

Background Paper - Circular Economy Advocacy Position

1 Introduction

A circular economy, as defined by the [Ellen MacArthur Foundation](#), is one where products are designed to be reused, repaired, and recycled, minimising waste and maximising resource efficiency. In a circular economy, products and materials are kept in circulation through processes like maintenance, reuse, refurbishment, remanufacture, recycling, and composting rather than being disposed of at the end of their useful life.

Key principles of a circular economy include:

- Designing out waste and pollution
- Keeping products and materials in use at their highest value
- Conserving natural resources and regenerating nature.

The traditional linear model of material use (take-make-use-dispose) relies heavily on the extraction and use of basic raw materials to produce consumer items which are then disposed of post-consumption, either to a recycling process, potential reuse or more usually to landfill. There is little to no consideration of end of life at the design stage and design for recovery is not required or incentivised.

The linear economy approach leads to depletion of resources as the post consumption reuse and recovery of materials does not keep pace with the use of basic raw materials and is ultimately unsustainable.

An effective transition towards circularity requires the key principles to be embedded in the operations and approach for all levels of government and industry. Moving to a circular economy cannot be achieved by effective waste management alone, instead it will require a fundamental shift in how the economy operates and offers the opportunity to maximise use of resources.

The concept of circular economy was identified by the waste and resource recovery industry as a holistic system change which could address a range of challenges for the industry presented by the linear economy. Waste management systems currently operate primarily as a recycling economy, converting waste into reusable material at the end of the product's life. In this context, waste management strategies and targets are largely focused on increasing rates of recovery and diversion from landfill. Circular economy strategies work differently, starting at the design phase and work to keep products and materials in use at their highest value across all stages of the product's life cycle. Circular economy should not be used interchangeably as a term for effective waste management, recycling or resource recovery, although these are important elements in the transition.

Local Government has historically been responsible for end of life management of many of the products consumed by their communities. Unfortunately, rapidly changing waste streams have turned the process of managing post-consumption products into an expensive and complex activity for Local Governments, with costs passed on to residents through rates and charges.

The implementation of circular economy principles, including mandatory design standards, product stewardship and changes in procurement approaches, has the potential to ease pressure on Local Governments and the community in managing the impacts of products at the end of their useful life. This includes increased reuse and recovery of products, lower levels of waste generated and reduced costs to recover or dispose of materials.

While circular economy principles are widely supported and Local Governments have initiated local level circular activities in reuse, repair and recovery, the sector is limited in what it can achieve in the circular economy transition without strategic support and investment from the Australian and State Governments.

WALGA's advocacy positions on Product Stewardship, Recovered Materials and Waste Management Legislation align strongly with circular economy principles. The [Product Stewardship position](#) calls on the Australian Government to implement effective Product Stewardship schemes for all products, that drive environmentally and socially sustainable outcomes through the design, manufacture and distribution of products that can be more easily reused, repaired, recovered or recycled. The [Recovered Materials position](#) addresses circular economy barriers by calling on the State Government to take a leadership role in facilitating the use of recovered material through the development of a regulatory framework and supporting the development of effective end markets, while the [Waste Management Legislation position](#) calls for the *Waste Avoidance and Resource Recovery Act 2007* to be amended to include circular economy principles.

WALGA [submissions](#) on the State Waste Strategy have identified that an overall State Government position on a circular economy for Western Australia is urgently needed.

Circular economy continues to be a key foundational concept in the draft State Waste Strategy, however detailed analysis of the circular economy in a WA context is required to understand and quantify the costs and benefits of moving to this approach. The work undertaken by [Green Industries South Australia](#) for example, included developing the case for circular economy for the State and has now progressed to driving the transition across multiple industries.

WALGA's draft State Waste Strategy Submission recommended that the State Government, in consultation with Local Government, develops a position and plan for a circular economy in Western Australia which includes consideration of costs, benefits and options.

In 2024, The Productivity Commission, on behalf of the Australian Government, undertook an Inquiry into Australia's opportunities in the circular economy to improve materials productivity and efficiency to benefit the economy and the environment. The Commission sought feedback on key areas, including priority opportunities to progress the circular economy, hurdles and barriers to a circular economy and the role of Government. The findings of the Productivity Commission have informed the development of the draft Advocacy Position.

WALGA has developed a draft Circular Economy Advocacy Position:

1. *Local Government supports the principle of a circular economy and recognises its potential to maximise use of resources and reduce environmental and financial impacts associated with the manufacture, distribution and post consumption management of products.*
2. *Local Government calls on the:*
 - a. *State Government to undertake a detailed study to determine how Western Australia can move toward a circular economy.*
 - b. *Australian Government to:*
 - i. *establish and maintain a regulated product stewardship framework for all products entering the Australian market*
 - ii. *set material design standards to ensure products can be reused, repaired and recycled*
 - iii. *implement Right to Repair Legislation, including incentives, training and cost-effective insurance options.*

- c. *Australian and State Governments to take a collaborative approach to:*
- i. *identify and remove legislative barriers to enable more circular approaches to procurement*
 - ii. *embed circular procurement practices across Government*
 - iii. *support and provide incentives for recovered materials infrastructure and market development.*

WALGA is seeking Local Government feedback on the draft Circular Economy Advocacy Position by COB 15 May 2026. Feedback can be provided to waste@walga.asn.au.

This Paper outlines the legislative and policy environment (Section 2), identifies current barriers to circular economy and the key steps for a circular economy transition and provides an overview of matters which were considered in the development of the draft Advocacy Position.

2 Legislation and Policy

There are a range of different legislative and policy drivers for circular economy internationally and nationally, with limited focus to date at the State level (Table 1).

Table 1: Outline of relevant Legislation and Policy

Document	Summary
International	
United Nations Sustainable Development Goals	The Sustainable Development Goals (SDGs) constitute a set of 17 global objectives established by the United Nations in 2015, forming a core component of the 2030 Agenda for Sustainable Development . These Goals are designed to address a wide range of interconnected global challenges, including poverty, inequality, climate change, environmental degradation, peace and justice. Specifically, Goal 12 Responsible Consumption and Production focuses on circular principles including sustainable procurement, responsible management of waste and sustainable management and use of natural resources.
European Commission Circular Economy Act and Circular Economy Action Plans	Due for adoption in 2026, the Circular Economy Act aims to establish a Single Market for secondary raw materials, increase the supply of high-quality recycled materials and stimulate demand for these materials within the EU. The Circular Economy Act will build on the second Circular Economy Action Plan , which includes initiatives addressing the entire life cycle of products, including how products are designed, as well as ensuring that waste is prevented and that used resources are kept in the EU economy for as long as possible.
DIRECTIVE (EU) 2024/1799 on common rules promoting the repair of goods	The European Commission Directive on common rules promoting the repair of goods aims at promoting more sustainable consumption by increasing repair and reuse of goods both within and outside the legal guarantee. The Directive is one of several pieces of legislation that collectively aim to extend the lifetime of consumer products.
Australian Government	

Recycling and Waste Reduction Act 2020	<p>The Recycling and Waste Reduction Act 2020 supports action to regulate the export of certain waste materials from Australia. It also establishes a framework for product stewardship, including for voluntary, co-regulatory and mandatory approaches. The objects of the Act include:</p> <p><i>1(c) to develop a circular economy that maximises the continued use of products and waste material over their life cycle and accounts for their environmental impacts.</i></p>
Australia's Circular Economy Framework	<p>The National Circular Economy Framework defines a circular economy for Australia and outlines its benefits, while setting an overall target of doubling Australia's circularity by 2035. The framework focuses primarily on four sectors:</p> <ul style="list-style-type: none"> • industry • the built environment • agriculture and food • resources.
Environmentally Sustainable Procurement (ESP) Policy	<p>The ESP Policy aims to reduce the environmental impact of Australian Government procurements. The ESP Policy applies climate, environment and circularity principles to four high-impact procurement categories, including construction, ICT goods and textiles.</p>
Productivity Commission Australia's circular economy: unlocking the opportunities 2025	<p>In this inquiry, the Productivity Commission examined Australia's opportunities in the circular economy to improve materials productivity and efficiency in ways that benefit the economy and the environment. The inquiry identified priority circular economy opportunities and advised on how best to measure progress and address barriers.</p>
Productivity Commission Right to Repair inquiry 2021	<p>The Right to Repair report found there are significant and unnecessary barriers to repair for some products. It proposes a suite of measures that aim to enhance consumers' right to repair while providing net benefits to the community.</p>
National Waste Policy Action Plan 2024	<p>The 2024 National Waste Policy Action Plan sets out where Australia must focus its efforts to transition to a safe circular economy. It was developed in line with the 2018 National Waste Policy.</p>
<p>Western Australia</p>	
WA Waste Avoidance and Resource Recovery Strategy	<p>Western Australia's Waste Avoidance and Resource Recovery Strategy 2030 (State Waste Strategy) sets out a statewide vision and goals for recycling and waste, with the aim to transition WA to a sustainable, low-waste, circular economy in which human health and the environment are protected from the impacts of waste. The Strategy is currently under review, with the new Strategy expected to be released in mid-2026.</p>

3 Barriers to a circular economy

This section outlines the barriers to a circular economy in Australia including finance, data, Government policy and regulation and regional considerations.

The Productivity Commission Inquiry Report detailed barriers to adopting circular economy opportunities including high costs; prescriptive, outdated or inconsistent regulations; challenges implementing circular innovations; and limited practical information on circular opportunities.

Legislation and regulation have not kept pace with industry developments, with the Report highlighting the difficulty faced by the construction industry in using recovered materials in major infrastructure projects due to outdated regulations and specifications on material types.

Finance

For businesses and organisations seeking to invest in or adopt circular technologies, Monash University's [Business Uptake of Circular Economy Approaches](#) Report found accessing finance was more difficult for newer technologies without a long term track record, leading to discouragement for businesses and organisations to step outside current practice. Others may be interested in taking up circular opportunities but lack the capability and resources to do so, including a lack of circularity measurement data to support a business case.

Data

Nationally, the Circular Economy Framework sets metrics to report circular economy [progress](#). With an overall aim of doubling Australia's circularity rate by 2030, the supporting targets of the framework are:

- Shrink per capita material footprint by 10%.
- Lift material productivity by 30%.
- Safely recover 80% of resources

Australia's circularity rate, which measures the amount of secondary resources used in the economy over a single year, was 4.3% in 2024, significantly lower than the global circularity rate of 6.9%.

The national framework and associated reporting uses high level metrics and varying data sets, which creates barriers in understanding how circular activities across jurisdictions contribute to the targets.

Currently, the closest means for Western Australia to measure circularity relies on waste management data, particularly recovered material tonnages. There is limited opportunity to measure how material is remaining in the system at its highest value outside these metrics.

There are also inconsistent levels of measurement across industry sectors, with detailed data available for construction and demolition and municipal waste, but limited waste composition data for the commercial and industrial sector including hospitality and retail sectors. Data that is available lacks the necessary granularity to assist in developing waste avoidance and resource recovery solutions.

Government Policy and Regulation

To build investment confidence and reduce perceived risk in developing and implementing circular solutions, security and clarity from government policies and regulation is required along with dedicated investment in researching and developing markets for recovered products.

WALGA's [Recovered Material Framework advocacy position](#) highlights the need for the State Government to take a leadership role in facilitating the use of recovered material by providing a regulatory framework to ensure end users have high confidence in the quality and safety of products. This would include a requirement for validation and certification of products to ensure they are fit for purpose, with outcomes-based specifications which take into consideration the receiving environment and minimise risk to human and environmental health. This is an essential step for materials previously considered a waste to instead be seen as a valuable resource.

The need for a consistent framework for recovered material is not unique to Western Australia, with Monash University's study showing inconsistency of standards and specifications across states and territories increases compliance and administration costs for businesses operating across multiple jurisdictions.

Regional considerations

Western Australia's traditional reliance on material extraction, import and export is also a barrier to circular practices. The capital investment to establish and maintain facilities to produce usable material from waste to a high specification is seen as less economically viable than using readily available basic raw material. Support and incentives for reprocessing facilities and the use of recovered material is therefore necessary to drive infrastructure and market development across the State.

From a commercial standpoint, the higher cost and in regional areas, lower availability, of recycled material can be a barrier in replacing virgin materials in Local and State Government projects. This is further intensified by the actual or perceived risk of using recycled materials, if strict product quality specifications are not in place to ensure end users can have confidence in the product.

Western Australia's geography presents significant challenges in aggregating and transporting materials for reuse and recycling, limiting options for materials to be used at their highest value. Local Government feedback supports the creation of Government-resourced precincts within regions to facilitate waste being received and processed locally to maximise benefit to local communities, or a series of small individual processing facilities in key areas. This will also reduce significant transport costs currently experienced by regional local governments.

4 Moving to a Circular Economy Approach

Designing for circularity

The design stage of a product determines whether, and to what extent, that product can be reused, repaired or recycled.

In line with the key principles of circular economy, designing for circularity includes eliminating waste and pollution through using durable materials designing for reuse or recycling and ensuring these can be efficiently separated during the recycling process. For example, a packaging item designed for shelf life may be made up of multiple layers of different materials which cannot be separated for recycling. By redesigning the item to be made of a durable single material, it can then be refilled and reused or recycled post-consumption.

In Australia, one example of a design focused approach is the work underway regarding Packaging Regulatory Reform. This work has been initiated at a national level and will potentially lead to the implementation of mandatory design standards for packaging.

Products designed for reuse and repair often have separable components which can be replaced to extend the life of the product or easily disassembled for recycling post-consumption.

Enabling Repair

Repair is an essential element of a circular approach. This includes accessibility of affordable repair options to support consumers' ability to extend product life and value and a positive obligation on manufacturers to provide greater access to repair supplies and services. WALGA identified this issue in its [previous submission](#) on the Productivity Commission's Right to Repair inquiry. The Submission noted the need for similar regulation to what exists in Europe. Under European Union Directives, household appliances are required to have spare parts available to professional

repairers for up to ten years as well as repair and maintenance information. This could potentially influence a consumer's decision when purchasing a particular product. Generally, repairing items in Australia can be more expensive than purchasing new items, particularly for those living in regional areas. There is need for ongoing funding for repair shop operations to make them more mainstream and accessible, with regular operating times.

Repair cafés or pop-ups can subsist in regional areas with appropriate support for volunteers and part-time professional repairers. This diversifies the marketplace and can provide greater skills for other service industries in those areas.

To facilitate widespread repair operations, training that allows the economic repair of items without introducing excessive risk of negating the item's insurance will be required. Repairs should be carried out by qualified persons, but at a standard of qualification that compromises between the costs of repairs and levels of indemnity sought by insurance agents or companies. For that reason, further investment in suitable training opportunities should be supported, particularly in remote areas.

Embedding Sustainable Procurement

Changes to procurement approaches is a potentially significant lever to move to more circular approaches. Nationally, the [Environmentally Sustainable Procurement \(ESP\) Policy](#) focusing on recycled content and innovative technologies is in place for industries including construction and the built environment over a certain price threshold, and provides a model to adapt across a range of sectors.

The Sustainable procurement hierarchy developed by WRAP Cymru (Figure 1) outlines the guiding principles to embed circular options into the procurement process. The hierarchy ranks procurement approaches from most preferred to least, under the headings of

- Reduce (re-think need)
- Re-use or re-source (extending product lifetimes)
- Buy Sustainable (low carbon or recycled content)
- Recover (negotiate end of life contracts).

For example, examining whether a capital purchase is required to achieve an outcome or an alternative business model that meet the same need would be acceptable, this could include borrowing, leasing or refurbishment. Another option is calibrating procurement to preference products which have simple and transparent recycling pathways or reuse potential.

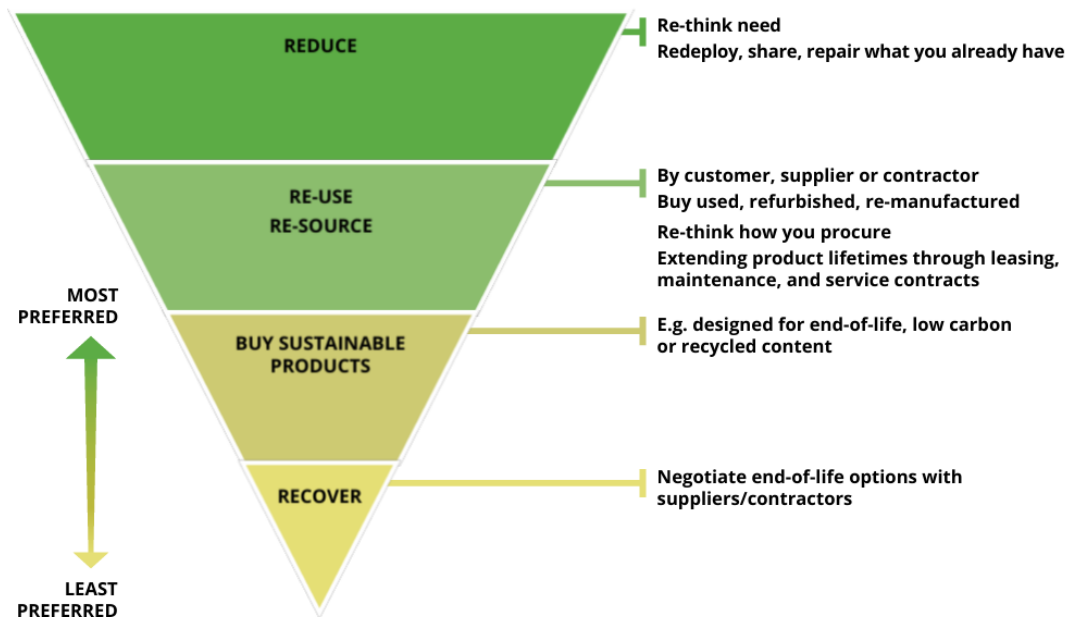


Figure 1: The Sustainable Procurement Hierarchy

Figure 1: The Sustainable Procurement Hierarchy, WRAP Cymru, 2021 (Updated March 2025). *Sustainable Procurement Hierarchy Guidance*.

Local Government feedback shows there is a perceived risk in adopting alternative procurement models, as the cost for circular solutions may appear higher initially compared to the linear model particularly when assessing the cost of using recovered materials in projects.

Setting procurement targets for recycled content in products, and the use of recovered materials in infrastructure projects at all levels of government, will assist in increasing confidence in using recycled materials and supporting emerging markets.

Product Stewardship

Product stewardship is defined as Industry taking responsibility (physical and/or financial) for the waste that it generates through the entire life cycle of the products it produces.

Local Government has identified this as a key way to both address waste management considerations and progress to a more circular approach by addressing design of products as well as end of life management.

The *Recycling and Waste Reduction Act 2020* is national legislation which provides the head of power for mandatory, co-regulatory or voluntary product stewardship. WALGA considers that the Australian Government should progress mandatory product stewardship schemes for products that have a national reach. This legislation should be used to ensure consistent regulation across Australia. This approach will also gain economies of scale in relation to implementation and communication and reduce duplication of effort.

The Productivity Commission's report highlights the need for consistent product stewardship across States and Territories, recommending the Australian Government implement a national framework for small electronics product stewardship, establish a national scheme for small-scale photovoltaic (PV) systems and investigate a national scheme for electric vehicle (EV) batteries.

E-waste recycling is a rapidly increasing cost for Local Governments, driven by increasing amounts of low-cost and low-quality electronics on the Australian market. The current National TV and Computer Product Stewardship Scheme covers only a proportion of the cost of collection and processing, leaving Local Government and their communities to make up the shortfall. The

expansion of the scheme to fully cover the cost of transporting and recycling a wider range of household electronics is urgently required.

The Productivity Commission report recommends a national framework be developed to align schemes across jurisdictions, focusing on elements including consistent definitions of scheme scope, clear performance targets for collection and recovery, nationally aligned compliance standards, and shared data and reporting requirements.

A mandated product stewardship framework which ensures all products manufactured, distributed and sold are more easily reused, repaired, recovered or recycled is required to support the shift in consumer behaviour.

Additional elements, such as incentives for circular design, targets for reuse and repair, responsibility for education campaigns and shared oversight mechanisms should also be incorporated to align with broader circular economy objectives and strengthen the system's ability to deliver higher-order environmental outcomes.

Investment in innovation and regional processing

WALGA has recommended as part of the WA State Waste Strategy implementation, regional infrastructure plans be developed that focus on developing infrastructure solutions to manage waste close to source in order to create and develop local industry and employment opportunities.

This is supported in the Productivity Commission's inquiry report, which recommends the development of place based circular economy plans for Local Governments to identify circular economy opportunities relevant to their area and foster partnerships, collaboration and knowledge sharing with support and guidance from State Governments.

5 Conclusion

Transition to a circular economy has the potential to reduce cost of living pressures, maximise use of resources and reduce a range of environmental impacts associated with the manufacture, distribution and post consumption management of products.

In drafting the Circular Economy Advocacy Position, WALGA drew on national, international and local circular economy policies and activities to identify the barriers and opportunities to move toward a circular economy in WA.

The draft Advocacy Position sets out the actions needed from all levels of Government to change legislation and policies where required, put in place relevant incentives and lead by example.

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