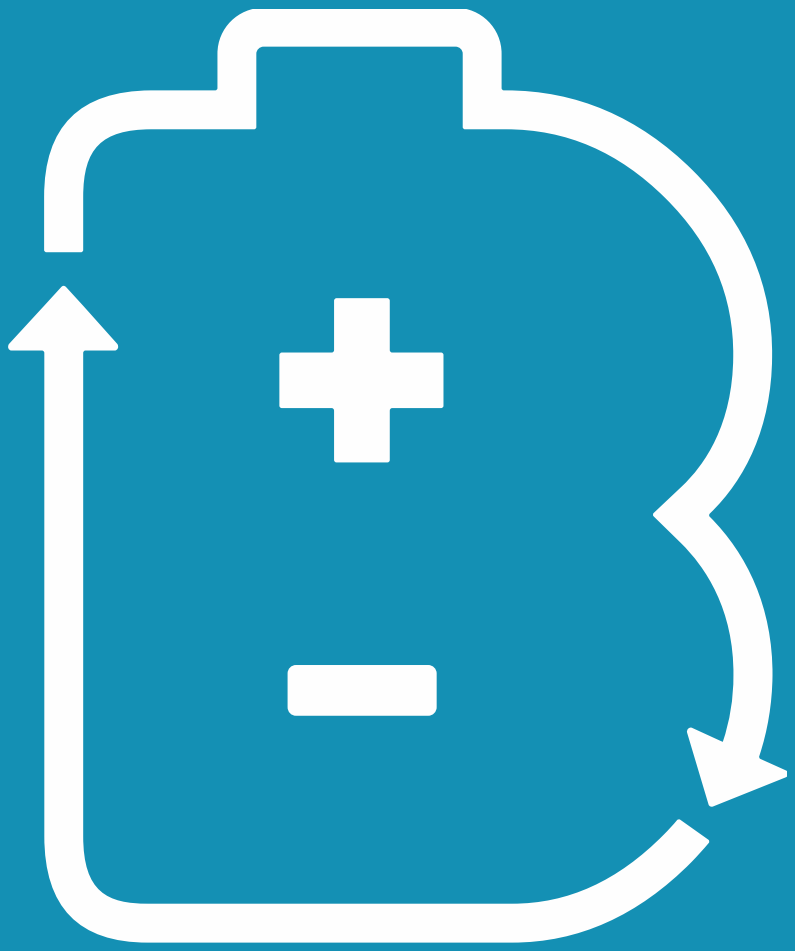


# B-cycle Importers

## Levy Collection Procedure

B-cycle Battery Recycling

Battery Stewardship Council

# Contents

## 1. BACKGROUND

William Buck, chartered accountants, have been engaged to provide an independent levy collection service to protect our members market share information and to ensure data integrity for the Battery Stewardship Scheme.

## 2. LEVY CONTRIBUTION REPORTING PROCESS

A step-by-step description of the levy reporting and payment process is shown below.

## 3. REPORTING AND PAYMENT TERMS

Each importer may determine their reporting and payment terms. Reporting of import data and payment of the levy will commence at the time of the organisation's participation in the Scheme.

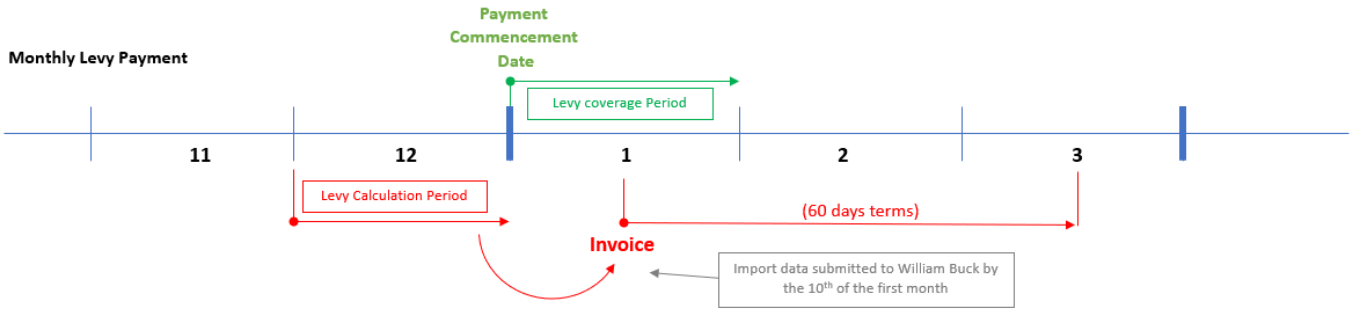
The options are as follows:

### 3.1. Payment in Advance calculated on Import Data

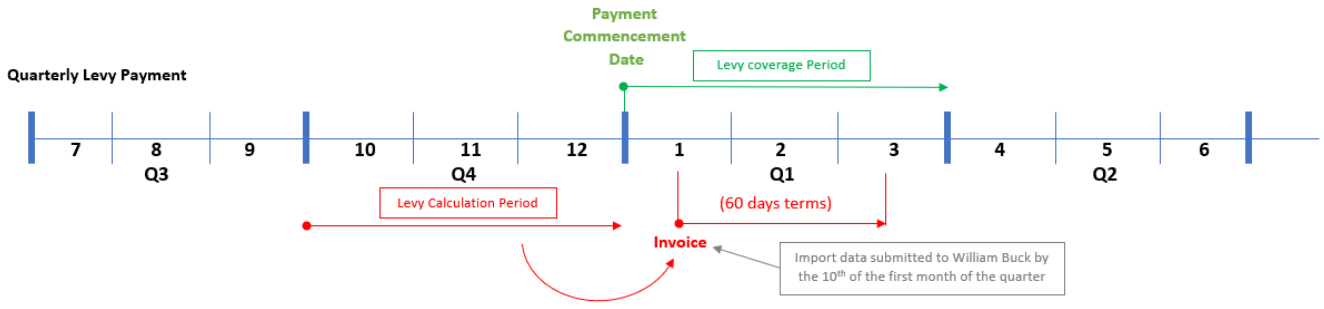
Reporting occurs at the commencement of the chosen payment period. Importation data from the prior period is used to calculate the Levy payment for that levy coverage period. Levy payments are payable 60 days from the invoice date.

There are 3 options, monthly, quarterly or annually.

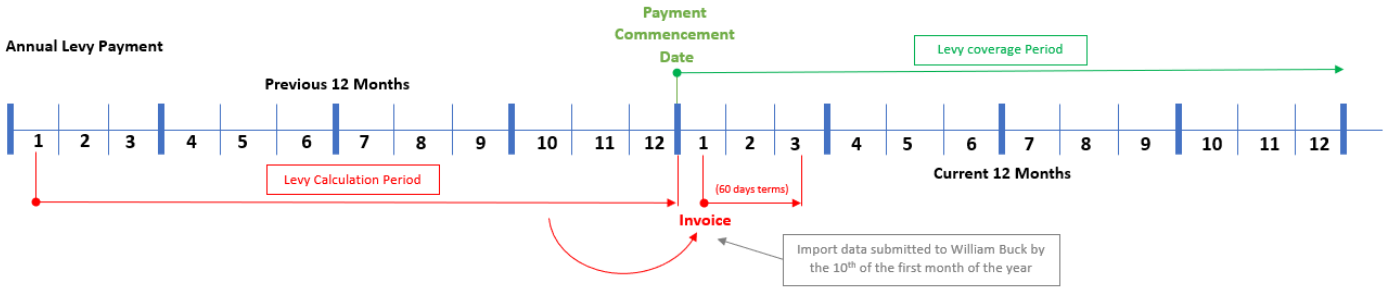
1. Monthly reporting where the monthly payment is payable at the commencement of the month;




2. Quarterly reporting where the quarterly payment is payable at the commencement of the quarter; or



3. Annual reporting where the annual payment is payable at the commencement of the year.



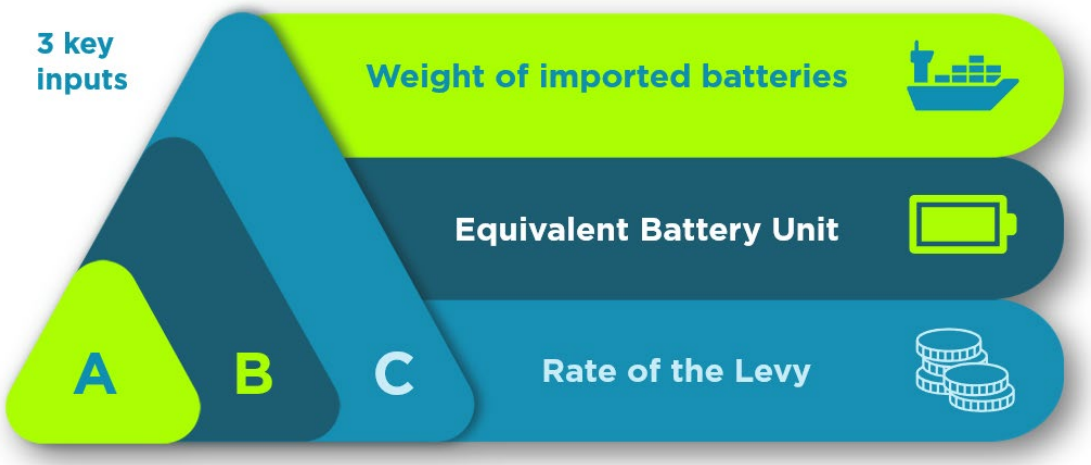

## 3.2. Levy procedure

| Who | Step | Indicative Timing |
|---|---|---|
| BSC | BSC provides Levy Information to the importer including the: Member profile, this procedure, the example levy calculation template. | Once Importer agrees to levy |
| BSC | Notifies William Buck of members who have agreed to pay the levy. | Once Importer agrees |
| BSC | Provides a member profile to William Buck summarising member information & obligation. | Within 5 business days |
| William Buck | Contacts importers to arrange Non-Disclosure Agreement. | Within 5 business days |
| Importer | Arranges appropriate vendor status for William Buck. | Within 5 business days |
| Importer | Facilitates an introduction for William Buck to the person responsible for uploading import data to the online portal. | Within 5 business days |
| William Buck | Establishes importer access to secure online data management system for levy contribution reporting. | Within 5 business days |
| Importer | Uploads import data in accordance with the agreed terms in the member profile within 10 days of that months' commencement | 1st – 10th of the month |
| William Buck | Provides an invoice to battery importer for the agreed levy contribution. | 10th – 15th of the month |

| Who | Step | Indicative Timing |
|---|---|---|
| Importer | Makes payment into William Buck Trust Account within agreed terms. | 60 days from invoice |
| William Buck | Reconciles payments made by importers. | 15th of the month & last day of the month |
| William Buck | Transfers deposited funds from the William Buck trust account to the BSC bank account. | 15th & last day of the month |
| William Buck | Provide updates and statements to the importer to summarise payments to date & outstanding payments. | 15th of the month |
| William Buck | Provides redacted/aggregated information, including a summary of aged receivables to BSC. | 20th of the month |
| BSC | Provides aggregated information to the Board and to stakeholders in Annual Reports and via the BSC website. | To be determined, but at least annually |
| BSC | Arranges for semi-regular audits by a third-party auditor to confirm import data and verify levy contribution. | As required |

## 3.3. Basis of the levy calculation

A template is provided to assist in calculating levy obligations which requires three key inputs needed as shown in the figure.



# LEVY COLLECTION PROCEDURE

Australian Government Accredited Product Stewardship Scheme

This Scheme is authorised by the Australian Competition & Consumer Commission (ACCC), accredited by the Australian Government, and has received financial support from the Australian Government and industry.

## 3.4. The rate of the Levy

The rate of the Levy is designed to cover the costs of the Scheme and has been capped at 4 cents per Equivalent Battery Unit (EBU). However, the currently rate of the Levy is set at the discount rate of 3 cents per EBU with the option for BSC to draw on the additional 1 cent if collection rates require the additional funds.

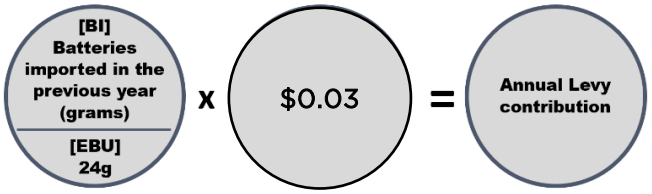
## 3.5. Levy payment schedule

Levy contributions will be paid in line with the chosen payment terms. That is, importation data from the agreed period is used to calculate the Levy payment for that payment period.

For example if a monthly payment in advance schedule is chosen the importation data from the previous month is used to calculate the levy payment for the next month's payment period. If an annual payment Schedule is chosen the importation data from the previous year is used to calculate the levy payment for the next year's payment period.

## 3.6. Levy formula

The formula below will be used to calculate the Levy amount. In this example the time-period is annual.




To understand how this works in practice the following guidance is provided:

| | |
|---|---|
| Weight of batteries imported | + Measured in grams<br>+ Calculated on the weight of the cells<br>+ Excludes packaging, housing & circuitry |
| Equivalent Battery Unit (EBU) | + 24 grams |
| Rate of the Levy | + The ACCC has authorised the Levy to be capped at 4 cents per EBU<br>+ The BSC has set the Levy at 3 cents with the opportunity to draw on a further 1 cent if collection rate requires it |
| Levy Commencement | + Levy payments will commence from the date of participation |

## 4. STEPS FOR CALCULATION THE LEVY CONTRIBUTION

The following steps are provided to assist importers to calculate their annual Levy contribution.

**PROCESS FOR LEVY CALCULATION**

### Step 1. Determine the total weight of in-scope batteries imported in the previous year

| Battery Type | | Weight of each battery type | Minus casings & circuitry (1) | Number imported (2) | Total weight of batteries imported (g) (1) x (2) |
|---|---|---|---|---|---|
| A | AA BATTERY | 24 | 24 | 120,000 | 2,880,000 |
| B | AAA BATTERY | 14 | 14 | 6,000 | 84,000 |
| C | CAMERA BATTERY | 56 | 56 | 6,000 | 336,000 |
| D | POWER TOOL BATTERY | 655 | 578 | 65,000 | 37,570,000 |
| | | | | | 40,870,000 |

| Step 1 | Calculate the weight (g) of in scope batteries imported in the previous year in grams (as shown above) | → | 40,870,000 |
|---|---|---|---|

### Step 2. Identify the equivalent battery unit (EBU)

The Equivalent Battery Unit is **24g** and is not subject to change.

| Step 2 | Identify the equivalent battery unit (EBU) in grams | → | 24 |
|---|---|---|---|

### Step 3. Confirm the current Levy rate with the BSC

The current rate of the Levy is 3 cents, or:

| Step 3 | Confirm the rate of the Levy | → | 0.03 |
|---|---|---|---|

### Step 4. Calculate the Annual Levy contribution

Calculate the total as shown below.

| Battery Type | Weight of each battery type | Minus casings & circuitry | Number imported | A Total weight of batteries imported (g) | B Number of EBU imported (A/24) | C Rate of the Levy | D Annual Levy B X C |
|---|---|---|---|---|---|---|---|
| A | 24 | 24 | 120,000 | 2,880,000 | | | |
| B | 14 | 14 | 6,000 | 84,000 | | | |
| C | 56 | 56 | 6,000 | 336,000 | | | |
| D | 655 | 578 | 65,000 | 37,570,000 | | | |
| | | | | 40,870,000 | 1,702,917 | $0.03 | $51,087 |

As a formula, this can be represented as follows.


## 5. LEVY PAYMENT OPTION FOR LOOSE BATTERIES WITH PRODUCT

Due to the challenges of capturing battery cell weight for loose batteries imported with a product the BSC provides two alternative levy payment options.

### 5.1. Published Levy Fee Calculation Method

The Levy Fee per Cell is published by the BSC. Participants then use the published fee, multiplied by the number of imports, to calculate their levy payment. The following table is calculated based on the current levy rate and will be updated by the BSC from time to time.

The Published Levy Fee in the table below is only applicable for the reporting of loose batteries imported with product. The Levy Fee for all other battery types should be calculated using the Standard Levy Rate Calculation Method based on actual cell weight and the then current levy rate.

Loose batteries imported with a product not appearing in the table below are non-standard battery types. In this case the Levy Fee should be calculated as for all other battery types using the Standard Levy Rate Calculation Method.

The battery weight used to calculate the Published Levy Fee is an average weight drawn from numerous sources and chemistry types. Actual cell weight may vary from this calculated cell weight.

| Loose Battery with Product Published Levy Fee Table | | |
|---|---|---|
| Cell Type | Weight per Cell (grams) | Levy Fee per Cell ($) |
| AAAA | 8 | $0.01 |
| AAA | 12 | $0.015 |
| AA | 24 | $0.03 |
| C | 70 | $0.088 |
| D | 145 | $0.181 |
| 9V | 45 | $0.056 |
| 6V Lantern | 650 | $0.813 |
| Button Cell (all types) | 10 | $0.013 |

### 5.2.10% Method (until 30 June 2024)

For companies who are significant importers of loose batteries, Levy may be calculated on 10% of annual sales or imports of loose batteries depending on which-ever is greater. This option is available only to organisations importing loose batteries with an annual levy payment of more than 15 million EBU or $450,000.

## 6. VERIFICATION PROCESS

Reported imports will be audited by an independent auditor on a semi-regular basis to verify that the numbers reported reflect a true and fair representation of the number of batteries imported.