

Circuiti Productivity Commission Submission

Opportunities in the Circular Economy

Introduction

Circuiti is an Australian circular economy social enterprise dedicated to eliminating waste streams and transforming sustainability strategies into tangible action. We achieve this by connecting businesses with innovative circular solutions, helping them integrate sustainable practices seamlessly into their operations. In the year since inception we have developed a growing network of over 40 Circular Economy Businesses.

Our role aligns closely with that of a facilitator & broker service as referenced in Information Request 10.2 of the PC Interim Report. We work with our network of Circular Economy Businesses (CEBs) to implement solutions, acting as a primary vendor and business broker for our corporate clients by subcontracting circular solutions from our CEB network, vastly simplifying the procurement process of multiple circular solutions.

We are committed to circular collaboration across industries and establishing a central hub for circular economy connections. However, we've identified a significant regulatory barrier impeding progress: the absence of a nationally recognised standard for certifying circular economy businesses, products or services. Addressing this gap would unlock enormous potential for accelerating Australia's transition to a circular economy. Following our submission Circuiti would welcome the opportunity to collaborate on the development of this standard.

Problem

Currently, Australia lacks a government-endorsed national standard defining the criteria for a Circular Economy Business, Product or Service. There is also no independent regulatory body responsible for upholding such a standard, to ensure accountability, and certify businesses based on their adherence to defined circular principles. Without clear guidelines, businesses face uncertainty, and the risk of greenwashing increases, undermining genuine circular efforts, understanding and investment in the sector.

National Standard: Establishing a Framework

A nationally developed, globally aligned Circular Economy Business Standard would serve to eliminate barriers and encourage multiple opportunities highlighted in the PC Interim report (see Appendix). To enable meaningful progress, this standard would:

- Define Key Circular Economy Indicators – Establishing clear benchmarks aligned with international best practices, Circular Economy Business definitions, principles & actions and incorporating the existing measurement indicators outlined in Section 10.5 of the report.
- Provide a Framework for Certifying Bodies – A structured approach that businesses can follow to achieve certification of their products, services or businesses as a whole, ensuring clarity and consistency across industries.
- Ensure Regulatory Harmonisation – Aligning with global circular economy frameworks and standards such as ISO 59004 to support Australian businesses in competing internationally while encouraging confidence & domestic innovation.

Regulatory Oversight: Establishing an Independent Body

To uphold a national standard, Australia requires an independent regulatory body, supported by the government, to oversee a framework for Circular Business, product or service certification and ensure review & compliance. (More details are provided in our response to Information request 10.1)

This body should:

- Set the Standard, Not Certify Businesses – Circuiti, and similar industry stakeholders, could assess businesses for adherence to the standard, but the regulator itself must remain independent to avoid conflicts of interest.
- Ensure Industry Alignment – Work closely with circular economy businesses to develop fair, practical, and effective regulatory frameworks that are reviewed and adapted if required while the industry evolves.
- Facilitate National Harmonisation – Act as an anchor for coordinating efforts across jurisdictions to create a consistent and scalable approach to circular economy regulations.

Example:

A model for this approach can be found in National Standard for Organic and Bio-Dynamic Produce, which operates within a government-endorsed framework to certify organic produce businesses. Similarly, a circular economy regulatory body would provide transparency, trust, and legitimacy to businesses, products and/or services committed to circular practices.

Key Benefits of a National Circular Economy Standard

Implementing a robust regulatory framework would unlock several key benefits:

1. Prevent Greenwashing – Establishing an official standard ensures that only genuinely circular products, services or businesses receive certification, maintaining the integrity & trust in the sector. The standard could be tiered so as to allow for (and encourage) the transition of businesses that might have a circular product or service to eventually achieve certification for the whole business.
2. Increase Consumer and Investor Confidence – A recognised certification would provide assurance to consumers and investors, serve to help define procurement policy and drive greater trust and participation in circular markets.
3. Provide Clarity for Circular Entrepreneurs – A structured certification pathway would help businesses understand what qualifies as circular, what actions they need to take, and how they can achieve recognition for their efforts.

By aligning with global best practices and implementing a national regulatory framework, Australia can position itself as a leader in the circular economy, unlocking new economic opportunities and accelerating the transition to a waste-free future.

About Circuiti

Circuiti was founded with support from Sustainability Victoria in 2024 by Melbourne-based sustainability pioneers Julia Laidlaw, Ninna Larsen, and Geert Hendrix, who united their expertise in the circular economy to solve corporate waste issues. A Circular Economy Exchange, Circuiti's mission is to accelerate the elimination of waste streams in businesses by matchmaking waste challenges with innovative circular solutions.

Appendix

Responses to specific questions of PC Interim report that demonstrate the need for a National Circular Economy Business Standard.

Information request 4.2

- Coordination mechanisms to enhance the benefits of sustainable procurement policies
- Specific ways that coordination could assist suppliers of recycled materials to navigate sustainable procurement policy requirements and help government procurement agencies and suppliers identify win-win opportunities.

Circuiti Response

A national standard and certification framework differentiates and validates a business, product or service, takes the guess work out of what is genuinely 'sustainable' in CE terms and opens opportunities to a range of innovative businesses.

Information request 6.1 & 6.2

- Protections for consumers of textiles and clothing
- Product labelling for textiles and clothing

Circuiti Response

A national standard and certification framework differentiates and validates a business, product or service, and would protect consumers from false claims about circularity and sustainability of business or product.

Information request 10.1

- Governance arrangements to harmonise regulations that pose barriers to circularity

Circuiti Response

A nationally developed and internationally aligned Circular Economy Business standard could provide reference for the development of a certification Framework that would

- A standardised CEB framework and certification would eliminate ambiguity that undermines trust, understanding and investment in circular economy solutions.
- A circular business model standard would provide critical foundations for responsible Governance structure that enables and embeds Environmental and Social impact into business design & to flow through to operations.
- The standardisation would permit greater alignment of circular framework and aspirational circular business design models to corporate action for climate-related action and disclosure for facilitated ESG reporting practices. Companies can provide stakeholders with a comprehensive view of their sustainability performance and resilience to climate change.

cont.

- A standardised Circular Economy Business Standard and Certification process would serve to address concerns raised by 194 submissions in response to mandatory climate-related financial disclosure; It would do this by allowing for
 - Consistency and comparability in reporting
 - Increased data quality and availability
 - Regulation and assurance
 - International alignment and collaboration
 - Transition to Low Carbon Economy

Information request 10.2

- What are the barriers to knowledge (or transition) brokers, project officers, community development officers and the like effectively assisting organisations to navigate regulatory complexity?
- What kind of regulations do businesses most need help navigating to pursue circular opportunities? Are these at Commonwealth, state and territory, or local government level?

Circuiti Response

A Circular Economy Business National Standard and Certification Framework would overcome barriers for brokers and be the regulation businesses need to pursue circular opportunities. It would operate at a Commonwealth level.

Information request 10.3

- Supporting greater adoption and diffusion of circular innovations
- challenge-based funding models to encourage innovation across supply chains

Circuiti Response

An independent regulatory body that maintains a national standard agreed on by government, industry and researchers would eliminate confusion of eligibility requirements for innovation in circular economy business, a product or service.

Information request 10.4

- Will the proposed Australian sustainable finance taxonomy and enhanced ESG reporting provide sufficient information for investors to make informed decisions about circular economy projects? Or are further initiatives required to improve investor confidence in the circular economy?

Circuiti Response

Our success as business brokers and facilitators for circular businesses in the mainstream market has been inhibited by lack of understanding of what it means to be a circular economy business/ product/service, and the 'value' of circular solutions in tackling climate change and sustainability challenges. A national standard that supports the development of a certification framework would vastly improve investor confidence in the circular economy.

Information request 10.6

- Are there alternative indicators that would better measure the progress of Australia's circular economy?

Circuiti Response

Indicators for a national Circular Economy Business standard that support a holistic certification framework certification will be the best and easiest starting point (e.g. looking at whether a business demonstrates engagement with the different principles of a circular economy) vs a qualitative certification which would require significant number crunching. ISO 59004 Provides 'definitions', 'principles' and 'CE actions' which could be a useful basis for the development of a qualitative certification