

Good360 Australia

While you wouldn't think of brand-new goods as waste, in reality an estimated \$2.5 billion worth of brand-new, unsold products are wasted or unnecessarily sent to landfill in Australia every year. In this case study, we profile Good360 Australia and the role they play in supporting Australia's transition towards a circular economy by keeping products and materials in use at their highest value while helping to avoid and reduce waste. They do this by providing surplus new and refurbished goods donated by businesses to Australians who need them most, supporting greater social equity and inclusion.

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Product Stewardship in Action with



INTRODUCTION

According to a recent report by Deloitte Access Economics, \$2.5 billion worth of brand-new excess goods are wasted or landfilled in Australia every year. This includes household consumable items such as clothes, electronics, toiletries, hygiene and personal care items, education supplies, furniture and more. To put this in perspective, if this waste were a company, it would be the 6th largest retailer by market capital in Australia. In addition, customer returns which are excluded from the Deloitte research have been a growing global issue and concern in recent years with the rise of online shopping. It's estimated that returns generate nearly three million metric tonnes of waste globally each year. While some returns do get a useful life as liquidated inventory or donated products, much of it ends up in landfills.

With Australia working towards circularity by 2030, it is vital that all sectors of the economy and society work cooperatively to effectively address our growing waste challenges, including the often overlooked and unique role played by the charitable sector.

In this case study we look at how Australian charity <u>Good360</u>¹ is working to provide product stewardship solutions for businesses to keep items in use and reduce waste at the same time. Alongside waste reduction efforts, Good360 also aims to achieve social objectives including disaster relief, support for low income communities, educational programs, and helping to close the growing digital divide.

ABOUT GOOD360

Good360 was launched in Australia by Alison Covington AM, in 2015. It is a charitable organisation with a mission to ensure that the excess goods and services that businesses produce every year flow to people in need rather than going to waste. Currently, Good360 has around 3,500 charity and disadvantaged school members Australia-wide who are able to order the new goods they need for their community helping to provide access, equality and dignity.

Good360 sees themselves as a "connector". That is to say, they connect charities, schools, and society's most vulnerable with businesses willing to donate unsold and surplus goods, services, and disaster recovery essentials. The way this works is straightforward; businesses commit to donate their excess and unsold goods to Good360 who make these goods available to charities and disadvantaged schools through their online marketplace or local store matching service.

Vulnerable communities, charities and schools can register for free Good360 membership. These vetted member charities and schools can then order brand-new goods they need from the Good360 website with 24/7 easy access saving them time and budget.² Good360 therefore facilitates the right goods going to the right people at the right time (whether that be through their online marketplace or local matching services) providing both environmental and social benefits.

In addition to donating excess, businesses can choose to donate purposefully to 'spread joy' and give relief to communities in times of urgent need during disaster recovery. This supports Good360's goal of connecting 'the right goods to the right people at the right time', leaving no-one behind and seeing no useful goods going to waste. Good360 Australia is also a recognised charity with 1% for the Planet.

Alison Covington AM, Good360 Founder and

than \$14 billion worth of goods since inception, including more than \$2.5bn of goods in 2022 alone.

 $^{\rm 2}$ The goods are free, but there may be a small shipping and handling fee for door-to-door deliveries.

¹ While Good360 may still be considered a relatively young charity in Australia, Good360 USA has been operational for 40 years and provides a strong blueprint for what is possible to reduce need and waste, especially in disaster recovery efforts. Good360 is one of America's largest charities, and has matched more

Managing Director explains the gap the charity seeks to address, stating "In Australia, we had food rescue charities doing a good job addressing food waste but no one was focused on the huge amount of brand new goods going to waste every year. I learnt about Good360 USA and the amount of essential products they had connected to vulnerable communities and I couldn't unknow it."

PARTNERING FOR PRODUCT STEWARDSHIP

Since 2015, Good360 has connected over 34 million brand new items to Australians in need and businesses have donated over \$323 million of brand-new goods that would have in many cases gone to waste. They estimate to have diverted more than 6,500 tonnes of landfill. Any eligible charity or disadvantaged school can register to become a member of Good360. They support 35 cause areas including domestic and family violence, homelessness, disability services, youth services, mental health and wellbeing, Indigenous communities, and disaster recovery.

Good360 Australia has a goal of reaching a total of \$1 billion worth of goods to Australians in need by 2025 and diverting more than 20,000 tonnes of landfill. They have a proven and efficient model, of distributing 20 items per minute and with every \$1 of cash funding Good360 is able to distribute more than \$20 worth of brand-new goods to communities. This facilitates an important role in connecting business excess with people in need and reducing potential landfill.

Good360 has partnerships with more than 450+ retailers and service providers. Examples include:

 BIG W has been partnering with Good360 to connect surplus goods to local families in need, essential goods to disasteraffected communities, and special gifts to vulnerable people during important celebrations such as Christmas, sparking joy and helping communities thrive not only survive.

- LEGO has contributed to mental health, wellbeing and development of children across Australia, with organisations utilising LEGO for learning programs, gift packs, therapy, and more.
- Andoo Australia, part of the Winning Group, has donated close to 2,000 items, including furniture, bedding, and appliances to flood affected communities, supporting recovery efforts as communities rebuild after the 2022 floods.
- Good360 and booktopia have a longstanding partnership to provide books to children in <u>disadvantaged communities</u> across Australia, because they believe in the benefits that reading has on a child's wellbeing and learning outcomes.
- **koh** has donated thousands of highquality sustainable cleaning products over the last few years providing essential resources to communities who have needed them most, especially during the clean up as communities recover after the 2022 floods.
- Clarins, Dettol, Colgate and Edgewell, are all leading personal care brands who supply products to retailers across Australia. They have collectively contributed thousands of personal care, sunscreen, and hygiene products over the years. In some cases, products may be purposefully donated to bring joy or could be at the end of range, have a change of ingredient and/or packaging or be nearing best before date yet are perfectly good to use. By donating these personal care products, not only are brands ensuring these goods have a meaningful first-life they are also helping to close the hygiene needs gap in Australia.
- Good360 recently launched a new initiative, <u>Laptop Launchpad</u>, with fintech company **Finder** to close the digital divide. Through this partnership they are calling on Australian businesses to donate their retired laptops for a good cause. These laptops will undergo a refurbishment and distribution process

through Good360 and give them to people who need them most while keeping devices at their 'best and highest value' and reducing e-waste from going to landfill.

To help close the Digital Divide, Optus is also donating data and devices through their Optus Donate Your Device and Donate Your Data® programs. Optus invites their customers to donate their device and/or data and Good360 distributes these to Australians in need.

These partnerships highlight what product stewardship can achieve when it comes to pursuing an explicit social objective. The Good360 approach also demonstrates how a well-designed system of donations and gifting can deliver noteworthy social impact to people most in need, while avoiding unnecessary or premature disposal of otherwise perfectly functional products, an aspect often overlooked by policymakers when considering the purpose, value and role of product stewardship.

THE COST OF EXCESS ON PEOPLE AND PLANET

You may wonder why a business has excess stock in the first place. Overproduction and planned obsolescence are certainly a big part of the challenge, but it is not the whole story. There are a number of other reasons why businesses may have excess goods, including changes to branding, product design, packaging or ingredients which can lead to a particular product-line no longer being sold. In recent years, COVID has also illustrated the unpredictable nature of forecasting and supply chain disruptions. These factors leave even the most sustainable businesses with brandnew goods that can no longer be sold but are still totally fit for purpose.

The costs of carrying excess inventory can be substantial, potentially costing businesses millions each year. This includes costs associated with storage, transport, warehousing, staff handling, discounting and write-offs. In the case of excessive discounting this can also lead to a dilution in brand and erode future sales and profits. In addition to fiscal costs, there are also significant environmental costs by way of energy and resource consumption that has gone into creating these unsold excess products including raw materials, labour, water, and CO_2 emissions.

Overtime, as product design and circular supply chains become more advanced and sophisticated to design out waste at all stages of the value chain, it is expected the collective impact of excess unsold goods will reduce and improve circularity. However, given our global economy is reported to be only 7.2% 'circular' according to the latest Circularity Gap 2023 report and a recent rise in material extraction has caused this number to further decrease from 9.1% in 2018; meaning we are still almost exclusively relying on new (virgin) materials for the products we buy and use.

Many businesses are juggling competing priorities and demands including balancing the economics of running a viable business, paying staff fair wages and meeting other environmental and social responsibilities. There is no doubt, society and businesses will undergo immense transformation as we transition to a circular economy and there will be many levers that will need to change simultaneously to create a more just and equitable system for both people and the planet.

THE SOCIAL BENEFIT OF STEWARDSHIP: CLOSING NEEDS GAPS

Product stewardship is not only about meeting environmental and economic objectives but social objectives and benefits as well. This can include benefits such as product stewardship initiatives that prioritise community education or contribute to charitable giving.

As Hayley Moffiet-Wong, Good360's Head of Sustainability says, "by donating excess through Good360, businesses are able to support local communities as well as have a national reach to a network of charities and disadvantaged schools across 35 cause areas, amplifying their impact to where and when it's needed most - getting the right goods to the right people at the right time".

Good360 has three key focus areas for social impact through product stewardship. These are disaster recovery, digital divide and dignity. We provide a brief summary of each below:

1. Disaster recovery

Australia has experienced back-to-back disasters over several years now and people who would not normally ask for help are now part of a new growing vulnerable community – the need is greater than ever before and demand is expected to continue to grow.

Good360's approach to Disaster Recovery is to provide a steadfast and strategic response to community needs throughout a disaster. They use a coordinated and collaborative process partnering with Australian businesses, local governments, and community groups. Through their extensive experience working in disasters, they have also identified <u>six stages</u> <u>of disaster recovery</u> whereby different products and services are needed to support different stages of recovery. This framework ensures that communities are not overwhelmed with product donations that are not suitable.

2. Digital Divide

The gap between people that have access to the digital tools that they need and people that don't is called the digital divide, and it is a significant issue in Australia.

The Australian Digital Inclusion Index found that 1 in 4 Australians are at risk of being digitally excluded. Further research from the Good Things Foundation shows people on lower incomes are more likely to have mobileonly access to the internet, in addition, one third of people with a mobile-data only connection are low-income families with school-aged children.

In a digital society, these people are likely to be restricted in their ability to perform high value activities like access to health services, studying, applying for jobs, or starting a business as well as the benefits of social connection. As a result, digital exclusion can have a multiplier effect and leave people without digital access further disadvantaged in the future as they lose access to education and job opportunities whilst facing isolation.

Alison Covington AM, Founder and Managing Director of Good360 Australia, said the digital divide is a big issue that needs to be solved at scale. "Our network of charities are crying out for the technology and tools to bridge the digital divide in their communities. We know that the biggest impact we can have is by reducing affordability barriers."

3. Dignity

In recent years, the charitable sector has seen an overwhelming increase in product donations that are not suitable for use.³ As a result, Australian charities are forced to spend millions to deal with donation dumping, reducing charity budgets for spending on critical community programs. Charitable Recycling, a national network for charitable reuse and recycling, puts the national cost at about \$18m a year for waste management and disposal.

This is why Good360 Australia connects primarily brand-new items to Australian's in need to promote dignity for people who find themselves in a vulnerable position due to complex life circumstances, often beyond their immediate control.

As the charity Drought Angels, Founder & CEO Natasha Johnston describes "In some cases, people who are already in trauma are now having to sort through second-hand

³ According to the Chief Executive Officer of Charitable Recycling Australia Omer Soker, "Responsible

donating meant if you wouldn't give it to a friend, don't give it to charity,"

goods, many of which actually need to be dumped. This is why we will only ever gift our families with new items."

Suzanne Hopman, CEO Dignity Homeless Services Australia says, "We support people who are experiencing homelessness. When we are able to provide our guests with something beautiful that is brand new... it can symbolise new beginnings and a fresh start. I remember one of our guests staying in our temporary accommodation saying, "receiving this gift tells me I'm worth something."

THE GOOD360 INNER CIRCLE PROGRAM

Good360 is recognising their partner's sustainability journeys, through a new initiative called the <u>Good360 Inner Circle</u>. This structured pledge & recognition program is designed to support businesses who demonstrate shared values and a strong commitment towards zero waste of usable goods and social impact as a way of doing business.

The Inner Circle program was co-designed with industry and retail partners to recognise where businesses are on their own sustainability journeys and help them to communicate with their staff, customers, and other stakeholders about their own contributions towards a collective impact of reducing both need and waste in Australian communities.

Participating businesses commit to working with Good360 in four key ways over a three year period (includes donating product or In-Kind services, volunteering, fundraising and amplifying the message) and in return, partners receive regular reporting and impact stories to help communicate their commitment and progress towards sustainability goals. These reports and resources are designed to help a business to transition from a reactive to a proactive mindset when it comes to managing potential excess stock in order to ensure this stock does not become waste.

Businesses who take the pledge are also

signalling a commitment to working towards zero waste of brand-new goods and ensuring any suitable excess products are donated for positive social good. In addition to donating excess goods, businesses can also choose to purposefully donate high demand essential items especially in times of crisis such as natural disasters when communities have specific needs at various stages of recovery or create targeted initiatives aligned to specific UN Sustainable Development Goals (e.g., SDG 1 alleviate poverty). This program also supports key aspects of B-Corp certification for those on this pathway.

As Hayley Moffiet-Wong, Good360's Head of Sustainability explains "purposeful giving is also good for business, enhancing a brand's reputation by embedding social good as a way of doing business".

Partnering with Good360 allows a business to demonstrate a commitment to sustainable principles including waste reduction, reuse, and repurposing, and amplifies the impact of doing good through collective action. This is an important step in a transition towards a Circular Economy by circulating goods at their 'highest and best value' for as long as possible before materials are finally recycled, retired or disposed of.

NEXT STEPS

With Australia reportedly producing approximately <u>76 million tonnes of waste a</u> <u>year</u>, of which over a quarter goes to landfill, Good360 is on a mission to ensure all usable goods are given at least a first-life and support the shift to a circular economy in Australia.

To become circular by 2030 significant change are needed in product design and innovation, business practices across supply chains, and the policy and legislation landscape.

Good360 is advocating for a number of initiatives in order to help Australia shift towards a circular economy and scale up product stewardship initiatives in the charitable sector, including:

- Agreeing to a shared vision and language for resource recovery and waste consistent with the <u>waste</u> <u>hierarchy</u>⁴ that prioritises waste avoidance, reuse, and repair.
- Strong collaboration between Government, Industry and Charitable sector to co-design 'Highest and Best Use' policy and effective funding scheme for First Use, Reuse and Repair – assess resource recovery infrastructure and waste levies⁵ to support desired environmental and social outcomes.
- Exploring potential tax incentives for businesses to donate excess goods rather than destroy products (E.g. <u>Food relief tax rebate proposal in</u> <u>Australia</u>) and prohibit unsold goods being thrown away or destroyed (e.g. <u>France</u>).

In 2021 alone, governments across Australia gave \$2.7 billion to charities, of which approximately \$400 million was used to purchase household goods. Good360 advocates that by redirecting a larger portion of the industry's \$2.5 billion (per annum) in unsold excess goods to people in need, governments will save money and actively participate in the transition to a circular economy through reducing waste and keeping goods at their highest and best value for as long as possible.

While these are only a few examples connected to the issue of excess and the role the charitable sector can play, more broadly, system-wide reforms inherent to achieving circularity, will require bold reforms, diverse innovations, and enthusiastic collaborations to deliver impact and measurable benefit. Taking a life cycle approach is key to ensure that we are enhancing the overall health and wellbeing of our environment and our inextricably linked social systems along the way. Here, Good360 demonstrates what is possible when product stewardship takes a lateral approach with a strong social dimension.

generation, recovery and fate for all waste streams and various material categories.

⁵ For more information, see the following <u>report</u> from the Auditor-General for New South Wales which examines the effectiveness of the waste levy and grants for waste infrastructure in minimising waste sent to landfill and increasing recycling waste.

⁴ Charitable Recycling Australia has recently published its new version of the '<u>waste & resource hierarchy</u>'. This version includes recognition of 'first-life' for excess unsold goods at the top of the resource hierarchy, reducing waste and promoting 'highest and best value'. In addition, the <u>National Waste Report 2022</u> also provides data and information on Australia's waste

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