

BEDDING STEWARDSHIP SCHEME GUIDELINES

V2.0 2023

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INTRODUCTION

What is the purpose of these Guidelines?

The Bedding Stewardship Scheme Guidelines (the Guidelines) are designed to help potential Scheme Participants and ABSC Members understand the role of the ABSC. They detail how the Scheme works and the commitments and benefits for the parties involved. The application process to become a Scheme Participant or ABSC Member is outlined on page 11.

Why are end-of-life mattresses problematic?



discarded and placed end-toend stretches from the bottom to the tip of Australia



About 40% of mattresses end up in landfill or dumped while 60% are presented for some form of recycling e.g deconstruction or shredding.



As much as 64% of materials from recycling processes may still end up in landfill.

What is product stewardship?

Everyone who interacts with a product, from designers to disposers, has a shared responsibility to reduce the environmental, human health and safety impacts of those products.

Product stewardship is about reducing these impacts throughout the product lifecycle and across the supply chain. It aims to drive environmentally beneficial outcomes through smart design and clean manufacturing. This includes using parts and materials that are easier to recover, reuse and recycle and, where possible, using recycled content.

Product stewardship schemes may be mandatory under a state or federal government, co-regulatory (shared with industry), or voluntary - like the Bedding Stewardship Scheme.

What is the ABSC?

The Australian Bedding Stewardship Council (ABSC) is a not-for-profit entity that was established in 2020 to tackle the problem of end-of-life mattresses and keep them out of landfill. The ABSC administers the Bedding Stewardship Scheme (the Scheme) and works with Australian bedding industry manufacturers, importers, retailers, recyclers, supply chain and all levels of government to transition to circular economy practices.

The ABSC's membership is made up of:

- Bedding industry organisations including suppliers (manufacturers, importers), retailers and supply chain; and
- Associate Members including key stakeholders

What is the Bedding Stewardship Scheme?

Administered by the ABSC, the Bedding Stewardship Scheme (the Scheme) is a voluntary, industry-led product stewardship scheme. It was launched in 2023 after many years of consultation with the Australian bedding industry.

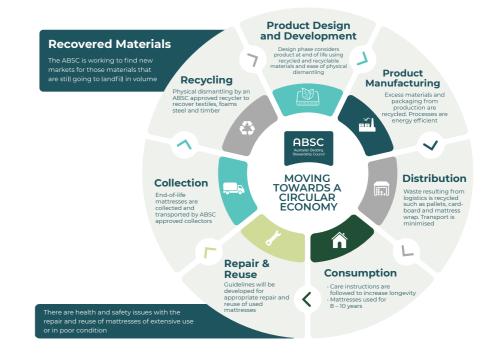
The immediate purpose of the Scheme is to:

- Grow industry participation and commitment;
- Keep more mattresses and bedding materials out of landfill;
- Establish a national recycling network for mattresses; and
- Raise public awareness about the issues surrounding end-of-life mattresses.

As industry participation grows, the Scheme aims to:

- Foster more circular economy principles (see graphic below);
- Create a standard practice for the recycling of discarded mattresses;
- Create new job opportunities; and
- Consider adding other bedding products to the Scheme.

The ABSC's view of circular economy



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Participants in the Bedding Stewardship Scheme include:

- Suppliers of mattresses (local and imported);
- Retailers of mattresses (online and in store);
- Online marketplaces; and
- ABSC approved mattress recyclers.

The Scheme is funded through membership fees and a product stewardship fee (PSF). This fee is transferred from mattress manufacturers or importers to retailers or consumers and added to the mattress price which the consumer pays. It is a consumer pays model.

What is the role of the Australian Government in the Scheme?

The Australian Government administers laws that provide tools and mechanisms to support Australia's transition to a circular economy. It also provides financial support to set up new product stewardship schemes or improve existing ones through the National Product Stewardship Investment Fund (NPSIF). The ABSC received a NPSIF grant in 2020 to expand on the existing limited product stewardship scheme for mattresses.

The Minister's priority list names the products and materials that need urgent product stewardship action. This encourages industry to reduce the negative environmental and human health impacts of products and do business more sustainably. In November 2022, mattresses were added to the Minister's priority list. The Bedding Stewardship Scheme has until December 2023 to increase voluntary industry participation before potential intervention from the Australian Government.

What is the role of the ACCC in the Scheme?

On 26 October 2022, the Australian Competition and Consumer Commission (ACCC) issued a final determination granting conditional authorisation to enable the ABSC to establish and operate the Bedding Stewardship Scheme for five years. A copy of the applications, consultations, submissions and the ACCC's draft and final determination are available at https://www.accc.gov.au/public-registers/authorisations-register/australian-bedding-stewardship-council





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2. PARTICIPATION



Who can participate in the Bedding Stewardship Scheme?

 A mattress manufacturer, importer, retailer, or online retailer who is committed to accept collection and/or pass through of the product stewardship fee to the Bedding Stewardship Scheme.

Who can be a member of the ABSC?

- 1. An approved Scheme Participant.
- 2. A mattress manufacturer, importer, retailer, or online retailer who is committed to becoming a Participant in the Scheme before 30 June 2024.
- 3. Supply Chain. A bedding material supply chain organisation such as foam, textile, timber, or wire supplier.
- 4. Associates. Bedding material component recyclers, research institutes, local and state government, accommodation sector, charitable and sustainability organisations.

The role of local government

The Scheme acknowledges that local government (Councils) currently provide a range of mattress collection, recycling, and waste management services. Councils may become Participants in the Scheme in their capacity as a collector, and if relevant an ABSC approved mattress recycler. Noting that ABSC approval for mattress collectors will not be available in year 1 of the Scheme delivery.

Councils that are not Scheme Participants can become Associate Members of the ABSC, to ensure that local government is appropriately represented on the ABSC.



Eligibility and obligations

Membership category	Organisation type	Obligations to the ABSC	Fee	
Participant	A mattress manufacturer, importer, retailer or online retailer who has made the commitment to accept collection and/or pass through of the product stewardship fee.	Read, understand and agree to: Guidelines Code of conduct Participate by applying and passing through the Product Stewardship Fee (PSF) Develop a Participant Action Plan Report as required.	No annual membership fee. Financial contribution is through the PSF.	
Transitioning to participant (temporary category)	A mattress manufacturer, importer, retailer or online retailer who is committed to become a participant in the Scheme before 30 June 2024.	 Read, understand and agree to: Guidelines Code of conduct. Pay a membership fee Work with the ABSC to overcome their barriers to participation before 30 June 2024. 	Annual membership fee representative of annual turnover of product.	
Supply chain	Bedding material supply chain organisations such as foam, textile, timber and steel suppliers.	Read, understand and agree to: Guidelines Code of conduct. Knowledge sharing with the ABSC about market intel e.g. supply chain costs, emerging trends, innovation and recycling opportunities. Collaborate on research and development project partnerships.	Annual membership fee representative of annual turnover of product.	
Associate	Component recyclers (such as carpet underlay manufacturers and scrap metal recyclers), local and state Government, commercial and health accommodation sectors, research institutes, associations, charitable and sustainability organisations.	Read, understand and agree to: Guidelines Code of conduct. Share knowledge to identify challenges and opportunities for partnerships, projects or investment. Work alongside the ABSC to: expand market opportunities for material reuse and/or conversion collaborate on research and development project partnerships share market intel and emerging trends.	No annual membership fee.	
Approved mattress recyclers	Organisations that receive the entire mattress for processing and do so via: - Manual dismantling - Shredding for steel recovery	Read, understand and agree to: Guidelines Code of conduct. Ensure safe and environmentally responsible collection, storage and recycling of end-of-life mattresses and their component materials. Demonstrate continuous improvement of recycling and material processing. Provide mattress recycling data to the ABSC. Develop a Recycler Action Plan.	No annual membership fee.	

Benefits

Benefits provided by the ABSC	Participants	Transitioning to participation	Supply chain	Associate membership	Approved recyclers
Use of the participant badge	~	×	×	×	×
Use of approved recycler badge	×	×	×	×	~
Use of logo and branding in accordance with Brand Guidelines	~	×	×	×	~
Use of all colllateral and branded material	~	×	×	×	×
Promotion on socials with specific campaigns	~	×	×	×	×
Your logo on ABSC website	✓	~	~	~	~
ABSC logo on your website	✓	~	~	~	~
Introduction on socials	~	~	~	~	~
New member packs inclusive of all scheme documentation	~	~	~	~	×
Approved recycler packs inclusive of all scheme documentation	×	×	×	×	~
Access to member area of ABSC website	~	✓	~	~	~
Automatic receipt of EDM's and newsletters	~	~	~	~	~
Access to member meetings and webinars	~	~	~	~	~
Specific team educational opportunities	~	~	~	~	~
Networking with members	~	✓	~	~	~
Participation and voting rights at AGM's	~	×	×	×	×
Attendance at AGM's	~	~	~	~	~
Opportunity to be involved in research and innovation projects	~	~	~	~	~

Conditions

Scheme Participants and ABSC Members must:

- Comply with these Guidelines and the ABSC Code of Conduct;
- Provide accurate information as requested by the ABSC for purposes such as, but not limited to ACCC authorisation reporting, independent Scheme reviews, annual reporting, government reporting, voluntary product stewardship scheme accreditation and compliance;
- Not engage in any illegal or corrupt practice that may bring the ABSC, the Scheme or any member into disrepute, contempt, scandal, or ridicule; and
- Deal ethically and professionally with the ABSC and other members.

Scheme Participants must:

- Develop a Participant Action Plan to engage their network of suppliers and/or customers in the Scheme:
- If they are a manufacturer or importer, report and pay to the Aggregator the full PSF received from participating retailers;
- Not misrepresent on which products the PSF has been collected or paid; and
- Not misrepresent which retail stores are participating (refer to clause 2.7 of ACCC determination).

Where a Participant includes the PSF in the invoice to their customer, they are obliged to pass the PSF received to the ABSC via its Aggregator e.g., a Participant may not collect and keep the PSF.

Scheme Participants and ABSC Members are encouraged to:

- Engage their bedding industry network to become Scheme Participants or ABSC Members as relevant:
- Ensure that all EOL (End of Life) mattresses collected are provided to recyclers and preference an ABSC approved mattress recycler where available www.beddingstewardship.org.au/recycling/;
- Promote the Scheme, and work together with the ABSC and other Members to ensure transparent reporting of activity, investment and research into improved resource outcomes and recyclability of EOL mattresses; and
- Prioritise dealing with other Scheme Participants.

Scheme Participants are encouraged to:

- Apply the PSF to a contract if supplying mattresses to commercial customers e.g., government, universities, or hotels;
- Apply the PSF to all mattresses sold e.g., a retailer may choose to apply the PSF on non-participating brands and remit the PSF directly to the Aggregator.

The ABSC may:

- Require a potential applicant to give further information and documentation before approving or refusing an application;
- Contact the potential applicant or third parties to verify or clarify information provided as part of an application;
- Determine certain supplies of mattresses are exempt from the requirement to pay the PSF e.g., mattresses that have already had the PSF collected on (returned or refurbished mattresses) or where the supply is made by a Charity or Social Enterprise (refer to clause 3.4 of ACCC final determination);
- Review the PSF annually and adjust it based on a range of factors, such as the level of industry participation and the costs associated with implementing and administering the Scheme; and
- Suspend or revoke a Scheme Participant or ABSC Member if the Scheme Guidelines or Code of Conduct are breached, and the situation has not been remedied by the Scheme Participant or ABSC Member.

How to apply

- 1. Check your Eligibility and understand your Obligations (Section 2, page 9)
- 2. Read and understand the Conditions (Section 2, page 10 11)
- 3. Read, understand, and agree to these Scheme Guidelines and the Code of Conduct
- 4. Complete the Application Form
- 5. Return a signed copy of the Application Form and Code of Conduct to membership@beddingstewardship.org.au
- 6. The ABSC will review your application and contact you if further information is required.

Once the application is approved, the ABSC will support your participation in the Scheme or membership of the ABSC by working with you on the following items (depending on your membership category):

- a. Participant Action Plan
- b. Applying the product stewardship fee and introduction to William Buck (Aggregator)
- c. Online and social media promotion opportunities.

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THE PRODUCT STEWARDSHIP FEE

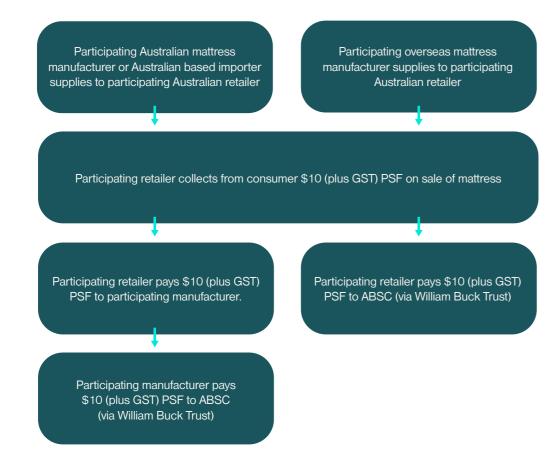
An application to apply a Product Stewardship Fee (PSF) to fund the Scheme was authorised by the Australian Competition and Consumer Commission (ACCC) in October 2022. The ACCC is an independent Australian Government statutory authority that enforces the Competition and Consumer Act 2010 and other legislation promoting competition and fair trading.

How does the product stewardship fee work?

The product stewardship fee (PSF) is:

- \$10 (plus GST) per mattress sold into the Australian market. It is a uniform fee regardless of size or construction of the mattress;
- Applied to new mattresses, not bases or refurbished mattresses;
- Transferred from the mattress manufacturer or importer to the retailer or consumer and added to the price the consumer* pays for the mattress. It is a consumer pays model. (*In this context a consumer may also include a commercial or government customer);
- Collected on behalf of the ABSC by an independent Aggregator (William Buck an accounting and advisory service); and
- A contribution to finding commercially viable solutions to end-of-life mattresses and mattress materials and, does not cover the cost of collecting and recycling a mattress.

Consumer pays PSF model



Exceptions to this model:

- When a retailer is also the importer, they may pay PSF directly to Aggregator, William Buck.
- When a manufacturer sells a mattress direct to the end customer (including commercial), the manufacturer collects the PSF directly from the end customer.

The ABSC will review on a case-by-case basis:

- Charity stores donating mattresses to their beneficiaries or supplying mattresses to persons who are experiencing disadvantage (refer ACCC determination clause 3.4)
- Mattresses on which a PSF has already been paid.

As the Scheme is voluntary, and each individual supply chain is different, the way the PSF is collected will vary depending on the different commercial and administrative arrangements that exist.

However, the guiding principle for the administration of the Scheme, collection of the PSF, and conduct of Participants should be consistent with the ABSC Code of Conduct. This includes maintaining accurate records for the collection and payment of the PSF, the timely transfer of the PSF to the Aggregator, and the delivery of information require for the Scheme to meet its reporting obligations.

About the Aggregator

The PSF is collected on behalf of the ABSC by an independent Aggregator, William Buck - an accounting and advisory service. An Aggregator is used so individual company sales are not identified to the ABSC, unless the company chooses to share data with the ABSC. The individual company will need to sign a confidentiality deed with William Buck to ensure reported sales information remains confidential or unidentifiable.

Participants upload their monthly PSF data to a secure technology platform managed by William Buck. Participants will receive training from William Buck to use the software.

William Buck passes only aggregated data and the total PSF collected monthly to the ABSC.

How are the product stewardship fee funds used?

Growing awareness of the problem

informing the public about the environmental impacts of once-loved mattresses, encouraging consumers to purchase from ABSC Participants that are supporting the Scheme to find better solutions to end-of-life mattresses.

Conducting research and development projects

Investigating new uses for old mattress components and exploring new materials for better mattress design to improve mattress recycling.

Increasing the mattress recycler network

expanding Australia's best practice mattress recycling network to make it easier for consumers to access and for retailers to provide an additional service to their customers.

Administering the Scheme

to increase participation in the Scheme and manage membership retention and attraction, instigate and partner with organisations on research and development projects, lead an ABSC approved mattress recycler program and run a public awareness campaign.

Participant support and consumer education

Training material and marketing collateral is available from the ABSC to support Participants to better understand, and inform consumers, about the purpose and benefits of the Bedding Stewardship Scheme and the PSF.

Participant tips to apply the PSF:

- Be transparent (an ACCC requirement) about the PSF to consumers, but do this in a way that best suits the business. For example, the PSF can be listed on the invoice for the mattress purchased, displayed via signage in the store, or published on the business website.
- If selling lower-value mattresses, choose to vary the amount of PSF passed on to consumers per mattress, provided the total PSF paid to your supplier is calculated based on \$10 plus GST per mattress sold.

Mattress recycling

The PSF does not cover the cost of collecting and recycling a mattress. The cost of recycling a mattress can range from \$20 - \$100 or more (depending on location and proximity to a recycler).

Participants may continue to charge a separate fee to collect and recycle a customer's mattress. The ABSC encourages Participants to use an ABSC approved mattress recycler where available. If a Participant uses a different recycler, they are encouraged to nominate the recycler to the ABSC to discuss ABSC Approval for Mattress Recyclers.



ABSC APPROVAL FOR MATTRESS RECYCLERS



ABSC Approval for Mattress Recyclers is not an accreditation or compliance program, it is an engagement process to:

- Engage and validate mattress recyclers with the ABSC, Scheme Participants, ABSC Members, stakeholders, and consumers;
- Support mattress recyclers to divert more material from landfill;
- Support continuous improvement of mattress recyclers' management of end-of-life mattresses and their component materials;
- Establish the collection and reporting of data relevant to achieving the Scheme's outcomes: and
- Establish a national network of mattress recyclers.

ABSC Approval is available to mattress recyclers who ensure safe and environmentally responsible collection, storage and recycling of end-of-life mattresses and their component materials.

Applicants commit to the ABSC Code of Conduct, provide documentation to validate EPA (Environment Protection Authority) licensing, local government permits, health and safety procedures, and fire safety requirements and participate in site visits where required.

ABSC Approved Recyclers will be:

- Validated by the ABSC for demonstrating safe and environmentally responsible mattress recycling operations.
- Committed to demonstrating leadership in the safe and environmentally responsible management of end-of-life mattresses.
- Promoted as a business to Scheme Participants, ABSC Members, stakeholders, and consumers.



5. REPORTING

The ACCC provided the ABSC with conditional authorisation to establish and administer the Scheme for five years. The conditions include publishing certain data annually in its Annual Report (refer to section 4.39 of the ACCC final determination). The ABSC will work with Scheme Participants, ABSC Members, Approved Recyclers, and other stakeholders to ensure the ABSC complies as fully as possible with these and other statutory reporting requirements. All data will be reported in an combined format unless otherwise obliged.

6. CONFIDENTIALITY

The ABSC will maintain the privacy of all confidential information provided by Scheme Participants, ABSC Members, Approved Recyclers, and other stakeholders of the ABSC. Only when the information is required for Scheme reporting to the ACCC, a government or government authority (including a Minister), the ABSC's auditor, professional advisers, and the Aggregator, will it be shared.

7. TERMINATION

Should a Participant wish to resign from the Scheme, 60 days' notice is required in writing to the ABSC. PSF will not be collected on sales made after the sixty days and all reference to the business as a Participant will be removed from public materials and locations. Fees collected by the Participant before the expiration of 60 days will be payable to the ABSC.

On the expiration of the notice period, the terminating Participant must remove all Scheme and ABSC references from their websites, stores, and other materials.

If a Member resigns from the ABSC, no repayment of fees is payable.

The ABSC may suspend or revoke a Participant or Member if the Scheme Guidelines or Code of Conduct are breached, and the situation has not been remedied by the Participant or Member on the ABSC's request. It is in the best interests of the ABSC, Participants and Members to resolve any breaches quickly.

The ABSC may terminate the Scheme, wind up or cease to operate with no less than 60 days' notice.

8. VARIATION

The ABSC may vary or amend these Guidelines in its absolute discretion from time to time. The ABSC will notify Scheme Participants and ABSC Members of the variation or amendment and make the updated version accessible.

Version	Date	Author	Rationale	Approved
V1.0	30/11/2022	ABSC	Issued	ABSC Board
V1.1	08/12/2022	ABSC	Revisions made to sections 5.4 and 10.3	ABSC CEO
V1.2	10/03/2023	ABSC	Revisions made to align suppliers and retailers in section 5.4	ABSC Board
V2	30/08/2023	ABSC	Plain English and accessible language content revision	ABSC Board



DEFINITIONS

Aggregator is the accounting and advisory service, William Buck (Vic) Pty Ltd, that the ABSC has appointed to collect the product stewardship fee on their behalf.

Approved mattress recycler organisations that have applied for and received ABSC approval because they demonstrate safe and environmentally responsible collection, storage and recycling of end-of-life mattresses and their component materials.

Associate member interested stakeholders who support the Scheme e.g., research institutes, Councils, and charitable organisations.

Bedding products include mattress toppers, mattress protectors, pillows, quilts, bed bases and blankets.

Consumer is a person who is considering the purchase of, or who has purchased a new mattress for domestic or commercial purposes.

EOL means end-of-life.

EOL mattress is a mattress that is being disposed of by its owner and/or is beyond its useful life.

Importer is a business that brings mattresses manufactured outside of Australia into the country for sale. Importers may also be wholesalers or retailers.

Landfill is a waste disposal facility used for the purpose of disposing solid waste into land.

Manufacturer is a business that is involved in the production and manufacture of new mattresses.

Mattress is a fabric case filled with soft, firm, or springy materials used for sleeping on. Fillings can include foam, latex, rubber, metal springs, textiles, polymers, and natural fibres.

Member a member of the ABSC is an organisation or individual who pays a membership fee, or is an Associate member, and has been approved by the ABSC membership approval process.

Participant a participant of the Scheme can be a manufacturer, importer, retailer or online retailer who is committed to accept collection and/or pass through of the Product Stewardship Fee to the Bedding Stewardship Scheme.

PSF means product stewardship fee.

Recycler is a business that recovers components or materials from EOL mattresses for reuse.

Retailer is a business that offers mattresses for sale to consumers via stores or online.

Online Retailer is an eCommerce business that offers mattresses for sale to consumers online.

Scheme is the Bedding Stewardship Scheme, administered by the ABSC.

Transitioning to participant an organisation who pays a membership fee and is transitioning to Scheme Participant before June 2024.

Wholesaler is a business that offers mattresses for sale to a retailer.

10. **CONTACTS AND RESOURCES**

Australian Bedding Stewardship Council

GPO Box 4836, Sydney NSW 2001

02 8076 9325

membership@beddingstewardship.org.au

beddingstewardship.org.au

ACCC Determination

www.accc.gov.au/public-registers/authorisations-and-notifications-registers/ authorisations-register/australian-bedding-stewardship-council

Ministers Priority Listing for mattresses 2022/23

www.dcceew.gov.au/environment/protection/waste/product-stewardship/ ministers-priority-list/2022-23#mattresses

Product Stewardship Centre of Excellence

stewardshipexcellence.com.au

