



King Cotton submission to Parliamentary Inquiry into Australia's Waste Management and Recycling Industries

## King Cotton submission to: Parliamentary Inquiry into Australia's Waste Management and Recycling Industries

### 1. About King Cotton

King Cotton Australia (KCA) is a leading national clothing recycling operator with more than 40 years' experience. KCA operates one of the largest clothing bin networks in the country with more than 560 bins across Sydney and Melbourne.

KCA helps the community divert clothing and textiles from landfill and facilitates the recycling of more than 150 tonne every week.

In 2018, KCA established Australia's first on-demand household collection service for clothing and textiles via a web application and bespoke collection system (below).

KCA processes the clothing at a centralised warehouse in Punchbowl NSW where the product is sorted and packed. The warehouse and collection operations employ in excess of 40 people, in predominantly low-skilled positions. Material collected is either distributed to one of eight retail outlets (often owned or operated by Charities (see below)) or baled for export to overseas markets.

Although KCA is not a charitable operator, it is committed to supporting charitable outcomes and donates 20% of gross profits to several key charities including Make a Wish Foundation, YouthSafe, Father Chris Riley's Youth off the Streets and Enough.

KCA's eight retail outlets provide a valuable and tangible benefit to households seeking affordable, quality pre-owned clothing. The service is used extensively by very low to low- and moderate-income households as a way of providing clothing for their families.

KCA has also partnered with the University of NSW (UNSW) to fund research into alternative uses of clothing as a way of increasing the diversion of waste textiles from landfill.

### 1. Textile waste generation in Australia

The *National Waste Report 2017-18* reported that approximately 776,000 tonnes of mixed textile waste<sup>1</sup> was generated in Australia in 2016-17.

Of this volume, 88,000 tonnes were re-used and 9,000 tonnes went to energy from waste. 679,000 tonnes were landfilled.<sup>2</sup>

The total recycling rate therefore is only 12%.

---

<sup>1</sup> Mixed textile waste includes textiles (i.e. clothing, carpets etc, leather and rubber (excl. tyres).

<sup>2</sup> Blue Environment, 2018, *National Waste Report 2017-18*



King Cotton submission to Parliamentary Inquiry into Australia's Waste Management and Recycling Industries

Put simply, 88% of textiles is currently sent to landfill. For a society trying to create a circular economy, that is an indictment on our priorities and our commitment. That is 679,000 tonnes per year that could be used as clothing for the poor and as income to Australian charities and businesses.

This submission provides a pathway to increase the recycling rate to at least 50% and to reduce waste to landfill by at least 388,000t/yr.

## 2. Growth in textile generation

Based on current trends in fast fashion waste clothing textiles are predicted to grow.

Compared to 15 years ago, the average person buys 60% more items of clothing and keeps them for about half as long.<sup>3</sup>

Thirty percent of consumers throw away more than 10 items of apparel per year and 25% have thrown away a garment after wearing it only once.<sup>4</sup>

Australians purchase the equivalent of 27 kilograms of new clothing and dispose of 23 kilograms each year. The remainder is stockpiled in homes.

## 3. Clothing bins

The only significant recycling pathway to recovery and reuse is via the clothing recycling bins (provided by private operators and the charity sector).

In fact, 85% of clothing collection is via clothing bins located on private and public land. The remaining 15% is collected via commercial retail brands providing bespoke collections and smaller scale bag and on-line dedicated booking and collection systems. KCA launched an on-line collection system in 2018 which has so far provided 20,000 collections but the tonnages remain small scale relative to bin systems.

The ubiquitous Clothing Bins underpin the capture of 75,000 t of clothing and other bric a brac.

Clothing Bins are a key piece of infrastructure in an integrated waste management system. However, clothing bins have never been recognised as part of the recycling system in Australia in the same way that kerbside recycling bins or other systems have been. It is critical to the continued expansion of clothing recycling that more and better placed, bins are rolled out.

Unfortunately, at present most Councils have policies either preventing or restricting the placement of bins in private and public areas. Councils need to recognise the strategic importance of the bins to integrated waste management.

In fact, some Councils (particularly in NSW) restrict the roll out of clothing bins to NACRO (National Association of Charitable Recycling Organisations) members. This is anticompetitive and fails to recognise the modern alliances between charities and private clothing bin operators. For example, KCA currently

---

<sup>3</sup> Greenpeace, 2017, *Fashion at the Crossroads, a review of initiatives to slow and close the loop in the fashion industry*

<sup>4</sup> Ibid.



King Cotton submission to Parliamentary Inquiry into Australia's Waste Management and Recycling Industries

collects and supplies clothing to charity stores for a range of charities. The "NACRO Only" policies of NSW Councils need to be amended to reflect modern commercial arrangements.

#### 4. Uses of recovered clothing

Most of the clothing that is recovered is exported.

90% of the total textiles<sup>5</sup> diverted for reuse or recycling was baled and exported from Australia in 2016-17. It is mainly sent to Africa, the Middle East and the South Pacific. This clothing plays a critical role in providing quality, affordable clothing for very low-income communities in these countries.

A small proportion (less than 10%) is separated for resale at retail outlets in Australia - both charity and non-charity operated.

The export of clothing equates to approximately \$72 million of declared value. Direct exports from charities accounted for two thirds<sup>6</sup> or \$48 m of this revenue.

Revenue from the export sale of clothing in overseas markets underpins the collection, sorting and transport costs in Australia. The absence of an export market is likely to result in no viable (self-funded) domestic collection service and a massive increase in textiles being landfilled.

The ability to export the surplus of what can be sold in Australia is fundamental to funding the continued operation of this no-cost service that receives no funding or payment from government or user.

#### 5. Circular Economy

Clothing collected from clothing bins should not be classified as a waste stream.

A pair of jeans continues to be a pair of jeans, even after the original owner has parted with it. EPA regulatory definitions currently make "unwanted or discarded" goods "waste" by definition. There should be a specific carve out from this legislation for used clothing. It should be considered in the same vein as furniture or other goods that are swapped or sold in the secondary market. It should only become waste if it is not re-used or converted into an alternative product.

Clothing recyclers are currently exponents of the circular economy. The collection of clothing and resale of it either domestically or internationally ensures that the resources used in the production of the original garment are not wasted, but rather, are re-used for their intended purpose – clothing.

Clothing recyclers are willing to sell their clothing in Australia, but the market for second-hand clothing is limited, although it is growing (slowly).

Of the clothing that is collected within Australia and exported overseas, the vast majority continues to be used as clothing. The balance (approximately 15%) is converted into rags and returned to Australia for use in industrial and cleaning applications.

---

<sup>5</sup> Export category 'Worn clothing and other worn textile articles'

<sup>6</sup> NACRO, <https://www.nacro.org.au/fast-facts/>, viewed 07.01.20



King Cotton submission to Parliamentary Inquiry into Australia's Waste Management and Recycling Industries

KCA is committed to developing new channels for the use of textiles and to this end, has funded research by the UNSW into alternative uses. This supports research by NSI (New South Innovations) – a research arm of UNSW into the feasibility of producing wood/textile bio-composite from waste. The product, when fully developed, will have applications in the production of material for office and household furniture.

Continued research by clothing recycling operators and government should be undertaken to explore as many alternative uses of textiles as possible to drive innovation and reduce waste textiles from ending up in landfill.

## 6. Solutions and the role of Government

There are only two currently viable mechanisms to recycle clothing/textiles in Australia:

1. Expand the existing network of textile collection bins, on-line systems etc for re-use domestically and via export
2. Expand alternative uses such as insulation, underlay and new textile manufacturing.

Of these Clothing Bins (and online) collections are the most commercially viable and offer the highest and best resource value. (Landfilling and waste to energy do not provide resource value or reuse options.)

The key limitations to improved recovery include:

1. Bin access - Upscaling bin collection sites and sorting infrastructure
2. Absence of a mandatory product stewardship system for clothing
3. End markets
4. Education and Illegal dumping
5. Lack of reliable data including generation and reuse

Clothing recyclers operate largely without support or assistance from government or local authorities. There is very little in the way of campaigns to raise awareness of the importance of keeping clothing and textiles out of the waste stream, and the means by which it can be achieved.

Federal, State and Local authorities must play a key role in expanding clothing recovery. Government leadership should include:

1. **Bin Access** - Improve the ease with which clothing collection bins are placed on public land
2. **Stewardship** – establish a mandatory Product Stewardship Scheme for clothing in Australia
3. **Markets** – establish export rules that provide certainty and provide funding into alternative uses for textiles domestically
4. **Education** – Informing the community of the importance of clothing bins and that the dumping of non-recyclable materials is a cost.
5. **Data** – Governments should establish a data pool system so that all operators supply data and can access “anonymised” industry-wide data.



King Cotton submission to Parliamentary Inquiry into Australia's Waste Management and Recycling Industries

With the appropriate leadership by Government combined with either funding or a Product Stewardship Scheme, the 679,000 tonnes of clothing waste can be recycled back into the productive economy both here in Australia and overseas. This will create economic wealth, jobs and provide essential resources to families in need.

There can be no better win-win scenario for all parts of the supply chain. It just needs the right incentives to make it happen.

Sincerely,

**Chris Dimou**

Director of King Cotton

**Alex Dimou**

CEO/Director of King Cotton

**Bill Dimou**

Warehouse Manager of King Cotton

**Tony Rallis**

Business Development Manager of King Cotton