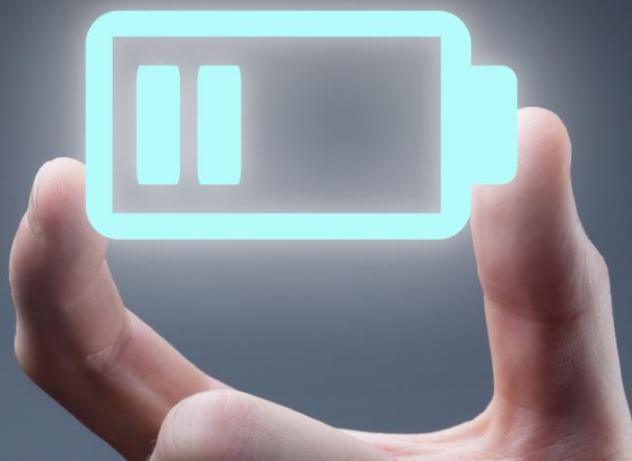


BRIEFING NOTE #6 Release of Scheme Design Version 3 **Overview of changes in response to feedback**



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Focus of this briefing note



This Briefing Note is provided to highlight the changes made to the scheme design in response to feedback of BSC members. Some changes are for clarification purposes, while other seek to address concerns regarding cost and efficiency. There are also a number of outstanding questions which we seek your input to. Now is the time to look at the detail and ensure we understand your needs and concerns so we can refine the design to deliver on the ground results.

Version 3 of the Scheme Design Released



Last week we released an updated version of the Scheme Design which will form the basis of the next round of consultation. The new version identifies these changes and points to the relevant sections for you to review.

In this near final design, we have added some questions to focus your feedback on key issues including the proposed levy, membership fees and the rebate. Each of these topics are discussed in greater detail in the Scheme Design Document itself.

Please provide written feedback by email to the BSC by July 21st COB. Download the latest version from the BSC Website: <https://bsc.org.au/document-types/scheme-design-documents/>

Scheme scope now includes all batteries



In December 2018, all state, territory and federal Ministers decided that all batteries must be included under the proposed stewardship arrangement.

This decision means the proposed scheme will include all loose and handheld alkaline and rechargeable batteries as well as energy storage and electric vehicle batteries.

The decision also recognised that many batteries are embedded in products covered by existing schemes (such as computers, TVs and mobile phones) and that the proposed stewardship scheme will need to avoid duplication of effort and any double charging.

The Ministers confirmed there was no need to include used lead acid batteries in the scope at this time as the collection and recycling rates for these are around 90%.

Adjustment to the rebate



V3 includes a change in the proposed collection rebate in the first year to \$2.50 – \$3.50/kg with the sorting rebate to remain the same at \$2.00/kg. This is in recognition of feedback from BSC members that the proposed leveraging approach is expected to deliver efficiencies early on and to avoid the risk of overspending in the first year..

The intent is to operate the Scheme on a cost recovery basis. Initially, this will be informed by the experience of other stewardship schemes and the industry consultation and research conducted by Pacific Environment in 2017* on behalf of the former Battery Industry Working Group. The rebate is designed to offset the cost of collection in metropolitan and regional areas at \$2.50 and \$3.50/kg respectively and for sorting at \$2.00/kg.

Whilst the level of rebate for collections is lower than some existing schemes experience, it is anticipated that the rebate will be effective given the proposed leveraging model and the anticipated significant increase in volumes being collected. The rebate will not be used to collect or sort existing stockpiles. Members will be required to demonstrate that batteries were collected or sorted in the specified time period.

Questions requiring your input

The BSC is currently working to address feedback from BSC Members. In relation to the rebate we are seeking feedback on these issues:

- **Are the initial rebate amounts appropriate?**
- **How could the BSC manage the \$/kg cap to ensure competition and innovation?**
- **How should the BSC respond if collection rates exceed initial projections?**
- **Is there a need for state and/or regional quotas to be established, for example enabling all states/regions to receive a proportion of the available rebate based on population or area?**

Clarification that the focus is on cost recovery



While it has always been the intention, language has been strengthened to clarify how funds will be managed to maximise efficiency and effectiveness if excess revenue is generated.

It is proposed that excess revenue will be held to meet future program costs and taken into account in the annual review of costs of the scheme including adjustment in the rate of the levy as appropriate.

Addition of a category specific membership fee



In order to reflect the principle of shared responsibility, we have proposed membership categories to ensure all participants in the supply chain contribute to the scheme which was described in Briefing Note #5.

Questions requiring your input

The BSC is currently working to address feedback from BSC Members. In relation to the Member and Contributor Fees, we are seeking feedback on these issues:

- Is the proposed membership structure appropriate?
- Are the proposed fee levels appropriate?

Recognition of brand take back schemes



In response to requests from brand owners, the scheme design has been updated to enable existing take back programs to join the scheme and receive the rebate on collections (subject to BSC criteria for reporting and environmental health and safety procedures are met).

Reducing the impact of overlap



Clarification that brands involved in existing schemes will be able to meet their obligations through reporting of existing schemes of those products are covered (assuming with BSC criteria for reporting and environmental health and safety procedures are met).

Liable parties in related schemes (National Television and Computer Recycling Scheme (NTCRS) and Mobile Muster), will have to demonstrate that they are meeting the obligations for responsible management throughout the recycling chain. Procedures will be established to:

- Facilitate accurate tracking and streamlined reporting of collection, sorting and recovery rates of batteries collected by those schemes.
- Ensure that liable parties are not subjected to double payment for batteries collected and that there is minimisation of duplication in reporting.

Visible fee



Clarification that the ACCC authorisation process enables the levy to be passed on to consumers. The intention is also to encourage retailers to include a visible fee at the point of purchase via member commitments.

Recycling chain accreditation standards



Clarification that accreditation will include provision of evidence to enable verification of effective environmental, health and safety controls, collection, sorting, and recovery rates, and shipments as required by designated standards.

Inclusion of greenhouse gas offset for collection and sorting



Although the Scheme is designed to increase recycling and thus reduce the impacts to human health and the environment, it is recognized that greenhouse gas emissions (GHG) are generated as a result of the manufacture, collection and sorting and processing batteries.

With the Scheme focusing on the collection and sorting phase of end-of-life batteries, it is proposed to offset the GHG emissions from that activity generated under the Scheme. Opportunities are already in place in the Australian energy supply market for processors of end-of-life batteries to offset their emissions.

Australia does not manufacture batteries at this point of time so the responsibility for offsetting the significant GHG emissions involved in that phase rests with manufacturing companies.

Consultation Phase: Save the dates



Over the next two months, the BSC will be conducting targeted consultations with industry and consumer groups. Sector specific webinars will be conducted in late July with briefing sessions held early August to resolve outstanding questions and ensure the final design will deliver on the ground results for all interested parties. If you know of other stakeholders who should be on the invitation list, please email us their contact details.

Melbourne	August 14 th	10:00am - 1:00pm
Sydney	August 15 th	10:00am - 1:00pm

Did you miss previous briefing notes?

You can download past briefing notes and other battery stewardship documents by clicking [HERE](#).

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You are receiving this Briefing Note because you a valuable member of the Battery Stewardship Council or because you have been identified as an important stakeholder as we refine the design of the proposed scheme.