Workshop Outcomes

CEBIC Textiles Industry Consultation – 21 July 2021

Workshop Overview

Summary

The Department of Environment, Land, Water and Planning (DELWP) and Sustainability Victoria (SV) facilitated a consultation workshop with over 30 stakeholders across the textiles value chain including retailers (large and small), manufacturers, recyclers, peak bodies, researchers, educators, government and consultants.

The purpose of the workshop was to seek feedback from key stakeholders in the textiles industry on key opportunities and challenges to accelerating the circular economy transition for textiles, and the role for the Victorian Government's Circular Economy Business Innovation Centre (CEBIC). DELWP and SV thank all participants for sharing openly and contributing to a constructive and positive conversation. Although every conversation was unique there was strong consistency in the challenges and opportunities identified between the different breakout groups, suggesting that there are important common issues across different parts of the sector.

Workshop attendees

The workshop was attended by representatives from the following organisations

• DELWP (Facilitator) • SV (Facilitator) • A.BCH • Australasian Circular Textiles Association • Australian Fashion Council • Bisley Workwear • Blocktexx • Charitable Recycling Australia	• Circular Economy Victoria • Country Road Group • Creative Victoria • CSIRO • Etiko • Ethical Clothing Australia • Full Circle Fibres • Geelong Textiles Australia	• Indigenous Fashion Projects • Kinaway • Kloke • Kmart • LCI Melbourne • Monash Sustainable Development Institute • Nobody Denim • Raw Assembly • RMIT	• Seljak • Sustainable Resource Use • Textile Recyclers Australia • Textor Technologies • WRAP

Workshop outcomes – summary

Victoria has some really innovative initiatives, in both businesses and research institutes, spanning product design, efficient product use and recycling. Victoria also has a robust reuse sector through charitable recyclers and other commercial reuse models. The challenge now is to build on this initial momentum towards a more circular economy generated by industry leaders and first movers.

The top three **barriers** participants are facing in innovating to address waste (according to the end-of-workshop feedback survey) are:

- Challenges securing adequate investment to innovate and/or commercialise
- Challenges connecting and collaborating with other organisations
- Lack of awareness of the opportunities that exist.

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Workshop Outcomes

In defining the pathway to greater circularity for textiles, the following **key themes** emerged:

- **Cross supply chain collaboration** is key, as end-of-life fate is determined at design stage, and becoming more circular involves decision making across businesses, from the C suite to the factory floor.
- **Educating business, designers and consumers** is a critical enabler, to provide an aligned understanding of what a sustainable textiles sector looks like
- **Co-ordination and leadership** will help to realise opportunities faster, including shared vision and clear targets
- **Capability building** will underpin the transition, including whole-of-lifecycle thinking, repair skills and transparent materials data to inform effective infrastructure decisions

Government actions following the workshop

The feedback provided in this workshop is informing planning and prioritisation for CEBIC activities in 2021-22 and beyond, including:

- Detailed design and promotion of round two of the CEBIC's Recycling Victoria Innovation Fund, with funding to be directed to innovative initiatives that are the most impactful and are not being supported through other funding programs
- The priority topics for CEBIC collaborative workshops and thought leadership events, with effort to align to those sectors or themes where government leadership and facilitation is likely to be most impactful
- Defining the partnerships that CEBIC will prioritise, where the opportunities for useful synergies and leveraging impact are strongest
- What information is most useful for CEBIC to collate and share through the virtual hub.

DELWP will also:

- Conduct research and analysis on regulatory and policy options to further support textiles circularity, to inform future policy development
- Refer feedback from this workshop to other teams across government that are best placed to act including:
    - Feedback on skills and capability gaps to be referred to Department of Education and Training to inform their work on clean economy workforce needs
    - Feedback on textiles infrastructure gaps to be referred to the teams leading the development of the Victorian Recycling Infrastructure Plan, the Recycling Victoria Infrastructure Fund and Recycled Markets Acceleration programs, to ensure this is considered in strategic planning and associated funding priorities
    - Feedback on education and behaviour change opportunities to be referred to the team leading the development of a behaviour change strategy to support the Recycling Victoria policy
- Advocate to the Commonwealth Government and cross-jurisdiction forums on solutions that require cross-border co-ordination such as effective product stewardship schemes

While CEBIC will continue to collaborate with you and will actively support priority initiatives, not all opportunities articulated in this document will be able to be pursued in the next 12 months. Where you (as an industry participant, research organisation or other interested stakeholder) seek to pursue opportunities and there is potential benefit from collaboration with the CEBIC, we encourage you to contact the team through cebic@sustainability.vic.gov.au.

The CEBIC project team is still identifying key stakeholders and will run separate engagement processes for some specific sectors to develop deeper understanding of challenges and opportunities. Specifically, further work is required on:

- Agriculture and primary production
- Manufacturing
- Commercial and industrial (non-clothing) textiles
- How best to involve Traditional Owners and Indigenous organisations in the textiles focus area

Workshop Outcomes: Challenges and Opportunities

The key challenges identified in the workshop were

- Latent capacity and skills shortages in the re-use and repair sectors
- Limited options for onshore textiles recycling and fibre 'spinning'
- Cost and commercial viability of circular solutions
- Lack of leadership and strategic direction, creating risks for early movers
- Lack of industry education
- Consumer values and behaviour can undermine circular economy transition
- Translating research into practice
- Production complexities including sustainable material selection, chemical use and design for end-of-life

The below tables unpack what we heard about these challenges in more detail and also identify the opportunities we heard that can start to address these challenges.

Challenge: Latent capacity and skills shortages in the re-use and repair sectors

Unpacking the problem	Opportunities
• Re-use and repair solutions are often niche, localised and difficult to scale • Charities have latent processing capacity but constrained collections capability	• Leverage the strong existing network of charitable recyclers; build collections capability to fully utilise latent capacity • Support for skills development, particularly in repair • Build partnerships between local governments and charities to increase textiles recycling and reuse

Challenge: Limited options for onshore textiles recycling and fibre 'spinning'

Unpacking the problem	Opportunities
• Lack of infrastructure is a major barrier for manufacturers seeking local recycling partners	• Map the textiles processing infrastructure available in Victoria

- Local fibre spinning industry has been mothballed
- Infrastructure gaps a product of processing costs
- Exporting textiles waste is common practice
- Lack of transparency and traceability of source materials make recycling difficult
- Complex, mixed materials and contamination in collections makes recycling difficult

- Develop better understanding of textiles materials flows through data capture and analysis, to inform infrastructure needs
- Plan for strategic textiles recycling infrastructure, including in regional areas
- Funding support for capital investment required in recycling infrastructure and re-engineering manufacturing machinery, including through public-private partnership models
- Facilitate collaborations between recyclers and (re)manufacturers
- Support for designers, fabricators, manufacturers, and brands to consider recycling and end of life during product design phase
- Explore the business case to re-establish spinning capability within Victoria

Challenge: Costs and commercial viability of circular activities

Unpacking the problem

- It is (or is perceived to be) cheaper to run a take-make-dispose business model; lack of incentives for businesses to adopt circular models
- Virgin inputs are often cheaper or more readily available than recycled inputs
- Disadvantage to the industry early movers who are competing against business not adopting sustainable practices – difficult to compete on price
- COVID-19 has further impacted businesses
- Lack of centralised collections infrastructure

Opportunities

- Funding provided to support design and delivery of circular business models and to increase the capability of circular businesses
- Funding for trials and demonstration projects to support design and proving of circular business models
- Regulate to provide financial incentive for textile collections recycling solutions (e.g. tax on non-natural virgin materials, landfill bans or a container deposit scheme equivalent)
- Support scale for circular textiles solutions through government procurement
- Aggregator to collect and sort used textiles on behalf of small manufacturers to enable recycling
- Greater promotion of success stories/positive case studies, particularly where there is a financial benefit

Challenge: Lack of leadership and strategic direction, creating risks for early movers

Unpacking the problem

- Pockets of world-leading textiles work in Victoria and Australia, but limited co-ordination of efforts
- There is a lack of clear vision for circularity in the textiles industry in Australia, including short, medium and long-term goals
- Low uptake of parallel opportunities like regenerative farming of raw materials

Opportunities

- Government, peak bodies or other industry actors to play a facilitation role – support sector networking and collaboration, including across sectors and between businesses of different sizes
- Set clear targets for reducing waste generation and increasing resource recovery rates, and define a roadmap for achieving these targets
- An information sharing platform that provides connections to relevant resources and providers
- Align to best practice initiatives and networking events internationally, leveraging global supply chains
- Support for product stewardship schemes for textiles that include requirements for traceability
- Implement a voluntary agreement framework for the textiles industry

Workshop Outcomes

Challenge: Lack of industry education

Unpacking the problem

- Limited understanding of circular economy principles amongst newly graduated industry professionals
- Skills gap in repair sector
- Designers don't make all the decisions. Need to educate the decision-makers.

Opportunities

- Incorporate circular economy, materials selection and textiles processing into course design for fashion, design and fabrication
- Improve understanding of circular economy among executive decision makers in textiles industry
- Greater promotion of success stories/positive case studies, particularly where there is a financial benefit
- practical support network for designers and manufacturers to learn how to create products for the circular economy
- An information sharing platform that provides connections to relevant resources and providers

Challenge: Consumer values and behaviour can undermine circular economy transition

Unpacking the problem

- Lack of information to support consumers making informed decisions
- Poor labelling can limit the ability of consumers to make informed decisions
- Demand for fast and cheap clothing: purchasing 'on trend', purchasing cheap and turning over quickly

Opportunities

- Education and behaviour change campaign covering responsible purchasing, responsible product care and responsible product donation or disposal – would require coordinated effort by various stakeholders for greatest impact
- More transparent labelling including materials, environmental impact and end-of-life management

Challenge: Translating research into practice

Unpacking the problem

- Potentially productive partnerships between industry and researchers are not being maximised
- Significant hurdles in taking R&D outputs through to commercialisation and on-ground application

Opportunities

- Funding to promote collaboration between researchers and manufacturers, fabricators and brands, including through R&D 'hubs' with a commercialisation lens
- Support for key innovations e.g. novel cellulose-based fibre solutions, alternative uses for textiles, recycling solutions that enable products to be broken down to component materials
- Leverage research capability in Victoria – RMIT, Deakin, CSIRO, MSDI
- Promote the research that is already underway

Challenge: Complexities in sustainable material selection (including chemical use in production) and design for end-of-life

Unpacking the problem

- Chemicals and dyes used in production are often harmful and make recovery more challenging

Opportunities

- Incentivise brands to provide full traceability of materials, design for end-of-life and labelling for end-of-life

Workshop Outcomes

- Lack of transparency and traceability of source materials makes recycling difficult and introduces ‘green-washing’ risk
- Complex and mixed materials make recycling difficult
- Variety of materials, and full life-cycle impact often not well-understood
- Can be difficult to access sustainable materials
- More effective product/material labelling regulations, and certification standards for industry for a level playing field
- Education and information sharing on sustainable material selection based on full life cycle assessment
- Promote greater collaboration between researchers, designers and manufacturers – effective end-of-life design requires coordinated effort
- Funding for demonstration projects that manage whole lifecycle outcomes for a product