

B-cycle scheme review

Consultation Paper July 2024



**Battery
Stewardship
Council**

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1. PURPOSE OF THE REVIEW

This paper puts forward the BSC Board’s approach for the redesign of B-cycle to B-cycle 2.0 as the basis for industry consultation leading to Scheme ACCC re-authorization.

The suggested rates for the levies and rebates in this paper are based on modelling and have been released for this consultation. The final rates will be informed by industry feedback and subject to approval by the BSC Board, and the authorisation of the ACCC.

In conducting the review, the BSC Board acknowledged:

- + B-cycle has built a solid foundation for improving battery stewardship and for leveraging our experience and learnings since launch in early 2022.
 - + Scheme achievements are not included in this paper but are described in the [July 2024 B-cycle Progress Report](#).
- + the current Scheme Design is limited in its ability to deliver BSC’s mission to create a circular economy for batteries given the degree of market change and the changing risk profile of batteries
- + the current Scheme Design does not provide adequate financial arrangements necessary to:
 - + achieve significant increases in diversion
 - + improve our ability to significantly impact button battery safety
 - + address the changing risk profile of batteries
 - + respond to costs associated with different battery chemistries
 - + improve sustainability outcomes of batteries across their life cycle
 - + adapt to the rapid evolution of emerging battery products and chemistries
 - + ensure the BSC can accommodate fluctuating market and economic realities.
- + that regulation will be needed to ensure full participation in the Scheme and prevent free riding.

The approach being posed by the BSC Board is illustrated in the figure below.

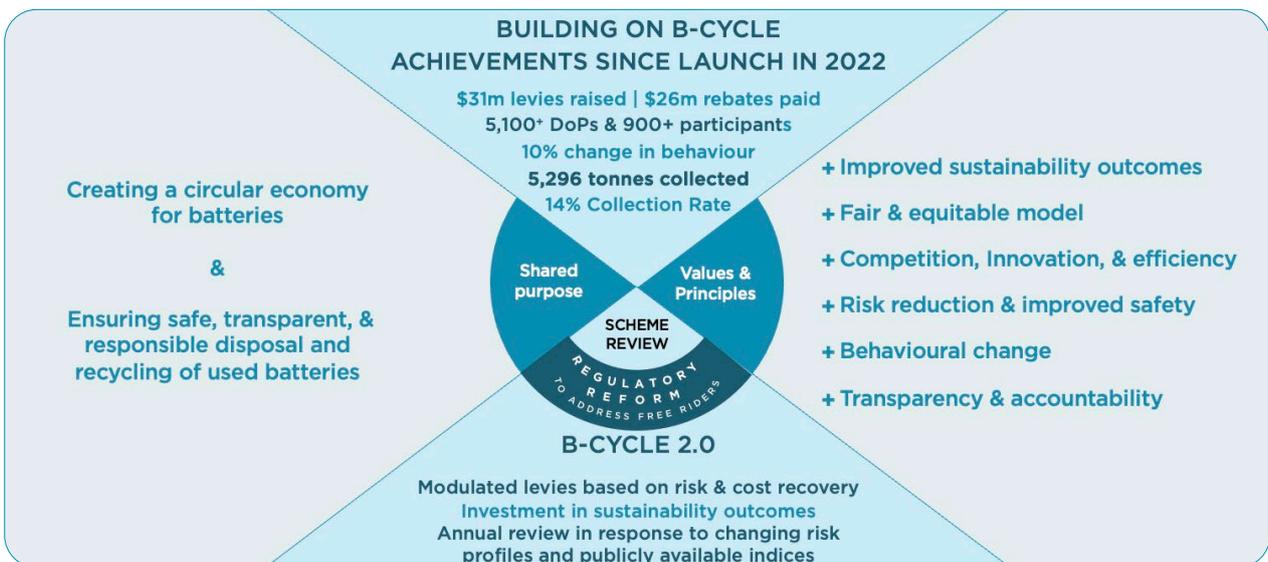
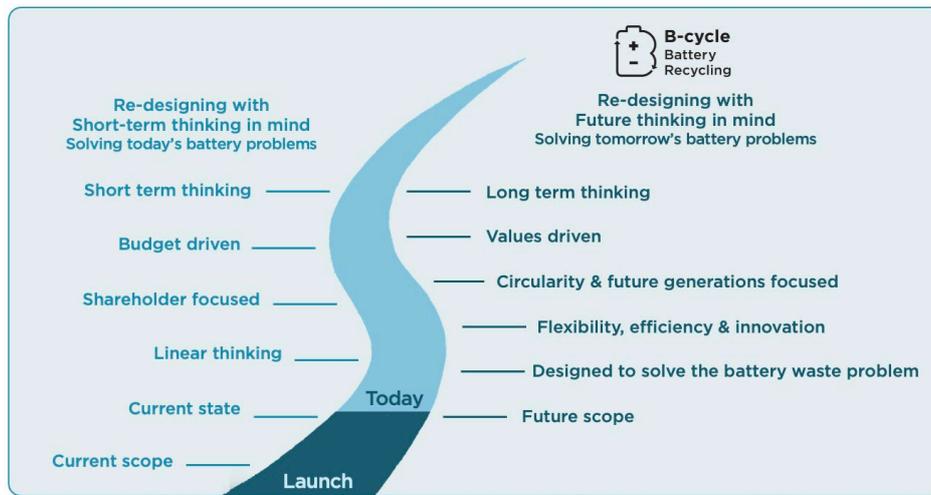


Figure 1. Illustration of the B-cycle 2.0 Scheme Review Framework

Our future thinking approach

For the Scheme review to be successful, BSC is seeking input from industry, government and other interested parties to future proof the Scheme and achieve sustainability outcomes for batteries and battery products. With this in mind, the BSC Board has reviewed the options and developed a model with future thinking in mind to providing a platform for successfully addressing the battery waste problem.

The current authorisation B-cycle scheme design was built on the best available knowledge from industry at that time. Since the inception of B-cycle, much has changed that was unforeseeable at that time. In reviewing the approach for re-authorisation, the Board was keen to employ future thinking to ensure that BSC has the ability to adapt and change to accommodate changes in the market.



Adapted from Designing Tomorrow: Tomitsch, M & Batty, S. 2023

Figure 2. Future thinking as the basis for solving battery stewardship

2. COMPLEMENTARY SETTINGS FOR BATTERY STEWARDSHIP

In parallel with the review of the Scheme outlined in this paper, the BSC is pursuing other matters with government for the success of the battery stewardship ecosystem.

2.1 Importance of regulatory reform

The BSC Board is of the view the changes needed to future proof B-cycle require both a redesign of the financial fundamentals and regulatory reform focused on addressing free riding. BSC is advocating for regulatory reform in partnership with other groups to address free riders in parallel to the review.



2.2 Parallel regulatory action

In the recent Environment Ministers Meeting on 21 June 2024:

Ministers acknowledged the work led by Queensland on safe battery disposal, and further discussed the issue of managing batteries as a matter of priority. Ongoing fires and emergency situations illustrate the critical importance of acting quickly on batteries to protect lives and property.

Ministers noted that battery fires are escalating as an issue and require interventions through the battery life cycle from their design to the way they are stored and disposed of at their end of life. Ministers agreed to accelerate work towards product stewardship for all batteries, jointly led by QLD, NSW and Victoria Governments, and that work on product stewardship including a draft Regulatory Impact Statement will be undertaken by December 2024.

The BSC supports the statement from Environment Ministers and will continue to partner with the QLD, NSW and Victorian Governments to progress regulatory reform. BSC is a member of the interjurisdictional stakeholder group; providing information and advice, and pro-actively working to support change including drafting possible model Rules for consideration, providing data, and conducting a preliminary regulatory options analysis.

The BSC, along with its work of the B-cycle Scheme, is advocating for parallel action by government including:

- + National stewardship regulation targeting free riders
- + Federal Government action to tighten and enforce import controls for battery safety
- + State government coordination and action to harmonise battery waste classifications; introduce and enforce landfill bans
- + Whole of government action focused on:
 - + battery recycling industry development and innovation investment
 - + procurement prioritising accredited B-cycle suppliers
 - + licensing activities to support battery stewardship.

2.3 Product design & safety standards

There is now a clear connection between low quality batteries and fire risk. The BSC is in consultation with all levels of governments, the ACCC and Standards Australia with a view to introducing or adopting appropriate safety standards. Improved standards will be important for guiding design, enforcing adequate import controls, and as part of the responsibilities of obligated parties. Harmonisation with international standards will be essential to govern the small size of the Australian market and to avoid Australia being a dumping ground for sub-standard batteries (i.e. those that do not meet higher standards in other jurisdiction such as the EU).

2.4 Electric vehicle battery stewardship consultation

While the initial focus of the B-cycle Scheme has been consumer batteries, the BSC has identified electric vehicles (EV) as an emerging priority area, as reflected by the decision by members of the Meeting of Environment Ministers in 2018 that electric vehicle batteries and battery energy storage systems stewardship would fall within the mandate of the BSC.

In parallel with the B-cycle Scheme, the BSC released its first paper on electric vehicle battery (EVB) stewardship to industry in March 2023, providing the context for exploring key questions for achieving EVB stewardship in Australia. **["Electric Vehicle Battery Stewardship: A discussion paper to establish battery stewardship in the electric vehicle sector"](#)**.

Industry submissions received covered a broad spectrum of topics, reflecting differing perspectives on the urgency of implementing stewardship measures, the potential scope of such initiatives, and various considerations such as second-life applications for batteries, tracking systems, and the establishment of product standards.

The BSC released a second paper **“Consultation Paper on Electric Vehicle Battery Stewardship”** arising from the 2023 industry submissions suggesting a possible pathway forward for the introduction of EVB Stewardship.

In April/May 2024 the BSC held a series of EVB Stewardship workshops in Sydney and Melbourne to explore the proposed pathway forward and to bring European and global insights into the discussion.

At the time of this consultation paper the BSC is finalising its third paper on EVB Stewardship to define the tangible steps forward that industry can take now to embark on the stewardship scheme design journey for EVB’s. It is anticipated that this third paper will be released soon.

Central to our approach, is the. Development of a collaborative platform for the automotive industry to work together in a unified and collaborative way, as central to establishing the foundational pillars to a circular economy for EV batteries. The BSC will continue to pursue this work but in parallel with the work of the B-cycle 2.0 as detailed within this paper.

3. CONSULTATION PROCESS

The consultation process and input received will be used to inform the BSC Board who will ultimately be responsible for determining the recommended approach for B-cycle 2.0, to be submitted to the ACCC for re-authorisation. There are numerous ways to engage with BSC during the consultation process, including:

- + attending briefings and consultation forums – [Brisbane](#), [Melbourne](#), [Sydney](#)
- + provide written feedback by clicking [here to access the survey](#)
- + providing input through any relevant industry association

The consultation timeline is as follows:

Activity	Timing
Engagement with ACCC to ensure the approach is consistent with their requirements	Mid-June
Development and circulation of a consultation paper	Late June
Meetings with industry and industry associations	July
Face to face consultation forums	July
Invitations for written submissions	July
Refinement of the approach and additional consultation as needed	Aug
Refinement of the proposed scheme design	Aug/Sept
Preparation and submission of the ACCC re-authorisation application	Sept/Oct
ACCC review and public consultation process	Nov - April
B-cycle 2.0 launch	July 2025

4. THE B-CYCLE SCHEME PRINCIPLES

These principles shown below are largely the same as those originally authorised with three strategic changes are proposed and highlighted below an underline.

<p style="text-align: center;">SHARED RESPONSIBILITY</p> <ul style="list-style-type: none"> + Everyone in the supply chain has a role to play. + <u>Level playing field through regulatory reform focussed on the elimination of free riders.</u> + Government support for industry development, stewardship procurement and efficient regulation. 	<p style="text-align: center;">CIRCULAR ECONOMY OUTCOMES</p> <ul style="list-style-type: none"> + Improve the economics of collection and recycling of batteries. + Increase availability of battery materials for remanufacturer into batteries and other products. + Facilitate positive procurement policies in industry and government.
<p style="text-align: center;">FAIR AND EQUITABLE FUNDING MODEL</p> <ul style="list-style-type: none"> + Funding model addresses market failure <u>on a cost recovery basis.</u> + Procedure ensure that obligated parties will not be double charged. + <u>Funding model designed to adapt to market forces.</u> 	<p style="text-align: center;">IMPROVED SUSTAINABILITY OUTCOMES</p> <ul style="list-style-type: none"> + Eliminate batteries from landfill to avoid environmental impacts. + Maximise resource recovery from waste batteries and minimise use of finite raw materials. + Leverage the expansion of existing collection and recycling process to reduces emissions.
<p style="text-align: center;">INCREASED COMPETITION, INNOVATION, & EFFICIENCY</p> <ul style="list-style-type: none"> + Effective and efficient processes to assure scheme commitments are met. + Invest in research to support program development: best practice, innovation, stocks & flows. + Address known barriers to increased recovery of waste batteries to offset market failures. 	<p style="text-align: center;">FOCUS ON RISK REDUCTION & IMPROVED SAFETY</p> <ul style="list-style-type: none"> + Improved product safety and labelling standards. + Reduce the risk of button battery injuries. + Reduce the risk of Lithium battery fires. + Collaborative development of best practices and control measures to enhance safety
<p style="text-align: center;">FOCUS ON BEHAVIOURAL CHANGE</p> <ul style="list-style-type: none"> + Strong branding and marketing with a clear call to action. + Incentives for stewardship action. + Leverage marketing and education of industry participants and synergistic schemes. 	<p style="text-align: center;">TRANSPARENCY & ACCOUNTABILITY</p> <ul style="list-style-type: none"> + Uphold good governance standards as a not-for-profit stewardship organisation with board oversight and audits. + Outsources import data reporting to independent agency. + Verification of collection, processing, EH&S, downstream shipments and costs.

Figure 3. B-cycle Stewardship Principles

QU 1. Do you support the stewardship principles identified the Figure above?

QU 2. Are there any principles missing?

5. NEED FOR THE SCHEME REVIEW

5.1 Free riding restricting scheme outcomes

In the realm of stewardship, free riders are organisations who derive a competitive advantage or a commercial benefit from the public good from a stewardship scheme, but they do not contribute to the associated costs of providing this public benefit. This presents multiple challenges but most significantly, it results in a competitive disadvantage for responsible producers thereby deterring participation and, in some cases results in adverse behaviours, and it also inhibits a schemes’ ability to raise adequate financial resources to fully fund the public benefits.

The prevalence of free riding in the Australian context has emerged as a major issue for the B-cycle Scheme and has subsequently resulted in:

- + free riders gaining a significant competitive advantage over responsible Scheme participants
- + a budget impact of \$7.05m and therefore the Scheme’s ability to promote and increase safe and responsible diversion of batteries from the general waste and recycling system as highlighted below.



Figure 4. Financial impact of free riding

QU 3. How important do you consider regulation to compel participation in the scheme?

5.2 Static financial model limiting success

The current static and structural nature of the levy and rebate model has prevented BSC from adjusting in response to changing economic conditions, including:

- + Cost of living pressures resulting in a reduction in imports and subsequently impacting annual levy revenue
- + A disconnect between stagnant levy revenue and increasing recovery rates and costs
- + Significant market changes and insights gained since 2019, when rebates were initially agreed by industry, such as:
 - + consumer price index has risen 16.8%
 - + commodity prices have reduced, for example the price for Lithium black mass has reduced by 62%.

5.3 Risk and costs vary by battery type

B-cycle was designed as a one size fits all model which was appropriate at the time, however we now have considerably more information about the disparate risk profiles and processing costs associated with different battery types. This presents challenges for recyclers managing problematic chemistries and

5.4 Public safety not adequately de-risked

The current structure and non-mandatory nature of the Scheme model has impeded and prevented BSC from responding to public safety concerns i.e. through advocacy for policy and behavioural change at all levels of governments, by industry, and the general public to effectively address and mitigate these increasing risks, including:

5.4.1 Risks from button batteries

Button batteries pose very real risks to human health. QISU reports that 20 children present to emergency departments across Australia every week suspected of having ingested or inserted a button battery. Of those, one child per month sustains severe injuries. Additional resources are needed to increase communication activities and facilitate the provision of home battery storage containers to avoid and diminish these known risks to human health.

5.4.2 Increasing fire risk profile of batteries

Industry and governments agree that the rapid increase in incidences resulting in fires from rechargeable batteries and emerging battery products is a fundamental issue that must be addressed. The NSW Fire and Rescue recently released a [report](#) that analyses incident data on fires attributed to Lithium ion batteries. This data demonstrates the increasing incidences of fire and highlights the considerable impacts to human and environmental health that must be addressed within the Scheme.

NSW F&R Report on Battery Fire	2022	2023	Increase
Lithium-ion battery incidents	171	285	67%
Injured persons	14	38	171%
Evacuations	829	1320	59%
Waste receptacles/collection	34	55	62%
Waste trucks	56	71	27%
Waste facilities	34	51	50%

Figure 5. NSW Fire and Rescue incident data

5.5 High cost of inaction

It is important to emphasise the significant cost of inaction causing direct public detriment if nothing is done to prevent battery-related fires. The direct cost of increased fire incidents is being borne by industry and government, however ultimately the consumer ultimately pays. The scale of the issue has been emphasised in a range of forums and consultations with industry and government representatives and indicative costs were provided.

It a recent report “Industry survey: Battery fires in waste & recycling June 2024” prepared by ACOR and the WCRA NSW, the cost of inaction is high as shown in the figure below.

Cost increases	Average
Damage, rebuilding, and replacement costs, including vehicles	\$173,988
Insurance increases	\$114,200
Clean-up costs	\$94,500
Legal costs	\$18,800
Feedstock losses	\$15,260
MRF replacement	\$60,000,000

Figure 6. ACOR & WCRA NSW estimates of the cost of fire in the recycling sector

As per the previous data presented from NSW Fire and Rescue (Figure 5) these incidents are occurring on an increasing basis; they are tangible and real costs occurring today. These figures do not include the less tangible costs to human and environmental health, but which are similar if not more impactful in real terms.

5.6 Need to diversify the network

The concept of the accreditation design principles was to provide an open-source model to maximise participation. This has proved very successful in delivering a diverse and highly accessible Drop off network. By comparison the collection and recycling network has remained small, in part due to the increased economic pressures for participants. Moving forward BSC may employ a hybrid model to expand and create new networks or develop unique solution to address problematic chemistries.

5.7 Challenges in a nutshell

All of the factors discussed above illustrate the importance of future proofing the B-cycle Scheme. These drivers are summarised below.

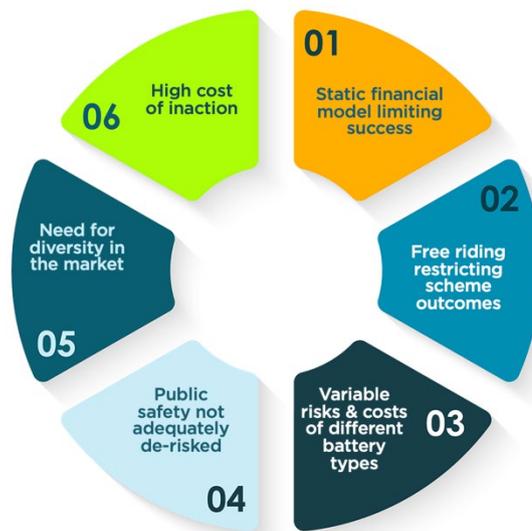


Figure 7. Summary of challenges to inform the change

6. CORE POLICY DRIVERS FOR THE PROPOSED MODEL

The model proposed by the BSC Board has been informed by several core policy issues designed to address the drivers for change identified in the previous section.

The challenge	Issues to address	Proposed policy settings for B-cycle 2.0
Long term financial sustainability for the scheme	<ul style="list-style-type: none"> + The current authorisation was designed to offset the cost of collection and recycling and cannot scale up sufficiently as collection rates grow. 	<ul style="list-style-type: none"> + B-cycle 2.0 will be built on a total cost recovery model
	<ul style="list-style-type: none"> + Investment to address battery safety risks is not adequately funded within the scheme structure 	<ul style="list-style-type: none"> + Investment in risk mitigation by battery type to be a cornerstone of the financial modelling
	<ul style="list-style-type: none"> + Fluctuations in import volumes and associated levies significantly impact Scheme revenue + The ACCC authorisation includes a static rebate structure that has not been able to respond to changes in the market such as: <ul style="list-style-type: none"> + consumer prices index + commodity price reductions + increased need for investment in risk mitigation activities + the need to significantly increase collection volumes given the risk profile of batteries 	<ul style="list-style-type: none"> + Introduction of annual review of eco-modulated levies and rebates.
Changing risk profile of some battery types	<ul style="list-style-type: none"> + The cost to process different battery types varies significantly. + Under the current levy rate structure of 4c/EBU, the stewardship initiatives for one battery type were being funded by other types creating an uneven playing field. + Some problematic chemistries currently have not financially viable processing options. 	<ul style="list-style-type: none"> + Each battery product will now stand alone financially with levies. + Inclusion of sustainability investments in levy calculations depending on the risks or desirable outcomes to be pursued. + These will be agreed by the Board each year.
	<ul style="list-style-type: none"> + In the proposed levy regime for FY 2026, the Board has determined that button batteries remain a priority. 	<ul style="list-style-type: none"> + Budget assigned to button battery home storage containers and communications.
	<ul style="list-style-type: none"> + In the proposed levy regime for FY 2026, the Board has determined that it is a priority to address the increased incidence of fire. 	<ul style="list-style-type: none"> + Budget assigned to containers and risk mitigation. + Increased budget for community education and awareness raising of safety concerns of battery products. + Provide community incentives for increased diversion
Securing full participation across all battery products	<ul style="list-style-type: none"> + B-cycles has been successful as a voluntary scheme in securing industry participation. However, free riders persist and present an unlevel playing field and impact market competitiveness. 	<ul style="list-style-type: none"> + The BSC will be putting forward the proposal for regulatory reform targeting free riders.

The challenge	Issues to address	Proposed policy settings for B-cycle 2.0
Need to continue to increase and diversify collection network	<ul style="list-style-type: none"> While the current scheme has enabled a diverse network of Drop off points, there is a need to diversify the collection, sorting and processing network to reduce risk of failure and increase industry development and participation. 	<ul style="list-style-type: none"> Work with partners to incorporate new and different Drop off Points containers for bespoke battery product types such as for e-bike battery products. Ensure the economics of the scheme provide a suitable value proposition for existing and new entrants to the Scheme. Require battery collection for public drop off points to be provided free of charge.
Casings (see also section 6.1)	<ul style="list-style-type: none"> In the original authorisation casings were not included in the product weight for levy calculation, yet the cost to recycle does include casings. See section 6.1 for details 	<ul style="list-style-type: none"> To include the weight of the casings in levy calculations.

Figure 8. Policy drivers

6.1 Impact of modulation on levy calculations with casings

The Scheme Design which was authorised in 2020 achieved the support of the power tool sector by excluding casings from the Equivalent Batter Unit calculation. The driver for this was to ensure a level playing field across different battery types and market sectors as there was only one levy rate at that time. Section 3.2.2 of the Scheme Design states: “The EBU calculation applies to loose batteries or batteries contained within battery packs or products. EBU calculations exclude plastic casings and circuitry. Processing of plastic casings and circuitry remains a contractual matter between the collector and the service providers.”

B-cycle 2.0 proposes to include casings in levy calculations. The new modulated levy has the goal of generating sufficient levy revenue to manage each separate battery category. This essentially removes the issue presented by casings and electric circuitries as it was in the original scheme design. The levy for each battery category will now need to cover the total cost of managing the product for that single battery type.

If we assume the following metrics of a single battery type the levy rate can be calculated.

- Import weight of batteries including casings - 3,000,000 kg
- Import weight of batteries excluding casings - 1,800,000 kg (assuming casings and circuitry is 40% of total weight)
- Total costs to address all the stewardship outcomes (collection, processing, safety investment etc...) for this battery type - \$10m

Assuming casings are included a levy rate 8.0 cents/EBU would be applied to the battery import weight of 3,000,000 kg to generate the \$10m to cover the total stewardship costs for that battery type. Alternatively, if casings and circuitry were excluded the total import weight for same amount of batteries would reduce to 1,800,000 kg and require a levy rate of 13.33 cents/EBU to generate the \$10m required to cover the same stewardship costs. This example is summarised in the table below.

	KG	Cost	Indicative Levy
Import weight of batteries including casings	3,000,000 kg		
Import weight of batteries excluding casings	1,800,000 kg		
Total costs of stewardship outcomes	\$10m	\$10m	
Levy with casings included			8.0 cents / EBU
Levy with casings excluded			13.33 cents / EBU

Figure 9. Example levy calculation for batteries with casings

6.1.1 Improved efficiency for industry in calculating levy obligations

Recent BSC levy audits conducted by a third-party auditor of Power Tool companies suggest that there were challenges calculating cell weight and excluding casings and circuitry as it is not a readily known metric.

The total weight of the battery pack for products such as power tools, was identified as a more readily known quantity rather than the individual weight of the battery cells used to manufacture the battery pack.

This insight suggests that the weight of a battery pack including casings and circuitry is a more readily available metric for industry to capture and presents a reduction in effort to report and calculate individual levy obligations.

QU 4. Do you support the inclusion of casings in the levy calculation?

7. PROPOSED B-CYCLE 2.0 SCOPE & KEY ROLES

The ACCC authorisation allows the scheme to address all battery products subject to market failure with an initial focus on small handheld batteries up to 5 kgs including portable batteries (loose batteries), consumer electronics, power tool batteries, and light means of transport (e-bikes and e-scooters) excluding lead acid batteries.

Already in Scope	Additional for B-cycle 2.0 scope	Potential inclusion in B-cycle 2.0 scope Subject to government and industry priorities	Subject to government direction and industry engagement
<ul style="list-style-type: none"> + Portable batteries (loose batteries) <5kg + Power tool batteries + Light means of transport (e-bikes and e-scooters) 	<ul style="list-style-type: none"> + Any loose batteries (<60kg) including portable energy storage 	<ul style="list-style-type: none"> + Embedded batteries not covered by existing regulated schemes + Vapes <ul style="list-style-type: none"> + Legally imported vapes + Illegally imported vapes (government funding required) 	<ul style="list-style-type: none"> + Stewardship for emerging markets with batteries used in an installed or high voltage environment + Electric Vehicle Batteries + Energy storage (Residential & grid-scale).

Figure 10. B-cycle scope

QU 5. Do you support inclusion of portable energy storage (<60kg)?

QU 6. Do you support the inclusion of vapes in the scheme recognising that government funding would be needed to cover the cost of illegally imported vapes?

QU 7. Do you support the inclusion of products with embedded batteries or all Small Electrical and Electronic Equipment (SEEE) in the scheme?

7.1 Responsibilities of obligated parties

A stewardship scheme is only as strong as its commitment by stakeholders. In the case of B-cycle, participants spanning across importers, retailers, drop off points, collectors, sorters, and recyclers, agree to comply with the Battery Stewardship Commitment, which places specific obligations to secure funding, enable education, improve safety, and deliver transparency across the battery life cycle. As demonstrated in the figure below, a levy is imposed on imported batteries, which is then passed on to consumers in battery prices. The levy is used to fund rebates for B-cycle-accredited collectors, processors, and recyclers of used batteries. This also includes independent audits used to verify conformance with Scheme criteria.



Figure 11. B-cycle participants and their role within the scheme

The BSC is satisfied that the current structure provides a solid foundation for the B-cycle 2.0 and therefore are no changes proposed to the governance of the Scheme. The BSC Board acknowledges however, a need to evolve and adapt in response to:

- + expectations from government, industry and the community for a broader scheme scope
- + changing and fluctuating economic factors
- + the ever-changing risk profiles for batteries
- + the need to preventing of free riding.

7.2 Refinement of the definition obligated parties

For consistency with the Recycling and Waste Reduction Act, it is proposed that obligated parties be redefined to include importers, manufacturers, distributors and users of batteries. An obligation exists if in the previous financial year:

- + the party imported, manufactured, distributed, or used more than 1,000 battery products in Australia, or
- + the party, and a related body corporate, imported or manufactured, distributed or used in Australia more than 1,000 battery products.

This change is intended to reduce free riding associated with online sales and will clarify the need for all major battery distributors and users to participate in the Scheme. This change adds three new categories of obligated party including:

- + **manufacturer:** an entity that produces a battery product by transforming materials, substances or components into another product.
- + **distributor:** an entity that:
 - + sells or supplies battery products whether in store or online
 - + includes online platforms that facilitate the import of battery products into Australia
 - + provides multi-seller online platforms that operate a fulfilment house in country for the products that they list from non-registered companies, even where they are not technically the seller
 - + provides parcel delivery services (such as couriers and postal services) where they have a delivery contract with a distance seller that is not registered as an obligated party to the approved co-regulatory arrangement or where there is no importer or (in the context of the suggestions above) a fulfilment centre in the state or territory.
- + **user** – an entity that operates, handles, transports or processes products.

QU 8. Do you support the proposed inclusion of manufacturer, distributor and user as obligated parties?

8. KEY ELEMENTS OF B-CYCLE 2.0

8.1 Investment in sustainability outcomes

A key feature of B-cycle 2.0 is the ability to account for the total cost of different battery types and establish the basis for funding of the Scheme by each battery type. Different battery types present different safety risks and it is proposed that the BSC will consider appropriate investment requirements by battery type. Such investments will be proposed annually and may be amortised over a number of years. The following investments are proposed to commence in FY2026:

Investment	Description	Battery Type	Financial Investment
Button Battery Home Containers	Implementation of Button Battery Home Storage Container Certification Program including third party accreditation, assistance with commercialisation planning and promotion.	Button Battery category	\$750,000 over 3 years
Button Battery Safety Communications	Communications campaign to inform the community about the safety hazards of button batteries and how to mitigate those risks.	Button Battery category	\$600,000 over 3 years
Lithium Safety Communications	Communications campaign to inform the community about the safe use/charging of Lithium-ion batteries and the safe disposal at end of life.	All Lithium categories	\$800,000 over 1 years
Lithium Battery Container Safety	This will include a project or subsidy to develop and produce containers for the safe collections of Lithium batteries and damaged batteries.	All Lithium categories	\$8,000,000 over 2 years
Transport Compliance Subsidy	Assistance for industry to implement and comply with changes to transport regulations for hazardous materials.	All batteries categories	\$750,000 over 3 years
Large LFP container Subsidy	This will include a project or subsidy to develop and produce containers to collect and transport large scale batteries (up to 60kg).	LFP category	\$2,000,000 over 2 years
Community Incentive Program	Funding for community initiatives designed to incentivise to safe recycling of used batteries.	All batteries categories	\$400,000 over 2 years

Figure 12. B-cycle proposed sustainability investments

QU 9. Do you consider the proposed investment in sustainability outcomes appropriate?

8.2 The Accreditation Framework

The current accreditation model has provided a solid foundation for the B-cycle Scheme and this approach is proposed to continue. The model has delivered:

- + strong participation in the loose battery market as a result of the member-to-member agreement aspect of the model
- + rapid expansion of the B-cycle collection network from 1,000 to more than 5,000 Drop off points which is more than any other voluntary scheme
- + development of strong accreditation protocols prioritising safety and traceability
- + improved consumer battery recycling behaviour since launch as shown in the figure below.
- + A recent survey by Mobium has shown significant change in consumer behaviour as shown in Figure 12.

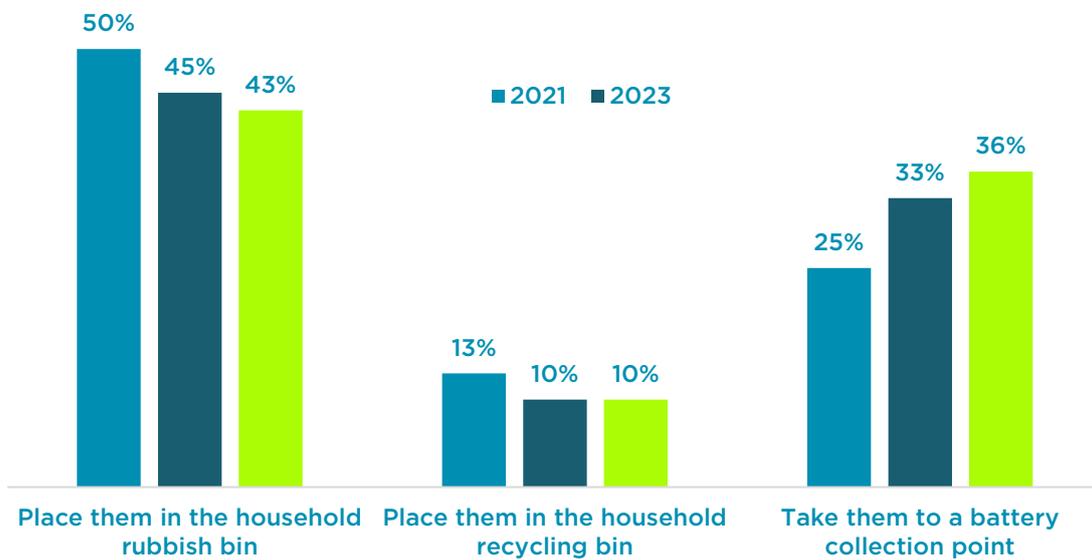


Figure 13. Behavioural change since B-cycle launch

Although largely successful, the accreditation model has also presented a few challenges. For example, it has limited BSC’s ability to influence or respond to industry requests for change to improve outcomes or service delivery, particularly in such a small market. The BSC may consider enhancing the accreditation model to address failures in the network.

This may involve augmenting the accreditation process by:

- + entering into contracts to enable different methods of service delivery
- + specific activities such as dedicated collection networks or containers
- + facilitating service delivery on a state-by-state basis or on a product category basis.

The BSC would evaluate the need for these activities based on factors such as:

- + appropriate sustainability outcomes
- + efficiency of service or cost considerations
- + differing collection channels for emerging products

8.3 Annual review

It is proposed that B-cycle move to a financial model that enables cost recovery of scheme operations and investment in safety measures; and that it be reviewed and adjusted as required on an annual basis. Annual adjustments can either increase or decrease levies and rebates, allowing the Scheme to reflect the realities of real-world economics.

The BSC proposes that the adjustment be documented in an annual plan with surplus funds, if any, to be used to improve safety infrastructure and/or offset future year costs allowing for downward pressure on levies

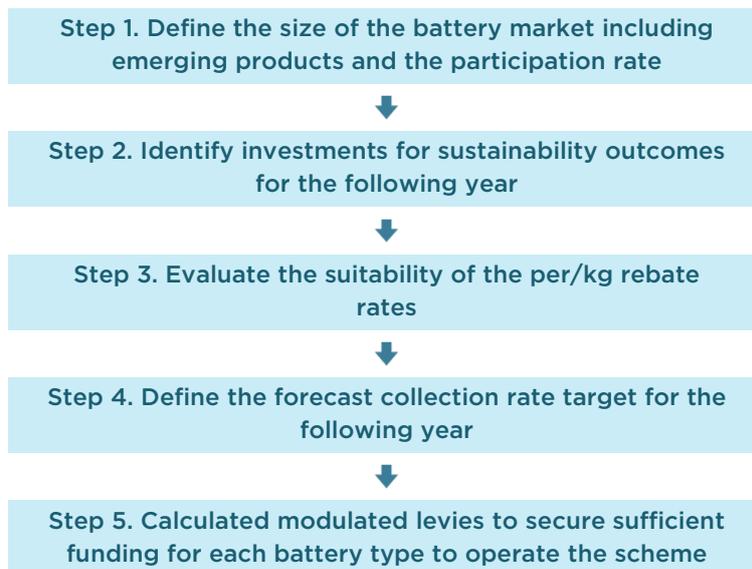
It is proposed that the annual review of the Scheme's financial basis be reviewed and adjusted to reflect the changing nature of each battery type. It is important to establish an annual review cycle to provide certainty to industry for a 12-month period. The review process is proposed to be conducted in the third quarter of each financial year with the new rates to begin 1 July each year.

QU 10. Do you see any challenges with a 1 July start date for annual adjustments?

QU 11. Is there a need for a transitional period for implementation? If so, how much time would be needed?

8.4 Process for the B-cycle annual financial review

The process for annual review will include the following steps:



Each of these steps are described in the following sections.

8.4.1 Step 1. Define the size of the battery market and the participation rate including emerging products

The battery market and the rate of importer participation is a key determinant in the generation of revenue to fund the operation of the Scheme. The BSC proposes to forecast the market stocks and flows for the next 12 months by considering the following factors:

- + projected overall all market size as defined through market research
- + consideration of the battery types to be considered in-scope for the next 12 months.
- + review of the previous year's importer participation rate and regulatory status.

8.4.2 Step 2. Identify investments for sustainability outcomes for the following year

By considering each battery type separately the BSC can now identify specific sustainability outcomes by battery type and allocated dedicated funds to targeted investments aimed at addressing the key issues confronting each battery type. On an annual basis the BSC proposes to identify targeted investments for the following 12 months considering the following factors:

- + review of the long-term investment plan and confirm the efficacy of the proposed plan
- + review of the previous year's investments and the outcomes achieved
- + consider new initiatives that may have arisen over the previous 12 months.

8.4.3 Step 3. Evaluate the suitability of the per/kg rebate rates

It is proposed that Collection and Sorting Rebates be reviewed and adjusted based primarily on the movement in the Consumer Price Index (CPI) with the view to set the rebates to cover the overall cost of collection and sorting. Other factors that may be considered when reviewing the Collection and Sorting Rebates are:

- + changes to transport regulations
- + the evolution in battery sorting technologies and processes
- + the establishment of recycling facilities outside of Victoria
- + efficiencies achieved through economies of scale.

Processing Rebates will be reviewed and adjusted based primarily on the movement in both CPI and the market price of commodities recovered through the recycling process with the view to set the rebates to cover the overall cost of processing minus the revenue generated from the sale of commodities recovered. Other factors that may be considered when reviewing the Processing Rebates are:

- + the introduction of new battery product or chemistry types
- + the evolution and/or introduction on new recycling technologies.

8.4.4 Step 4. Define the forecast collection rate target for the following year

The collection rate for used batteries should be based on the percentage of in market batteries reaching their end of life, or waste arising. BSC proposes to use research data to identify the quantity of waste arising. Waste arising will be calculated based on historical import data and the expected life of different battery types. Indicative examples of battery life cycles are:

- + loose Batteries AA, AAA, C, D etc. (Alkaline) – 1 to 2 years
- + consumer Electronics (Lithium-ion) – 5 to 7 years
- + power tools batteries (Lithium-ion) – 3 to 5 years
- + light means of transport (e-bikes and e-scooters) (Lithium-ion) – 6 to 8 years
- + portable energy storage (Lithium Iron Phosphate) – 8 to 12 years.

The BSC proposes to set the forecast Collection Rate annually for the coming year understanding that the aspirational collection rate is 100% of waste arising. The BSC should consider the following factors when determining the next 12 months Collection Rate.

- + forecast for the current year's actual collection rate compared to the set Collection Rate target for that year
- + risk factors that may support the collection of one battery type over another
- + previously undertaken and proposed future initiatives that may drive an increase in battery collections (e.g. consumer education).

8.4.5 Step 5. Calculate modulated levies to secure sufficient funding for each battery type

The levy rate is proposed to be set on a cents/EBU basis for each battery type. It can also be easily calculated for \$/kg. The aim would be to set the levy rate so that sufficient revenue is collected to cover the costs of collection, sorting, processing, sustainability investments, and operational costs and to deliver a financial surplus equivalent to operating the Scheme for a 6-week period.

9. MOVING TO ECO-MODULATION

Eco-modulated is a system that recognises the sustainability outcomes of different chemistries and the different risks and costs associated with each battery type. It allows for variations to be made based on a number of factors including the size of the market, the collection rate of batteries, the cost of processing and the fire and health risks. Where there are commonalities across battery types, standard rebates will apply.

As new battery chemistries come to the market BSC will consider the risks, costs and sustainability outcomes independently and determine if there is a need for a new battery category to be introduced. For each battery type there will be differences in:

- + the levy rate
- + investment in sustainability outcomes
- + processing rebates.

9.1 Proposed standard rebates

The proposed standard rebates for collection and sorting have been updated to reflect the costs associated with this activity and have been informed by insights from economic analysis conducted by the BSC and by external consultants (Circular Australia and MRA Consulting). These rebates are common across all battery types and will be reviewed and updated annually based on publicly available indices. The proposed rebates for FY 2026 are shown in the figure below.

Rebate type	Current \$/kg	Proposed FY 2026 \$/kg
Collection: Metro	\$2.50	\$3.50
Collection: Regional	\$3.50	\$4.50
Collection: Remote	\$6.50	\$8.00
Collection: Incidental	\$1.00	\$1.10
Sorting	\$1.00	\$1.20
Processing	\$1.00	Not applicable. See section 9.2

Figure 14. FY 2026 Standard rebates

9.2 The proposed eco-modulated levy and processing rebates

A key feature of B-cycle 2.0 is the move to modulated levies. This is in recognition that not all batteries are alike. There are variations in risk profile and in cost to responsibly process different chemistries. Forecast levy revenue is based on total stewardship costs for each specific battery type (collection, sorting, processing, sustainability investments, and operations) and to deliver a financial safety net or surplus equivalent to operating the Scheme for a 6-week period. The new eco-modulated levy is then set based on the importer participation rate and the target revenue needed to cover the total stewardship costs for each battery type.

9.2.1 Button batteries

The QLD Injury Surveillance Unit (QISU) estimates that in Australia **20 children each week are still presenting to hospitals with suspected Button Battery injuries** and one child a month is seriously injured after swallowing or inserting a button battery, with some of them sustaining lifelong or fatal injuries. The BSC therefore considers button batteries to be a high priority for the Scheme and proposes the following action plan for FY 2026.

Model elements	Notes	FY 2026
Import volume	+ Forecast import volumes are an estimate based on current participation levels. It is acknowledged that with regulation, import volume could be as much as 419,000 kg.	324,000 kg
Levy rate (Cents/EBU)	+ Based on current modelling with full participation the levy rate could decrease to 4.70 cents.	6.08 cents
Forecast levy	+ Designed to cover the total stewardship costs of button batteries.	\$820,000
Additional Sustainability Investments	+ Implementation of Button Battery Home Storage Container Certification Program including third party accreditation, assistance with commercialisation planning and promotion.	\$250,000
	+ Investment in additional Button Battery Safety Communications.	\$200,000
Forecast collection volume	+ Forecasting an increase in collection volumes in response to targeted button battery communication campaign.	21,000 kg
Processing rebate	+ This is set based on our most recent understanding of the cost of processing this class of batteries recognising that some deliver commodity value (silver), while others are required to be permanently retired (mercury).	\$7.50/ kg

9.2.2 Alkaline and Carbon Zinc batteries

Alkaline and Carbon Zinc batteries currently make up the highest volume of batteries collected by the B-cycle scheme and lessor safety risks than Lithium batteries. In the future the BSC proposed to separate the alkaline from Carbon Zinc, as Carbon Zinc batteries may have a higher environmental footprint. However, data necessary to confirm this is currently unavailable and further monitoring and evaluation is required.

Model elements	Notes	FY 2026
Import volume	+ Forecast import volumes are an estimate based on current participation levels. It is acknowledged that with regulation, import volume could be as much as 9,794,000 kg.	8,261,000 kg
Levy rate (Cents/EBU)	+ Based on current modelling with regulation to prevent free riding the levy rate could decrease to 5.05 cents.	5.99 cents
Forecast levy	+ Designed to cover the total stewardship costs of Alkaline and Carbon Zinc batteries.	\$20,620,000
Additional sustainability investments	+ Community Incentive Program	\$146,000
	+ Transport Compliance Subsidy	\$183,000
Forecast collection volume	+ Forecasting an increase in collection volumes with business-as-usual marketing and communications.	3,046,000kg
Processing rebate	+ This is set based on our most recent understanding of the cost of processing this class of batteries.	\$1.00 / kg

9.2.3 Lithium-ion batteries

Lithium-ion batteries represent a significant risk to the community and to the waste and recycling sector. Increased and safe diversion is essential and will require additional investment in the short term to ensure real change can be achieved.

Model elements	Notes	FY 2026
Import volume	+ Forecast import volumes are an estimate based on current participation levels. It is acknowledged that with regulation, import volume could be as much as 6,038,000 kg.	3,285,000 kg
Levy rate (Cents/EBU)	+ Based on current modelling with regulation to prevent free riding the levy rate could decrease to 4.65 cents.	8.54 cents
Forecast levy	+ Designed to cover the total stewardship costs of Lithium-ion batteries.	\$11,696,000
Additional Sustainability Investments	+ Investment in additional safety communications recognising the need for significant change in behaviour required to divert batteries from the general waste and recycling system.	\$700,000
	+ A project or subsidy to develop and produce containers for the safe collections of Lithium batteries and damaged batteries.	\$4,000,000
Forecast collection volume	+ Forecasting an increase in collection volumes resulting from the additional investment in marketing and communications.	700,000 kg
Processing rebate	+ This is set based on our most recent understanding of the cost of processing this class of batteries.	\$2.00 / kg

9.2.4 Lithium Iron Phosphate batteries

Lithium Iron Phosphate (LFP) batteries are an emerging category which has both advantages and disadvantages. From a recycling perspective, there is little value in the end product from recycling and there are increased risks associated with processing. The following action plan is proposed for this category.

Element	Notes	FY 2026
Import volume	+ Lithium Iron Phosphate is a new category that includes portable energy storage up to 60kg. For the first year, we are forecasting 10% market participation. With regulation, import volume could be as high as 7,770,000 kg.	777,000 kg
Levy rate (Cents/EBU)	+ Based on current modelling with regulation to prevent free riding the levy rate could decrease to 0.77 cents in the short term. The forecast FY 2026 levy reflects low participation and low volumes of batteries reaching end of life at this time. As the market matures and batteries begin to reach their end of life, this levy rate will increase significantly.	7.72 cents
Forecast levy	+ Designed to cover the total stewardship costs of Lithium Iron Phosphate batteries.	\$2,498,000
Additional Sustainability Investments	+ A project or subsidy to develop and produce containers for the safe collections to accommodate larger battery types.	\$1,000,000
Forecast collection volume	+ LFP is an emerging category and waste arising volumes will grow over time. The first step is to build the collection network and in future years it is envisaged that increased communications budget will be needed.	47,000 kg
Processing rebate	+ This is set based on our most recent understanding of the cost of processing this class of batteries.	\$7.00 / kg

9.2.5 Lithium primary batteries

Although small in volume, this category represents a significant challenge at end of life. This is reflected in the following action plan:

Model elements	Notes	FY 2026
Import volume	+ Forecast import volumes are an estimate based on current participation levels. It is acknowledged that with regulation, import volume could be as much as 95,000 kg.	80,000 kg
Levy rate (Cents/EBU)	+ Based on current modelling with regulation to prevent free riding the levy rate could decrease to 46.60 cents.	54.66 cents
Forecast levy	+ Designed to cover the total stewardship costs of Lithium Primary batteries.	\$1,841,000
Sustainability Investments	+ Safety communications	\$60,000
Forecast collection volume	+ Forecasting an increase in collection volumes resulting from the additional investment in marketing and communications.	62,000 kg
Processing rebate	+ Processing of this chemistry requires export to Canada at significant cost that would see levy rates be between 47 - 55 cents.	+ Transport to CA \$3.50
		+ Processing \$16.50
		+ Total \$20.00
Encapsulation rebate	+ In the event that encapsulation is the only viable option, the rebate will be set as follows.	\$5.50 / kg

QU 12. This is a problematic chemistry and BSC is seeking feedback on whether recycling at this price is acceptable or if the use of encapsulation is the preferred option.

9.2.6 Nickel Cadmium

Historically Nickel Cadmium batteries were commonly used, but more recently are being phased out due to the toxic nature of the Cadmium. There is limited value to be derived from NiCad batteries because of the high costs of processing Cadmium. In Australia Ni-Cd batteries are a controlled waste and require a waste storage licence and a waste transport licence in most jurisdictions. Interstate transport must be tracked, and some jurisdictions require intrastate tracking as well. The export of used batteries requires a hazardous waste permit.

Model elements	Notes	FY 2026
Import volume	+ Forecast import volumes are an estimate based on current participation levels. It is acknowledged that with regulation, import volume could be as much as 160,000 kg.	136,000 kg
Levy rate (Cents/EBU)	+ Based on current modelling with regulation to prevent free riding the levy rate could decrease to 35.92 cents.	30.40 cents
Forecast levy	+ Designed to cover the total stewardship costs of Nickel Cadmium batteries.	\$1,726,000
Additional Sustainability Investments	+ No significant investments planned for FY 2026.	NA
Forecast collection volume	+ Forecasting a collection volume based on business as usual. Note that this exceeds the total annual sales as this is a declining product category.	165,000 kg
Processing rebate	+ Onshore processing is currently not an option at this time current.	\$4.50 / kg

9.2.7 Nickel Metal Hydride

NiMH batteries have many uses as they can be recharged many times more than an alkaline battery for example. While there is value to be derived from NiMH batteries, the higher processing levy reflects low import volumes as compared to the cost of collection and processing.

Model elements	Notes	FY 2026
Import volume	+ Forecast import volumes are an estimate based on current participation levels. It is acknowledged that with regulation, import volume could be as much as 165,000 kg.	141,000 kg
Levy rate (Cents/EBU)	+ Based on current modelling with regulation to prevent free riding the levy rate could decrease to 11.85 cents.	13.90 cents
Forecast levy	+ Designed to cover the total stewardship costs of Nickel Metal Hydride batteries.	\$816,000
Additional Sustainability Investments	+ No significant investments planned for FY 2026.	
Forecast collection volume	+ Forecasting an increase in collection volumes resulting from the additional investment in marketing and communications.	120,000 kg
Processing rebate	+ This is set based on our most recent understanding of the cost of processing this class of batteries.	\$1.00 / kg

9.3 FY 2026 Summary table

Eco modulated Indicative derived from initial analysis of costs provided by participants to Circular Australia and secondary analysis conducted by MRA.

	Button batteries	Alkaline/Carbon Zinc	Lithium ion	Lithium Iron Phosphate	Li Primary	NiCad	NiMH	Total
Import volume (kg)	324,000	8,261,000	3,285,000	777,000	80,000	136,000	141,000	13,004,000
Levy rate (Cents/EBU)	6.08c	5.99c	8.54c	7.72c	54.66c	30.40c	13.90c	NA
Levy rate (\$/kg)	\$2.53	\$2.50	\$3.56	\$3.22	\$22.77	\$12.67	\$5.79	NA
Forecast levy	\$820,000	\$20620,000	\$11,696,000	\$2,498,000	\$1,841,000	\$1,726,000	\$816,000	\$40,017,000
Total Sustainability Investments	\$452,000	\$330,000	\$4,783,000	\$1,032,000	\$69,000	\$18,000	\$13,000	\$6,697,000
Forecast collection volume (kg)	21,000	3,046,000	700,000	47,000	62,000	165,000	120,000	4,161,000
Processing rebate (\$/ kg)	\$7.50	\$1.00	\$2.00	\$7.00	\$20.00	\$4.50	\$1.00	NA

QU 13. Are the proposed eco-modulated levy and rebate rates appropriate?

9.3.1 Proportionate cost impact for different battery types

The implications of the changed levies will impact different products depending on price point. The following table presents an indicative illustration of this.

Battery type	Example	Average Weight (grams)	EBU	Proposed levy/EBU (cents)	Indicative Levy Amount (\$)	Median Product Price	
						Sale price	Levy as a %
Alkaline / Carbon Zinc	AA	23	0.96	5.99	\$0.06	\$1.55	3.70%
Button Batteries	Button Battery	2	0.08	6.08	\$0.01	\$16.00	0.03%
	Power tool	741	30.88	8.54	\$2.64	\$375.00	0.70%
Lithium-ion	e-bike	3500	145.83	8.54	\$12.46	\$2,500.00	0.50%
	1200 Wh Battery	9500	395.83	7.72	\$30.54	\$799.00	3.82%
Lithium Iron Phosphate	1200 Wh Battery	16000	666.67	7.72	\$51.44	\$1,500.00	3.43%
Lithium Iron Phosphate Portable Energy Storage Systems	1200 Wh Battery	16000	666.67	7.72	\$51.44	\$1,500.00	3.43%
Lithium Primary (Lithium Thionyl Chloride)	AA	16	0.67	55.57	\$0.37	\$20.00	1.85%
Lithium Primary (Lithium Metal)	AA	16	0.67	54.66	\$0.36	\$6.25	5.83%

Figure 15. Levy summary table

10. OTHER BATTERY TYPES FOR SCHEME INCLUSION

The emerging risks associated with batteries go beyond the current scope and include vapes and Small Electrical and Electronic Equipment (SEEE) with embedded batteries not covered by existing schemes.

10.1 Vapes

E-cigarettes or vapes, present significant health and safety risks to humans, both in the use case and at their end of life. Currently there is no clear path for the safe disposal or recycling of vapes. Generally, vapes can be divided into two categories, single-use disposable and reusable vapes. Both types contain a Lithium battery, either primary or secondary cells.

The vast majority of vapes that have been sold in Australia are the disposable type and they contain a small non-removable Lithium battery with sufficient power to deliver the prescribed “puffs” contained within the single use vape. Reusable vapes on the other hand allow the user to refill the liquids and flavours consumed in the vaping process, and recharge or replace the battery. These products are a minor percentage of the total e-cigarette market.

It is estimated that up to 90 million vapes were imported into Australia in the calendar year 2022 with the vast majority of these vapes being single use disposable devices that are ultimately ending up in landfill at the end of their usable life.

All vapes can be readily collected, sorted, and processed nationally by the existing B-cycle Scheme. The BSC is confident that vapes can be collected and sorted within the proposed standard collection and sorting rebates with a processing rebate of \$13.60 per kg being applied.

Funding of the B-cycle Scheme is via a levy paid by importers. As a result of proposed regulatory restrictions being considered by parliament, it may be difficult for the BSC to secure suitable funding for collection and recycling of vapes in B-cycle 2.0.

For those vapes that are imported and sold legally in Australia the BSC can readily engage with industry to secure funding via the payment of a levy.

For those vapes imported and sold illegally the BSC needs to seek an alternate funding arrangement to address this expanding waste stream. The key challenge however is that without funding for illegal vapes the economic viability of funding vape collection via a levy arrangement based solely on a levy coming from vapes imported legally is not sustainable.

In the absence of being able to establish a funding arrangement with the entities importing illegal vapes, it is likely that governments will have to bear the full cost of illegal vape collection and processing.

QU 14. Should the B-cycle Scheme expand to include vapes?

QU 15. How should the funding for the collection and processing of illegal vapes be structured?

10.2 Small electrical and electronic equipment with embedded batteries

The BSC has been asked to consider expanding the scope B-cycle to include products with embedded batteries.

BSC has conducted a preliminary assessment of these products and identified Import codes that likely contain embedded batteries. BSC envisages that if products with embedded batteries that fall into the SEEE category can fit into an existing B-cycle bin, it could be collected and then processed within the Scheme. For these products the proposed standard collection rebate could apply, and a new processing rebate of \$16.50 per kg could apply.

For larger SEEE products, BSC believe these products could be collected through local government networks and/or augment the proposed new category of portable energy storage to leverage the container and collection network that is proposed to be rolled out. Further analysis could be undertaken prior to reauthorisation to evaluate collection and processing rebates for this category. Either way, the BSC is confident that the collection and processing of products with embedded batteries can be managed successfully through the B-cycle Scheme.

At this time the BSC has limited information as to the nature of the organisations importing products with embedded batteries and the volume and weight of those imports. Further analysis could be undertaken prior to reauthorisation to understand the scale of imports so an appropriate funding model, defining product levy rates, can be finalised.

The BSC is proposing to undertake the necessary research and analysis to prepare a sound and sustainable funding model for the inclusion of products with embedded batteries within the reauthorisation of the B-cycle Scheme. BSC has prepared a list of the [HS Codes](#) currently considered to include products with embedded batteries.

QU 16. Do you support Scheme expansion to included SEEE with embedded batteries not covered by existing schemes within B-cycle?

11. FOSTERING COLLECTION NETWORK DIVERSIFICATION

Given the small size of the battery recycling sector in Australia, it is challenging to facilitate a diverse participant rate. This represents a risk to the B-cycle scheme as there is a need to avoid single points of failure with the network. This is a significant motivator for improving the improved financial arrangements of the scheme to ensure there are adequate incentives for industry to partner with the BSC. However, there is also an important role for government to play, through for example:

- + venture capital investment scheme
- + grants or low interest loans
- + tax incentives for new initiatives
- + innovation fund to support new ideas
- + support for pilot and demonstration projects for new technologies.

QU 17. Do think the changed rebates will improve the diversification of the market?

QU 18. What other mechanisms might be used to encourage industry diversification?

12. CONCLUSION

It is the clear mission of the Battery Stewardship Council to solve the battery waste problem, and the proposal provided herein is designed to accelerate our trajectory to creating a circular economy for batteries. The proposed approach significantly redefines the economics of battery stewardship to create a stewardship ecosystem in which the BSC is able to deliver on its mission in the short term and well into the future. The current dynamic landscape for batteries will continue to evolve, and the proposed approach will provide the BSC with an agile and responsive scheme design.

On behalf of the BSC Board, we thank you for your partnership and input to the details provided above. Your input, creative ideas, and future thinking is needed to refine this approach as we move forward in the transition to a sustainable future.

APPENDIX 1. DEFINITIONS

Term	Definition
ACCC	+ Australian Competition and Consumer Foundation
ACOR	+ Australian Council of Recyclers
BSC	+ Battery Stewardship Council
CPI	+ Consumer Price Index
Distributor	+ Refers to entities that: <ul style="list-style-type: none"> + sells or supplies battery products whether in store or online + includes online platforms that facilitate the import of battery products into Australia + provides multi-seller online platforms that operate a fulfilment house in country for the products that they list from non-registered companies, even where they are not technically the seller + provides parcel delivery services (such as couriers and postal services) where they have a delivery contract with a distance seller that is not registered as an obligated party to the approved co-regulatory arrangement or where there is no importer or (in the context of the suggestions above) a fulfilment centre in the state or territory.
DoP	+ Drop off point
EBU	+ Equivalent battery unit of 24 grams
EH&S	+ Environment, health and safety.
EV	+ Electric vehicle
EVB	+ Electric vehicle battery
FY	+ Financial year
Importer	+ An entity that imports a battery product into Australia if, at that time, the product: <ul style="list-style-type: none"> + is the subject of an import declaration; or + is entered for home consumption under subsection 68(3A) of the Customs Act 1901 in respect of that import declaration. + is entered for warehousing made as mentioned in subsection 68(3B).
kg	+ Kilogram
Li	+ Lithium
Li-ion	+ Lithium-ion
NiCd	+ Nickel Cadmium
NiMH	+ Nickel Metal Hydride
NSW F&R	+ New South Wales Fire and Rescue
Manufacturer	+ An entity that has produced a battery product that has been produced by transforming materials, substances or components into another product.
QISU	+ QLD Injury Surveillance Unit
SEEE	+ Small electronics and electrical equipment
User	+ An entity that operates, handles, transports or processes products.
WCRA NSW	+ Waste Contractors & Recyclers Association of NSW

Battery Stewardship Council



Scheme review consultation paper

This paper is intended to put forward the BSC Board's approach for the redesign of B-cycle to B-cycle 2.0 as the basis for industry consultation leading to Scheme ACCC re-authorisation.



This Scheme is authorised by the Australian Competition & Consumer Commission (ACCC), accredited by the Australian Government, and has received financial support from the Australian Government and industry.