REGULATORY IMPACT STATEMENT (RIS)

Prepared in accordance with the Australian Government Office of Impact Analysis (OIA) Guidelines.

Assessed Status: Standard Regulatory Impact Analysis Required.

1. Problem Characterisation & Policy Context

As quantified in Section 2 of the ABTS White Paper, asymmetric market information has resulted in substantial consumer detriment, misallocation of public capital via state-sponsored rebate schemes, and escalating localized safety vulnerabilities. Without immediate federal regulatory intervention, projections indicate that by 2030, over 450,000 residential battery systems will reach an un-warranted, degraded state prematurely, creating a high volume of un-recyclable electronic waste and severe financial losses for Australian households.

2. Identification of Policy Options

Three discrete regulatory pathways have been evaluated:

Option 1: Status Quo (Maintain Current Market Mechanisms)

- Maintain reliance on voluntary industry disclosure, *AS/NZS 5139* installation standards, and general Australian Consumer Law (ACL) remedies for deceptive conduct.

Option 2: Voluntary Labelling and Clean Energy Council (CEC) Listing Enhancements

- Collaborate with the CEC to establish a voluntary tier of enhanced disclosure on their approved product list, allowing premium manufacturers to adopt the label if they choose.

Option 3: Mandatory Implementation of the ABTS Framework via Legislation (Recommended)

- Enact the *Clean Energy Regulator Amendment (Battery Transparency) Bill 2026*, forcing comprehensive point-of-sale, on-product, and rebate-linked disclosure across all market participants.

3. Impact Analysis of Options

Option 1: Status Quo

- *Impact:* Avoids immediate compliance administrative costs for manufacturers. However, consumer detriment remains unchecked. The market continues to favor low-upfront-cost, short-lived systems that require multiple replacements, driving up lifetime costs for consumers and increasing landfill pressure.

Option 2: Voluntary Framework

- *Impact:* Only high-performing, premium manufacturers (e.g., LTO or advanced LFP producers) opt in. Sub-standard, cheap imports refuse to participate, continuing to exploit asymmetric consumer awareness. The core market failure remains unresolved for vulnerable low-income cohorts.

Option 3: Mandatory ABTS Framework

- *Impact:* Guarantees market-wide transparency. Displaces deceptive marketing techniques. While establishing an upfront compliance testing fee for manufacturers (~ $25,000 to $45,000 per product line for NATA certification), it establishes a fair and level playing field, drives down lifecycle ownership costs, and systematically mitigates structural fire and toxic gas risks across the grid.

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|                          REGULATORY OPTIONS TRADE-OFF                     |
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[Option 1: Status Quo]--> Low upfront cost | High long-term risk & waste
[Option 2: Voluntary]--> Solves high-end market | Fails vulnerable cohorts
[Option 3: Mandatory ABTS]--> Moderate compliance fee | Guarantees absolute
consumer safety and maximum asset value
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4. Consultation Strategy

The implementation of Option 3 will require a 6-month public and industry consultation period involving:

- **The Australian Battery Industry Association (ABIA) & Clean Energy Council.**
- **The Australian Competition and Consumer Commission (ACCC).**
- **The Australasian Fire and Emergency Service Authorities Council (AFAC).**
- **Major original equipment manufacturers (OEMs).**