

# **Recommendations to the New Zealand Government** from the Clothing & Textile Industry







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# Executive Summary

The clothing and textile industry is one of the largest and most impactful industries in the world. The fashion sector alone is worth approximately USD \$2.5 trillion.<sup>1</sup> In Aotearoa the value chain extends from agriculture (production of textile fibres), manufacture, retail, through to recycling and waste. Delivering to market domestic and commercial clothing and interior textiles. The industry is economically and culturally important to Aotearoa, employing over 30,000 people across local manufacture and retail. Retail sales of domestic clothing alone generates over NZD \$4 billion annually.

Urgent action is needed to address climate change, the industry is facing growing expectations from customers and society alike. However, no one company, nor one brand can adequately address the challenges we face. Taking a proactive approach, over the last ten months the industry has come together through workshops, working groups and individual interviews to co-design a low carbon future for the sector in Aotearoa.

**The following industry recommendations emerged from stakeholder consultations undertaken by Usedfully - Textile Reuse Programme and carry the voice of New Zealand’s clothing and textile industry from the start of the value chain to the end. During 2020 and 2021 over two hundred industry stakeholders participated in workshops, working groups and individual interviews. The following actions were identified as needed to achieve solutions.**

 <b>01.</b>	 <b>02.</b>	 <b>03.</b>	 <b>04.</b>	 <b>05.</b>	 <b>06.</b>
Government procurement contracts to include the requirement and budgets for end-of-life processing of textiles and clothing	Review of the priority products for diversion from landfill to include synthetic textile products in plastics category and natural fibres textiles and clothing in organics category	Co-investment in crucial resource processing plant and infrastructure	Mandated Product Stewardship Responsibility Contribution (levy) on all textile products brought to market to fund end-of-life solutions	Explore incentives to catalyse the transition to a circular textiles economy	Ban on all textiles from landfill

The cost of inaction or delayed action negatively impacts on emission trajectories, socio-economic development and climate-driven economic damage. There is a social cost of carbon, a cumulative economic impact of global warming caused by each tonne of carbon sent out into the atmosphere. Research into combined country-level costs has found the global median of more than USD \$400 (NZD \$550) in social costs per tonne of CO<sub>2</sub>.<sup>2</sup>

There are significant benefits in acting now, including the reduction in carbon emissions and pollution. The creation of jobs in the low carbon sector and the delivery of social and economic benefits through the advancement of a circular economy. There is opportunity for shared management of resources between public and private sector and the protection of New Zealand's reputation as a global citizen.

This set of recommendations is an invitation to government from the clothing and textile industry to begin a conversation about how the private and public sectors can work together in order to address the significant challenges facing Aotearoa and the world.

# Context

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The clothing and textile value chain, while global, has local consequences. The textiles industry, built upon a linear model of 'take, make, waste', means that industry growth depends on taking more and more resources, processing them into products and encouraging consumers to buy more and more.

The textile industry is not alone in its adoption of a linear model. Cumulatively this is leading to significant imbalances between resources consumed, and the Earth's ability to renew resources. The organisation 'Earth Overshoot' measures the short-fall of resources in comparison to population, and calculates that the world overshoot its annual ecological resources last year on August 22nd<sup>3</sup>. Exceeding the world's annual available resources in 8 months instead of 12, drawing more from nature than the world can replace in the whole year, leaving the world in a resource deficit and contributing significantly to global warming. The textiles industry is a cross sectoral, resource intensive contributor to this global scenario.

The fast fashion model which has transformed the industry in recent years is characterised by decline in durability, consumers wearing each item less, and rapidly increasing volumes of textiles being sent to disposal. With clothing production breaching 100 billion units per year there is a growing awareness amongst stakeholders of the significant impacts of our clothing and textiles.

The most commonly used raw materials for textiles are cotton (natural), polyester (synthetic i.e. a plastic derived from fossil fuels) and nylon (also a synthetic plastic). The vast majority of textiles end up in landfill or incineration.

“The world overshoot its annual ecological resources last year on August 22nd. Exceeding the world's annual available resources in 8 months instead of 12, drawing more from nature than the world can replace in the whole year, leaving the world in a resource deficit and contributing significantly to global warming.”

Our relationship with clothing and textiles is personal and deeply complex; it is intrinsically bound to our concept of self and our social identity. Their presence in our lives is profound, covering and protecting us from within moments of our birth until we are laid to rest. They adorn our homes and our offices; they protect us from the elements and from disease. In terms of intimacy, the relationship is second to that of the food and drink that we ingest. Clothing and textiles are important to us, and as such, efforts to engage in more sustainable manufacture, use, and end-of-life of these products is also important. New Zealand already lags behind other countries, being the largest producer of waste per capita and having the lowest recycling rates in the OECD<sup>4</sup>. We have a responsibility to take local action to support a more sustainable industry.

## Data at household level<sup>5</sup> reveals that households were the largest contributor to New Zealand's carbon footprint (71%) from a consumption perspective.

With textile purchases increasing globally due to the rise of cheap, 'fast fashion', households are a critical group to engage to reduce the number of unnecessary clothing and textiles purchases and therefore reduce the amount of end-of-life textiles that are disposed of in landfill.

The environmental impacts of clothing and textiles in Aotearoa have, until recently, been viewed primarily through a 'waste management' lens. Those impacts linked to textile design and sourcing (occurring in the supply chain) have been excluded from the discussion, in favour of a focus on domestically-occurring activities. In addition, the local textile manufacturing industry continues to shrink, meaning that manufacturing-related impacts can seem less immediate and relevant to the discussion. While not surprising, such a narrow focus ignores the significant impacts linked to the offshore manufacture of clothing and textiles that ultimately reach our market - these impacts still occur largely 'out of sight' of the public, and typically with fewer checks and balances on environmental protection than in Aotearoa.

To-date there has been little specific policy from the Government to address the growing problems around the environmental impacts of the clothing and textile industry.

Much attention and funding has focused on the issues of plastic pollution, and landfill waste emissions - both of which connect to the problems in our industry, but not in an effective way. The focus on plastics has been on single-use plastics and the resulting pollution issues, while a significant proportion of clothing and textiles is also made of synthetic i.e. plastic materials and is known to be a major contributor to microplastics pollution in the marine environment. The focus on reducing landfill emissions has been on food waste diversion, while a significant proportion of clothing and textile waste to landfill is also made from organic materials. Nor does the policy approach address clothing and textiles in its own right as a major contributor to waste and climate impacts. Although there are signs of consumer sentiment shifting away from 'fast' use of textiles, the industry has so far failed to gain the desired acknowledgement and support from the government to implement change.

# Problem Identification

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Our recent research and stakeholder engagement work within the clothing and textile industry has identified three significant and interrelated environmental problems facing Aotearoa.

## Problem 01.

### OVERCONSUMPTION OF CLOTHING AND TEXTILES IS ESCALATING GLOBAL GREENHOUSE GAS EMISSIONS AND WATER POLLUTION

Our recent report, "Looking In The Mirror: A review of circularity in the clothing and textile industry in Aotearoa" <sup>6</sup> confirmed that the textile and apparel industry is based on a linear production model geared for growth.

Textile purchases continue to increase globally due to the rise of cheap, 'fast fashion' manufactured in China and Southeast Asia. According to the Ellen Macarthur Foundation, the clothing industry has doubled its output in just 15 years (faster than global GDP growth<sup>7</sup>). A behavioural consequence of overconsumption is that clothing utilisation is on the decline. Our ability to address these environmental impacts is shaped by consumers who buy more of these products, wear them less often and throw more of them away. But there is no away.

Environmental and social consequences of the fast fashion model, including human rights abuses in underregulated economies, water pollution, hazardous chemical use, unsustainable use of virgin resources and carbon emissions are too big to ignore.

In terms of the climate change impact of the industry, global textile production is estimated to generate about 1.2 billion tonnes of CO<sub>2</sub>e per year. By 2050, the industry's current growth path will claim 26% of the carbon budget associated with the 2°C pathway to limit global warming.<sup>8</sup> Carbon emissions occur right across the textile value chain, linked to fertiliser and pesticide use for raw material cultivation, textile manufacture, logistics, consumer use (washing), and also end-of-life, where most textiles are disposed of in landfill or incinerated.

The industry's increasing reliance on synthetic fibres such as polyesters derived from fossil fuels, is also linked to microplastics water pollution. Globally, textile fibres comprise about 35% of marine plastic pollution, however in Auckland, up to 87% of micro plastic pollution comes from clothing fibres.<sup>9</sup>

It is time for the Government to acknowledge and respond to the impacts of textiles consumption in New Zealand.

## Problem 02.

### TEXTILE WASTE SQUANDERS VALUABLE RESOURCES THAT EMIT GREENHOUSE GASES IN LANDFILLS

New Zealand's failure to comprehend the resource reuse opportunities presented by textiles at the end of their first 'life' is the critical impediment to reducing the industry's environmental impacts.

All textile fibres are resource intensive and have embedded environmental costs from the land, water, energy and chemicals used to create them, fashion them and bring them to market. Following the linear model, increasing textile sales propels manufacturing's high use of raw materials. The fashion industry is projected to use 35% more land for fibre production by 2030 - an extra 115 million hectares<sup>10</sup> (or 4.3 times the landmass of Aotearoa) that could be protected, preserved for biodiversity and forest to store carbon, or used to grow crops to feed an expanding population.

Demand for virgin textiles in New Zealand is contributing to global production of these resource intensive products that currently have minimal resource capture and reuse in this economy. An unintended consequence of inaction in this space is driving demand for waste textile imports that could be met from domestic textile waste.

Since the 1950's textiles volumes to landfill have increased from 0.5% to 5% in 2019. The recent GreenHouse Gas Inventory<sup>11</sup> estimated that in 2019 textiles in New Zealand were 5% of landfill, however Auckland Council estimates them to be 9% of landfills and likely to rise to 14% by 2040. See Table 01. on the following page.



## Table 01.

### ESTIMATED COMPOSITION OF WASTE SENT TO MUNICIPAL LANDFILLS BETWEEN 1950–2019

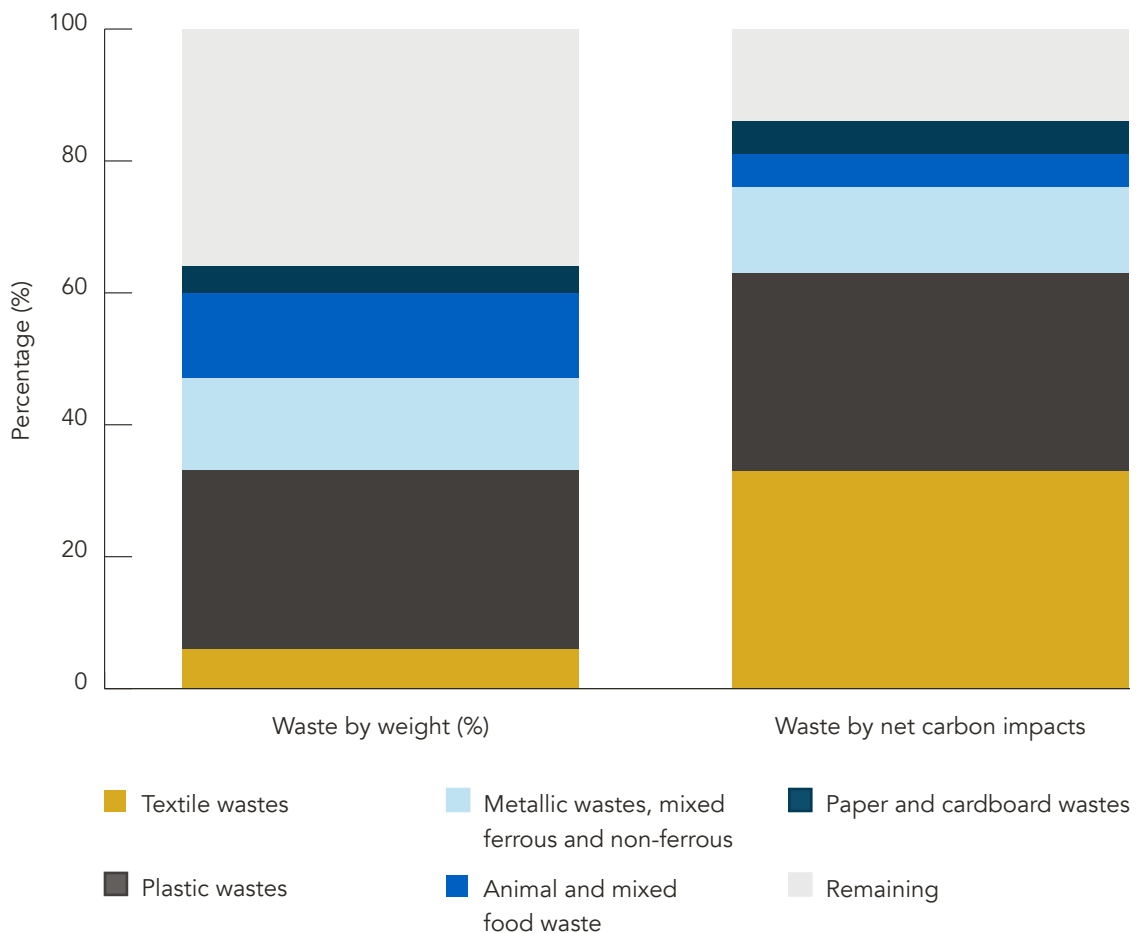
Year	Food (%)	Garden (%)	Paper (%)	Wood (%)	Textile (%)	Nappies (%)	Sludge (%)	Inert (%)	Notes
1950–60	17.2	11.0	16.3	7.1	0.5	0.0	2.9	45.0	No nappies
1961–69	17.2	11.0	16.3	7.1	0.5	1.0	2.9	44.0	Interpolation
1970–79	17.2	11.0	16.3	7.1	0.5	2.0	2.9	43.0	Interpolation
1980–94	17.2	11.0	16.3	7.1	0.5	2.7	2.9	42.3	As for 1995
1995	17.2	11.0	16.3	7.1	0.5	2.7	2.9	42.3	National survey
1996	16.9	10.8	16.1	7.9	0.9	2.7	2.9	41.9	Interpolation
1997	16.5	10.6	16.0	8.6	1.3	2.7	2.9	41.4	Interpolation
1998	16.2	10.4	15.8	9.4	1.6	2.7	2.9	41.0	Interpolation
1999	15.9	10.1	15.7	10.1	2.0	2.7	2.9	40.6	Interpolation
2000	15.5	9.9	15.5	10.9	2.4	2.7	2.9	40.1	Interpolation
2001	15.2	9.7	15.4	11.6	2.8	2.7	2.9	39.7	Interpolation
2002	14.9	9.5	15.2	12.4	3.1	2.7	2.9	39.3	Interpolation
2003	14.5	9.3	15.1	13.1	3.5	2.7	2.9	38.8	Interpolation
2004	14.2	9.1	14.9	13.9	3.9	2.7	2.9	38.4	National survey
2005	14.9	9.2	13.4	13.4	3.9	2.9	2.9	39.4	Interpolation
2006	15.7	9.2	12.0	13.0	3.9	3.0	2.9	40.4	Interpolation
2007	16.4	9.3	10.5	12.5	3.9	3.2	2.9	41.4	Interpolation
2008	17.1	9.4	9.0	12.0	3.8	3.3	2.9	42.4	Survey
2009	17.0	9.1	9.4	12.0	4.3	3.2	3.2	41.8	Interpolation
2010	16.9	8.9	9.8	11.9	4.7	3.2	3.4	41.1	Interpolation
2011	16.9	8.6	10.3	11.9	5.2	3.1	3.7	40.5	Interpolation
2012	16.8	8.3	10.7	11.9	5.6	3.0	3.9	39.9	Survey
2013	15.5	7.9	9.9	12.0	5.5	2.9	3.6	42.8	Interpolation
2014	14.2	7.5	9.1	12.1	5.4	2.8	3.2	45.7	Interpolation
2015	12.9	7.0	8.3	12.2	5.3	2.7	2.9	48.6	Interpolation
2016	11.6	6.6	7.5	12.4	5.2	2.6	2.6	51.5	Interpolation
2017	10.3	6.2	6.7	12.5	5.1	2.6	2.3	54.4	Interpolation
2018	9.0	5.7	5.9	12.6	5.0	2.5	1.9	57.3	Survey
2019	9.0	5.7	5.9	12.6	5.0	2.5	1.9	57.3	Assumed same as

The assumption that textile waste is fairly inert and unimportant in landfill ignores evidence that they generate greenhouse gases as they decompose. Our recent research estimates that annually 220,800 tonnes of textiles are landfilled each year.<sup>12</sup> This equates to 44 kg textiles per person each year (compared to Europe which generates 27.9 kg per person per year).<sup>13</sup> In terms of the climate change impact of this practice in Aotearoa, this equates to 397,440,000 kg CO<sub>2</sub>e. per year.

Scotland’s Carbon Metric<sup>14</sup> found that materials such as textiles have high carbon impact relative to weight. For example, textiles that made up just 6% of Scottish household waste by weight, account for 34% of net carbon impacts. See Table 02. below. To maximise the climate change benefits of waste and resource management, Zero Waste Scotland suggest that focus should be placed on carbon intensive waste materials such as textiles.

**Table 02.**

**RELATIVE WEIGHT VS. CARBON IMPACT OF KEY WASTE MATERIALS (FOLLOWING DISAGGREGATION OF THE MIXED HOUSEHOLD AND SIMILAR WASTES CATEGORY)**



Vast amounts of money are spent landfilling these valuable products and materials, meanwhile virgin resources continue to be extracted, manufacturing emissions escalate, and environmental and social impacts increase.

## Problem 03.

### LACK OF ONSHORE SOLUTIONS

Until recently, Aotearoa's management of waste relied on local landfills and exporting 'recyclable' materials to offshore processing plants. Due to lack of progress implementing a circular economy in New Zealand, we currently export most of our textile waste to Pacific countries in the form of donations and sales for reuse.

China's implementation of its 'National Sword' policy in 2018 which banned importation of certain wastes has severely limited our ability to export recyclable waste.

Research into technological solutions to reuse textile waste is emerging, however it is already clear that a focus on reuse, resale, repair, and repurposing used clothing and textiles is also needed to fully address impacts. For New Zealand to make significant inroads on both reducing our dependence on importing new textiles and reducing the amount of textile waste going to landfill, a combined focus is needed.

The experience of the waste packaging industry in New Zealand is illustrative. Following their lead, it is now time to take responsibility for managing our end of life textiles onshore, investment in necessary plant and infrastructure will bring textiles into the circular economy.

# Actions needed to solve the problem

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New Zealand's clothing and textile industry is seeking a partnership with Government to recognise the waste textiles challenge in Aotearoa and to co-invest in lowering emissions, recovering resources and preventing textile-derived micro plastics polluting our waterways.

Our Industry engagement has identified the need for Government support to make the change that is needed; to meet expectations of responsible resource management at end-of-life, diverting clothing and textiles from landfill and looping them back into usefulness.

Currently textiles are absent from the regulations that govern waste in Aotearoa. At their end-of-life textiles need to be recognised as a potentially complex, persistent plastic / organic / or mixed waste.

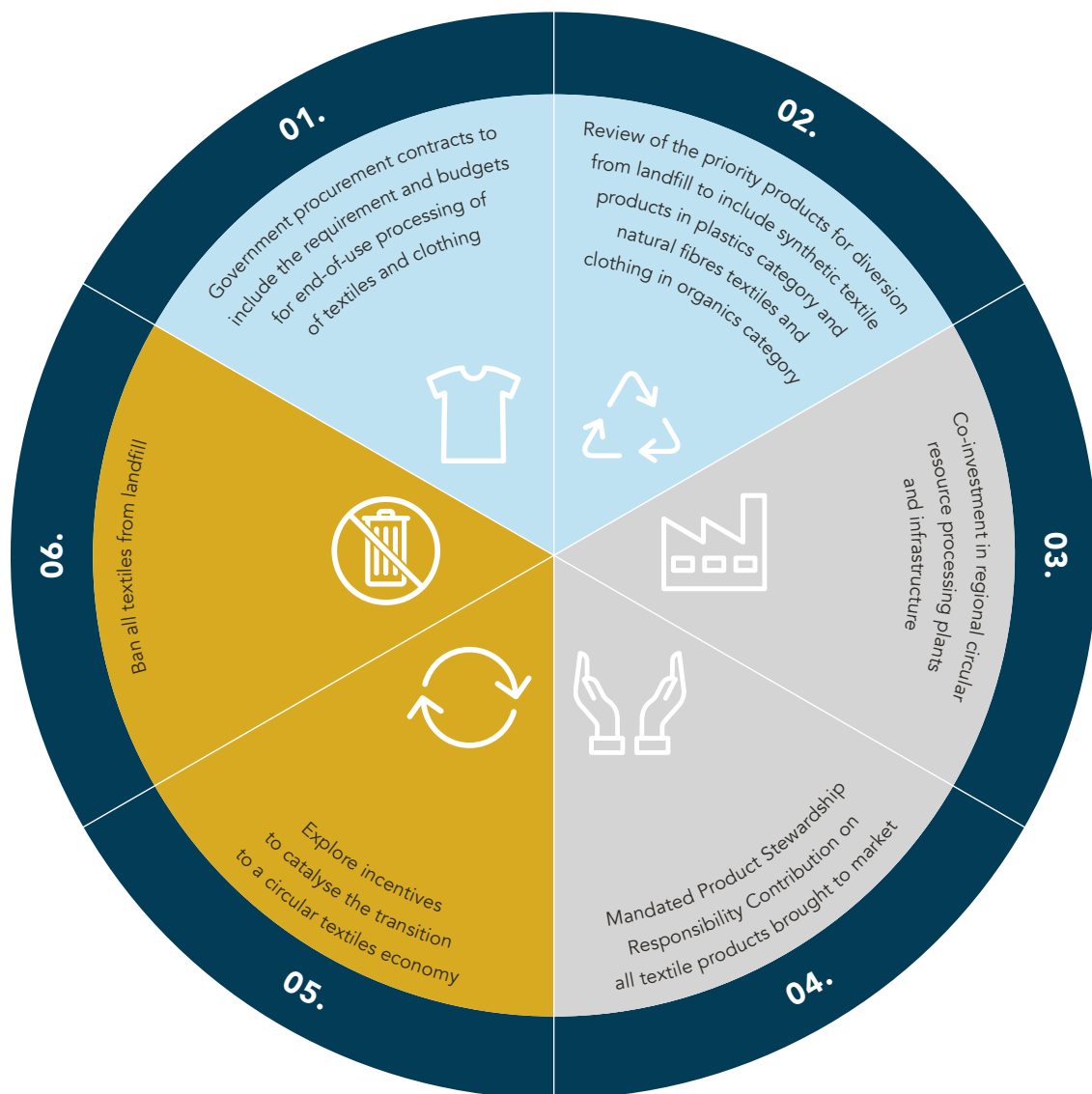
The industry comprises different segments: Clothing (both personal and commercial) and Textiles (home and commercial), and is highly aware of the environmental impacts of their sector. It is an industry no longer satisfied with business as usual with business owners and employees committed to creating a better future but hamstrung by huge infrastructure gaps and grappling with a lack of policy support.

The industry recognises the outcomes it is seeking are not completely within its control and the outcomes it is seeking require deeper understanding and a co-operative approach.

“So how can we do things better? What does best practice look like? What opportunities are there?”

**COMMENT – INDUSTRY STAKEHOLDER CONSULTATION**

# Actions needed to solve the problem



Specifically, progress on the following proposed actions involving Government is sought. These actions reflect the nature of the challenge around textile end-of-life management and the lack of circular solutions. We seek a combination of policy actions that together influence the impacts linked to upstream textile creation, as well as developing solutions at textile end-of-life. Actions have been categorised as 'MINIMAL', 'TRANSITIONAL' OR 'LEADERSHIP':

## Action 01.



### GOVERNMENT PROCUREMENT CONTRACTS TO INCLUDE THE REQUIREMENT AND BUDGETS FOR END-OF-LIFE PROCESSING OF TEXTILES AND CLOTHING (MINIMAL ACTION)

The considerable buying power of Government, if harnessed, could boost end-of-life circular supply chains, preventing textiles from becoming waste by processing textiles to extract the resources within them. Reducing emissions, providing environmental, economic and social benefits. It can also displace the cost and emissions of extracting and manufacturing virgin materials. Government procurement is a strategic activity that seeks to achieve Public Value. In 2019 the definition of Public Value was expanded to include Broader Outcomes; these are the environmental, social, economic or cultural benefits generated through Government procurement activity.

Government procurement that includes budgets for end-of-life of clothing and textiles would meet market expectation of fair and best practice. The Productivity Commission's "Low Emissions Economy" report found that *"No serious attempt has been made to use government procurement as a lever to encourage low-emissions innovation."*<sup>15</sup>

While current purchasing policy does mention end-of-life considerations, it fails to make any commitment to ensure end-of-life pathways are possible or enacted. In order to enact its own policies, government needs to fund the responsible disposal of textile products it procures rather than pushing the cost back onto manufacturers, suppliers and citizens.

“Government is a pain point, textile waste has been pushed to the background, don’t pay attention to how big the scale of the problem is in NZ. Legislators when they think about the environment they focus on clean water, food waste but ignore textiles, the elephant in the room.”

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“They talk about social procurements, but really they try and get the cheapest thing.”

**COMMENTS – INDUSTRY STAKEHOLDER CONSULTATION**

## Action 02.



### REVIEW OF THE PRIORITY PRODUCTS FOR DIVERSION FROM LANDFILL TO INCLUDE SYNTHETIC TEXTILE PRODUCTS IN PLASTICS CATEGORY AND NATURAL FIBRES TEXTILES AND CLOTHING IN ORGANICS CATEGORY (*MINIMAL ACTION*)

Most clothing and textiles ultimately end up in landfill, releasing greenhouse gases as they decompose. While the rate of emissions varies by geography (and level of research), there is alignment on the fact that after food waste, textiles are a hotspot for emissions in landfill. According to recent research in Australia by Eunomia, textiles were identified as having the second highest potential both in terms of reduction of consumption, and improved recycling.<sup>16</sup> Impacts of textiles have not been well understood.

The New Zealand Government has recently made 6 waste streams priority products, requiring mandatory Product Stewardship Schemes and focusing supporting policy, funding and investment on this group of products. Despite their impacts, textiles have been omitted from the priority products list.

Synthetic textiles while in use represent a complex, persistent plastic waste stream that is currently being ignored. Scion's water quality studies in Auckland has found that 87% of micro plastic pollution in fact comes from clothing fibres.<sup>17</sup> Unlike packaging that has to wash around to break down, when synthetic garments are washed they shed tens of thousands of fine plastic filaments, too fine to be collected in our waste water management systems they flow directly into our waterways. Their superfine structure makes them immediately ingestible by plankton and shellfish and so they directly enter our food chain.

**"You've got the government passing legislation, even down to the plasticisation of the labels that go on apples, there's nothing like that in the clothing space."**

**COMMENT – INDUSTRY STAKEHOLDER CONSULTATION**



Action to address micro plastic pollution from synthetic textiles is urgently required. Including synthetic textiles in current plastic policy will focus funding and resources towards the greatest contributor to New Zealand's plastic pollution.

Including textiles in the current plastics category priority products will enable Aotearoa to meet the outcomes of Te Mana o Te Wai - "Making immediate improvements so water quality improves within five years and reversing past damage to bring our waterways and ecosystems to a healthy state within a generation. It ensures the health and well-being of the water is protected and human health needs are provided for before enabling other uses of water. By protecting the health and well-being of our freshwater we protect the health and well-being of our people and environments."<sup>18</sup>

Natural textiles such as cotton, wool, linen etc also need to be removed from textile waste. By taking this action New Zealand would be following complimentary economies such as Finland, which in 2016 placed a ban on organic waste being sent to landfill (which includes organic textiles).

The importation of rags demonstrates that New Zealand is being used as a dumping ground for other countries' textile waste. A ban on the importation of rags would encourage the diversion of our own waste textiles for this purpose. Action on synthetic and natural textiles would automatically include a ban on landfilling unsold stock that can be reused or recycled.

## Action 03.



### CO-INVESTMENT IN CRUCIAL REGIONAL CIRCULAR RESOURCE PROCESSING PLANTS AND INFRASTRUCTURE *(TRANSITIONAL ACTION)*

The whole world is looking for practical examples of collaboration on behalf of the greater good, that can deliver meaningful benefits now while also providing a positive path for the longer term. It's incumbent on all of us working in apparel, textiles and sustainability to initiate and support these types of deep public/private sector collaborations.

Deregulation and the free market policy approach of the 1980's and 1990's decimated New Zealand's manufacturing base hitting the textile industry particularly hard.

The ability to lower emissions and extract value from waste is dependent on the processes and infrastructure available. Infrastructure NZ estimates that there is a recycling infrastructure gap in New Zealand of between \$2.1 - 2.6 billion<sup>19</sup> which is needed to divert waste from landfill, along with an additional \$0.9 billion needed in operational funding over the next 10 years.

The textile industry would like to raise awareness within government that textiles are one of these valuable resources currently being lost to the economy.

“That’s the sort of focus that we need to get government to have, we need to seriously look at building a plant here for end of life garments. We want clarity on approval levels, we want tax breaks, and a strategy in place so that we can drive it forward for New Zealand. Similar to what the tyre industry has done here, that would then provide some strong traction.”

**COMMENT – INDUSTRY STAKEHOLDER CONSULTATION**

Extending existing policy to include textiles would provide industry with the confidence to invest in crucial regional infrastructure that would benefit not only the textile industry but also positively impact other industries due to the similarity of materials eg: polyester and the plastics industry, cotton and cellulosic industries such as the forestry industry and New Zealand's burgeoning hemp industry.

Outcomes from the Nordic Co-operation indicates social and economic opportunities beyond waste diversion, estimating that for every 10,000 tonnes of recovered textile waste 296 new jobs are created in sorting, disassembling and reuse and approx 2000 additional work training, internships and community service opportunities.<sup>20</sup> In the New Zealand context this would provide regional employment in future focus jobs.

Other benefits have potential for the nascent clean-tech sector in Aotearoa. New Zealand is currently twenty second on the global Clean Group Innovation Index (CGII). The proposed strategy would assist to achieve Government's aim of moving New Zealand into the top ten on the CGII within two years.<sup>21</sup>

**“Waste is a big problem, the lack of processing facilities and technology to deal with textile waste.”**

**COMMENT – INDUSTRY STAKEHOLDER CONSULTATION**

## Action 04.



### MANDATED PRODUCT STEWARDSHIP RESPONSIBILITY CONTRIBUTION (LEVY) ON ALL TEXTILE PRODUCTS BROUGHT TO MARKET (TRANSITIONAL ACTION)

The textile industry considers that a mandated Product Stewardship Responsibility Contribution (levy) on all textile products brought to market would assist in funding the huge plant and infrastructure gap. This requires further review and consideration but has the potential to drive job creation and economic benefits for Aotearoa in the textile, recycling and cleantech sectors.

The concept of 'Extended Producer Responsibility' (EPR) has been applied in Europe to many product categories, including batteries, consumer goods packaging, whiteware, and electronics. EPR is the concept that businesses bringing products to market are also responsible for supporting the take-back of the product at end-of-life to ensure that it is recycled or repurposed responsibly. The term is often used interchangeably with 'Product Stewardship'.

*"The leading example of EPR in textiles has been running in France since 2008.*

*It is administered by the Producer Responsibility Organisation 'Eco TLC' ('TLC' stands for the textile categories included within scope 'Textiles d'habillement, Linge de maison et Chaussures' i.e. clothing, household linen, and shoes. The French scheme has doubled its diversion from landfill to reuse and recycling from 18% in 2009 to 36% in 2017.<sup>22</sup> Fees charged are based on quantity of textiles brought to market, with a discount for more sustainable materials. The income from fees charged is allocated predominantly to fund sorting operations (73%), community education and communication (11%) and research and development and efficiency projects (3%). Although the scheme is driven by waste reduction goals, it has also contributed to increased social and economic opportunities through the creation of jobs."<sup>23</sup>*

New Zealand textile industry has expressed an interest in a Product Stewardship Levy and would like to explore options with the government.

**"Regulation is important. In a country like New Zealand connected to nature, the environment, if New Zealand is not doing it, what country would do it?"**

**COMMENT – INDUSTRY STAKEHOLDER CONSULTATION**

## Action 05.



### EXPLORE INCENTIVES TO CATALYSE THE TRANSITION TO A CIRCULAR TEXTILES ECONOMY (LEADERSHIP ACTION)

Often it is more expensive to repair an item than buy a new one, locking in the high emissions linear system.

According to The Tax Working Group and the Circular Economy: Context and Challenges report. "New Zealand has generally failed to leverage its providential advantages through green taxes and subsidies."<sup>24</sup>

So-called 'green taxes' seek to change behaviour and correct externalities but leave the linear economic structure intact. According to the Organisation for Economic Cooperation and Development (OECD), the proportion of the country's green tax yield relative to other revenues is among the lowest in the OECD and is declining.

**"Waste is a big problem, the lack of processing facilities and technology to deal with textile waste."**

**COMMENT – INDUSTRY STAKEHOLDER CONSULTATION**

**The Tax Working Group recommended the following reforms to improve green taxes in New Zealand's tax system:**

- In the short-term, review negative externalities and remove perverse concessions, such as those for extractive industries;
- In the medium-term, recycle revenues from more extensive environmental tax into environmental protection and remediation;
- In the long-term, extend the tax base to support a circular economy.

New Zealand's textile industry would like to explore with government how to align policy levers, such as subsidies and tax incentives, with the Circular Economy to enable the secondary material markets to compete with virgin materials on cost.

**“An opportunity for New Zealand to showcase its unique strengths: a government committed to positive change, an engaged citizenry, and an industry that's willing to roll up its sleeves and work together to create meaningful impact.”**

**JASON KIBBEY, HIGG CO.**

## Action 06.



### BAN ALL TEXTILES FROM LANDFILL (LEADERSHIP ACTION)

**New Zealand's waste policy lags behind Europe where understanding of the resource implications and impacts of the textiles sector has matured to the regulatory phase. This represents an opportunity for New Zealand to consider its response to what is a global phenomenon, benchmarked against those being implemented in other economies. For example policies oblige European Member States to:**

- Collect textiles separately by 2025;
- Ensure that textile waste collected separately is not incinerated or landfilled

Following Europe's example to ban textiles from landfill will expose the scale of impacts and apply regulations to manage these highly resource intensive products.

The European Commission President Ursula von der Leyen has announced that she *'will propose a new circular economy action plan focusing on sustainable resource use, especially in resource intensive and high-impact sectors such as textiles and construction.'*<sup>25</sup>

It is time to realise opportunities for better environmental and economic outcomes for Aotearoa and in so doing, protect New Zealand's reputation as a global citizen.

**"...if NZ doesn't do something, we will fall behind what is happening in the world, we have to catch up."**

**COMMENT – INDUSTRY STAKEHOLDER CONSULTATION.**

# Why is Government intervention needed

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Current legislation does not reflect this sector's impacts on the environment and society. This not only presents a lost opportunity to address the most significant contributor to waterborne micro plastics pollution, it also runs the risk of failing to meet our climate obligations under the Paris Agreement.

The lack of plant and infrastructure to process textile waste compounds the lack of supporting regulation. If New Zealand fails to act promptly, it risks being locked into a high-emissions economy, pushing responsibility onto future generations and stymying the transition of the industry to a low carbon future.

According to the Productivity Commission - Low Emissions Economy report *"Even if many new low-emissions technologies that can assist New Zealand to reach its low-emissions targets come from overseas, the identification, dissemination and uptake of them by New Zealand firms can be very slow. Information and coordination failures, path dependence and returns to early adopters not commensurate to their risks, can all play a role in causing this."*<sup>26</sup>

Industry is seeking a partnership so that all participants, from manufacturers, importers, wholesalers, distributors, retailers and citizens are equally responsible, with the weight and expense of the transition not just falling to the few most progressive organisations. It also ensures that Aotearoa moves forward collectively on an issue that affects all citizens, to deliver scale and positive impact.

**The changes that industry is seeking cannot be achieved by industry alone and will require agreement from other sectors.**



# Conclusion

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This paper has been prepared to raise awareness of the issue of the impacts of the clothing and textile sector, and to foster industry and government engagement to support the necessary actions to address the challenges we face as an industry, a country and as global citizens.

Industry willingness can be harnessed to create meaningful impact through multi-stakeholder collaboration between sectors and between private business and the public sector. This is an imperative and will provide an opportunity for Aotearoa to move to a more resilient, low carbon future, while meeting our climate change commitments.

The New Zealand clothing and textile industry is willing to tackle textile sustainability, and to go beyond individual campaigns and promotions at the product level, towards implementing concrete, systemic solutions at a national scale.

**The opportunities are significant, we urge the Government to reflect on the recommendations provided here, and to take action to support increased activity in this space.**

## **These recommendations are the results of consultation with industry which was undertaken by Usedfully® over 2020 and 2021 through workshops, working groups and individual interviews.**

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### **Stakeholder sectors included (in no particular order):**

Fashion Designer	Design & Retail
Fashion Activist	Secondhand clothing retail
Sustainability consultancy	Sustainable procurement
Researcher	Collection, sale of secondhand clothing
Flooring product importer & retailer	Manufacturer & education
Carpet manufacturer	Community textile skills & repurposing
Clothing retailer	Clothing retail & reseller
Renting service for clothing	Feminine hygiene product manufacture
Protective clothing uniforms retail	Clothing manufacturer
Digital platform for textile resale	Commercial clothing & linen lease
Industry representation	Corporate procurement
Manufacture of carpet	Retail & wholesale of carpet
Outdoor garment manufacture & retail	Sourcing & selling commercial textiles
Clothing re-engineering & reuse	Waste collection, sorting & processing
Waste management & recovery	Advocacy & policy

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# Thank you

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MINDFUL FASHION NZ  
Our clothing & textiles collective



PARAMOUNT  
SAFETY PRODUCTS



stitch  
KITCHEN

Sustainable  
Business  
Network



TOI-OHOMAI  
Institute of Technology



untouched world™  
NEW ZEALAND



WELLINGTON  
Zoo

Zambesi

zero  
waste  
NETWORK



The Usedfully - Textile Reuse Programme is a membership programme enabling organisations to commit to and support a systemic change to a circular system for clothing and textiles in Aotearoa. The programme has been running since 2016, under the guidance of a Steering Group, consisting of representatives from the Partner member organisations. The programme to date has been funded by the Ministry for the Environment, industry partners, and programme membership fees.

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