

Circular economies would unlock billions in market value for leading Australian companies, new study shows

‘Unlocking Circular Markets’ is Circular Australia’s latest report. In partnership with Arup, it maps out new market opportunities for a circular Australia by 2035, and identifies economic opportunities in value chains across packaged consumer goods, textiles, and the built environment industries.

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environment industries. It contains input from industry-leading companies including Coca-Cola, The Iconic, Woolworths, Boral, and Liberty Steel.

According to Leanne Griffin, Australasia's Circular Economy Service Leader at Arup and Industry Taskforce Chair for Circular Australia, the report supports widely accepted estimates that point to as much as \$1,860 billion in direct economic benefits in Australia over 20 years.

"The common story around circular economies is how they can save huge volumes, tonnes of waste, diverted from landfill, but that's only half the story. We need to shift our thinking from volume to value. That's how you incentivise action. Businesses are much more likely to act if they know they could unlock huge savings through sharing, leasing, repairing and recycling exiting resources," said Ms Griffin.

Lisa McLean, Managing Director and CEO of Circular Australia said with a circularity rate of around four per cent, Australia's journey to build a circular economy will require many system changes.

"Breaking through the barriers to build new circular markets is essential to Australia's economic resilience. This presents opportunities to not just cut embodied carbon but secure greater productivity and efficiencies, while creating the products and services of the future - without waste."

The report points to the richness of Australia's resources as an example of the value that industries lose in supply chains by failing to harness circular principles. As global demand grows for the lithium-ion batteries used in electric vehicles, Australia's economy benefits from the extraction of resources but misses opportunities in the value chain to manufacture batteries or remanufacture and recycle spent batteries. In 2023, Australia formed 39 per cent of global lithium extraction, but almost all (94 per cent) of lithium-ion batteries are recycled offshore, resulting in lost value of up to \$3.1 billion each year.

Conversely, markets that better embrace circular thinking can capture this value. The report calls out Redwood Materials in the US, which recycles materials from end-of-life batteries and electronics. They formed supply chain partnerships with large organisations such as Panasonic, Ford, and Amazon to ensure they have enough supply to refine battery materials and remanufacture anode and cathode components which are sold to the growing local battery manufacturing industry.

In the Australian context, the report emphasises the importance of government in unlocking these opportunities as viable for businesses. Mature circular economies are enabled by government policies and legislation that incentivise good outcomes and disincentivise negative ones. To combat issues around low-quality fast fashion, France is proposing levies that would

economy signal the potential for accelerating the circular transition in the future.

Ms Griffin sees governments as the key to fostering a circular economy.

“Governments have the power to legislate discounts or tax reductions for repair and remanufacture services that are needed to kickstart a market for prolonging the life of goods whether that’s lithium-ion batteries or textiles. They could reduce gate fees for recycling and entice contractors to dismantle and sort materials instead of sending the lot to landfill. For us to realise the massive benefits of a circular economy, it will be critical that we have the right fiscal and policy settings to encourage targeted investment, financing and collaboration,” Ms Griffin concluded.

[View the report: Unlocking circular markets in Australia](#)



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