



Environment Protection Authority

Batteries product stewardship reform – explanatory document

October 2025



A vertical strip of decorative Aboriginal artwork on the left side of the page. It features a variety of traditional patterns, including concentric circles, wavy lines, and geometric shapes, rendered in shades of blue and white.

Acknowledgement of Country

The NSW Environment Protection Authority acknowledges the Traditional Custodians of the land on which we live and work, honours the ancestors and the Elders both past and present and extends that respect to all Aboriginal people.

We recognise Aboriginal peoples' spiritual and cultural connection and inherent right to protect the land, waters, skies and natural resources of NSW. This connection goes deep and has since the Dreaming.

We also acknowledge our Aboriginal and Torres Strait Islander employees who are an integral part of our diverse workforce and recognise the knowledge embedded forever in Aboriginal and Torres Strait Islander custodianship of Country and culture.

Aboriginal artwork by Worimi artist Gerard Black

1 Overview

This document provides a short overview of the NSW Government's proposed Regulation for mandatory product stewardship for certain types of batteries. The formal title of this proposed Regulation is the Product Lifecycle Responsibility Regulation 2025.

The proposed Regulation is being made under the *Product Lifecycle Responsibility Act 2025* (the Act), which passed the NSW Parliament in March 2025. The Act strengthened and expanded NSW's legislative framework for product stewardship. While the Act allows for regulations targeting any product, the first product proposed to be regulated will be batteries.

Since 2024, battery-related fires from e-micromobility devices and consumer electronics have killed four people, injured 324 and caused 1,000 evacuations and extensive property damage.

Battery fires are a growing threat to human health and the environment, driven by the poor design, management, handling and disposal of lithium-ion batteries and products powered by them. The main purpose of the proposed Regulation is to increase the safe collection of end-of-life batteries, reducing the risk of their improper disposal and fires.

Future regulations are planned and will address other battery types such as those embedded in consumer electronics, in home batteries (such as power walls) and batteries in electric vehicles.

Key concepts in the Product Lifecycle Responsibility Act and proposed Regulation

The *Product Lifecycle Responsibility Act 2025* has provisions that can be used to reduce the potential harm of a product throughout its lifecycle. The Act itself does not set requirements or obligations. Instead, it provides regulation-making powers that can be used to make a Regulation that specifically addresses the product, the nature of the harm, and the policy objectives.

To set up a product stewardship scheme through the Act, a Regulation is needed.

The proposed Regulation has three main features:

- Formally establishing a 'product stewardship scheme' for regulated batteries. This would be the foundation on which all the other requirements in the proposed Regulation sit. This is done in section 5 of the proposed Regulation.
- Defining the 'regulated batteries' that the scheme applies to. This is critical to defining the scope of the scheme. This is done in sections 6 and 7 of the proposed Regulation.
- Establishing the 'product stewardship requirements' that apply to brand owners supplying regulated batteries into NSW. Product stewardship requirements are a key tool in the Act as they set out what brand owners must do and are minimum standards of behaviour or performance. These requirements are set out in section 9 and Schedule 1 of the proposed Regulation.

Mandatory product stewardship for batteries is a new area the NSW Government is stepping into. As this is the start of the process, it brings some uncertainty during scheme design. Accordingly, the approach will be reviewed to make sure we have the right settings in place to scale up the scheme over time. This review will focus on customer experience, whether the settings are keeping scheme

costs low, and whether the scheme is incentivising performance and the right behaviours – targets and other incentives will be considered during the review.

Product stewardship administration agreement

The PLR Act also contains provisions allowing the NSW Environment Protection Authority (EPA) to enter into a stewardship administration agreement with a product stewardship organisation (PSO). A PSO is an entity that manages a product stewardship scheme on behalf of brand owners. A stewardship administration agreement is a confidential legal document that underpins a PSO's performance. It may include penalties if a PSO breaches the conditions of the agreement and will be used to encourage good performance.

Action plans

Another tool in the Act is the action plan. These are intended to be public-facing documents prepared by either a brand owner or a product stewardship organisation (if there is one) and outline how they intend to meet their regulatory requirements. The EPA as regulator must approve an action plan and can set conditions or make directions that must be complied with.

The schematic on the following page outlines how the regulatory model is proposed to operate. Further detail about the model is in the table at the end of this document. This includes:

- how the proposed Regulation will allow the setting up of the scheme
- how it is expected to function once the scheme is operating
- how it would function if there was no product stewardship organisation with an agreement with the EPA.

Governance of product stewardship organisations

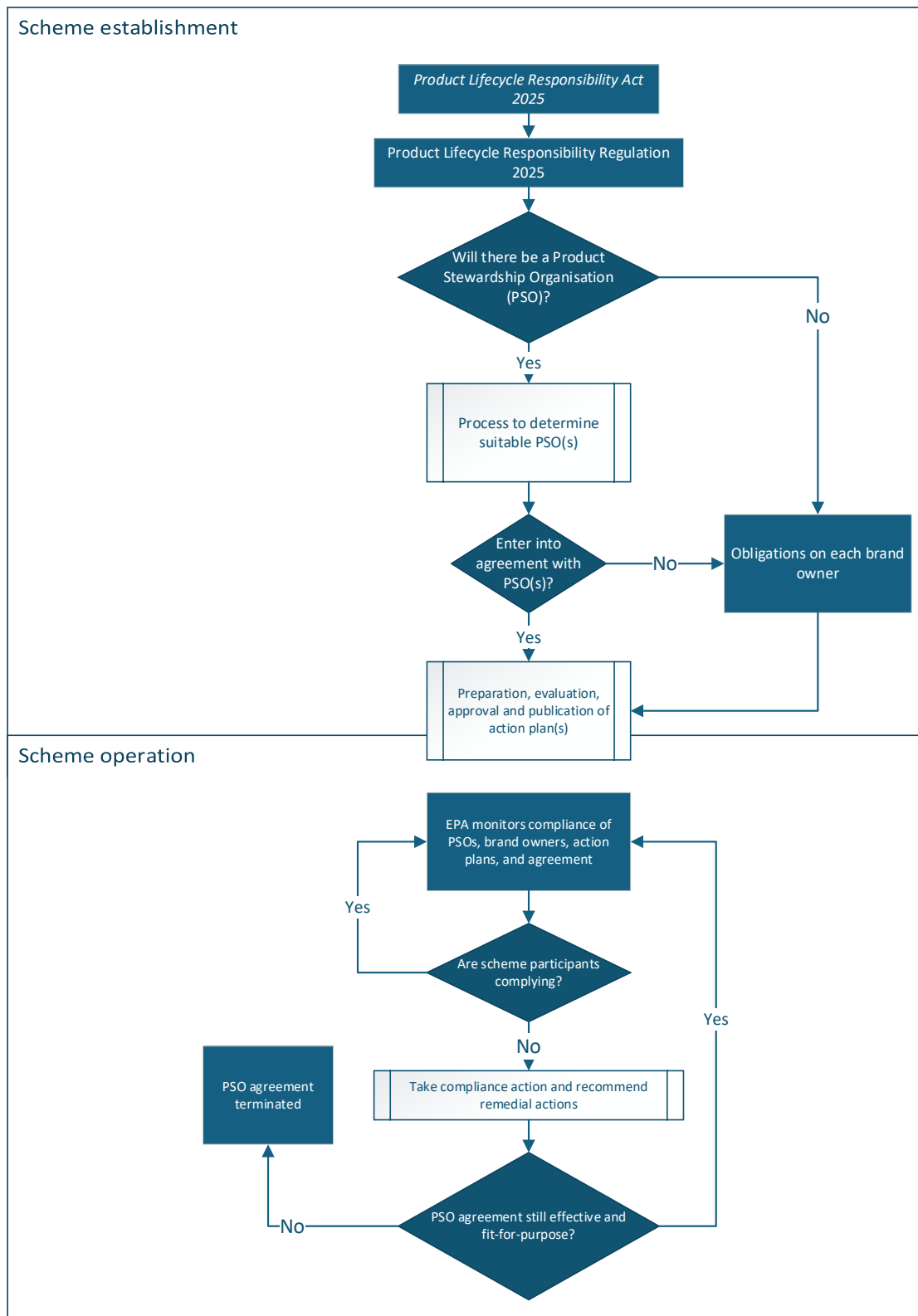
Financial sustainability is an important aspect when considering the viability of a product stewardship organisation. When determining whether to enter an agreement to administer a scheme under Section 22(4) of the Act the EPA must consider:

- (a) whether the applicant is a fit and proper person to enter into, and fulfil the obligations imposed by, the agreement, and
- (b) whether the stewardship administration agreement adequately deals with
 - (i) governance and organisational matters, including procedures for decision making and dispute resolution,
 - (ii) financial arrangements and funding to achieve the outcomes of the agreement,
 - (iii) assessing the adequacy of the environmental, health and safety policies and practices in relation to the activities undertaken under the agreement,
 - (iv) monitoring and evaluating the performance of the agreement in achieving the outcomes of the agreement,
 - (v) managing risk in relation to the operation of the agreement, and
- (c) may consider other matters the regulator considers relevant.

In the agreement and action plan the EPA will consider how the fee methodology proposed by a product stewardship organisation will appropriately balance the conflict between keeping costs down and recovery outcomes.

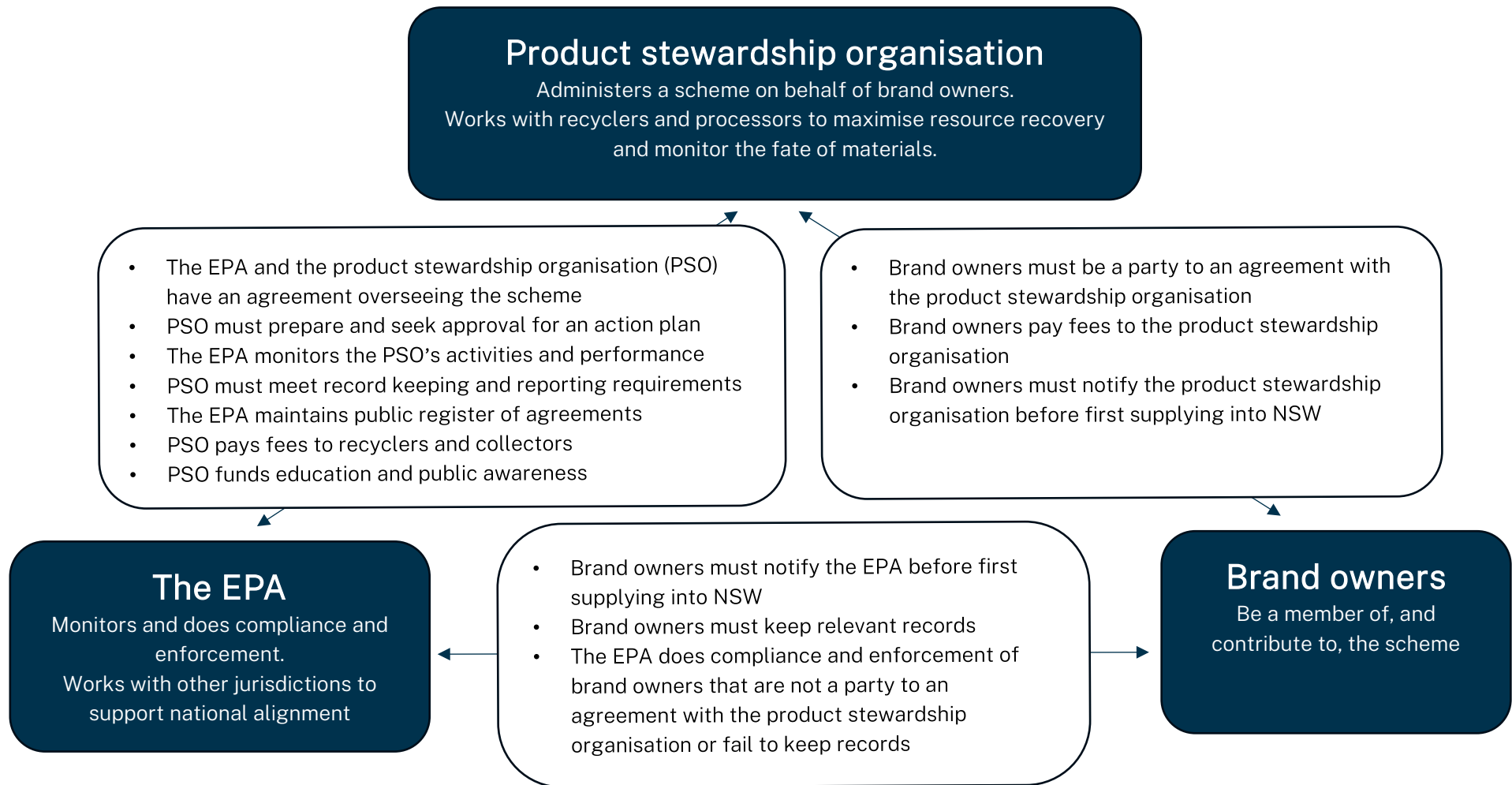
2 System process overview

The Regulation allows for several different options. It has been designed to be agile and scale up as required. The following system process flow chart provides an overview of how the system works.



3 Roles and responsibilities under the proposed Regulation

The EPA intends to have a product stewardship administration agreement (or agreements) with a product stewardship organisation(s). Under this model, the roles and responsibilities would be as shown below.



4 Intended operation of the Regulation

The following sections outline the intended operation of the regulation under different scenarios.

Before a scheme starts

Administration agreements	Action plans	Brand owner requirements
• The EPA proposes to run a competitive process to identify a suitable product stewardship organisation(s) before starting negotiations on the final agreement. • The EPA would enter into an agreement with a product stewardship organisation(s) to administer the scheme for regulated batteries. The proposed Regulation does not limit the number of product stewardship organisation agreements that could be made. • The EPA must consider key criteria before entering into the agreement, for example the product stewardship organisation's governance and operational matters, key performance indicators (this could include recovery rates, access and coverage), and financial arrangements (see section 22(4) of the PLR Act for the full list).	• Any product stewardship organisation with an agreement with the EPA will need to prepare an action plan within three months after entering into an agreement. • The overarching criteria of an action plan are specified in Schedule 2, section 1 of the proposed Regulation. • The product stewardship organisation will need to submit their action plan to the EPA for approval.	• Brand owners would need to join the relevant product stewardship organisation by entering into a product stewardship arrangement (described in the proposed Regulation as being “a party to an agreement” with a product stewardship organisation). • Joining a product stewardship organisation is a ‘product stewardship requirement’, as per section 9(1)(a) of the proposed Regulation. • Failing to comply with a product stewardship requirement is an offence under section 10 of the PLR Act.

When a scheme is operating

Administration agreements	Action plans	Brand owner requirements
- While the scheme is operating, the product stewardship organisation(s) must comply with their stewardship administration agreements. They also become the 'responsible entity' for the purposes of the proposed Regulation. - The EPA has broad powers to monitor, vary, audit and terminate an agreement, as per sections 25-27 of the PLR Act. - Product stewardship organisations must keep records (section 12 of the proposed Regulation) and prepare quarterly and annual reports (including financial performance) (section 14 of the proposed Regulation). - A product stewardship organisation is committing an offence if they fail to comply with their record keeping or reporting requirements, as per sections 11 and 13 in the PLR Act. - The content required in a product stewardship organisation's annual and quarterly report is specified in the proposed Regulation in Schedule 2, sections 2 and 3 respectively.	- Product stewardship organisations will need to comply with their action plan (this may include targets such as access, recovery etc.) while the scheme is operating. - The EPA has broad powers to vary or revoke an action plan, as per section 20 of the PLR Act.	- Brand owners would need to notify the EPA and the relevant product stewardship organisation before first supplying their product into NSW. This provides visibility of who is supplying regulated batteries. - Failing to notify before first supply is an offence under section 12(1) of the PLR Act. - Brand owners would need to keep relevant records (as per section 11 of the proposed Regulation). - Brand owners would need to provide an annual report to the EPA and the relevant product stewardship organisation, as per section 12(2) of the PLR Act. - A brand owner is committing an offence if they fail to comply with their record keeping or reporting requirements, as per sections 11-12 in the PLR Act.

If there is no product stewardship organisation

Administration agreements	Action plans	Brand owner requirements
• Sometimes a product stewardship administration agreement can't be made or has lapsed, or the EPA chooses to terminate the agreement with a product stewardship organisation. This is not the policy intent, rather it is a contingency option. • In this case, there would no longer be a product stewardship administration agreement and brand owners would now become the 'responsible entity' in the proposed Regulation. • Brand owners would not have an agreement with the EPA.	• Brand owners would each need to prepare their own action plan and submit it to the EPA for approval. • Each brand owner's action plan must address the matters in Schedule 2, section 1, i.e. the same matters for a product stewardship organisation's action plan. • The EPA has broad powers to vary or revoke an action plan, as per section 20 of the PLR Act, including adding extra conditions. • If a brand owner supplies a regulated battery not according to the action plan, they would be committing an offence.	• Brand owners would still need to notify the EPA before first supplying their product into NSW. • Brand owners would need to keep relevant records (section 11 of the proposed Regulation) and prepare annual reports (section 13 of the proposed Regulation). Failure to do so would be an offence under the PLR Act (sections 11 and 12). • Without a product stewardship organisation, brand owners must now meet the product stewardship requirements outlined in Schedule 1 of the proposed Regulation. Failing to comply with these product stewardship requirements would be an offence, as per section 10(1) of the PLR Act. • The requirements in Schedule 1 are split in two parts – Part 1 for general requirements and Part 2 for safety requirements. Failing to comply with a safety requirement attracts a higher penalty.



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