

Reluvv 

2021

Fashion Resale in Australia

Table of Contents

01

Introduction

02

Fashion and the Environment

03

Global Fashion Expansion

04

The Evolution of the Fashion Industry

05

Resale: A Sustainable Alternative

06

The Growth of Resale

07

The Future of Fashion

08

References

Copyright 2021 Reluv Clothing. All rights reserved.
You are free to distribute, remix, or adapt the material in any medium or format, subject to you giving credit to Reluv Clothing (reluv.com.au)

Introduction

This report is an investigation into the state of fashion resale in Australia in 2021.

As the fashion industry begins the transition from a linear to a circular model, fashion resale is poised to play a key role in this transformation.



This report investigates environmental issues within the fashion industry, fashion resale as part of circularity, and what is happening with resale in Australia in 2021.

It explores existing mechanisms for resale, the rise of the reseller and the entry of new platforms to help realise the value of the clothing in their closets.

"While affordability, selection availability, and item uniqueness are key drivers of the secondhand market, consumers' mounting environmental concerns also contribute to its growth"

- Boston Consulting Group, 2020

Fashion and the Environment

The environmental crisis and climate change has been at the forefront of domestic and international discussions since the late 20th century. The impacts are now clearly visible through changes such as rising sea levels and air pollution, making it necessary for nations to respond.

The 2016 Paris Agreement marked a milestone in the world's attitude towards sustainability and the way in which nations operate. The climate goals established by the 197 signee countries committed them to a range of initiatives aimed at reducing global carbon emissions.

So how does this relate to fashion?

Apparel production and sale has a significant impact on the environment, with textile dyeing and treatment responsible for 20% of the world's industrial water pollution¹.

The effect of the fashion industry is so immense that according to researchers from the Monash Sustainable Development Institute, it will be impossible to reach net zero carbon emissions without the clothing industry taking action².

Signatories to the UN's Fashion Industry Charter on Climate Action committed to a 30% reduction in carbon emissions by 2030³. However, if no changes are made to existing practices, carbon emissions from fashion and textiles will double⁴, putting this 30% target out of reach.

Fashion and the Environment

Whilst all stages of the clothing lifecycle have environmental impacts, it is the manufacturing and production stage which has the greatest footprint. To effectively reduce emissions, this stage must be addressed.

As a global industry, the clothing sector has significant impact. In 2018 alone, the fashion industry was responsible for the production of 2.1 billion tonnes of CO₂ - a quantity larger than the emissions of France, Germany and the UK combined⁴. The amount of clothing produced is growing at a rate much faster than population growth.

In 2018, the fashion industry contributed

4%

of the worlds carbon emissions⁴



T Shirt

Carbon Footprint: 8.1kg
Embodied Energy: 59.1mj

Woollen Jumper

Carbon Footprint: 23.6kg
Embodied Energy: 118.3mj



General Clothing

Carbon Footprint: 13.9kg
Embodied Energy: 86.4mj

Source: Charitable Recycling Australia⁵

Fashion and the Environment

Alongside the alarmingly high volume of clothes thrown away each year is the significantly large proportion of clothes underutilised, gathering dust in peoples' closets.

Our excessive consumption patterns coupled with overproduction of clothing is resulting in high wastage and underutilisation of garments. As mentioned, the production stage of the clothing lifecycle has the most harmful effects on the environment, making clothing underutilisation a more significant issue than it may appear.

"Since 2002, global clothing production has more than doubled, the average consumer buys 60% more, and each garment is kept for half as long."

- Fashion for Good⁶



Fashion and the Environment- Australia

Australians are the second largest consumers of clothing and textiles in the world, consuming an average of 27kg of clothing annually.

In addition, each Australian sends 23kg of clothing to landfill every year, resulting in 800,000 tonnes of textiles sent to landfill annually. In light of the environmental impact of the fashion industry, it is essential that Australian fashion businesses consider the impact of their operations and the lifecycle of their products on the planet.

A recent YouGov survey⁷ found 24% of Australian adults in the previous year have thrown away an item of clothing after wearing it just once. Key findings from a recent study by Levis Strauss & Co highlight that approximately 1 in 3 (30.3 percent) Australians currently own between 50-150 pieces of clothing items and only 55% of these items are worn regularly. While the majority (70%) donate unused clothes to their local op shop, 28% do nothing, leaving unwanted/unused clothing in their wardrobe.

75%

percent of Australians
threw out at least one
item of clothing in 2016

30%

percent of Australians
threw out more than 10
items of clothing in 2016

Source: YouGov⁷

Not only does this harm the environment through unnecessary clothing production, clothing underutilisation and a lack of recycling also leads to a global loss of USD \$500 billion dollars every year¹. This is expected to equate to an Australian annual loss of almost AUD \$8 billion.

Globally, the clothing 'utilisation' rate has decreased by 40% between 2000 and 2015¹ alluding to a continuation of this trend and an increase in financial expense.

Global Fashion Expansion

Whilst current statistics of fashion's impact on the environment are concerning, the projected growth of the industry poses more pressing issues.

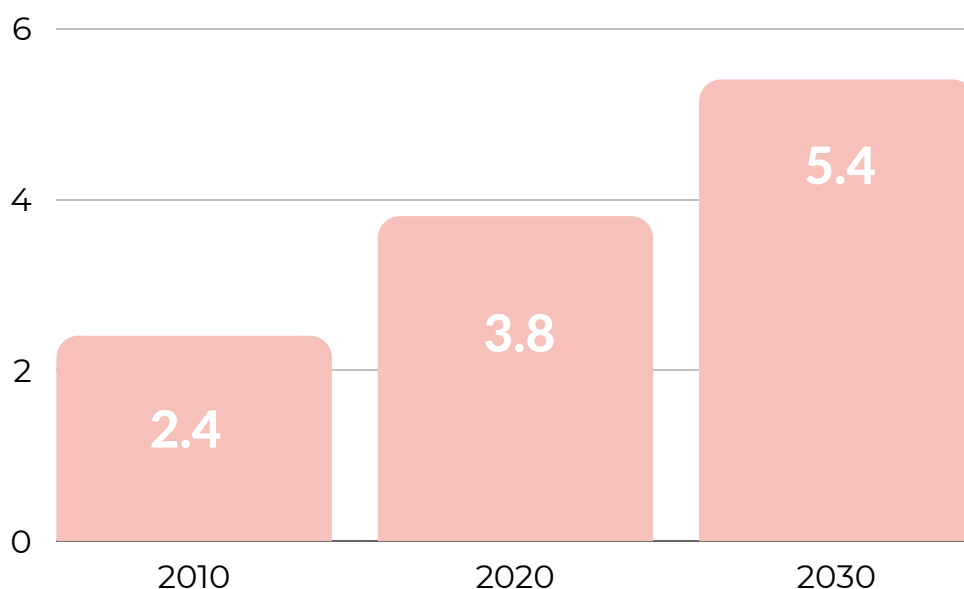
From 2002-2017, clothing production doubled in size, attributed by the Ellen McCarthur foundation to a rising middle class and the effects of fast fashion.

The middle class represents a population with enough disposable income to make purchases, especially ones related to fast fashion as the clothing is considered affordable. Current economic trends are projected to increase the middle class by 80%, resulting in a population of 5.4 billion people by 2030¹⁰

The rate of clothing disposal for 'fast fashion' items often selected by the middle class is exceedingly high, estimating more than half of all global fast fashion purchases to be discarded within a year.

Growth of the Global Middle Class¹⁰

Represented in billions.



Global Fashion Expansion

Currently, the global apparel sector is worth over US\$1.65 trillion annually, a 60% increase from 2011¹.

This growth is expected to continue, with total clothing sales predicted to increase to 160 million tonnes in 2050 if no sustainable change is made to production¹. This forecasts a threefold increase in the fashion industry's effect on the environment both in production and throughout the garment lifecycle.

Following the global trend, Australia's fashion industry is growing in size. Between 2000 and 2014 the number of garments the average Australian shopper purchased each year increased by 60%⁷.

In 2020¹, the Australian fashion industry was estimated to be worth AUD\$22 billion and this is predicted to rise further based on current consumption trends.



“As consumers, we have so much power to change the world by just being careful in what we buy.”

-Emma Watson

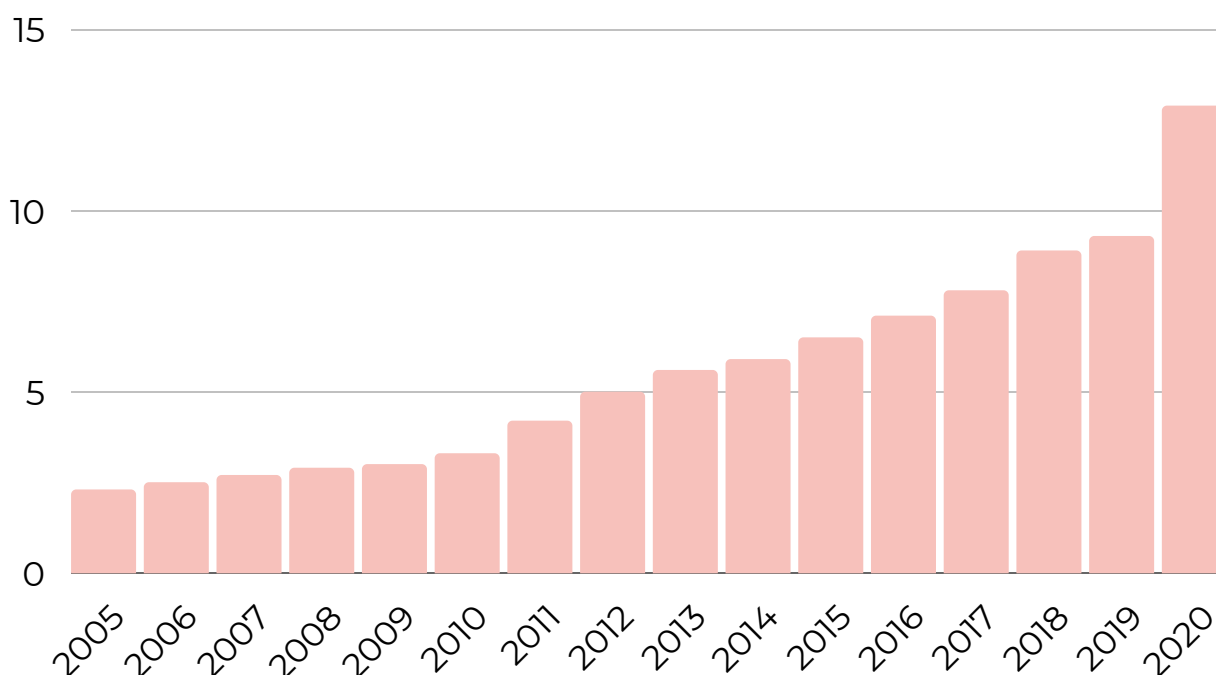
Evolution of The Fashion Industry

The technology boom of the 21st century and a gradual increase in environmental awareness has changed the shape of the fashion industry, transforming the way people view and buy clothing.

Retail has moved online, pushed by both an increase in technological advancements and the COVID-19 pandemic. This is particularly evident in the Australian Pacific region due to a general increase in disposable income. In 2021, Australian online retail reached an all time high, comprising 16.3% of the entire retail market¹². In line with previously mentioned trends, the online market within the Australian Pacific region is expected to rise, reaching a compound annual growth rate (CAGR) of 10.1% between 2016 and 2026¹³. Metropolitan areas within Australia are particularly inclined to online shop and increased online spending 60% between 2002 and 2019¹².

Ecommerce Growth from 2005 - 2020¹⁴

Australian online retail penetration. Percent of total retail turnover per year



Evolution of The Fashion Industry

Not only has the avenue of sales shifted across the last two decades, so too have customer attitudes to shopping. A trend has emerged in customers (particularly younger generations like Millennials and Gen Z)⁵ to consider the sustainability of companies before purchasing, to reduce their carbon footprint.

A 2019 report by the Australian Circular Textile Association found 53% of Australian shoppers to be willing to spend more for sustainable products¹¹. This is slightly lower than the international statistic reported in 2020 by the National Retail Federation, which found 57% of consumers willing to swap their purchases in favour of environmentally friendly companies.

This change in customer attitudes shows that although fashion sales are rising and 'fast fashion' is still prevalent, there is a general shift towards more sustainable options and companies upholding ethical values.

Not only are customer attitudes changing, so are their actions. A 2019 Pulse of the Fashion Industry study found 38% of global customers have actively changed their shopping habits to preference sustainable brands¹⁵. Customers are not merely talking the talk, but are actively pushing for companies to uphold sustainability as they seek to fulfil customer desires and remain relevant. Between 2014 and 2015 alone the shift in customer attitudes was sizable, suggesting continued growth for the sustainability movement.

Change in customers attitudes and shopping behaviours

57%

of consumers have made significant changes to their lifestyle to reduce their environmental impact.¹⁶

72%

of consumers buy more environmentally friendly products today than 5 years ago.³⁰

19%

of consumers cite newness as an important attribute when purchasing fashion indicating a shift in the fashion cycle mindset.¹⁶

Resale: A Sustainable Alternative

As organisations and citizens become more aware of the impacts of waste and unsustainable practices within the fashion industry, the concept of a circular economy is becoming increasingly popular.

The circular economy is an economic model which encourages the reduction of resource inputs by repairing, reusing and repurposing, such as extending the life of clothing items by reselling them (also called resale).

Resale as a concept makes infinitely more sense than throwing clothing out and buying new, it requires less production effort and is less taxing on the environment. Environmentalism, along with the idea that thrifting and vintage items are considered 'trendy', are two of the major drivers of second hand clothing purchases in younger generations. Each time an item of clothing is resold or repurposed, the carbon emissions and water pollution associated with its production is avoided.



The RealReal, an American luxury resale company, is helping to mitigate the fashion impact through giving a second life to over 18 million products. Between 2011 and 2020, The RealReal has been directly responsible for saving 17,023 metric tons of carbon and 827 million liters of water¹⁷.

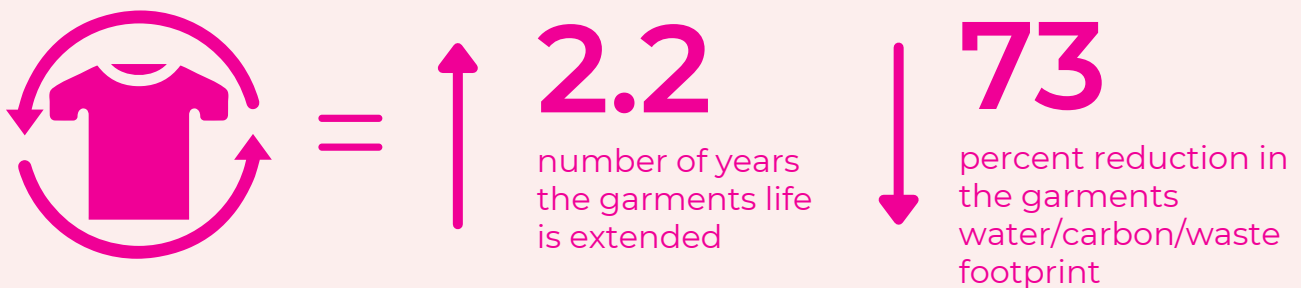
In Australia, the charity sector is responsible for a significant proportion of fashion resale and its associated positive environmental impacts.

Resale: A Sustainable Alternative

Economically, resale as part of a circular fashion system, is a superior practice when compared to traditional linear fashion models which lead to the fast tracked disposal of garments. This is through both the jobs it creates and the reduction in production and transport expenses required.

The Australian 2020 National Waste Report has found that resale provides more jobs per tonne of products than recycling, meaning that it is the more economically viable and sustainable of the two models.

Benefits of clothing reuse⁶



Reuse has the ability to reduce costs of production and disposal by cutting resource costs by 20% per item of clothing¹⁹. These economic savings are supported by the Pulse of the Fashion Industry report which indicates that the world economy could benefit USD \$192 billion by 2030 if adjustments to environmental practices and resale were to be made.

Different sectors of the resale industry have been seen to alleviate economic and environmental strain.



Charity Shops in Australia create \$1700
in revenue per ton of recovered
textiles⁵

VS



Non-recovered textiles (landfill) creates
\$120 revenue per ton

The Growth of Resale

Recommerce is the most developed model of fashion's circular economy, currently worth USD \$36 billion in 2021²² and constitutes an estimated 1.16% of the global apparel industry.

Australia's resale market is potentially worth just over AUD \$568 million. Resale is therefore no longer a small and insignificant component of the fashion sector, it has developed into a prominent subsection of expanding influence.

Whilst it has already been established that the fashion market as a whole is growing, statistics indicate that resale is growing at an especially high rate. Between 2017-2019, fashion resale grew 21 times faster than traditional retail⁶. This trend is showing no signs of slowing, with the resale market projected to grow substantially across the next decade.

Expected global growth of clothing resale 2021 - 2030²²

11x

By 2025 clothing resale is expected to grow 11 times the rate of clothing retail

5.4x

Between 2021 - 2026, global clothing resale is projected to grow 5.4x

2x

By 2030, global secondhand clothing retail is expected to be 2x the size of fast fashion

Going hand in hand with customer sustainability preferences, growth of clothing resale can be attributed to customer desire and the normalisation of second hand fashion. Within Australia, the charity sector alone oversees an annual 40 million transactions, giving approximately 45.6 million items of clothing a second life¹¹. According to Charitable Recycling Australia there are over 3000 charity stores across Australia responsible for AUD \$527.5 million in revenue for clothing sales specifically .

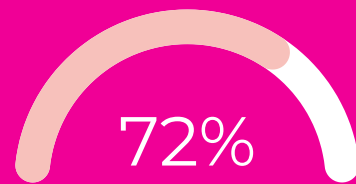
5

The Growth of Resale

There are also approximately 100 independently owned, bricks and mortar secondhand clothing stores across the capital cities of Australia²⁸. Approximately two thirds of these stores have online platforms to support their sales.

A poll conducted by Reluv across July 2021 returned compelling support for the resale market and its place in Australia.

Australians who have purchased an item of secondhand clothing in the past 12 months



Fashion resale has undergone a makeover over the last two decades, transforming from predominant charity based bricks and mortar businesses to new age online platforms. There has been a significant growth of pure play online resale businesses and platforms since 2010, and this change has opened the doors to a wider and more diverse customer audience.



3000

Charity stores



100

Bricks and mortar independent resale stores*



13

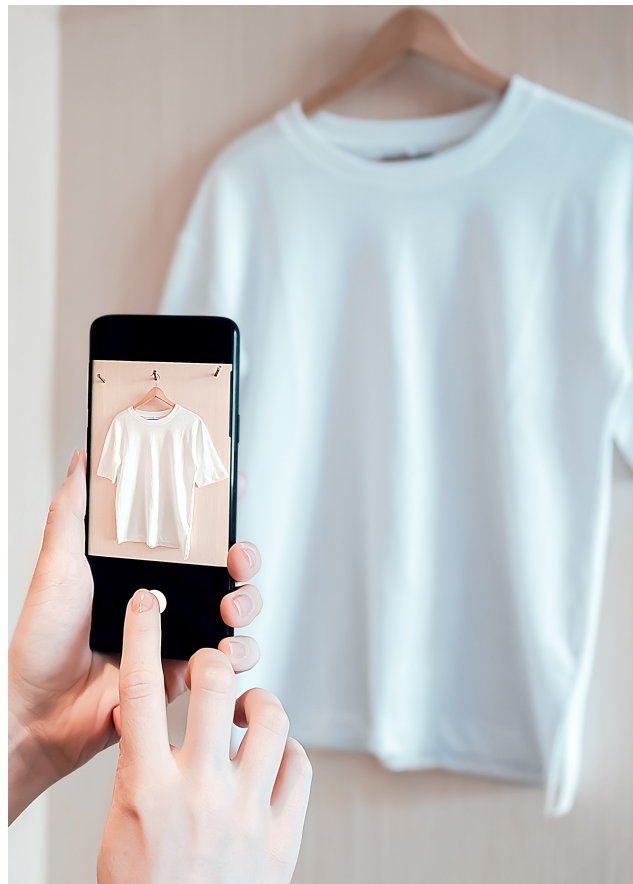
Pureplay Australian owned online resale websites

*2/3rds of these stores have online platforms

The Growth of Resale

The way people conduct resale has also changed through the emergence of online marketplaces such as Depop, allowing people to sell their clothes to buyers directly. This has unlocked access to the resale market for younger generations who are more likely to utilise these business models.

A 2017 Australian study found 26% of Australian Millennials have sold clothing items online before, a stark contrast to the mere 3% of the Baby Boomer generation who have. This statistic is balanced through the 86% of Baby Boomers who have donated their clothes, a 17% increase when compared to Millennials (at 69%)⁷



The rise of Facebook marketplace and "Buy Swap Sell" groups has opened another avenue of resale for local buyers and sellers. According to Bigcommerce, by October 2018 "more than 800 million people globally used Marketplace each month to browse, buy, or sell items"²³. Facebook data on the traffic and trade of Australian buyers and sellers was not made available for this report.

Ebay, originally an auction site for secondhand items, has shifted. According to an article by Neto²⁴; while eBay is the most frequently visited retail site in Australia, it is less focussed on secondhand with 91% of items sold on the site being brand new. Data for clothing resale for eBay Australia was not made available for this report.



The Growth of Resale

Poshmark, a 2021 addition to the Australian secondhand fashion market following its success in the UK, has already established itself as a notable player in the Australian resale industry. Analysis by Reluv found that since February 2021, Poshmark has listed approximately 47,000 items of clothing.

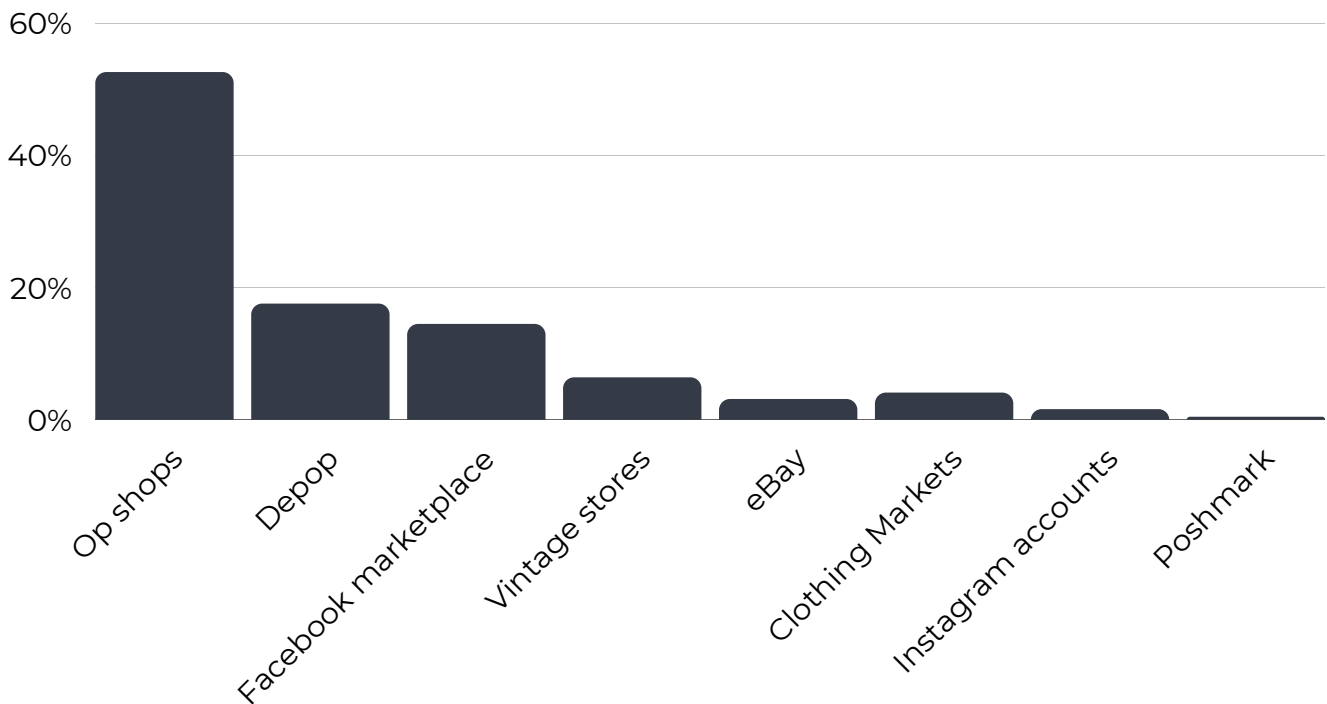
From this sample, womenswear is by far the most popular category, constituting approximately 83% of all listed items. This is supported by data analysed from Gumtree, with womens preloved fashion constituting the largest proportion of the sites clothing resale category at approximately 49%.



The Growth of Resale

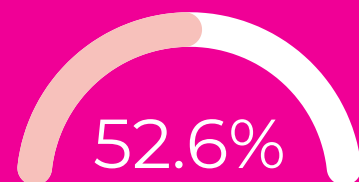
So where are people buying preloved clothes from? Reluv conducted an online survey in July 2021 to gather data on shopping sources for preloved clothes.

Where are people buying preloved?



While opshops hold strong as the number one source of preloved clothing, shoppers are turning to online platforms to source clothing. Australian owned pureplay online resale sites were not featured as a source in this poll. It will be interesting to monitor in future years as they start to gain traction.

Percentage of people purchasing from op shops



The Growth of Resale

Certain items of clothing are more popular to buy both from online marketplaces and from fashion resale brands. According to Gumtree and Reluv data, the most popular secondhand items to list are tops and dresses.

Many traditional retail companies (such as The Iconic) have seen the opportunities resale presents and have jumped onboard to offer resale options for their customers. Giving Made Easy, a partnership between the Iconic and The Salvation Army, allows Iconic customers to donate clothes. This platform has gained popularity since its inception in 2020 and allows younger generations to access the resale market.

Most recently, The Iconic and David Jones have partnered with independent resale platforms to offer resale and rental options for their customers. Resale is not only creating new businesses, but allowing established retail companies to revamp their image.

Fashion resale is a model example of an industry upholding sustainability and promoting the circular economy. Its growing impact will only extend further through its emerging presence online, allowing more customer segments to access this market.



The Future of Fashion

The fabric of the fashion industry is changing. Where to from here?

Both the structure and principles of the fashion industry are changing shape. Society is pushing the sustainability agenda and the political system across the globe is responding. Governments and industry bodies have a responsibility to look into the future of the industry and make sustainable changes to foster environmentally friendly practices, reduce risks and ensure longevity

Europe has pioneered many moves in sustainability, including a new European Union directive requiring all member states to separate textile waste collection following consumer use. This change must be implemented before the year 2025 and aims to encourage efficient textile use and ensure items are properly discarded ²⁵

France has gone a step further by passing legislation in early 2020 which bans retailers from destroying unsold or returned fashion items⁴



The Future of Fashion

In Australia, moves have been made to support the circular economy and fashion's place within it. 2021 is a particularly important time for the clothing industry and its relationship with sustainability, with the very first National Roundtable on Clothing Textile Waste having occurred in May of this year²⁷. With the involvement of Minister for the Environment Sussan Ley, this roundtable saw a collaboration of clothing stakeholders come together to discuss sustainability challenges and waste reduction opportunities in the industry. The roundtable highlighted the importance of the charity sector and reuse, and is a step in the right direction to drive a circular economy in the fashion industry.

Minister Ley stressed the importance of this venture by stating her intention to add clothing textiles to the National Priority Waste List¹. This emphasises the commitment of the government to sustainability in the fashion sector and its place in the future.

According to the National Waste Report²⁹ currently only 7% of textile waste in Australia is recycled. Victoria, which has the largest textile industry in Australia, is leading the way with textile recycling. It is the first state in Australia to rank textiles waste alongside plastic, paper and glass. Sustainability Victoria's newly created Circular Economy and Business Innovation Centre (CEBIC), has named textiles a priority focus for CEBIC in 2021 - 2022.

Sustainability Victoria will provide grants to businesses and organisations which are trialling and implementing circular fashion and textiles models²⁶. This highlights the role of the government in driving reuse and sustainability to curb the environmental impacts of waste.

Moves to support sustainability reinforce the current trends of reuse, and highlight the growth and business opportunities for resale in the future.

"Buy less. Choose well. Make it last."

- Vivienne Westwood

References

1. Ellen MacArthur Foundation. A new textiles economy: Redesigning fashion's future. 2017. <http://www.ellenmacarthurfoundation.org/publications>
2. Monash University. "Coming Full Circle On Fast Fashion For A Sustainable Future," LENS. 31 March 2021. <https://lens.monash.edu/@aleasha-mccallion/2021/03/31/1382982/coming-full-circle-on-fast-fashion-for-a-sustainable-future>.
3. United Nations Climate Change (UNFCCC). Fashion Industry Charter for Climate Action. 2018. <https://unfccc.int/sites/default/files/resource/Industry%20Charter%20%20Fashion%20and%20Climate%20Action%20-%2022102018.pdf>
4. McKinsey & Company. Fashion on Climate. Global Fashion Agenda. 2020. <https://www.mckinsey.com/~media/mckinsey/industries/retail/our%20insights/fashion%20on%20climate/fashion-on-climate-full-report.pdf>
5. Charitable Recycling Australia. The Reuse Impact Calculator: Understanding the environmental impacts of household reuse. 2020. <https://www.charitablerecycling.org.au/wp-content/uploads/2020/08/Reuse-Impact-Calculator-Methodology.pdf>
6. Fashion for Good, Accenture Strategy. The Future of Circular Fashion: Assessing the Viability of Circular Business Models. May 2019. <https://fashionforgood.com/wp-content/uploads/2019/05/The-Future-of-Circular-Fashion-Report.pdf>
7. YouGov staff. "Fast Fashion: Three In Ten Aussies Have Thrown Away Clothing After Wearing It Just Once". Yougov: What The World Thinks. December 6 2017. <https://au.yougov.com/news/2017/12/06/fast-fashion/>
8. Market Research. "Apparel Retail in Australia". MarketResearch.com. February 2020. <https://www.marketresearch.com/MarketLine-v3883/Apparel-Retail-Australia-13511609/>
9. Shahbandeh, M. "Revenue Of The Global Apparel Market 2012-2025 | Statista", Statista. September 2020. <https://www.statista.com/forecasts/821415/value-of-the-global-apparel-market>
10. Ministry for Primary Industries Economic Intelligence Unit, Global Middle Class 2030 Trends towards 2030 and opportunities for New Zealand primary sector exports, November 2019, <https://www.mpi.govt.nz/dmsdocument/38747/direct#:~:text=The%20middle%20class%20by%20region,-In%202015%2C%20the&text=Research%20predicts%20that%20the%20global,2017%3B%20KPMG%2C%202014>
11. Australian Circular Textile Association. A Circular economy for the Textile and Apparel Sector. 2020. https://acta.global/wp-content/uploads/2020/05/ACTA_PositionPaper2020_FINAL.pdf
12. Impress!ve. State of Online Retail 2021. 2021. https://www.impressive.com.au/wp-content/uploads/2021/06/State-of-online-retail-2021-1.pdf?utm_campaign=SC+%257C+LGF+%257C+C-Level&utm_source=linkedin&utm_medium=paid&hsa_acc=507604500&hsa_cam=615346006&hsa_grp=165659846&hsa_ad=124819816&hsa_net=linkedin&hsa_ver=3
13. Future Market Insights. "Online Clothing Rental Market Is Expected to Register a CAGR of 9.8% By 2026- Future Market Insights." NASDAQ OMX's News Release Distribution Channel (New York). 2018
14. KPMG. "Australian Retail Outlook 2021". Inside Retail. 2021. <https://home.kpmg/content/dam/kpmg/au/pdf/2021/australian-retail-outlook-2021-report.pdf>
15. Global Fashion Agenda. Pulse of the Fashion Industry 2019 Update. 2019. <https://www.globalfashionagenda.com/publications-and-policy/pulse-of-the-industry/>
16. McKinsey, Survey: Consumer Sentiment on Sustainability in Fashion, 2020 <https://www.mckinsey.com/industries/retail/our-insights/survey-consumer-sentiment-on-sustainability-in-fashion>
17. The RealReal. "Social Impact". 31 March 2021. <https://investor.therealreal.com/social-impact>

References

18. Charitable Recycling Australia. "How the charitable recycling sector can help all levels of government meet Australia's 2030 National Waste Policy targets". Education. 2021. <https://www.charitablerecycling.org.au/education/charitable-impact/>
19. Wrap. Textiles Market Situation Report Spring 2016. 2016. https://wrap.org.uk/sites/default/files/2020-09/WRAP-Textiles_Market_Situation_Report_2016.pdf
20. Charitable Recycling Australia. "Impact Report Key Findings- Charitable Recycling Diverts Over 1 Million Tonnes of Waste from Landfill". News. 1 June 2021. <https://www.charitablerecycling.org.au/impact-report-key-findings-announced/>
21. Charitable Recycling Australia. 2021 Impact Report. 2021. https://www.charitablerecycling.org.au/wp-content/uploads/2021/06/CharitableRecycling_2021_ImpactSnapshot_Digital_Final.pdf
22. threadUP. 2021 Resale Report. June 2021. <https://www.thredup.com/resale/#sources>
23. Watson, Corinne. "Your Brand's Guide to Facebook Marketplace: A New Channel For Growth". BigCommerce News. 2021. <https://www.bigcommerce.com.au/blog/selling-on-facebook-marketplace/#facebook-marketplace-qa>
24. Miller, Felicity. "30 eBay Australia Statistics and Facts". Maropost. 17 October 2018. <https://www.netohq.com/blog/30-ebay-australia-statistics-and-facts>
25. Global Fashion Agenda. Fashion CEO Agenda Priorities for a Prosperous Industry. 2021. <https://www.globalfashionagenda.com/publications-and-policy/fashion-ceo-agenda-2021/>
26. Sustainability Victoria. "Grants and Funding". Grants, funding and investment. 2021. <https://www.sustainability.vic.gov.au/grants-funding-and-investment/grants-and-funding>
27. Reed, Camille. "Australia's first Clothing and Textiles Waste Roundtable". Australian Circular Textile Association. 1 June 2021. <https://acta.global/news/australias-first-clothing-and-textiles-waste-roundtable/>
28. Google Maps Data
29. Department of Agriculture, Water and Environment. "National Waste Report 2020" 4 November 2020 <https://www.awe.gov.au/sites/default/files/env/pages/5a160ae2-d3a9-480e-9344-4eac42ef9001/files/national-waste-report-2020.pdf>
30. Accenture Chemicals " Global Consumer Sustainability Survey 2019" <https://www.slideshare.net/accenture/accenture-chemicals-global-consumer-sustainability-survey-2019>

Acknowledgements

A heartfelt thank you to Mia Flynn for her significant contribution to the research and writing of this report undertaken as a final year internship project.

Thanks to Jaia Parisnis, Senior Lecturer of Economics at Monash University for reviewing the economic assumptions and calculations.

And finally, thank you to Samantha Freidin for her editing and graphic design work.

Copyright 2021 Reluv Clothing. All rights reserved.

You are free to distribute, remix, or adapt the material in any medium or format, subject to you giving credit to Reluv Clothing (reluv.com.au)

Contact

Reluv Clothing

Reluv♥

www.reluv.com.au

info@reluv.com.au

