



# Determination

**Application for revocation of AA1000476 and the substitution of  
authorisation AA1000694**

**lodged by**

**Battery Stewardship Council Ltd**

**in respect of**

**the Battery Stewardship Scheme**

**Authorisation number: AA1000694**

3 November 2025

# Summary

The ACCC has decided to grant authorisation, with conditions, to enable the Battery Stewardship Council Ltd (BSC), its current and future members, and other industry participants, to engage in proposed conduct which forms part of the participation requirements of the 'B-cycle' battery stewardship scheme (the Scheme). The Scheme is a national and voluntary stewardship scheme administered by the BSC that provides for the appropriate disposal and re-use of end-of-life batteries.

Under the proposed conduct, Scheme participants collectively agree to apply a levy on imported or manufactured batteries. The levy is passed on to consumers and is used to fund battery collection, sorting and processing, and the Scheme's investment activities focused on addressing the environmental, safety or educational and behavioural objectives of the Scheme. Under the proposed conduct, Scheme participants also agree to prioritise dealings with other participants, conform to Scheme protocols and participate in audits and verification activities.

In 2020, the ACCC granted authorisation with a condition to enable the BSC to establish and operate the Scheme until September 2025.

The BSC is seeking authorisation for the proposed conduct for a further 5 years. The proposed conduct differs from the previous authorisation by introducing an annual review process for the levy and rebates based on eco-modulated formulas. The changes proposed by the BSC seek to overcome challenges encountered since the Scheme's inception, including the increased costs of battery collection and recycling, and to ensure that the BSC can continue to implement public awareness campaigns and educate consumers to maximise participation in battery stewardship.

On 4 June 2025, the ACCC granted interim authorisation with a condition for the BSC to engage in specific aspects of the proposed conduct, including the ability to make certain adjustments to the levy and rebate calculations while the ACCC completed its assessment of the substantive application for authorisation.

The ACCC considers the proposed conduct is likely to result in significant public benefits in the form of environmental benefits, reducing fire risks in the collection, transport, sorting and processing of end-of-life batteries, and supporting increased research, development and innovation in the disposal and re-use of end-of-life batteries in Australia.

The ACCC considers the proposed conduct is likely to result in public detriment in the form of lessening of competition by imposing trading restrictions against non-participants, facilitating or enabling information sharing between competitors should there be inadvertent disclosure, and increased safety risks due to delayed disposal of batteries by households. The ACCC is proposing a condition of authorisation requiring the BSC to continue to maintain and implement a Button Battery Safety Strategy to mitigate the latter risk. With this condition, the ACCC considers that the proposed conduct is likely to result in public benefits that outweigh the likely public detriments.

To ensure sufficient transparency of the BSC's operations and performance, the ACCC has imposed conditions requiring the BSC to publish an annual report on key Scheme outcomes, to implement and publish a consultation protocol and to complete an independent review of the Scheme by July 2029.

The ACCC notes that interested parties in this matter raised a range of issues, including broad policy issues which go beyond the scope of the assessment of the current

application under competition law. The ACCC does not have the power to mandate public policy outcomes or reforms, such as making participation in a battery stewardship scheme mandatory. That is a role for State, Territory and Federal governments. It is also not the ACCC's role to attempt to develop an 'ideal' scheme in relation to battery stewardship.

The ACCC's role here is to assess the arrangements put before it and determine whether the proposed conduct meets the net public benefit test under the *Competition and Consumer Act 2010*. The ACCC considers that the conduct proposed by the BSC in relation to the Scheme is likely to result in a net public benefit. The ACCC acknowledges that free riding by some industry participants (in part due to the voluntary nature of this Scheme) has resulted in relatively low participation rates, and hence lower rates of collection and recycling of batteries. Higher rates of participation in battery stewardship would substantially increase public benefits from greater collection and recycling of batteries.

The ACCC also notes that some interested parties have submitted that the proposed conduct could delay the introduction of government reforms making battery stewardship mandatory, and have proposed a shorter authorisation period of 2–3 years given uncertainty about when jurisdictions may move to introduce mandatory product stewardship legislation.

The ACCC does not consider the authorisation replaces or diminishes the ability of governments to act in relation to product stewardship arrangements for batteries should they seek to do so. The ACCC understands that Federal, State and Territory Environment Ministers have agreed on the need for urgent reforms in relation to product stewardship arrangements for end-of-life batteries.<sup>1</sup> For example, the NSW Government has introduced the *Product Lifecycle Responsibility Act 2025*, which creates a mandatory stewardship framework for certain products, and is currently consulting on regulations targeting batteries.

The ACCC has decided to grant authorisation for 5 years, until 30 November 2030.

# 1. The application for revocation and substitution

- 1.1. On 18 March 2025, the Battery Stewardship Council Ltd (**the BSC**) lodged an application to revoke authorisation AA1000476 and substitute authorisation AA1000694 for the one revoked with the Australian Competition and Consumer Commission (**the ACCC**). The BSC is seeking authorisation for conduct which forms part of the participation requirements for the Battery Stewardship Scheme (**the Scheme**) for 5 years.
- 1.2. In 2020, the ACCC granted authorisation with conditions to enable the BSC and its members to engage in proposed conduct for the purpose of establishing, operating

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<sup>1</sup> Department of Climate Change, Energy, the Environment and Water, '[Environment Ministers Meeting Communiqué](#)', DCCEEW website, 10 December 2024, accessed 22 October 2025.  
NSW Environment Protection Authority, '[NSW leads the charge on mandatory battery safety](#)', Media Release, 10 December 2024, accessed 22 October 2025.

and implementing the Scheme. This authorisation was due to expire on 26 September 2025.

- 1.3. This application for revocation and substitution was made under subsection 91C(1) of the *Competition and Consumer Act 2010* (Cth) (the **Act**). If granted, an authorisation provides the relevant parties with protection from legal action under the specified provisions in Part IV of the Act in respect of the specified conduct. The ACCC has a discretion to grant authorisation, but must not do so unless it is satisfied in all the circumstances that the conduct would result, or be likely to result, in a benefit to the public and that benefit would outweigh the detriment to the public that would result, or be likely to result, from the conduct (ss 90(7) and 90(8) of the Act (the **authorisation test**)).
- 1.4. The BSC is a not-for-profit company which was established to administer the Scheme. The BSC is governed by its constitution and its board (**BSC Board**).<sup>2</sup> Its mission is to create a circular economy for batteries as a leading model for product stewardship.

## The Proposed Conduct

- 1.5. The Scheme is a voluntary, national, industry-led stewardship scheme for managing and providing for the appropriate disposal and re-use of end-of-life batteries.
- 1.6. The BSC seeks authorisation for 5 years for itself, its current and future Members and Participants<sup>3</sup> undertaking the following conduct which forms part of the participation requirements of the Scheme:
  - (a) Collective agreement on the imposition on Importers<sup>4</sup> of a Levy on the importation or manufacture of Battery Products which can be passed to consumers.  
**(Levy Conduct)**
  - (b) Collective coordination in relation to the supply of Accredited Battery Brands for wholesale and sale to consumers by giving purchase and/or supply preference to:
    - i. other Participants in relation to the sale and purchase of Battery Products and battery services
    - ii. buying Battery Products from Importers and manufacturers using recycled content where appropriate.

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<sup>2</sup> The [BSC's constitution](#) and list of [BSC Board members](#) are publicly available on the BSC website.

<sup>3</sup> While many Participants are Members of the BSC (whether 'Full' or 'Associate Members'), membership is not mandatory. There are some Drop-off Points that are not Members. The BSC submits there are also a significant number of supporters and stakeholders of the Scheme who are not party of the battery supply chain and therefore not Participants but are Associate Members of the BSC.

<sup>4</sup> The BSC's definition of 'Importers' also captures parties who manufacture batteries in Australia. The BSC submits that there is little to no battery manufacturing (cell production) in Australia at this time. The inclusion of manufacturing in the definition of 'Importers' is to accommodate onshore manufacturing within the Scheme design should it commence during the period of authorisation and to close a potential free-riding loophole which could arise either through the onshore battery assembly process, or as a result of onshore manufacturing commencing.

Source: [Applicant's clarification re battery manufacturing in Australia](#) (6 August 2025).

**(Purchase/Supply Preference Conduct)**

- (c) Collective coordination in relation to the collection, transport, sorting and recycling of used Battery Products to ensure that:
- i. all used Battery Products collected by a Participant are disposed of using other participants and at Drop-off Points
  - ii. all used Battery Products collected by a Collector go to a Sorter and/or Recycler
  - iii. Sorters/Recyclers accept collected batteries from all Collectors, or Sorters unless otherwise approved by the BSC in writing
  - iv. Sorters/Recyclers only accept collected Battery Products from Collectors.

**(Recycling Conduct)**

- (d) Collective agreement to conform to B-cycle Protocols, provide evidentiary requirements to the BSC, and to pro-actively participate in audits and verification activities conducted by the BSC or its approved contractors to ensure compliance.

**(Compliance Conduct)**

- (e) Collective agreement to allocate scheme funds to pay rebates to Collectors, Sorters and Recyclers in accordance with the B-cycle Protocols.

**(Rebate Conduct)**

- (f) Collective agreement to use the Levy to fund the Sustainability Investments.

**(Investment Conduct)**

(the **Proposed Conduct**).

1.7. Terms used in the definition of the Proposed Conduct have the following meanings:

- **'Accredited Battery Brands'** means those brands of batteries that are manufactured and/or imported by a Scheme Participant.
- **'Battery Products'** means all types of batteries and small electrical and electronic equipment (**SEEE**) within the scope of the Scheme, namely:
  - loose handheld batteries under 5kg, products with easily removeable batteries under 5kg e.g. power tools
  - micro-mobility products e.g. e-bikes and scooters
  - SEEE batteries e.g. includes products with embedded batteries
  - the size of loose batteries e.g. larger power banks or portable energy storage products
  - larger batteries, weighing up to 60kg and requiring a 2-person lift.
- **'Battery Type'** means the chemical composition or form factor of a battery product.
- **'B-cycle Protocols'** means the policies and procedures implemented by the BSC and communicated to Participants which govern the conduct of Participants in

relation to the Proposed Conduct and ensure compliance with the requirements of the Scheme. The B-cycle Protocols include but are not limited to the B-cycle Participant Commitment Form, the B-cycle Accreditation Application and the B-cycle Accreditation Protocols linked in the application's index,<sup>5</sup> as amended from time to time, and any further policies and procedures falling under those protocols.

- **'Collector(s)'** means the collectors of used batteries from accredited Drop-off Points which have applied for and obtained accreditation under the B-cycle Protocols.
- **'Drop-off Points'** means drop-off points for used batteries which have applied for and obtained accreditation under the B-cycle Protocols.
- **'Eco-Modulated Levy'** means a levy which is set based on Battery Type and the costs, risks and mitigation activities associated with that Battery Type. The safer and easier it is to recycle that Battery Type, the lower the levy will be.
- **'Importer'** means the entity that:
  - imports, manufactures, or distributes Battery Products into Australia; or
  - makes the first sale of the Battery Product within or into a State or Territory to the point where the Battery Product is intended to be used, consumed or on sold to a consumer (unless the Levy has previously been paid by another entity); or
  - facilitates the supply of Battery Products into Australia via an online marketplace where the consumer is considered the importer; or
  - any other obligated party required to participate in a product stewardship scheme as otherwise defined by government.
- **'Levy'** means any levy paid by Importers under the Scheme.
- **'Member'** means a member of the BSC.
- **'Participant'** means a participant in the Scheme.
- **'Recycler(s)'** means recyclers of collected and sorted used batteries which have applied for and obtained accreditation under the B-cycle Protocols.
- **'Sorter(s)'** means sorters of collected used batteries which have applied for and obtained accreditation under the B-cycle Protocols.
- **'Sustainability Investments'** means investment activities focused towards addressing the environmental, safety or educational & behavioural objectives of the Scheme, set each year in the annual plan set by the BSC for the Sustainability Investments (as further defined in Table 1, Element 1 Step 2 of the application, the Investment Plan).

1.8. The BSC submits that the Scheme has been designed to address the market failure that was preventing widespread collection of Battery Products, being the high costs associated with the collection, sorting and recycling of Battery Products. The BSC submits that the Scheme's long-term strategic objectives are:

- (a) zero battery waste to landfill through strong community accessibility, and engagement

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<sup>5</sup> [BSC application for authorisation AA1000694](#) (18 March 2025), page 3.

- (b) safety risks of batteries are successfully managed by the community and industry
- (c) the domestic battery recycling industry is self-sustaining, profitable, and growing
- (d) sustained financial security and efficiency for the Scheme.

## Changes to Proposed Conduct

- 1.9. Under the Proposed Conduct, the operation of the Scheme remains the same as previously authorised in relation to the role of Participants throughout the battery life cycle. However, the following changes are proposed by the BSC:
- (a) An increase in the Battery Products collected in the Scheme:<sup>6</sup>
    - i. B-cycle 2.0 expands the scope to all Battery Products provided they do not require deinstallation by a qualified technician. Two key areas of expansion include Small Electrical and Electronic Equipment (**SEEE**) e.g. includes products with embedded batteries, (such as electric toothbrushes) and large batteries – e.g. larger power banks or portable energy storage products.
    - ii. The BSC submits that expanding the scheme to include SEEE is dependent on regulation, so the inclusion will not cause delay in regulation. Instead, it will ensure more rapid expansion once regulation is introduced as planning and consultation can occur in parallel.<sup>7</sup>
    - iii. Those batteries which are within the remit of the Scheme but are not being proposed for inclusion within B-cycle 2.0 due to their specific and unique requirements including residential and grid-scale Battery Energy Storage Systems (**BESS**) and batteries from Electric and Hybrid Vehicles (**EV**).
  - (b) An introduction of an annual review process of the financial aspects of the Scheme in the third quarter of each financial year, to adapt to economic and regulatory changes.
  - (c) An Eco-Modulated Levy paid by Importers will be set annually by the BSC in the annual review process in accordance with a formula approved by the BSC Board following consultation, rather than remaining a static Levy rate.
    - i. The Levy will differ depending on the Battery Type, reflecting the different risks, costs and processing outcomes of different battery chemistries. The safer and easier it is to recycle that Battery Type, the lower the Levy will be. The Levy rate will be set on a cents/EBU<sup>8</sup> for each Battery Type.

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<sup>6</sup> The current Scheme implemented a targeted, phased roll-out, prioritising loose handheld batteries under 5kg, products with easily removeable batteries under 5kg e.g. Power Tools, and micro-mobility products e.g. e-bikes and scooters.

<sup>7</sup> [BSC response to interested party submissions](#) (13 October 2025).

<sup>8</sup> Equivalent Battery Unit of 24 grams – A metric introduced by the BSC for the purposes of the Scheme based on the weight of batteries, which provides a consistent standard against which all batteries can be compared.

- (d) The collection and sorting rebates will be set annually by the BSC under formulas approved by the BSC Board following consultation, to support movement of the rebates to reflect economic conditions.<sup>9</sup>
  - (e) The processing rebate will move from a static levy to an eco-modulated rate based on Battery Type and is focused on incentivising circularity outcomes. It will be calculated based on data provided by the Recyclers in an Excel calculator and submitted to the BSC, and then reviewed annually by the BSC under formulas previously approved by the BSC Board.
- 1.10. The BSC submits that the review of the Levy through the annual review process ensures that the Levy is monitored and is only as high as necessary to adequately fund the Scheme. The BSC submits this means that depending on other factors in the formula, there is scope for the Levy to decrease.
- 1.11. The BSC submits that the formulas take into account changes in key metrics that drive the cost of the relevant rebate, using publicly available or industry-based data. The initial formulas are informed by consultation with Participants which indicate the key drivers of their costs, weighted according to the degree of impact that driver has on the cost of providing the Scheme service. For example, for Collectors, their costs are influenced mostly by wages (35%), then diesel price (30%), then the general cost of living (25%), then insurance costs (10%). Formulas will be reviewed periodically to ensure that the methodology continues to reflect the economic situation for each rebate type.
- 1.12. The BSC has modelled future Scheme levies and rebates under 5 different scenarios (described in the table below) to illustrate expected Scheme outcomes as a result of particular drivers in the industry and in regulation, which will impact on growth of the Scheme particularly in respect of Importer participation and collection volumes. The BSC submits the variations in the scenarios reflect differences for each Battery Type in the forecast collection rates, the specific Sustainability Investments and the cost to process the Battery Type.

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<sup>9</sup> **'Collection rebates'** are paid to Collectors to cover the operational cost of collection being the cost of labour and transport and excluded capital costs such as investment in collection bins and/or collection facilities. Collection rebates are set by the BSC during an annual review, irrespective of the Battery Product type, and are paid on a per kg basis upon receipt of required evidentiary requirements and current accreditation status.

**'Sorting rebates'** are paid to Sorters to cover the operational costs, being labour, set by the BSC during an annual review process, irrespective of the Battery Product type, and are paid on a per kg basis upon receipt of required evidentiary requirements and current accreditation status.

**Table 1: Overview of the BSC's modelled scenarios**

Scenario	1	2	3	4	5
<b>Title</b>	<b>Sustaining the basics</b>	<b>Collector &amp; recycler rebate stability</b>	<b>Guarding the foundations of our success</b>	<b>Major channel expansion &amp; risk reduction</b>	<b>Transformational stewardship</b>
<b>Summary</b>	Business as usual + CPI ONLY	Cost recovery for collection, sorting & processing	Scenario 2 + sustainability investments	Scenario 3 + financial support for not-for-profits & materials recycling facilities + boost in sustainability investments	Scenario 4 + Small electronics and electrical equipment ( <b>SEEE</b> ) and vapes + scaled sustainability investments
<b>Scope</b>	Existing scope, loose or removable batteries under 5kg	Existing scope, loose or removable batteries under 5kg	Existing scope plus larger portable energy storage >60kg	Existing scope plus larger portable energy storage >60kg	Existing scope plus larger portable energy storage >60kg, SEEE & vapes
<b>Description</b>	<ul style="list-style-type: none"> <li>• Flat Levy</li> <li>• Flat rebates</li> <li>• Adjusted for cost of living</li> </ul>	<ul style="list-style-type: none"> <li>• Eco-modulated levies</li> <li>• Performance-based processing rebates</li> <li>• Cost recovery for collection &amp; sorting operations</li> <li>• No Sustainability Investments to reduce risks</li> </ul>	<ul style="list-style-type: none"> <li>• Modest Sustainability Investments</li> <li>• Regulated participation increasing revenue</li> </ul>	<ul style="list-style-type: none"> <li>• Significant increase in Sustainability Investments &amp; incentives for safe diversion</li> <li>• Resource Recovery Expansion Fund to assist not-for-profits and materials recycling facilities set up costs for safe diversion</li> <li>• A new resource recovery safety rebate available to not-for-profits &amp; materials recycling facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Significant additional Sustainability</li> <li>• Investments &amp; incentives phased in based on channel capability</li> <li>• Priority 1: SEEE &lt;3kg – (75%) could be accommodated in the existing B-cycle network.</li> <li>• Priority 2: &lt;7kg (93%)</li> <li>• Priority 3: &lt;10kg (97%)</li> </ul>

## Rationale for the Proposed Conduct

- 1.13. The BSC's rationale for the changes in the Proposed Conduct is to seek to overcome challenges encountered since the Scheme's inception (discussed below at paragraphs 2.15–2.32). The BSC submits that a number of factors have increased the costs of battery collection and recycling, and participation rates in the Scheme have not grown as expected. In particular, this includes the significant and increasing cost that businesses participating in the recycling of end-of-life batteries incur due to the fire risks of lithium-ion batteries, and fluctuations in cost of living, fuel and commodity prices.
- 1.14. The BSC submits that the core principle of the Proposed Conduct is to set out a framework to allow the BSC to review and adjust the financial components of the Scheme operations, rather than have a rigid model with a fixed Levy for the entire period of authorisation. Further, to support a continuous improvement process, the BSC seeks to facilitate the preparation of annual plans to enhance the Scheme's ability to achieve its defined objectives.
- 1.15. The BSC submits that the revised funding model also ensures that the BSC can continue to implement public awareness campaigns and educate consumers, to maximise their participation in battery stewardship.
- 1.16. The BSC strongly supports regulation to compel industry participation in a battery stewardship scheme and submits that the Proposed Conduct is designed to dovetail with future regulatory outcomes as they evolve. The BSC submits that the Proposed Conduct will support the rapid growth of the Scheme (currently being the only battery stewardship scheme in Australia) should mandatory participation occur.

## Interim authorisation

- 1.17. At the time of lodging its application for revocation and substitution, the BSC also requested interim authorisation to continue engaging in the stewardship program with proposed adjustments to the Levy and rebates for participants in the Scheme to reflect higher costs of operating the Scheme.
- 1.18. Granting interim authorisation prior to the expiry of the current authorisation has the effect of suspending its operation and substituting it with the interim authorisation such that the ACCC can consider the application for revocation and substitution.
- 1.19. On 4 June 2025, the ACCC granted interim authorisation in accordance with subsection 91(2) of the Act<sup>10</sup> for the BSC, its current and future Members and Participants to engage in specific conduct which forms part of the participation requirements of the Scheme, while the ACCC assesses the substantive application for authorisation. This includes the ability for collective agreement on a Levy imposed consistent with the BSC's modelled Scenarios 1 and 2 (as outlined in Table 1 above). Interim authorisation was granted with the condition that the BSC maintain its 'Button Battery Safety Strategy' and continue to implement it in its operational procedures concerning button batteries under the Scheme.

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<sup>10</sup> See ACCC interim authorisation decision of 4 June 2025 available on the [public register](#).

- 1.20. Under paragraph 2(a)(ii) of the interim authorisation, the BSC, its Members and Scheme Participants were authorised to collectively agree on the imposition of a Levy that reflects increases in the Consumer Price Index since the Scheme's commencement date. Under paragraphs 2(a)(iii) of the interim authorisation, the BSC and Members/Participants were also authorised to progress the development of and implement new levy arrangements involving an Eco-Modulated Levy to reflect the different costs of collecting and recycling different battery types. Paragraph 2(a)(i) of the interim authorisation also provided continued authorisation for the static 4 cents/EBU Levy to accommodate for the transition to new levy arrangements.
- 1.21. Interim authorisation will remain in place until the date on which the ACCC's authorisation in substitution comes into effect.

## 2. Background

### Previous Authorisation AA1000476

- 2.1. On 4 September 2020, the ACCC granted authorisation AA1000476 with a condition to enable the BSC to establish and operate a voluntary, industry-led stewardship scheme to enable responsible management of all types of used batteries and for current and future members of that Scheme to implement it (**Previous Authorisation**). The ACCC decided to grant authorisation in relation to the Scheme, as described in the Scheme's design attached to the application for authorisation, which featured the following elements:
  - (a) Batteries imported by participants attract a Levy of 4 cents per EBU used to fund the operation of the Scheme, including the rebates paid to eligible participants.
  - (b) Rebates paid to accredited collectors and recyclers to help offset the cost of collecting, sorting and processing expired batteries.
  - (c) Participants of the Scheme agree to only deal with other members along the supply chain, with limited exceptions such as for pre-existing arrangements.
- 2.2. The Previous Authorisation was granted with a condition that:
  - (a) The BSC must develop, maintain and implement a 'Button Battery Safety Strategy' that will be reflected in operational procedures concerning Button Batteries under the Scheme, and submit a copy of that Button Battery Safety Strategy to the ACCC for publication on its Public Register by no later than 26 September 2021, or such later date as the ACCC agrees in writing.
  - (b) The Button Battery Safety Strategy must describe:
    - i. the manner in which consumers will be encouraged to handle end of life Button Batteries
    - ii. what secure storage protocols the BSC has developed (or is developing, as the case may be) to improve button battery safety

- iii. what consumer education programs will be administered and the subject matter that they will cover, and
  - iv. what consumer awareness campaigns will be administered and the subject matter that they will cover.
- (c) The BSC must form a button battery advisory group (**the Advisory Group**) by 31 January 2021 to inform and guide the design of the Button Battery Safety Strategy. The BSC must:
- i. invite the ACCC, Kidsafe, QLD Injury Surveillance Unit, Australian Battery Recycling Initiative to be members of the Advisory Group, and
  - ii. instruct the members of the Advisory Group to apply the following hierarchy of objectives in the Button Battery Safety Strategy (**BBSS**):

**Objective 1**                      **To reduce risk of ingestion by children and vulnerable adults**

**Objective 2**                      To prevent exposure of children and vulnerable adults to button batteries

**Objective 3**                      To raise awareness of button battery hazards and mitigation measures

**Objective 4**                      To facilitate safe removal and transport of batteries from the home

**Objective 5**                      To facilitate safe transport, disposal and recycling of button batteries

2.3. In September 2021, the BSC provided the ACCC with its planned Button Battery Safety Strategy.<sup>11</sup> The BSC's strategy included:

- (a) enhancing community awareness through education programs and awareness campaigns
- (b) changing behaviours through targeted programs
- (c) developing storage and container protocols for households which are fire-resistant and child resistant.

## Operation of the Scheme to date

2.4. In 2021, the BSC received a Product Stewardship Investment Fund Grant which, together with funds from industry, enabled the BSC to launch the Scheme on 16 February 2022. The Scheme has been funded pursuant to the Previous

<sup>11</sup> Battery Stewardship Council, '[Button Battery Safety Strategy](#)', September 2021, accessed 22 October 2025.

Authorisation, by a static Levy imposed on participating importers, manufacturers and distributors of batteries with rebates provided to Collectors, Recyclers, and Sorters.

- 2.5. Scheme Participants, many of which are also Members of the BSC, represent a range of interested parties, including industry associations, manufacturers/importers, retailers, waste collectors, recyclers and local councils. A full list of the BSC's Members and Participants is at Attachment 3 of the BSC's application.
- 2.6. The BSC submits that the Scheme engages industry across the entire battery supply chain, and there are currently 749 organisations and 401 entities participating in B-cycle. The Scheme's Participants have the following profiles, noting that some organisations have more than one profile and play more than one role in this supply chain:
  - a) Importers (60) – who are full Members of the BSC and pay the Levy unless an express exemption is granted by the BSC.
  - b) Retailers (64) – who sell Accredited Battery Brands to consumers.
  - c) Drop-off Points (5167) – where used batteries are deposited under the Scheme.
  - d) Collectors (9) – who provide services to Drop-off Points including by providing compliant collection bins, collecting batteries from the bins and safely transporting them to Sorters and Recyclers.
  - e) Sorters (1) – who safely sort the collected batteries meeting the Recycler and Scheme requirements.
  - f) Recyclers (1) – who process the batteries to make new batteries and other products, report recovery rates and landfill diversion.
  - g) Vertically integrated collector, sorter and recycler (2).
  - h) Supporter/Partner – who are not part of the supply chain but are Associate Members of the BSC and support the Scheme.
- 2.7. Accreditation under the Scheme provides the foundation for the Scheme and includes general commitments for all Participants, and additional commitments specific to a Participant's role in the battery value chain. To obtain accreditation, each organisation is required to successfully complete the B-cycle Accreditation Application,<sup>12</sup> which implements the Compliance Conduct. All Participants commit to both general and specific obligations, which are outlined in the following documents:
  - (a) B-cycle Commitment Document
  - (b) Network Accreditation Protocols
  - (c) Container Protocols

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<sup>12</sup> Battery Stewardship Council, '[B-cycle Collector, Sorter and Recycler Accreditation Application](#)', February 2025, accessed 22 October 2025.

(d) Drop-off Point Code of Practice.<sup>13</sup>

2.8. The Scheme Participants' specific obligations include:

- giving purchase and/or supply preference<sup>14</sup> to:
  - other accredited Scheme Participants for the purchasing of Battery Products
  - buying Battery Products from manufacturers using recycled content where appropriate
- ensuring all used Battery Products generated or collected by the Participant are disposed of using another Participant
- promoting the Scheme to the community, other businesses, and stakeholders through the Compliance Conduct such as branding
- complying with the record keeping and auditing requirements which form part of the Compliance Conduct
- proactively responding to research and information gathering requests from the BSC or BSC contractors.

2.9. The BSC submits that the Scheme has 90% industry participation in the loose battery market and 60% industry participation in the power tool market. However, the BSC submits there remains around 30% of the market not participating (i.e. free riders), equating to more than \$7m in lost revenue in current Levy rate terms to date. In response to interested party submissions, the BSC clarified that it calculates the participation rate by dividing the import volume of batteries reported to the BSC by current participants, over the market data for the relevant period for each battery application currently in scope.<sup>15</sup> The BSC has commissioned independent research on 3 occasions (most recently in 2025) to identify the market size and import volumes for the entire battery market, which it submits is essential as there is currently no data set detailing the total volume of batteries imported into Australia.<sup>16</sup> The BSC continues to recalculate the participation rate each year to account for market growth and other variances.

2.10. The BSC submits that the Scheme has expanded on a staged basis beginning with loose handheld batteries in early 2022, and micro-mobility batteries were included from early 2024. The BSC submits that the key achievements of the Scheme to date are outlined below in Figure 1.

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<sup>13</sup> These documents form part of the B-cycle Protocols, which are available on the BSC's website. See Battery Stewardship Council, '[B-cycle resources](#)', BSC website, accessed 22 October 2025 .

<sup>14</sup> The ACCC understands these requirements are an important element of the Scheme to limit the issue of 'free riders' given its voluntary nature (that is, non-participants who benefit from the Scheme but are subsidised by participants who pay the Levy).

<sup>15</sup> [Total Environment Centre submission](#) (23 September 2025), [BSC response to ACCC request for information](#) (21 October 2025).

<sup>16</sup> The 2020 and 2023 Reports are publicly available on the B-cycle website. The BSC submits the 2025 Report is currently being finalised and is due for release shortly. Links to the 2 available reports are as follows: Battery Stewardship Council, '[Battery Market Analysis](#)', BSC website, October 2023, accessed 22 October 2025. Battery Stewardship Council, '[BSC Australian Battery Market Analysis](#)', BSC website, June 2020, accessed 22 October 2025.

**Figure 1: Scheme outcomes**

B-CYCLE SCHEME TOP LINE ESG OUTCOMES – December 2024					
ENVIRONMENT Resource conservation & recovery	291,281,299 Individual battery units collected.	6,990,751 Batteries collected in kilograms.	16,355,599 Button batteries (number).	40,889 Button batteries in kilograms.	15% Collection rate – a 50% increase since launch.
ENVIRONMENT Net zero	<p><a href="#">2023 BSC Life Cycle Analysis:</a></p> <p>Placing highly purified recycled materials from batteries onto the materials market has the potential to offset the CO2e emissions of battery materials supply by ~ 50%.</p>				<p>900 Tonnes of carbon offset since launch through Greenfleet program.</p>
SOCIAL Communication & behavioural change	15,382,400 Marketing opportunities to be seen.	10% Reduction in people disposing of batteries to general waste.	11% Increase in consumers using a dedicated battery Drop off point.	7% Decrease in consumers putting batteries in kerbside bins.	98% Consumers indicate they are likely to use a B-cycle Drop off point.
SOCIAL Measures to improve health & safety	B-cycle Network Accreditation Protocols.	B-cycle <a href="#">Container Protocols.</a>	B-cycle Conducting a Risk Assessment Guidance.	B-cycle Risk Assessment & Safety Plan Template.	Online Learning Management System & B-cycle Safety Training.
SOCIAL Job creation and economic outcomes	2024 <a href="#">Economic analysis</a> conducted for BSC by Circular Australia.	61.5 FTEs 7.5 FTEs (FY24) employed by BSC, and 54 employed by participants.	\$41 M Levies paid to BSC (total).	\$33.8 M Rebates paid to accredited participants (total).	\$8.5 M Estimated annual revenue lost to free riders.
GOVERNANCE Participation	60 Accredited importers.	92% Loose batteries Market participating.	45% Power tool battery market participating.	31% Free riding including online sales (-\$8.5M).	<a href="#">2024 Regulatory Options Analysis</a> conducted for BSC by MRA.
	35 Accredited Retailers.	901 Accredited organisations hosting Drop off points with 245 entities.	5201 Accredited Drop off points.	10 Accredited Collectors, Sorters & Recyclers.	BSC Market Analysis <a href="#">2020 &amp; 2023.</a>
GOVERNANCE Transparency & accountability	2 Annual reports published <a href="#">2022 &amp; 2023.</a>	<a href="#">Auditing 101 Information Sheet</a> describes the audit process & member benefits.	6 Independent Levy Audits conducted in 2024 YTD.	17 Days On average to verify & approve rebate claims.	38 Independent Audits across the collection & recycling network FY 24.

## The BSC Board

2.11. The BSC's constitution provides that the number of directors on the BSC Board must not be less than 6 and no greater than 14, will be composed of directors with appropriate knowledge and/or experience of the battery supply chain, as well as an independent director and the Chair. Specifically, the Board must be composed of:

- a minimum of one and up to 2 representatives of members from each of the emerging products and technologies, the battery importation industry, battery retail industry, battery recycling industry and power tool industry
- at least one independent director
- the Chief Executive Officer (**CEO**) if agreed by the directors, and
- the Chair.<sup>17</sup>

2.12. The BSC Board currently consists of the following members:

- Gerry Morvell, BSC Chair
- Libby Chaplin, CEO
- Craig McIntosh, Company Secretary and Chief Financial Officer
- Independent Director<sup>18</sup>
- Mariusz Surmacz, Duracell Australia Pty Ltd
- Mark Verzi, Energizer Australia and New Zealand
- Peter Bruce, Woolworths 360
- David Stout, National Retail Association
- Ben Pritchard, Envirostream Australia
- Dr Marting Stirling, Hilti Australia
- Morgan Parker, Sell & Parker Pty Limited
- Janelle Marr, StepBeyond Strategy.<sup>19</sup>

2.13. In response to interested party submissions following the draft determination, the BSC submits that it has extensive experience in battery stewardship and e-waste stewardship. As an example, the CEO has specialised in e-waste stewardship in the US, Canada and South Korea for more than 10 years. In addition, the BSC submits that it can engage consultants and recruit additional staff with expertise in this area

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<sup>17</sup> [BSC Constitution](#), Article 34.

<sup>18</sup> The BSC submits that, with the recent resignation of Ms Margaret Donnan AM from her position as Independent Director, the Governance and Nomination Committee of the BSC Board is currently looking to fill this vacancy.

<sup>19</sup> The BSC submits there is currently a casual vacancy on the BSC Board for a representative for Emerging Products and Technologies.

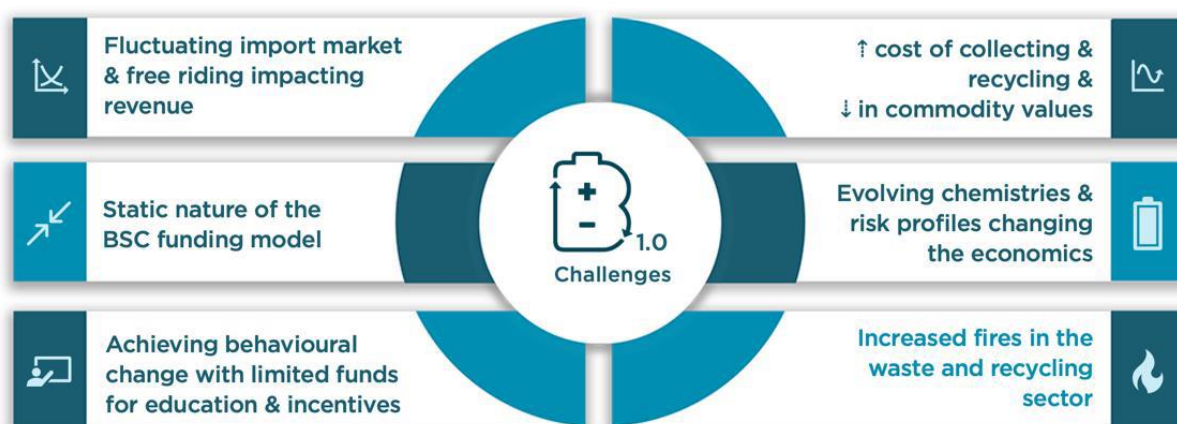
to ensure capacity and capability is in place as battery product categories may be introduced.

2.14. The BSC submits that the BSC Board has a clear and strictly applied process for identifying and managing conflicts of interest contained both in the Constitution and conflict of interest policy, which include express obligations of disclosure of conflicts for actual, perceived and potential conflicts.<sup>20</sup> The BSC submits that, where there is a perceived, potential or actual conflict of interest, the BSC is required to manage this by:

- requiring the director to be excluded from discussions and voting relating to the conflict of interest except if specific circumstances apply
- in exceptional circumstances, the BSC Board may consider if it is appropriate for the person conflicted to resign from the BSC Board
- board papers that have the potential for conflicts of interest are password protected with access restricted to directors who do not have a potential conflict of interest.

## The Scheme's key challenges

2.15. The BSC submits that extensive stakeholder consultation has identified the following key challenges emerging with the Scheme:



2.16. The BSC submits that, since the inception of the Scheme, challenges have also included:

- (a) rapidly expanding battery waste streams (including the increase of lithium batteries)
- (b) costs incurred by Collectors, Sorters and Recyclers becoming higher than the rebate able to be paid to them (so operations run at a loss), and therefore collection volumes have been insufficient to motivate investment by Participants in the industry

<sup>20</sup> Battery Stewardship Council, '[BSC Policy – Conflict of Interest](#)', November 2023, accessed 22 October 2025.

- (c) burden on local communities (the ACCC understands this to include increased end-of-life battery related fires and the inconvenience of disposal)
- (d) difficulties implementing stewardship processes to online sales (due to the direct sale to the consumer).

## Fire risks

- 2.17. The BSC submits that the cost of inappropriate disposal of Battery Products is high (particularly stockpiling lithium-ion batteries, and lithium-ion batteries being disposed of in household waste) and is ultimately borne by consumers.
- 2.18. The BSC submits that data from the NSW Fire and Rescue lithium-ion battery Incidents Report (October 2024) indicates that there have been significant increases in fire and explosion incidents attended by NSW Fire and Rescue caused by lithium-ion batteries. NSW Fire and Rescue attended 217 incidents in the period of January to June 2024 where lithium-ion batteries were involved. The report outlines that incidents attended by NSW Fire and Rescue have increased from 1 in 76 incidents in 2023, to 1 in 40 incidents between January and June 2024.<sup>21</sup>
- 2.19. Further, the BSC submits that a March 2024 Report also outlines that NSW Fire and Rescue attended 177 fire incidents in 2023 involving waste trucks, waste collection and waste management, representing an increase of 43% from 2022.<sup>22</sup> The report notes that, due to mixed loads, compaction and fire damage, it is often difficult to determine the exact cause of fires in waste receptacles and sites. Of the 301 waste management fires in the period, 31 (10%) were reported to have been caused or likely to have been caused by incorrect disposal of lithium-ion batteries or lithium-ion battery devices.
- 2.20. The March 2024 Report also outlines that about half (49%) of lithium-ion battery incidents occurred in a residential setting. Incidents involving lithium-ion batteries were 4 times more likely to result in injury than all fire and explosion incidents attended, with a rate of 11.4 injured persons reported per 100 incidents.<sup>23</sup>
- 2.21. Interested parties have also shared concerns that the most significant challenge in the industry is battery-related fires, resulting from the improper handling and disposal of batteries, which are causing significant harm to Australia's waste and resource recovery industry.<sup>24</sup>
- 2.22. In response to the draft determination, the Australian Council of Recycling (**ACOR**) submits that fires from batteries pose an existential threat to the recycling industry. ACOR submits the economic impact of these incidents is being borne by the community through rising costs by councils through truck fires and future risk, and by industry in the loss of critical infrastructure, machinery and feedstock.<sup>25</sup>

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<sup>21</sup> [BSC application for authorisation AA1000694](#) (18 March 2025), page 23; [NSW Fire and Rescue Lithium-ion Battery Incidents Report Oct 2024](#).

<sup>22</sup> [BSC application for authorisation AA1000694](#) (18 March 2025), page 23; [NSW Fire and Rescue Report March 2024](#).

<sup>23</sup> [NSW Fire and Rescue Report March 2024](#), page 20.

<sup>24</sup> Including the Northern Sydney Regional Organisation of Councils and NSW Environmental Protection Authority.

<sup>25</sup> [Australian Council of Recycling submission](#) (1 October 2025).

## Free riding

- 2.23. Free riders, in the context of product stewardship schemes, are organisations that derive a competitive advantage or a commercial benefit from the product stewardship scheme, but do not contribute to the costs of operating the scheme.
- 2.24. The BSC submits that free riding has emerged as a major issue for the Scheme and has subsequently resulted in competitive disadvantage for Importers who pay the Levy and comply with B-cycle Protocols over those who do not, thereby deterring participation. Participants are particularly concerned as they believe they are at a competitive disadvantage with these importers when bidding for new business.
- 2.25. The BSC submits that the current budget impact of free riding is \$7.05 million in lost revenue (29.5% of the market not participating), and therefore affects the Scheme's ability to invest in consumer education and other investments planned in the Sustainability Investments (discussed below at paragraph 4.66). The BSC submits that free riding inhibits the Scheme's ability to raise adequate financial resources to fully fund the conduct that would deliver the public benefits.
- 2.26. Interested parties have also raised concerns that free riders undermine the effectiveness and integrity of the Scheme, by under-pricing their products in relation to Participants of the Scheme because they are not paying the Levy, and by benefitting from collective investments by Participants without sharing in the financial responsibilities.<sup>26</sup> There have been widespread calls for legislation to make participation in battery stewardship mandatory to address the free riding issue.
- 2.27. In response to the draft determination, interested parties submit that free riders increase the costs borne by recyclers, place Levy-paying participants at a competitive disadvantage and that consumers who purchase a Levy-paying brand effectively subsidise 'free riders', thus reducing incentives for participation in the scheme.<sup>27</sup> Further, direct importers through online platforms (such as Alibaba or Temu) are unlikely to join the scheme or pay the Levy.<sup>28</sup> In addition, the proposed fee increases will likely lead to lower industry participation and a greater number of free riders, which will impact the financial viability of the Scheme.<sup>29</sup>
- 2.28. In response to the draft determination, EcoCycle Pty Ltd (**EcoCycle**) submits that the issue of free-riding has been exaggerated by the BSC and that the impact of free-riding is not the singular cause of BSC's financial challenges with the Scheme.<sup>30</sup> It submits the core problem is that the Levy has not been set to reflect the true cost of collection, transporting and processing. The ACCC notes that BSC considers that the 2 issues are linked; its ability to set and collect cost reflective levies is linked to the timing of mandatory regulation. The BSC is concerned that, if it increases Levies significantly to better reflect collection and recycling costs and participation is not mandatory, Participants are likely to withdraw from the Scheme.

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<sup>26</sup> [Waste Management and Resource Recovery Association of Australia submission](#) (2 April 2025), [Consumer Electronics Suppliers Association submission](#) (27 May 2025), [Environment Protection Authority South Australia submission](#) (2 April 2025).

<sup>27</sup> [Powercell submission](#) (19 September 2025).

<sup>28</sup> [An Interested Party submission](#) (10 September 2025).

<sup>29</sup> [Waste Management and Resource Recovery Association of Australia submission](#) (18 September 2025).

<sup>30</sup> [EcoCycle submission](#) (18 September 2025).

## Financial pressures

- 2.29. The BSC submits that in 2023/2024, Collectors, Sorters and Processors in the Scheme have reported losses as the operational costs of collection and sorting significantly exceed the rebates currently paid under the Previous Authorisation.<sup>31</sup>
- 2.30. The BSC submits that payment of ‘more tailored’ rebates to Collectors, Sorters and Recyclers (which the ACCC understands to mean more reflective of their costs) will more adequately meet the costs being faced by Participants and support their continued participation in the Scheme. The BSC also submits that, by adopting a cost-recovery approach to the rebate rate, it is envisaged that this will incentivise new entrants into the collection and sorting sector and in turn facilitate diversity within the network.
- 2.31. Interested parties also support the principle that rebates should adequately cover operational costs for collection and sorting, ensuring that the sector remains sustainable and resilient.<sup>32</sup>
- 2.32. These key challenges raised by the BSC and interested parties are discussed further in the ACCC’s assessment below.

## Regulatory developments

- 2.33. There have been a number of recent reviews into waste and recycling policies in Australia, including the ‘No time to waste’ Senate Inquiry report released in April 2025.<sup>33</sup> This report explores the effectiveness of, and provides recommendations in relation to, the Federal Government’s waste reduction and recycling policies in delivering a circular economy. In particular, the inquiry found compelling evidence from stakeholders that voluntary product stewardship schemes are largely ineffective, due to a lack of consequences for non-compliance, lower recovery rates, and limited resources, and there were repeated calls for the implementation of mandatory product stewardship schemes. The report recommends the following:
- The Federal Government amend the *Recycling and Waste Reduction Act 2020* (Cth) to implement ambitious producer-funded mandatory national product stewardship schemes, packaging design requirements and rules, with mechanisms to drive demand for recycled materials.
  - Mandatory product stewardship schemes should immediately be implemented for problematic waste streams including batteries.
  - The Federal Government consider NSW’s *Product Lifecycle Responsibility Act 2025* (NSW) (**PLR Act**) and its suitability as a framework for national implementation.

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<sup>31</sup> [BSC application for authorisation AA1000694](#) (18 March 2025), page 24, Attachment 5: Survey Report, pages 4, 13, 20.

<sup>32</sup> Including Aldi, Banana Shire Council, Batteryhold, Bluetti Energy, Circular Australia, Hilti Australia, Kincrome, Market Brands, OPEA Australia, and Sustainability Victoria.

<sup>33</sup> Parliament of Australia, [‘The Senate Environment and Communications References Committee Report: No Time To Waste – Waste reduction and recycling policies’](#), Commonwealth of Australia, April 2025, accessed 22 October 2025.

- The Federal Government offer financial incentives or other assistance to the waste and resources sector for the investment required in infrastructure and markets to support mandated product stewardship schemes.
- 2.34. Other relevant reviews include the Department of Climate Change, Energy, the Environment and Water’s review of the *Recycling and Waste Reduction Act 2020* (Cth) and the Productivity Commission’s inquiry examining Australia’s opportunities in the circular economy, with an interim report released in April 2025 and a final report expected later this year.
- 2.35. Australia’s Environment Ministers have agreed on the need for urgent reforms for product stewardship arrangements for batteries to address risks of battery fires, and to create a circular economy for batteries.<sup>34</sup> Ministers have 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.
- 2.36. In March 2025, NSW introduced the PLR Act, which creates a mandatory stewardship framework for certain products.<sup>35</sup> The NSW Environment Protection Authority (**NSW EPA**) submits that the NSW Government has committed to urgently use the powers of the PLR Act to make regulations targeting batteries. The legislation requires that regulations under the PLR Act are consulted on for 8 weeks and will then commence at least 12 months after being made, but the Minister can reduce these timeframes for public interest or urgency reasons.<sup>36</sup>
- 2.37. On 16 October 2025, NSW EPA released the proposed regulation under the PLR Act for public consultation.<sup>37</sup> The draft regulation provides the legal framework for the proposed mandatory NSW product stewardship scheme for end-of-life batteries, where brand owners who supply batteries into NSW will be required to be a member of a product stewardship organisation that has an agreement with the NSW EPA. The draft regulation would also require product stewardship organisations that enter into an agreement with NSW EPA to comply with that agreement (potentially with penalties for non-compliance) and:
- prepare and publish an action plan detailing how they intend to meet requirements in the regulation and their agreement with the NSW EPA
  - keep records and report quarterly/annually on a range of performance and financial measures.
- 2.38. The battery types in scope of the NSW draft regulation include standard size batteries used to power household items, button and button cell batteries, removable rechargeable batteries weighing 5kg or less, and portable power banks weighing 5kg or less. The draft regulation also captures e-micromobility devices where it is not practicable to remove a regulated battery from an e-micromobility device.<sup>38</sup> NSW EPA

<sup>34</sup> [Environment Ministers Meeting Communiqué](#) (10 December 2024), accessed 22 October 2025.

<sup>35</sup> NSW Minister for Environment and Heritage, '[NSW Leads the way: first state to regulate batteries](#)', NSW Government, 20 March 2025, accessed 22 October 2025. The bill was subsequently passed through NSW parliament on 28 March 2025 and received assent on 9 April 2025.

<sup>36</sup> [NSW Environment Protection Authority submission](#) (2 April 2025), page 1.

<sup>37</sup> NSW Minister for Environment and Heritage, '[Safer battery handling & disposal one step closer in NSW](#)', NSW Government, 16 October 2025, accessed 22 October 2025.

<sup>38</sup> NSW Environment Protection Authority, '[Product Lifecycle Responsibility Regulation 2025 – Public consultation draft](#)', NSW Government, 21 August 2025, accessed 22 October 2025.

is seeking feedback on the proposed regulation by 14 November 2025 and expects the regulation to commence in mid-2026.<sup>39</sup>

- 2.39. The ACCC understands from the NSW EPA's regulatory impact statement that other states intend to examine the potential to nationally align with the NSW's PLR Act and subsequent regulation targeting batteries. The NSW EPA submits that the PLR Act is intended to allow other jurisdictions to quickly adopt a similar legislative framework for mandatory product stewardship, which would allow for greater harmonisation across jurisdictions.<sup>40</sup>
- 2.40. The BSC acknowledges the current regulatory action being undertaken, focussing on addressing free-riders, and submits that this action is vital to maximising participation in the Scheme and achievement of Scheme objectives. The BSC submits that it strongly supports regulation and that the Scheme has been designed to adapt to regulatory changes.

## 3. Consultation

- 3.1. In its application, the BSC attached 11 letters of support for the Proposed Conduct provided by the following interested parties: Aldi Stores, Banana Shire Council, Batteryhold, Bluetti Energy, Circular Australia, Hilti Australia, Kincome Australia Pty Ltd, Market Brands, Outdoor Power Equipment Association Australia, Powercell (Australia) Trading Pty Ltd (**Powercell**), and Sustainability Victoria.<sup>41</sup>
- 3.2. The ACCC has also invited submissions from a range of potentially interested parties including major industry associations, manufacturers, retailers, recyclers, consumer groups, and state and federal government representatives.
- 3.3. The ACCC received a number of public submissions from interested parties in relation to the application. Submissions are summarised below and are considered in further detail where relevant in the ACCC's assessment below.
- 3.4. On 20 May, 28 May, 7 July, 22 July, 6 August, 11 August, 22 September, 13 October and 21 October 2025, the BSC provided its responses to interested party submissions and the ACCC's requests for further information.
- 3.5. Public submissions by interested parties and the BSC are on the [public register](#) for this matter.

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<sup>39</sup> NSW Environment Protection Authority, '[Draft Product Lifecycle Responsibility Regulation](#)', NSW Government, 2025, accessed 22 October 2025.

<sup>40</sup> [NSW Environment Protection Authority submission](#) (30 April 2025).

<sup>41</sup> [BSC application for authorisation AA1000694](#) (18 March 2025).

# Prior to draft determination

## Interested party submissions

### Key government stakeholders

- 3.6. Many local government councils support the Proposed Conduct and noted the support of the Proposed Conduct by their communities and its positive impact on the environment.<sup>42</sup>
- 3.7. Both the NSW EPA and South Australia Environment Protection Authority (**SA EPA**) also support the Proposed Conduct in principle but have proposed a shorter authorisation of 2–3 years.<sup>43</sup> Both parties submit that a reduced authorisation period would allow both the BSC and the ACCC the opportunity to review the status of mandatory product stewardship reforms.

### Industry stakeholders

- 3.8. The views between industry bodies were divided, with some industry associations supporting the Proposed Conduct,<sup>44</sup> and others submitting that the BSC's low collection rate and key challenges can only be addressed through a mandatory regime.<sup>45</sup>
- 3.9. Some interested parties such as Powercell and ACOR supported authorisation but contingent on either a mandatory framework or substantive changes to the BSC's proposed model.<sup>46</sup>
- 3.10. Other submissions that raised issues included EcoCycle (under its subsidiary EcoBatt), which supports authorisation for 3 years but limited to Scenario 2 for portable batteries 5kg and under, with annual Consumer Price Index reviews and an EBU rate between 10–15 cents.<sup>47</sup> EcoCycle also raised concerns regarding auditing practices and independence of the BSC. The Consumer Electronics Supplier Association (**CESA**) noted its support of principles of product stewardship, but raised concerns about the proposed fee structure and expansion of scope for types of batteries collected.<sup>48</sup>
- 3.11. The Total Environment Centre (**TEC**) also raised concerns about the Scheme's voluntary nature and only supports a shorter authorisation period of 2–3 years to not impede the development of much more effective measures and consequent public benefit. TEC has also raised integrity and efficacy concerns with the previously authorised Scheme.

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<sup>42</sup> [Liverpool City Council submission](#) (19 March 2025); [Horsham Rural City Council submission](#) (19 March 2025); [WALGA submission](#) (16 April 2025).

<sup>43</sup> [NSW Environment Protection Authority submission](#) (2 April 2025); [SA Environment Protection Authority Submission](#) (2 April 2025).

<sup>44</sup> [Ai Group submission](#) (16 April 2025); [Australian New Zealand Recycling Platform submission](#) (16 April 2025).

<sup>45</sup> [Bicycle Industries Association submission](#) (16 April 2025); Total Environment Centre submissions ([30 April 2025](#), [28 May 2025](#)); [Australian Toy Association submission](#) (16 April 2025).

<sup>46</sup> Powercell submission ([2 April 2025](#), [30 April 2025](#)); [Australian Council of Recycling submission](#) (30 April 2025).

<sup>47</sup> [EcoBatt submission](#) (7 May 2025).

<sup>48</sup> [Consumer Electronics Supplier Association](#) (27 May 2025).

## Following draft determination

- 3.12. The views of industry participants are generally supportive of the draft determination. However, there is strong support for a mandatory, nationally consistent battery stewardship framework.<sup>49</sup> A number of interested parties endorsed the Proposed Conduct and the introduction of an Eco-Modulated Levy structure, a rebate system that ensures Collectors, Sorters and Recyclers can operate sustainably, the Button Battery Safety Strategy and broader consumer education efforts, and the recognition that R&D and innovation are key drivers of improved safety, sustainability and economic outcomes.<sup>50</sup> These interested parties also support the expansion of the Scheme's product scope to include large energy storage systems, EV batteries and other embedded batteries to ensure industry readiness and prevent future stockpiling risks.
- 3.13. A number of interested parties submit that the ACCC should consider granting a shorter authorisation period and require an earlier independent review of the Scheme.<sup>51</sup> Interested parties raise a range of issues for the ACCC's further consideration, including concerns regarding:
- the Scheme's low collection rate<sup>52</sup>
  - the lack of incentives for industry participants to join a voluntary scheme and a need for mandatory regulation<sup>53</sup>
  - Levy increases, and concerns that such increases will reduce industry participation and increase the prevalence of free riders<sup>54</sup>
  - the expansion of the Scheme's product scope to include SEEE batteries, embedded batteries and larger storage batteries<sup>55</sup>
  - the proposed EBU calculations for SEEE and other products using embedded cell, including that the calculations overlook the weight and casings of the equipment and therefore do not reflect the true costs of collection, transportation and processing<sup>56</sup>

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<sup>49</sup> [Aldi Stores Australia submission](#) (18 September 2025); [Australian Council of Recycling submission](#) (1 October 2025); [EcoCycle submission](#) (18 September 2025); [Magellan Power submission](#) (29 August 2025); [Veolia submission](#) (10 September 2025).

<sup>50</sup> [Magellan Power submission](#) (29 August 2025); [Culpan Group Pty Ltd \(trading as Batteryhold\) submission](#) (18 September 2025); [Hilti Australia submission](#) (16 September 2025); [Rilu Trading Pty Ltd submission](#) (16 September 2025); [Get Fire Training submission](#) (18 September 2025); [Airco Brands submission](#) (18 September 2025); [Makita \(Australia\) submission](#) (18 September 2025); [Charged Battery submission](#) (18 September 2025); [Duracell Australia submission](#) (19 September 2025); [Outdoor Power Equipment Association submission](#) (18 September 2025).

<sup>51</sup> [Consumer Electronics Suppliers Association submission](#) (18 September 2025); [EcoCycle Group Pty Ltd submission](#) (18 September 2025); [Total Environment Centre submission](#) (2 October 2025); [Waste Management & Resource Recovery Association Australia submission](#) (18 September 2025).

<sup>52</sup> [Australian Council of Recycling submission](#) (1 October 2025); [Total Environment Centre submission](#) (23 September 2025); [An Interested Party submission](#) (10 September 2025).

<sup>53</sup> [Powercell submission](#) (19 September 2025); [Total Environment Centre submission](#) (23 September 2025).

<sup>54</sup> [Consumer Electronics Suppliers Association submission](#) (18 September 2025); [Waste Management and Resource Recovery Association Australia submission](#) (18 September 2025).

<sup>55</sup> [EcoCycle Group Pty Ltd submission](#) (18 September 2025); [Consumer Electronics Suppliers Association submission](#) (18 September 2025); [Total Environment Centre submission](#) (23 September 2025).

<sup>56</sup> [Consumer Electronics Suppliers Association submission](#) (18 September 2025).

- lack of transparency on Levy and rebate calculations, and the financial model of the Scheme.<sup>57</sup>
- 3.14. Interested parties also submit that additional conditions should be imposed to strengthen the Scheme’s governance and enhance transparency and accountability, including requirements for clear and transparent rule making processes, a dispute resolution mechanism, and independent and annual reviews of the Scheme’s financial and operational performance.<sup>58</sup>
  - 3.15. TEC also submits that the ACCC should exercise its discretion and refuse to authorise the Proposed Conduct, including because it considers that the Proposed Conduct offers only a partial remedy for a small portion of waste generated by the industry.<sup>59</sup>
  - 3.16. A number of interested parties have called for the ACCC to facilitate mandatory battery stewardship. The ACCC notes that the BSC cannot make participation in the Scheme mandatory and neither can the ACCC through this authorisation process. That is a role for government(s). The ACCC notes that a number of state governments have indicated that they are considering moving to introduce regulatory arrangements to make product stewardship of batteries mandatory. The ACCC also notes that the BSC has committed to moving to a fully cost-reflective Levy to raise significantly more revenue and better reflect the costs of collection and recycling of particular types of batteries. The BSC states that these changes are conditional on the introduction of state government regulation mandating participation in product stewardship, otherwise more Participants would withdraw from the Scheme. The ACCC considers this will enable the BSC to increase funding for collection and recycling rebates and significantly increase the proportion of end-of-life batteries collected and recycled.
  - 3.17. An Interested Party has also raised concerns regarding the mischaracterisation of the ACCC authorisation by BSC.<sup>60</sup> In response, the BSC submits that any reference to the ACCC or use of its logo by the BSC does not go any further than confirming that the ACCC has authorised the Scheme, and the BSC strongly denies that it engages in any conduct which creates a misleading perception that the Scheme is government-funded or regulator-operated.

## 4. ACCC assessment

- 4.1. The BSC has sought authorisation for the Proposed Conduct in relation to Division 1 of Part IV of the Act (cartel conduct), section 45 and section 47 of the Act (contracts, arrangements or understandings that restrict dealings or affect competition, and exclusive dealing). Consistent with subsections 90(7) and 90(8) of the Act,<sup>61</sup> the ACCC must not make a determination granting authorisation unless it is satisfied, in

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<sup>57</sup> [Consumer Electronics Suppliers Association submission](#) (18 September 2025); [EcoCycle Group Pty Ltd submission](#) (18 September 2025).

<sup>58</sup> [Association for the Battery Recycling Industry submission](#) (18 September 2025); [Australian Council of Recycling submission](#) (1 October 2025); [Livium Ltd submission](#) (18 September 2025); [Magellan Power submission](#) (29 August 2025); [Total Environment Centre submission](#) (23 September 2025); [Waste Management and Resource Recovery Association Australia submission](#) (18 September 2025).

<sup>59</sup> [Total Environment Centre submission](#) (2 October 2025).

<sup>60</sup> [An Interested Party submission](#) (10 September 2025).

<sup>61</sup> See subsection 91C(7).

all the circumstances, that the conduct would result, or be likely to result, in a benefit to the public and that benefit would outweigh the detriment to the public that would result, or be likely to result, from the conduct.

- 4.2. In assessing this application for authorisation, the ACCC must therefore determine whether the public benefits likely to result from the Proposed Conduct outweigh the likely public detriments. If the ACCC is satisfied that there is a net public benefit, then the ACCC may grant authorisation. The ACCC's role is to assess the arrangements authorisation is applied for against this statutory test, not to seek to design the ideal battery stewardship scheme. The ACCC does not have the power to mandate public policy outcomes or reforms, such as making participation in a battery stewardship scheme mandatory. That is a role for State, Territory and Federal governments.
- 4.3. In assessing this application for authorisation, the ACCC has considered the proposed governance arrangements and whether they are sufficient to support the realisation of claimed public benefits and limit the likelihood or magnitude of potential detriments. The ACCC has considered and imposed some conditions to provide sufficient transparency in the Scheme governance and outcomes, allow monitoring of whether the claimed benefits are realised, and mitigate the likelihood or magnitude of potential detriments (as discussed further in paragraphs 4.159–4.173 below).
- 4.4. The ACCC notes that authorisation does not mean the ACCC has approved or endorsed the Proposed Conduct which is the subject of the Scheme or its implementation. Rather, authorisation provides statutory protection from legal action for contraventions of certain competition provisions in the Act for authorised parties to engage in the authorised conduct.

## Relevant areas of competition

- 4.5. To assess the likely effect of the Proposed Conduct, the ACCC identifies the relevant areas of competition likely to be impacted.
- 4.6. The BSC submits that the Scheme operates in the battery recycling sector, but involves the whole battery supply chain, and so includes participants from the importing, retail, logistics and recycling sectors.
- 4.7. The ACCC considers that the relevant areas of competition are likely to be:
  - importing and domestic manufacture of batteries (and devices with embedded batteries)<sup>62</sup>
  - wholesale sale of batteries
  - retail sale of batteries
  - collection, transport, sorting and processing of end-of-life batteries
  - disposal of end-of-life batteries that are not processed.

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<sup>62</sup> The BSC submits however that there is little to no battery manufacturing (cell production) in Australia at this time.

## Future with and without the Proposed Conduct

4.8. In applying the authorisation test, the ACCC compares the likely future with the Proposed Conduct that is the subject of the authorisation to the likely future in which the Proposed Conduct does not occur.

4.9. The BSC submits that the likely future without the Proposed Conduct is as follows:

- The Scheme will not be able to continue after the expiration of the Previous Authorisation, meaning the number of Drop-off Points and collections rates would dramatically reduce, and there will be limited options for consumers to safely dispose of Battery Products.
- The work of the BSC in educating consumers and requiring safe practices aimed at mitigating fire risks of batteries will be limited due to insufficient funding.
- Any alternative scheme, if developed, is likely to be at least 12–24 months before it is operational.
- Existing recyclers in the battery industry will continue to operate but will likely shift attention to big batteries such as electric vehicle and energy storage systems.
- Mandatory participation may still occur.

4.10. Some interested parties have also provided submissions on the likely future without the Proposed Conduct:

- An anonymous Interested Party submits it already undertakes commercial end-to-end battery management, and the continuation of the BSC Scheme represents unnecessary duplication of services that are already well-established and provided under commercially competitive offerings.<sup>63</sup> In response to this submission, the BSC submits that its extensive consultation process, undertaken prior to the inception of the Scheme and in designing B-cycle 2.0, does not support this assertion, and the BSC does not agree that existing commercial battery management options are adequate.<sup>64</sup> The BSC submits that, with the collection rate still under 20%, it is evident that such arrangements are not solving the market failure.
- The Interested Party also submits that through the ACCC's authorisation, it may face a de facto compulsory obligation to join the BSC's Scheme and pay the Levy, despite already meeting all legal and contractual obligations. The Interested Party also submits that the recent NSW Government move to make Scheme membership compulsory is particularly concerning where it creates the risk of third line forcing, whereby participation in one service (the Scheme) becomes a condition for access to another (supply to retailers or compliance with government requirements). In response, the BSC submits that participation in the Scheme remains free and voluntary, and it is largely in the government's hands as to when participation in battery stewardship will become mandatory in NSW,

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<sup>63</sup> [An Interested Party Submission](#) (10 September 2025).

<sup>64</sup> BSC response to interested party submissions (13 October 2025).

when and if other states will implement similar legislation, and if there will ever be a single national solution.

- TEC submits that it believes it highly likely the federal or state governments will jointly and swiftly move to regulate a mandatory stewardship scheme, capable of removing free riders and other issues that have hampered the Scheme's progress.<sup>65</sup> In response, the BSC submits that it understands that the timeline for mandatory stewardship is not impacted by the ACCC authorisation of the Scheme and that the work done in the re-design of the Scheme enables regulation of mandatory participation to be implemented more quickly and efficiently. The BSC submits that if the Scheme is accepted under NSW's PLR Act, then it could be that this would compel participants to join the BSC's Scheme or another authorised scheme under that legislative framework.

4.11. The ACCC considers that, in the future without the Proposed Conduct, there may be some battery stewardship and recycling activity (for example, through commercial arrangements between businesses or local council initiatives). However, existing battery collection, sorting and processing businesses that cannot secure funding from another source (e.g. government grant) are likely to scale back their operations or stop operating. The ACCC considers that, overall, there would be less recovery of end-of-life batteries in Australia compared to the future with the Proposed Conduct.

4.12. The ACCC also considers that, in the short to medium-term future without the Proposed Conduct, it is likely there would not be a national industry-led end-of-life battery recycling scheme in operation, taking into account:

- the important role of the Proposed Conduct in Scheme operations, particularly the setting and collecting of Levy revenue and the use of that revenue to fund (i) rebates to collection, sorting and processing businesses, and (ii) educational programs and consumer awareness campaigns, including the button battery safety strategy
- the significant barriers to timely commencement of an alternative scheme, noting the challenges that the BSC's Scheme has faced since it began, as listed at paragraphs 2.15–2.32.

4.13. The ACCC understands that there is uncertainty about whether and, if so, when state and territory governments may introduce regulations to make participation in battery stewardship arrangements mandatory for importers, manufacturers, and wholesale and retail suppliers of batteries and battery products. The ACCC acknowledges the recent progress by the NSW Government to begin consultation on regulatory options under the PLR Act, with its new regulation expected to commence in mid-2026.

4.14. The ACCC considers it likely that NSW will commence implementation of a mandatory battery product stewardship scheme (likely for loose batteries under 5kg and e-micromobility batteries) in both the future with and without the Proposed Conduct. The ACCC considers that other state and territory governments are similarly likely to introduce regulations to make product stewardship of batteries mandatory in the future with and without the Proposed Conduct.

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<sup>65</sup> [Total Environment Centre submission](#) (2 October 2025).

## Public benefits

- 4.15. The Act does not define what constitutes a public benefit. The ACCC adopts a broad approach. This is consistent with the Australian Competition Tribunal (the **Tribunal**) which has stated that in considering public benefits:

*...we would not wish to rule out of consideration any argument coming within the widest possible conception of public benefit. This we see as anything of value to the community generally, any contribution to the aims pursued by the society including as one of its principal elements ... the achievement of the economic goals of efficiency and progress.<sup>66</sup>*

- 4.16. The BSC submits that the public benefits of the Proposed Conduct are increased collection rates, button battery safety, increase in consumer awareness, contribution to the United Nations Sustainable Development Goals, improved circularity outcomes, reduction of fire risk and sustainability investments.
- 4.17. The ACCC has considered the claimed public benefit of button battery safety in the public detriment section below, as it directly relates to mitigation of a potential public detriment. The ACCC has considered the remaining claimed public benefits under the following broad headings:
- environmental benefits through greater diversion of end-of-life batteries from landfill
  - reducing fire risks in collection, transport, sorting and processing of end-of-life batteries
  - supporting increased research and development (**R&D**) and innovation concerning recovery and re-use of end-of-life batteries in Australia.

### **Environmental benefits through greater diversion of end-of-life batteries from landfill**

- 4.18. The BSC submits that the Proposed Conduct has been effective to date in providing for appropriate disposal and re-use of end-of-life Battery Products, thereby keeping batteries out of landfill, and reducing toxic materials in our ecosystem. The BSC submits that recovering valuable resources from used batteries helps conserve natural resources and reduce emissions and environmental harm.
- 4.19. As noted previously, the BSC submits that 92% of the loose batteries market (i.e. suppliers) is participating in the Scheme, and Australians have recycled 6,227,896 kg of used batteries through the Scheme since its launch in January 2022 (noting that FY 2023 was the first full year of operation of the Scheme). Further, the BSC submits that the Scheme's 15% collection rate, up from the 6.4% pre-Scheme rate, is impressive when compared to the introductory phase of battery collection in Europe, with a collection rate that exceeds its European counterparts at a similar stage of development. The BSC also submits that, in the 2024 financial year, 68% of batteries recycled by weight were fully processed into a second-life product or commodity

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<sup>66</sup> *Re Queensland Co-operative Milling Association Ltd* (1976) ATPR 40-012 at 17,242; cited with approval in *Re 7-Eleven Stores Pty Limited* (1994) ATPR 41-357 at 42,677.

within Australia. The BSC submits that the remaining materials were exported to downstream markets for tertiary processing.

- 4.20. The ACCC has considered whether the Proposed Conduct is likely to confer environmental benefits by diverting more batteries from landfill as a result of:
- increased Levy revenue and funding to businesses that collect, sort and process end-of-life batteries
  - providing better information to consumers about how and where to appropriately dispose of end-of-life batteries.
- 4.21. We summarise views from the BSC and interested parties on each of these in turn below, with the ACCC consideration and views on both at the end.

### Increased Levy revenue and funding to businesses that collect, sort and process end-of-life batteries

- 4.22. The BSC submits that elements of the Proposed Conduct will drive increased collection rates and better recycling outcomes due to additional financial support it will provide to collection, sorting and processing businesses by the proposed Levy and Rebate Conduct.
- 4.23. As outlined at paragraph 1.9 above, the Proposed Conduct includes the following funding models:
- an introduction of an annual review process of the financial aspects of the Scheme in the third quarter of each financial year, to adapt to economic and regulatory changes
  - an Eco-Modulated Levy paid by Importers to be set annually by the BSC in the annual review process under an approved formula, rather than remaining a static Levy rate
  - collection and sorting rebates to be set annually by the BSC under approved formulas to support movement of the rebates to reflect economic conditions
  - the processing rebate to move from a static rebate to an eco-modulated rebate based on Battery Type and is focused on incentivising circularity outcomes.
- 4.24. The BSC submits that the Proposed Conduct is essential for those Participants involved in collecting, sorting and recycling to address the high costs associated with their role in dealing with used Battery Products, and without which best practice and safe practices may be unaffordable to achieve. Further, the revised processing rebates will reward Recyclers who achieve a higher level of resource recovery and limit landfill (also promoting innovation).
- 4.25. The BSC submits that the core principle of the Proposed Conduct is to set out a framework to allow the BSC to review and adjust the financial components of Scheme operations, rather than have a rigid model for the entire period of authorisation. Further, to support a continuous improvement process, the Proposed Conduct facilitates the preparation of annual plans to enhance the Scheme's ability to achieve its defined objectives.

- 4.26. The Proposed Conduct also includes the Purchase/Supply Preference Conduct which the BSC submits would encourage market participants (including importers, domestic manufacturers and wholesale and retail suppliers) to be part of the Scheme and it supports purchase of Battery Products which use recycled content.
- 4.27. The BSC submits that NSW's PLR Act will help maximise participation rates in the Scheme. The BSC submits that, while the regulations would be enacted in NSW, the BSC is a national Scheme with national accreditation. The BSC submits that this means, while a battery importer, manufacturer or supplier may be triggered to join the Scheme by a state-based regulation, the BSC would require that supplier to become accredited so the Proposed Conduct would apply in relation to their dealings in every state and territory.

## Interested parties' views

- 4.28. A number of interested parties support the objectives and goals of the Proposed Conduct and the Scheme as a whole to provide funding and facilitate appropriate disposal of end-of-life batteries, leading to environmental benefits.
- 4.29. A number of interested parties raised concerns regarding the Scheme's low collection rates so far, and that the anticipated collection rate of 30% is still not high enough.
- 4.30. A number of interested parties also provided views on the proposed Levy and rebate funding model and how it would impact the Scheme's ability to achieve its objectives.<sup>67</sup> In particular:
- A number of interested parties support the introduction of eco-modulated levies and rebates which are reviewed on an annual basis.<sup>68</sup> Interested parties recognise that the approach is important to reflect the differing risks and costs associated with different battery types and adjusts in response to achieving economies of scale and fluctuating cost of living, fuel and commodity prices.
  - EcoCycle supports authorisation with annual Consumer Price Index reviews and a Levy between 10–15 cents (noting Belgium had started its Scheme with an EBU rate of around 12 cents).
  - TEC submits that the BSC's decision to implement a lower Levy rate of 2 cents/EBU (with exceptions) at the Scheme's commencement resulted in the Scheme not collecting sufficient funds to cover the cost of collection of recycling for any sizeable quantity of in-scope batteries. Further, in terms of the disclosure of the levies, the TEC submits that Scheme participants did not have any information about the existence of a Levy on packaging or the battery itself, there was no other information informing consumers of this Levy, and there were potential misleading representations of Levy rates on their websites.

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<sup>67</sup> [WALGA submission](#) (16 April 2025); [Australian Toy Association submission](#) (16 April 2025); [Australian Council of Recycling submission](#) (30 April 2025); [Australian Council of Recycling submission](#) (30 April 2025); [EcoBatt submission](#) (7 May 2025); Powercell submissions ([2 April 2025](#) and [30 April 2025](#)); [Consumer Electronics Supplier Association](#) (27 May 2025); [Total Environment Centre submission](#) (30 April 2025); [Bicycle Industries Association submission](#) (16 April 2025).

<sup>68</sup> Powercell submissions ([2 April 2025](#) and [30 April 2025](#)), [WALGA submission](#) (16 April 2025), Letters of support attached to the [BSC application for authorisation AA1000694](#) (18 March 2025).

- CESA submits that the proposed levies for FY2026 are much higher than the current fixed fee and those set in European markets, even when geographical differences are considered, which suggest the proposed levies are excessively high and impose an unreasonable burden on Scheme Participants.
  - In response to the draft determination and CESA's submission above, TEC submits that, if the Scheme is to have legitimacy, the Levy applied must be sufficient to cover the full costs of collecting and recycling the targeted volume of battery waste. TEC does not agree that the proposed levies are too high, and notes that [European] countries referred to as having lower levies, have achieved collection rates of above 40% by 2020, allowing recyclers and collectors the benefit of savings through scale.
  - In response to the draft determination, an anonymous Interested Party submits that commercially funded systems already ensure safe, compliant and sustainable outcomes, without new levies or bureaucracy, where a further BSC Levy amounts to double charging. Further, the Interested Party submits that the Scheme and fees charged to-date have not resulted in a substantial meaningful decrease in the volume of batteries headed to landfill by end consumers.
- 4.31. ACOR, CESA and Powercell also emphasised the importance of transparency regarding the methodology for modelling the Levy and rebates to ensure trust of Scheme Participants.
- 4.32. Interested parties have also raised concerns regarding the Scheme's voluntary nature, which enables free riders who avoid participation in the Scheme and associated cost-sharing obligations.<sup>69</sup> The Waste Contractors & Recyclers Association of NSW (with other co-signatories) (**WCRA**) submits this undermines the integrity and effectiveness of the entire model. CESA submits that the outcomes of the Scheme depend significantly on participant engagement, and achieving full participation is essential for the Scheme's long-term viability and fairness. The Bicycle Industry Association also raises issues negatively affecting the bicycle industry's participation in the Scheme.<sup>70</sup>
- 4.33. In response to the draft determination, Powercell submits that, where economic gain is placed above responsible product management, competitors will be reluctant to participate in activities that place them at a price or cost disadvantage. Furthermore, Powercell submits that those competitors who do not participate are likely to take advantage of what has become a shared resource (the B-cycle Scheme), particularly where importers in the end-user market, who have access to offshore supply, have no incentive to join the scheme (apart from taking advantage of the free recycling it offers). Powercell submits that the result is a public detriment in terms of the additional cost paid by consumers to purchase participating brands that include the Levy, given that the Levy will be higher than it should be, providing a subsidy to 'free riders'. Powercell submits that Levy paying participants are placed at a price disadvantage and costs borne by recyclers are increased.

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<sup>69</sup> [Waste Contractors and Recyclers Association of NSW submission](#) (2 April 2025); [Waste Management and Resource Recovery Association of Australia submission](#) (2 April 2025); [WALGA submission](#) (16 April 2025); [Northern Sydney Regional Organisation of Councils submission](#) (4 April 2025); [Consumer Electronics Suppliers Association submission](#) (27 May 2025); [SA Environment Protection Authority submission](#) (2 April 2025); [NSW Environment Protection Authority submission](#) (30 April 2025).

<sup>70</sup> [Bicycle Industries Association submission](#) (16 April 2025).

## Providing better information to consumers about appropriate disposal of end-of-life batteries

- 4.34. The BSC acknowledges that consumers play a key role in the growth of the Scheme, and battery stewardship generally, by:
- choosing Accredited Battery Brands and increasing demand for Battery Products with recycled content and rechargeable batteries
  - paying for Battery Products (the price of which includes the approved Levy)
  - safely storing used Battery Products in the home, including taping button batteries and other practices as communicated by the BSC through its education campaigns
  - choosing suppliers with better sustainability practices
  - taking used batteries to Drop-off Points.
- 4.35. The BSC submits that public awareness of battery recycling options has grown steadily. In 2024, 36% of Australian households reported regularly recycling used batteries, up from 33% in 2023 and 25% in 2021. Similarly, the BSC submits that the percentage of households that know that batteries can be recycled has increased considerably. In 2024, 47% of households had taken a battery to an approved collection point, compared to 35% in 2021.<sup>71</sup>
- 4.36. The BSC submits that, to achieve public awareness around appropriate end-of-life battery disposal (and risks associated with improper disposal), it has used various education and communication campaigns under the Previous Authorisation and will continue to provide educational initiatives for consumers in the future, such as:
- the B-cycle's website on safety guidance in relation to batteries, including damaged batteries
  - implemented battery safety awareness campaigns<sup>72</sup>
  - drafted the Button Battery Home Storage Container Requirements to provide minimum requirements for the design and selection of containers for use by consumers to collection used button batteries in the home and during transport to B-cycle Drop-off Points
  - co-branding of marketing materials.
- 4.37. The BSC submits that the revised funding model under the Proposed Conduct aims to ensure that the BSC has sufficient funding to continue to implement these campaigns and educate consumers about their part in battery stewardship.<sup>73</sup> The BSC submits that, without the Proposed Conduct, and as a result of economic factors and the static nature of the previous levies, the ongoing viability of the Scheme is

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<sup>71</sup> [BSC application for authorisation AA1000694](#) (18 March 2025), page 36.

<sup>72</sup> Including the 'Never bin your batteries' and 'This tape saves lives' battery safety awareness campaigns.

<sup>73</sup> The BSC submits that currently around \$380,000 has been allocated for new education campaigns to increase awareness, as well as the continuation of current activities and outcomes. [BSC response to ACCC request for information](#) (7 July 2025).

jeopardised and current investments in effective marketing and consumer education would cease.

## Interested parties' views

- 4.38. Interested parties have agreed that the Proposed Conduct includes significant funding for community education, which is currently not possible, and that levies need to allow for consumer education, professional marketing and communications, and targeted advertising to see cultural and behaviour change to achieve an 80% recycling rate in alignment with national waste reduction and recycling policy.<sup>74</sup>
- 4.39. TEC submits that it has been unable to locate any educational program developed for students' education programs, or safety campaign materials for retail stores it visited in July 2024.<sup>75</sup>
- 4.40. Some interested parties consider that there needs to be more clarity around the language used in the context of the Scheme, to support community confidence and appropriately manage expectations. This includes the definitions of battery types that are eligible under the Scheme, to ensure all batteries (consumer and non-consumer) that meet the weight and chemistry criteria outlined, are included.<sup>76</sup>

## ACCC view on environmental benefits by diverting more batteries from landfill

- 4.41. The ACCC accepts there is environmental harm caused by disposing of batteries in landfill.
- 4.42. The ACCC considers that the Proposed Conduct is likely to result in environmental benefits from greater diversion of end-of-life batteries from landfill by:
- Providing increased funding to collection, sorting and processing businesses to maintain or increase their recovery/recycling of end-of-life batteries compared to the future without the Proposed Conduct. This increased funding is made possible by the Scheme's success in attracting Levy-paying participants (importers, wholesale and retail suppliers) and adopting more cost-reflective (eco-modulated) levies.
  - Providing an incentive for importers, domestic manufacturers and wholesale and retail suppliers to participate in the Scheme, and thereby contribute Levy revenue, through terms and conditions that encourage consumers to purchase batteries from participating suppliers.
  - Engaging in consumer education and communication initiatives to provide consistent information to consumers about the appropriate way to dispose of end-of-life batteries and the availability or location of collection points for end-of-life batteries.
- 4.43. The ACCC considers that the Proposed Conduct will provide greater financial incentives for collection, sorting and processing businesses to maintain or increase

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<sup>74</sup> [Northern Sydney Regional Organisation of Councils submission](#) (4 April 2025); [EcoBatt submission](#) (7 May 2025).

<sup>75</sup> [Total Environment Centre submission](#) (30 April 2025).

<sup>76</sup> [Powercell submission](#) (30 April 2025); [Australian Council of Recycling submission](#). (30 April 2025).

their recovery/recycling of end-of-life batteries, compared to the future without the Proposed Conduct. The ACCC considers that, where the Levy funding is used to maintain and provide additional collection sites, this would make it easier for consumers to drop off end-of-life batteries compared to the future without the Proposed Conduct. The ACCC considers that the introduction of Eco-Modulated Levies, and the higher collection, sorting and processing rebates under the Proposed Conduct will help to address the increasing costs of providing these services in the waste industry. Further, the annual reviews and non-static nature of these rebates and levies going forward mean that they will be more cost reflective as Levy revenue and costs change.

- 4.44. The ACCC notes that while the Scheme is voluntary, the BSC needs to strike a balance between:
- being able to do more if it increases levies and obtains higher revenue
  - disincentivising participation by industry participants with higher levies as some may leave to seek a cost advantage over their competitors that remain in the Scheme.
- 4.45. The BSC has submitted that, although higher levies will be introduced in October 2025, more significant increases will not be introduced until regulation is made mandatory in recognition of free rider concerns. The ACCC recognises that the Scheme's voluntary nature contributes to the challenges it faces due to free riders not participating in the Scheme and limiting its ability to increase its collection rates.
- 4.46. The ACCC considers that the Purchase/Supply Preference Conduct is likely to encourage growth in participation in the Scheme. Participation in the Scheme will likely broaden suppliers' commercial options and potentially lower costs as they could then deal with Participants in the Scheme. Further, the ACCC considers that suppliers will be encouraged to participate in the Scheme due to a perception that consumers may be more likely to support supplier businesses with better sustainability practices and to purchase battery products which use recycled content.
- 4.47. The ACCC considers that the Proposed Conduct (by way of levies collected) is likely to provide the BSC with sufficient funding to continue to implement its consumer education campaigns. Better and more consistent information being provided to consumers about the appropriate ways to dispose of end-of-life batteries (not in household waste collections), and the availability of convenient locations of collection points for end-of-life batteries, is likely to increase the number of batteries consumers take to Drop-off Points, as opposed to disposing of them in household waste that ends up in landfill.
- 4.48. For these reasons, the ACCC considers that the Proposed Conduct is likely to result in significant environmental public benefit compared to the future without the Proposed Conduct.

## **Reduced fire risks in collection, transport, sorting and processing of end-of-life batteries**

- 4.49. The BSC submits that batteries can pose serious fire risks when disposed of incorrectly. Not putting them in general waste and recycling bins, but instead taping and taking them to a Scheme Drop-off Point, prevents dangerous fires in homes,

rubbish bins, collection trucks and waste facilities. The BSC's submissions regarding the increase in incidents of battery related fires in the waste industry are outlined in paragraphs 2.17–2.21 above.

- 4.50. The BSC submits that, under the Proposed Conduct, new funding and rebates will lead to increased collection rates, and more efficient collection and recycling processes (supported by rebates) discourages stockpiling. The BSC submits that the Proposed Conduct will result in a reduction, or at least a steadying, of fire incidents as consumer awareness improves and safe disposal of batteries increases.
- 4.51. The BSC submits that the Proposed Conduct will not be able to remove the fire risk of batteries entirely, but it will assist in improving disposal practices to limit the risk. Without the Proposed Conduct, the BSC submits that its work in educating consumers and requiring safe practices of the Participants will be limited due to insufficient funding and would result in an ad-hoc education process, rather than a national coordinated program that would be necessary to rapidly accelerate collections and improve safety. Without the Compliance Conduct, the BSC also submits it will no longer be able to enforce safe practices through the Scheme's Protocols.
- 4.52. Further, the BSC submits that Environment Ministers acknowledge the need for urgent reforms to product stewardship arrangements for batteries to address the escalating risks of battery fires and to create a safe, circular economy for batteries.<sup>77</sup>

## Interested parties' views

- 4.53. Interested parties acknowledged the importance of the Scheme to facilitate the safe management of the disposal, collection, transport, sorting and processing of end-of-life batteries. For example, Horsham Rural City Council considers that the Scheme ensures that the collected material is stored and transported safely.
- 4.54. The Australia New Zealand Recycling Platform (**ANZRP**) recognises the need for urgent action to address fire concerns due to destruction to battery handling infrastructure and harm to workers. The Scheme would reduce the risk that improper battery types will instead go through the National Television and Computer Recycling Scheme's<sup>78</sup> collection, recycling system, drop-off services, logistic providers, and e-waste processors and recyclers.
- 4.55. A number of interested parties, particularly from the waste and recycling sector, raised general concerns regarding the health and safety risks posed by the improper disposal of batteries:
- The Waste Management and Resource Recovery Association of Australia (**WMRR**) notes increased incidences of fires due to batteries and battery-powered products in their facilities, and that an estimated 12,000 fires in the waste and resource recovery industry were due to incorrect battery disposal. However, WMRR submits that there is no demonstrable pathway from the current 15% recovery rate to increased levels of recovery that are clearly necessary to address

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<sup>77</sup> [Environment Ministers Meeting Communiqués](#) (21 June 2024 and 10 December 2024), accessed 22 October 2025. [BSC application for authorisation AA1000694](#) (18 March 2025), page 30.

<sup>78</sup> For which ANZRP has a co-regulatory arrangement.

the ongoing risk that these pose to the safety of the waste and resource recovery industry of both its facilities and staff.

- NSW EPA, ACOR, EcoCycle and Northern Sydney Regional Organisation of Councils (**NSROC**) submit that there are growing challenges in managing end-of-life batteries, particularly from battery-related fires, resulting from the improper handling and disposal of batteries. NSW EPA submits that, according to Fire and Rescue NSW, lithium-ion batteries are the fastest growing fire risk in NSW with 324 incidents since 2024, including 33 injuries and 1,125 evacuations, which is an increase from 171 incidents in 2022. The waste sector also estimates there are 10,000-12,000 battery related fires in waste facilities each year.
- 4.56. ACOR submits that handling batteries in conventional waste and recycling streams leads to significant hazards. Batteries that are crushed and damaged in waste truck compactors can trigger thermal runaway events, creating persistent fire risk in recycling infrastructure throughout Australia and posing great dangers to human health and life. In response to the draft determination, ACOR submits that while the damage caused by batteries is at a critical point, current volumes are only the beginning. ACOR submits that lithium-ion battery waste is projected to grow exponentially over the next 20 years, and batteries are now an integral part of our energy infrastructure and everyday lives—and so is their waste.<sup>79</sup>
- 4.57. WCRA submits its concern about the BSC’s capacity to independently manage the collection, transport, and recycling of increasingly hazardous and diverse battery types, particularly lithium-ion batteries and embedded battery products, without stronger regulatory intervention. It considers that a voluntary scheme leaves gaps in safe disposal of batteries and therefore does not adequately mitigate fire risks.
- 4.58. NSW EPA submits that voluntary stewardship under Commonwealth legislation has not been sufficient to achieve a safe, circular economy for batteries and protect people from harm. In response to the challenges with batteries, the NSW Government committed to legislative reform for mandatory product stewardship that is applicable to batteries and other problematic products.

## ACCC view

- 4.59. The ACCC accepts that the incorrect disposal of end-of-life batteries has resulted in increased fire risks in waste collection and processing, which increases costs to service providers and poses a safety risk to workers. The ACCC also accepts that the risk of fire incidents is increasing with the growing number of lithium-ion batteries supplied and disposed of in Australia.
- 4.60. The ACCC has considered the potential for the Proposed Conduct to result in public benefits by reducing the number and/or severity of fires and consequent harm to waste, collection and processing businesses and workers.
- 4.61. In particular, the ACCC understands that the Proposed Conduct is likely to result in a larger network of Drop-off Points being offered to consumers and better coordination in the vertical supply chain to reduce the risk of stockpiles forming, which is likely to decrease fires in collection and storage facilities.

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<sup>79</sup> [Australian Council of Recycling submission](#) (1 October 2025).

- 4.62. Further, additional funding pursuant to the Proposed Conduct provides for the education of consumers on the safest practices for disposing of end-of-life batteries, including the types of batteries that can be recycled (and more importantly those that cannot) under the Scheme, and the appropriate preparation for the safest disposal based on the battery type (and whether for example taping the batteries will be a safer option). The ACCC considers that these education and information initiatives are likely to influence consumer behaviour so as to reduce improper disposal of end-of-life batteries and significantly reduce fires in rubbish bins, collection trucks and waste facilities.
- 4.63. Overall, the ACCC considers that the Proposed Conduct is likely to result in significant public benefit from a greater number of end-of-life batteries being disposed of more safely, thereby reducing fire risks in waste collection and processing.

## **Supporting increased R&D and innovation in the disposal, recovery and re-use of end-of-life batteries**

- 4.64. The BSC submits that the Scheme will fulfill the United Nations Sustainable Development Goals including to foster innovation in waste management, materials recovery, and sustainable technologies (Goal 9).
- 4.65. The BSC submits that the proposed revised processing rebate supports innovation by incentivising circularity outcomes instead of being a flat rebate. The BSC submits that the processing rebates will reward those Recyclers who achieve a higher level of resource recovery, and limit landfill and promote innovation. The BSC submits that this element of the Rebate Conduct will reward Recyclers who can demonstrate the processing of outputs resulting in materials being re-used or recycled, with lower rebates paid where outcomes are downcycling and energy recovery.<sup>80</sup>
- 4.66. The BSC submits that many of the proposed Sustainability Investments are aimed at investing in innovation, both through the BSC's initiatives and by supporting Participants to develop new processes and technologies to better meet the Scheme's objectives. The BSC submits that these investments include:
- Button Battery Home Storage Container: A certified safe home storage container for used button batteries that can mitigate the risk of access to button batteries by young children and prevent fires due to button batteries being damaged, crushed; or coming into contact with other batteries or metal objects.
  - Lithium safe container subsidy: A subsidy available to Collectors to develop and produce containers for the safe collections of lithium batteries and damaged batteries in accordance with defined program requirements.
  - Larger batteries container subsidy: A subsidy available to Collectors to develop and produce containers to collect and transport large scale batteries (up to 60kg).

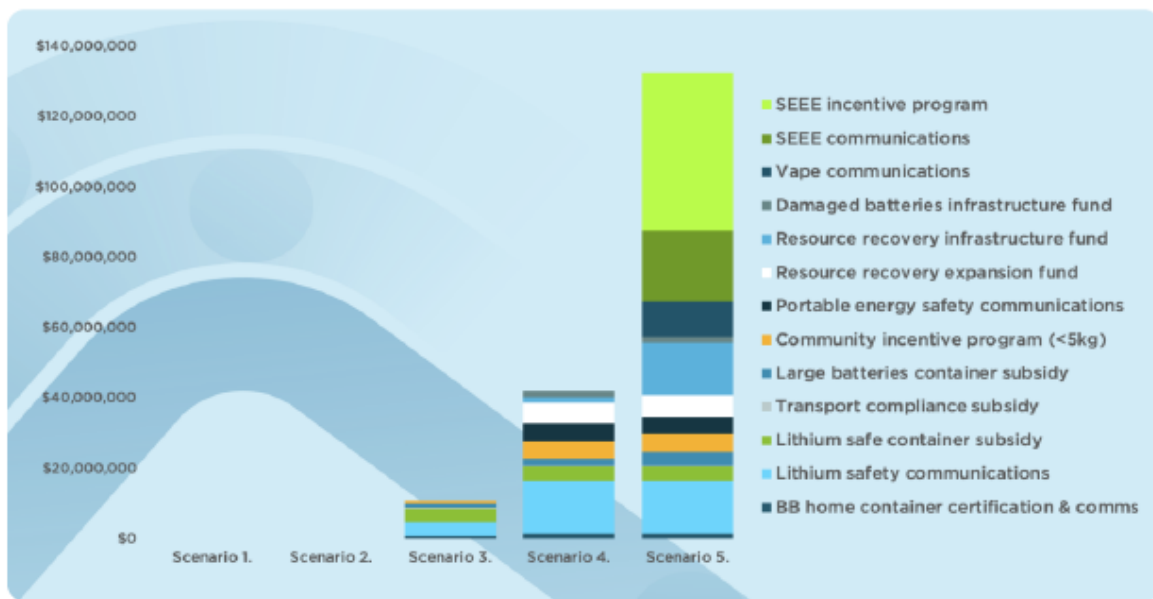
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<sup>80</sup> [BSC application for authorisation AA1000694](#) (18 March 2025), page 80.

- Incentive programs: A range of evidence-based funding programs designed to incentivise safe recycling of used batteries through partnerships with retailers and other aligned organisations.
- Damaged battery infrastructure fund: A container subsidy for containers for damaged batteries to be located at specific sites (e.g. Transfer Stations, Fire Stations).

4.67. The BSC’s proposed Sustainability Investments are contingent on mandatory product stewardship for batteries being introduced, where it would need to increase the Levy amounts to fund these investments. Sustainability Investments are not proposed under Scenarios 1 and 2 of the Scheme. **Figure 2** below indicates the types of Sustainability Investments that could be applied under the BSC’s various scenarios.

**Figure 2: Possible investments by scenario**<sup>81</sup>



## Interested parties’ views

4.68. Various interested parties submit that the key features of the Scheme design will empower the industry with the flexibility, efficiency, and governance required to adapt to the continuous innovation of battery products and chemistries.<sup>82</sup> NSW EPA submits that it is important that the Scheme can adequately respond to current and emerging issues, such as rapid technological changes in battery technologies, growing number of embedded batteries, and proliferation of low-quality and unsafe batteries on the market.

4.69. However, TEC submits that there is insufficient incentive for producers or importers to work towards design improvements that would reduce waste and promoting a circular economy. TEC submits that battery refurbishment has not been adequately supported by the voluntary scheme, the cost of which is currently covered by those

<sup>81</sup> [BSC application for authorisation AA1000694](#) (18 March 2025), page 78.

<sup>82</sup> Letters of support attached to [BSC application for authorisation AA1000694](#) (18 March 2025).

carrying out the battery refurbishment, presumably recovered once products are sold.<sup>83</sup>

- 4.70. Similarly, Magellan Power submits that, without explicit recognition of repair, refurbishment and repurposing, Australia risks losing value-creation opportunities and prematurely destroying batteries that still have usable life.<sup>84</sup> It submits that the Scheme should explicitly incentivise second-life applications within its Eco-Modulated Levy and rebate framework.
- 4.71. EcoCycle, a major collector, sorter and processor of batteries and participant in the Scheme, submits that it has approximately 7,500 collection points across Australia that it owns and operates without any input or direct financial contribution from the BSC. EcoCycle submits it has invested over \$35 million in safe storage solutions, a customised sensor management software, approximately 4,000 specialised battery transport bins, a fleet of vans and trucks, an automated sorting plant, and processing facilities for all types of battery chemistries. EcoCycle submits that the success of the collection network is the direct result of research, innovation and investment made by industry, rather than the creation of the BSC. EcoCycle submits that the financial return (for EcoCycle's services provided) from the BSC has been inadequate.<sup>85</sup>
- 4.72. In response to the draft determination, an anonymous Interested Party submits that the Levy is uniform, compulsory for Scheme members, passed on to consumers, and used to fund activities already provided commercially. The Interested Party submits the Levy directly undermines, through cost increases, the adoption of new battery technologies in mobility, safety, and accessibility and it functions as a barrier to innovation at a time when policy settings should be encouraging rapid uptake of electrification. The Interested Party submits that the Levy will discourage uptake of electrification technologies, including:
- e-mobility solutions such as scooters and bikes that reduce car dependency,
  - light EVs and consumer devices, and
  - safety and assistive technologies.<sup>86</sup>
- 4.73. Powercell, in response to the draft determination, submits that where product demand is inelastic or where offshore supply is an option, there is little or no encouragement to join a voluntary scheme. Powercell submits that the draft determination argued that Eco-Modulated Levies will improve sustainability outcomes, but does not acknowledge that this is likely to result in self-interested behaviour that would see participants opt-out or not take part in the Scheme.<sup>87</sup>

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<sup>83</sup> [Total Environment Centre submission](#) (30 April 2025).

<sup>84</sup> [Magellan Power submission](#) (29 August 2025).

<sup>85</sup> [EcoBatt submission](#) (7 May 2025).

<sup>86</sup> [An Interested Party submission](#) (10 September 2025).

<sup>87</sup> [Powercell submission](#) (19 September 2025).

## ACCC view

- 4.74. The ACCC has considered the potential for the Proposed Conduct to confer public benefits by supporting greater R&D and innovation in the disposal, recovery and re-use of end-of-life batteries.
- 4.75. The ACCC understands that, under the Proposed Conduct, the BSC is aiming to incentivise and reward the industry, particularly processing businesses, who demonstrate innovation and development of end use markets, by way of the eco-modulated levies and the level of processing rebates offered. The ACCC understands that these performance-based rebates will be paid by the BSC upon the receipt of evidentiary requirements.
- 4.76. Further, additional funding raised pursuant to the Proposed Conduct is likely to support the BSC's Sustainability Investments (as outlined above in paragraph 4.66, and in particular the button battery home storage containers and communications) and will aim to support Participants to develop new processes and technologies to better meet the Scheme's objectives.
- 4.77. The ACCC considers that these initiatives are likely to support greater R&D and innovation, but notes that funding for such initiatives is likely to increase as the Scheme progresses. The ACCC understands that the Scheme would achieve sufficient funding in the future in circumstances described under Scenario 3, for allocation of funds to such Sustainability Investments. Therefore, increased R&D or innovation are more likely in the latter years of the proposed authorisation if regulation is introduced to support sufficient increases in the Levy.
- 4.78. The ACCC acknowledges the submission by an Interested Party which raises concerns about the Levy functioning as a barrier to innovation and undermining the adoption of new battery technologies in mobility, safety, and accessibility through cost increases. However, the ACCC does not consider this is likely under the Proposed Conduct and notes the following in response:
- These batteries are currently outside the scope of the Scheme. The application of the Levy is envisaged to apply to loose or removable batteries under 5kg in the short term, where a broader scope of batteries is proposed when regulation has been introduced to support any expansion in scope. EV and BESS batteries are within the remit of the Scheme but are not being proposed for inclusion within B-cycle 2.0 due to their specific and unique requirements.
  - The Scheme is voluntary – unless governments introduce regulation mandating participation in the Scheme, which the ACCC considers is similarly likely with or without the Proposed Conduct. The scope and impacts of mandatory regulation is a matter for governments to consider, and not for the ACCC assessment of this application for authorisation.
- 4.79. Overall, the ACCC considers that the Proposed Conduct is likely to result in some public benefit in the latter years of the period of authorisation by supporting increased levels of innovation, research and development in the disposal, recovery and re-use of end-of-life batteries in Australia.

## ACCC conclusion on public benefit

4.80. The ACCC considers that the Proposed Conduct is likely to result in the following public benefits:

- significant environmental benefits through greater diversion of end-of-life batteries from landfill
- significant benefits by reducing fire risks in collection, transport, sorting and processing of end-of-life batteries
- some benefits by supporting R&D and innovation in the disposal, recovery and re-use of end-of-life batteries in Australia.

## Public detriments

4.81. The Act does not define what constitutes a public detriment. The ACCC adopts a broad approach. This is consistent with the Tribunal which has defined it as:

*...any impairment to the community generally, any harm or damage to the aims pursued by the society including as one of its principal elements the achievement of the goal of economic efficiency.<sup>88</sup>*

4.82. The ACCC has considered the following potential public detriments:

- increased health and safety hazard by delaying household disposal and increasing stockpiling of end-of-life batteries
- lessening of competition due to trading restrictions imposed by the Proposed Conduct against non-Participants
- lessening of competition due to information sharing between competitors
- delaying or crowding out more effective stewardship arrangements.

## Increased health and safety hazard by delaying household disposal and increasing stockpiling of end-of-life batteries

### Interested parties' views

4.83. Interested parties raised issues regarding the significant risk button batteries pose in the home, particularly to children. In particular:

- NSROC submits there has been a greater use of button batteries, which can pose a significant risk to children if swallowed.
- The Australian Toy Association (**ATA**) submits that there is a different risk to human health from button batteries compared to coin batteries. The ATA submits that the different risk to human health is due to the higher voltage of discharged

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<sup>88</sup> *Re 7-Eleven Stores Pty Limited* (1994) ATPR 41-357 at 42,683.

coin compared to button batteries. The ATA submits that the amount of voltage discharged impacts how much hydroxide is generated in the body.

- EcoCycle submits that storing button batteries at home heightens the risk of collection and safety issues and that globally, the most effective solution has proven to be prompt disposal at designated collection points. EcoCycle recommends that any button cell batteries replaced in the home should be dropped off as soon as possible at the Scheme's collection points, which are available at all major supermarkets across the country. EcoCycle submits that these collection points are within 10 minutes of over 95% of the Australian population, providing a safe and sustainable disposal method. EcoCycle submits that the Scheme must be well-funded to sustain ongoing collection and recycling efforts, thereby preventing consumers from stockpiling batteries at home.

4.84. As part of the BSC's letters of support, interested parties submit the Proposed Conduct would positively impact button battery safety.<sup>89</sup>

4.85. Interested parties also raised concerns regarding the fire risk lithium-ion batteries pose to consumers. For example:

- WCRA submits that the high levels of fire incidents have been exacerbated by the proliferation of lithium-ion batteries in consumer electronics and household devices, as well as the introduction of more complex battery types into the consumer market such as in vapes and toys.
- NSROC submits that the increased use of lithium batteries has increased fire risks, where consumer behaviour has not changed and too many batteries are still disposed of into kerbside bins. NSROC submits that under the Proposed Conduct, the convenience for consumers from increased locations where batteries can be dropped off, coupled with the intended education campaigns, should increase the number of batteries available for recycling.

4.86. Similarly, Powercell submits it supports the Scheme as long as there is consumer awareness of safety risks of batteries and their responsibility for battery safety and disposal.

## Applicant's view

4.87. The BSC submits that stockpiling of batteries and batteries being disposed of in household waste is an ongoing public issue. In relation to button battery safety, the BSC submits that, together with the Button Battery Advisory Group, it has developed a range of initiatives aimed at reducing the risks button batteries pose to community safety. These include:

- finalising the 'Button Battery Home Storage Container Requirements', which form part of the Button Battery Safety Strategy
- developing a scope of works and questionnaire for 3 rounds of consumer research to understand attitudes, knowledge, and behaviour regarding button battery risks in the home and disposal options

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<sup>89</sup> Letters of support attached to the [BSC application for authorisation AA1000694](#) (18 March 2025).

- refining the BSC Button Battery Safety Strategy to reflect the evolving issues related to changing behaviour
  - developing messaging and imagery for Drop-off Point container safety labels
  - delivering 2 major battery safety awareness campaigns and publishing safety information sheets on battery safety at home<sup>90</sup>
  - sponsoring a gala ball, hosted by community advocacy group ‘Bella’s Footprints’, and producing co-branded postcards and brochures, which have also been disseminated at a community level in association with International Button Battery Awareness Day.
- 4.88. In relation to addressing fire safety of batteries in households, the BSC submits it does not focus on lithium batteries, or any specific Battery Type, when deploying awareness campaigns, as its research suggests that consumers do not differentiate between different Battery Types. The BSC submits that the educational initiatives for consumers it implements focus on educating the community that any battery is a fire hazard, knowing that:
- Any battery that contains a charge has the potential to cause a spark, and batteries that appear used up can still carry a charge of up to 60%.
  - Button batteries have large battery terminals which is a fire hazard if they come into contact with metal objects, especially other batteries.
  - Lithium batteries can go into thermal runaway if damaged or reach very high temperatures.
- 4.89. The BSC submits its website includes a safety page and the following calls to action for the community:
- (a) Never bin your batteries – When used batteries get tossed in general waste or recycling bins, they create a fire hazard and can end up in landfill where they can leak toxic materials into waterways and ecosystems.
  - (b) Tape your terminals – If battery terminals touch, they can spark and catch fire. To prevent this, tape the terminals of used batteries.
  - (c) Take them – Take them to your nearest B-cycle accredited Drop-off Point.<sup>91</sup>
- 4.90. The BSC refers to its existing protocols for Participants in safely managing lithium-ion and damaged batteries at Drop-off Points and during collection. The BSC submits it is also engaging with fire and rescue departments to ensure its recommendations are appropriate and to develop shared messaging and leverage communications, where:
- this work is initially focussed in NSW, with a recent meeting with the Commissioner and key technical and communications staff

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<sup>90</sup> Battery Stewardship Council, [‘Battery safety’](#), n.d., B-cycle Battery Recycling website, accessed 22 October 2025.

Battery Stewardship Council, [‘Button Battery Safety Strategy’](#), 2023, accessed 22 October 2025.

<sup>91</sup> Battery Stewardship Council, [‘Battery safety’](#), n.d., B-cycle Battery Recycling website, accessed 22 October 2025.

- the BSC is presenting to the Australian and New Zealand Council for fire and emergency services in October
  - the BSC will continue to update its educational material for consumers based on guidance from fire and rescue departments and evidence-based recommendations as to battery safety at home.
- 4.91. In relation to damaged batteries, the BSC's website advises consumers to place leaking batteries in a zip lock bag and take to a Scheme Drop-off Point, and place damaged batteries in a fireproof container or blanket and take to a council depot or transfer station. The BSC submits it has been limited in its ability to provide safe disposal options for damaged batteries thus far due to the funding difficulties.
- 4.92. Looking ahead, the BSC submits the Proposed Conduct, together with regulation, will enable better funding and further expansion or progress of:
- Existing education and safety initiatives within the BSC's operation budget, as well as specific Sustainability Investments focused on changing consumer behaviour in relation to button battery safety. The BSC submits that one of the intended early investments is the allocation of \$4,000,000 per annum to button battery safety communications and lithium battery safety communications.
  - The certification of a safe home storage container for used button batteries that can mitigate the risk of access to button batteries by young children and prevent fires due to button batteries being damaged, crushed or coming into contact with other batteries or metal objects. The BSC submits the next step will be for suppliers to be invited to submit an application to the BSC and Button Battery Advisory Group for those containers to become accredited under the Scheme. Once certified, the BSC submits it would work with successful suppliers to promote accredited containers on its website and through media activity.
  - Investment to establish the 'Lithium Safe Container Subsidy', which is one of the early proposed Sustainability Investments. The BSC submits this subsidy will be available to Collectors to develop and produce containers for the safe collection of lithium batteries and damaged batteries in accordance with defined program requirements.
  - A proposed 'Damaged Battery Infrastructure Fund', which has been identified as a key Sustainability Investment and is a container subsidy for containers for damaged batteries to be located at specific sites (e.g. transfer stations, fire stations).

## ACCC view

- 4.93. The ACCC is concerned that the Proposed Conduct increases the likelihood of all types of end-of-life batteries being stored in the home for longer before being taken to collection points to be recycled. The ACCC compares this to the likely future without the Proposed Conduct, where the ACCC considers more consumers would more promptly dispose of end-of-life batteries in their household waste and conventional waste streams.
- 4.94. The ACCC considers that for consumers who are aware of the Scheme and intend to recycle their end-of-life batteries, there will generally be a delay in the disposal of

those batteries until those consumers get around to taking them to a convenient and accessible Drop-off Point. The ACCC acknowledges EcoCycle's submission that Drop-off Points are close and accessible across Australia at all major supermarkets. However, the ACCC considers it is likely that there will still often be a delay in the disposal of these batteries compared to the future without the Proposed Conduct.

- 4.95. In relation to button batteries,<sup>92</sup> the ACCC notes that this outcome will likely result in the prolonged storage of button batteries and therefore increase the risk of young children being exposed to button batteries, which can result in severe injury or death if swallowed or inserted in the body. Button battery safety is a key part of the ACCC's young children Product Safety Priority for 2025–26, and the ACCC considers that an increased risk of young children's exposure to button batteries through delayed storage and stockpiling has the potential to result in significant public detriment.
- 4.96. However, the ACCC notes that the condition specified in the Previous Authorisation on implementing and maintaining a Button Battery Safety Strategy seeks to mitigate this risk. The ACCC acknowledges the information prepared by the BSC to inform consumers about the safety risks of button and lithium-ion batteries in the home, including raising consumer awareness about addressing safety risks by safely storing and taping batteries.<sup>93</sup>
- 4.97. The ACCC also accepts that the BSC's proposed Sustainability Investments and general investments will continue to seek to improve consumer awareness of button battery risks. However, the ACCC notes that the BSC anticipates these Sustainability Investments will begin to occur under participation and funding circumstances illustrated in Scenario 3, which relies on regulated participation in the Scheme to increase revenue. Ultimately, the ACCC considers that the Proposed Conduct is likely to result in public detriment in the form of an increased risk of ingestion of button batteries due to delayed disposal and stockpiling of these batteries.
- 4.98. Whilst the ACCC recognises the BSC's current existing budgetary constraints, the ACCC considers that addressing the safety risks of button batteries must be prioritised to mitigate potential injury and death from button battery ingestion. The ACCC is keen to ensure that BSC continues to progress these steps as a matter of priority and in a way that ensures safety considerations are given primacy. Given the ongoing and severe risks from increased stockpiling or storing of button batteries, the ACCC is specifying a condition of authorisation requiring the BSC to continue to maintain and implement a Button Battery Safety Strategy to mitigate these risks.
- 4.99. The ACCC also notes the increased fire risk associated with lithium-ion batteries, where lithium-ion battery safety is another key part of the ACCC's Product Safety Priorities for 2025–26. The ACCC notes that lithium-ion batteries are highly flammable and can present a range of hazards to consumers, which can lead to severe injury or death.
- 4.100. The ACCC notes that fires caused by lithium-ion batteries are an inherent risk of the batteries themselves and are largely not a direct consequence of the Proposed Conduct, and the ACCC acknowledges the BSC's work to educate consumers of the

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<sup>92</sup> For the purpose of this determination, button cell batteries and coin cell batteries are each referred to as 'button batteries'. In the battery industry, the term 'coin' is associated with lithium batteries and the term 'button' is associated with non-lithium batteries. The terms 'button batteries of lithium chemistry' or 'button batteries of a chemistry other than lithium' are used to distinguish between types of button batteries on the basis of their chemistry (or electrochemical system).

<sup>93</sup> Battery Stewardship Council, '[Fact sheet – Battery Safety at Home](#)', 2022, accessed 22 October 2025.

fire risks of all batteries. However, even with these measures, the ACCC considers that the Proposed Conduct increases the likelihood of delayed disposal and extended duration of stockpiling of these batteries, which increases the risk to some extent that these batteries lead to fires in households.

4.101. Therefore, the ACCC considers the Proposed Conduct is also likely to result in some public detriment in the form of increased health and safety hazards in households due to the delayed disposal and longer stockpiling of lithium-ion batteries.

## **Trading restrictions imposed against non-Participants**

4.102. The ACCC has considered whether trading restrictions under the Proposed Conduct are likely to result in public detriment by:

- (a) limiting non-Participants from competing in the supply of batteries to Participants of the Scheme
- (b) limiting the number of Recyclers who can service businesses that do not participate in the Scheme
- (c) preventing or deterring other battery recycling initiatives from being developed in the future by businesses that do not participate in the Scheme.

## **Interested parties' views**

4.103. TEC initially raised concerns that the Recycling Conduct restricted who Sorters and Recyclers can accept batteries from. However, the TEC provided an updated submission following the BSC's response to the ACCC's information request, which accepted the BSC's clarification that participating Sorters and Recyclers are not prohibited from accepting battery products from non-Participants and raises no further objection.<sup>94</sup>

4.104. NSROC submits its support for the BSC's Purchase/Preference Supply Conduct. NSROC submits that the conduct will continue to improve safety of end-of-life battery management and encourages increased recycling which would outweigh the loss of competition.

4.105. In response to the draft determination, Powercell submits that it makes no sense to suggest that, within a voluntary scheme, non-Participants in the upstream side (import, distribution and retail) will be placed at a competitive disadvantage or that competition will be reduced. Powercell submits it is more likely that competition will be reduced as a result of the lack of market power held by smaller participants, especially in the fragmented specialty battery market and the B2B import / end-user market. Powercell submits that smaller voluntary participants will be at a price disadvantage in these markets, where there are numerous non-participating importers and distributors.

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<sup>94</sup> Total Environment Centre submissions ([30 April 2025](#) and [28 May 2025](#)).

## Applicant's view

4.106. The BSC submits:

- The Purchase/Supply Preference Conduct, Recycling Conduct and Compliance Conduct will likely have some degree of public detriment by preventing non-Participants from purchasing from Importers, or providing collection, sorting or recycling services to Participants.
- The Proposed Conduct places some mandatory requirements on the activities of Participants in relation to their dealings with Battery Products but is applied consistently to all Participants of that category to maintain competition.
- The Rebate Conduct seeks to support Participants financially so that participation in the Scheme is a commercial decision to promote participation – noting that the higher the participation rate, the lower the trading restrictions in the market.
- Sorters and Recyclers are not prohibited under the Proposed Conduct from accepting battery products not currently being collected under the Scheme from non-Participants. This includes accepting battery products from other schemes which operate concurrently with the BSC's Scheme in relation to out-of-scope products, such as Mobile Muster and the National Television and Computer Recycling Scheme.
- Where a collector is not a Participant and seeks to engage with a participating Sorter or Recycler, the BSC submits it aims to work with those organisations to bring them into the Scheme, so those collections fall within the Scheme and the relevant parties are all eligible for rebates.
- Participation in the Scheme remains free and voluntary, and it is largely in the government's hands as to when participation in battery stewardship will become mandatory in NSW, when and if other states will implement similar legislation, and if there will ever be a single national solution.

4.107. In response to issues raised by interested parties in response to the draft determination, the BSC agrees that it is important for offshore importers to be included in the Scheme and has been a strong advocate for regulation to engage online sales and for alignment with Europe where new regulation requires products to be registered prior to sale. The BSC submits that, while some retailers do use reverse logistics, it is clear from the low recovery rates that this is not common practice. The BSC submits it works closely with the accredited retailers and Recyclers to understand costs and ensure that it is not duplicating existing activity but supporting responsible end of life recovery of Battery Products, utilising existing activities where possible.

## ACCC view

4.108. Given the wide range of potential Battery Products and the number of retailers and suppliers involved in the Scheme, the ACCC considers that the Proposed Conduct is likely to result in some public detriment by restricting non-Participants' ability to compete in the supply of services to Participants in the Scheme or acquiring Battery Products. The ACCC notes an Interested Party's concerns that it may face a de facto obligation to join the Scheme and pay the Levy, despite already meeting all legal and

contractual obligations. However, the ACCC also notes that the BSC is committed to working closely with the accredited retailers and Recyclers to understand costs and ensure that it is not duplicating existing activity, where this would mitigate the risk of duplicative costs arising.

- 4.109. The ACCC also considers that the trading restrictions imposed by the Proposed Conduct are likely to result in some public detriment by limiting the number of Recyclers who can service businesses that do not participate in the Scheme. The ACCC notes that this may impact the ability of non-Participating businesses to establish alternative battery recycling initiatives.
- 4.110. However, the ACCC considers that some of this public detriment is mitigated because:
- (a) Under the Recycling Conduct, the BSC will aim to work with non-Members and bring them into the Scheme, to allow those collections to fall under the Scheme and all relevant parties to be eligible for rebates.
  - (b) Exceptions to the trading restrictions acknowledged in the Previous Authorisation remain in place, which includes an exception in the event that an accredited Member is unable to contract with Members due to practical difficulties (such as a lack of members in their area).<sup>95</sup>
- 4.111. Regarding Powercell and an Interested Party's submissions raising concerns of price disadvantage from participation in the Scheme, the ACCC has not considered this as a public detriment given the voluntary nature of the Scheme and notes that this is a key issue related to the free rider problem faced by the Scheme. Further, the ACCC acknowledges that some trading restrictions may be necessary to address free riding issues and to ensure the Scheme remains effective, and would only be detrimental if the trading restrictions are beyond what is necessary to support the functioning of the Scheme.
- 4.112. Overall, the ACCC considers that the Proposed Conduct is likely to give rise to some public detriment in the form of a lessening of competition through trading restrictions against non-Participants.

## Information sharing between competitors

### Interested parties' views

- 4.113. ACOR submits that the BSC should not seek access to commercial-in-confidence data from the recycling industry without strong protocols and protections in place. ACOR submits that this is due to the sensitive information which would be provided to Participants, and that any mismanagement or unintended use of such data could weaken trust and collaboration. ACOR also submits that any data provided should only be collected for limited purposes such as to improve environmental and operational outcomes across the Scheme, and not re-purposed in ways that may interfere with existing industry relationships or commercial relationships.
- 4.114. In its submission dated 30 June 2025, EcoCycle emphasises the importance of independent oversight to uphold the integrity and impartiality of Scheme compliance

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<sup>95</sup> [BSC application for authorisation AA1000694](#) (18 March 2025), pages 45-46.

activities. EcoCycle strongly supports conducting all audits through qualified, external, and impartial third-party auditors, separate from the BSC, which it submits is an approach that aligns with best practices in other stewardship schemes and is essential for maintaining stakeholder trust and confidence. In relation to independent auditing, EcoCycle submits:

- EcoCycle has proactively participated in monthly audits of its facilities and, for several years, these audits were conducted by William Buck, an independent auditing firm selected by the BSC. The audits primarily relate to private client sites, which are commercial clients (who purchase batteries from importers eligible under the Scheme) and who are directly secured by EcoCycle's sales representatives and do not operate as public Drop-off Points.
- EcoCycle maintains that such private, commercial relationships should be subject to independent oversight rather than internal BSC audits, to safeguard confidentiality and ensure impartiality.
- EcoCycle referred to recent communications from the BSC regarding the obligation of recyclers to 'proactively' participate in audits and verification activities conducted by the BSC or its authorised contractors. EcoCycle has worked toward a resolution in good faith with the BSC and has agreed to allow BSC staff to audit both public and private client sites under strict conditions. These conditions include limiting the number of BSC personnel involved and establishing binding confidentiality agreements, vetted by legal representatives from both parties.

4.115. EcoCycle has also raised concerns regarding the independence and impartiality of the BSC given its current composition and governance structure. EcoCycle submits that the BSC Board's inclusion of EcoCycle's competitors raises questions about potential conflicts of interest, particularly where commercially sensitive information is requested from Scheme Participants. EcoCycle submits that effective stewardship relies on governance that is free from conflicts of interest and maintaining transparency and impartiality is essential to fostering a fair, sustainable, and credible scheme. EcoCycle submits that measures that strengthen the independence of the BSC's governance and audit processes will benefit all stakeholders and support the long-term success and integrity of the Scheme.

4.116. In response to the draft determination, EcoCycle submits it has recently experienced 2 serious and significant privacy breaches directly related to the mishandling of commercially sensitive information. EcoCycle submits this underscores the urgent need for independent oversight to ensure accountability and protect confidentiality.

## Applicant's view

4.117. The BSC submits that, as part of the Compliance Conduct, Participants are required to:

- retain and make accessible to the BSC records to demonstrate that their obligations and related B-cycle Protocols are being complied with
- give appropriate access to relevant records for rebate claim verification and audit purposes as appropriate

- proactively participate in audits conducted by the BSC or BSC contractors, including providing records and data necessary to verify levies and rebates
- proactively respond to research and information gathering requests from the BSC or BSC contractors.

4.118. Participants are also required to provide commercial information where applicable. For example, Collectors, Sorters and Processors provide commercial information such as details of assets, insurance, subcontractors, and full access to battery storage and processing operations. The BSC submits that the data provided by Participants is needed to:

- ensure it delivers on the strong commitments of safety and transparency
- provide assurance that all collected Battery Products are in fact recycled
- enable the BSC to process accountable and auditable rebate payments
- prevent double counting and fraudulent rebate claims
- track incidents, and respond to consumer or Participant concerns.

4.119. The BSC submits it is committed to protecting all personal and commercially sensitive data, and that it has conducted a risk analysis and instituted legal mechanisms, policies and data management procedures to manage data security risks. To address confidentiality concerns of Participants, and to support the Scheme to not interfere with competition in the market, the BSC submits the following controls are now in place:

- Documents governing the employment relationship between the BSC and its staff have strong confidentiality provisions, and each employee who has access to Participant data is required to execute a confidentiality undertaking to confirm their understanding of their obligations.
- The BSC has implemented the BSC 'Participant Confidentiality Protocol' which applies to all Participants to ensure that the data which is submitted as required by the Protocol is protected.<sup>96</sup>
- The BSC has implemented a 'Drop-off Point Data Confidentiality Register', which ensures that only authorised personnel can access sensitive commercial information provided by Participants.<sup>97</sup>

4.120. The BSC's Participant Confidentiality Protocol applies to the collection, use, disclosure, and handling of information provided by Scheme Participants to the BSC. The protocol outlines the following safeguards:

- All digital files and data are stored in two-factor authentication and password-protected cloud-based IT environments.

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<sup>96</sup> Battery Stewardship Council, '[Participant Confidentiality Protocol](#)', April 2025, accessed 22 October 2025.

<sup>97</sup> Battery Stewardship Council, '[Drop-off Point Data – Confidentiality Register](#)', May 2025, accessed 22 October 2025.

- File-level passwords are applied on all confidential and sensitive data, and defined access restrictions and partitions to files and folders are applied for employees based on defined roles and responsibilities.
- Employment contracts define access to and usage of IT systems and confidential data, requiring authorised personnel that have access to commercially sensitive Participant information sign a 'BSC Employee Confidentiality Undertaking'.
- Corporate policies have been developed for information security management, internet security, cyber security, data storage, and incident management.
- Commercially sensitive Participant information is not shared with the BSC Board where there is a potential conflict of interest due to the specific directors on the BSC Board at that time and the BSC Board conflict of interest register.
- Where Participant information is presented to the BSC Board, it is done so in an aggregated format that does not include any commercially sensitive Participant information.<sup>98</sup>
- The BSC will not collect Participant information from a Participant unless the information is reasonably necessary for or is directly related to one or more of the BSC's functions or activities.
- Implementation and maintenance of the Drop-off Point Data Confidentiality Register to managing its staff and systems.<sup>99</sup>

4.121. The BSC's Drop-off Point Data Confidentiality Register outlines specific measures to protect the confidentiality of commercially sensitive information, including Drop-off Point contact data, and sets out the register of roles within the BSC with access to the confidential information. The Drop-off Point Data Confidentiality Register outlines:

- For commercially sensitive Drop-off Point contact data, it is important that contact information (name and contact details) is not disclosed beyond authorised personnel. Access to Drop-off Point contact data is controlled by two-factor authentication and no person other than the BSC authorised personnel employed or contracted in the identified BSC role listed can access or download the contact data. Drop-off Point contact data is not accessible by the BSC Board members.
- Access with download capability of Drop-off Point contact data will not be granted to any person that is employed by, or otherwise represents, any Participant. The BSC authorised personnel in the specified roles will be required to access and deal with the Drop-off Point contact data in accordance with the confidentiality protocol.
- Access to the claims portals (where Participants submit claims for rebates under the Scheme) is managed by two-factor authentication and no person other than

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<sup>98</sup> For example, its Accreditation and Audit Program Summary Report: <https://bicycle.com.au/wp-content/uploads/2024/09/Audit-Program-2023-Summary-Report-FINAL-20240819.pdf>

<sup>99</sup> Battery Stewardship Council, '[Participant Confidentiality Protocol](#)', April 2025, accessed 22 October 2025.

the BSC authorised personnel can access the Participant information in the BSC's claim portals.

- In cases where a new contractor is required, contractual arrangements shall be consistent with the Participant Data Confidentiality Protocol and the Drop-off Point Data Confidentiality Register. In the event that changes in the BSC authorised personnel are required:
  - the BSC CEO will be required to approve any proposed change
  - if required, the BSC will ensure that any new BSC authorised personnel makes a BSC Employee Confidentiality Undertaking
  - the BSC CEO will provide written notice to Participants with commercially sensitive Participant information as soon as practicable, and within 21 days of the change become effective.<sup>100</sup>

4.122. The BSC submits that, at the request of EcoCycle, it has also executed a 'Deed of Confidentiality' with EcoCycle and required authorised signatories identified in that deed to sign additional confidentiality undertakings relating specifically to EcoCycle.

4.123. The BSC submits that, in circumstances where the BSC publishes data about Participants, the BSC uses aggregated data to analyse the costs of the Scheme and will not publish company-specific or market sensitive financial information.

4.124. In response to EcoCycle's submission regarding alleged confidentiality breaches (outlined at paragraph 4.116), the BSC provided further information regarding the confidentiality breaches and the steps taken by the BSC to respond to the incident.<sup>101</sup> The BSC submits that it has taken responsibility for the error and immediately took all actions available to rectify it and protect the confidentiality of the information in the emails and attachments. The BSC submits that it does not consider this incident to be a failure in the BSC systems or confidentiality procedures, but rather a case of human error and failure to double check the email recipient prior to sending the emails.

## ACCC view

4.125. The ACCC acknowledges the issues raised by interested parties in relation to the BSC's access to commercially sensitive information of Participants. The ACCC considers that there would be potential for public detriment where Participants are required to share commercially sensitive information with the BSC in circumstances where their competitors may be able to access that information, either due to inadvertent disclosure, a failure to de-identify or aggregate data before disseminating, or because some competitors are able to access confidential information through a position on the BSC Board.

4.126. The ACCC accepts that the BSC needs to audit and collect information from Participants to ensure compliance with the requirements of the Scheme and its policies and protocols. The ACCC acknowledges that the BSC has recently introduced and revised protocols that seek to protect commercially sensitive

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<sup>100</sup> Battery Stewardship Council, '[Drop-off Point Data – Confidentiality Register](#)', May 2025, accessed 22 October 2025.

<sup>101</sup> [BSC response to ACCC request for further information](#) (21 October 2025).

information it collects from Participants, including the BSC's Participant Confidentiality Protocol and Drop-off Point Data Confidentiality Register.

- 4.127. The ACCC considers that the BSC's current ring-fencing arrangements regarding access to commercially sensitive information, including the Drop-off Point contact data and Participants' rebate claims information, appear to largely address concerns about the improper or inappropriate sharing of commercially sensitive information. In particular, the ACCC notes the BSC's Drop-off Point Data Confidentiality Register, and Participant Confidentiality Protocol policies outlined above at paragraphs 4.120 and 4.121, including the BSC's use of employee confidentiality undertakings and access partitions for sensitive data, and commercially sensitive information being aggregated and protected by a two-factor authentication process.
- 4.128. The ACCC acknowledges the 2 recent incidents of inadvertent disclosure of commercially sensitive information by BSC raised by EcoCycle. The ACCC also acknowledges the steps BSC took in response when it became aware of its unauthorised disclosure of EcoCycle's audit information to an external party, which included a review of the incident to identify the cause and take corrective action. The ACCC regards such inadvertent disclosure to be a serious matter. While it appears to have been due to human error, it suggests that BSC may not have made sufficient investment in technology and ring-fencing protocols to prevent inadvertent disclosure.
- 4.129. The ACCC considers that, under the Proposed Conduct, there is a risk that sensitive information is shared between competitors, including via third parties, through inadvertent disclosure. Therefore, the ACCC considers the Proposed Conduct is likely to give rise to some public detriment by facilitating or enabling information sharing between competitors.

## **Delaying or crowding out more effective stewardship arrangements**

### **Interested parties' views**

- 4.130. Interested parties raised concerns about authorisation creating conflicts between jurisdictions or undermining mandatory regulation:
- WCRA submits it is concerned that authorisation will undermine the NSW's PLR Act by creating a conflict between federal-level voluntary schemes, and state and territory efforts for mandatory standards for battery stewardship.
  - ACOR similarly submits that the BSC needs to ensure that it is not undermining NSW's regulations. In particular, ACOR is concerned that including embedded batteries as part of the BSC's in-scope batteries may cause jurisdictional inconsistency between the Scheme's federal accreditation and NSW's battery regulations under the PLR Act.
  - Magellan Power submits the ACCC should ensure alignment between the BSC's voluntary model and forthcoming state and national mandatory regimes, to avoid duplication or loopholes.

- TEC submits that expanding the Scheme to include small and electrical equipment with batteries will reduce the impetus on governments to regulate those products, allowing governments to adopt a 'wait and see' approach while voluntary and inefficient attempts are trialled again.

4.131. Although supportive of authorisation, NSW EPA submits that a shorter authorisation period would limit the risk of authorising arrangements that are less effective in securing the environmental outcomes that could be delivered under a mandatory scheme in NSW and any other jurisdiction that chooses to follow in establishing mandatory product stewardship.

4.132. SA EPA also submits that a reduced authorisation period is appropriate to allow the ACCC and the BSC to assess the effectiveness of the Proposed Conduct once mandatory product stewardship commences in NSW and other jurisdictions.

4.133. In response to the draft determination, interested parties raised concerns with the pace of implementation of mandatory stewardship, including that the ACCC should support a shorter transition to mandatory participation in collaboration with state regulators.<sup>102</sup> Interested parties also raised broader comments in relation to the fragmented approach between governments in implementing mandatory stewardship.<sup>103</sup>

## Applicant's view

4.134. The BSC submits that the Proposed Conduct has been created to adapt to changing regulatory requirements.

4.135. In relation to current relevant regulatory arrangements, the BSC submits that the NSW PLR Act is consistent with the BSC's position under the Proposed Conduct. Further the BSC submits that NSW EPA is supportive of the BSC's application. The BSC also submits that, while it is involved in the consultation process for the NSW regulations, it is largely in the governments' hands as to:

- when participation in battery stewardship will become mandatory in NSW
- if and when other states will implement similar legislation to NSW, and how closely that legislation will mirror the NSW PLR Act
- if there will ever be a single national solution rather than state- based regulation.

4.136. The BSC submits the scenarios provided aim to demonstrate the potential Proposed Conduct outcomes based on a range of factors, including regulation. The BSC submits that the breadth of scenarios analysed reflect the BSC's need to navigate the demand for a dynamic product stewardship scheme in an evolving regulatory landscape.

4.137. In response to concerns raised by interested parties regarding the expansion of the battery product types captured by the Scheme delaying regulation, the BSC submits that expanding the Scheme to include small and electrical equipment with embedded

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<sup>102</sup> [Magellan Power submission](#) (29 August 2025); Total Environment Centre submissions ([23 September 2025](#) and [2 October 2025](#)); [Powercell submission](#) (19 September 2025).

<sup>103</sup> [Powercell submission](#) (19 September 2025); [EcoCycle Group Pty Ltd submission](#) (18 September 2025); [Aldi Stores Australia submission](#) (18 September 2025).

batteries is dependent on regulation, so the inclusion will not cause delay in regulation. Following introduction of regulation, the BSC submits it expects that there will be a transition for small and electrical equipment with embedded batteries to allow time to plan and consult to ensure the funding model, collection channels, and behaviour change models are fit for purpose. The BSC submits that it would also welcome the opportunity to engage in planning for large energy storage systems, EV batteries and other battery types to ensure industry readiness, public safety, and avoid stockpiling risks.

## ACCC view

- 4.138. The ACCC understands a key concern of interested parties is that authorisation of the Proposed Conduct could delay or stifle more effective government regulation and mandatory stewardship of batteries.
- 4.139. The ACCC notes interested parties' submissions that there is a need for urgent and consistent mandatory product stewardship. Some interested parties call for the ACCC to mandate participation in the Scheme, which goes beyond the ACCC's role as a regulator in the authorisation framework. The ACCC also notes the TEC's concern that authorisation would reduce the impetus for government to introduce mandatory regulation. However, the ACCC considers that governments are equally likely to introduce regulations to make product stewardship of batteries mandatory in the future with or without the Proposed Conduct. In addition, for the reasons set out below, the ACCC does not agree that authorisation of the Proposed Conduct will delay or diminish the capacity of governments to introduce regulations to make product stewardship of batteries mandatory should they seek to do so.
- 4.140. As outlined in paragraphs 4.2–4.4 above, the ACCC's role in assessing applications for authorisation is limited to the assessment of the public benefits and public detriments likely to result from the Proposed Conduct. Authorisation does not compel parties to engage in any particular conduct but rather provides statutory protection from court action for authorised conduct that might otherwise raise concerns under the relevant competition provisions of the Act. The ACCC is not an environmental regulator and the nature and timing of any regulations related to the product stewardship of batteries is a matter for government(s).
- 4.141. Noting this, the ACCC acknowledges the BSC's commitment to creating a Scheme which attempts to adapt to an uncertain regulatory environment. The ACCC notes the BSC's 2024 Regulatory Options Analysis Report conducted by MRA Consulting.<sup>104</sup> The report provides recommendations for a voluntary, co-regulatory, and mandatory approach which the ACCC considers that the BSC has sought to incorporate in its Proposed Conduct.
- 4.142. The ACCC also acknowledges the concerns from interested parties regarding the existing Scheme and Proposed Conduct, and the risk it could undermine current and future mandatory frameworks. However, the ACCC notes that while the BSC's Scheme has been in place, the NSW government has passed legislation and is consulting on a draft regulation to make battery stewardship mandatory for loose batteries under 5kg and e-micromobility batteries. The ACCC understands that other jurisdictions are considering moving towards introducing similar regulatory

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<sup>104</sup> Battery Stewardship Council, '[Regulatory Options Assessment – A Report by MRA Consulting Group](#)', 23 April 2024, accessed 22 October 2025.

arrangements. Additionally, both NSW EPA and the SA EPA have provided submissions in support of authorisation (albeit for a shorter period than that sought). Given this government support of authorisation, and the parallel development of regulatory responses, the ACCC considers it unlikely that the Proposed Conduct will delay or undermine government-led regulatory arrangements.

- 4.143. The ACCC also acknowledges that the BSC supports mandatory regulation and has engaged with NSW in relation to regulations under the PLR Act. The ACCC accepts that the Proposed Conduct has been designed to complement, rather than stifle, regulatory arrangements, noting that its expansion to the conduct described in Scenarios 2–5 is contingent on regulations that establish a mandatory framework for battery stewardship being in place.
- 4.144. The ACCC considers that the trading restrictions imposed on Participants may mean that there would need to be a substantial portion of Scheme members deciding to move to a new scheme for it to be viable. This is likely to add to the difficulty others would face in developing another scheme. However, given the time it would take to develop an alternative scheme and the challenges that would include, such as those faced by the BSC outlined in paragraph 2.16, the ACCC considers that it is not likely that an alternative national scheme would emerge during the proposed term of authorisation, either in the future with the Proposed Conduct or in the future without it.
- 4.145. Overall, the ACCC considers the Proposed Conduct is likely to result in little, if any, detriment by crowding out the development of an alternative, more effective, stewardship arrangement. In particular, the ACCC notes the 2 processes (being the assessment of this authorisation application and governments' consideration of mandatory stewardship frameworks) are largely independent of each other.

## ACCC conclusion on public detriment

- 4.146. The ACCC considers that the Proposed Conduct is likely to result in public detriments in the form of:
- increased health and safety hazards by delaying household disposal and increasing stockpiling of end-of-life batteries
  - lessening of competition due to trading restrictions imposed by the Scheme against non-participants
  - inadvertent disclosure of commercially sensitive information about competitors.
- 4.147. The ACCC considers that the Proposed Conduct is likely to result in little, if any, public detriment from delaying or crowding out more effective stewardship arrangements.

## Balance of public benefit and detriment

4.148. The ACCC considers that the Proposed Conduct is likely to result in significant public benefits in the form of:

- environmental benefits through greater diversion of end-of-life batteries from landfill
- reduced fire risks in the collection, transport, sorting and processing of end-of-life batteries
- supporting increased R&D and innovation concerning disposal, recovery and re-use of end-of-life batteries in Australia.

4.149. The ACCC considers that the Proposed Conduct is likely to result in public detriment in the form of an increased health and safety hazards due to delayed disposal or increased stockpiling of end-of-life batteries in households, in particular:

- a material increased risk of ingestion of button batteries
- a somewhat increased risk of fires from prolonged storage of lithium-ion batteries in households.

4.150. To mitigate against the risk of public detriment resulting from the Proposed Conduct resulting in a material increased risk of ingestion of button batteries, the ACCC is granting authorisation with a condition requiring the BSC to continue to maintain and implement a Button Battery Safety Strategy.

4.151. The ACCC also considers the Proposed Conduct is likely to result in some public detriment in the form of a lessening of competition due to trading restrictions with non-participants by:

- restricting non-Participants' ability to compete in the supply of services to Participants in the Scheme or acquiring Battery Products
- limiting the number of Recyclers who can service businesses that do not participate in the Scheme.

4.152. The ACCC also considers the Proposed Conduct is likely to result in some public detriment by facilitating or enabling information sharing between competitors should there be inadvertent disclosure of that information by the BSC.

4.153. Subject to the condition referred to at paragraph 4.150, the ACCC is satisfied that the Proposed Conduct is likely to result in a public benefit and that this public benefit would outweigh any likely detriment to the public from the Proposed Conduct.

4.154. The ACCC also considers that having transparency over the Scheme's operations is important for parties to have sufficient confidence in the Scheme to participate. Accordingly, the ACCC is specifying further conditions of authorisation set out below.

4.155. The ACCC notes that TEC has called for the ACCC to exercise its discretion to not grant authorisation, including where the authorisation test is met.<sup>105</sup> Given the ACCC is satisfied that the significant public benefits outweigh the public detriments likely to result from the Proposed Conduct with the Button Battery Safety Strategy condition, the ACCC has decided to grant authorisation. The ACCC also notes these calls were raised by interested parties in the context of seeking urgent and consistent mandatory product stewardship. However, as set out above, the ACCC does not agree that authorisation of the Proposed Conduct is likely to delay the introduction of regulation to make product stewardship of batteries mandatory.

## Conditions

4.156. The ACCC may specify conditions in granting an authorisation. The legal protection provided by the authorisation does not apply if any of the conditions are not complied with.<sup>106</sup>

4.157. Interested parties raised a range of potential conditions of authorisation, which include requiring:

- the BSC to develop a roadmap for staged inclusion of large-format batteries (including feasibility studies, Levy design and pilot collection programs)<sup>107</sup>
- governments to commit to regulatory support for battery recycling<sup>108</sup>
- specific conditions aimed at ensuring the financial sustainability of the scheme.<sup>109</sup>

4.158. The ACCC has not considered conditions of this nature as they extend beyond the ACCC's role in assessing the application for authorisation. It is not for the ACCC to determine the BSC's forward work program nor dictate the actions of government. The ACCC has however considered other relevant issues raised by interested parties and related conditions. The conditions imposed by the ACCC are specified at paragraph 5.9 and discussed further below.

### Independent review

4.159. When assessing applications for authorisation of stewardship schemes, the ACCC places significant weight on the ongoing robustness of governance arrangements and transparency of outcomes. The ACCC has considered the BSC's governance arrangements and notes that the BSC has an independent Chair and Directors, and has made publicly available its Constitution and policies related to conflict of interest, information and data management, and BSC Board and Member conduct.<sup>110</sup>

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<sup>105</sup> [Total Environment Centre submission](#) (2 October 2025).

<sup>106</sup> s 88(3) of the Act.

<sup>107</sup> [Magellan Power submission](#) (29 August 2025).

<sup>108</sup> [Powercell submission](#) (19 September 2025).

<sup>109</sup> [Total Environment Centre submission](#) (23 September 2025).

<sup>110</sup> [BSC Board, BSC Constitution, Conflict of Interest Policy, Drop-off Point Data Confidentiality Register, Participant Confidentiality Policy, Data Privacy Policy, BSC Board Code of Conduct](#) and [BSC Member Code of Conduct](#).

- 4.160. Nevertheless, the ACCC notes concerns raised by interested parties in relation to the BSC's governance and independence.<sup>111</sup> To ensure sufficient confidence to encourage participation in the Scheme is maintained, the ACCC is imposing a condition that requires the BSC to engage an independent, external consultant to commence a review around 3 years into the next period of authorisation, looking at the Scheme's performance, governance and financial position. A review report is to be published on the BSC's website by July 2029.
- 4.161. In response to the draft determination, interested parties supported the concept of an independent review of the Scheme. However, a number of these interested parties submitted that the 3-year review period is inadequate and that the review should be conducted and published more frequently (e.g. every 12 months).<sup>112</sup>
- 4.162. The BSC submits that, under the requirements of the *Corporations Act 2001* and the Australian Charities and Not-for-Profit Commission (**ACNC**), it is required to appoint an independent auditor to undertake annual financial audits. The BSC submits the reports are presented to members at its annual general meeting each year and are published on the ACNC website. However, the BSC submits that it agrees to the condition for the independent review after 3 years to enable the changes to the Scheme to be implemented and for the impacts of the NSW regulation to become better known.
- 4.163. In considering the timing of an independent review of the Scheme, the ACCC notes the BSC has recently conducted a holistic review including consultation regarding the Scheme and its operations to address challenges faced in the first few years of its implementation, where a new Levy/rebate structure and review process is being implemented to address these challenges (referred to as B-cycle 2.0). The ACCC also notes that this authorisation application process has provided an opportunity for stakeholders to comment on the effectiveness of the Scheme and the BSC to consider this feedback.
- 4.164. While the ACCC considers a condition requiring an independent, external review of the Scheme's performance, governance and financial position is necessary, the ACCC notes there would be little value in this review being undertaken too soon after authorisation is granted. The ACCC therefore considers a 3-year timeframe to commence the independent external review is appropriate, to allow sufficient time for the BSC to implement its proposed improvements to the Scheme and for measurable outcomes to be assessed.

#### Annual reporting of specified metrics

- 4.165. Interested parties have also raised issues regarding a lack of key performance indicators and transparency for recycling and collection rates, end-fates of collected materials, sustainability investments, and consumer awareness.<sup>113</sup> The BSC submits it regularly communicates performance outcomes in its annual reports and during

<sup>111</sup> [Waste Contractors and Recyclers Association of NSW \(and co signed by other state associations\) submission](#) (2 April 2025); [EcoCycle submission](#) (30 June 2025); [Australian Council of Recycling submission](#) (30 April 2025), [Total Environment Centre submission](#) (30 April 2025).

<sup>112</sup> [EcoCycle Group Pty Ltd submission](#) (18 September 2025); [Waste Management and Resource Recovery Association submission](#) (18 September 2025); [Livium Ltd submission](#) (18 September 2025); [Association for the Battery Recycling Industry submission](#) (18 September 2025); [Australian Council of Recycling submission](#) (1 October 2025); [Consumer Electronics Suppliers Association submission](#) (18 September 2025); [Total Environment Centre submission](#) (23 September 2025).

<sup>113</sup> Total Environment Centre submissions ([30 April 2025](#), [28 May 2025](#)); [Waste Contractors and Recyclers Association of NSW submission](#) (2 April 2025); [Australian Council of Recycling submission](#) (30 April 2025).

presentations and webinars, and it has set a target of 100% collection and processing.<sup>114</sup> Moving forward, the BSC submits its proposed annual plan will be prepared and published with target annual collection rates aimed at transitioning to the overall target.

- 4.166. The ACCC recognises that the BSC has reported on key outcomes of the Scheme since its commencement and its intention to continue to do so.<sup>115</sup> However, the ACCC considers it appropriate that these and other metrics be formalised as a condition to be reported against in the BSC's annual report to be published on its website. This reporting will ensure Participants and the public receive a sufficient degree of transparency in respect of the Scheme's ongoing operations, including the realisation of claimed public benefits resulting from the Proposed Conduct.
- 4.167. In response to the draft determination, the BSC submits it intends to review the format of its annual report to ensure that all metrics required by this condition are addressed. The BSC submits it is developing key performance indicators for the coming year to be published in annual reports, the first of which will be published in December 2025. The BSC also highlights that the ability to provide annual reporting which includes all the requested metrics will be in part dependant on Participants providing accurate reporting of data under the Compliance Conduct, where they may require further guidance.
- 4.168. The ACCC also notes interested party submissions in response to the draft determination seeking additional reporting conditions on end-fate of materials, incident reporting, tracking of free-riders, alignment with the development of a mandatory national framework, actions taken to encourage design improvements and other actions.<sup>116</sup> The ACCC considers that the metrics specified at paragraph 5.9 (Condition 2) below go some way to addressing these comments, and providing sufficient transparency and accountability for the ACCC to be satisfied that the benefits are likely to be achieved.

#### Consultation with Participants

- 4.169. Interested parties also suggested potential conditions requiring a skills-based board, upskilling of the organisation and a dispute resolution process.<sup>117</sup> In response, the BSC submits that the BSC Governance and Nomination Committee is responsible for ensuring that the Board has the appropriate mix of skills and expertise to handle the legal, regulatory and financial complexities of the Scheme. The BSC also submits that a dispute resolution process is already provided for in the BSC's Constitution as approved by special majority of members and relevant governance policies.
- 4.170. The ACCC notes concerns raised by interested parties regarding the mechanisms used to ensure that there is genuine and transparent consultation with relevant Participants.<sup>118</sup> Some interested parties note that changes to Scheme parameters have financial impacts on Scheme Participants and impacts on consumers as to how

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<sup>114</sup> [BSC response to ACCC request for further information](#) (7 July 2025), page 27.

<sup>115</sup> Battery Stewardship Council, '[B-cycle resources – BSC Annual Reports](#)', 2024, accessed 22 October 2025.

<sup>116</sup> [Veolia ANZ submission](#) (10 September 2025); [Total Environment Centre submission](#) (23 September 2025); [Waste Management and Resource Recovery Association submission](#) (18 September 2025); [Australian Council of Recycling submission](#) (1 October 2025).

<sup>117</sup> [Livium Ltd submission](#) (18 September 2025); [Association for the Battery Recycling Industry submission](#) (18 September 2025); [Australian Council of Recycling submission](#) (1 October 2025).

<sup>118</sup> [Consumer Electronics Suppliers Association submission](#) (18 September 2025); [Powercell submission](#) (19 September 2025).

the scheme targets may be delivered.<sup>119</sup> These interested parties have suggested the ACCC should require a Scheme rule-making process which is clear and transparent, which acknowledges consumer impacts and potentially provides compensation for sunk investment.

4.171. In response to these concerns, the BSC submits it has an established process for changing the B-cycle Protocols. The BSC submits the recent change to the protocols to extend rebate payment terms provides an example of the process used which includes:

- preparation of proposed draft changes
- provision of the proposed amendment to affected Participants for consultation purposes with a clear schedule for response
- review of feedback, and finalising proposed amendments accordingly
- publishing of the updated protocols on the B-cycle website.

4.172. The ACCC recognises that the BSC has consulted with industry and Participants on changes and approach to the Scheme design and protocols, and that it expects that it will continue to do so. However, the ACCC considers it appropriate that this expectation be formalised as a condition to ensure there is transparency and genuine consultation with Participants throughout the period of authorisation. As such, the ACCC is imposing a condition which requires the BSC to develop, publish and comply with a consultation protocol which sets out the process by which the BSC will inform affected Participants of changes to the B-cycle Protocols and B-cycle 2.0 Scheme Design the BSC considers appropriate (taking into account the materiality and impact of the change), and invite and consider feedback from affected Participants in good faith ahead of such changes being implemented.

4.173. The ACCC considers this condition is necessary for it to be satisfied the public benefits are likely to eventuate, by seeking to ensure Participants receive a sufficient degree of input and transparency in respect of the Scheme's ongoing operations. The ACCC also considers this condition ensures that the BSC will have sufficient visibility of the impacts of material proposed changes to the Scheme's operations.

#### Button Battery Safety Strategy

4.174. As discussed in paragraph 4.150 above, the ACCC is also imposing a condition of authorisation to mitigate against the increased risk of ingestion of button batteries by young children and ensure the likely public benefits of the Proposed Conduct outweigh the likely public detriment throughout the term of authorisation. The ACCC considers it necessary to continue to formalise the maintenance of the strategy as a condition given the importance of mitigating these safety risks.

4.175. The ACCC understands that the BSC's Button Battery Safety Strategy is an ongoing strategy and that it will likely require an update to reflect steps taken since the Scheme commenced, and the impact that those steps have had on reducing button battery risks.<sup>120</sup> The ACCC also recognises the Button Battery Advisory Group meets

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<sup>119</sup> [Livium Ltd submission](#) (18 September 2025); [Association for the Battery Recycling Industry submission](#) (18 September 2025); [Australian Council of Recycling submission](#) (1 October 2025).

<sup>120</sup> [BSC response to ACCC request for further information](#) (7 July 2025), page 27.

on a regular basis and informs the implementation of the safety strategy, and encourages the BSC to continue to seek input and advice from the Advisory Group.

## Length of authorisation

- 4.176. The Act allows the ACCC to grant authorisation for a limited period of time.<sup>121</sup> This enables the ACCC to be in a position to be satisfied that the likely public benefits will outweigh the detriment for the period of authorisation. It also enables the ACCC to review the authorisation, and the public benefits and detriments that have resulted, after an appropriate period.
- 4.177. In this instance, the BSC is seeking re-authorisation for 5 years.
- 4.178. The BSC submits that, while it expects that there may be some regulatory changes in product stewardship over the proposed re-authorisation period, the Scheme, including the Proposed Conduct for which authorisation is sought, has been planned with a focus on being able to adapt to possible regulatory change without needing to vary the authorisation.
- 4.179. The BSC submits that the Scheme and any federal or state regulations are not mutually exclusive. The BSC submits that it has been advocating for regulation and that regulation is needed to secure full participation and funding.
- 4.180. The BSC submits that the Proposed Conduct will enable it to implement the Scheme which will allow the BSC to adapt to changing regulatory requirements whilst providing improved outcomes for battery stewardship, and a 5-year authorisation is appropriate noting the importance of providing as much certainty as possible to the recycling sector to support investment decisions.
- 4.181. The BSC submits that the commencement of regulation will allow it to employ the elements described in Scenarios 3, 4 and 5. The BSC submits that a 5-year term will allow the Proposed Conduct to generate the full extent of the public benefits, and any shorter period may stall investment and innovation in the battery recycling industry.

## Interested parties' views

- 4.182. NSW EPA and SA EPA support the Scheme in principle but have proposed a shorter authorisation of 2–3 years. NSW EPA submits that a shorter authorisation period of 2 to 3 years would allow the BSC and ACCC the opportunity to have an earlier review of the status of mandatory product stewardship reforms, both in NSW and across other jurisdictions. The SA EPA submits that a reduced authorisation of 3 years is appropriate to allow the ACCC and the BSC to assess the effectiveness of the Scheme whilst mandatory product stewardships commence in NSW and other jurisdictions.
- 4.183. EcoCycle, although supporting authorisation, submits that authorisation should be limited to a maximum of 3 years, during which the BSC and the recycling industry can work closely with the NSW EPA and other state agencies operating or planning

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<sup>121</sup> Subsection 91(1)

mandated schemes and to develop, strengthen, and demonstrate the Scheme's performance.

4.184. In response to the draft determination, some interested parties have recommended a shorter authorisation period (2–3 years), particularly to facilitate the transition to regulated mandatory battery stewardship.<sup>122</sup>

## ACCC view

4.185. In reaching a position on the appropriate period for authorisation, the ACCC has sought to balance the risk that the Proposed Conduct may have unforeseen consequences with the burden on all parties of potentially having to go through another authorisation process earlier than necessary and potential impacts of that on investment in battery collection and recycling infrastructure.

4.186. The ACCC notes that the key reason for granting a shorter authorisation period would be to try to manage the risk that the Proposed Conduct may prevent or hinder the development and introduction of more effective stewardship arrangements such as mandatory regulation of battery stewardship by governments. However, for the reasons set out above at paragraphs 4.138–4.145, the ACCC does not consider that the Proposed Conduct is likely to have that effect, in particular because the 2 processes are largely independent of each other.

4.187. If a significant issue did arise at any time during the period of authorisation, the ACCC has the ability to review, vary or revoke the authorisation should there be a material change of circumstances.

4.188. As such, the ACCC considers 5 years is an appropriate period of authorisation.

# 5. Determination

## The application

5.1. On 18 March 2025, the Battery Stewardship Council Ltd (the **BSC**) lodged an application to revoke authorisation AA1000476 and substitute authorisation AA1000694 for the one revoked with the Australian Competition and Consumer Commission (the **ACCC**). This application authorisation AA1000694 was made under subsection 91C(1) of the Act.

5.2. The BSC seeks authorisation for 5 years for itself, its current and future Members and Participants undertaking the following specific conduct which form part of the participation requirements of its Battery Stewardship Scheme:

- (a) Collective agreement on the imposition on Importers of a Levy on the importation or manufacture of Battery Products which can be passed to consumers.

### **(Levy Conduct)**

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<sup>122</sup> [Consumer Electronics Suppliers Association submission](#) (18 September 2025); [EcoCycle Group Pty Ltd submission](#) (18 September 2025); [Total Environment Centre submission](#) (2 October 2025); [Waste Management and Resource Recovery Association Australia](#) (18 September 2025).

- (b) Collective coordination in relation to the supply of Accredited Battery Brands for wholesale and sale to consumers by giving purchase and/or supply preference to
- i. other Participants in relation to the sale and purchase of Battery Products and battery services
  - ii. buying Battery Products from Importers and manufacturers using recycled content where appropriate.

**(Purchase/Supply Preference Conduct)**

- (c) Collective coordination in relation to the collection, transport, sorting and recycling of used Battery Products to ensure that:
- i. all used Battery Products collected by a Participant are disposed of using other participants and at Drop-off Points
  - ii. all used Battery Products collected by a Collector go to a Sorter and/or Recycler
  - iii. Sorters/Recyclers accept collected batteries from all Collectors, or Sorters unless otherwise approved by the BSC in writing
  - iv. Sorters/Recyclers only accept collected Battery Products from Collectors.

**(Recycling Conduct)**

- (d) Collective agreement to conform to B-cycle Protocols, provide evidentiary requirements to the BSC, and to pro-actively participate in audits and verification activities conducted by the BSC or its approved contractors to ensure compliance.

**(Compliance Conduct)**

- (e) Collective agreement to allocate scheme funds to pay rebates to Collectors, Sorters and Recyclers in accordance with the B-cycle Protocols.

**(Rebate Conduct)**

- (f) Collective agreement to use the Levy to fund the Sustainability Investments.

**(Investment Conduct)**

(the **Proposed Conduct**).

5.3. Terms used in the definition of the Proposed Conduct have the following meanings:

- **'Accredited Battery Brands'** means those brands of batteries that are manufactured and/or imported by a Scheme Participant.
- **'Battery Products'** means all types of batteries and small electrical and electronic equipment (**SEEE**) within the scope of the Scheme, namely:
  - loose handheld batteries under 5kg or products with easily removeable batteries under 5kg e.g. power tools
  - micro-mobility products e.g. e-bikes and scooters
  - SEEE batteries e.g. includes products with embedded batteries

- the size of loose batteries e.g. larger power banks or portable energy storage products
- larger batteries, weighing up to 60kg and requiring a 2-person lift.
- **'Battery Type'** means the chemical composition or form factor of a battery product.
- **'B-cycle Protocols'** means the policies and procedures implemented by the BSC and communicated to Participants which govern the conduct of Participants in relation to the Proposed Conduct and ensure compliance with the requirements of the Scheme. The B-cycle Protocols include but are not limited to the B-cycle Participant Commitment Form, the B-cycle Accreditation Application and the B-cycle Accreditation Protocols linked in the application's index,<sup>123</sup> as amended from time to time, and any further policies and procedures falling under those protocols.
- **'Collector(s)'** means the collectors of used batteries from accredited Drop-Off Points which have applied for and obtained accreditation under the B-cycle Protocols.
- **'Drop-off Points'** means drop-off points for used batteries which have applied for and obtained accreditation under the B-cycle Protocols.
- **'Eco-Modulated Levy'** means a levy which is set based on Battery Type and the costs, risks and mitigation activities associated with that Battery Type. The safer and easier it is to recycle that Battery Type, the lower the levy will be.
- **'Importer'** means the entity that:
  - imports, manufactures, or distributes Battery Products into Australia; or
  - makes the first sale of the Battery Product within or into a State or Territory to the point where the Battery Product is intended to be used, consumed or on sold to a consumer (unless the Levy has previously been paid by another entity); or
  - facilitates the supply of Battery Products into Australia via an online marketplace where the consumer is considered the importer; or
  - any other obligated party required to participate in a product stewardship scheme as otherwise defined by government.
- **'Levy'** means any levy paid by Importers under the Scheme.
- **'Member'** means a member of the BSC.
- **'Participant'** means a participant in the Scheme.
- **'Recycler(s)'** means recyclers of collected and sorted used batteries which have applied for and obtained accreditation under the B-cycle Protocols.
- **'Sorter(s)'** means sorters of collected used batteries which have applied for and obtained accreditation under the B-cycle Protocols.
- **'Sustainability Investments'** means investment activities focused towards addressing the environmental, safety or educational & behavioural objectives of the Scheme, set each year in the annual plan set by the BSC for the Sustainability Investments (as further defined in Table 1, Element 1 Step 2 of the application, the Investment Plan).

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<sup>123</sup> [BSC application for authorisation AA1000694](#) (18 March 2025), page 3.

## The authorisation test

- 5.4. Under subsections 90(7) and 90(8) of the Act, the ACCC must not make a determination granting an authorisation unless it is satisfied in all the circumstances that the Proposed Conduct would result, or be likely to result in a benefit to the public and the benefit would outweigh the detriment to the public that would result, or be likely to result, from the Proposed Conduct.
- 5.5. For the reasons outlined in this determination, the ACCC is satisfied, in all the circumstances, that the Proposed Conduct would be likely to result in a benefit to the public and the benefit to the public would outweigh the detriment to the public that would result or be likely to result from the Proposed Conduct, including any lessening of competition.
- 5.6. Accordingly, the ACCC has decided to grant authorisation with conditions.

## Conduct which the ACCC has decided to authorise

- 5.7. The ACCC revokes authorisation AA1000476 and grants authorisation AA1000694 in substitution.
- 5.8. The ACCC grants authorisation AA1000694 with conditions to the BSC for the Proposed Conduct outlined at paragraph 5.2–5.3 above.
- 5.9. Authorisation is granted with the following conditions:
  - **Condition 1 – Button Battery Safety Strategy:** The BSC must maintain and implement a 'Button Battery Safety Strategy' that will be reflected in operational procedures concerning button batteries under the Scheme and published it on its website. The Button Battery Safety Strategy must describe:
    - (a) the manner in which consumers will be encouraged to handle end-of-life button batteries
    - (b) what secure storage protocols the BSC has developed (or is developing, as the case may be) to improve button battery safety, and
    - (c) what consumer education programs and consumer awareness campaigns will be administered and the subject matter that they will cover.
  - **Condition 2 – Annual reporting:** The BSC must publish on its website annually a report on the Scheme's outcomes for the preceding year, and include the following metrics:
    - (a) Total volume of Battery Products (tonnes to nearest '000) placed on the market:
      - i. in Australia
      - ii. in Australia by Scheme Members.
    - (b) Total volume of Battery Products (tonnes to nearest '000) available for recycling in Australia.

- (c) Total volume of Battery Products collected by the Scheme (tonnes to nearest '000).
  - (d) The percentage of total volume of Battery Products collected by the Scheme (at c) relative to:
    - i. the total volume placed on the market in Australia (at a(i)); and
    - ii. the total volume placed on the market in Australia by Scheme Participants (at a(ii)); and
    - iii. the total volume of Battery Products available for recycling in Australia (at b).
  - (e) Recycling outcomes and recovery rates of batteries collected, processed and recycled in the Scheme.
  - (f) The Scheme's annual collection, processing and recycling targets and progress towards those targets.
  - (g) Total number of Drop-off Points (broken down by state and territory).
  - (h) Consumer awareness/education activities to increase public awareness of battery disposal and the Scheme.
  - (i) Actions taken as part of the implementation of the Button Battery Safety Strategy.
  - (j) Actions taken to address fire safety risks from batteries.
  - (k) Number of Scheme Members and Participants.
  - (l) Levy rates (cents/EBU) by battery type.
  - (m) Total Levy funds collected and a breakdown of how Levy funds were spent during the relevant year.
- **Condition 3 – Consultation with Participants:** The BSC must develop, publish and comply with a consultation protocol. The consultation protocol must be published on the BSC website by 28 February 2026, and must set out a process by which the BSC will:
    - (a) inform affected Participants of such changes to the B-cycle Protocols and the B-cycle 2.0 Scheme Design (as set out in Attachment 1 of the BSC application for authorisation AA1000694) as the BSC reasonably considers appropriate, taking into account the materiality of the change and likely impact on Participants and consumers, and
    - (b) invite and consider feedback from affected Participants in relation to such changes in good faith prior to their implementation.
  - **Condition 4 – Independent review:** The BSC must engage an independent, external consultant to commence a review of the operation of the Scheme in November 2028 (or any other date agreed by the ACCC). The review must be completed, and a report on the review's findings must be published on the BSC's website, by 31 July 2029 (or any other date agreed by the ACCC) addressing at least the following matters:
    - (a) the success of the Scheme in meeting its annual targets
    - (b) the Scheme and BSC governance arrangements

- (c) the Scheme's financial position
  - (d) the effectiveness of the BSC's engagement and consultation with Participants
  - (e) the BSC's compliance with B-cycle Protocols
  - (f) recommendations for any improvements to the Scheme's operations and governance.
- 5.10. The ACCC may authorise a Committee or Division of the ACCC, a member of the ACCC or a member of the ACCC staff to exercise a decision making function under the conditions of this authorisation on its behalf.
- 5.11. The ACCC grants authorisation in relation to Division 1 of Part IV of the Act, section 45 and section 47 of the Act.
- 5.12. The ACCC grants authorisation AA1000694 until 30 November 2030.

## 6. Date authorisation comes into effect

- 6.1. This determination is made on 3 November 2025. If no application for review of the determination is made to the Australian Competition Tribunal, it will come into force on 25 November 2025.