

ABSC

AUSTRALIAN BEDDING
STEWARDSHIP COUNCIL

PRODUCT STEWARDSHIP BRIEFING FOR CEOs

An invitation to participate from the Board and Members of the ABSC

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Proposed Scheme design – Recycle My Mattress V2.0

Background

There is increased pressure on industries to address product outcomes at end of life.

End-of-life for bedding in Australia has typically meant mattresses have been disposed of in landfill or been shredded, with minimum material recovery. In some cases, the material is even sent offshore to be incinerated or used in cement kilns. This is not a socially nor environmentally sustainable position.

Diverting mattresses from going into landfill is paramount to the environment which means that finding ways to increase recycling and recovery rates is critical.

Government and consumer appetite for action is increasing.

An industry-based solution is preferred to one mandated by government.

The Australian Bedding Stewardship Council (ABSC) is an industry initiative and is the [Recycle My Mattress](#) product stewardship administrator.

ABSC is a charitable, not-for-profit organisation, with its members covering the supply chain for bedding products, including raw material suppliers, manufacturers, importers and retailers.

Increasing Mattress Recycling

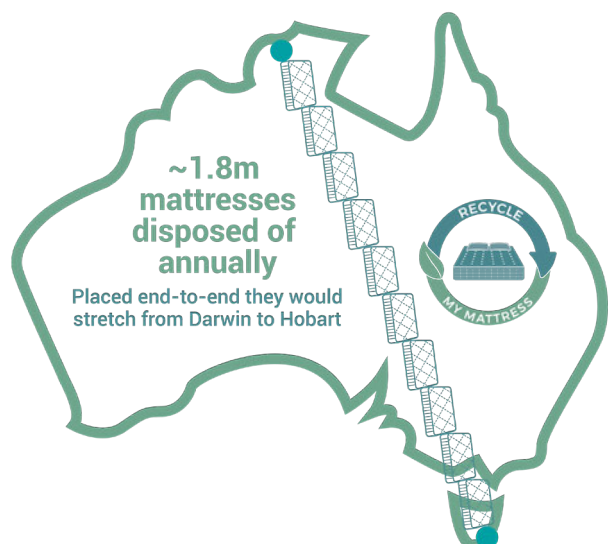
Improving mattress recycling and material recovery requires:

1. A bigger network of accredited mattress recyclers covering the bulk of the population
2. Optimising logistics for transporting end-of-life mattresses to accredited recyclers
3. Technology solutions to help maximise material recovery for further use
4. Commercially viable uses for those recovered resources need to be identified.

Recyclers need to be accredited to ensure that they handle bedding products in keeping with the product stewardship scheme commitments to the regulator.

The transition from landfill/shredding/burning to ethical recycling requires funding/investment.

A user pays Product Stewardship Fee on new mattresses is the recommended basis of the proposed funding model.

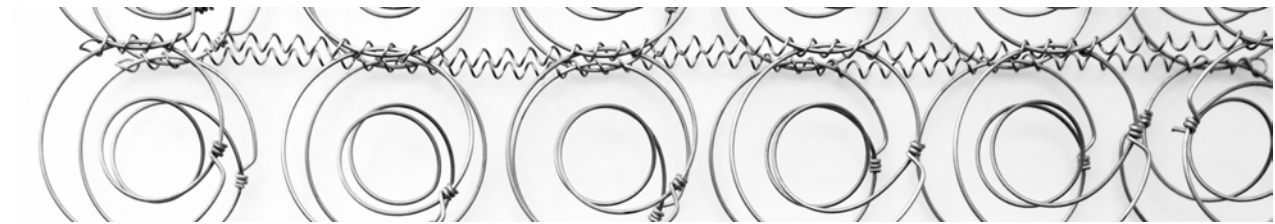


Product Stewardship Fee

ABSC has commissioned consumer research and collaborated with specialist consultants to arrive at a draft scheme design based on a Product Stewardship Fee which we believe at this stage will be less than \$20 per unit.

This design is not finalised and will not be implemented without broad stakeholder feedback and participation, and consequent approval by the ACCC and the Federal regulator of Product Stewardship Schemes.

The expanded Scheme will be a voluntary, industry-based solution, operating under the guidelines imposed by government and in accordance with the Waste Avoidance and Resource Recovery Act 2020.



How The Product Stewardship Fee Works

For Retail

- Retailer charges consumer the Product Stewardship Fee by including it in the mattress purchase price
- The retailer facilitates recycling of an end-of-life mattress for the customer. Various models exist including:
 - taking back the old mattress at the time of delivery of new for recycling by accredited collectors/recyclers
 - A rebate for collection/recycling costs for the end-of-life mattress is paid by the ABSC to an accredited collector/recycler. This may be discounted against the overall collection/recycling cost paid by the customer.

For Direct Online

- If the Direct Online retailer is selling mattresses manufactured by a member, the process is the same as for the retailer
- If importing mattresses, the Direct Online retailer charges the consumer the Product Stewardship Fee in the mattress purchase price.

For Manufacturers / Wholesalers / Importers

- The design proposes that a Product Stewardship Fee is placed on each mattress manufactured/imported by members. This fee is charged as a separate line item to the retailer, and the collected fee paid to the ABSC or appointed aggregator.
- In some instances the retailer may be the importer.

Scheme Proposal

- A Product Stewardship Fee applies to all member mattresses manufactured for or imported to the Australian market
- The fee will be a standard amount per mattress, not related to the size, composition or retail price of the bedding product
- With every mattress sold, the fee is charged to the consumer in addition to the cost of the product; that is, the user pays
- The Product Stewardship Fee is used to support the recycling of mattresses by:
 - Accredited recyclers
 - Accredited collectors
 - Research and Development activities
 - Consumer education/communication by ABSC to improve recycling and material recovery
 - Fund administration
- The proposed scheme design is modelled on other industry-based schemes (tyres, batteries, paint, Bye Bye Mattress in the US)
- The fee is intended to balance achieving recycling outcomes at a price acceptable to consumers. It will be finalised as part of our industry-wide consultation and is subject to approval by ACCC.

Why User Pays?

- Recycling of mattresses is not currently an activity within the supply chain for new products (i.e. mattresses cannot safely be recycled to become new)
- The recovery value of the components of an end-of-life mattress is significantly less than the cost of logistics, labour and safe disposal of unusable elements in recycling the mattress. In other words, ethical recycling of bedding products has a net cost
- ABSC's consumer research confirms that Australian consumers are willing to pay for recycling an end-of-life mattress and expect this to occur at the time of receiving their new mattress. They prefer retailers who can facilitate the recycling of their mattress over those that don't. A video summary is available on request
- As a result, it is appropriate that the consumer of new mattress products bears the cost of a scheme to improve recycling rates, outcomes and commerciality.

How Can Industry Schemes Work

- An industry scheme under a [voluntary arrangement](#) is - voluntary. Participation can be encouraged, but not mandated
- So, voluntary industry schemes are only sustainable with high levels of voluntary participation and compliance
- Low participation results in leakage and ultimately risks the viability of the scheme
- Leakage is best addressed by
 - Broad participation and overt support by industry leaders
 - Consistent communication of the product stewardship scheme and its objectives
 - Consistent implementation of the scheme across the industry
 - Encouragement of participation in a scheme approved/accredited by Government

Why Are We Here Today

We're an industry that is 'on the radar' of Government and environment groups. We need better end-of-life outcomes for bedding products, which are a significant landfill and environmental issue

- We think an industry solution to increase mattress recycling is better than government regulation
- The Recycle My Mattress Product Stewardship Scheme needs broad industry participation
- You are a key decision maker and a high-profile member of the bedding industry
- We need the support of your organisation by:
 - Meeting with us to discuss your role in the solution
 - Confirming in writing in-principle agreement to the scheme design by 25 October 2021
 - Becoming a member of the ABSC
 - Where appropriate and feasible contributing to implementation detail – contingent on a positive ACCC determination to approve the application of a Product Stewardship Fee to achieve the scheme's outcomes.

Thank you.



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