

## Battery Stewardship Scheme Draft Principles

| Principle  | Key Scheme Features  |
|--|--|
| <b>Shared Responsibility</b>                             | <ul style="list-style-type: none"> <li>All organisations in the supply chain (manufacturers, importers, retailers, consumers, regulators, collectors, researchers, &amp; recyclers) have a contribution to make.</li> <li>Accredited members make commitments relevant to their place in the supply chain, to meet the aim of the scheme.</li> <li>Free riding reduced through enterprise to enterprise agreements, brand marketing, transparency and harmonised regulation.</li> <li>Government support for expansion in processing capacity &amp; best practice technologies – infrastructure funding &amp; improved safety, quality, import controls &amp; enforcement.</li> <li>Increased enforcement of environment, health &amp; safety; import; &amp; export regulations.</li> </ul>  |
| <b>Improved environmental outcomes</b>                   | <ul style="list-style-type: none"> <li>Eliminate batteries from landfill to avoid environmental and health impacts.</li> <li>Increase the battery collection rate from the current very low 3%.</li> <li>Maximise resource recovery from waste batteries.</li> <li>Offset greenhouse gas emissions from collection and sorting of batteries.</li> </ul>  |
| <b>Circular Economy</b>                                  | <ul style="list-style-type: none"> <li>Improve the economics of recycling batteries.</li> <li>Support increased collection and sorting, and expansion of processing capacity.</li> <li>Create markets for materials derived from recycled batteries.</li> <li>Increase materials used as feedstock for batteries &amp; other products.</li> <li>Facilitation of positive procurement policies in industry &amp; government.</li> </ul>   |
| <b>Fair and Equitable Funding Model</b>                  | <ul style="list-style-type: none"> <li>Levy on imports up to \$0.04<sup>1</sup>/Equivalent Battery Unit (EBU).</li> <li>Levy designed to cover costs with a suitable safety net.</li> <li>Levy to be subject to adjustment by the board based on annual review of costs.</li> <li>Equivalent Battery Unit to be set at 24 grams for handheld batteries under 5kg.</li> <li>Procedures to ensure that liable parties will not be double charged.</li> <li>Import threshold to exclude small importers from levy.</li> </ul>   |
| <b>Increased Competition, Innovation, and Efficiency</b> | <ul style="list-style-type: none"> <li>Leveraging model used to access existing well-established collection networks.</li> <li>Continual improvement approach with the long-term goal to collect all batteries available for collection.</li> <li>Research to support program development: best practice, innovation, stocks &amp; flows.</li> <li>Address the known barriers to increased recovery of waste batteries using an annual capped rebate to fund market failures - initially collection &amp; sorting.</li> <li>Accredited members involved in collection, sorting and processing to provide evidence of collections, sorting, processing, EH&amp;S performance, downstream shipments, and costs within each period for independent verification.</li> <li>Board to adjust the rate of rebate to meet cost recovery / safety net goal based on an annual review of costs.</li> </ul> |
| <b>Transparency &amp; accountability</b>                 | <ul style="list-style-type: none"> <li>Good governance through a not-for-profit battery stewardship organisation with board oversight and annual financial audits.</li> <li>Annual performance measures established by the board in place of arbitrary targets.</li> <li>Effective program design based on cost, not profit.</li> <li>Outsourcing of import data reporting to independent agency.</li> <li>Verification and auditing of member commitments.</li> </ul>   |
| <b>Focus on behavioural change</b>                       | <ul style="list-style-type: none"> <li>Strong branding and marketing with clear call to action.</li> <li>Incentives for priority collection points e.g. schools &amp; local government.</li> <li>Leveraging marketing with synergistic schemes.</li> </ul>   |

<sup>1</sup> Based on previous research conducted by Pacific Environment