

Resi Loop

PART 3:
THE ROADMAP
FOR RESILOOP

PART 3:

BUILDING MOMENTUM – IMPLEMENTATION OF THE ROADMAP FOR RESILOOP



CONTENTS

3	INTRODUCTION
5	IMPLEMENTATION PLAN:
5	Step 1 – Preparation
5	Step 2 – Waste recovery and recycling pilot
5	Step 3 – Recyclers and end markets
5	Step 4 – Scheme membership
6	Step 5 – Establishing the organisation/entity
6	Step 6 – Marketing and communications
6	Step 7 – Data management
6	Step 8 – Regular industry consultations
6	Step 9 – Readyng ResiLoop for launch
7	BUILDING MOMENTUM BUDGET
7	OUTCOME

FIGURES

3	Figure 1: Critical Success Factors for ResiLoop
4	Figure 2: Implementation Plan

INTRODUCTION

ARFA received funding from the Australian Government's National Product Stewardship Investment Fund (NPSIF) in 2022-23 to undertake the research and design of a national industry-supported product stewardship scheme.

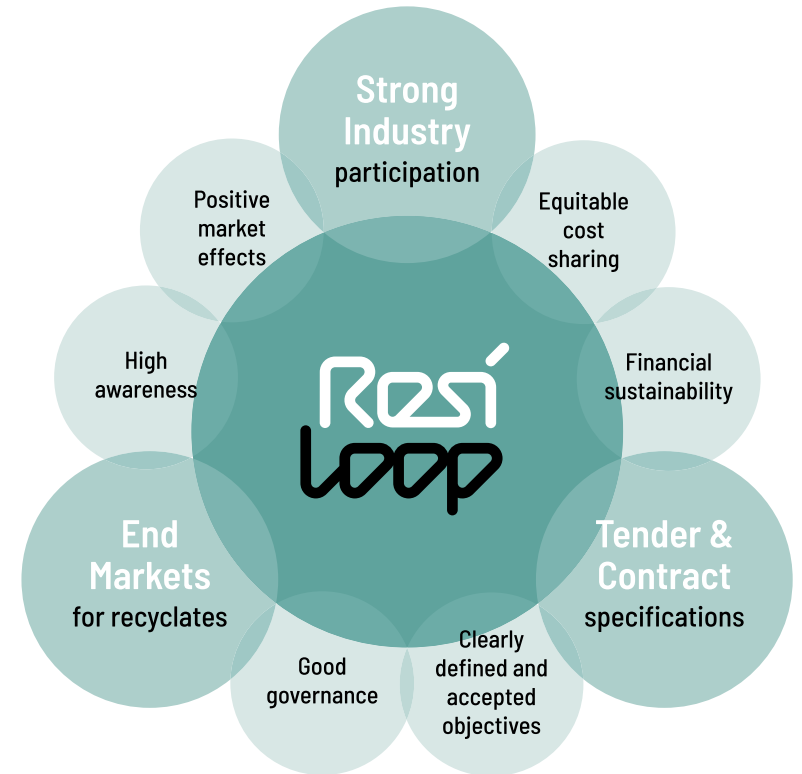
The proposal for the scheme is based on:

- a draft business model which adopts a simple approach of applying a uniform 12 cents per SQM levy applied to brand-owners (importers and manufacturers) of Luxury Vinyl Tile (LVT), homogenous (HO) sheet, non-textile backed heterogenous (HE) sheet and hybrid/rigid tiles
- a waste collection process which engages value chain participants to establish a network of collection points
- enlisting floorcovering installers to drop off recovered installation wastes from job sites, and
- contracts with third party logistics partners and recyclers.

Over 45 stakeholders from across the resilient flooring industry have signed a Collective Action Statement confirming their support for the design, development and establishment of ResiLoop as a national industry approach to enable recovery and recycling of resilient floorcoverings in Australia. These signatories agree with the design principles for an industry funded scheme as outlined in the ResiLoop Scheme Design document.

ResiLoop has undertaken activities that will set the scheme up for implementation. These include reprocessing trials, waste recovery trials, business model development and program consolidation. However, a number of factors need to be in place simultaneously to operationalise the scheme. These are outlined in the figure opposite.

Figure 1: Critical Success Factors for ResiLoop



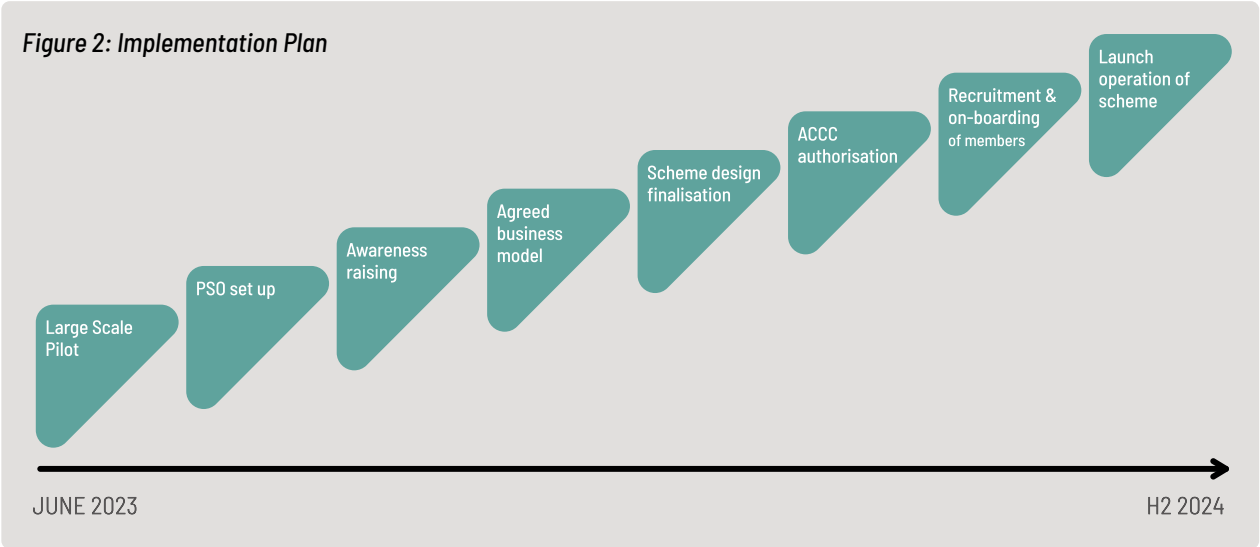
The next step is therefore to build momentum towards the launch and operation of the scheme over a 12–18 month period by when:

- A legal entity will be in place as the Product Stewardship Organisation, with a governing board and a business plan developed, including performance targets and measures
- The foundation Member Participants, Collection Points and Recycling Partners will have been recruited
- Resources have been employed
- Contracts, procedures and documentation have been developed to operationalise the scheme
- A marketing and public relations plan has been developed and resourced
- A data management tool has been developed and tested.

The Building Momentum phase is about putting ResiLoop into practice, commercialising the process and developing scale. The expenditure and levy assumptions will need to be refined through more detailed assessments of costs and expected member participation rates.

This period would include:

- Conducting a large scale pilot to recover the waste from commercial and residential construction sites, building on proof of concept trials already conducted, to test collection methodologies and behaviour change requirements and refine logistic costs.
- Securing recycling and manufacturing partners in Victoria and NSW that have demonstrated viable end markets for the recycle.
- Designing and delivering promotional content and campaign material to recruit scheme members and raise awareness of ResiLoop among industry, major specifiers and the building & construction industry.
- Developing and trialling a tailored digital tracking system to measure and record material recovery and recycling from point of generation to re-manufacture, providing greater transparency. This will facilitate industry goal and target setting as well as reporting.
- Establishing strong governance structures for the scheme.
- Enabling the launch of the ResiLoop product stewardship scheme by end 2024.



IMPLEMENTATION PLAN

The following activities will need to be undertaken over the Building Momentum period. These activities will occur concurrently, with the most critical (eg developing the end market and recruiting brand-owners) commencing earlier than others.

Step 1 – Preparation

Recruit a project manager and establish a project steering group. A finalised, detailed implementation plan will be agreed. Clear project plan deliverables and timelines will be put in place and frequent, regular project oversight by the steering group conducted to minimise delivery risk.

Step 2 – Waste recovery and recycling pilot

Recruit partners and initiate a pilot to fine tune the collection strategy including:

- Developing the recruitment and on-boarding process of collectors and establishment of Collection Points including terms of reference and agreements, documentation etc.
- Planning the geographic coverage and acceleration rate
- Identifying and trialling suitable third party logistics service providers
- Preparing tender and contract documentation
- Developing training and education requirements and resources
- Preparing recognition and any rebate systems
- Completing documentation and rules including dispute processes

Exploration of more than one end product concept and trials with more than one reprocessor will be pursued to reduce risks in implementing or completing the pilot trials on time due to reprocessing equipment breakdown, product concept failure etc.

Step 3 – Recyclers and end markets

Identify viable end market(s) for the recycle and secure commercial agreements to take the materials.

- Complete further research and trials and/or identify additional opportunities to supply recycle
- Develop mutual obligations and documentation for Recycler partners
- Prepare documentation/agreements for ResiLoop funded grants for building capacity and capability of Recycler partners
- Develop rules for fund allocation and set targets

Step 4 – Scheme membership

Recruit the foundation members of ResiLoop including:

- Developing recruitment and enrolment processes
- Preparing for all first words membership forms and agreements, codes of conduct etc, for each membership category
- Identifying and implementing a suitable membership database system/CRM with adequate data protection
- Developing an accreditation/recognition process and resources
- Contracting sales data collection and levy invoicing services with third parties
- Confirming market coverage secured for launch and any adjustments to proposed levy
- Addressing questions around how ResiLoop stimulates engagement, the trajectory required to maintain financial sustainability and what levers are required to attract, or hold back, participation.

Step 5 – Establishing the organisation/entity

Establish a Product Stewardship Organisation as a legal entity including:

- Outlining its structure, rules and governance strategy
- Establishing foundation Board of Directors (potentially drawn from the companies that contribute seed-fund during the implementation stage.
- Identifying relevant insurance requirements
- Identifying resourcing requirements, preparing contracts and commencing recruitment
- Preparing policies and procedures
- Developing risk management strategy and funding arrangements
- Seeking ACCC approval

Step 6 – Marketing and communications

Develop the necessary marketing and communications strategy to achieve broad awareness of the scheme among industry and key stakeholders including finalising the necessary budget and agreeing performance measures.

Step 7 – Data management

Design, develop and trial a suitable digital tool to track waste data for the scheme and:

- Establish Stage 1 performance targets
- Forecast projected tonnages and determine the target number of Collection Points
- Put contracts in place for confidential sales data collection and levy invoicing
- Develop appropriate independent audit processes to validate submitted sales data
- Identify key reporting requirements and metrics

Step 8 – Regular industry consultations

Maintain a regular flow of information to industry and key stakeholders and consult as required.

Step 9 – Readyng ResiLoop for launch

Once the key elements are in place, the business model will be refined to set fees based on targeted and predicted costs and revenues, and the scheme prepared for its operational launch.

BUILDING MOMENTUM BUDGET

The following draft budget has been prepared for funding the implementation period based on 12 months.

Expenditure Item	Amount	Notes
Direct labour	\$232,900	Project Director – overseeing project implementation Project Officer – assisting in delivery of the project Industry engagement officer – responsible for engaging scheme members and raising awareness
Labour on-costs and project management	\$50,000	Super, Insurances, IT, phones, travel, misc admin etc
Organisational set up incl. legal and accounting	\$20,000	Legal fees Accounting and member invoicing set up
ACCC authorisation incl. legal costs	\$30,000	Legal fees for preparing application and government fees
Marketing, industry engagement and PR	\$100,000	Implementation of comms strategy, industry events, website development etc
Digital tracking tool development	\$50,000	App development costs
Large scale pilot	149,000	Design and completion of a 6 month trial including material collection, logistics, reprocessing & product development
Consultants, expert advice	\$50,000	Miscellaneous
	\$681 900	

OUTCOME

Successful implementation of this roadmap for ResiLoop will lead to the launch of a national product stewardship scheme, funded and supported by the industry.

This 'Building Momentum' process will

- fast track action to be taken by industry to launch the product stewardship scheme
- enable the waste recovery process to be refined and tested through conducting a large scale pilot
- facilitate further research into end market development to secure manufacturing partners
- develop a digital tracking tool to enable measurement and
- enable awareness raising to commence the recruitment of scheme participants in preparation of the scheme's launch.

ARFA

AUSTRALIAN RESILIENT FLOORING ASSOCIATION

ARFA Members:

Altro
Amtico
Armstrong Flooring
Floorlife
Forbo
Gerflor
Interface
Karndean
Kenbrock
Milliken
Pegulan Flooring
Polyflor
ShawContract
Signature Floors
Tarkett

Associate Members:

Attar

Resi
Loop