

# Global shipping crisis will mean more clothes sent to landfill

**Tom McLroy** *Political reporter*



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Australian companies collecting used textiles for recycling and reuse overseas are warning that soaring costs for international freight is set to result in millions of kilos of clothes sent to landfill.

Southern Cross Recycling boss Chris Todorovski said companies facilitating the export of old clothes and other goods to sorting facilities in countries including Malaysia and the United Arab Emirates were still facing major disruption from pandemic supply chain pressures.



The squeeze on global supply chains is hurting exports of used textiles from Australia. **Getty**

Shipping costs have seen as much as sixfold increases, with charges for a 40-foot (12-metre) shipping container for exports rising by about \$12,000. The challenge

comes amid ongoing pressures on international ports and a shortage of containers across the globe.

Mr Todorovski has met with Deputy Prime Minister Barnaby Joyce to discuss the situation, telling the federal government more materials will end up in landfill unless a solution is found.

He said the low value of the exports made trade difficult when costs were significantly higher than normal. Some goods come back to Australia after sorting, including for sale by charities.

Mr Todorovski said businesses in the industry were at risk of folding.

“Our role is managing the supply chain and ensuring that whatever they’re doing is completed in an ethical and sustainable way,” he said.

“If we stop doing what we’re doing and charities stop doing what they’re doing, all of this textiles waste is put in the ground. That creates more problems, including social and environmental damage.

“We’re really concerned about the environmental impact. Customers overseas are likely to go to other Western countries. That would make it a lot harder for us to get back in there.”

The sector has asked for government assistance, or for consideration of a maritime mandate, which would require containers leaving Australia to have a minimum capacity level.

Mandates in the United States require as much as 75 per cent capacity. Currently, only about 35 per cent of containers leaving Australia are full.

“This is a time bomb for us. Our customers could turn around tomorrow and say they can’t take any more,” he said.

“If it’s working with other countries, we should look at it. All of this stuff would definitely help.”

Environment Minister Sussan Ley has included used clothing textiles on her priority list for challenging waste products and has encouraged Australians to consider throwing away fewer environmentally damaging products.

Productivity gains from moves to more reuse and recycling in Australia have been estimated at as much as \$23 billion in gross domestic product, with the potential to create tens of thousands of jobs this decade.

Mr Joyce, who tested positive for COVID-19 last week, is isolating in the United States. A spokesman said disruptions to supply chains around the world were due to a range of factors.

“These include high demand for imported containerised goods, a lower number of new containers manufactured in 2020, terminal closures due to COVID-19 outbreaks, and industrial disputes,” the spokesman said.

“While costs have increased since the start of the pandemic, Australia has fared comparatively better than many other nations. Freight has continued to move through our ports, with some of our major ports reporting record throughput in 2020-21.

“The international shipping market is effective and is expected to correct in time.”

The spokesman said the Coalition government was not currently considering a mandate on shipping container costs.

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