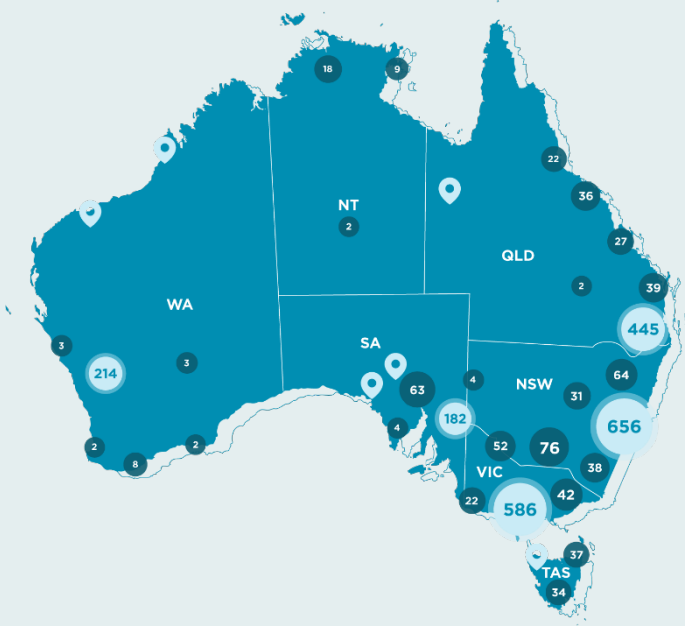


Request for input on proposed introduction of remote rebate postcode designations

Purpose

The Battery Stewardship Council (BSC) is seeking feedback from B-cycle participants on proposed changes to the rebate categories for Collections across the country. The rebates were designed to alleviate the costs associated with addressing the market failure linked to collecting used batteries across diverse distances and contexts nationwide.



Background

Based on requests from the transport and recycling industry to review the impacts of transport cost from regional and metro areas, BSC sought feedback on existing metro and regional postcode classifications and rebate amounts in Aug and Sept 2023. Two written submissions were received; a theme flagged from submissions was that the current postcode designations did not consider remote distances, which were more costly, and also did not align to existing tax incentives for metro, regional and remote locations.

In response to the feedback, BSC Management proposed to the BSC Board options for updating rebates to align with Australian Tax Policies that consider geographical locations' limitations. The Proposal was an update to existing postcode rebate classifications to include a Remote rebate category to compensate specifically for the financial implications of transporting batteries from remote areas of Australia.

Current rebate designations

Metro areas are currently defined as those collections from the cities and major regional centres of Adelaide, Brisbane, Melbourne, Sydney, the Gold Coast, the Sunshine Coast, Canberra, Newcastle/Lake Macquarie, Wollongong/Illawarra and Geelong. These postcodes are sourced from [Department of Home Affairs](#).

Collections were designated regional if they are from areas outside of the metro postcodes stated above; or the Northern Territory, Tasmania and Western Australia.

Propose introduction of remote rebate

Post initial consultation and BSC Board discussion it was agreed that postcode rebate classification needs to align to existing definitions of metro and regional under the Australia Tax office as well as consider the financial impacts of remote battery collections. This would ensure a level playing field in terms of battery transport costs and align to current Federal Government tax concessions for these higher costs.

It was supported that BSC consider the financial constraints of transport to these areas and to utilise the areas considered remote areas under the Australian Tax office (ATO) that receive remote area allowances (RAAs). These were introduced in 1984 as a companion payment to the zone tax offset (ZTO). Australia's tax.

Further information on these zone classifications and the anticipated financial externalities of services to these areas and their populations can be found in the following two reports.

- + [Area-specific subsidies and population dynamics: evidence from the Australian Zone Tax Offset](#)
- + [Remote areas tax concessions and payments](#).

Proposed new rebate designations

The current metro and regional rebate amounts are proposed to remain the same per kilogram, while the introduction of a remote rebate shall also be provided. Rebate amounts and definitions are described below.

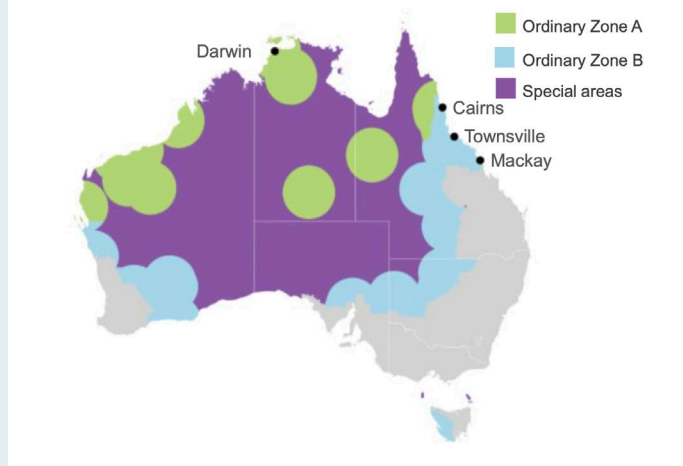
Aligning to the remote areas allowances provides a strong structural foundation for an equitable approach that addresses economic challenges to servicing and providing accessibility for remote Australia.

Request for input on proposed introduction of remote rebate postcode designation

Proposed rebate designations

Definition	Current	Proposed	Rebate
Metro area	Metro and major regional centre areas as defined by the Department of Home Affairs, excluding all NT, TAS and WA as metro for regional only.	All areas within postcodes of 100km radius of all capital cities excluding Darwin, including ACT, e.g. Sydney, Melbourne, Brisbane, Hobart, Adelaide, Perth, Canberra.	\$2.5 / kg
Regional area	All areas outside of these areas, including all metro and major regional centres of NT, TAS and WA.	Areas within a 50km radius of Darwin. Areas within 50km radius of Cairns, Townsville and Mackay. All other postcodes outside of the 100km radius for metro and outside of Special Zone postcodes (see remote below).	\$3.5 / kg
Remote	-	All postcodes within the <u>Special Zone</u> , Productivity Commissions definition of Zone Tax Offset.	\$6.5 / kg

Proposed rebate zones



Consultation questions

BSC would appreciate your feedback on the following questions:

- + Do you think the proposed new zones provide an appropriate and equitable model for defining metro, regional and remote areas for purposes of B-cycle collection rebates?
 - + If yes, on what basis are they appropriate and equitable?
 - + If not, how could they be improved?
- + How much time is needed to transition to the new zones e.g. given existing contracts?
- + What other information should BSC be aware of when considering reviewing the definitions of metro, regional and remote rebates?

How will BSC use your input?

Your feedback will be used to inform Board discussion and assist BSC to introduce or amend the proposed rebate postcode designations and the introduction of the remote rebate. Submissions are not published but are presented in an aggregated form to the Board for discussion and final decision.

Next steps

BSC will hosts 2 (two) webinars explaining the Consultation Process to be held on:

- + 11 April 2024; 12.00pm - 1pm
- + 18 April 2024; 12.00pm - 1pm
- + BSC welcomes requests from organisations to schedule individual meetings as required. Please email contact@bsc.org.au to organise.
- + Once consultation has been prepared by your organisation, please submit it in writing to BSC.

Feedback due by

Please provide feedback to the BSC on the questions raised on Page 2 by **5pm Friday 30 April 2024**.

- + It is requested that feedback be submitted in writing to contact@bsc.org.au.

REF: BSC Consultation Remote Rebate 20240318