

ECR-2025-2330

Battery and e-waste disposal						
Party:	The Coalition					

Summary of proposal:

The proposal would invest \$50 million in establishing lithium battery recycling collection points nationwide.

The proposal would start on 1 July 2025.

Additional specification (based on further advice provided):

Funding includes:

- A minimum of 20 collection points in each State and Territory, and 5 collection points in the ACT (minimum 145 sites).
- The provision of \$25 million for local councils and national recycling data hub, 'Recycle Mate'.
- A national awareness/education campaign that is broadly modelled on the 'ReMade in Australia' campaign.

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$49.7 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in administered and departmental expenses.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

Table 1: Battery and e-waste disposal Battery and e-waste disposal – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-48.4	-0.4	-0.4	-0.4	-49.7
Underlying cash balance	-48.4	-0.4	-0.4	-0.4	-49.7

⁽a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

Uncertainties

The financial implications are highly uncertain and are sensitive to a wide range of factors, including the volume of batteries and e-waste collected at each collection point and associated flow on impacts to collection, sorting and processing costs. The behavioural response to the awareness campaign and increased accessibility of collection points is also highly uncertain.

2025 Election Commitments Report: ECR-2025-2330

⁽b) PDI impacts are not included in the totals.

There is limited available evidence on commercial costs of collection and any substitution effects from additional collection points being made available. As such, the Parliamentary Budget Office (PBO) has made several high-level assumptions set out in *Key assumptions* below.

There is further uncertainty related to battery markets and commodity prices, transport regulations and costs, evolution in battery sorting and recycling technologies and processes, and emerging battery products or chemistry types that may affect collection costs.

The current B-Cycle Scheme is Australia's official battery stewardship scheme. The proposed final design for next iteration of the scheme was released in December 2024 as part of the consultation phase of the Scheme Review¹. B-Cycle Battery Recycling are currently considering policy changes such as an annual review of levies and rebates and inclusion of other battery types, such as vapes. For the purposes of this costing, the PBO has assumed no policy changes.

The PBO has not made any assessment as to whether the specified funding would be sufficient to meet the objectives of the proposal for local councils and national recycling data hub.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

- The Commonwealth would pay for the purchase and installation of the additional collection points.
- Each collection point would cost approximately \$500 to set up, informed by existing battery recycling bin retail prices.
- There would be additional departmental funding in the first year to determine the placement of the collection points with organisations that opt-in and set up collection arrangements with certified B-Cycle Collectors. This funding is equal to approximately 8% of administered set up costs.
- Ongoing departmental costs would be equal to approximately 5% of ongoing administered costs, to manage the collection points and maintain collection agreements.
- The current B-Cycle Scheme collection, sorting and processing rebate structures would remain constant over the forward estimates and medium term.
 - The 2023-24 B-Cycle Scheme's ACCC authorisation includes a static rebate structure which is \$2.50 per kg for collection in metro areas, \$3.50 per kg for collection in regional areas, \$6.50 per kg for collection in remote areas, \$1 per kg for incidental collection, \$1 per kg for sorting and \$1 per kg for processing.
- The Commonwealth would meet 100% of the additional funding required by the B-Cycle Scheme.
- The Commonwealth would pay for any additional collection costs which would be equal to approximately 25% of the B-Cycle rebate for a given volume of e-waste.
- All new collection points would be established in the first year of the policy, 2025-26.
- The additional collection points would be eligible for the B-Cycle Scheme.
- There would be a sufficient number of organisations interested in hosting the collection points.

¹ B-Cycle Scheme, 2025. <u>B-cycle-Scheme-Review-Consultation-Paper-website.pdf</u> (bcycle.com.au)

- In the first year of the policy, aggregate collection volumes (including volumes from existing collection points and new collection points) would increase in line with the increase in collection points.
- Aggregate collection volumes would increase by 1% each year, over the forward estimates and medium term, in line with average population growth rates.
- 100% of e-waste is additional waste that wouldn't have been collected otherwise.

Methodology

- The estimated cost was calculated by adding the cost of installing the collection points, associated collection costs, and the flow on cost of the B-Cycle rebate.
 - B-Cycle flow on rebate costs were calculated by multiplying the number of new collection points by the B-Cycle Scheme rebates by the additional collection volume per additional collection point.
 - The average collection volume per collection point is the estimated aggregate collection volume divided by the aggregate number of collection points.
 - Collection rebates differ by whether a collection bin is in a metro, regional or remote area, due
 to additional costs in providing services. The number of new collection points in metro, regional
 or remote areas was estimated using ASGA correspondence files.
 - Departmental expenses were calculated as a proportion of the total administered expenditure for delivery of the collection points and their ongoing operational costs, as per Key assumptions.
- The capped funding of \$25 million was fully expensed in the first year of the policy, 2025-26.
 - Departmental expenses were estimated based on the cost of administering similar programs,
 and are in addition to the specified capped amount.
- Per the specifications, the national awareness/education campaign is modelled on the "Remade in Australia" campaign. The total funding for the campaign was fully expensed in the first year of the policy, 2025-26.

Financial implications were rounded consistent with the PBO's rounding rules.²

Data sources

Australian Government Data (2024) <u>ASGS Edition 3 (2021) Correspondence Files</u>, accessed 13 May 2025.

B-Cycle Battery Recycling (2023) <u>Battery Stewardship Council Consultation Paper: Request for input on existing postcodes for metro and regional rebate designations</u>, accessed 13 May 2025.

B-Cycle Battery Recycling (2025) Proposed B-cycle 2.0 Final Scheme Design, accessed 13 May 2025.

B-Cycle Battery Recycling (2023) Positive Charge 2022-23 Report, accessed 13 May 2025.

B-Cycle Battery Recycling (2024) B-cycle Progress Report July 2024, accessed 13 May 2025.

B-Cycle Battery Recycling (2024) <u>B-cycle scheme review - Consultation Paper July 2024</u>, accessed 13 May 2025.

² https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025,* Commonwealth of Australia.

Department of Finance, <u>Campaign Advertising by Australian Government Departments and Agencies - Report 2021-22 | Department of Finance.</u>

Attachment A – Battery and e-waste disposal – Financial implications

Table A1: Battery and e-waste disposal – Fiscal and underlying cash balances (\$m)(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Expenses													
Administered													
Collection points	-0.5	-0.4	-0.4	-0.4	-0.4	-0.5	-0.5	-0.2	-0.2	-0.2	-0.2	-1.7	-3.9
Funding for local councils and Recycle Mate	-25.0	-	-	-	-	-	-	-	-	-	-	-25.0	-25.0
Total – administered	-25.5	-0.4	-0.4	-0.4	-0.4	-0.5	-0.5	-0.2	-0.2	-0.2	-0.2	-26.7	-28.9
Departmental													
Collection points												-0.1	-0.2
Funding for local councils and Recycle Mate	-1.5	-	-	-	-	-	-	-	-	-	-	-1.5	-1.5
National awareness and Education campaign	-21.4	-	-	-	-	-	-	-	-	-	-	-21.4	-21.4
Total – departmental	-22.9											-23.0	-23.1
Total – expenses	-48.4	-0.4	-0.4	-0.4	-0.4	-0.5	-0.5	-0.2	-0.2	-0.2	-0.2	-49.7	-52.0
Total (excluding PDI)	-48.4	-0.4	-0.4	-0.4	-0.4	-0.5	-0.5	-0.2	-0.2	-0.2	-0.2	-49.7	-52.0

⁽a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

^{..} Not zero but rounded to zero

⁻ Indicates nil.

Table A2: Battery and e-waste disposal – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Fiscal balance	-1.1	-2.2	-2.3	-2.4	-2.6	-2.7	-2.8	-3.0	-3.1	-3.3	-3.5	-8.0	-29.0
Underlying cash balance	-0.8	-1.9	-2.3	-2.4	-2.5	-2.7	-2.8	-3.0	-3.1	-3.3	-3.4	-7.4	-28.2

⁽a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary³.

⁽b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

³ Online budget glossary – Parliamentary Budget Office (pbo.gov.au)