

OVERVIEW– COMMUNITY OPERATIONS

Key fact: In 2012, it is estimated that there were 300 000 tonnes of donations to charitable stores.¹

What do community operations encompass?

Increased public awareness of issues such as climate change and resource depletion has led to a greater focus on waste management and resource recovery. In turn, further attention has been put on the social economy as a means to address environmental and social problems that communities face. The social economy includes many different operations such as community recycling enterprises (CREs), charitable organisations using the 'opportunity shop' (or 'op-shop') model, or specific product recycling programs established to divert certain product waste from landfill. An example of such as program is Mission Australia's 'Soft Landing' which recycled used mattresses. More information on Soft Landing can be found at <http://www.softlanding.com.au/>.

Community recycling enterprises

CREs exist for the purpose of reducing waste to landfill while at the same creating jobs and volunteer positions through the resale of materials and equipment². Generally, CREs are owned and operated by non-profit organisations such as community groups, local governments, and charity organisations. CREs have economic, social, and environmental benefits, and have been recognised by industry and policy bodies as an important part of the waste minimisation, recycling, and reuse landscape³. CREs are often established at landfill sites and use a second hand shop to sell goods that would have otherwise been sent to landfill. An example of one in Denmark, Western Australia, can be found in the [Solutions for waste management in regional and remote Australia: A compilation of case studies](#).

CREs contribute economically and socially by employing local people to recover, sort, and on-sell goods to generate financial profits or surpluses. Data shows a range of different recycling strategies underway in different organisations, such as recycling of e-waste, on-sell to other organisations, and the recycling of resources. However, sales to the public are the highest activity measured and this activity constitutes 70 per cent of income for CREs⁴. Table 1 below provides an overview of sales and tonnage of goods collected by CREs during the 2010-11 financial year.

¹ National Association of Charitable Recycling Organisations. *Submission to National Waste Report 2013*. 2013. p. 2

² The Australian Centre for Philanthropy and Non-profit studies, Queensland. *A Baseline Study of Australia's Community Recycling Enterprises*. 2012. p. 7

³ Ibid. 7

⁴ Ibid 17

Table 1 Sales and tonnage of goods collected by CREs during the 2010-11 financial year

	Total For Sample (28)	Average (per CRE)	Estimated Total for Sector
Total Number of Paid Staff	609	25	1,523
Number of FTE Employees	404	14.43	1,010
Annual Tonnage of Goods Recovered	61,017	2346.81	152,543
Income	\$22,548,843	\$805,315.82	\$56,372,108
Profit	\$ 1,754,042	\$ 62,644.36	\$ 4,385,105

Source: *A Baseline Study of Australia's Community Recycling Enterprises. 2012*

Charitable Recycling

The purpose of charitable recyclers, such as opportunity shops, is to provide clothing and raise money for charitable organisations. They also provide work experience for the disadvantaged, volunteer roles for the community, low cost shopping options, and diversion from landfill. In times of crisis, such as natural disasters, the Australian community have relied on charitable recyclers, such as the Red Cross, Salvation Army, and Saint Vincent de Paul (to name a few), to provide aid relief such as food, clothing, and furniture. The role of charitable recyclers has grown; in 2009 charitable recyclers received 254 000 tonnes of donations, compared to 300 000 tonnes in 2012. However, not all donations are usable, and quite often donations are sent to landfill.

Challenges facing charitable recyclers

Two significant challenges currently faced by charitable recyclers are the illegal dumping of goods at charitable stores, and the diversion of donations away from charities by commercial operators seeking goods for profit.⁵

Illegal dumping

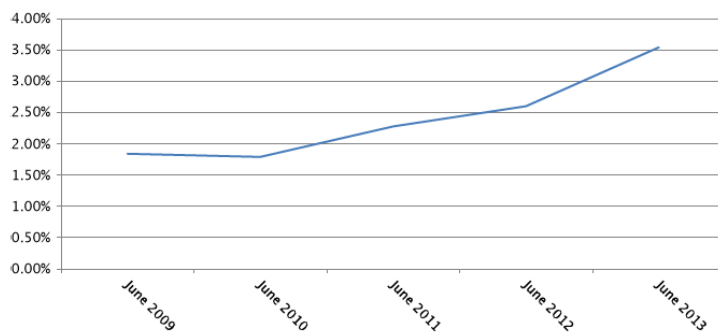
Charitable recyclers are increasingly affected by illegal dumping, and have identified increasing landfill levies as the single largest contributing factor⁶. The effect on charitable recyclers has been twofold: in addition to the increased cost of disposing unusable donations, there has been a significant increase in illegal dumping of litter at collection points⁷. Figure 2 provides an overview of the increase in cost of disposal as a proportion of total sales for the Salvation Army since 2009.

⁵ National Association of Charitable Recycling Organisations. *Submission to National Waste Report 2013*. 2013. p. 8

⁶ Ibid 4

⁷ Ibid 5

Figure 2: Cost of waste disposal as a proportion of sales for Salvation Army stores

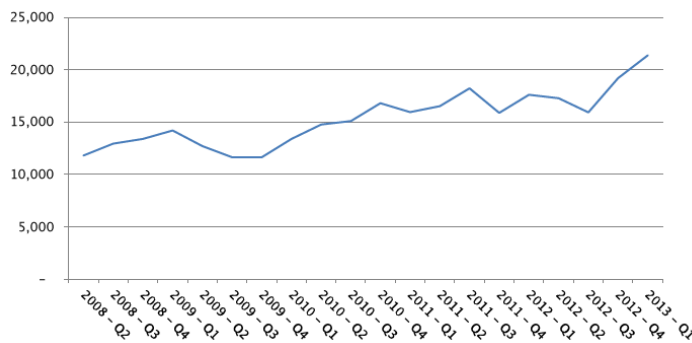


Source: National Association of Charitable Recycling Organisations. Submission to National Waste Report 2013.

International trade

International trade in second hand clothing is growing. Since 2008 Australian export of second hand clothing has grown from just over 10 000 tonnes, to over 20 000 tonnes in 2013. The value of this business is estimated to be \$70 million, and is resulting in schemes from some commercial operators to divert donations away from charities⁸.

Figure 3: Quarterly export of worn clothing and textiles (ABS)



Source: National Association of Charitable Recycling Organisations. Submission to National Waste Report 2013.

For more information on community operations see:

- [Solutions for waste management in regional and remote Australia – A compilation of case studies](#)
- [A baseline study of Australia's community recycling enterprises\(CRE\)](#)
- [Community Recycling Network Australia](#)
- [NACRO](#).

⁸ Ibid