

**THE TRUE COST OF**  
**TEXTILES: THE CASE**  
**FOR REGULATED**  
**TEXTILE PRODUCT**  
**STEWARDSHIP IN**  
**AOTEAROA NEW**  
**ZEALAND**

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**ABOUT THE**  
**TEXTILE**  
**ADVISORY**  
**GROUP AND**  
**ITS MISSION**



## **THE PROBLEM:**

While there are some pockets of good commercial practice, overall, there is a lack of funding and investment drivers to help scale the Circular Economy solutions and industry in Aotearoa New Zealand.

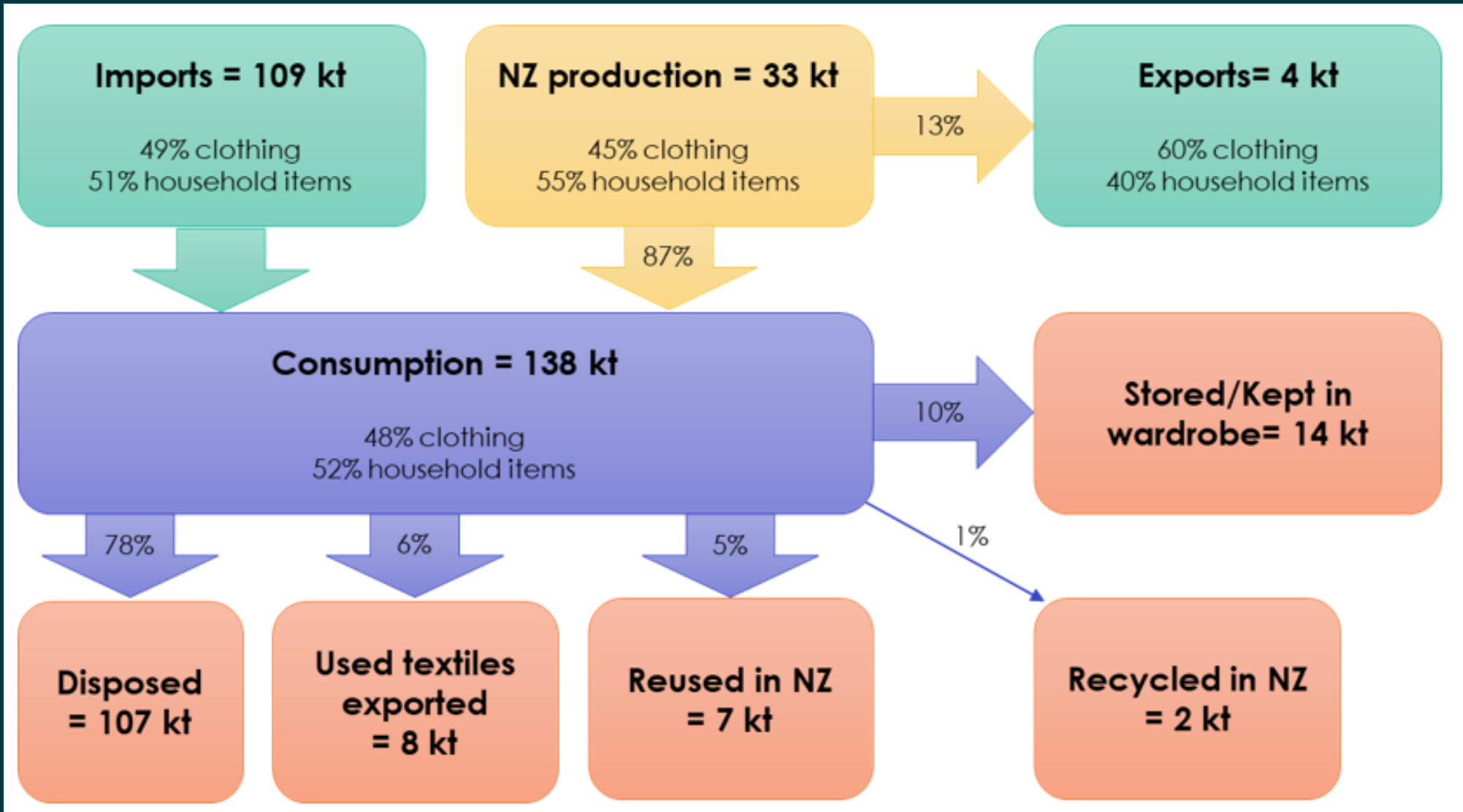
## **THE PROPOSED SOLUTION:**

RPS/EPR is the mechanism that can help to drive better product design, and to source the funding (from the producers – largely importers/brand owners) to provide the infrastructure investment required for a cohesive ‘circular’ textiles approach.

## **THE VISION:**

A New Zealand textiles economy that can employ more people in quality jobs, producing high quality, durable, reusable and fully recyclable products that are also affordable for the majority of New Zealanders.

# 2024 MASS BALANCE FOR IN-SCOPE TEXTILES



# THE TWO SCENARIOS

Scope: Clothing, Household Items (bedding, towels) and Workwear

## Low Ambition

- drop-off collection only
- simple communication campaigns
- eco-modulation to help drive better design
- expanded reuse and recycling - 49% by 2038

## High Ambition

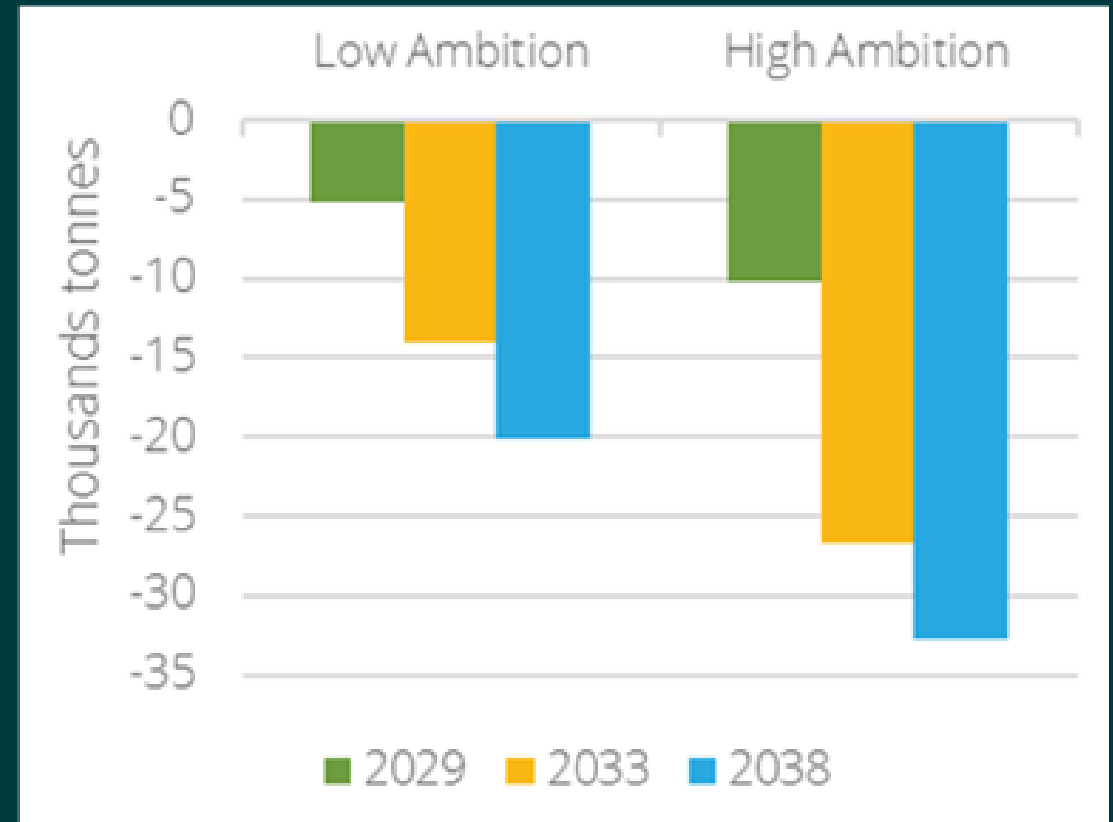
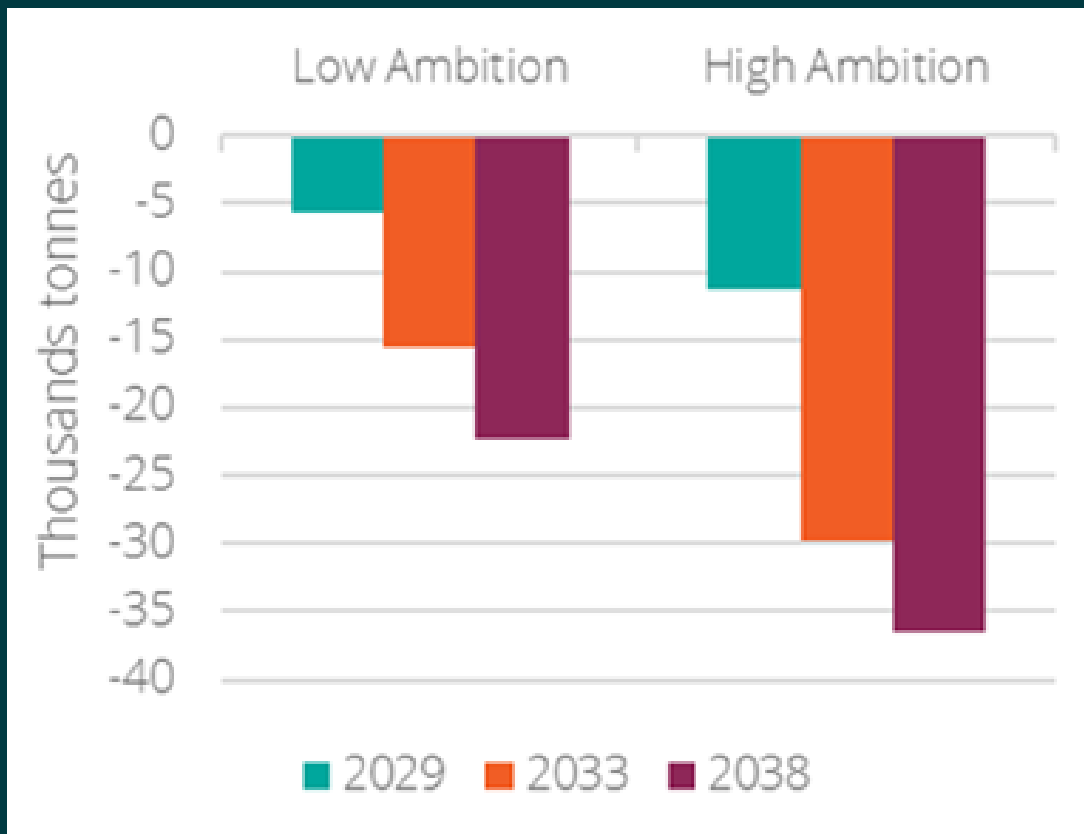
- kerbside collection
- advanced communication campaigns
- extended reuse and repair support
- eco-modulation to help drive better design
- research and development funding
- digital product passports.
- reuse and recycling rates 86% by 2038



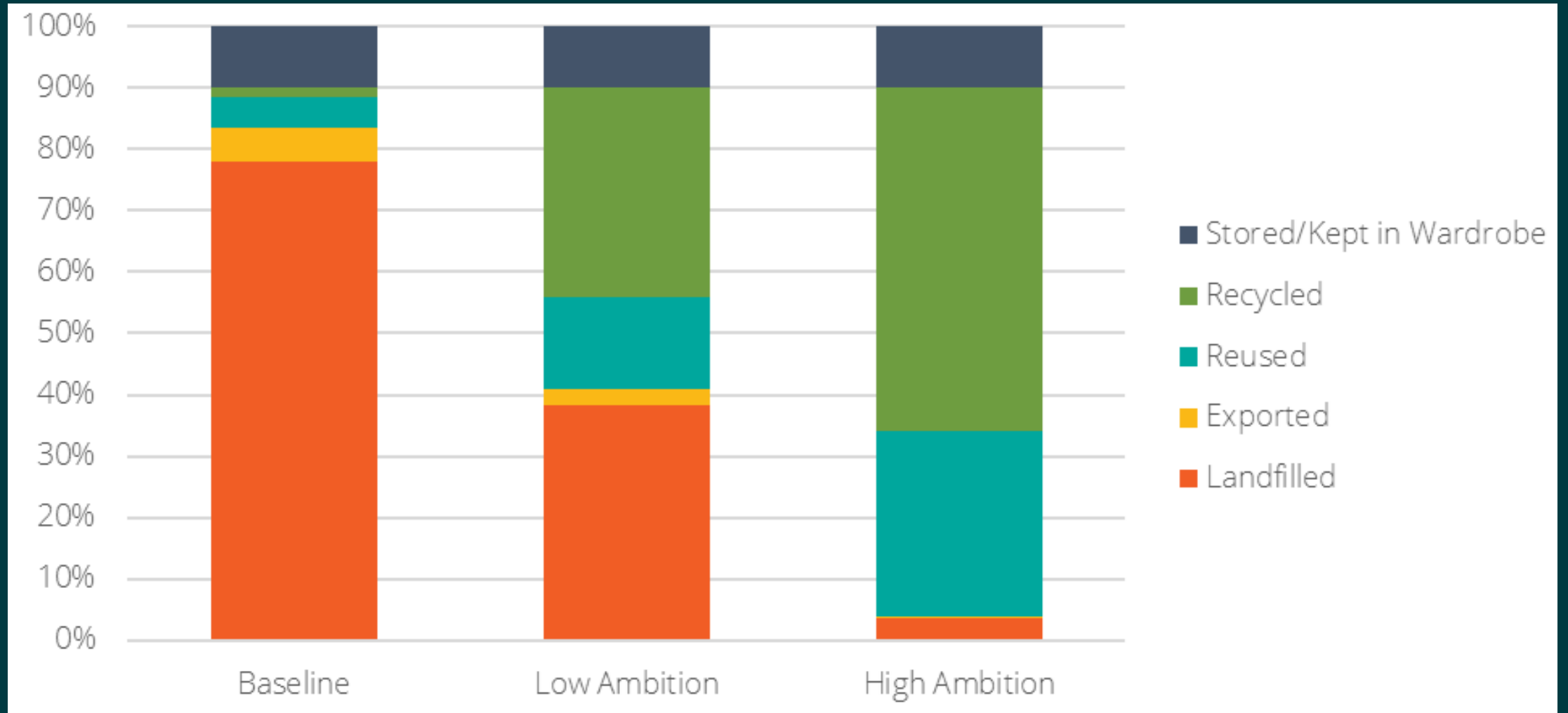
## ENVIRONMENTAL BENEFITS OF AN RPS

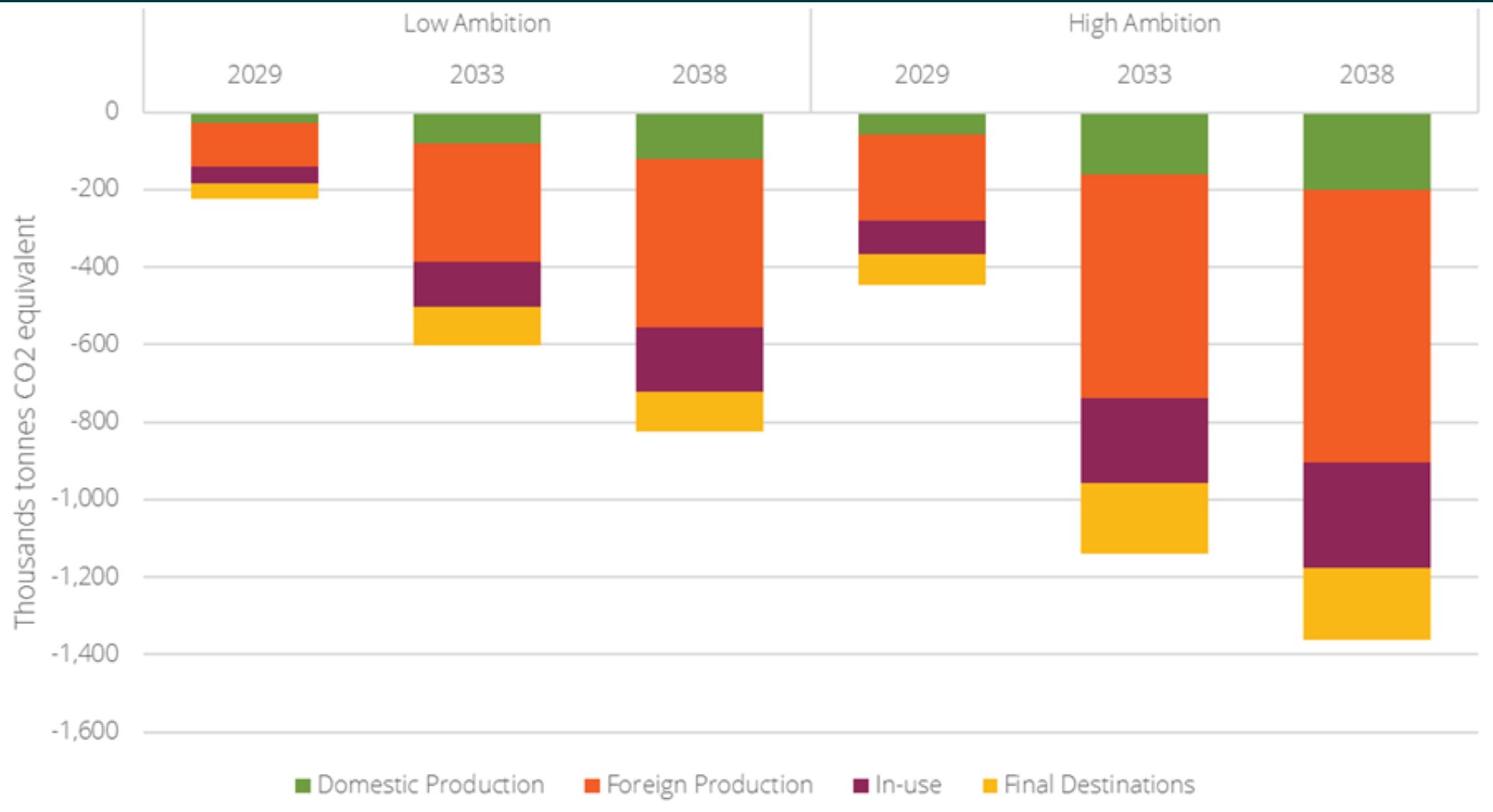
*Photo by Tom Fisk (sourced from Faircado.com)*

# CHANGES IN TEXTILE CONSUMPTION (LEFT) AND WASTE GENERATION (RIGHT) IN THE LOW AMBITION AND HIGH AMBITION SCENARIOS (2029, 2033, AND 2038).



# Changes in Final Destinations for Used and Waste Textiles for Each Scenario (2038)



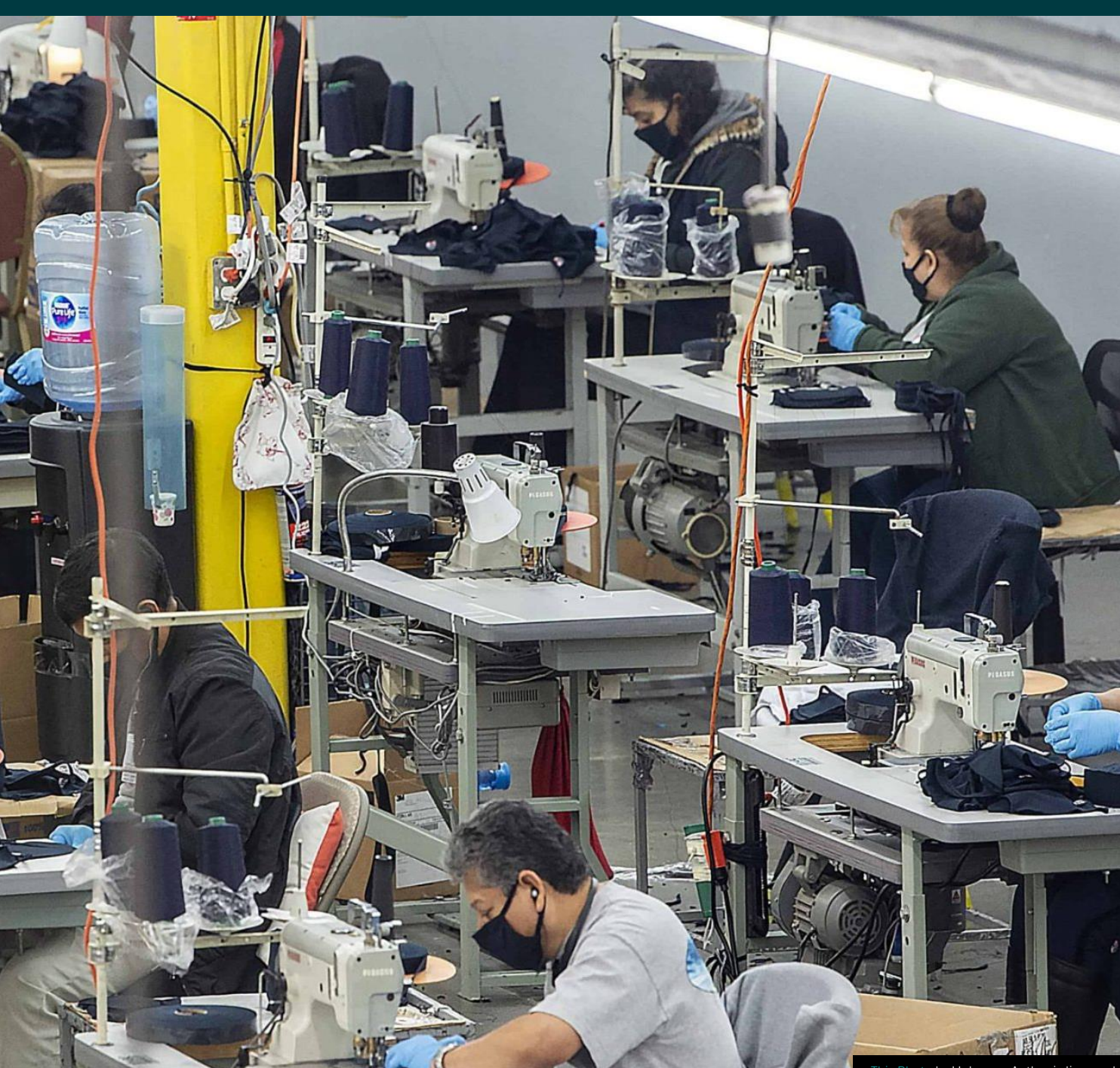


**In total, between 2028 and 2038:**

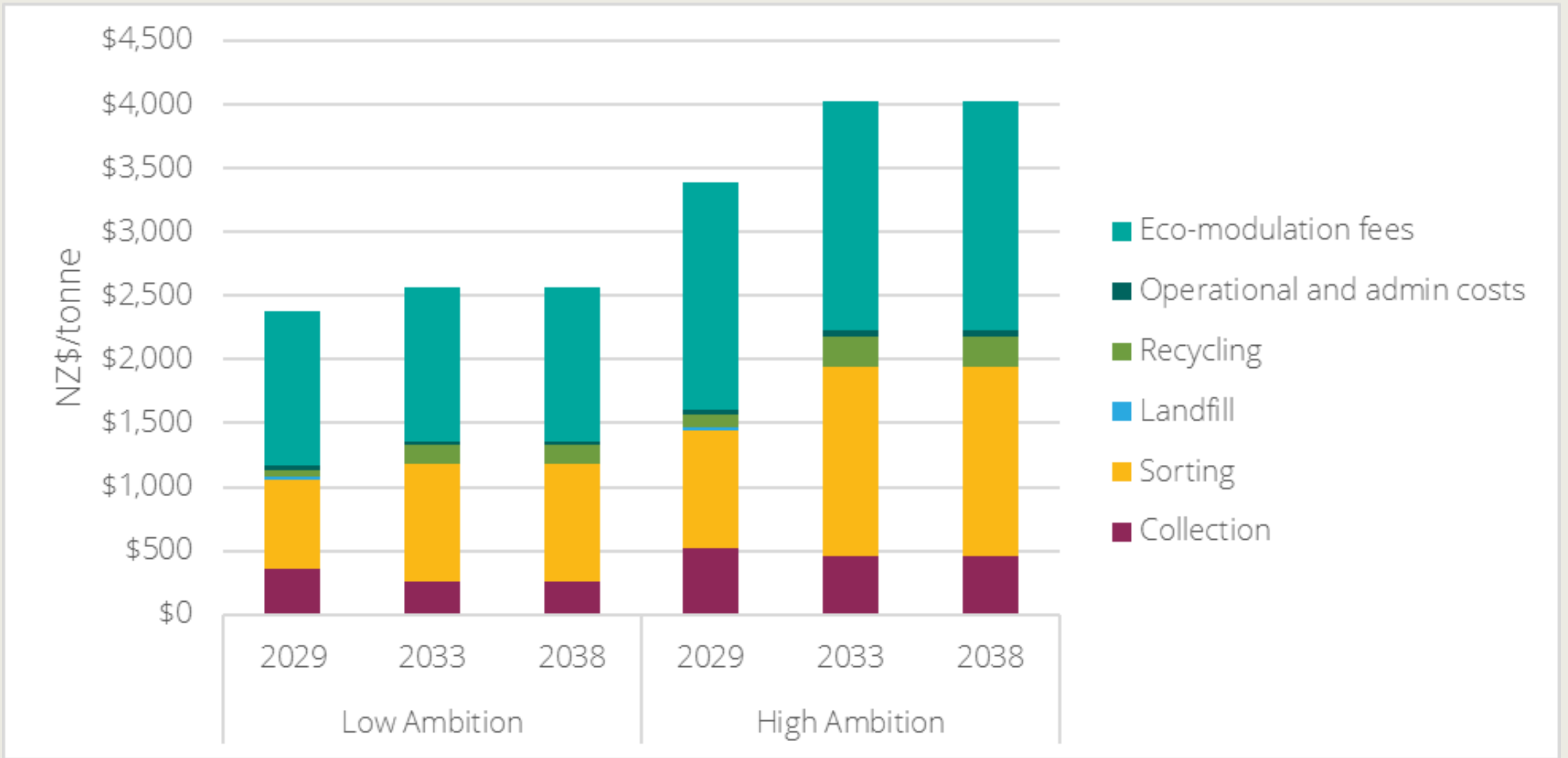
**6.0 million tonnes of CO<sub>2</sub>e are saved in the low ambition scenario**

**10.8 million tonnes of CO<sub>2</sub>e in the high ambition scenario**

# Emission Reductions

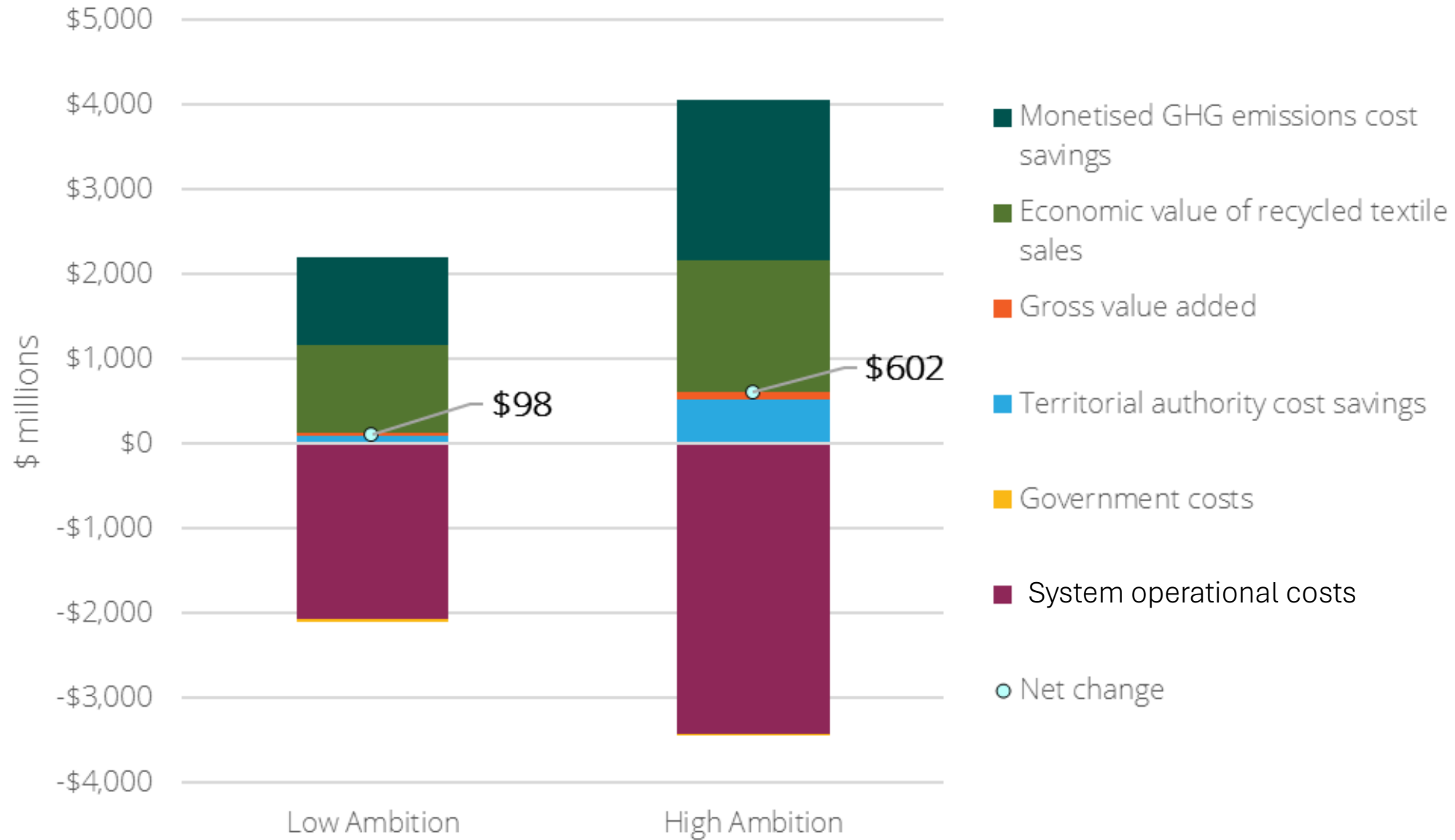


## ECONOMIC IMPACTS OF AN RPS



**Composition of RPS fees for the low ambition and high ambition scenario (2029, 2033, and 2038)**

## NPV difference to baseline (2028 - 2038)



# CHANGES TO PRODUCT PRICING

- Assumptions: Super fast fashion 25% of the cost of 'regular fashion' with a 50% pass-through of RPS costs to consumers from producers
- For regular clothing, retail prices increase by only 1.8% under the low ambition scenario and 2.9% under the high ambition scenario.
  - On a \$100 item that would increase the price by only **\$1.8 and \$2.9**
- For super-fast fashion increases are steeper; 7.1% and 11.4%
  - On a \$25 item that would also increase the price by **\$1.8 and \$2.9**
- **Eco-modulation would increase the costs further for poor design,** creating a disincentive for low-quality, short-lived products (in a more price sensitive market).



# FINAL THOUGHTS