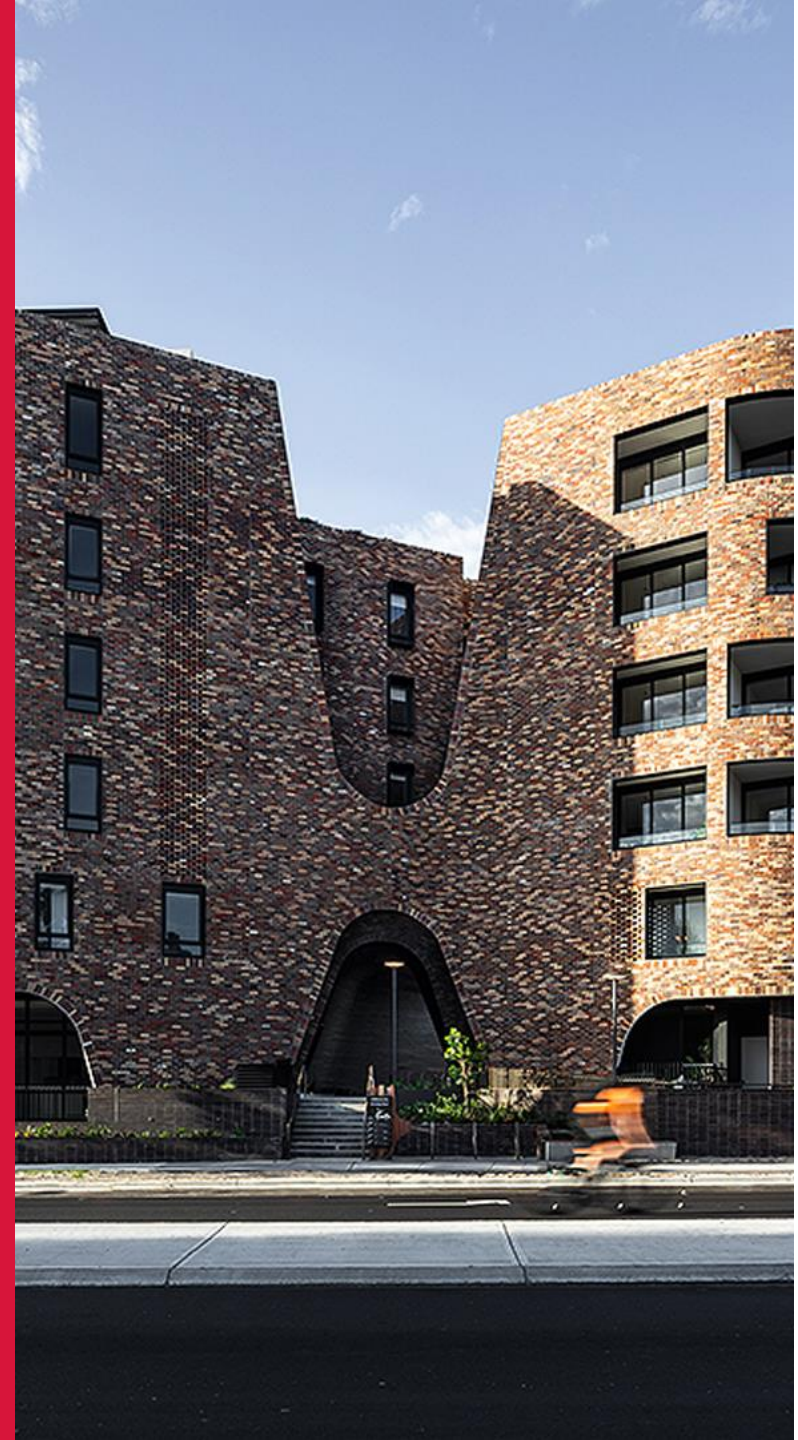


Increasing Circular Procurement in NSW Government

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Agenda



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Policy context

1

The NSW Waste and Sustainable Materials Strategy 2041



- Sets out vision for transitioning to a circular economy over the next 20 years
- Committed NSW Government departments to **procure products that contain recycled content on an 'if not, why not' basis**, where there is no significant additional cost or negative impact on performance or the environment.

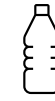


Implementing 'if not, why not'

Program objectives

- Target materials that have low recycling rates and values
- Complement well-functioning recycling markets
- Build up **supply** and **demand** concurrently
- Develop robust local recycling markets
- Develop new high value uses for materials

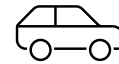
Priority materials



Plastics



Paper/cardboard



Tyres



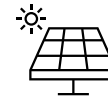
Organics



Coal ash



Textiles



Clean energy waste materials



E-waste materials

Circular procurement barriers

2

Procurement Barriers

AWARENESS



I haven't heard about it, and I don't understand it

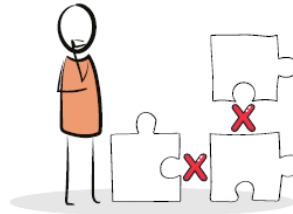
- What are these materials? What is their suitability, usage and relevancy?
- Unaware of requirement to preference recycled content
- Not well-informed of policy direction
- Sentiment that these are nice-to-have extras versus BAU
- How do I even get started?

DECIDING WHETHER TO PROCURE



No one is chasing me to do this

- Lack of senior leadership directive
- Requirements are not built into contracts and procurement processes
- Lack of accountability and compliance checks



I don't trust these materials are right for me

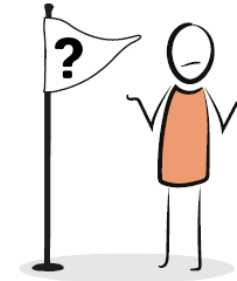
- Lack of trust that these materials will perform as required
- Lack of knowledge of the risk profile of these materials
- Specialised needs of projects e.g. dams, correctional centres
- Difficult to verify recycled and low-emissions products/materials credentials to meet sustainability goals



It's too hard, expensive, and slow

- Uncertainty of how to make specifications to allow use of these materials
- Difficulty finding products and trusted suppliers – especially in regional NSW
- Uncertainty of adequate supply
- Additional cost (real or perceived), e.g. 'green premiums'
- Difficulty obtaining finance – banks may not lend to materials they don't understand
- Risk of delays to project
- Lack of staff capacity and capability to address extra challenges

USAGE & KNOWLEDGE SHARING



It's hard to tap into learnings

- Lack of measurement and reporting
- Scarce opportunities to share learnings and amplify impact

Recycled material procurement initiatives

3

Recycled Materials Supplier Directory

Problem statement:

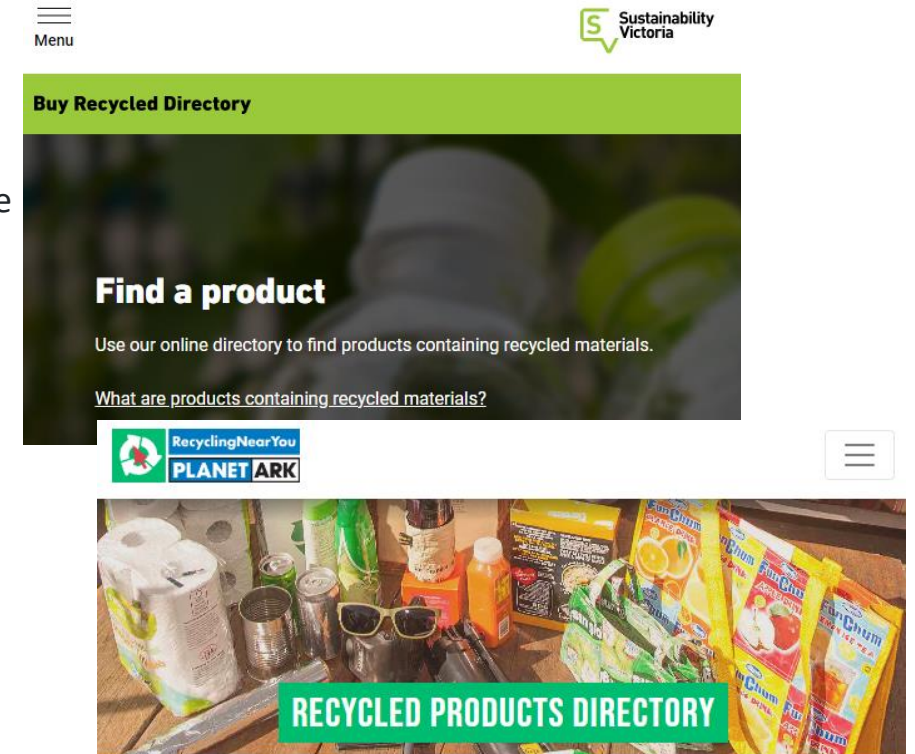
- There is no public directory that informs buyers about the existing suppliers of recycled materials in NSW
- Potential buyers of NSW recycled material products lack an understanding of what products are available and market supply

Objectives:

- The Recycled Materials Supplier Directory will be a digital platform of suppliers of recycled material products
- Provide information to buyers on where to find products containing recycled content
- Understand market gaps of products and stimulate investment and innovation in recycled material products

Progress:

- Completed user-needs analysis, currently reviewing functionality and development options.
- Expected before end of 2024



Recycled Content Reporting Requirements



Problem Statement:

- Limited understanding of how much recycled content is currently being used in government construction, and goods & services contracts in NSW

Objectives:

- Develop reporting framework to enable NSW Government to track procurement of recycled materials
- Support NSW recycling markets by increasing the amount of recycled content purchased through NSW Government procurement

Progress

- Draft reporting requirements have been developed
- Online reporting platform options are currently being considered
- Consultation with agencies has commenced
- In collaboration with EPA, aiming to commence reporting for construction recycled materials in April 2025

Estimating demand for recycled materials

Problem statement:

- Need to understand volume of recycled materials that could potentially be used in projects

Objectives:

- Raise supplier awareness of potential future NSW Government demand for recycled materials
- Work with other agencies to get more data and information that will help incorporate recycled materials early into procurement (design, scoping phases)
- Support register of upcoming government infrastructure and construction projects that will procure recycled material

Progress:

- Developed preliminary method to estimate the amount of recycled materials that could be used in upcoming government infrastructure and construction projects, focussing on road infrastructure.
- Working with agencies to integrate method into existing work processes.

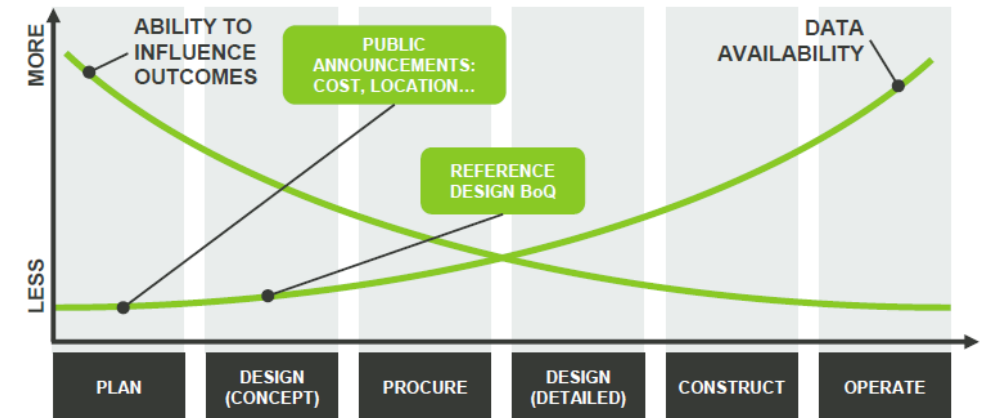


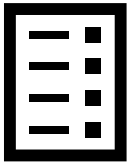
Figure 2 Influence vs data availability across project cycles

Circular procurement initiatives and guidance

4

Choose Circular Funding for agencies

- First stage of Choose Circular program, which aims to stimulate innovation and demand for recycled materials through NSW Government procurement
- Up to \$3.6 million to support agencies improved circularity and uptake of recycled materials
- Funding agreements are being finalised with 10 agencies, including:



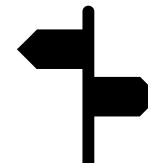
Circularity action
plans



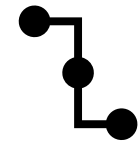
Develop and
trial software
applications



Procurement
guidelines and
frameworks



Feasibility
studies



Assessment and
verification of
recycled material
supply chains

Environmentally Sustainable Procurement Guidance

Problem statement:

- Lack of knowledge/skill was identified as a key barrier reducing the uptake of recycled content in procurement
- The Environmentally Sustainable Procurement Guidance project will develop guidance to demonstrate how to integrate environmental sustainability into each stage of the procurement process

Objectives:

- Develop easy-to-understand guidance and templates
- Guidance can integrate into existing NSWG procurement processes

Progress:

- Draft guidance developed and end user testing complete
- Guidance is being finalised and is expected to be published by late 2024
- Guidance implementation will include training and upskilling



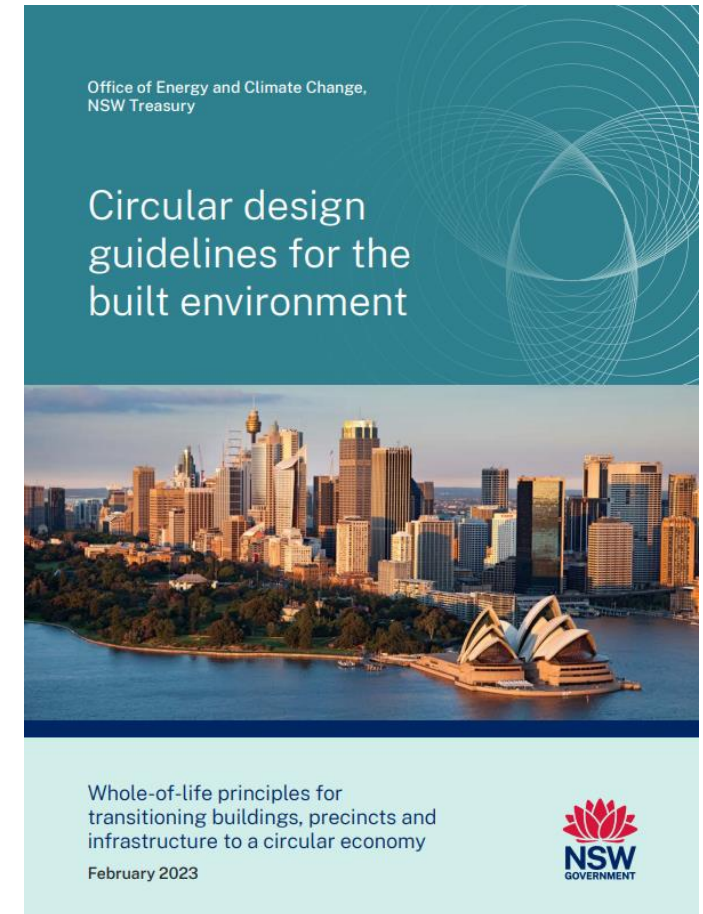
Circular design initiatives

5

Circular design guidelines

The guidelines:

- Translate circular economy principles into tangible strategies
- Can benefit all buildings, precincts and infrastructure
- Aim to encourage and enable government and industry to:
 - Reduce embodied carbon
 - Minimise waste generation
 - Improve materials efficiency
 - Increase the circularity of materials
- Currently working with agencies to embed these principles into construction projects



Specifications for Circular Materials

Problem Statement:

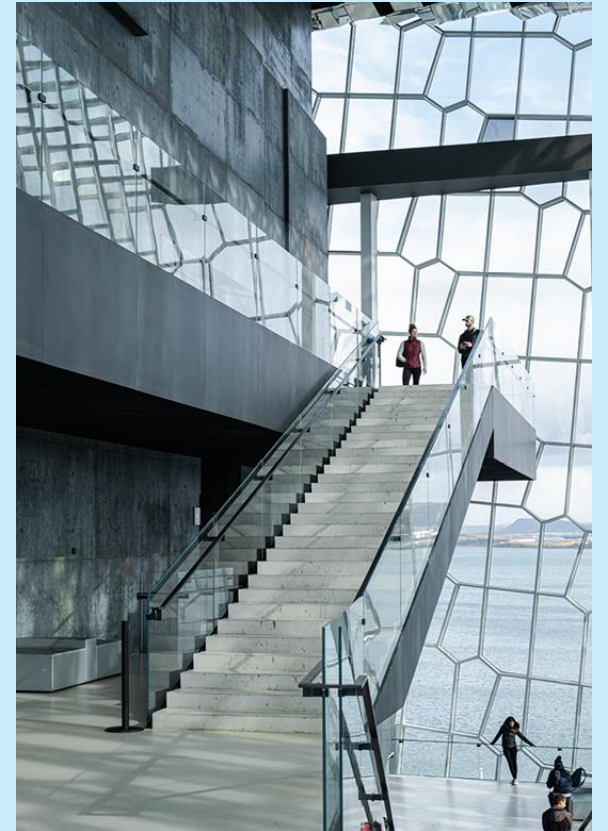
- Lack of approved or recognised specifications for recycled material use in infrastructure projects
- Agencies have low confidence and/or cannot use products that contain recycled materials without an approved product specification
- Current product specifications do not stimulate adequate demand for recycled content

Progress:

- Currently exploring opportunities to fund the development of specifications that support increased use of recycled materials

Related initiatives

- Infrastructure Decarbonising Infrastructure Delivery Policy - Reducing Upfront Carbon in Infrastructure
- \$37 million Carbon Recycling and Abatement Fund – delivered by EPA. Supports innovative circular economy approaches that manage waste and materials more efficiently and reduce emissions.
- Protection of the Environment Policy (PEP) for sustainable construction being developed by EPA. Will promote low-carbon design and construction, and increased use of remanufactured waste in NSW public infrastructure projects.



Next Steps

- Gain a better understanding of barriers to supply of recycled and circular materials
- Start designing new initiatives to help build up supply of recycled materials

Questions

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