



Submission to the Australian Government's Circular Economy (CE) Productivity Commission

Joint submission by Good360 Australia and Thread Together

1st November 2024

Introduction

Good360 Australia (Good360) is a nonprofit and the largest digital marketplace in Australia for businesses to donate unused and unsold consumer goods to people in need. Good360 transforms lives by delivering hope and dignity to people who may be struggling to make ends meet whether due to natural disasters, domestic violence or insufficient income caused by a growing cost of living. To date, Good360 has distributed over 42 million items valued at more than \$474M to 4 million people through its 4,300 charity and disadvantaged school member organisations. Good360 supports on average 15,000 people every week Australia-wide with everyday items, including toiletries, toys, clothing, whitegoods & furniture, cleaning & PPE, homewares, school supplies, electronics and refurbished digital devices which are used as tools for transformation for education and employment.

Thread Together is a charity that sources new pre-consumer excess clothing from fashion brands and retailers and distributes these items to people in need across Australia, providing clothing to 2,500 people every week via a rapidly growing network of over 3,000 charity partners. The clothing is provided through online orders, community-based mobile wardrobe services, clothing hubs located in major cities and disaster-prone regional centres and a wardrobe & capsule service installed in more than 150 domestic violence shelters nationwide.

For 10 years, both Good360 and Thread Together have been trusted and loved brands in the community dedicated to ensuring pre-consumer new goods have a beneficial first-life in the community rather than going to waste and playing an essential role in the Circular Economy by preserving pre-consumer goods at highest value before items are reused or recycled.

Over the last several years, Good360 has been working with Circular Australia as a part of the CE Task Forces and proactively working with various productivity stewardship schemes, Industry and businesses to promote circularity principles and ensure all goods have a beneficial first life in the community rather than going to waste.

Key Recommendations:

1. *Promote greater public awareness and education for non-food pre-consumer good waste.*

- In 2022, Deloitte Access Economics research estimated \$2.5 billion worth of brand-new household consumer goods (non-food) is wasted every year in Australia. At the same time, the research identified that the Government is spending \$400 million per annum for material aid to charities for these same items. This includes household consumable items such as clothes, electronics, toiletries, hygiene and personal care items, education supplies, furniture and more.
- The Australian Government has partnered and funded Food Relief charities for more than 40+ years to build public awareness and education about food waste and provided much-needed food relief to millions of its citizens. Charities such as Good360 and Thread Together, who provide similar services for essential non-food items have not received funding and support to garner similar awareness around the challenge.
- As a part of the awareness campaign, we encourage the Australian government to profile and facilitate partnerships between Industry, businesses and non-profit organisations to create scalable and sustainable solutions. Profiling successful industry partnerships, such as Good360 and Thread Together's partnerships with businesses and retailers to highlight effective models and inspire broader participation across the sector.

2. *Financial support for social enterprises and Reuse networks that are building the infrastructure required to transition to a Circular Economy.*

- The Australian Government can leverage Good360's proven efficient centralised national excess inventory donation technology platform for non-food categories, allowing all ACNC charities & disadvantaged schools to register as members for free and have access to these goods. Currently, Good360 is connecting ~\$100 million of goods every year to members across Australia, however with some government support we can connect \$400 million per year. If supported, this will have significant savings to government and charity budgets while also saving thousands of tonnes of waste/ landfill each year and keeping goods at their highest value.
- Good360 already has the experience, platform and operational capacity to connect businesses surplus to charities and community organisations that need them at scale. Our platform and model not only streamline the donation process to make it simple, easy and efficient for businesses donating and recipient charities. Good360 is a trusted and established organisation and has been operating in Australia for 10 years; our technology, systems and network also ensures transparency and accountability for both donors and recipients ensuring integrity in the system.

- Thread Together provides complementary services to Good360 with a shared network of charities, disadvantaged schools, government departments and funded agencies and often it is the same people in our communities who will need access to food relief, clothing and all other everyday essentials for education, home, hygiene and play.
- Up to 30% of all clothing requests made to Thread Together come from government departments and funded agencies including Communities & Justice, Health and Education. Recipients include people returning to the community post incarceration, or after being in emergency hospitalisation or mental health facilities.

3. *Incentivise tax incentive benefits for businesses who exhibit the desired behaviours.*

- The Australian Government could offer tax incentives for businesses that donate unsold, non-food goods to registered charities or community organisations. This could be an extension to the proposed Food Bill going to the Senate later this year, incentivising businesses to donate their excess goods rather than disposing.
- Over the longer term, to truly deliver a Circular Economy in Australia, we will also require a much more sophisticated and rigorous tax reform to support Circularity and Nature positive outcomes, however, incentivising businesses for product donations would be a positive interim first step forward to driving the desired behaviours as the industry continues to design and fund the infrastructure required to support circularity and up-skill for the workforce of the future.

4. *Introduce Regulations to Ban the Destruction of Usable Goods.*

- Implement legislation that prohibits the destruction of unsold goods that are still usable. Businesses should be mandated to donate, recycle, or repurpose these products, except in cases where there are safety concerns.
- France has successfully implemented such a ban on non-food goods, pushing businesses to find sustainable alternatives for excess inventory. Scotland has also followed suit, reflecting a growing trend of legal measures to prevent unnecessary waste.

5. *Enhanced National Reporting Standards to 'measure what matters' for greater transparency around the types of goods going to Resource Recovery Centres and landfill sites.*

- Resource Recovery centres and landfill sites are already required to report on waste volumes including types of materials, sources and recovery. Standards could be further enhanced to include information around new products received at facilities and what is happening to these items (e.g. donated/ sold for reuse, repair, recycle etc). Overtime as more regional networks transition towards Circular Hubs, any online reporting systems can be connected to help track product & material flows more holistically to provide transparency of what is happening with those items throughout their lifecycle and within networks to ensure circularity principles (e.g. highest value) are being met and optimised.

- Currently, Resource Recovery Centres and landfill sites do not track what new goods are disposed of, there is no way to track or measure the volumes of usable new goods by category that go through these sites. If this is not measured it is difficult to know if industry is improving these outcomes.

6. Simplify the Legal and Logistical Barriers to Donation

- Streamline legal and logistical processes that may discourage businesses from donating excess goods. This could involve simplifying compliance requirements and providing standardised agreements to make donations easier and safer for businesses. Simplifying such processes, such as by offering "Good Samaritan" protections that shield companies from liability issues when donating in good faith, can significantly increase the rate of donations.

Conclusion

Good360 Australia and Thread Together are well positioned and committed to supporting the Australian Government's efforts to create a Circular Economy in Australia. By implementing these recommendations, the Circular Economy Productivity Commission can take immediate actions towards a more systemised and sustainable approach to handling surplus goods and services, reducing waste, and ensuring all products have a beneficial first-life in the community at their highest value before being reused or recycled.

The thousands of charities and disadvantaged schools and the many government departments who are serving millions in our communities every day, are in urgent need of these essential items that are often going to waste. Both Good360 and Thread Together are eager to collaborate and contribute our expertise in logistics, community outreach, and resource optimisation to ensure the success of the Australian Government's transition to a Circular Economy that is inclusive for all Australians.

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