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Australian Government
**Department of Climate Change, Energy,
the Environment and Water**

Ms Anna Pound
Acting Director, Competition Exemptions
Australian Competition and Consumer Commission
exemptions@acc.gov.au

Ref: AA1000675

Dear Ms Pound

Submission: ResiLoop Limited – application for interim authorisation AA1000675

The Department of Climate Change, Energy, the Environment and Water (the department) supports ResiLoop Limited's (ResiLoop's) request to the Australian Competition and Consumer Commission for interim and substantive authorisation for the voluntary industry-led, resilient flooring product stewardship scheme, ResiLoop.

In 2022, the Australian Government (the government) provided \$1 million in grant funding to the Australian Resilient Flooring Association (ARFA) to support the initial design of the voluntary product stewardship scheme under the (now closed) National Product Stewardship Investment Fund (NPSIF). The NPSIF aimed to increase the number of industry-led product stewardship schemes in Australia and increase the recycling rates of existing schemes. The objective of the ARFA's grant was to design, develop and trial a product stewardship scheme for resilient flooring products. ResiLoop's request for authorisation indicates a solid commitment to product stewardship action after the completion of the grant.

ResiLoop's submission states that most resilient flooring waste is landfilled in Australia. It also indicates that ResiLoop's founding members account for approximately 30% of the resilient flooring market for products in-scope for the scheme. The department considers that collective industry action is more likely to achieve improved environmental outcomes for waste resilient flooring products than individual business-led approaches.

Industry-led, voluntary product stewardship schemes can support the environmental and economic benefits of a more circular economy in Australia by taking responsibility for products across the whole product lifecycle, including at end-of-life. Stewardship schemes deliver the financial and operational arrangements to divert end-of-life products with limited or no recycling options away from landfill. ResiLoop is requesting interim authorisation to pursue a commercial opportunity for collected waste products. Demonstrating viable and environmentally sound arrangements for end-of-life products is important to attract industry financial participation in the scheme and to promote confidence in an arrangement's ability to meet its environmental outcomes effectively.

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ResiLoop's assessment is that national implementation will be an iterative, long-term process. ResiLoop estimates that over 3,000 tonnes of resilient flooring waste will be diverted over the first six years of the scheme. This is expected to increase recycling and reuse of resilient flooring waste, thereby reducing use of virgin resources and the consequential carbon dioxide emissions. The department considers that implementation and delivery of voluntary product stewardship schemes is supported by establishing clear performance targets that are developed using recognised standards or best practice methodologies; and public reporting on outcomes against these targets.

The department also considers that whole-of-supply chain engagement and buy-in, especially with the product design, installation, and recycling and resource recovery sectors, is important to understand upstream and downstream impacts and realistic costs of delivering stewardship actions. This can be achieved by ensuring broad supply chain representation on scheme governance and technical advisory arrangements. We understand the initial focus of the scheme is on a tailored, small-scale approach with the intention for greater inclusion of recyclers as demand increases. This approach will align industry commitment with processing capacity and end-market readiness.

There is a national public benefit in collective action to address resilient flooring product waste. ResiLoop's proposed conduct supports and aligns with the government's policies to move to a more circular economy. For further information about the department's submission please contact Mr Adam Nixon, Acting Director, Voluntary Product Stewardship at: Product.Stewardship@dcceew.gov.au.

Yours sincerely

Chloë Bird
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Circular Economy Division

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