

Submission  
No 60

**INQUIRY INTO PROCUREMENT PRACTICES OF  
GOVERNMENT AGENCIES IN NEW SOUTH WALES AND  
ITS IMPACT ON THE SOCIAL DEVELOPMENT OF THE  
PEOPLE OF NEW SOUTH WALES**

**Organisation:** NSW Environment Protection Authority (EPA)

**Date Received:** 29 May 2024

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# Procurement practices of government agencies in New South Wales and its impact on the social development of the people of New South Wales

Environment Protection Authority submission



# Acknowledgement of Country

The NSW Environment Protection Authority acknowledges the Traditional Custodians of the land on which we live and work, honours the ancestors and the Elders both past and present and extends that respect to all Aboriginal people.

We recognise Aboriginal peoples' spiritual and cultural connection and inherent right to protect the land, waters, skies and natural resources of NSW. This connection goes deep and has since the Dreaming.

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Published by:

**NSW Environment Protection Authority**

6&8 Parramatta Square  
10 Darcy Street,  
Parramatta NSW 2150  
Locked Bag 5022,  
Parramatta NSW 2124

**Phone:** +61 2 9995 5000 (switchboard)

**Phone:** 131 555

(NSW only – environment information and publications requests)

**Fax:** +61 2 9995 5999

**TTY users:** phone 133 677,  
then ask for 131 555

**Speak and listen users:**

phone 1300 555 727,  
then ask for 131 555

**Email:** [info@epa.nsw.gov.au](mailto:info@epa.nsw.gov.au)

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[info@epa.nsw.gov.au](mailto:info@epa.nsw.gov.au)

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We also acknowledge our Aboriginal and Torres Strait Islander employees who are an integral part of our diverse workforce and recognise the knowledge embedded forever in Aboriginal and Torres Strait Islander custodianship of Country and culture.

# Table of Contents

## **Environment Protection Authority submission**

|   |    |
|---|----|
| Executive Summary   | 2  |
| Introduction  | 3  |
| Sustainable procurement requirements                                  | 4  |
| Environmentally sustainable procurement guidance                      | 4  |
| Procurement to support a circular economy                             | 4  |
| Recycled material procurement ‘if not, why not’                       | 4  |
| Sustainable procurement in construction                               | 5  |
| Procurement to support investment in Aboriginal owned businesses      | 6  |
| Barriers to sustainable procurement                                   | 6  |
| Low confidence and trust in product quality                           | 7  |
| Lack of awareness and knowledge                                       | 8  |
| Additional complexity and costs                                       | 9  |
| Lack of accountability and integration into business-as-usual process | 9  |
| Other jurisdictions   | 10 |
| Australian Government Environmentally Sustainable Procurement Policy  | 10 |
| Victorian Government Social Procurement Framework                     | 11 |
| Government of the Netherlands Sustainable Public Procurement          | 11 |

# Executive Summary

The NSW Government's procurement activities can drive sustainability and social development outcomes and help support the transition to a circular economy and net zero emissions future.

The NSW Environment Protection Authority (EPA) leads or partners with other agencies to deliver sustainable procurement policies and programs to support the increased use of recycled content, reduce emissions in government infrastructure and drive better waste and recycling outcomes.

While government procurement is a powerful tool to drive sustainability outcomes, agencies face barriers in implementing sustainable procurement policies such as costs, complexity, lack of confidence in sustainable products, limited knowledge and lack of authorising environments.

Some of these barriers need market intervention outside of the procurement environment. Addressing barriers across the supply chain of sustainable goods and services will make it easier for agencies to implement sustainable procurement practices. As the primary environmental regulator for NSW, actions we are taking to address barriers to sustainable procurement include:

- Delivering programs to improve the quality of recycled products, including the 'Return and Earn' Container Deposit Scheme, food organics and garden organics (FOGO) and textiles.
- Developing standards under legislation to reduce embodied emissions and promote the use of recycled material across government, particularly in large infrastructure projects.
- Enforcing the regulatory framework and new stronger penalties for environmental crimes to deter wrongdoing and support system integrity for good quality products made from recycled material.
- Supporting initiatives under the Waste and Sustainable Materials Strategy 2041 to promote government procurement of recycled materials on an 'if not, why not' basis.
- Supporting product stewardship initiatives to help improve circularity for materials commonly procured by government.

This submission aims to supplement the NSW Government submission and inform the Committee on:

- NSW Government requirements that aim to steer procurement towards long-term sustainability,
- Barriers to sustainable procurement and actions to address those barriers, and
- Examples of sustainable procurement actions that other jurisdictions have implemented that provide a comparison point for NSW to consider.

## Introduction

NSW EPA procurement activities are guided by the NSW Government Procurement Policy Framework, government contracts and the following core business principles:

- potential suppliers will be treated fairly and impartially and given appropriate access to information and opportunities to submit bids
- procurement activities and decisions will be fully and clearly documented to provide an effective audit trail and to allow for effective scrutiny and performance review of contracts
- environmental sustainability, including environmentally friendly products
- the EPA will not improperly disclose confidential or proprietary information.<sup>1</sup>

As stewards of the environment, we aim to lead by example and champion environmentally sustainable procurement practices across NSW Government.

Economic development, social outcomes and sustainability is a key objective included in the NSW Government Procurement Policy Framework. It recognises that government procurement can help to support economic participation, social outcomes, develop skills and create jobs for the people of NSW.

The objective includes the concept of sustainable procurement. Sustainable procurement focuses on spending public money efficiently, economically, and ethically to deliver value for money on a whole of life basis. Sustainable procurement extends the assessment of value for money beyond the sourcing process, considering benefits and risks to the organisation, the community, the economy and impacts on the environment.<sup>2</sup>

Sustainable procurement:

- considers how procurement impacts society, the economy and the environment
- provides all suppliers with full and fair opportunities to compete
- respects stakeholders' interests, the rule of law and human rights, including modern slavery
- seeks innovative solutions to address sustainability throughout the supply chain
- buys only what is needed or seek sustainable alternatives
- analyses all procurement costs, including benefits for society, environment and the economy
- integrates sustainability into procurement practices.

This submission outlines NSW Government requirements that aim to support sustainable procurement. It includes examples of initiatives that aim to channel government procurement activity towards improved sustainability. It also identifies known barriers to sustainable procurement and the broader work needed within the market to address these barriers. Lastly, it identifies work in other jurisdictions that provide a comparison point to initiatives in NSW.

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<sup>1</sup> <https://www.epa.nsw.gov.au/licensing-and-regulation/legislation-and-compliance/policies-and-guidelines/statement-of-business-ethics>.

<sup>2</sup> [https://www.info.buy.nsw.gov.au/\\_data/assets/pdf\\_file/0008/1294541/Procurement-Policy-Framework-March-2024.pdf](https://www.info.buy.nsw.gov.au/_data/assets/pdf_file/0008/1294541/Procurement-Policy-Framework-March-2024.pdf), page 30.

# Sustainable procurement requirements

Government procurement can help drive a circular economy, mitigate the impacts of climate change, and support First Nations peoples. The NSW Government has set a number of expectations and programs to help improve sustainable procurement in various government and private sectors. The NSW Government submission outlines environmentally sustainable procurement policies and their commitments that are led by the Department of Climate Change, Energy, the Environment and Water.<sup>3</sup> This includes Government Resource Efficiency Policy and Net Zero Plan Stage 1 2020-2030. This section summarises additional details and other frameworks that aim to steer government procurement towards long-term sustainability.

## Environmentally sustainable procurement guidance

The Department of Climate Change, Energy, the Environment and Water (DCCEEW) and NSW Procurement are developing environmentally sustainable procurement guidance to support government agencies to implement environmentally sustainable procurement practices. The guidance will demonstrate how to integrate environmental sustainability into each stage of the procurement process and will be released later in 2024. DCCEEW will work with agencies to incorporate the guidance into agencies' specific procurement documentations and provide training around the guidance.

## Procurement to support a circular economy

A circular economy means using resources more efficiently and making them as productive as possible. It results in less waste and emissions, reduced harm to the environment and increases local employment opportunities.

The NSW Circular Economy Policy Statement<sup>4</sup> helps guide NSW Government decision making in the transition to a circular economy. It sets the ambition and approach for a circular economy in NSW and provides principles to guide resource use and management. Sustainable procurement is a key focus area in this policy because it can drive market demand for recovered materials and reusable products. The NSW Government Procurement Policy Framework considers the NSW Circular Economy Policy Statement as good practice and suggests that agencies consider circular economy principles and the product lifecycle during procurement processes.

Overarching policy settings help guide the work of the EPA and other government agencies across a range of circular economy and recycled content programs and partnerships with local government and industry. By prioritising engagements with suppliers that use or promote recycled content and embed circular economy innovation into their practices, NSW Government can drive market demand. The programs discussed later in this submission provide examples of environmentally sustainable procurement partnerships and highlight the benefits of stimulating circular economy innovation.

## Recycled material procurement 'if not, why not'

The NSW Waste and Sustainable Materials Strategy 2041<sup>5</sup> commits to requiring NSW Government agencies to preference products that contain recycled content, including building materials and office fit outs and supplies, on an 'if not, why not' basis. The need to preference recycled content is subject to there being no significant additional cost or negative impacts on performance and the environment. This initiative is supported through a \$13 million Circular Innovation Fund.

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<sup>3</sup> <https://www.parliament.nsw.gov.au/lcdocs/submissions/84775/0040%20NSW%20Government.pdf>, page 16.

<sup>4</sup> <https://www.epa.nsw.gov.au/-/media/epa/corporate-site/resources/recycling/19p1379-circular-economy-policy-final.pdf>

<sup>5</sup> <https://www.epa.nsw.gov.au/-/media/epa/corporate-site/resources/recycling/nsw-waste-and-sustainable-materials-strategy-2041.pdf>



These commitments are being delivered by the Department of Climate Change, Energy, the Environment and Water under the Choose Circular program.<sup>6</sup>

Choose Circular initiatives include:

- Development of a recycled materials directory to inform buyers about products containing recycled materials. This initiative aims to address the limited knowledge that potential buyers have regarding recycled material products.
- Development of a reporting framework to allow reporting on NSW Government procurement of recycled materials. Tracking the amount of recycled content procured by the NSW Government will help to signal demand to the market, evaluate progress towards a circular economy and net zero, and support evidence-based policy decisions.
- Exploration of opportunities to fund the development of specifications to facilitate uptake of priority recycled materials in NSW Government infrastructure projects. Specifications support the uptake of recycled materials in construction and instil confidence in the performance of the recycled material.
- Roll-out of the \$3.6 million Choose Circular fund for NSW Government agencies. This fund aims to support agencies in sourcing and using recycled materials and can be used for a broad range of activities such as action plans, feasibility studies and specification development.
- Development of procurement guidance for agencies to support sustainable and circular procurement, such as guidelines, contract and tendering templates, and material selection guides. The first document being developed is environmentally sustainable procurement guidance.
- Development of tools and resources to support the forecasting of the potential demand for recycled materials in government infrastructure projects. This initiative aims to raise supplier awareness of government demand for recycled materials.

## Sustainable procurement in construction

Globally, the way materials and products are produced, used and disposed of contributes to about 45% of carbon emissions.<sup>7</sup> Effective use of recycled material results in less extraction of virgin materials and lower carbon emissions. Improved procurement practice is a way that governments can directly improve the way in which we manage waste and materials to reduce emissions.

The NSW Government has committed \$37 million under the NSW Waste and Sustainable Materials Strategy 2041 to create a Carbon Recycling and Abatement Fund. The Carbon Recycling and Abatement Fund is prioritising three manufacturing and recycling opportunities based on carbon abatement potential in the first phase of grants. These are the use of coal combustion products in cement manufacturing, crumb rubber from waste tyres in roadmaking, and increased use of reclaimed asphalt pavement.<sup>8</sup>

The EPA has also given notice of its intention to make its first Protection of the Environment Policy (PEP). It is partnering with Infrastructure NSW to release a landmark PEP for sustainable construction, promoting low-carbon design and construction, and increased use of recycled material in NSW public infrastructure projects.<sup>9</sup>

The draft PEP will require public authorities, from April 2025, to consider its provisions for all new public infrastructure proposals over specified estimated development costs, including State Significant Infrastructure. They will also need to:

- quantify and report on the 'upfront carbon' impacts of projects at multiple stages of the project lifecycle, and

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<sup>6</sup> <https://www.energy.nsw.gov.au/government-and-local-organisations/ways-get-started-local/choose-circular-funding>

<sup>7</sup> <https://www.epa.nsw.gov.au/your-environment/recycling-and-reuse/strategic-direction-for-waste-in-nsw/carbon-recycling-and-abatement>

<sup>8</sup> <https://www.epa.nsw.gov.au/your-environment/recycling-and-reuse/strategic-direction-for-waste-in-nsw/carbon-recycling-and-abatement>

<sup>9</sup> <https://www.epa.nsw.gov.au/your-environment/recycling-and-reuse/strategic-direction-for-waste-in-nsw/carbon-recycling-and-abatement>

- preference the use of recycled materials on an ‘if not, why not’ basis and report on the use of recycled materials in projects.

The draft PEP will align with the Decarbonising Infrastructure Delivery Policy and the State Environmental Planning Policy (Sustainable Buildings) 2022. The PEP was piloted on three Transport for NSW projects in 2023, including the Edmondson Park North multi-storey commuter carpark, St Mary’s Footbridge and the M12 West.

The draft PEP is being developed following the EPA’s commissioning of a study to identify opportunities to reduce carbon emissions in NSW through the use of low carbon recycled materials in construction and manufacturing.<sup>10</sup> The study identified that recycling and manufacturing opportunities together have the potential to abate approximately 1.85 million tonnes of carbon dioxide equivalent each year. This cumulative emissions abatement potential is about the same as removing around 398,000 petrol cars off the road annually.

Protection of the environment policies may be made for the purpose of declaring policies to be observed with respect to protecting the environment in NSW and, in particular, for the purpose of:

- (a) furthering the objectives of the EPA as set out in section 6 of the *Protection of the Environment Administration Act 1991*,
- (b) managing the cumulative impact on that environment of existing and future human activities.<sup>11</sup>

## Procurement to support investment in Aboriginal owned businesses

As the NSW Government submission outlines, there is an Aboriginal Procurement Policy (APP).<sup>12</sup> The policy is focused on increasing the participation of Aboriginal businesses in government procurement and to support employment opportunities for Aboriginal and Torres Strait Islander peoples. It supports the government’s commitment to First Nations economic development.

According to the APP Review 2023 stakeholder feedback report, the policy has been successful in increasing the scale of NSW Government procurement from Aboriginal businesses.<sup>13</sup> The stakeholders feedback notes spending targets have been met but there is an opportunity for further ambitious targets. There is also the recommendation for reporting on outcomes publicly to increase visibility and transparency. Recent data shows that the NSW EPA engaged 15 verified Aboriginal businesses for good and services in the 2022-23 financial year and engaged 20 verified Aboriginal businesses for goods and services in the 2021-22 financial year.

## Barriers to sustainable procurement

While procurement is a powerful tool that NSW Government can use to drive sustainability outcomes and stimulate investment in circular economy and net zero outcomes, barriers can impact uptake and effectiveness. DCCEEW consulted with NSW Government agencies in 2022 to understand barriers to procurement of recycled materials and low-emission building materials. The key barriers identified included:

- Low confidence and trust in product quality
  - Lack of trust in performance of materials
  - Lack of knowledge of the risk profile of materials
  - Difficulties in verifying sustainability credentials of materials and products

<sup>10</sup> <https://www.epa.nsw.gov.au/-/media/epa/corporate-site/resources/recycling/carbon-abatement-opportunities-circular-economy.pdf>

<sup>11</sup> *Protection of the Environment Operations Act 1997* (NSW) section 10.

<sup>12</sup> <https://www.info.buy.nsw.gov.au/policy-library/policies/aboriginal-procurement-policy>

<sup>13</sup> [https://www.info.buy.nsw.gov.au/\\_data/assets/pdf\\_file/0010/1204678/Aboriginal-Procurement-Policy-Review-2023.pdf](https://www.info.buy.nsw.gov.au/_data/assets/pdf_file/0010/1204678/Aboriginal-Procurement-Policy-Review-2023.pdf)

- Lack of awareness and knowledge
  - Lack of understanding of the materials, such as their suitability and availability
  - Lack of awareness about government requirements to use materials
  - Lack of understanding of how to incorporate procurement of these materials into current practices
- Additional complexity and costs
  - Uncertainty of how to develop specifications to allow use of the materials
  - Uncertainty of adequate supply
  - Additional cost (real or perceived)
  - Lack of staff capacity and capability to address extra challenges
  - Risk of project delays due to extra challenges
- Lack of accountability and integration into business-as-usual process
  - Lack of accountability and compliance checks
  - Requirements aren't built into contracts and procurement processes
  - Lack of directive from senior leadership

The NSW Government and the EPA are working to address these barriers, some of which require market intervention beyond NSW Government operations. The barriers and the actions we are taking are outlined below.

## Low confidence and trust in product quality

Consumers may have low confidence in sustainable products, due to uncertainty about performance and lack of specifications for innovative products. This impacts demand and presents a risk to the widespread adoption of sustainable procurement practices. It can also be difficult for buyers to find trusted suppliers and verify the sustainability credentials of certain products, such as claims about low emissions or recycled content.

Tight controls can minimise quality related risks and better ensure the quality of products. For recycled materials, the EPA plays an important role in minimising quality related risks and ensuring the integrity of products entering the market.

Actions the NSW Government is taking to address these barriers include:

- Developing a more targeted regulatory approach to achieve higher quality materials from waste generators.<sup>14</sup>
- New legislation to deter crime and encourage a good quality product. The *Environment Protection Legislation Amendment (Stronger Regulation and Penalties) Act 2024*<sup>15</sup> delivers stronger deterrence of environmental crimes by doubling maximum penalties for certain non-compliances. The most serious offences now carry maximum penalties of \$10 million for companies and \$2 million for individuals. Maximum penalties for certain asbestos-related offences also increased to \$4 million for companies and \$1 million for individuals.
- Community programs to improve the quality of recycled material available for manufacturing and use, such as:
  - The Return and Earn Container Deposit Scheme, which recovers high-quality beverage containers for remanufacturing and has successfully diverted over 11 billion containers from litter and landfill since 2017 at over 600 sites.

<sup>14</sup> <https://www.epa.nsw.gov.au/-/media/epa/corporate-site/resources/recycling/23p4430-resource-recovery-framework-delivery-plan.pdf>

<sup>15</sup> <https://legislation.nsw.gov.au/view/pdf/asmade/act-2024-20>

- The Food Organics and Garden Organics (FOGO) grants program providing up to \$46 million to support NSW councils to deliver weekly household food organics (FO) or food organics and garden organics (FOGO) services to their communities.<sup>16</sup> These grants support the transition to source separation of food and garden organics, which reduces organics waste in landfill and creates a higher quality, cleaner stream of reusable compost.
- The Circular Plastics Program grants providing new grant funding opportunities under the NSW Plastics Action Plan's \$10 million Circular Materials Fund (CMF). The Circular Plastics Program was created to support businesses in the transition to better plastic products and increase the recycling rate of plastics in NSW.<sup>17</sup>
- Exploration of opportunities to fund the development of specifications to facilitate uptake of priority recycled materials in NSW Government infrastructure projects.
- Development of specifications for NSW Government agencies and local councils to adopt low carbon concrete in their construction procurement.

Creating stronger deterrents for non-compliance and building greater market and community confidence in the quality of recycled products will help create a larger sustainable and circular procurement market.

## Lack of awareness and knowledge

Lack of awareness or knowledge of sustainable procurement requirements, processes and opportunities presents a significant barrier to government staff making sustainable procurement choices.

Actions being taken by the NSW Government and the EPA to address a lack of awareness and knowledge about sustainable procurement requirements, processes and opportunities include:

- Development of sustainable procurement resources, such as:
  - Development of procurement guidance for agencies to support sustainable and circular procurement, such as guidelines, contract and tendering templates, and material selection guides.
  - The NSW Circular Design Guidelines for the Built Environment<sup>18</sup>, which provide a comprehensive, whole-of-system approach to implementing circular economy principles throughout all phases of NSW built environment projects.
- Delivering programs such as Cool Compost. The EPA partnered with Circular Australia to develop Cool Compost<sup>19</sup> as an online resource centre showcasing the benefits of commercial compost. The program is targeted at graziers, vegetable growers, councils, landscapers and urban planners, and government agencies. The resource centre steps target audiences through a series of videos, podcasts, fact sheets and specifications.

Cool Compost builds on the success of the EPA's \$5.5 million Organics Market Development grants program. The grants funded 38 projects, demonstrating the benefits of compost across a range of industries and uses including sporting fields, mine and roadside rehabilitation, urban amenity, agriculture and horticulture.

The program aims to:

- ensure strong markets for the increased supply of compost from kerbside food and garden waste
- increase knowledge and awareness of the benefits of compost

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<sup>16</sup> <https://www.epa.nsw.gov.au/working-together/grants/organics-infrastructure-fund/go-fogo-grants>

<sup>17</sup> <https://www.epa.nsw.gov.au/working-together/grants/infrastructure-fund/circular-plastics-program#:~:text=Aims,rate%20of%20plastics%20in%20NSW.>

<sup>18</sup> [https://www.energy.nsw.gov.au/sites/default/files/2023-02/NZP\\_Circular\\_Design\\_Guide\\_2023\\_0.pdf](https://www.energy.nsw.gov.au/sites/default/files/2023-02/NZP_Circular_Design_Guide_2023_0.pdf)

<sup>19</sup> <https://www.epa.nsw.gov.au/your-environment/recycling-and-reuse/business-government-recycling/food-organics-and-garden-organics/cool-compost>

- assist in the development of new and innovative markets for compost made from recycled organics.
- Development of a recycled materials directory and recycled material procurement reporting requirements under the Waste and Sustainable Materials Strategy 2041.

## Additional complexity and costs

Sustainable procurement can be perceived to be more complex, costly and time intensive. Additional costs and complexity, real or perceived, associated with procuring sustainable goods and services can deter buyers from making sustainable purchasing decisions. There can be a lack of staff capacity and capability to address these additional challenges, leading to the risk of project delays. This can impact demand for sustainable goods and services, thus creating uncertainty for suppliers, leading to a potential lack of adequate supply.

Government can play a role in addressing costs and complexity through whole of government approaches to product stewardship, targeted support and streamlining processes. Actions the NSW Government and EPA has taken to address these barriers include:

- Roll-out of the \$3.6 million Choose Circular fund for NSW Government agencies. This fund aims to support agencies in sourcing and using recycled materials and can be used for a broad range of activities such as action plans, feasibility studies and specification development. Allowed activities include consultancy support, additional staffing resources and procurement of recycled materials.
- Development of sustainable and circular procurement guidance materials for NSW Government agencies.
- The next phase of the Choose Circular program will include sustainable procurement training opportunities for government staff and development of new training materials.

## Lack of accountability and integration into business-as-usual process

Governance issues, a lack of accountability and compliance checks and a lack of directive from senior leadership can all impact the decision to procure sustainably. Additionally, sustainability requirements aren't built into contracts and procurement processes, providing less incentive for agencies to prioritise sustainability in their procurement decisions.

NSW Government actions to address these barriers include the development of reporting requirements for recycled material for goods and services procurement, the commitment to periodically report on progress, and the Sustainable Construction PEP and its reporting requirements for embodied carbon and recycled material. Guidance material, which will include model clauses for tendering and contracting, will support the integration of sustainable procurement into business-as usual procurement practices.

## Supporting businesses to increase use of recycled material

NSW Government has taken actions to grow recycling markets through grants, and to take a whole of government approach to engage with product stewardship schemes. These approaches support increased procurement of recycled material, drive a circular economy and ensure that high-volume procured materials such as textiles are sustainably managed.

- Engaging in product stewardship initiatives to help improve circularity for materials commonly procured by NSW Government that have a high propensity to end up in landfill. The EPA supported "Seamless", Australia's Clothing Product Stewardship Scheme, by providing \$100,000 in foundational start-up funding. Seamless aims to reduce the environmental impact of clothing textiles by 2030, by significantly reduce the 200,000 tonnes of clothing that currently goes to Australian landfill each year. It proposes to do this by putting a 4c per garment levy to create programs to incentivise clothing design that is more durable and recyclable, foster new circular business models, close the material loop, and expand clothing collection, sorting and recycling. The EPA continues to engage with Seamless through its Government Working Group.

- Delivering grants programs to provide direct support to small businesses to stimulate innovation in recycled material markets:
  - Worn Up – through the Circulate, NSW Industrial Ecology Program, the EPA provided a \$100,000 grant as part of a competitive process to Sydney family business – Worn Up. Worn Up recycles the old school uniforms into a durable material (FABtec) to create school desks, stools, acoustic tiles, furniture and other products.
 

Each year, the average NSW Primary School discards between 100 and 200 kilograms of unwearable uniforms. This is an example of the growing problem of textile waste. More than 300,000 tonnes of textiles are discarded in NSW each year. Almost 240,000 tonnes are dumped in landfill annually. Only 28% of textiles are recycled and re-used.

To date, Worn Up has diverted more than 100 tonnes of uniform material from landfill. The EPA’s support has allowed Worn Up to increase its outreach activities to rural schools and big businesses.
  - Textile Recyclers Australia (TRA) – The EPA has also funded a TRA pilot program to recycle textile waste. The pilot program resulted in diverting over 80 tonnes of unwanted textiles from landfill. Unwanted items were sorted, baled and exported to recycling partners for use in a range of products, such as mop heads, sponges, gardening gloves, blankets, floor mats and recycled wool yarn. Beyond landfill diversion, this initiative aimed to help TRA grow its recycling partnerships and long-term business relationships with local government and corporate entities. The EPA grant enabled TRA to win 10 major customers.

## Other jurisdictions

Governments in Australia and overseas are putting emphasis on sustainable procurement practices. The examples in this section provide a comparison point for NSW to consider.

### Australian Government Environmentally Sustainable Procurement Policy

The Australian Government has recently released its Environmentally Sustainable Procurement (ESP) Policy.<sup>20</sup> The ESP Policy applies climate, environment and circularity principles to four high-impact procurement categories, requiring relevant suppliers to demonstrate these principles and outcomes during procurement processes. This policy will be phased in over two years, beginning with construction services at or above \$7.5 million from 1 July 2024. Furniture, fittings and equipment, ICT goods and textiles will be introduced from 1 July 2025 for procurements at or above \$1 million.

The ESP Policy will guide sustainable procurement decisions and delivers on one of the National Waste Policy Action Plan targets to significantly increase the use of recycled content by governments and industry.<sup>21</sup> It is also a key deliverable under the Net Zero in Government Operations Strategy, which describes the approach for implementing the Australian Government’s commitment to achieve net zero government operations by 2030.<sup>22</sup> The ESP Policy also establishes an accompanying ESP Policy Reporting Framework<sup>23</sup> to measure environmental outcomes and details the metrics that suppliers will be required to report against for each procurement category.

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<sup>20</sup> <https://www.dcceew.gov.au/sites/default/files/documents/environmentally-sustainable-procurement-policy.pdf>

<sup>21</sup> <https://www.dcceew.gov.au/sites/default/files/documents/national-waste-policy-action-plan-2019.pdf>

<sup>22</sup> [https://www.finance.gov.au/sites/default/files/2023-11/Net\\_Zero\\_Government\\_Operations\\_Strategy.pdf](https://www.finance.gov.au/sites/default/files/2023-11/Net_Zero_Government_Operations_Strategy.pdf)

<sup>23</sup> <https://www.dcceew.gov.au/sites/default/files/documents/esp-policy-reporting-framework.pdf>

## Victorian Government Social Procurement Framework

The Victorian Government's Social Procurement Framework governs how the Victorian Government undertakes social procurement when it procures goods, services and construction and seeks to embed social procurement within government processes.<sup>24</sup> The framework ensures social and sustainable procurement is considered within value for money assessments and incorporates relevant objectives focused on environmental sustainability, including:

- Environmentally sustainable outputs
- Environmentally sustainable business practices
- Implementation of the Climate Change Policy Objectives.

## Government of the Netherlands Sustainable Public Procurement

The Government of the Netherlands has set the target of achieving a fully circular economy by 2050 and are currently placing a large emphasis on Sustainable Public Procurement (SPP).<sup>25</sup> It recognises that procurement can be a very strong driver in the transition to a circular economy and want to stimulate the market for sustainable products, use procurement to achieve greater sustainability and avoid negative environmental and social impacts. The Government Procurement with Impact strategy defines several objectives for central government that drive commissioning and procurement practices.<sup>26</sup>

- Be climate-neutral by 2030.
- 50% reduction in primary raw materials use by 2030 and full circularity by 2050.
- More labour inclusion and creation of 5,000 jobs for people with a disadvantage on the labour market.
- Sustainable international production chains.
- Stimulate innovation.

The Government of the Netherlands has developed agreements, criteria and practical instruments to implement and embed sustainable procurement practices into purchasing decisions. For example, it has created a SPP criteria tool so all government organisations can easily view and apply sustainability criteria to their tenders in line with their own organisation's policies and ambition levels.<sup>27</sup> They also provide guidance and circular procurement pilot project examples.

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<sup>24</sup> <https://content.vic.gov.au/sites/default/files/2018-08/Victorias-Social-Procurement-Framework.PDF>

<sup>25</sup> <https://www.pianoo.nl/en/sustainable-public-procurement/spp-themes/circular-procurement>

<sup>26</sup> [https://www.pianoo.nl/sites/default/files/media/documents/2020-11/procurement\\_with\\_impact-october2020.pdf](https://www.pianoo.nl/sites/default/files/media/documents/2020-11/procurement_with_impact-october2020.pdf)

<sup>27</sup> <https://www.pianoo.nl/nl/themas/maatschappelijk-verantwoord-inkopen/productgroepen-en-mvi-criteria>