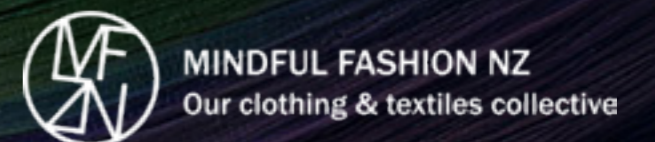


# THREADS OF TOMORROW

Crafting the Future of Aotearoa New Zealand's  
Fashion, Clothing and Textiles Landscape

Produced by



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# Foreword

**A**otearoa New Zealand's fashion, clothing and textile industry has significant value. It is an important part of our economy, our culture and our communities. However, the industry is facing challenges that must be addressed to ensure it not only continues to survive, but thrives.

With this report we set out to demonstrate the value of the industry today, and into the future, on behalf of the industry. We measured its contribution to GDP and employment, and captured its social, environmental, creative and cultural contributions. We sought to understand our shared challenges and opportunities, and chart a course for a better future.

The industry in Aotearoa New Zealand employs skilled, innovative and passionate people, and women are an integral part, comprising 78% of our workforce. We have some of the world's leading sustainable brands. We produce some of the best fibre in the world. We manufacture high value knitwear that's in demand globally. We dress New Zealanders for school and work, for leisure, for outdoor pursuits.

However, the industry in Aotearoa is at a critical turning point. While it makes a significant contribution to Aotearoa New Zealand and to New Zealanders, it

is also part of a global industry that is contributing to some of the planet's biggest challenges, including climate change, rising consumption, waste and pollution, and inequality. We all share a responsibility to address the impacts of our industry if we are to safeguard our planet for the future.

It is imperative we chart a course to evolve the industry in Aotearoa New Zealand so we can enjoy a future where our businesses, our people and our natural environment can all thrive. This requires a fundamental reimagining of the way our fashion, clothing and textiles system works in Aotearoa New Zealand.

While the industry is a large employer and makes a significant contribution to our economy, it's essential we look to the future and start to grow business value opportunities outside of the old industry model.

The report lays out a pathway for the industry to collaborate on solutions in four action areas. These include: building a skilled workforce to take the industry into the future; growing high value pathways for materials and manufacturing; creating local circular systems and addressing textile waste at a national level; and promoting Aotearoa New Zealand fashion, clothing and textiles. Taken together

these actions are designed to boost the industry's contribution to Aotearoa New Zealand. Across these action areas 15 recommendations have been identified to guide the industry and stakeholders over the next few years.

What is clear is that to successfully transform the industry, we all need to work together. No one organisation alone can change the system, but by working together we can create an industry that's future focussed and that we're all proud to be part of.

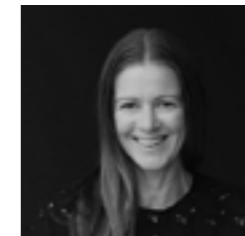
At Mindful Fashion New Zealand our mission is to build an innovative, full-circle and thriving future for the industry. We believe that working together, we can make an immense impact on our industry's future and transform it to one that adds enormous value to the people of Aotearoa New Zealand.

While this report makes a strong case for collaboration, it is also a call for more support and investment. We call on the support and influence of leading businesses in the Aotearoa New Zealand fashion, clothing and textile industry, who believe in a more sustainable future and are excited by an opportunity to show industry leadership. We urge investors, philanthropists and industry stakeholders

who see the potential of our vision to connect with us and get involved. We ask the government to work with us to incentivise and scale the recommendation of this report.

We want to thank EY New Zealand without whom this important piece of work would not have been possible. We also want to acknowledge each of the Mindful Fashion members and the industry stakeholders who have contributed to the development of this report. Thank you for getting involved, your participation has been crucial to ensure this report truly reflects the voice of the industry.

The recommendations in this report present a starting point, and we recognise there is more to do over the coming months and years. We are excited about the future and look forward to getting to work to make change happen.



**Jacinta FitzGerald**  
Chief Executive



**Juliette Hogan**  
Board Chair

# Executive Summary

**What we do in Aotearoa New Zealand can have an impact both within New Zealand’s fashion, clothing and textile industry and throughout the global clothing and textile industry. The choices we make matter.**

**A**otearoa New Zealand’s fashion, clothing and textiles industry (“NZFCTI”) makes a sizeable economic and cultural contribution to Aotearoa New Zealand. The NZFCTI can shape the attitudes and behaviours of consumers, business owners, manufacturers and primary producers amongst others.

Clothing and textiles are integral to how we see ourselves and interact with the world. The industry that produces clothing and textiles provides livelihoods to millions of people around the world. In Aotearoa New Zealand the NZFCTI may be comparatively small on an international scale, but it is part of a complex and far-reaching global clothing and textile ecosystem.

The NZFCTI is highly reliant on global supply chains for materials and manufacturing, and global products are present in every retail centre and every wardrobe. What we do in Aotearoa New Zealand can have an impact both within the NZFCTI and throughout the global clothing and textile industry (“Global Industry”). The choices we make matter.

## The need for change

The production, distribution and disposal of clothing and textiles has a significant impact on our planet.<sup>1</sup> It pollutes our water and land, and impacts water scarcity. It is responsible for up to 8% of global greenhouse gas emissions<sup>2</sup>, and contributes 52 thousand tonnes of waste to Aotearoa New Zealand.<sup>3</sup> The production and distribution of clothing and textiles also has significant modern slavery and worker exploitation risk.<sup>4</sup> To address these impacts and realise a future where business considers people and nature alongside profit, the NZFCTI needs to evolve and move towards a new way of working. This should be supported by aligning with international practice, regulation and law that ensures Aotearoa New Zealand can remain credible within the international market.

## Challenges and opportunities

The NZFCTI faces significant challenges which include increasing business costs, difficulty accessing capital, lack of skilled workers, competition from global brands, limited local textile manufacturing capabilities and meeting legal obligations. Concurrently, exciting opportunities have been identified by the NZFCTI associated with transitioning towards the desired

future, which include revenue and cost benefits, upholding the values of Aotearoa New Zealand and investing in innovation.

## Desired future

This report presents a case for ambitious action. It proposes a bold vision for the future of the NZFCTI, and provides the recommendations needed to achieve this desired future:

***A thriving and circular clothing and textile industry for Aotearoa New Zealand that meets the needs of people, nature and business.***



## The Direct Impact Of New Zealand’s Fashion, Clothing And Textile Industry

**\$7.8 billion**

Added to the economy in 2023

**1.9%**

Contributed to GDP

**\$4.4 billion**

Paid in wages

**76,011**

Workers employed in 2023

**78%**

of employees within the NZFCTI are female

SOURCE: EY Analysis 2024

## Action Areas

There is an opportunity to demonstrate that a circular and thriving NZFCTI is possible, driven by purpose-led businesses and united behind a common agenda. To create a thriving and circular NZFCTI, four areas have been identified where the NZFCTI along with its relevant stakeholders must prioritise action:

### 1 Growing a skilled workforce:

Develop a skilled workforce to support a thriving NZFCTI and cultivate new talent to fill existing and future gaps.

1. Plan for future skills needs
2. Promote career pathways
3. Develop skills training and build new career pathways
4. Build wool knowledge and skills

### 2 Advancing local materials and manufacturing:

Enhance local manufacturing capability to boost GDP, and show leadership in development and use of low-impact materials.

5. Develop a NZFCTI manufacturing strategy
6. Connect Innovation to funding
7. Increase accessibility of responsible materials & technologies
8. Build connections between wool sector & brands

### 3 Enabling a circular economy:

Increase the use of clothing and create value through circular and recycling systems, resulting in minimal textile waste.

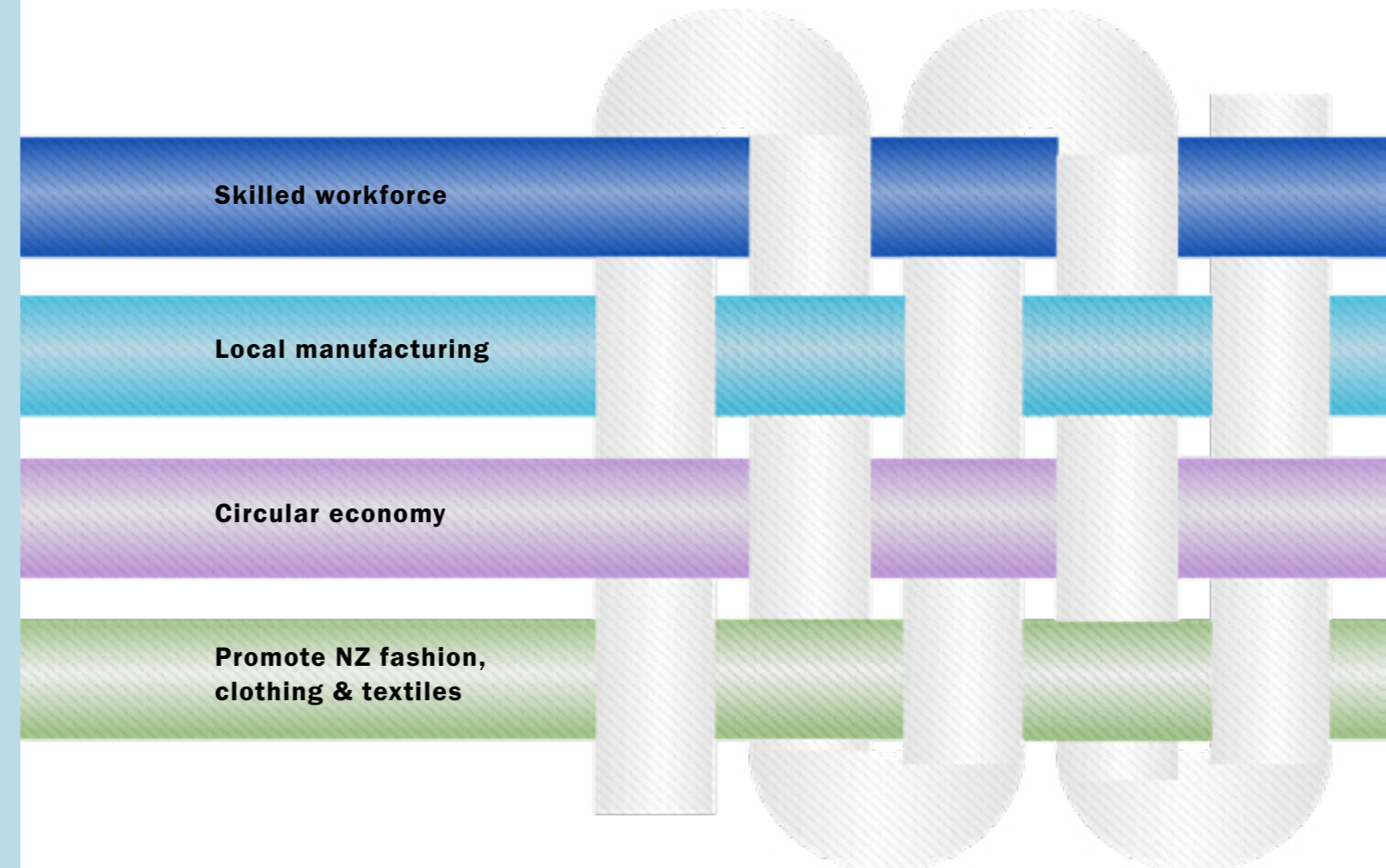
9. Demonstrate circular solutions and proactively minimise waste
10. Develop a product stewardship solution
11. Invest in collecting, sorting and recycling textiles
12. Address textile plastic pollution

### 4 Promoting New Zealand fashion, clothing and textiles:

Engage with consumers to promote the benefits of local business and sustainability, and embed circular and responsible practices into business models to stimulate economic activity.

13. Engage with local consumers
14. Build access to international markets
15. Develop tools to support sustainability action

## Action Areas for the NZFCTI



Through the recommended actions outlined in this report, there is potential to stimulate economic activity, boost the NZFCTI's contribution to Aotearoa New Zealand, and demonstrate the social, environmental and economic benefits that a circular and thriving NZFCTI can bring.

# Actions table for the NZFCTI 2024 - 2026

Growing a skilled workforce		Actions 0-6 months	Actions 6-12 months	Actions 12-24 months
<b>Outcome</b> We have a workforce with the required skills to support a thriving and circular NZFCTI and a pipeline of new talent that can fill any emerging or existing workforce gaps.	<b>Opportunity</b> Upskilling and training workers to fill current and future gaps will increase the NZFCTI's contribution to GDP, grow employment, build our identity as a creative and innovative nation, and benefit female financial security.	1. Plan for future skills needs.		
		2. Promote career pathways.		
		3. Develop skills training and build new career pathways.		
		4. Build wool knowledge and skills.		
Advancing local materials and manufacturing		Actions 0-6 months	Actions 6-12 months	Actions 12-24 months
<b>Outcome</b> We have innovative, high value and accessible local manufacturing that increases the NZFCTI's contribution to GDP and allows SMEs to continue making onshore. We are leaders in researching, producing and using regenerative and circular materials and practices that work in harmony with nature.	<b>Opportunity</b> Investment in local materials and manufacturing can stimulate growth across the value chain while supporting the NZFCTI's transition to a low carbon circular economy. Increasing productivity will allow more companies to produce locally, be more responsive, and contribute to the local economy and job growth.	5. Develop a NZFCTI manufacturing strategy.		
			6. Connect Innovation to funding.	
			7. Increase accessibility of responsible materials & technologies.	
		8. Build connections between wool sector & brands.		
Enabling a circular economy		Actions 0-6 months	Actions 6-12 months	Actions 12-24 months
<b>Outcome</b> The NZFCTI has a circular textiles economy where clothing utilisation is maximised, and value is created through circular and recycling models. In these new approaches resource consumption is limited, materials are reused, and we have developed an integrated and cost-effective post-use ecosystem.	<b>Opportunity</b> In a circular economy economic value is maximised through circular models that enable multiple revenue streams, and through a post-use ecosystem where markets are created that derive from end of life textiles.	9. Demonstrate circular solutions and proactively minimise waste.		
		10. Develop a product stewardship solution.		
			11. Invest in collecting, sorting and recycling textiles.	
		12. Address textile plastic pollution.		
Promoting New Zealand fashion, clothing and textiles		Actions 0-6 months	Actions 6-12 months	Actions 12-24 months
<b>Outcome</b> We have a thriving and responsible NZFCTI, that is valued by consumers in Aotearoa New Zealand and abroad.	<b>Opportunity</b> By transforming the NZFCTI to meet the demands of today's and tomorrow's consumers, the NZFCTI can secure a competitive position in the local and global marketplace.		13. Engage with local consumers.	
		14. Build access to international markets.		
		15. Develop tools to support sustainability ambition		
Taken together these actions are designed to stimulate economic activity, boost the NZFCTI's contribution to Aotearoa New Zealand, and demonstrate the social, environmental and economic benefits that a circular and thriving NZFCTI can bring.				