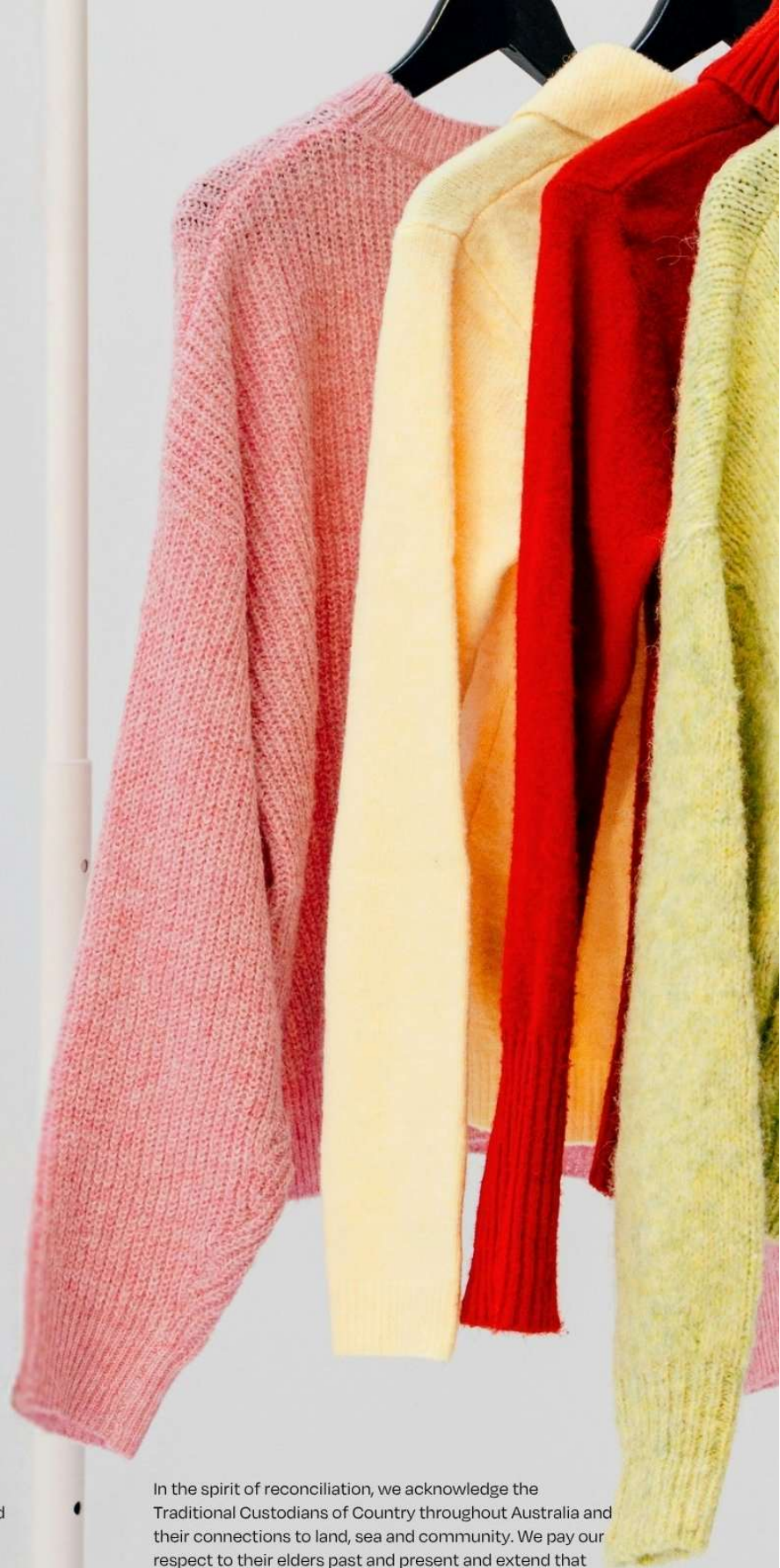


Seamless

Evidence for change

Australia's circular clothing future





This report was developed by Clothing Stewardship Australia Ltd. (Seamless) as part of a program that received grant funding from the Australian Government.

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In the spirit of reconciliation, we acknowledge the Traditional Custodians of Country throughout Australia and their connections to land, sea and community. We pay our respect to their elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples.

In Australia, we have the privilege of learning from incredible First Nations design traditions. First Nations people have been creating clothing for millennia with a focus on circular principles. As we continue on this journey towards circularity in our industry, we are committed to learning from the way things have always been done by First Nations creators in this Country.

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1. About this report



Seamless received grant funding from the Australian Government in June 2025 to drive industry collaboration for clothing recirculation, stimulate next markets for Australian recycled clothing textiles and deliver the evidence for a national coordinated clothing system. This program marks an important step towards a circular clothing economy in Australia.

A key focus for the program was to deliver real-world pilots that tested different ways to collect, sort and recycle 'unwearables', which are clothes that can't be worn again. The program also undertook comprehensive industry consultation, delivered circular clothing definitions, conducted research into next markets for unwearable clothing and delivered a policy, economic and financial analysis for a national clothing scheme.

This report outlines the challenges facing the Australian clothing industry and the context in which it operates. It provides an overview of program deliverables, and importantly, an overview of the evidence and recommendations for a national clothing system. It also includes an implementation plan and guidance for measuring the performance of the national system.

As shown in Figure 1, this report has been informed by the data, outcomes and insights which are outlined in three separate reports. They are: 'Pilot data and outcomes'¹ and 'Next markets for unwearable clothing textiles' and 'National clothing scheme: Policy, economic and financial analysis.'



Figure 1: National coordinated clothing system program reports.

¹ Seamless (2026), [Pilot data and outcomes](#) from the Seamless Circular Clothing Textiles Fund

2. Executive summary

Australia's clothing system is under increasing pressure, with clothing waste continuing to grow and no coordinated systems in place to manage it. This report brings together new evidence from pilots, next markets research and policy analysis to show what's working, where gaps remain, and the actions required to drive future progress.



This report sets out a clear, practical pathway to move from a voluntary approach to a mandatory, nationally coordinated stewardship scheme to address the growing clothing waste challenge and achieve a circular clothing economy for Australia.

2.1 Australia's clothing waste challenge

Each year, 220,000 tonnes of clothing textiles end up in Australian landfill. Charities, local councils and the public carry the burden and cost of this disposal, while most clothing producers take no responsibility. Second hand clothing donations play a critical role in extending the life of clothing, with the charitable reuse sector delivering strong social and environmental benefits nationally. However, even well-loved garments eventually become unwearable and are sent to landfill, as Australia currently has no national, coordinated system to collect, sort and recycle clothing once it can longer be worn.

2.2 Demonstrating a model for clothing stewardship

Clothing Stewardship Australia Limited (Seamless) received grant funding from the Australian Government to demonstrate a viable, evidence-based and scalable industry-led and funded voluntary stewardship model to coordinate and deliver a circular clothing economy. The program developed shared definitions for circular clothing terms, ran seven pilots to trial collection, sorting and recycling for unwearables, and researched next markets for Australian recycled textiles. The data and outcomes from this work informed a policy, economic and financial analysis, with all elements evaluated to build this evidence for change.

2.3 The evidence for change

Pilot data and outcomes

The pilots show that Australia has the potential to build effective solutions for collecting, sorting and recycling unwearable clothing, with seed funding a catalyst for cross-value chain collaboration. The \$500,000 in public funding allocated to the Seamless Circular Clothing Textiles Fund delivered \$1.55 million through in-kind industry contributions, meaning every dollar of public funding mobilised over three dollars in private resources.

The pilots also showed that Australians are ready to use trusted and convenient options to dispose of unwearable clothing. In three months, 31 tonnes of clothing was collected across multiple channels, with high levels of citizen engagement. Sorting must closely align with the requirements for recycling and next markets. Most processing of clothing is manual, with technology assisted and automated approaches still emerging.

Eight open-loop recycling outputs were produced, turning clothing into products for use outside the clothing industry, such as insulation. Closed-loop (fibre-to-fibre) recycling is an important emerging solution for a circular clothing future to reduce reliance on virgin materials, and associated greenhouse gas emissions.

Next markets for unwearable clothing textiles

Research found that markets for recycled clothing textiles exist but are still significantly underdeveloped. A lack of demand limits investment across the system, which constrains higher-value recycling solutions. Australia is currently estimated to have the capacity to recycle 22,000 tonnes of clothing textiles each year, with a further 64,000 tonnes suitable for energy recovery, equating to 86,000 tonnes of processing capacity annually. Unlocking this capacity could divert significant volumes of textile waste from landfill.

There is an opportunity for government procurement, particularly in the built environment and uniforms, to drive demand for Australian made products that use recycled textile content. Strong, consistent procurement signals could unlock private investment in domestic textile recycling and remanufacturing capacity.

However, no single technology or recycling solution can manage the volume, material diversity and contamination challenges of unwearable clothing. A coordinated mix of solutions will be required.

Policy, economic and financial analysis

The policy, economic and financial analysis confirmed that a national scheme with mandatory producer obligations delivers clear economic benefits and public value. A mandatory approach reduces system costs through shared infrastructure, builds markets for recycled textile content, lowers landfill pressure and emissions, and improves material productivity by reducing reliance on virgin fibre.

Together, this evidence highlights four gaps in the current linear clothing system of take, make and dispose.

1. **There is no nationally coordinated system** for collecting, sorting and recycling unwearable clothing, so landfill remains the primary destination.
2. **Next markets for recycled clothing textiles are underdeveloped**, with demand for outputs still too early-stage to support commercially viable domestic recycling that attracts investment to scale.
3. **There is no consistent national data framework** to track clothing flows from production through to end of life, and no shared methodology or language across the clothing value chain. This makes it difficult to measure and report national progress transparently.
4. **There is no clear regulatory pathway**, allowing free riding producers to persist, while responsible clothing producers disproportionately bear the system establishment costs, and charities, local government and citizens carry the burden of rising landfill. This limits investment in the short term and slows progress across all circularity metrics.

2.4 Recommendations

An objective of the grant funding was to demonstrate a viable, evidence-based and scalable, industry-led and funded voluntary stewardship model to coordinate and deliver a circular economy.

The evidence presented in this report leads to a clear conclusion: Australia needs a mandatory, nationally coordinated stewardship scheme to address clothing waste and enable a circular clothing economy.

As the urgency to transition Australia to a circular economy grows, reform is underway, but it will take time. To make progress during this period, four recommendations focus on building momentum: piloting solutions to manage post-consumer clothing, developing next markets for recycled textiles, introducing compulsory data reporting, and providing greater regulatory certainty.

Australia requires a mandatory, nationally coordinated stewardship scheme to address the clothing waste challenge and achieve a circular clothing economy.

Recommendations for immediate implementation:



Figure 2: Summary of recommendations.

2.5 Determining the way forward

These recommendations were tested against three future scenarios to support progress toward the National Waste Policy Action Plan and the National Circular Economy Framework (2024), while contributing to Australia's climate commitments. The scenarios are:

1. Maintain the status quo
2. Build momentum through shared investment, and
3. Introduce regulated clothing stewardship funded by producers.

The evaluation considered how each scenario affects producer participation, resource recovery and system performance.

Table 1: Recommendations tested against three future scenarios.

Area	Maintain the status quo	Implement the recommendations to enable transition to regulation	Move immediately to full regulation
Producer responsibility % of clothing producers contributing	2-3% of clothing producers contributing Current voluntary membership	3-35% of clothing producers contributing Early adoption	Full compliance 100% of clothing producers contributing
Resource recovery rate Proportion of clothing reused, recycled, recovered divided by total clothing discarded.	<47% resource recovery rate Decline expected as export markets weaken. Wearable clothing diversion only.	>55% resource recovery rate Operating at full domestic recycling capacity (22,000 tonnes), with 20,000 tonnes diverted to thermal recovery. Reuse volumes maintained.	Resource recovery rate towards 80% Achieving national landfill diversion target
Policy and investment activity	Maintain voluntary clothing scheme	Shared investment to 2029: <ol style="list-style-type: none"> 1. Deliver place-based pilots 2. Long range investment in R&D 3. National data systems and performance reporting 4. Regulatory transition pathway with early adopters rewarded 	Regulated scheme

The conclusion is clear. Maintaining the status quo is not impact neutral. The most feasible path is a phased transition to regulation, supported by shared investment, shifting responsibility from taxpayers to producers while maintaining the momentum built by Seamless.

A funded transition with clear regulatory signals from Government, will increase the clothing resource recovery rate to greater than 55% and encourage more producers to contribute, with estimates showing that up to 35% of the total market may join as early adopters ahead of regulation.

Without this transition, Australia risks moving from a weak voluntary scheme straight into regulation without the systems, markets, data or capability needed to make it work. The risks of maintaining a voluntary scheme are too great, and the case for a phased, coordinated transition to regulation is strong.

2.6 A coordinated national approach

A coordinated national approach, led by Seamless and supported by industry and government, is what will shift clothing stewardship from voluntary to viable. Implementing these recommendations provides a phased path to reducing textile waste, capturing the economic value of clothing, and establishing global leadership in circular clothing stewardship.

The work ahead is shared, and so is the responsibility. Producers, collectors, reuse operators, recyclers, citizens and governments all have a role in building a system where clothing is intentionally designed, chosen thoughtfully, enjoyed fully and recovered responsibly. Done well, a mandatory national scheme does more than collect garments; it builds demand for recycled fibre, rewards producers that design for reuse and recycling, and improves transparency across supply chains. Seamless is the national platform to lead Australia's transition to a circular clothing economy, and this report sets out how to build momentum and deliver it together.

We gratefully acknowledge the Australian Government for the grant funding for this program. This investment made the research, pilots and analysis in this report possible, and played an important role in building the evidence needed to support Australia's transition to a circular clothing economy.

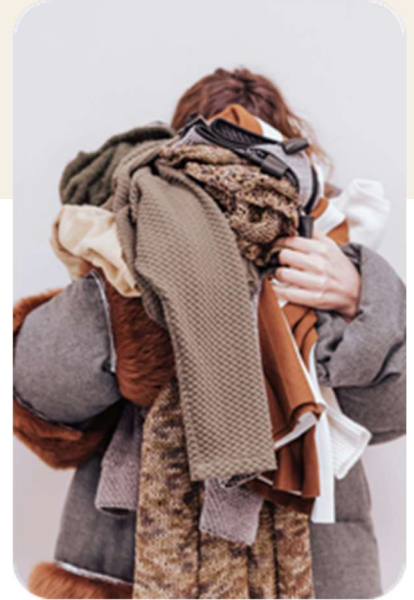
"Strong federal leadership in Australia is setting the direction in circular economy policies, with Seamless emerging as a key driver of change in the clothing and textiles sector. A mandatory, well-defined scheme, supported by a clear regulatory pathway and measurable targets for circular 'R-strategies', would accelerate progress and provide certainty for stakeholders.

At the same time, deeper coordination and exchange of practical experience across state and local levels, as well as with international partners, is essential to build momentum and consistency. The sector shows clear potential for effective network governance but realising this will require dedicated transition brokers to connect actors, align incentives, and scale solutions. Initiatives like Seamless are well positioned to play this intermediary role and catalyse systemic transformation."

Prof. Dr. Jacqueline Cramer
Board Chair of the Dutch Circular Textile Valley, Emeritus Professor sustainable innovation and former Dutch Minister of Housing, Spatial Planning and the Environment



3. Clothing waste challenge



In 2024, Australians purchased 1.51 billion items of clothing, which equates to 55 items for every Australian, - a high figure by global standards². Much of this clothing was made from materials that are not designed to last or be recycled. As a result, 220,000 tonnes of clothing textiles were sent to Australian landfill³.

Additionally, there is currently no nationally coordinated system to collect and process unwearable clothing. Existing infrastructure for reuse and recycling is limited, and much of it is not equipped to deal with current clothing volumes.

Systemic change is needed to transition Australia to a vibrant, productive circular economy, where clothing is valued as an asset.

3.1 A linear system driving waste

Australia's clothing industry largely operates on a linear model: take, make and dispose. This approach undervalues the resources, labour and energy embedded in clothing and leads to significant material loss.

Clothing is also underused. In 2024, around 3% of imported clothing, equivalent to 47 million items or 11,700 tonnes, was never sold⁴. At the same time, two-thirds of Australians reported not wearing at least a quarter of their wardrobe in the past year⁵. Pace is being prioritised over purpose and value, and we need to shift from overproduction and under utilisation of our clothing assets.

Most garments are also not designed with recycling in mind. Complex fibre blends, trims and chemical treatments make it difficult and often uneconomical to recover materials at end of life. As a result, valuable resources are lost, along with the opportunity to retain economic value within Australia.

² Productivity Commission. (2026), [Australia's circular economy: unlocking the opportunities](#).

³ Seamless (2025), [Seamless 2024 National Clothing Benchmark for Australia](#).

⁴ Seamless (2025), [Seamless 2024 National Clothing Benchmark for Australia](#).

⁵ Payne, A., Jiang, X., Street, P., Leenders, M., Nguyen, N., Pervan, S., Tan, C. (2024). Keeping Clothes Out of Landfill: A landscape study of Australian consumer practices. RMIT University.

3.2 Ineffective systems limit pathways for clothing recovery

Current collection and sorting systems are largely driven by charitable organisations and are designed to support the resale of wearable clothing. However, only around 16% of donated items are suitable for resale within Australia⁶. The majority are lower-grade items, often exported for reuse or recycling overseas, where much of their value is lost to the domestic economy.

For unwearable clothing, there are few viable pathways. Less than 5% of textiles are recycled in Australia, and domestic processing capacity is underdeveloped⁷. This lack of onshore infrastructure and next markets for clothing limits the ability to recover materials and creates a reliance on landfill or offshore solutions.

The combined impact is significant: the loss of valuable materials and labour, increased greenhouse gas emissions⁸, and growing pressure on landfills.



Figure 3: Australia's clothing waste challenge.

⁶ MRA Consulting. (2021), [Charitable Recycling Australia: Measuring the Impact of the Charitable Reuse and Recycling Sector](#).

⁷ RPS Group (2026), National clothing scheme: Policy, economic and financial analysis.

⁸ Seamless (2025) [Environmental Impact of the Australian Clothing Industry 2024](#).

3.3 Clothing as a national priority

Recognising the scale of the issue, clothing was listed as a priority product on the Environment Ministers Priority List in 2021-22. This places responsibility on industry to act and reduce the environmental impacts associated with clothing across its lifecycle.

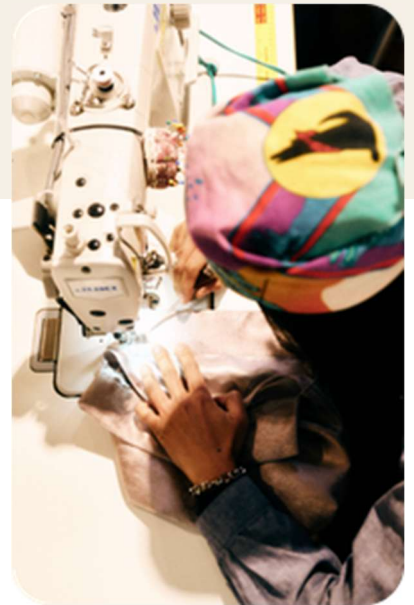
Given this context, clothing also satisfies the product stewardship criteria under the Recycling and Waste Reduction (RAWR) Act. It is sold in every Australian state and territory and can contain hazardous substances such as dyes and chemical finishes. It also presents significant opportunities to increase conservation of materials and recovery of resources from clothing waste, and reduce environmental, health and safety impacts associated with current production, use and disposal patterns.

3.4 The case for systemic change

Despite its designation as a priority product, progress on addressing clothing waste to date has been limited. The evidence shows that incremental change will not be enough. A national coordinated approach is needed to reduce clothing landfills, recover valuable materials and transition Australia to a circular clothing economy.

Without structural intervention, Australia will be unable to deliver the scale of change required to transition to a circular economy and meet the Australian Government's Circular Economy Framework targets by 2035.

4. Current context



Policy settings, the cost of textile waste, the clothing value chain, and lessons from international co-investment models all shape Australia's pathway to a circular clothing system. While global policy is moving toward circularity, Australia's approach remains fragmented, with limited accountability for end-of-life outcomes and increasing pressure on landfills.

This section outlines the local and global context shaping Australia's clothing sector.

4.1 International policy and regulation

Australia's shift toward a circular economy is broadly aligned with global trends aimed at reducing waste and emissions, keeping materials in use for longer, improving product design, and moving end-of-life costs from taxpayers to producers. These changes are also creating the funding certainty needed to support clothing sorting, repair, reuse and recycling systems. Key developments are outlined below.

Product stewardship and extended producer responsibility (EPR)

Mandatory, producer-funded stewardship schemes with strong governance and transparency are increasingly being adopted worldwide.

In the European Union, EPR is prioritised based on impact, system maturity and political readiness, with policy frameworks focused on key product streams such as packaging, electronics, batteries, vehicles and textiles. In the United States, textile EPR is advancing at the state level, with California introducing the first mandatory scheme and New York and Washington considering similar approaches. Chile and Kenya are also progressing mandatory textile stewardship schemes.

While scheme design varies, most include mandatory producer obligations and levies, with funding combined to support clothing collection, sorting and pre-processing, alongside complementary measures such as eco-design standards, reuse and repair requirements, product bans, and resource levies.^{9 10}

⁹ Global Fashion Agenda. (2025), [Mapping of Extended Producer Responsibility for Textiles](#).

¹⁰ United Nations Environment Programme. (2026), [Toolbox for Policymakers in High Textile Consumption Countries](#).

Prioritising reuse and controls on second hand exports

Global circular economy policies reflect the hierarchy of use and focus on keeping clothing in use for as long as possible to retain its economic value. France has reinforced this approach through producer-funded collection and sorting for clothing, including emergency support in 2025 to stabilise the sector as second hand markets weakened¹¹.

At the same time, international attention is increasing on the movement of second hand clothing and textile waste, given the presence of persistent hazardous chemicals in some textiles. Parties to the Basel Convention are considering how these flows should be managed¹². This was also initially considered at COP-17 in Geneva in May 2025, and options are currently being developed for consideration at COP-18. This may create risks for export-reliant systems like Australia's and highlights the need to strengthen domestic reuse, sorting and recycling capability, while maintaining credible and traceable offshore reuse pathways.

Digital product passports and traceability

Digital product passports are emerging as key tools to support product regulation, circularity and producer accountability across supply chains. In the EU, they sit alongside broader policy measures including the Circular Economy Action Plan, Textiles Strategy, new eco-design rules, textile EPR, and rules on green claims¹³.

Together, these developments point to a global shift toward mandatory stewardship, improved data and transparency, and reduced reliance on offshore end markets.

4.2 Australian policy settings

Australia has adopted national circular economy and waste policy frameworks that set measurable targets for waste reduction, resource recovery, recycled content, data availability, circularity, material footprint and material productivity. Table 2 outlines the national policy frameworks in Australia and their relevant targets.

Table 2: Australian circular economy and waste policy frameworks and targets.

Policy framework	Relevant targets
National Waste Policy Action Plan ¹⁴	10% reduction in per capita waste by 2030; 80% resource recovery; increased recycled content; phase out problematic and unnecessary plastics; economy wide data availability.
Australia's Circular Economy Framework ¹⁵ (2024)	Double circularity rate by 2035; reduce material footprint by 10%; increase material productivity by 30%; safely recover 80% of resources.

¹¹ Refashion (2024), [Refashion Activity Report 2024](#).

¹² Basel Convention, Control of Transboundary Movements of Hazardous Wastes and Disposal (2025). [Used textiles and textile waste](#).

¹³ European Commission (2022), [Proposal for a Regulation on Ecodesign for Sustainable Products \(ESPR\)](#).

¹⁴ Australian Department of Climate Change, Energy, the Environment and Water, [National Waste Policy Action Plan](#).

¹⁵ Australian Department of Climate Change, Energy, the Environment and Water, [Australia's Circular Economy Framework](#).

Policy settings related to clothing textiles

While Australia does not yet have a dedicated national framework for clothing stewardship, several existing and emerging policy instruments provide a foundation for circularity, product stewardship and market development.

Table 3: Overview of Australian policies relevant for clothing textiles.

Policy	Description
Recycling and Waste Reduction Act 2020 (Cth)	Australia's primary legal framework for product stewardship, enabling voluntary, co-regulatory and mandatory schemes. A review in 2025 considered whether current settings are sufficient to address the limits of voluntary approaches.
Environmentally Sustainable Procurement Policy (Cth) 2024	Relevant to government purchasing of textiles such as uniforms, with potential to create demand for recycled content products. Strong application and enforcement is needed to shift markets.
Product Lifecycle Responsibility Act 2025 (NSW)	Establishes a state-level product stewardship framework for regulated products, with batteries identified as the first priority category. This signals growing state action where nationally coordinated arrangements are not yet in place.
Recycling Modernisation Fund	A Commonwealth co-investment program administered through agreements with states and territories, with industry co-funding, to expand Australia's capacity to sort, recycle and remanufacture priority materials.
Future Made in Australia	Commonwealth industry policy agenda aimed at strengthening domestic manufacturing, supply-chain resilience, and Australia's clean economy capabilities.
ReMade in Australia	A certification program, administered by the Australian Made Campaign, to certify and promote Australian-made products and construction projects using recycled content.
State and Territory Government waste and circular economy strategies	Strategies developed by State and Territory Governments relating to waste and circular economy.

Roadmap for a circular economy

Following the Environment Ministers Meeting in March 2026, a roadmap is being developed to advance the national circular economy. State and Territory Governments are also actively working toward an intergovernmental agreement on nationally consistent product stewardship arrangements.

4.3 Learnings from local circular clothing progress

Clothing textiles have been added to the Minister's Priority List under the Recycling and Waste Reduction Act 2020 as a priority product requiring industry action, with a clear pathway to regulation if needed. Most states and territories also identify textiles as a problematic waste stream.

Despite sustained efforts since 2021 to co-design the Seamless clothing scheme, only 3% of clothing producers operating in the Australian market are contributing voluntarily. Currently, the largest clothing producers take little accountability for end-of-life outcomes, leaving the burden of managing waste to fall on a small group of responsible clothing producers, as well as charities, local councils and Australian citizens.

Evidence from multiple sectors shows that voluntary schemes are unlikely to deliver the scale of change required to meet circular economy targets. The Productivity Commission's 2026 circular economy report confirms that while Australia has made some progress, improvements in circularity rate, material productivity and waste recovery rates are slow. The Commission called for urgent progress towards the 2035 framework targets and sets out recommendations for the clothing textiles industry and a timeline provided below.



Figure 4: Recommendations and timeline from Productivity Commission circular economy inquiry report.

4.4 The public cost of textile waste management

Australia's clothing system creates significant costs for local councils and communities. Landfill fees, waste service charges and council spending on collection, sorting and illegal dumping are paid for through public funds, while most textiles still end up in landfill. At the state level, the volume and attributable cost is not easy to quantify, as not all states identify textiles as a priority product and volumes entering landfill are not audited.

However, it is clear that clothing prices do not reflect the true environmental and social costs of production, use, collection, sorting and disposal. Also, as households face rising cost-of-living pressures, demand is shifting toward lower-cost, less durable clothing, further increasing waste volumes and these hidden costs.

Moving to a mandatory, industry-funded stewardship model does not create entirely new costs. Instead, it shifts these existing costs into a transparent producer-funded model that is levied at the point of purchase. UK research¹⁶ suggests that consumers are willing to accept small price increases (of up to 50 pence per garment) when paired with clear information about the environmental impact of the item.

¹⁶ UKFT (2025), [EPR Visible Fees](#).

4.5 Australia's clothing value chain

A circular clothing system relies on coordination across production, import, collection, sorting, reuse, repair and recycling. In Australia, parts of the post-consumer value chain are developed, but overall, the chain is fragmented and exposed to global disruption. Viable next markets for recycled materials are still emerging.

Australia has trusted and relatively mature reuse networks for wearable clothing, largely led by charities and social enterprises. However, for unwearables, landfill is the dominant pathway, as infrastructure and markets have not kept pace with volumes. Figure 5 outlines the key factors influencing Australia's clothing value chain.



Figure 5: Factors influencing Australia's clothing value chain.

The risks of export dependence

The majority of wearable clothing donated in Australia is sold internationally as a bulk commodity. The United Arab Emirates receives around 50% of Australia's second-hand clothing exports, playing a key role in sorting and global redistribution. However, ongoing conflict in the Middle East is disrupting shipping routes, with vessels being turned back from the Strait of Hormuz.

In 2026, an estimated 45,000 tonnes of Australian clothing is at risk of losing viable export pathways due to the Middle East crisis. Redirecting some of this material into Australian pilots would provide valuable data, help build local capability and support the development of recycling and remanufacturing pathways. Targeted government investment would help reduce landfill in the short term while generating further evidence on the infrastructure, processing capacity and next markets required.



4.6 Co-investment models

International experience shows that clear policy direction, public co-investment and formalised coordination mechanisms can unlock private investment in infrastructure and technology.

France 2030

The French Government's €54 billion investment plan (2021) to transform the country's economy includes around €700 million for the recyclability, recycling and reincorporation of recycled materials across priority streams, including textiles¹⁷. This includes support for industrial deployment, with Circ announcing a proposed €450 million textile-to-textile recycling plant to process polycotton materials. These investments are underpinned by an established EPR framework, long-term policy certainty and dedicated sector coordination.

Dutch Circular Textile Valley

The Netherlands has established a platform for regional collaboration between governments and businesses for textiles. Dutch Circular Textile Valley (DCTV) accelerates textiles sorting and mechanical and chemical recycling. It operates within a dedicated circular textiles policy framework that includes two national policy programs, mandatory producer reporting, EPR (since July 2023), free consumer take-back obligations, public procurement reform, recycled content advocacy and formalised system coordination and monitoring.

These examples show how a coordinated national approach, supported by regional delivery, can provide policy certainty, attract investment and build system-wide capability.

In summary, Australia's clothing system faces a range of structural challenges and operates within a rapidly evolving policy landscape. This reinforces the importance of prioritising clothing reuse while building the sorting, recycling and recovery solutions needed for unwearable clothes. It also shows that coordinated government and industry action, supported by co-investment, will be critical to building system capability.

¹⁷ French Government, [Understanding France 2030](#)

5. Program overview



Seamless received grant funding from the Australian Government in June 2025 to drive industry collaboration for clothing recirculation and, ultimately stimulate next markets for Australian recycled clothing textiles. This program addresses the critical challenges facing the clothing industry, with over 220,000 tonnes of clothing textiles ending up in Australian landfill in 2024.

Current clothing collection systems in Australia rely largely on charitable and commercial reuse operators. These organisations collect, sort and redistribute wearable clothing for reuse. However, these systems are not designed to handle unwearable items. As a result, the vast majority of unwearables are sent to Australian landfills, which limits the development of local recycling capability.

This program sought to address this gap. It defined the core elements, capabilities and conditions required for an industry-funded clothing stewardship scheme. The aim is to deliver accessible clothing reuse and recycling solutions for all Australians, ensuring that clothing is diverted from landfill and valued for productive use in a circular economy.

5.1 Program objectives

The objectives of the program were to:

1. Support collaboration and information sharing to improve the sustainability of the clothing textile industry across the supply chain.
2. Identify and define relevant measures for textiles recycling and remanufacturing outcomes in Australia or define gaps.
3. Conduct pilot projects across Australia to inform implementation of a scalable national model for domestic recycling, to reduce waste to landfill.
4. Demonstrate a viable, evidence-based and scalable industry-led and funded voluntary stewardship model to coordinate and deliver circular economy.

5.2 Program design and delivery

The program was established to support a coordinated national system for clothing collection, sorting, reuse and recycling.

Delivered through three interconnected stages as shown in figure 6 below, the program was enabled by strong industry collaboration, structured program delivery and an accountability framework.

A central focus was the delivery of seven pilots through the Seamless Circular Clothing Textiles Fund. These pilots tested different approaches to collecting, sorting and recycling unwearable clothing. Alongside this, the program undertook extensive industry consultation, developed circular clothing definitions, researched next markets for unwearable clothing, and conducted policy, economic and financial analysis for a national clothing scheme.

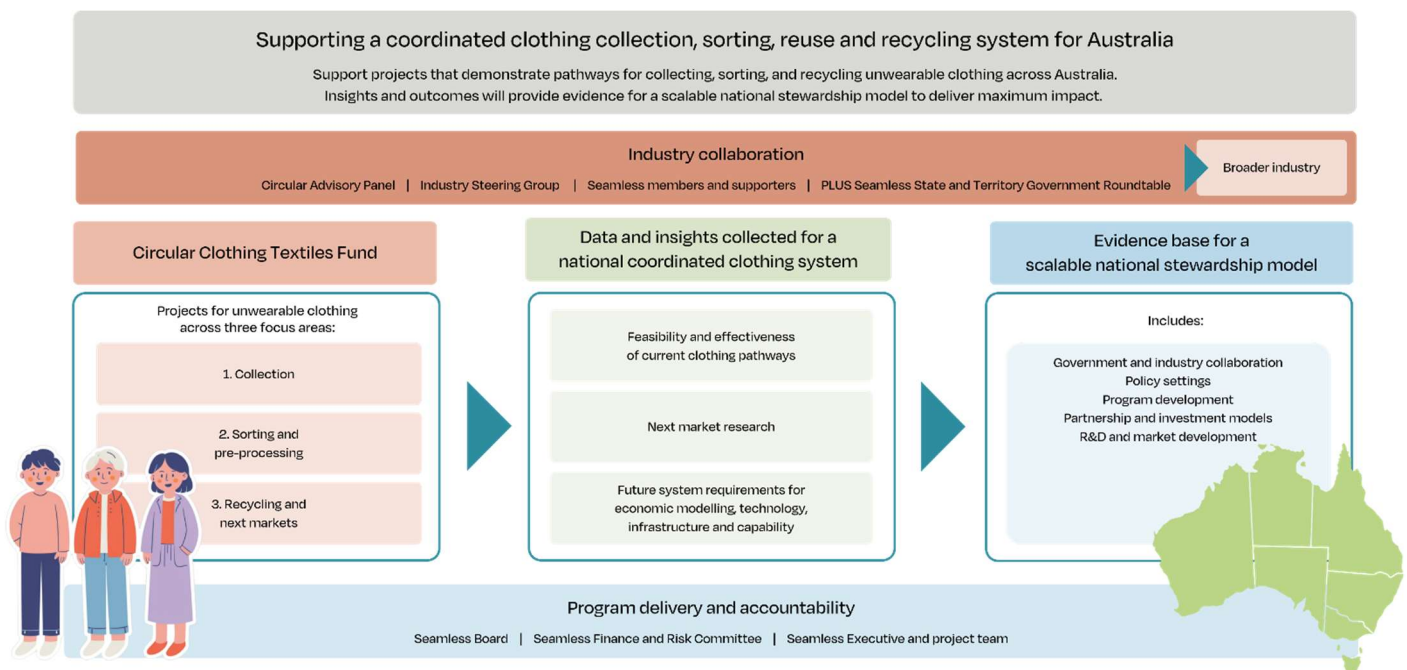


Figure 6: Overview of program that received grant funding from the Australian Government.

5.3 Industry collaboration

Comprehensive industry collaboration was an essential element of the program. Formal structures were put in place to ensure national collaboration and guidance.

Industry Steering Group (ISG)

Industry Steering Group members were senior executives from the following organisations: Australian Council of Recycling, Australian Fashion Council, Australian Retail Council, Charitable Reuse Australia, the National Online Retailers Association and the Waste Management and Resource Recovery Association Australia.

As part of the program, this group was convened and terms of reference were developed and agreed. The group met four times over the course of the program to provide strategic direction and feedback on program recommendations.

Circular Advisory Panel (CAP)

Circular Advisory Panel members were senior executives from the following organisations: Ellen MacArthur Foundation, NSW Environment Protection Authority (EPA), Product Stewardship Centre of Excellence, RMIT School of Fashion & Textiles and WRAP Asia Pacific. An Independent Director of Seamless was also a member of the panel. As part of the program, this group was convened and terms of reference were developed and agreed. The panel met four times over the course of the program and provided strategic direction and specialist expertise in circular design, product stewardship, environmental protection and international best practice. The panel also reviewed and provided feedback on program recommendations.

Seamless State and Territory Government roundtable

Chaired by the NSW EPA, the Seamless State and Territory Government roundtable fosters much needed connection and co-ordination on policy, programs and investment to divert clothing from landfill. It's attended by all states and territories including representatives from the Department of Environment, Tourism, Science and Innovation (DETSI), Queensland; the Department of Energy, Environment and Climate Action (DEECA), Victoria; the Department of Water and Environmental Regulation, WA; Green Industries SA; the ACT Government and the Tasmanian and Northern Territory Governments.

This roundtable was convened twice over the course of the program to ensure alignment with jurisdictional policy settings, share emerging findings and seek feedback on program recommendations.

Broader industry engagement

Ongoing engagement and consultation was undertaken with high-volume clothing producers including Big W, Cotton On, Kmart and Hanes, as well as the wider Australian clothing industry through group or one-on-one briefings. A comprehensive program of communications which included online resources, website articles, email campaigns and social media, ensured that the broader industry was kept informed and engaged.

Table 4: Key deliverables for industry collaboration.

No.	Key deliverables
1.	Terms of Reference for Industry Steering Group (ISG)
2.	Terms of Reference for Circular Advisory Panel (CAP)
3.	Agendas and minutes for four ISG meetings
4.	Agendas and minutes for four CAP meetings
5.	Agendas and minutes for two State and Territory Government roundtable meetings
6.	Communications and engagement plan

5.4 Seamless Circular Clothing Textiles Fund

The Circular Clothing Textiles Fund supported seven practical pilots across metropolitan and regional Australia. The pilots were an opportunity to test different ways to collect, sort and recycle unwearable clothing and investigate what is required to develop a national clothing system. Activities included:

- A competitive funding process selected seven pilots that focused on managing unwearable clothing textiles across different regions and value chain stages.
- Delivery of seven pilots that tested a range of clothing collection channels, sorting methods, reuse channels, repair activities, remanufacturing, repurposing, open and closed-loop recycling and recovery. The pilots also tested citizen participation and citizen's ability to sort wearable and unwearable clothing at the point of donation. Next markets for recycled clothing textiles were also tested. This generated consistent data on volumes, material flows, system performance and indicative costs.
- Fund administration and outcomes were independently audited to verify delivery against agreed objectives and expenditure.

The pilots tested a range of ways to manage unwearable clothing, recognising that no single approach can address its scale and complexity. Instead of trying to identify one 'best' solution, the focus was on understanding the range of options that will be required for a national clothing system.

Table 5: Key deliverables for the Seamless Circular Clothing Textiles Fund.

No.	Key deliverables
1.	Seamless Circular Clothing Textiles Fund Guidelines
2.	Seamless Circular Clothing Textiles Fund assessment criteria
3.	Seamless Circular Clothing Textiles Fund agreements
4.	Completion of pilots and consolidated reporting
5.	An aggregated dataset
6.	Independent pilot data audit report
7.	Report: 'Pilot data and outcomes: for the Seamless Circular Clothing Textiles Fund'

5.5 Data and insights for national coordination

This stage of the program compiled the evidence for a coordinated national clothing system. The following activities were undertaken:

- Next markets for unwearable clothing textiles research** was informed by extensive industry consultation including 10 interviews, 4 focus groups with 47 participants, a discussion group attended by 31 participants, and 54 responses to the survey, 'Shaping next markets for Australian clothing textiles'. This research identified potential next markets for recycled clothing textiles and provided recommendations for scaling domestic recycling capacity.

- b. **Circular clothing definitions** were co-designed with industry to standardise terminology across 'R-strategies', with further terms to be added over time.
- c. **Proposed clothing system performance criteria and requirements** were developed that leveraged the data and outcomes from the pilots and the Seamless 2024 National Clothing Benchmark for Australia¹⁸. These were a direct response to the Productivity Commission's recommendation that the clothing industry adopt clear performance criteria to benchmark and track progress towards a circular clothing economy in Australia.

Table 6: Key deliverables for national coordination.

No.	Key deliverables
1.	Circular clothing definitions
2.	Proposed performance criteria to benchmark and track progress of the national clothing system ¹⁹
3.	Report: 'Next markets for unwearable clothing textiles'

5.6 Evidence for a scalable national stewardship model

This stage of the program brought the findings together into a clothing stewardship model. The following activities were undertaken:

- a. Economic modelling assessed the costs, benefits and funding requirements of a national clothing stewardship scheme to address market failures and support the transition to a circular clothing economy.
- b. The Product Stewardship Centre of Excellence was formally engaged. They provided strategic guidance and provided detailed feedback on reports throughout the program of work.
- c. A global scan examined international best practice in clothing collection, sorting, reuse, recycling, textiles policy and clothing product stewardship.
- d. Draft recommendations were tested and refined through consultation with the Seamless Board, Finance and Audit Risk Committee (FAR), State and Territory Governments, the Circular Advisory Panel (CAP) and the Industry Steering Group (ISG).

Table 7: Key deliverables for the evidence for a scalable national stewardship model.

No.	Key deliverables
1.	Report: 'National clothing scheme: Policy, economic and financial analysis'
2.	Report: 'Evidence for change: Australia's circular clothing future' (this report)

¹⁸ Seamless (2025), [Seamless 2024 National Clothing Benchmark for Australia](#).

¹⁹ This proposed criterion is provided in section 9 of this report, 'Measuring progress'.

5.7 Program delivery timeline

Figure 7 is a timeline of the program delivery milestones.

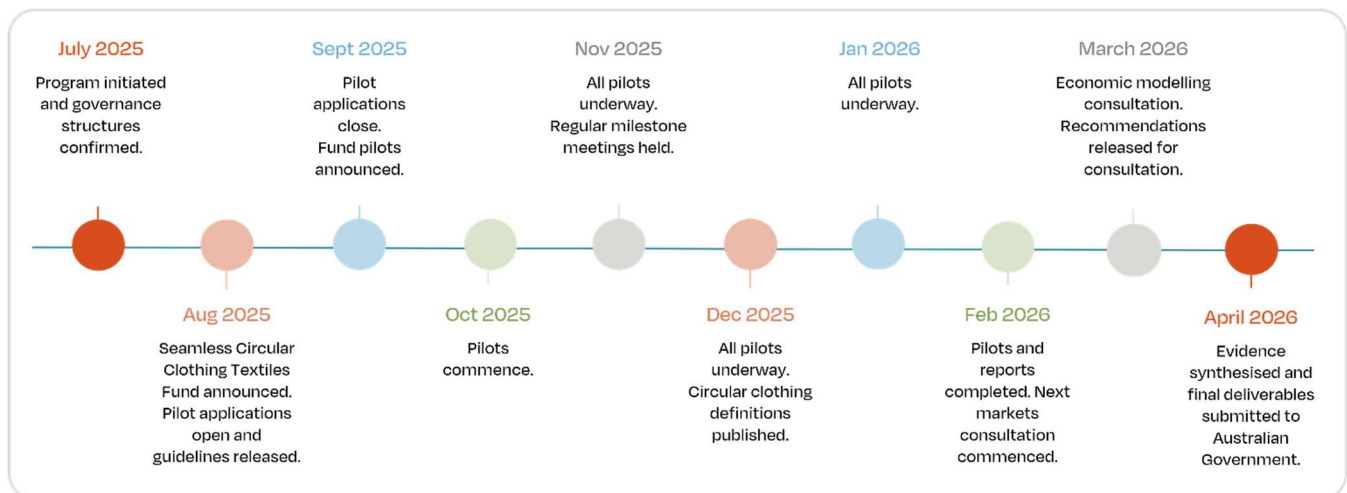


Figure 7: Program delivery milestones.

5.8 Limitations and data gaps

While the program generated a substantial evidence base, several limitations and data gaps remain:

- **Remote and regional needs:** Pilot activity was concentrated in metropolitan and larger regional areas, with limited delivery in northern Australia. The infrastructure, logistics and system design requirements of remote and very remote communities require further assessment to ensure equitable access to clothing collection, sorting, reuse and recycling services.
- **Commercial costs:** The pilots generated indicative cost data for clothing collection, sorting and recycling, but this reflects pilot-scale activity. Reliable commercial-scale data will be needed to inform investment, scheme design, funding models and fee setting. Systematic cost benchmarking across clothing recycling solutions and material types remains a priority for future data collection.
- **Extend standardised definitions and data:** While the circular clothing definitions established a shared vocabulary, more detailed definitions for textile recycling are needed to enable comparison across operators, regions and technologies. This will focus on textile material inputs, pre-processing, recycling methods, and recycled textile outputs.
- **Expanded economic analysis:** Further analysis is needed to capture the long-term value of system investment, including avoided landfill costs, domestic manufacturing uplift, learning effects and market development. Static modelling is likely to understate these benefits.
- **Onshore vs offshore pathways:** The balance between domestic and offshore processing was outside the scope of this program, including consideration of strategic partnerships with other countries.
- **Adjacent cost factors:** The modelling did not fully account for factors such as GST, payroll tax, local government charges and insurance. These influence system costs but were outside the program's scope.

6. Program evidence



The program has generated a substantial and diverse body of evidence on Australia's clothing system including its current performance, structural failures, economic impacts and the conditions required to transition the system towards circularity. This section outlines that evidence.

Evidence from the program is summarised across seven areas:

- 6.1 Scheme operations
- 6.2 Circular clothing definitions
- 6.3 Pilot outcomes
- 6.4 Next markets for unwearable clothing textiles
- 6.5 Industry engagement
- 6.6 Economic analysis
- 6.7 Global best practice

Taken together, this evidence points to a clear conclusion: **voluntary stewardship alone cannot deliver the system change required for a circular clothing economy in Australia.**

6.1 Scheme operations

Seamless has operated as a voluntary clothing stewardship scheme since 1 July 2024. During this time, strong industry relationships have been developed, and sector-specific expertise and intellectual property have been acquired, that directly inform this report.

Most clothing producers are free riders

The Seamless scheme's participation rate tells a clear story about the limits of voluntary action. Despite sustained efforts, only 3% of clothing producers in the Australian market are contributing voluntarily. This means that 97% of clothing producers operating in Australia are 'free riders'. They benefit from the impact delivered by Seamless without contributing, leaving the burden of managing clothing waste to a small group of responsible producers, as well as charities, local councils and Australian citizens.

Meanwhile, 180 organisations, from clothing collectors and sorters through to recycling and reuse operators and beyond, have signed agreements to become Seamless supporters. The majority are non-paying. This signals their readiness to support collective progress, demonstrating that momentum exists across the system but is being held back by insufficient producer participation and funding.

Limitations to eco-modulation

Seamless is the only voluntary clothing stewardship scheme in the world to have implemented eco-modulation. This is a mechanism that rewards clothing producers for designing garments for circularity – by using mono-material fibres for example. This is a significant achievement and positions Australia at the forefront of global stewardship design.

In a voluntary scheme, however, eco-modulation is compromised. Clothing producers can use it as a bargaining tool to minimise their levies, and Seamless cannot set minimum standards without risking participant exit. As a result, the scheme's ability to drive and reward better design practices is fundamentally undermined.

Fragmented systems challenge the clothing supply chain

Industry working groups convened by Seamless, covering aged inventory, uniforms, eco-modulation and taxonomy development, confirmed that clothing producers and their supply chains are hampered by cost pressures, fragmented and non-standard reporting, confusion about waste management, and the limitations of operating without a nationally coordinated framework. These are not challenges that individual brands can resolve alone, and a voluntary scheme is unable to mandate solutions.

An internationally recognised scheme

Seamless has well-established international credibility as the world's first circular clothing stewardship scheme. International circular economy bodies such as the Ellen MacArthur Foundation have sought insights on how our circular scheme is being implemented and our member funding model. Seamless has also been cited by the Global Fashion Agenda²⁰ and the United Nations Environment Programme²¹ for its industry co-design and circular features as part of its voluntary stewardship model. This signals the scheme's prominence internationally and its contribution to global dialogues on textiles governance.

Taken together, the operational evidence is clear: the structural barriers that limit Seamless, including free riding, limitations to eco-modulation and fragmented systems and reporting, are not failures of implementation. They are inherent to the voluntary participation model and cannot be resolved within it.

²⁰ Global Fashion Agenda (2025), [Mapping of Global Extended Producer Responsibility \(EPR\) for Textiles](#).

²¹ United Nations Environment Programme (2026), [Towards a Sustainable and Circular Textile Value Chain](#).

6.2 Circular clothing definitions

A shared language is vital for an effective national clothing system. Without consistent definitions, data cannot be compared, performance cannot be measured, and policy cannot be designed or enforced effectively.

To address this, Seamless partnered with industry to create a set of circular clothing definitions²² that were published in December 2025. They are a set of commonly used terms for the Australian circular clothing economy. The definitions were co-designed with more than 80 contributors from across the clothing system, including designers, manufacturers, academics, reuse and repair practitioners, recyclers, waste and resource recovery organisations, and representatives from all levels of government. The current definitions cover the ten 'R-strategies' and other related terms such as collection and sorting. The glossary included in the appendices to this report includes the relevant definitions.

Real-world testing through the pilots confirmed the value of consistent language across the value chain and identified areas where further refinement is needed as new technologies and processes emerge. The definitions are an important resource for the sector and will continue to be updated as the system matures.

Without a shared taxonomy, comparing pilot outcomes, measuring system performance and designing evidence-based policy settings is not possible. The Seamless circular clothing definitions help to establish the consistency and standards that a coordinated national system requires and will continue to evolve.

6.3 Pilot outcomes

The Seamless Circular Clothing Textiles Fund supported seven pilots across Australia. The pilots were an opportunity to test different ways to collect, sort and recycle unwearable clothing and investigate what is required to develop a national clothing system.

The pilots tested a range of ways to manage unwearable clothing, recognising that no single approach can address its scale and complexity. Instead of trying to identify one 'best' solution, the focus was on understanding the range of options that will be required for a national clothing system.

Detailed descriptions of the pilots, data and outcomes are provided in the separate report, 'Pilot data and outcomes'²³. This report was an important input to this evidence.

The pilots informed five key outcomes for how unwearables can be collected, sorted and recycled in Australia. Together, they show how citizens behave, how collection systems perform, and what is needed across sorting, recycling and next markets for recycled clothing textiles.

²² Seamless (2025), [Circular clothing definitions](#): Commonly used terms for the Australian circular clothing economy.

²³ Seamless (2026), [Pilot data and outcomes](#) from the Seamless Circular Clothing Textiles Fund.

1. **Citizens are willing, but quality control must sit with the system.** Australians are willing to dispose of unwearable clothing responsibly when convenient options are available. However, sorting accuracy is limited, so quality control must sit with the system, not citizens.
2. **Collection can increase but the system is only effective if next markets are in place.** Large volumes of clothing can be collected quickly across multiple channels, but effective systems rely on having recycling capacity and committed next markets ready from the outset, so clothing textiles flow through the system.
3. **Sorting is the control point and must align with next markets.** Clothing sorting is the critical control point and must be aligned with the requirements of recycling and next markets. Different sorting approaches serve different functions: manual sorting supports judgement-based decisions, while technology assisted and automated sorting improve throughput and fibre identification. Sorting should be matched to the intended textile output and related textile recycling specifications.
4. **Open-loop recycling is an immediate solution.** Open-loop recycling, where clothes are recycled into new, different products for use outside the clothing industry such as insulation, rags or stuffing for furniture, can process recycled clothing textiles at scale today. While markets are still developing, closed-loop recycling remains an important solution for the future to reduce reliance on virgin materials.
5. **Next market development and supportive policy are essential for a functional circular system.** Next markets for recycled clothing textiles exist, but an effective system will require stronger demand for recycled clothing textiles, investment in capability and infrastructure, and supportive policy settings.

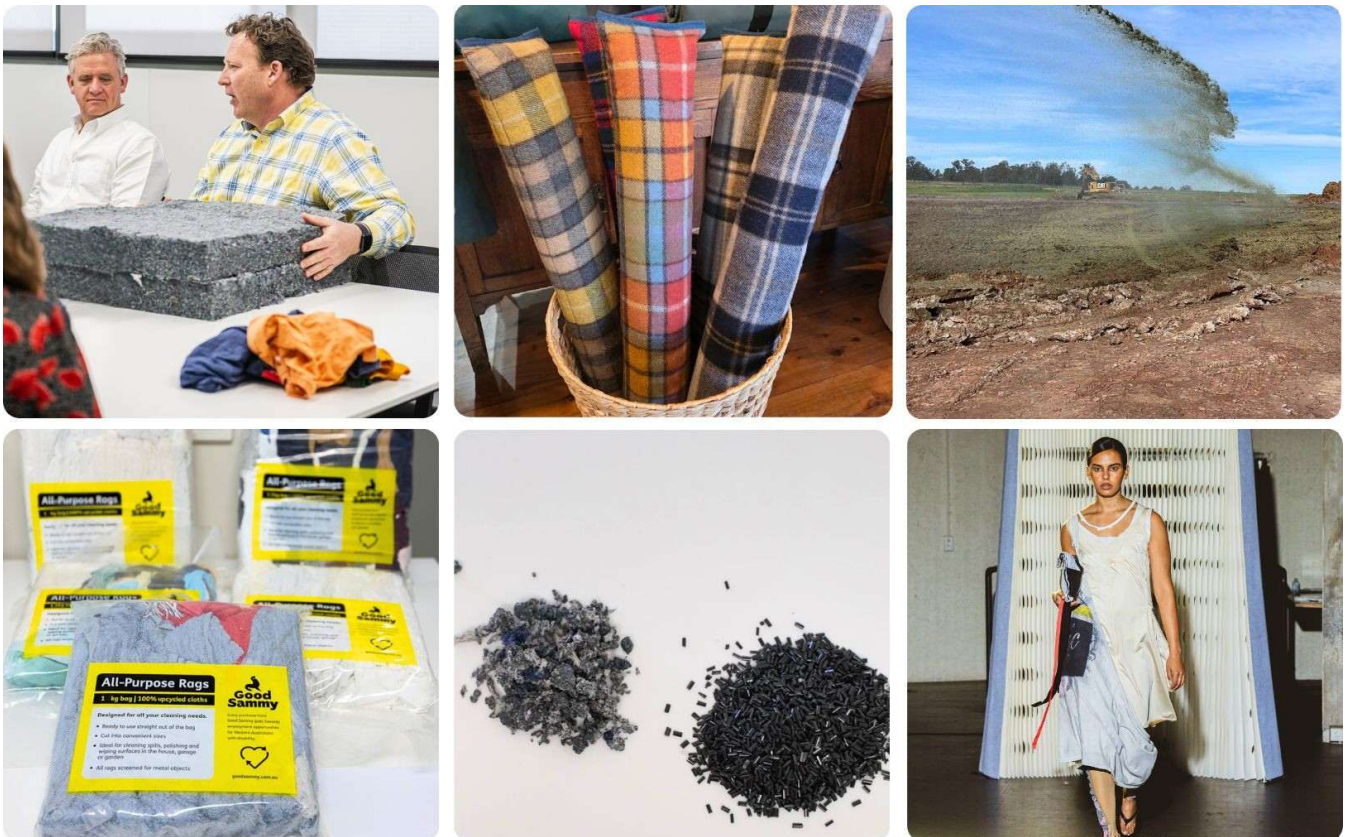


Figure 8: Recycled clothing textiles outputs from pilots.

Top row left to right: thermal insulation, stuffing for household products, hydromulch for revegetation
 Bottom row left to right: repurposed rags, recycled polyester and cellulose pellets, new garment created with ultrasonic welding

These outcomes informed the development of proposed performance criteria and requirements for a national clothing system, which are provided in section 9 of this report. They are a direct response to the Productivity Commission's recommendation that the clothing industry adopt clear performance criteria to benchmark and track progress towards a circular clothing economy in Australia. As data systems mature and industry capability grows, these metrics should be aligned with reporting and compliance frameworks, such as the National Framework for Recycled Content and Traceability.²⁴

6.4 Next markets for unwearable clothing textiles

The 'Next markets for unwearable clothing textiles' report provides the first systemic assessment of next markets for unwearable clothing textiles in Australia. It shows where markets exist, where they are emerging, and what conditions are required to make them effective and viable. The research drew on extensive industry consultation including interviews, focus groups, a discussion group and a survey completed by industry.

Findings from the research report

This report provided evidence and insights to inform the recommendations, including:

- In Australia, next markets are still underdeveloped. This limits investment across the entire system and restricts higher-value recycling. Several structural challenges contribute to this: most clothing is not designed for end-of-life recovery, with fibre blends, trims and treatments increasing processing complexity; recycling often costs more than landfill; and demand for recycled textile content remains low relative to overall volumes generated.
- Australia has an estimated capacity to recycle 22,000 tonnes of unwearables per year and recover energy from a further 64,000 tonnes, totalling 86,000 tonnes annually. Realising this capacity could deliver between \$250 and \$380 million in annual revenue for Australian businesses, support 1,200 to 2,300 direct jobs, and divert significant volumes of textile waste from landfill.
- No single recycling or next market solution can handle the scale and complexity of unwearable clothing. A mix of solutions is needed.
- Open-loop pathways are essential for the transition to a circular economy. They can absorb large volumes of mixed and lower-grade materials that cannot meet the quality requirements of closed-loop pathways. Opportunities were identified for recycled textiles outputs in the built environment (thermal and acoustic insulation), household products (filling for homewares like pet beds, cushions and draught stoppers), environmental uses (hydromulch for revegetation) and energy recovery.
- Fibre-to-fibre closed-loop recycling is a high-value pathway that turns unwearable clothing into new textiles. There is early stage but growing use of clothing derived feedstock in fibre-to-fibre applications, particularly through overseas spinning mills. Its scale is constrained by feedstock quality, limited domestic spinning capacity, and a need to integrate into international textile and manufacturing supply chains.

²⁴ Australian Government (2025), [Recycled Content Traceability](#).

- Significant opportunity exists for procurement policies, particularly in the built environment and uniforms, to signal demand for Australian recycled textile content and stimulate investment in local recycling capacity.

Findings from the survey

As part of the research on next markets for unwearable clothing textiles, Seamless published a survey to gather industry perspectives on the opportunities and market barriers.

Responses were invited across a two week period from 25 February to 11 March 2026, and 54 submissions were received from organisations across the clothing value chain including clothing brands, collectors, sorters, reuse operators and potential procurers of recycled clothing textiles.

The survey was structured into four segments, with respondents completing the relevant section:

- Producers were asked about their uptake of circular design principles and use of recycled content.
- Collectors, sorters and reuse operators were asked about interstate collection activities, sorting methods and demand for sorted material.
- Recyclers and remanufacturers were asked about their processes, capabilities, feedstock requirements, and outputs.
- Procurers of recycled textile outputs were asked about the type of products or commodities they purchase and the benefits of procuring outputs using Australian recycled textiles.

All participants were asked about the factors influencing the circular solutions that their organisation offers, the future workforce opportunities in clothing collection, sorting, reuse and recycling, and the policy drivers for increasing clothing textiles recycling in Australia.

Most important drivers to increase textiles recycling

In the survey, respondents were asked to rank the drivers which have the potential to increase recycling of Australian clothing textiles, with 1 being the driver which will have the greatest impact and 10 being the least significant. The top five drivers were:

1. **Investment in recycling and remanufacturing infrastructure in Australia:** 67% of respondents ranked this in their top four drivers, and for 19% it was their number one driver.
2. **Regulate mandatory clothing product stewardship:** 55% of respondents ranked this in their top four drivers, and for 24% it was their number one driver.
3. **Implement bans on sending textiles to landfill:** 50% of respondents ranked this in their top four drivers, and for 11% it was their number one driver.
4. **Government procurement policy to prioritise Australian recycled content:** 41% of respondents ranked this in their top four drivers, and for 17% it was their number one driver.
5. **Implement export bans on unwearable clothing:** 41% of respondents ranked this in their top four drivers, and for 5% it was their number one driver.

6.5 Industry engagement

Seamless prioritises industry engagement and collaboration. It is reflected in its values, its Code of Commitment²⁵ and day-to-day operations. The program was designed to ensure that all key deliverables, findings and recommendations were shaped by broad, balanced and ongoing consultation across the Australian clothing value chain.

Across the program, Seamless convened three industry forums: the Circular Advisory Panel (CAP), the Industry Steering Group (ISG) and the Seamless State and Territory Government roundtable.

The industry's peak bodies – Australian Council of Recycling (ACOR), Australian Fashion Council, Australian Retail Council (ARC), Charitable Reuse Australia, National Online Retailers Association (NORA), and the Waste Management and Resource Recovery Association (WMRR) – were all part of the ISG and were closely involved throughout the program. This engagement built a clearer understanding of each organisation's role, priorities and challenges, and highlighted where their positions do not always align.

Additionally, Seamless members and supporters were engaged continuously through pilot projects, working groups, surveys and events. High-volume clothing producers, many of whom are currently free riding on the impacts of Seamless, were kept informed through targeted briefings.

Producer's perspectives were also actively sought through a targeted focus group as part of the next markets research. This reinforced the important role of clothing producers in stimulating next markets for unwearable clothing. This level of engagement will help Seamless to establish an industry-funded approach to next market solutions.

The consistent message from across the stakeholder base was unambiguous: the scale of change required for the clothing system cannot be achieved by any single organisation working alone. Stakeholders overwhelmingly identified the need for Seamless to be appropriately and sustainably funded by clothing producers in order to coordinate the system-level response the sector requires.

6.6 Economic analysis

An independent organisation, RPS Consulting, prepared a report, 'National clothing scheme: Policy, economic and financial analysis.' This report assessed whether a national industry-funded clothing stewardship scheme can be justified on economic grounds and operationally feasible.

On balance, the report finds that a national clothing scheme is viable, but only if it is designed as a whole-of-system intervention. Moreover, the scheme will require complementary policy settings, including procurement preferences for scheme members and products with recycled content, and import-related settings that prevent low-value direct-to-consumer sellers from avoiding contribution.

²⁵ Seamless [Code of Commitment](#) for Seamless members and supporters

In combination, these measures would improve participation, strengthen market signals and increase the likelihood that the scheme delivers lasting environmental and economic outcomes.

The analysis also confirms that the costs of inaction are not neutral. Continued reliance on voluntary participation means ongoing free riding, fragmented investment, and a system that transfers the true cost of clothing waste onto taxpayers, councils and charities, rather than the producers responsible for it.

Taken together, the economic evidence confirms that an industry-funded national clothing stewardship scheme represents net positive value for Australia economically, environmentally and socially.

6.7 Global best practice

Australia is not developing its clothing stewardship system in isolation. Seamless maintains an actively updated library of Australian and international references, including stewardship schemes across other product categories, emerging global textiles regulation, and the latest policy and academic research.

Internationally, evidence consistently demonstrates that voluntary stewardship schemes do not deliver the national reach, scale, investment capacity or full producer compliance necessary for circular systems change. Countries that have implemented mandatory producer obligations have achieved significantly greater waste diversion, recycling investment and producer accountability than those relying on voluntary arrangements.

The Australian evidence also points to important differences that international models do not fully address. Most EU schemes have prioritised collection infrastructure as the starting point for system development. Evidence from the pilots supported by the Seamless Circular Clothing Textiles Fund suggests that collection is not the primary constraint in Australia. Locally, public willingness is high and collection infrastructure, while sometimes fragmented, is more developed than next markets for recycled outputs.

The more urgent priority in Australia is building the demand-side conditions that encourage investment and development of next markets for clothing textiles. This is a meaningful departure from the European experience and has implications for how Australia prioritises its system development.

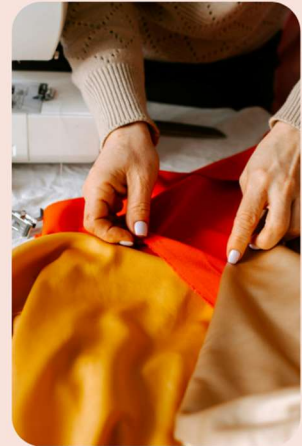
Following is an example of international best practice for product stewardship organisations which draws on a range of sources from the UK²⁶, EU,²⁷ OECD²⁸ and Poland.²⁹

International best practice for product stewardship

Guidance from the UK and the OECD shows that product stewardship organisations (PSOs) and producer responsibility organisations (PROs) operate most efficiently with clear, enforceable rules and mandatory producer obligations.

Mandatory producer obligations fairly distribute responsibility and provide the funding and expert management for the full lifecycle of clothing, from design, labelling and citizen education, to collecting, sorting, reuse, repair, recycling and reporting. Key outcomes of successful stewardship schemes include producer accountability across the full product life cycle, efficient service delivery and transparent compliance.

One not-for-profit PRO for a single product category is widely recognised as the most effective governance model. Countries that once allowed competing for-profit PROs such as Germany, the UK, Poland and Slovenia (for packaging) have had to reform their systems.



6.8 What the evidence shows

In summary, the evidence points to a clear conclusion: the barriers preventing Australia from transitioning to a circular clothing system, including free riding, fragmented investment, underdeveloped next markets, inconsistent data, and the absence of coordinated national infrastructure, cannot be addressed through voluntary action alone. These are systemic problems that require a coordinated, national response. The recommendations in the next section are grounded in these findings.

It is also important to note that much of what the program has produced, including the circular clothing definitions, data frameworks, performance criteria and collaborative partnerships, has value beyond the clothing sector. As Australia develops a broader product stewardship framework, the infrastructure and insights developed by Seamless offer a model that can be applied to other product categories. This means the investment in this program contributes not only to clothing circularity, but also to Australia's national circular economy agenda.

²⁶ Waste Resources Action Plan (WRAP) (2026), [10 Point blueprint for EPR](#).

²⁷ Expra (2025), [Golden Rules for Extended Producer Responsibility in C&I](#).

²⁸ OECD (2016), [Extended Producer Responsibility: Guidance for Efficient Waste Management](#)

²⁹ CMS (2025), [Poland's New EPR Act: Key Changes for Packaging Producers](#).

7. Key recommendations



The evidence underpins recommendations for the continued development of a coordinated national system for clothing collection, sorting, reuse and recycling in Australia.

This system is needed to address the scale of clothing waste and support the transition to a circular clothing economy.

These recommendations align with the Australian Government's circular economy targets, the activities and timeline for textiles set out by the Productivity Commission, and commitments made at the Environment Ministers Meeting in March 2026.

7.1 Summary of recommendations

The evidence presented in this report leads to a clear conclusion: Australia needs a mandatory, nationally coordinated stewardship scheme to address clothing waste and enable a circular clothing economy.

As the urgency to transition Australia to a circular economy grows, reform is underway, but it will take time. To make progress during this period, four recommendations focus on building momentum: piloting solutions to manage post-consumer clothing, developing next markets for recycled textiles, introducing compulsory data reporting, and providing greater regulatory certainty. Figure 9 summarises these recommendations, with the following pages outlining each in more detail. Each recommendation has a proposed funding model that has been provided to the Australian Government.

Australia requires a mandatory, nationally coordinated stewardship scheme to address the clothing waste challenge and achieve a circular clothing economy.

Recommendations for immediate implementation:



Figure 9: Summary of recommendations.

How a clothing stewardship scheme works

A clothing stewardship scheme is based on a core principle: producers that put clothes on the market take responsibility for the full life of their garments - from design through to reuse, recycling and end of life. Many stewardship schemes already operate in Australia, covering products such as mobile phones, printer cartridges, plastics, containers, mattresses, tyres, batteries and oil.

Seamless is Australia's clothing stewardship scheme and the world's first circular product stewardship scheme. In a clothing stewardship scheme, producers pay a contribution for every garment they place on the Australian market. These contributions are pooled to fund a national system that collects, sorts and recycles clothing, recovering valuable textile resources responsibly.

Seamless is currently voluntary, with around 3% of producers participating. Introducing a mandatory scheme would require all producers placing clothing on the Australian market to join and contribute, including both large and small brands, Australian and international.



7.2 Recommendations

Circular economy policy, legislation and product stewardship regulation is being prioritised through nationally coordinated reform - a process that takes time. The following recommendations are designed to make the most of that time.

Implementing these recommendations will prepare the clothing value chain for the transition to a mandatory, nationally coordinated stewardship scheme, which is the only viable response to Australia's clothing textile waste challenge.

- 1. Run pilots with State and Territory Governments to accelerate place-based solutions for collecting, sorting, processing, reusing and recycling clothing.**

Overview

Further rounds of the Seamless Circular Clothing Textiles Fund are proposed, with pilots to be delivered across states and territories. Pilots would run for one to two years testing localised clothing collection, sorting, reuse, recycling and remanufacturing, generating cost and performance data which can inform state policy and national reform.

These state and territory based pilots would leverage the governance, process and data framework established in 2026 by Seamless through the Circular Clothing Textiles Fund. The existing Seamless State and Territory Government roundtable would be the advisory body to guide integration, so pilots generate maximum benefit from the investments.

Supporting evidence

Australia currently has no coordinated, scalable system to divert clothing from landfill. This is evidenced by the following findings.

- **Citizens are willing, but no solution for unwearables exists.** Pilots showed that Australians are willing to dispose of unwearable clothing responsibly. However, without a clear solution, unwearables are still being sent to charities, household waste or illegally dumped. While more services are emerging, they are not available nationwide, are often inaccessible in regional and remote areas, and cannot process current volumes.
- **Unwearable clothing presents material complexity.** Post-consumer garments are often soiled, made from mixed fibres, and include hard trims and fixings. This complicates sorting, processing and decommissioning and increases recycling costs. This limits the volumes and commercial viability of next markets for unwearable clothing.
- **Collection infrastructure is geared to reuse, not recycling.** Existing clothing collection systems are designed for wearable items. Pilots confirmed that expanding this infrastructure to include unwearables is viable, but requires dedicated collection points, workforce capability, clear signage, ongoing education, and viable pathways to next markets.
- **Sorting practices don't meet recycling needs.** Sorting is largely manual and designed for reuse. Sorting for recycling requires different criteria, including fibre composition, chemical treatments and decommissioning requirements. Pilots showed this can be achieved with automated machinery, with one pilot reprogramming existing paper and cardboard sorting technology to process textiles. Significant workforce development and capital investment are needed to handle the 428,500 tonnes of clothing that are discarded from wardrobes annually.
- **Recycling capacity is emerging and geographically dispersed.** Australia can currently recycle around 22,000 tonnes of unwearables annually, with energy recovery for a further 64,000 tonnes, for a total of 86,000 tonnes annually. Recycling facilities are not currently located in precincts or in close proximity to sorting facilities, creating high transport costs and inequitable access. A coordinated, place-based approach is needed across states and territories.
- **Next markets are underdeveloped.** Policy settings and demand-side incentives for recycled textiles are not in place, limiting investment in clothing collection, sorting and recycling infrastructure.
- **Workforce capability gaps exist** across the post-consumer textile system. These include technical skills in areas such as material identification, fibre grading, automated sorting, recycling operations and advanced manufacturing.

Outcomes

Coordinated investment in pilot projects supported by State and Territory Governments, will deliver the following outcomes.

- Matched and in-kind private sector investment will complement public funding.
- Longer-term pilots will be delivered over one to two years that generate the cost and performance data needed for investment and policy decisions, as well as structured support payments for service providers.
- Partnerships with charities and reuse operators will be strengthened while developing recycling solutions for unwearables.
- Local workforce capability will be built across clothing reuse, recycling and remanufacturing.
- Consistent, credible data will be generated to support evidence-based policy and the regulatory transition to 2029.
- Shared circularity language will be embedded across the sector through practical application.
- Scalable domestic post-consumer clothing solutions will be established that align with national and state circular economy goals and are scalable beyond the pilot.

2. Undertake collaborative research and development, funded by clothing producers, to develop and commercialise Australian next markets for recycled clothing textiles.

Overview

Under this recommendation, clothing producers would commit to pooled, long-term investment in innovation. The focus would be on scaling circular business innovation, market development and domestic next market solutions for Australian recycled clothing from early-stage trials to commercial markets.

Before clothing stewardship is regulated, a structured R&D fund would be established under the oversight of an Innovation Advisory Board made up of contributing producers, reporting to the Seamless Board. As a first step, a Market Development Working Group would identify and prioritise potential R&D projects before formalising partnerships, securing funding and establishing governance arrangements. The APAC Circular Economy Research Network would play a key coordination role, connecting contributing producers with suitable research partners and helping them access available R&D tax incentives.

Supporting evidence

Next markets for recycled textiles in Australia remain underdeveloped, with limited onshore recycling and few settings to stimulate increased demand. This is evidenced by the following findings.

- **Limited R&D investment and demonstration activity.** Moving from proof-of-concept to commercial markets requires product testing, market validation and partnership structures that can scale over time. Investment from clothing producers in recycled textile innovation remains early-stage, with very few long-term off-take commercial agreements and a low level of interest in shared market outcomes.
- **No agreed standards or product specifications.** Without clear quality benchmarks, recycled content thresholds or performance requirements, buyers lack confidence to commit to using recycled textile products, and procurement teams lack the tools to specify requirements consistently.
- **Weak demand through public and private procurement.** Government and large private buyers have strong potential to stimulate demand for recycled textiles, particularly in uniforms and the built environment, by setting recycled-content targets. While some procurement policies exist, they are not consistently applied or rolled out across all levels of government and large organisations.
- **Ongoing price and adoption barriers.** Recycled and next-generation materials often face higher early costs, limited production volumes and manufacturing challenges. Coordinated investment by clothing producers can help reduce risk and support market development through shared trials, staged commitments and investigating price-parity mechanisms.

Outcomes

Investment to develop and commercialise Australian next markets for recycled clothing textiles will deliver the following outcomes.

- Establishment of a Market Development Working Group to scope R&D projects for short, medium, and long-term horizons. These will advance proof-of-concepts to the next stage of broader commercialisation including product testing and market validation.
- Governance establishment in the form of an Innovation Advisory Board to coordinate investment, and oversee research partnerships, aligned with the Seamless strategic priorities.
- Innovation in recycling technologies, regenerative materials and mechanisms will be supported that decouple price premiums at early stages to enable adoption and drive the commercialisation of innovations.
- Research outcomes on material and product performance will be developed to support product standards and recycled-content specifications to give procurers the confidence to buy recycled textiles.
- Public and private sectors will procure increasing volumes of recycled content products through targets and supportive policies for uniforms and built environment applications.
- Greater investor confidence to expand domestic recycling and remanufacturing capacity through demonstrated off-take agreements.

3. Mandate standardised data reporting across the clothing value chain to establish a national system baseline and regulatory readiness.

Overview

This recommendation proposes that the Australian Government make standardised national performance reporting compulsory for clothing producers, retailers, collectors, sorters and remanufacturers. A centralised framework would provide a consistent national view of clothing flows, circular activities and performance against national targets. This is in line with the Productivity Commission's recommendation for enhanced monitoring and public transparency measures to create greater accountability for textiles businesses.

Supporting evidence

There is currently no standardised data assurance framework that captures clothing data and measures progress to drive continuous improvement and inform policy and regulation. This is evidenced by the following:

- **Voluntary reporting produces incomplete material flow data.** All Seamless members report annually on clothing volumes, but their ability to report on fibre composition, aged inventory and end-of-life outcomes varies. Non-Seamless members and post-consumer service operators are not required to report, leaving significant gaps in national coverage.
- **Clothing import data under-represents what enters Australia.** Most direct-to-consumer shipments fall below the \$1,000 low-value goods threshold, so a large and growing share of clothing is not captured in national data, particularly from international online retailers with rapidly increasing Australian sales.
- **No shared data infrastructure or common terminology.** There is no central reporting framework, and standard circularity terms are not yet consistently used across the product lifecycle. Data is collected using different definitions, methods and functional units, making it difficult to aggregate or assess performance against national targets.
- **Jurisdictional position on textile waste varies.** Not all states and territories treat textiles as a priority, and very few audit textile volumes entering landfill. This limits national coordination and slows state-level reform to help local governments manage the growing textile waste stream.
- **No alignment with international reporting standards.** Global standards and producer responsibility requirements, particularly in the EU, are evolving quickly. Without alignment, Australian organisations face duplicated reporting, a low level of readiness ahead of regulation and limited ability to benchmark globally.

Outcomes

Compulsory reporting and assurance by the clothing value chain will deliver the following outcomes.

- Establish common metrics that enable effective monitoring, evaluation and reporting across the clothing value chain.
- Elevate clothing textiles as a priority waste stream for all State and Territory Governments, driving national coordination and accountability.
- Enable consistent, reliable monitoring and comparison of system performance over time.
- Embed a shared data framework and language across the clothing value chain to enable collaboration.
- Establish Seamless as the national data coordination point to build reporting infrastructure, provide third party assurance and drive continuous improvement in data quality.
- Support transparent public reporting and accountability to demonstrate system outcomes to Australians, government and industry.
- Align Australia with EU standards and emerging product stewardship data frameworks to help build industry readiness for future regulation.

4. Set a target to introduce mandatory clothing stewardship by 2029, with a clear plan to achieve it.

Overview

This recommendation proposes that the Australian Government set a target for mandatory clothing stewardship by 2029 and publish a clear implementation plan for industry. This plan would outline actions, responsibilities, timelines, performance criteria, co-investment requirements and the role of Seamless, in line with the Productivity Commission's recommendation.

Supporting evidence

Without a clear regulatory pathway, progress toward a circular clothing economy will be slow. This is evidenced by the following findings.

- **Regulatory uncertainty is being used to justify inaction.** The threat of regulation to address clothing waste raised in 2023 is now being used by some clothing producers to delay participation in responsible stewardship until a clear deadline is set.
- **Free riding behaviour is widespread.** Around 97% of the Australian clothing market by volume is currently free riding, including some of the country's largest and most profitable organisations.

- **No level playing field for producers.** Without mandatory obligations, responsible clothing producers that invest in stewardship carry costs that others avoid, creating a significant competitive disadvantage. This will continue until all relevant producers are required to contribute on fair and equitable terms.
- **Voluntary levy revenue is not enough to drive system transition.** Current funding from voluntary participation cannot support the full range of activities needed, including support payments which cover the operational costs of post-consumer services, next market development and workforce capability building. Without stable, predictable revenue, industry action will be incremental and progress will be slow.
- **Growth of low-cost, low-quality clothing is undermining system viability.** Increasing volumes of low-cost, low-quality clothing are weakening reuse markets and reducing the quality of recycling feedstock. Without regulation and supporting measures, waste to landfill will continue to rise and clothing lifecycle impacts will worsen.

Outcomes

A clear pathway to mandatory clothing stewardship by 2029 will deliver the following outcomes.

- Industry will be provided with clear timelines and conditions for regulation by 2029 if voluntary uptake and system performance is unsatisfactory.
- Leadership from clothing producers will be encouraged through early participation and investment in scheme development.
- Government will be given time to complete a cost-benefit analysis and select the most appropriate stewardship model.
- Signal to State and Territory Governments that clothing textiles are a priority waste stream, supporting coordinated action across sustainable procurement policy, recycled content targets and policy reform.
- Co-investment in Seamless, by procurers and government, to support an orderly transition to an effective stewardship model, where financial support from government is structured to be cost-neutral.

7.3 Pathways to regulation

Determining the way forward

These recommendations were tested against three future scenarios to support progress toward the National Waste Policy Action Plan and the National Circular Economy Framework (2024), while contributing to Australia’s climate commitments. The scenarios are:

1. Maintain the status quo
2. Build momentum through shared investment, and
3. Introduce regulated clothing stewardship funded by producers.

The evaluation considered how each scenario affects producer participation, resource recovery, policy and investment activity and risks to delivering clothing stewardship outcomes.

Table 8: Recommendations tested against three future scenarios.

Area	Maintain the status quo	Implement the recommendations to enable transition to regulation	Move immediately to full regulation
Producer responsibility % of clothing producers contributing	2-3% of clothing producers contributing Current voluntary membership	3-35% of clothing producers contributing Early adoption	Full compliance 100% of clothing producers contributing
Resource recovery rate Proportion of clothing reused, recycled, recovered divided by total clothing discarded.	<47% resource recovery rate Decline expected as export markets weaken. Wearable clothing diversion only.	>55% resource recovery rate Operating at full domestic recycling capacity (22,000 tonnes), with 20,000 tonnes diverted to thermal recovery. Reuse volumes maintained.	Resource recovery rate towards 80% Achieving national landfill diversion target
Policy and investment activity	Maintain voluntary clothing scheme	Shared investment to 2029: <ol style="list-style-type: none"> 1. Deliver place-based pilots 2. Long range investment in R&D 3. National data systems and performance reporting 4. Regulatory transition pathway with early adopters rewarded 	Regulated scheme

Area	Maintain the status quo	Implement the recommendations to enable transition to regulation	Move immediately to full regulation
Risk to delivering clothing stewardship outcomes	<p>Regulatory ambiguity reinforces producer unaccountability.</p> <p>Continued producer apathy stalls progress across all circularity metrics.</p> <p>Landfill pressure grows with costs borne by taxpayers.</p> <p>Increasing Seamless member attrition.</p> <p>Limited circular clothing design and circular business model uptake.</p> <p>Low investor confidence constrains processing capacity.</p> <p>Rise in volume of low cost clothing with no supportive measures to drive equitable participation (for example, the ability to capture volumes below the low-value goods threshold and regulate product standards).</p> <p>Weak demand for recycled textiles with no supportive measures to drive offtake or additional domestic recycling capacity.</p>	<p>Continued regulatory uncertainty reinforces producer unaccountability.</p> <p>Underinvestment in recommended actions diminishes impact and outcomes.</p> <p>Jurisdictional fragmentation if textiles are not prioritised across all states and territories, impacting national coordination.</p>	<p>Lack of enforcement leads to low compliance.</p> <p>End-of-life activities prioritised over whole-of-life outcomes; circular design opportunities lost.</p> <p>Potential loss of Seamless' institutional knowledge and industry goodwill.</p>

The conclusion is clear. Maintaining the status quo is not impact neutral. The most feasible path is a phased transition to regulation, supported by shared investment, shifting responsibility from taxpayers to producers while maintaining the momentum built by Seamless.

A funded transition with clear regulatory signals from Government, will increase the clothing resource recovery rate to greater than 55% and encourage more producers to contribute, with estimates showing that up to 35% of the total market may join as early adopters ahead of regulation.

Without this transition, Australia risks moving from a weak voluntary scheme straight into regulation without the systems, markets, data or capability needed to make it work. The risks of maintaining a voluntary scheme are too great, and the case for a phased, coordinated transition to regulation is strong.

8. Implementation plan

Australia needs a mandatory, nationally coordinated stewardship scheme to address clothing waste and enable a circular clothing economy. The recommendations in this report will prepare the sector for the transition to regulation, and the implementation plan sets out a timeline for the key activities needed to deliver them.

The recommendations in the previous section of this report align with the Australian Government's circular economy targets, the activities and timeline for textiles identified by the Productivity Commission, and commitments made at the Environment Ministers Meeting in March 2026. This ensures all activity is working toward shared objectives and outcomes to deliver Australia's circular economy agenda.

For each recommendation, a clear set of activities, stakeholders, target outcomes and performance measures have been defined. These are outlined in the outcomes framework and implementation plan on the following pages.

8.1 Outcomes framework

Implementing the four recommendations will deliver outcomes across the short, medium and long term. These are outlined in the table on the next page, along with the performance measures and indicators for each. Together, they form the outcomes framework for the transition to regulation.

The activities required to deliver these outcomes are then detailed in the implementation plan on the following pages.



Table 9: Outcomes framework for the transition to regulation.

Recommendation	Outcomes	Performance measures	2035 targets
<p>Run pilots with State and Territory Governments to accelerate solutions for collecting, sorting, processing, reusing and recycling clothing.</p>	<p>Short-term: Increased volume of clothing diverted into tested collection, sorting and reuse or recycling pathways.</p> <p>Medium-term: More consistent, regionally accessible post-consumer clothing solutions operating across Australia, with improved cost and performance data.</p> <p>Long-term: A nationally scaled clothing system is in place that reduces landfill and export reliance, with balanced roles across charities, recyclers and industry.</p>	<p>More clothing is managed through effective domestic pathways that keep materials in use for longer, reduce waste to landfill, and improve the resilience and efficiency of Australia's post-consumer clothing system.</p>	<p>The 2035 targets set out by the Productivity Commission are the performance indicators for all outcomes.</p>
<p>Undertake collaborative research and development, funded by producers, to develop and commercialise Australian next markets for recycled clothing textiles.</p>	<p>Short-term: Increased number of multi-partner pilots linked to real product design and future applications for end users.</p> <p>Medium-term: Validated product pathways and recycled-content applications (for example, uniforms, built environment) with demonstrated performance and demand.</p> <p>Long-term: Established, repeatable models for clothing collection, sorting, processing and end-market integration nationally.</p>	<p>Collaborative innovation is translated into scalable national approaches that accelerate circular product and market development for clothing textiles.</p>	<p>The targets are:</p> <p>Double the circularity rate</p> <p>Reduce materials footprint by 10%</p>
<p>Mandate standardised data reporting across the clothing value chain to establish a national system baseline and support regulation.</p>	<p>Short-term: A shared dataset capturing clothing flows across collection, reuse, recycling and disposal pathways.</p> <p>Medium-term: Consistent definitions, reporting standards and traceability frameworks adopted across the clothing value chain.</p> <p>Long-term: A transparent, data-driven system that supports continuous improvement in clothing stewardship design, policy decisions and system-wide accountability.</p>	<p>Decision-making across government and industry is informed by trusted data, consistent reporting and increased system transparency, enabling more effective policy, investment and clothing stewardship outcomes.</p>	<p>Increase materials productivity by 30%</p> <p>Safely recover 80% of resources</p>
<p>Set a target to introduce mandatory clothing stewardship by 2029, with a clear plan to achieve it.</p>	<p>Short-term: Clear regulatory pathway and increased industry participation in clothing reporting, pilots and funding mechanisms.</p> <p>Medium-term: Stronger demand signals (procurement, recycled content) and increased investment in infrastructure and next markets for clothing textiles.</p> <p>Long-term: A nationally coordinated, industry-funded clothing stewardship system operating at scale. Establishment costs are borne by all participants, high levels of participation provide a stable financial base, and collaborative activities improve environmental and economic outcomes.</p>	<p>Australia transitions to circular, national clothing stewardship where producers fund end-of-life management, circular markets grow, and environmental, economic and public-value outcomes are improved. Progress is also publicly reported over time.</p>	

8.2 Implementation plan

The implementation plan outlines the activities needed to deliver the outcomes set out in the framework.

Short-term activities (within one year) focus on strengthening current clothing pathways. The second phase (one to three years) delivers actions that build the market and policy conditions needed for scale. The third phase (three to five years) supports the transition to regulation if voluntary uptake and system performance remain insufficient.

Within each phase, activities are grouped by the organisation that is the primary stakeholder.


Importantly, some activities will deliver investment and capability benefits beyond the clothing sector, supporting other Australian product stewardship schemes and global supply chains. These broader impacts are indicated with the  icon in the plan below.

Table 10: Implementation plan.

Develop current pathways (0 – 1 years)	Create market and policy conditions (1 – 3 years)	Transition to regulation (3 – 5 years)
Primary stakeholder: Australian Government		
<ol style="list-style-type: none"> Extend and expand further rounds of the Seamless Circular Clothing Textiles Fund enabling longer pilots that generate robust cost and performance data and support the transition from pilot-scale to national clothing collection, sorting, reuse and recycling. Mandate national performance reporting by all producers, retailers, collectors, sorters and remanufacturers to establish a baseline for clothing volumes, reuse, and recycling. Publish circularity performance criteria, targets and public reporting requirements for all clothing brands and retailers, aligned with the Productivity Commission recommendations. 	<ol style="list-style-type: none"> Finalise an intergovernmental agreement for nationally consistent product stewardship.  Commission a cost-benefit analysis to determine an effective regulated model and supportive measures.  Consistently apply the Commonwealth Environmentally Sustainable Procurement Policy to require minimum levels of domestically recycled textile content in built environment applications and uniforms.  Support research, development and demonstration projects that connect recycling and remanufacturing to priority next markets.  	<ol style="list-style-type: none"> Implement a regulated clothing stewardship scheme should voluntary uptake and system performance remain insufficient to meet agreed circular economy objectives and targets. Establish levy structures based on verified system costs across clothing collection, sorting, reuse and recycling, market development and administration, and apply a levy premium for establishment expenses to parties who do not voluntarily contribute (free riders) during the transition period.

Develop current pathways (0 – 1 years)	Create market and policy conditions (1 – 3 years)	Transition to regulation (3 – 5 years)
<ol style="list-style-type: none"> 4. The Department of Climate Change, Energy, the Environment and Water (DCCEEW) to engage on accreditation of Seamless as a voluntary product stewardship scheme under the Recycling and Waste Reduction Act 2020. 5. Establish a provisional capital fund for national not-for-profit product stewardship schemes, cost-neutral to government, to support early transition investment. ↗ 	<ol style="list-style-type: none"> 5. Assess options for capturing clothing volumes entering Australia below the \$1,000 low-value goods threshold, with a view to incorporating direct-to-consumer import data into the national performance baseline. 	<ol style="list-style-type: none"> 3. Strengthen national circular economy policy settings, including consistent procurement implementation and transition to regulated compliance. ↗
<p>Primary stakeholder: Producers (clothing brands)</p>		
<ol style="list-style-type: none"> 1. Join Seamless early and access the loyalty credit to recognise early participation once regulation takes effect. 2. Partner on pilots, supplying clothing, expertise and data to build operational stability, improve system learning and support workforce development. 3. Engage in early procurement trials and collaborative R&D projects to test recycled textile outputs. 4. Participate in interim reporting and provide baseline and ongoing performance data to Seamless. 5. Participate in Seamless circular clothing design training and incentives for eco-modulated products. 6. Participate in Seamless-led co-designed minimum recycled-content standards and targets and provide data on current sourcing and product capabilities to inform them. 	<ol style="list-style-type: none"> 1. Invest in scaling clothing collection, sorting, reuse, recycling and remanufacturing pathways that show potential in pilot environments. 2. Begin aligning operations and sourcing practices with stewardship data requirements. 3. Through R&D and collaborative pilots, incorporate recyclable and recycled textile outputs into products, uniforms and material streams. 4. Support traceability, labelling and product information requirements that improve transparency and consumer decision-making. 5. Commit to continuous improvement in circular design and circular business models, reducing the impact per garment and the overall volume of clothing placed on the Australian market. 	<ol style="list-style-type: none"> 1. Comply with all regulated stewardship obligations including levy contributions, reporting and participation in approved recycling and recovery pathways. 2. Fund recycling and recovery pathways through Seamless and integrate circular design, recycled content and end-of-life planning into products and supply chains. 3. Meet all national reporting, product stewardship and levy or contribution requirements, supporting transparency, accountability and system optimisation. 4. Commit to long-term offtake agreements for domestically recycled textile outputs.

Develop current pathways (0 – 1 years)	Create market and policy conditions (1 – 3 years)	Transition to regulation (3 – 5 years)
Primary stakeholders: State and Territory Governments		
<ol style="list-style-type: none"> 1. Support Seamless Circular Clothing Textiles Fund pilots across regions through co-investment, ensuring pilots respond to local community needs, infrastructure and logistics constraints and capability gaps. 2. Begin aligning state and territory definitions, reporting and measurement frameworks with national standards to enable consistent aggregation and public reporting. ↗ 3. Develop a state or territory reuse and repair strategy, that includes nationally coordinated citizen education initiatives with campaigns supported by local government. ↗ 	<ol style="list-style-type: none"> 1. Co-invest in infrastructure in clothing collection, sorting, recycling and remanufacturing that responds to local and regional needs, logistics constraints and capability gaps. ↗ 2. Align state and territory policies and regulatory settings with national stewardship direction, including the adoption of sustainable procurement practices for uniforms and workwear, including recycled textile-content targets by 2030. 3. Where appropriate, make funding for social infrastructure contingent on circularity outcomes as a productivity driver. ↗ 	<ol style="list-style-type: none"> 1. Enforce nationally aligned reporting and regulatory requirements for clothing stewardship. ↗ 2. Co-invest in targeted infrastructure, market support and workforce development where needed to address regional gaps. 3. Adopt consistent circular procurement requirements across jurisdictions and enable national system alignment supported by ongoing stewardship settings.
Primary stakeholder: Seamless		
<ol style="list-style-type: none"> 1. Collect, analyse and publish consistent data on costs, yields and performance data from pilots. 2. Establish a national baseline dataset capturing clothing flows and system performance, including indicative costs across clothing collection, sorting, reuse, recycling and recovery pathways to inform scheme design and investment decisions. 3. Implement a national reporting system and coordinate supply chain participation. ↗ 4. Update circular clothing definitions to refine existing terms and include new terms. 5. Establish citizen education initiatives to encourage responsible donation of wearable clothing to charity reuse operators. 	<ol style="list-style-type: none"> 1. Build on existing levy and scheme design work to finalise the financial and operational settings for a regulated clothing stewardship scheme, including an eco-modulation framework and an early adopter credit mechanism that shares establishment costs equitably. 2. Translate pilot outcomes into practical standards, performance benchmarks and cost assumptions that directly inform continuous improvement in scheme design, infrastructure investment and policy development. 3. Support optimised stewardship levy and likely pricing pass-through that reflects continuous learning and cost efficiency over time. 	<ol style="list-style-type: none"> 1. Operate as the mandatory national coordinator responsible for scheme administration, data aggregation, performance monitoring, compliance support and system optimisation. 2. Support industry in the transition to the regulated clothing scheme and lead continuous improvement over time, including reviewing performance criteria, cost assumptions and operational settings as system capability matures. 3. Maintain the role of transition broker for place-based initiatives, act as the government and industry interface and oversee network governance that drives targeted environmental and social outcomes.

Develop current pathways (0 – 1 years)	Create market and policy conditions (1 – 3 years)	Transition to regulation (3 – 5 years)
<ul style="list-style-type: none"> 6. Engage with DCCEEW to become an accredited stewardship scheme under the RAWR Act. 7. Convene a Market Development Working Group to scope pilots; connect recyclers, producers and buyers; define product specifications; and support procurement alignment and requirements for offtake agreements. 8. Work with brands, recyclers, remanufacturers and procurers on standards and targets for recycled textile content in uniforms and the built environment. 	<ul style="list-style-type: none"> 4. Support introductions for offtake agreements and create market connections between clothing recyclers, manufacturers and producers to convert recycled products into commercial demand. 5. Support and profile adoption of public reporting, performance criteria, non-compliance and traceability approaches across the value chain to improve transparency and regulatory readiness. ↗ 6. Partner with local government as a circular economy transition broker to coordinate and enable place-based initiatives that extend garment life and support more responsible disposal. ↗ 7. Align scheme design with emerging EU standards for relevant product labelling, traceability and management of substances of concern (such as PFAS) to improve transparency and consumer decision-making. 	
Primary stakeholders: Clothing collectors, charities, sorters, pre-processors and reuse operators		
<ul style="list-style-type: none"> 1. Expand unwearable clothing collection through Circular Clothing Textiles Fund pilots and integrate with sorting and recycling capacity. 2. Participate in data capture and reporting to Seamless on clothing collection volumes, resale rates, export, recycling and disposal outcomes. 3. Support reuse pathways for wearable garments, including domestic reuse and export reuse where it remains consistent with the hierarchy and responsible outcomes. 	<ul style="list-style-type: none"> 1. Integrate operations into coordinated national clothing collection and sorting systems, with clear interfaces to reuse markets and recycling and recovery pathways. 2. Partner with manufacturers and local processing hubs to keep more value from clothing in Australia, reduce transport requirements and strengthen the resilience of the national system. 3. Develop coordinated local pathways with Seamless and local government that create awareness to extend garment life, prioritise reuse and enable responsible disposal of clothing. 	<ul style="list-style-type: none"> 1. Operate as part of a national, integrated clothing reuse and recovery network with stable collection and sorting arrangements supported by regulated funding.

Develop current pathways (0 – 1 years)	Create market and policy conditions (1 – 3 years)	Transition to regulation (3 – 5 years)
Primary stakeholders: Clothing exporters and international reuse markets		
<ol style="list-style-type: none"> 1. Continue to utilise clothing reuse solutions where they deliver positive social and environmental outcomes. 2. Provide transparency on material flows and outcomes to support system accountability. 3. Advocate for global settings which enable transparency and increased accountability. 	<ol style="list-style-type: none"> 1. Adapt to the evolving domestic system and reduced dependence on export markets as capacity for local recycling and remanufacturing for clothing textiles increases. 2. Participate in national data and reporting frameworks to provide transparency on material flows, destinations and outcomes, supporting system accountability. 	<ol style="list-style-type: none"> 1. Operate within a balanced system with lower dependency on volatile export markets and clearer domestic recovery pathways and increased transparency on material flows and outcomes for clothing.
Primary stakeholders: Clothing recyclers and remanufacturers		
<ol style="list-style-type: none"> 1. Participate in pilots and the market development committee. Validate processing pathways and outputs. 2. Provide cost, yield and quality data to support realistic modelling, investment planning, and the development of minimum recycled-content standards for priority applications including uniforms and the built environment. 	<ol style="list-style-type: none"> 1. Invest in scaling infrastructure for recycled clothing textiles, supported by co-investment where appropriate. 2. Align clothing textiles output quality, specifications and volume with market and procurement demand, enabling buyers to adopt recycled textiles with confidence. 3. Suggest and deliver demonstration projects for higher-value domestic recycling applications for clothing textiles. 	<ol style="list-style-type: none"> 1. Operate scaled domestic recycling and manufacturing facilities for clothing textiles with reliable feedstock supply, demand certainty and performance reporting.

9. Measuring progress



The Productivity Commission report 'Australia's circular economy: unlocking the opportunities'³⁰ recommends that the clothing industry adopt clear performance criteria to benchmark and track progress towards a circular clothing economy in Australia.

Drawing on the evidence presented in this report, including the outcomes from the pilots, proposed performance criteria have been provided. As these criteria are largely informed by the pilots, they cover post-consumer activities only. A complete set of performance criteria, however, should also cover pre-consumer activities such as circular clothing design and circular business models.

Performance criteria have been proposed for clothing collection, sorting and pre-processing, reuse, recycling and next markets. These criteria can support government and industry to develop a standardised data framework for reporting on clothing activity.

Some of the data needed to measure these outcomes at scale is not yet available and will develop over time. Criteria should therefore be used as a forward-looking guide for system design and data improvement, rather than fixed measures at this stage. As data systems mature and industry capability grows, these metrics can be tightened, expanded and embedded in reporting and compliance frameworks, such as the National Framework for Recycled Content and Traceability.

9.1 Methodology

The proposed system performance criteria were developed in three stages. First, a review of best-practice frameworks identified potential outcome areas, metrics and criteria. This included international circularity and traceability frameworks, such as those established by the Ellen MacArthur Foundation, as well as emerging traceability and reporting requirements in the EU, USA and Canada. It also drew on Australian guidance from the Product Stewardship Centre of Excellence, the Refashion Circular Design Guidelines, the Australian Council of Recyclers and the National Framework for Recycled Content Traceability.

Second, pilot project data was reviewed to test these options against data availability and industry capability. This helped identify which data points are already collected as business-as-usual, which could be collected with a small amount of additional effort, and which remain challenging.

³⁰ Productivity Commission report, Australian Government, August 2025, [Australia's circular economy: unlocking the opportunities](#).

Finally, a consolidation and development stage refined and structured the criteria. Metrics were grouped into outcome-based performance areas across collection, sorting and pre-processing, reuse, recycling and next markets, with clearly defined reporting entities. This process produced a practical minimum set of performance criteria that reflect best practice and are feasible to implement and report against over time.

9.2 Performance criteria for clothing collection

The table below lists recommended performance criteria and metrics for clothing collection. 2035 goals have been defined in line with the recommendation from the Productivity Commission's report.

Table 11: Recommended performance criteria and metrics for clothing collection

Outcome	Performance criteria	Metrics	2035 goal	Reporting entity
Access and coverage.	Collection services provide practical access across metropolitan, regional and remote areas of Australia.	% of population within service coverage; number of collection points; geographic coverage.	At least 60% of the Australian population is within ten kilometres of a clothing collection point or service, with collection access established in metropolitan, regional and remote areas across all states and territories, and with at least 50 active workplace and retail collection partnerships.	Seamless, leveraging data from registered collectors.
Effectiveness of capture.	Collection systems capture an increasing proportion of clothing leaving households and businesses.	% of discarded clothing collected into registered systems; tonnes of unwearable items captured.	Collectors, registered with Seamless, capture at least 20% of clothing leaving households and businesses, including a year-on-year increase in the proportion of unwearable items diverted from landfill through registered reuse, recycling or recovery providers.	Seamless, leveraging data from registered collectors.
Material flow efficiency.	Collection volumes and schedules are aligned with sorting, recycling and next-market capacity, avoiding persistent stockpiling and maintaining feedstock quality.	% of collected material transferred to registered sorting or processing facilities; within appropriate timeframe; % of supplied materials that meet agreed specifications.	At least 90% of collected clothing is transferred to registered sorting or processing facilities within 30 days of collection. Collected stock on hand does not exceed 30 days of average throughput for more than two consecutive reporting periods, and at least 95% of material supplied meets agreed specifications for its intended next use.	Seamless, leveraging data from registered collectors.

Outcome	Performance criteria	Metrics	2035 goal	Reporting entity
Safety and user experience.	Collection systems manage contamination and non-clothing items safely and remain accessible and easy to use.	Contamination rate (% by weight); user satisfaction (%); incident rate.	<p>Registered collectors achieve at least 85% positive user satisfaction measured annually, including $\geq 95\%$ operational uptime across collection points, and ensure all registered sites meet defined safety, accessibility and user guidance standards, based on audits.</p> <p>Registered sorters manage contamination rates to be below 10% by weight, ensure hazardous items are identified and removed, and ensure all registered sites meet defined safety, accessibility and user guidance standards, based on Seamless audits.</p>	Registered collectors and sorters.
Data and traceability.	Registered collection systems capture and report data on volumes, source and transfer pathways in a consistent format.	Tonnes collected by source; transfer records to sorting.	100% of registered collectors report clothing volumes, source channels and transfer pathways to registered sorters and processors using a standardised national reporting template. At least 90% of collected volume is traceable from initial collection point through to its primary next-use pathway (reuse, remanufacturing, repurpose, recycling, recovery or disposal), with data shared annually with the scheme administrator for public reporting.	Registered collectors (with data verified and aggregated by Seamless).

9.3 Performance criteria for clothing sorting and pre-processing

The table below lists recommended performance criteria and metrics for clothing collection. 2035 goals have also been defined in line with the recommendation from the Productivity Commission report 'Australia's circular economy: unlocking the opportunities'.

Table 12: Recommended performance criteria and metrics for clothing sorting and pre-processing

Outcome	Performance criteria	Metrics	2035 goal	Reporting entity
Sorting alignment with next markets.	Registered sorting operations apply pathway-specific sorting and decommissioning criteria aligned with reuse and recycling feedstock requirements.	% of material meeting feedstock specifications.	At least 90% of supplied clothing is transferred to registered processing facilities within 30 days of receipt; collected stock on hand does not exceed 30 days of average throughput for more than two consecutive reporting periods; and at least 95% of material supplied meets agreed specifications for its intended next use.	Registered sorters.
Workforce capability and safety.	Registered sorting operations implement a documented code of practice, with hazards managed so far as is reasonably practicable and personnel trained for assigned tasks.	Training completion; incident rates; audit findings.	100% of registered sorters implement a documented code of practice and role-appropriate training for all personnel; with compliance monitored through regular reviews, incident reporting and corrective action.	Registered sorters.
Effective pre-processing.	Decommissioning and pre-processing requirements are defined and progressively refined for relevant recycling pathways, with responsibilities clearly allocated.	% of pathways with defined requirements; compliance checks.	100% of registered sorters and recyclers have documented pre-processing and decommissioning requirements, and at least 95% of supply from registered sorters comply with those requirements at intake, as verified through recycler inspection records.	Registered sorters and registered recyclers.

Outcome	Performance criteria	Metrics	2035 goal	Reporting entity
Feedstock quality.	Material entering recycling pathways meets defined quality thresholds.	Contamination rate; rejection rate at recycler intake.	Contamination rates for material entering registered recycling and recovery facilities are consistently below 5% by weight, and rejection or downgrade rates due to quality issues are below 5% of tonnes received, averaged over each reporting period.	Registered sorters and registered recyclers.
Material flow efficiency.	Collection and sorting outputs are aligned with recycling capacity to avoid persistent stockpiling and maintain feedstock quality.	% processed within defined timeframes; stock on hand (days of throughput).	At least 90% of sorted output from registered sorters is processed by registered recyclers or reuse/remanufacturing partners within 30 days of transfer; and combined stock on hand across sorting and recycling does not exceed 30 days of average throughput for more than two consecutive reporting periods.	Seamless, based on data from registered collectors, registered sorters and registered recyclers.
Data and traceability.	Registered sorting operations report volumes, composition and pathway allocation in a consistent format.	Tonnes by pathway; composition breakdown.	100% of registered sorters report volumes, composition and pathway allocation using a standardised national reporting template; and at least 90% of material handled by registered sorters is traceable from collection point through to its primary next life pathway, with data shared annually with the scheme administrator for aggregation and public reporting.	Registered sorters, verified and aggregated by Seamless.

9.4 Performance criteria for clothing reuse

The table below lists recommended performance criteria and metrics for clothing reuse as well as the 2035 target. Defining targets for 2035 was a recommendation in the Productivity Commission report 'Australia's circular economy: unlocking the opportunities'

Table 13: Recommended performance criteria and metrics for clothing reuse

Outcome	Performance criteria	Metrics	2035 goal	Reporting entity
Reuse rate and utilisation.	The proportion of clothing diverted to reuse pathways increases year on year.	Tonnes reused divided by tonnes collected by registered collectors.	The reuse rate of clothing is increasing year on year from the scheme baseline, in line with significant system capacity increases.	Seamless, based on data from registered collectors and registered sorters.
Reuse quality and suitability.	Clothing directed to reuse pathways meets defined quality and usability standards.	% of product accepted into reuse; rejection rate from reuse pathways.	Increasing proportion of clothing supplied to registered reuse partners meets agreed quality standards, with quality issues declining.	Registered sorters and registered reuse partners.
Reuse pathway integrity.	Reuse pathways are verified as legitimate and appropriate, with material directed to intended end uses.	% of reuse pathways verified; audit outcomes; destination tracking.	100% of reuse operators under the scheme are verified through recognised accreditation and/or third-party audits, with tracking to verify that material goes to intended markets.	Seamless, based on data from registered reuse partners.
Domestic reuse and proximity.	A growing proportion of reusable clothing is directed to domestic or international reuse markets where appropriate.	Tonnes reused domestically and exported; % of total reuse.	Reuse under the scheme prioritises domestic markets before export markets, through recognised accredited partnerships.	Seamless, based on data from registered reuse partners.
Reuse system capacity.	Capacity for reuse (including sorting, grading and distribution) increases over time.	Tonnes processed through reuse pathways; number of active reuse partners.	Increased total tonnage processed through a sufficiently distributed network of local registered reuse partners (including charities, social enterprises and commercial operators); minimising emissions and improving system efficiency to service communities across all states and territories.	Seamless, based on data from registered reuse partners.

Outcome	Performance criteria	Metrics	2035 goal	Reporting entity
Data and traceability.	Data on volumes, quality and destination of reused clothing is collected and reported in a consistent format.	Tonnes by reuse pathway; destination tracking; audit conformance.	100% of registered reuse partners report volumes, quality grades and destinations of reused clothing using a standard template, with tonnage traced from sorter to primary reuse market, verified through audits.	Seamless, based on data from registered sorters and registered reuse partners.

9.5 Performance criteria for clothing recycling

The table below lists recommended performance criteria and metrics for clothing recycling as well as the 2035 target. Defining targets for 2035 was a recommendation in the Productivity Commission report 'Australia's circular economy: unlocking the opportunities'

Table 14: Recommended performance criteria and metrics for clothing recycling

Outcome	Performance criteria	Metrics	2035 goal	Reporting entity
Recycling rate.	The recycling rate increases year on year.	Tonnes recycled divided by tonnes collected by registered systems.	Recycling represents a larger share of collected clothing volumes than at scheme commencement, with the recycling rate increasing year on year and reported at a national level.	Seamless, based on data from registered recyclers.
Closed-loop recycling rate.	The proportion of material recycled into textile applications increases year on year.	% of recycled output used in fibre-to-fibre applications.	A growing share of recycled textile outputs is used in fibre-to-fibre applications, with closed-loop recycling pathways established for priority product and fibre types and reported as a distinct category.	Registered recyclers.
Open-loop recycling rate.	Open-loop recycling is measured and reported.	% of recycled output used in non-textile applications.	Open-loop recycling is a critical pathway for managing blended and lower-grade textiles, and its share of total recycling declines as closed-loop recycling grows. Open-loop and closed-loop outcomes are measured separately to track this transition.	Registered recyclers.

Outcome	Performance criteria	Metrics	2035 goal	Reporting entity
Recycling process efficiency.	Recycling processes maximise material recovery from inputs.	Yield (% output vs input); loss rate.	Priority recycling pathways demonstrate improving yield and reduced losses over time, with recyclers reporting input, output and loss rates in a consistent way and using this information to drive process and pre-processing improvements.	Registered recyclers.
Recyclability benefit rate.	The recyclability benefit rate is measured for priority recycling pathways using a consistent life cycle assessment methodology.	Net environmental savings from recycling relative to virgin production and disposal.	The scheme reports indicative recyclability benefit rates for key recycling pathways (e.g. mechanical recycling to insulation, fibre-to-fibre applications, textile biochar), based on agreed lifecycle assessment methods and data supplied by registered recyclers. These metrics are used to prioritise pathways that deliver the greatest net environmental benefit.	Seamless, informed by data from registered recyclers.
Data and traceability.	Registered recyclers report input, output and pathway data in a consistent format.	Tonnes processed; outputs by application.	100% of registered recyclers report input volumes and composition, process type and output applications using a standardised national template, enabling the scheme to track how much material flows into each recycling pathway and what products and sectors those outputs are used in.	Registered recyclers, verified and aggregated by Seamless.

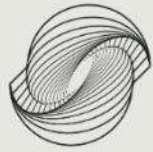
9.6 Performance criteria for next markets

The table below lists recommended performance criteria and metrics for next markets for Australian recycled clothing textiles as well as the 2035 target. Defining targets for 2035 was a recommendation in the Productivity Commission report 'Australia's circular economy: unlocking the opportunities'

Table 15: Recommended performance criteria and metrics for next markets for Australian recycled clothing textiles

Outcome	Performance criteria	Metrics	2035 goal	Reporting entity
Next market demand growth.	Registered recyclers report year-on-year growth in demand for recycled textile output.	Tonnes sold; orders on hand; contracted offtake volumes.	Recyclers report annual growth in contracted offtake for recycled textile outputs across priority sectors (e.g. construction, furnishings, agriculture). An increasing share of domestic recycled textile outputs is sold under multi-year offtake agreements, contracts or procurement policies, rather than one-off arrangements.	Registered recyclers.
Recycled content uptake.	Recycled textile content used in products increases year on year.	Tonnes of recycled content used; % of total material input.	Increasing volumes and spend on products containing domestic recycled textile content, with reporting and product specifications standardised for core sectors.	Seamless, based on data from registered recyclers and other reporting entities, where applicable.
Virgin material displacement.	The virgin material displacement rate increases year on year for priority next market products identified through industry consultation.	Tonnes of virgin material avoided through use of recycled textile output, reported separately for open-loop and closed-loop applications.	Reported virgin material displacement for key applications (e.g. insulation, rags, composite panels, fibre-to-fibre textiles), with evidence that recycled textile inputs are replacing, rather than supplementing, virgin materials.	Seamless, informed by data from registered recyclers and other reporting entities, where applicable.
Market maturity.	A growing share of recycled textile output is used in higher-value applications.	% of output directed to higher value uses.	Upward trend in recycled textile output, and reduced clothing to landfill.	Seamless, based on data from registered recyclers.
Data and traceability.	Data on recycled output, product use and application is collected and reported in a consistent format.	Tonnes by application; traceable product pathways.	100% of registered recyclers and key next market participants report how recycled textile outputs are used, so the scheme can map flows from recycling facilities into products and markets with aggregates published.	Seamless, based on data from registered recyclers and registered next market participants.

Outcome	Performance criteria	Metrics	2035 goal	Reporting entity
System traceability and reporting.	All outcomes are measured using data from registered entities, with consistent definitions, auditable records and progressively strengthened traceability across collection, sorting, recycling and next market stages.	% of material tracked across stages; reporting completeness; audit compliance.	<p>Consistent definitions and reporting templates are used across all registered entities, with regular audits confirming that major material flows can be traced to first next use.</p> <p>Traceability coverage and data improves over time, along with public reporting on system-wide performance.</p>	Seamless, based on data from all registered entities.
Product stewardship.	All clothing producers placing clothing on the Australian market contribute to funding collection, sorting, recycling and recovery services for post-consumer clothing textiles through mandatory stewardship contributions.	% of producers participating; coverage as a % of volume of clothing placed on the market; total stewardship funds raised and allocated to system functions.	<p>>95% of producers placing clothing on the market are contributing in accordance with regulated participation requirements.</p> <p>Stewardship contributions cover a significant and growing share of the costs of collection, sorting, reuse, recycling and recovery, reducing reliance on ad-hoc grants and supporting stable, long-term system operation.</p>	Seamless.



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Appendices

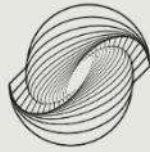


Glossary

Term	Description
Aged inventory	<p>Aged inventory refers to stock that has remained unsold for an extended period beyond its expected or optimal selling timeframe. It typically indicates items that have not been purchased within the standard sales cycle and may require discounting, redistribution, or other interventions to manage storage costs, reduce waste, or free up space.</p> <p>In the clothing industry, aged inventory may also be known as unsold stock, dead stock, excess or obsolete inventory, pre-consumer waste. It may also include damaged, returned stock, and samples.</p>
Agentic AI	<p>Agentic AI refers to autonomous systems that act as digital agents to achieve specific, high-level goals with limited human supervision. Unlike traditional AI, which is passive and waits for commands, agentic AI actively plans, reasons, uses tools, and adapts to accomplish multi-step workflows.</p>
Biochar	<p>Textile biochar is a stable, carbon product which is produced by breaking down textile waste using high heat in a low-oxygen environment. This process is called pyrolysis. Instead of burning the material, the heat causes the fibres to thermally decompose and transform the textile structures into biochar.</p>
Chemical recycling	<p>Chemical recycling uses chemical processes to break down textile waste to a molecular level.</p>
Closed-loop recycling	<p>Closed-loop recycling refers to a system in which a product's materials, substances or component parts are converted for productive use back into the same type of product. The closed-loop recycling of textiles refers to the conversion of textile-to-textile or fibre-to-fibre, where newly recycled materials maintain the function of the original. The closed-loop recyclability of textiles depends on factors such as the fibre type and its characteristics, use of dyes or chemical treatments, the purity of feedstock material, processing requirements including the need to remove trims and other non-textile 'disruptors', availability of recycling technology, and market demand for the resulting materials.</p>
Collection	<p>Collection refers to the gathering of pre or post-consumer clothing textiles by retailers, wholesalers, charity-owned businesses, commercial collectors or local authorities. Retailers may initiate their own collection programs through 'take-back' schemes or other customer-return initiatives. In some cases, collection may also involve preliminary sorting, storage and transport.</p> <p>'Separate collection' refers to gathering textiles by type or fibre to facilitate specific next-life processes; this term is also used by local authorities in reference to the separation of textiles from other materials exiting households.</p>

Term	Description
EPR	Extended producer responsibility (EPR) aims to make producers responsible for the environmental impacts of their products throughout the product chain, from design to the post-consumer phase. Australia uses a framework of product stewardship to cover this function, while EPR is more common globally.
Free riders	Free riders are businesses or organisations that may benefit from an activity without contributing to its implementation or operation.
Mechanical recycling	Mechanical recycling employs physical processing techniques, including the shredding of textiles into smaller pieces, to recycle clothing textiles.
Next markets	Next markets are the product and commodity markets that use unwearable clothing textiles as inputs to create new textile-derived products, providing the new uses and demand pull-though needed to 'close the loop' in clothing economy.
Open-loop recycling	Open-loop recycling refers to a system in which a product's materials, substances or component parts are converted for productive use in product systems different to the original. The inherent properties of textiles allow for its application in a wide range of open-loop systems, including but not limited to construction (e.g. insulation, fill, fibreboard), manufacturing (e.g. composite materials), and rags which are used in multiple other sectors (e.g. mining, automotive). The open-loop recyclability of textiles depends on factors such as the fibre type and its characteristics, processing requirements including the need to remove trims and other non-textile 'disruptors', availability of recycling technology, and market demand for the resulting materials.
Post-consumer	Post-consumer refers to materials and products that have been used and discarded by the original user, for example, worn clothing. The post-consumer clothing value chain refers to the stages and processes of collection, sorting, reuse, recycling, and disposal that occur after first-use.
PRO	A Producer Responsibility Organisation (PRO) is the entity responsible for managing the responsible collection, sorting, reuse, and recycling systems on behalf of liable stewards/producers. PROs are used in EPR policy frameworks.
PSO	A Product Stewardship Organisation (PSO) is the entity responsible for managing the responsible collection, sorting, reuse, and recycling systems on behalf of liable stewards/producers. PSOs are used in product stewardship frameworks.
Pyrolysis	Textile pyrolysis is a process that breaks down textile waste using high heat in a low-oxygen environment. Instead of burning the material, the heat causes the fibres to thermally decompose and transform textile structures into a new carbon product, called biochar.
R-strategies	The R-strategies are a common circular economy framework of ten hierarchical actions designed to minimise waste, keep material in use, and reduce environmental impact. They are: refuse, rethink, reduce, reuse, repair, refurbish, remanufacture, repurpose, recycle, recover.
Recover	To recover is to extract residual value from waste products and materials to generate useful outputs. This includes for energy recovery or biological recovery, such as composting or applying recovered outputs to land.

Term	Description
Recycle	To recycle is to breakdown a product or component thereof into its basic materials or substances and convert them into new products or secondary materials that are returned to productive use (excluding recovery). Recycling can occur in both closed-loop systems (where materials are recycled into the same product-type) and open-loop systems (where materials are recycled into different products).
Remanufacture	To remanufacture is to disassemble, reassemble and remake products and components into as-new condition with the same, or improved, level of performance as newly manufactured ones. This process may involve reassembling components into one or multiple products or combining elements from multiple products into one.
Repair	Repair refers to the process of returning a worn, faulty or broken product to an improved state to fulfil its intended purpose. This can be achieved through various mending or repair techniques, where the primary goal is to keep the product in use and avoid the need to produce or consume a replacement. Additionally, repair by design ensures products are built to be easily repairable, with accessible components, instructions, and services; it considers both reactive repair of faults and proactive design to anticipate and prevent early failure.
Repurpose	Repurpose is the process of adapting products, materials or components to serve a different function than originally intended. This process returns the material to the economy and to active use, retaining some (if not all or more) of its value.
Reuse	Reuse is the repeated use of a product for its intended purpose. Small adjustments or cleaning may be necessary to prepare the product for use. Reuse allows a product to be used multiple times, either by the original user or others, extending its life and reducing the need to make or buy more. Resale, where products are sold again for reuse, can also be considered part of this practice; as can non-commercial reuse forms of sharing, swapping and donating.
Sorting	Sorting is the process of separating garments into more homogenised categories. This involves an evaluation of the garment's suitability for reuse or other next life pathways. Sorting is a process that typically occurs after collection and may include other processes or minor transformations such as decommissioning or cleaning.
Unwearable clothing	Unwearable garments (or 'unwearables') are those which can no longer function in their original form for their original purpose. Unwearables may be deemed unsuitable for wear due to a range of commercial, functional, hygienic or aesthetic reasons. These items are typically directed toward refurbishment, remanufacturing, repurposing, recycling or recovery options, depending on the material specifications, quality, and available end markets.
Wearable clothing	Wearable garments (or 'wearables') can be worn again in their original form for their original purpose. Wearable garments are typically categorised into cascading grades according to factors including but not limited to their quality, signs of wear, brand name, and potential for resale (saleability). Two wearable grades are: <ol style="list-style-type: none"> 1. High value wearable – Garments in good to very good condition, suitable for resale or direct reuse. May require minor interventions to prepare for reuse or resale, such as cleaning or minor repair. 2. Low value wearable – Garments in worn or heavily used condition, still suitable for reuse but with limited resale potential. Low value wearable garments may require interventions to prepare for reuse or resale, such as repair or refurbishment.



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