Submission – *NSW EPA Draft Product Lifecycle Responsibility Regulation*

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Prepared by Northern Sydney Regional Organisation of Councils (NSROC)

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1.0 Context

The Northern Sydney Regional Organisation of Councils (NSROC) is pleased to provide this submission to the NSW EPA on the draft Product Lifecycle Responsibility Regulation and Regulatory Impact Statement (RIS), while noting individual councils may also make independent submissions. This submission has been prepared with the input and support of our member councils but should be considered draft until formal NSROC Board endorsement.

NSROC is a voluntary association of eight local government authorities in Sydney. NSROC assists member councils collaborate on key issues and activities, develops regional solutions and generates social, environmental and economic benefits – for local communities and the region overall.

2.0 Introduction

NSROC strongly supports the introduction of the mandatory Extended Producer Responsibility (EPR) scheme for batteries, acknowledging its crucial role in **reducing fire risks** and **securing a funded collection pathway** for safe battery recycling and disposal. Our member councils operate Community Recycling Centres (CRC) at Artarmon and Thornleigh, which are primary municipal drop-off points for household problem waste (HPW) including batteries. NSROC submits that the current scope and funding model for the product stewardship regulation create a significant unfunded liability for local government, specifically impacting the operation of CRCs. The following recommendations are essential to ensure the success, safety, and equity of the scheme.

This submission focuses on three critical areas to ensure the new scheme is successful, sustainable, and does not create an unfunded liability shift onto local government:

- Scope and Funding Gap for Non-Regulated Batteries.
- Inclusion of Embedded Batteries (Vapes).
- Funding Mechanism and Council Reimbursement.

3.0 Key Issues and Recommendations

3.1 Scope and Funding Gap for Non-Regulated Batteries

The draft Regulation specifies batteries under 5kg as the core regulated product. Batteries falling outside this scope—primarily large Lead-Acid batteries and large Lithium-ion/Industrial batteries (over 5kg)—are currently collected at CRCs and funded under the NSW EPA's Household Problem Waste (HPW) program.

Issue: Risk of Unfunded Burden (The Funding Gap)

The new Product Stewardship Organisation (PSO) funding only covers regulated batteries. If the EPA's existing HPW funding for battery management is reduced or removed because of the PSO scheme's introduction, the full cost and risk of managing the larger, non-regulated batteries (e.g., car/boat Lead-Acid, large Li-ion packs) will shift entirely to Councils.

Recommendation: Guaranteed Funding for All Accepted Batteries

Ensure that the EPA's existing funding mechanism for HPW at CRCs is explicitly maintained or transferred to cover the costs (labour, storage, transport, recycling) of all non-regulated battery types (i.e., those > 5kg) that CRCs are currently required to accept. This must prevent an unfunded liability shift to member Councils.

Recommendation: Phased Inclusion of Large Lead-Acid and Li-ion

Commit to a clear, achievable timeline (e.g., within 3 years) for the mandatory EPR scheme to expand its scope to cover all residential-scale Lead-Acid and Lithium-ion batteries used in home energy storage (HES) or large appliances, that are currently outside the 5kg limit.

3.2 Clarification on Embedded Batteries (Vapes)

The inclusion of batteries embedded in devices is vital, and NSROC welcomes the coverage of e-micromobility. However, clear, unequivocal inclusion of all single-use battery powered devices like disposable vapes is necessary.

Issue: Vape Inclusion and Illegal Products

Disposable vapes, a significant source of fire risk and environmental contamination, must be unambiguously included. As noted in the recent EPA presentation[1] vapes make up a significant proportion of materials collected by CRCs under the embedded battery trial. Most vapes do not contain rechargeable batteries and the batteries cannot be easily removed. Therefore, it would appear they fall outside the scope of the Regulation. Uncertainty also exists on how to levy products that may have been supplied illegally.

Recommendation: Explicitly Include All Vapes

The Regulation should explicitly list "disposable and rechargeable vaping devices" as regulated products, ensuring their embedded batteries are covered, regardless of the legality of the product's sale (if the battery itself is supplied into NSW).

3.3 Operational / Safety Impacts and associated Costs

The distinction between regulated and unregulated batteries under the proposed Regulation creates significant operational challenges and unfunded liabilities for Community Recycling Centres (CRCs).

Issue 1: Increased Segregation and Space Requirements

Introduction of the new regulation is likely to lead to an increase in battery drop-offs necessitating enhanced storage solutions and changes to collection schedules. The distinction between regulated and unregulated batteries under the proposed Regulation creates significant operational challenges and unfunded liabilities for CRCs. The mandatory product stewardship scheme requires CRCs to manage at least four distinct streams of battery waste, necessitating separate storage protocols and dedicated infrastructure as show in **Table 1**. This directly increases the physical footprint and complexity of the CRC facility.

Table 1: Battery Segregation at CRC under new PS Regulation

Battery Stream	Regulation Status	Collection & Storage Requirements	Assumed Funding Source
Regulated Lithium-ion (<5kg E-micromobility)	In scope	Requires dedicated, fire-rated storage compliant with the Product Stewardship	Producer Funded (via PSO)

[1] EPA Community Recycling Centre Embedded Battery Trial – Operational feedback and information, MS Teams meeting, 28 October 2025

Battery Stream	Regulation Status	Collection & Storage Requirements	Assumed Funding Source
		Organisation (PSO) and fire safety codes.	
Unregulated Embedded battery devices e.g. disposable vapes	Out of scope	Requires dedicated, fire-rated storage compliant with the EPA Embedded Battery trial and fire safety codes.	EPA via Embedded battery trial
Unregulated HPW Batteries (Lead-Acid, Large Li-ion >5kg,)	Out of scope	Requires separate, dedicated storage bays (e.g., for lead-acid) and specialised containment for large format lithium.	Council/EPA (via HPW Program)
Damaged/Quarantine (Hot, swelling, leaking Li-ion)	Includes both in and out of scope	Requires immediate, designated isolation in a quarantine area (e.g., dry sand/ containment drum).	Council/EPA (Initial response)

This segregation imposes a direct and unfunded cost on Councils for additional floor space, specialised equipment, and adherence to complex storage/reporting requirements for each stream.

Recommendation: Undertake separation of regulated/unregulated batteries at a centralised facility not CRCs

Any separation of batteries at CRCs should be minimised. We would recommend majority of separation, including between regulated and non-regulated batteries, occurs at centralised receival facilities by contractors engaged through the current EPA HPW collection program and funded from revenue received through the new product stewardship scheme.

Issue 2: Unfunded Training and Time Burden on Operators

The necessity for frontline staff to differentiate between these streams creates a time-consuming administrative and safety burden:

- **Expert Identification:** Operators require specialised training to visually distinguish between a regulated small battery and an unregulated large one, or to identify a swelling, high-risk lithium-ion battery that must be immediately quarantined.
- **Dual Administration:** Staff must manage separate reporting and handover processes for batteries collected under the producer-funded scheme (PSO) versus those managed under the existing EPA funded scheme (HPW). This will be very difficult to implement at most CRC's given the high number of visitors and therefore the ability to inspect each load, assess the material and separate, report as needed is limited.
- **Safety Risk:** The increased handling and reliance on human judgment at the point of drop-off **elevates the immediate fire risk** at the facility, requiring enhanced safety protocols and certified training.

As the CRC will receive both regulated and unregulated batteries, the CRC may need to review existing safety measures due to increase in batteries to prevent incidents related to battery fires, including proper storage and handling procedures. CRCs may need fire risk safety assessments and potentially

upgraded fire management systems e.g. specialised lithium fire extinguishers, thermal detection systems, automated sprinkler systems etc; funding for these actions at CRCs should be made available through the PS Scheme if the CRCs are to be used as bulk take back centres operating at a significantly larger municipal scale to other PSO take back drop off locations.

Additional resources to manage changes in workload, which may include staffing adjustments and budget considerations. Presently the EPA HPW program does not cover the true costs incurred by Councils for labour, insurance, infrastructure, and rent required to collect and manage batteries safely at the CRC. This funding gap is likely to increase when the new regulation comes into effect, for the reasons outlined above.

Recommendation: Full Cost Recovery

The PSO's agreement with the EPA must guarantee full and transparent cost recovery for local government collection points (e.g. CRCs). The reimbursement model must account for the true operational costs of running a dedicated battery waste handling, segregation and collection service, not just the freight and recycling costs. The NSW EPA and the PSO should establish a dedicated CRC Operational Support Grant to cover the demonstrable costs associated with the new scheme, specifically including:

- **Specialised Training**: Certified training for CRC operators on battery identification, handling, and immediate thermal runaway incident response.
- **Infrastructure**: Funding for the research, design and purchase of additional, necessary equipment / infrastructure, such as fire management systems (e.g. specialised lithium fire extinguishers, thermal detection systems, automated sprinkler systems etc), segregation barriers, and emergency quarantine drums.
- **Administration**: Support for the increased staff time and complexity required to manage dual-stream reporting and logistics.

4.0 Conclusion

NSROC strongly supports the introduction of the mandatory EPR scheme for batteries and is committed to being an effective partner in its delivery. By implementing these recommendations, the NSW Government can ensure the scheme achieves its primary objective—reducing fire risk and environmental harm—while providing the necessary financial stability and clarity for local governments that serve as the critical front line for battery collection.