobs, spark innovation, and deliver strong environmental outcomes has only recently begun.

It has taken significant leadership at the national level to make this happen.

With that said, our path to a circular economy is becoming shorter by the day and the future benefits are clear.

By transforming Australia's waste and recycling industry to support a circular economy, we will support more than 10,000 new jobs— an increase of 32% in jobs in the waste and recycling industry – and divert over 10 million tonnes of waste from landfill every year.

Thank you for the opportunity to speak to you today