



17 April 2020

Mr Darrell Channing  
Director  
Adjudication  
Australian Competition and Consumer Commission  
23 Marcus Clarke Street  
CANBERRA, ACT, 2601

Dear Mr Channing

### **BATTERY STEWARDSHIP COUNCIL INTERESTED PARTY CONSULTATION**

We refer to the invitation dated 27 March 2020 requesting interested parties review and provide feedback to a submission received from the Battery Stewardship Council (**BSC**) for a proposed Battery Recycling Scheme in Australia.

Techtronic Industries Australia Pty Ltd (**TTI**) is the largest user of lithium-ion batteries in Australia, used across all our brands in power tools, industrial tools, consumer appliances/tools and floorcare products.

TTI is a very enthusiastic supporter of recycling and actively promotes the need to utilise the world's resources in a sustainable way. Promoting and encouraging full life recycling of equipment, such as lithium-ion batteries, is a philosophy adopted and actively promoted by TTI.

TTI has been operating its own battery recycling scheme for the last 18 months, focusing specifically on "Milwaukee" lithium-ion batteries. Utilising our partner networks, TTI has been able to collect over 10 tonnes of batteries, recycling them through the only Australian recycler with the capacity to fully recycle lithium-ion batteries, Envirostream.

Sustainability Victoria has been supportive of this battery recycling scheme that TTI has been operating in conjunction with Envirostream, which sees full lifecycle of stewardship from importation into Australia through to end-of-life destruction with the raw materials recovered and reused in various applications.

In addition, TTI has recycled over 30 tonnes of power tools with Envirostream. Rather than see these power tools become landfill, TTI has worked with Envirostream to ensure these power tools are recycled back to their raw materials so those raw materials can be reused.

TTI has reviewed the proposed Battery Stewardship Scheme put forward by the Battery Stewardship Council, and while we are very supportive of a scheme that fully recycles batteries back to their raw materials for re-use, there are some concerns that are apparent.

These areas of concern are raised below.



## **1. Full End-Of-Life Recycling**

The scheme appears to focus on offering a monetary reward for recycling rather than offering a discount off the proposed levy. We would have thought that a more appropriate scheme would offer a reduction in the proposed levy, potentially to zero, for the companies that proactively collect the batteries for recycling. The proposed monetary reward appears quite high when compared to what is offered by the companies that offer a genuine full recycling process. Already we are seeing battery recycling bins being emptied, prior to collection and recycling, as there has already been efforts to 'hoard' batteries in anticipation of the commencement of the BSC scheme. This could be eliminated with a scheme that offers a discount off the proposed levy, rather than a monetary reward. We would also like to see a focus on the full end-of-life recycling of the batteries being undertaken in Australia to guarantee that it results in the raw materials being recovered and reused.

## **2. Power Tools & Lithium-ion Batteries**

One suggestion is to remove the lithium-ion batteries in power tools from the BSC Scheme and have a separate scheme where those lithium-ion batteries, together with the power tools themselves, are collected and recycled via a list of approved Australian recyclers. A failure to collect and recycle the lithium-ion batteries and power tools, to an agreed annual weight, could result in a levy being paid by the relevant power tool company.

## **3. Safety Concerns**

As mentioned, there has already been efforts to 'hoard' batteries awaiting the commencement of the scheme. These batteries will likely be ones that have reached their end-of-life. If these batteries have been subjected to misuse and even abuse, then the possibility of failure is heightened. If these batteries are stored in mass numbers, the failure condition, particularly if they are lithium-ion batteries, could result in severe and dangerous consequences.

## **4. Proprietary Technologies**

Batteries include individual cells and complex electronic circuits designed to manage the battery. This includes proprietary intellectual property which needs to be protected. If these batteries are not properly destroyed, then the cells and/or electronic controls could be repurposed into inferior non-original products, which in turn could expose the general public to unsafe electrical equipment. There needs to be very clear and robust directions as to how end-of-life destruction is achieved and reported to ensure there is no salvaging of proprietary cells and electronics.

## **5. Business to Business Trading**

It is noted that there is a proposal to require that members of the proposed scheme only deal with other businesses that are part of the Battery Recycling Scheme. Some clarity on how this works is needed. This requirement seems to be in opposition to

what the ACCC is fundamentally concerned with – restricting anti-competitive behaviour in the Australian marketplace.

Questions arise such as:

- How would this limitation be enacted?
- What determines if a business is required to be a member of the scheme?
- What re-dress is there on a business that engages with businesses outside the scheme?

TTI is fully committed to sustainability, recycling and protecting the environment however we do have concerns with the proposed scheme and the behaviours that it may inadvertently drive. We fully support a scheme that:

- reduces any proposed levy rather than a scheme which offers a monetary reward for simply collecting batteries;
- promotes full end-of-life recycling of batteries back to their raw materials for re-use and does not see those batteries sent outside of Australia where the recycling cannot be guaranteed.

We appreciate the opportunity to respond and participate in this consultation process.

If any further information or clarification is needed, please contact the undersigned.

Yours sincerely

[Redacted signature]

Andrew Dodson

Andrew Dodson on behalf of Michael Brendle  
Compliance Engineer

Signed by: [Redacted signature]

Michael Brendle  
Group Managing Director  
Techtronic Industries Australia Pty Ltd