

Taking Responsibility for our Waste:

Highly resource intensive, textiles are both a priority and an opportunity when it comes to reducing the unnecessary loss of resources reaching our climate commitments.

The clothing and textile industry is one of the largest and most impactful industries in the world, currently accounting for about 10% of global emissions. The fashion sector alone is worth approximately USD \$2.5 trillion[1]. In Aotearoa, New Zealand the value chain extends from agriculture (production of textile fibres), manufacture, retail, through to recycling and waste. Delivering to market domestic and commercial clothing, interior and exterior 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.

Circular Economy concept is gaining popularity world wide in response to the overdraw of natural resources. 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 which is needed to divert waste from landfill, along with an additional \$0.9 billion needed in operational funding over the next 10 years [2]. 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. What little textile processing infrastructure remains intact on shore is from the wool industry, however our local consumption is predominantly polyester and cotton products.

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 is the largest producer of waste per capita and has the lowest recycling rates in the OECD. We have a responsibility to take local action to support a more sustainable, decarbonised industry.

We are lagging well behind other countries. In Europe the understanding of the resource implications and impacts of the textiles sector has matured to the regulatory phase. 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”*[3]. Australia’s Environment Minister has added clothing and textiles to the priority list of products and materials for product stewardship. Funding Australia’s Circular Threads programme through the state’s Environmental Protection Agency. We are yet to see such a response in New Zealand.

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 CO₂[4]. Time is running out, we know we all must act now to reduce carbon emissions and pollution. To create jobs in the low carbon sector and deliver social and economic benefits through the advancement of a circular economy. There is opportunity for shared management of resources and the protection of New Zealand’s reputation as a global citizen.

Taking a proactive approach over the last two years the industry has come together through the Usedfully – Textile Reuse Programme in workshops, working groups and individual interviews to co-design a circular and low carbon future for the sector in Aotearoa including a voluntary Product Stewardship Scheme.

The following industry submission has been developed from stakeholder consultations and a questionnaire undertaken by Usedfully, it carries the voice of New Zealand’s clothing and textile industry from across the sector, from high-end fashion brands to garment suppliers that clothe our frontline workers and provide sheets for our hospitals.

Part 1: Why we need to transform our approach to waste

1. Do you think changes are needed in how Aotearoa New Zealand manages its waste?

Resounding YES from all respondents.

2. Do you support tackling our waste problems by moving towards a circular economy?

Yes, but the current approach using a waste levy at the end of the value chain is inadequate and does not enable or encourage new business models or the systems level change required. New legislative frameworks and policy levers need to be adopted in order to transition to a circular economy.

Part 2: Proposed new waste strategy for Aotearoa New Zealand

3. Do you support the proposed vision?

Yes

4. Do you support the six core principles or would you make changes?

Yes we support the 6 core principles

1. Design out waste, pollution and emissions, and unnecessary use of materials
2. Keep products and materials in use at their highest value
3. Regenerate natural systems, so the environment is healthy for future generations
4. Take responsibility for the past, present and future condition of our natural environment
5. Think in systems, where everything is interconnected
6. Deliver equitable and inclusive outcomes

5. Do you support the proposed approach of three broad stages between now and 2050, and the suggested timing and priorities for what to focus on at each stage?

The Circularity Gap has stated that global circularity needs to double by 2030 for the world to have a hope of staying within 1.5 degrees Celsius. To achieve global climate targets circularity needs to not only circulate resources through the market for longer it most importantly needs to radically reduce the draw on raw materials (eg: mining and extraction) to achieve emissions reductions. System innovation needs to be prioritised, rather than material innovation which can generate the same amount of waste but employs that waste as a feedstock into other industrial

processes or products which will not address the root cause of lifecycle emissions - raw material consumption.

6. Looking at the priorities and suggested headline actions for stage one, which do you think are the most important?

Sow the seeds for transformational change. This needs to be approached from an all of government position that also takes into account negative externalities, removes perverse concessions, such as those for extractive industries. Aligns 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.

7. What else should we be doing in stage one

Government's Waste Disposal Levy sits at the very end of the value chain with very limited impact on economic activity. It does not encourage system or behaviour change from the existing linear system to a proposed circular system. Experience of other jurisdictions is that increasing an ex-post levy does not incentivise or support businesses to change their current operating models.

By taking a more proactive or ex-ante incentivisation approach of the whole-of-life impact of goods and services, businesses can choose a more holistic design for the environment approach, which can lead to a decarbonisation of their market offering. The ex-ante incentivisation is then reflected in the sales price of the goods and services. This incentivises business model change, rather than collecting a tax for redistribution of resources.

Norway is a prime example where the Government employs an up front environmental tax regime. Business has responded to this tax regime by changing their resource efficiency profiles and engaging with resource recovery pathways.

8. What are the barriers or roadblocks to achieving the stage one actions, and how can we address them?

See above

Markers of progress

9. Do the strategic targets listed in Table 1 focus on the right areas?

There is a burden of weight directed to the individual which may be unfair.

10. Where in the suggested ranges do you think each target should sit, to strike a good balance between ambition and achievability?

Unsure with the model proposed.

A more ambitious approach could enable greater achievability.

Part 3: Developing more comprehensive legislation on waste: issues and options

11. Do you think the new legislation should require the government to have a waste strategy and periodically update it?

Yes

12. How often should a strategy be reviewed?

Every five years

13. How strongly should the strategy (and supporting action and investment plans) influence local authority plans and actions?

Strong central and local government strategy and operational alignment could accelerate the transition to a more circular, lower emissions economy.

14. What public reporting on waste by central and local government would you like to see?

Annualised volumes by product/material type and associated carbon and environmental impacts. This will daylight areas where focus and support needs to be directed and also where opportunities for reuse and redistribution are present.

15. Do you agree with the suggested functions for central government agencies?

Yes

16. What central agencies would you like to see carry out these functions?

The remit for international trade of resources, manufacturing, policy development, infrastructure investment and build, resource and waste

management and emissions reporting falls across multiple agencies. Enabling the transition to a low carbon future is a shared responsibility of all agencies.

17. How should independent, expert advice on waste be provided to the government?

Lack of engagement with the textile and clothing industry and limited research and sector knowledge has led to the current situation where textiles and clothing despite their outsized impacts have been omitted from current strategy. Lack of public sector knowledge also continues to lead to ill-informed and wasteful funding decisions. The establishment of a sector advisory board to provide expert advice would help de-risk funding decisions and ensure available funding achieves outcomes that are beneficial for the industry as a whole and Aotearoa in general.

There is an opportunity for government to work more closely with industry experts to design industry specific transition plans to reduce waste and transition into a low carbon economy.

The textile sector's 'Recommendations to Government'[5], which were delivered to government in May 2021 recommended that Industry willingness could be harnessed to create meaningful impact through multi-stakeholder collaboration between private business and the public sector. Ensuring Aotearoa does not fall even further behind all the other countries which already acknowledge textiles and clothing as high impact products requiring prioritisation in waste and emission reduction strategies.

18. How could the legislation provide for Māori participation in the new advice and decision-making systems for waste?

Working alongside and funding organisations that come from a mātauranga Māori approach for example Para Kore which is focused on zero-waste empowerment.

19. What are your views on local government roles in the waste system, in particular the balance between local and regional? Who should be responsible for planning, service delivery, regulatory activities like licensing, and enforcement of the different obligations created?

A tension exists in local government which both earns revenue from waste disposal while also calling for the minimisation of waste.

Putting responsibility at the heart of the new system

20. Do you see benefit in adapting the United Kingdom's duty-of-care model for Aotearoa New Zealand's waste legislation, supported by appropriate offences and penalties?

Copying and pasting from another economy does not ensure it is fit for purpose in the New Zealand context. How will this impact on community groups, small enterprises, charities and local Iwi which currently do much of the heavy lifting when it comes to redistribution of resources?

21. Do you support strengthening obligations around litter by creating an individual 'duty of care' to dispose of waste appropriately?

Is there evidence that supports extended regulation is effective in reducing waste and litter?

22. What else could we do so that litter is taken more seriously as a form of pollution?

Understand why people litter, is it because of economic hardship or other reasons? Then with properly researched conclusions develop education and public facing campaigns to support behaviour change.

23. Do you support a nationwide licensing regime for the waste sector?

More work needs to be undertaken on the agreed definition of what would then be classified as a resource and what would be classified as waste.

Care needs to be taken to ensure that existing community enterprises which redistribute and extend the life of resources are not disadvantaged by such licensing.

24. Should the new legislation include a power to require a tracing system to be developed for some or all types of waste?

Yes, without evidence and measurement it is impossible to have clarity over the resources in the system, the associated environmental impacts, the scale of infrastructure and investment needed for the different resource types or whether

policy and regulation is moving the system in the right direction and the pace or cadence at which it is moving.

25. What aspects of the proposals for regulating the waste sector could be extended to apply to hazardous waste?

All

Improving legislative support for product stewardship schemes

26. Should the new legislation keep an option for accreditation of voluntary product stewardship schemes?

While our respondents from the broader clothing and textile eco-system have expressed approval of the accreditation of a voluntary product stewardship scheme, over the last twelve months many clothing brands have expressed the opinion that mandating a compulsory product stewardship scheme is their preference as it creates a level playing field that does not penalise the first movers and ensures that Aotearoa moves forward collectively on an issue that affects all citizens.

27. How could the accreditation process for new product stewardship schemes be strengthened?

The Textile and Clothing Voluntary Product Stewardship Pilot has been co-designed by industry. Funding received from the Ministry for the Environment was a nominal amount rather than real costs associated with co-designing and piloting the scheme. Underfunding of this work put the whole project at risk and ongoing administrative delays from within the Ministry for the Environment caused further hurdles and barriers to progress and success.

Waste levy funding should be specifically set aside for product stewardship scheme design and pilot. This should take into account the real costs of the work to design, test and implement a scheme. It should also accelerate the time for the funding to be approved and contracts signed (which can currently take over 12 months)

28. How else could we improve the regulatory framework for product stewardship?

Beyond a nominal amount of funding, the Ministry for the Environment has taken a very hands off approach to the Textile Sector Product Stewardship Scheme. Missing the opportunity to support progress in the sector, or to take a leadership role by encouraging engagement through updating stakeholders on the progress of the scheme, or engaging participants and stakeholders through the Ministry's networks.

All Product Stewardship schemes need to be aligned with the Zero Carbon Act.

We understand Product Stewardship is a preferred tool of government but with only a handful of products mandated for Product Stewardship there is deep concern over the range of products that have no pathway and no idea when, if ever, pathways will be identified and communicated by government. Without some depth of field industry is unable to plan accordingly.

Enhancing regulatory tools to encourage change

29. What improvements could be made to the existing regulatory powers under section 23 of the Waste Management Act 2008?

Right to Repair is an important addition to the waste Management Act that could substantially reduce waste and resource draw through the extended life of goods.

30. What new regulatory powers for products and materials would be useful to help Aotearoa move towards a circular economy?

Data collection powers to track product and materials passports is needed to support circular outcomes and allow the performance of stewardship schemes to be tracked and measured.

31. Would you like to see a right to return packaging to the relevant business?

Yes

32. Would you like to see more legal requirements to support products lasting longer and being able to be repaired?

Yes

33. Is there a need to strengthen or make better use of import and export controls to support waste minimisation and circular economy goals? For

example, should we look at ways to prohibit exports of materials like low-value plastics?

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.

The export of our end-of-use products is far from ideal, not only from a resource and opportunity loss onshore, but also from an emissions perspective. Shipping waste across the world increases emissions and adds to the life cycle impacts of products, which is rarely accounted for. From a socio-cultural perspective, offshoring our waste to other regions can have negative consequences for others.

Customs Department as a border agency that historically collects revenues such as excise and import taxes could act as an agent for the collection of Stewardship Fees on imported products. These fees could then be invested in currently missing infrastructure, enabling the development of a Circular Economy. Creating jobs and economic opportunity onshore in Aotearoa in the textile low carbon, cleantech sector. Supporting New Zealand's own manufacturing capability, improving economic autonomy and resilience.

Ensuring the waste levy is used to best effect

34. What types of activities should potentially be subject to a levy? Should the levy be able to be imposed on final disposal activities other than landfills (such as waste to energy facilities)?

Yes

35. What factors should be considered when setting levy rates?

Embodied carbon.

36. How could the rules on collection and payment of the waste levy be improved?

The intersection with the Emissions Trading Scheme should be investigated.

37. What should waste levy revenue be able to be spent on?

R&D, education and reinvested in to onshore solutions based innovations

38. How should waste levy revenue be allocated to best reflect the roles and responsibilities of the different layers of government in relation to waste, and to maximise effectiveness?

Unsure

39. How should waste levy revenue be allocated between territorial authorities?

Currently based on population, but as some districts export their waste then the option of volume based levies could be investigated.

Improving compliance, monitoring and enforcement

40. Which elements of compliance, monitoring and enforcement should be the responsibility of which parts of government (central government, regional councils, territorial authorities) under new waste legislation?

This is a decision that needs to be made by government agencies themselves.

41. The need for enforcement work will increase under the new legislation. How should it be funded?

Through penalties.

42. What expanded investigation powers, offences and penalties do you think should be included in new waste legislation?

Unsure

43. What regulatory or other changes do you think would help better manage inappropriate disposal of materials (that is, littering and fly-tipping)?

Unsure

Final comments

We have recommended to government, on numerous occasions, through multiple submissions, the need to include synthetic textiles, as a major contributor to micro plastic pollution, in mandated Product Stewardship Scheme for plastics. 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 [6] . Unlike packaging and other plastic products that have 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.

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." [7].

Natural textiles such as cotton, wool, linen etc also need to be removed from 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 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. Government, as the single largest procurer of textiles and clothing in Aotearoa, should be leading by example. First by understanding the environmental impacts of what they are purchasing, then by including budgets for the end-of-life of these resources. This 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."* [8]

Current purchasing policy fails to make any commitment to ensure end-of-life pathways are possible or enacted. In order to reduce waste, government needs to fund the responsible end-of-life of the textile products it procures rather than pushing the cost back onto manufacturers, suppliers and citizens.

Organisations supporting this submission:

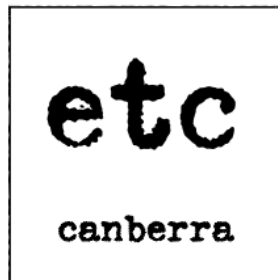


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