

Brett Buckingham
Director: Engagement & Technology
Battery Stewardship Council

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Dear Mr Buckingham,

The AADA welcomes the opportunity to make a submission in response to the Electric Vehicle Battery Stewardship - Discussion Paper.

The AADA is the peak automotive industry body which represents Australia's franchised new car Dealers. There are approximately 1,500 new car Dealers in Australia that operate over 3,000 new vehicle dealerships. Franchised new car Dealers employ more than 59,000 people directly and generate \$59 billion in turnover and sales with a total economic contribution of over \$14 billion.

The AADA and its members welcome consultation on the development of an electric vehicle (EV) battery stewardship scheme in Australia and consider that encouraging manufacturers, importers, and distributors to take responsibility for EV batteries is vital to reducing the environmental and other impacts of these products.

Over the last few years, there has been an increased push towards government policies and initiatives to reduce transport related emissions, with some Australian states and territories aiming for 100 percent of new car sales to be EVs by 2035. While the true nature of EV uptake in the future is unknown, this figure highlights the urgency to develop an effective program to collect and recycle end of life EV batteries.

Australia's vast network of automotive Dealers are at the forefront of consumer interaction and are generally the first point of call for consumers when seeking to have their vehicles repaired and serviced. Given that Dealers are customer facing and have well established relationships with their clientele, it is inevitable that customers will return to them when their EV reaches the end of its life. As such, it is vitally important that when developing programs to manage end-of-life pathways for EV batteries Dealers are involved to ensure solutions are practical and workable for industry.

AADA members are currently managing end of life EV batteries in collaboration with the vehicle manufacturers, however, as the uptake of EVs in Australia increases it is essential that Australia moves quickly to explore and establish the infrastructure needed to recover resources and avoid the stockpiling of EV batteries and manage subsequent safety risks.

Dealers risk becoming a dumping ground for batteries where there is no clear delegation of responsibilities in all stages of a battery/vehicle life cycle. EV batteries should be provided with a serial number and be easily identifiable, traceable and accounted for to ensure that stockpiling, dumping or inappropriate use does not occur.



The AADA also recommends that a battery stewardship scheme for EVs should be informed by the work being done at the industry level on the prospect of a National End of Life vehicle product stewardship arrangement.

AADA responses to the consultation questions are detailed below.

1. What types of vehicles should be included in scope (now and in the future):

- **trains, buses, autonomous ships and aircraft, automobiles, and commercial vehicles and heavy transport?**

The AADA considers that all traction batteries including EV batteries should be included in a Stewardship scheme. The growing uptake of EVs in Australia as part of the country's ambitions to reach net zero emissions is not limited to passenger vehicles and regardless of transport modes, all battery packs used in EVs present similarities and challenges at end of life.

EV batteries contain many precious metals such as lithium, gold, silver, cobalt, manganese, nickel, and copper which if recycled and reused in an environmentally responsible way, can alleviate resource consumption and offer environmental and economic benefits. However, they also contain hazardous materials which if disposed of in an uncompliant way can cause environmental pollution and resource wastage.

Strong and targeted investment in EV battery stewardship and recycling infrastructure is needed now in order to avoid costly future fixes and avoid missing out on the economic opportunities offered by the recycling of used batteries.

2. What are current and emerging market failures in this sector with respect to electric vehicle batteries:

- **safe and independently verified collection, disassembly, and processing; stockpiling; recovery and recycling of orphaned, damaged, or out of warranty batteries?**

EV uptake in Australia is still in the early stages, with only around 2 per cent of new vehicle sales being EVs, and a majority of these have not yet reached their end of life¹. As such, the AADA is not aware of any current market failures in relation to recycling EV or hybrid batteries. Most EVs in circulation are currently managed under manufacturer in-warranty programs, which include EVs or hybrid vehicles being taken to an authorised Dealer/repairer where the battery is managed in accordance with manufacturer guidelines.

The AADA considers that Dealers are going to play a key role in any EV battery recycling and management programs, due to their ongoing relationship with EV consumers through their repair and service functions. Dealers see that there are a number of associated risks where there are no clear principles in place which outline how batteries should be transported, stored and handled.

¹ VFACTS National Report, Federal Chamber of Automotive Industries, May 2023

An emerging risk is a situation where EV batteries are becoming stockpiled in Dealer workshops while awaiting collection to be recycled or reused. This would present many occupational and safety risks and in order to avoid this, an EV battery stewardship scheme must set out clear criteria for the interaction between manufacturers, Dealers, and recyclers and the responsibilities of each party.

There are a number of other areas which need to be carefully considered when developing a stewardship scheme, these include, EV batteries which are out of the manufacturer's warranty period, abandoned EV batteries, and damaged vehicles which have been involved in accidents.

3. What do you see as the necessary components of an electric vehicle stewardship scheme:

- **e.g. accreditation, audit verification, traceability, recycling of all or orphaned batteries, funding model?**
- **are there specific things that should not be included in an EV battery stewardship scheme?**

The AADA considers that accreditation, transparency, traceability, recycling and a sufficient funding model are all key elements of an effective battery stewardship scheme. EV owners will want to be reassured that the battery in their end of life or repaired vehicle will be recycled, not dumped. This will also help to ensure that circular economy principles, particularly elimination of waste and pollution, and circulation of materials are incorporated into the life cycles of EV batteries.

Recycling EV batteries within Australia can contribute to the recovery of resources and remanufacturing for use in new products. Domestic recycling programs will also avoid the production of transport emissions which will occur if the batteries are shipped offshore for recycling.

Another necessary component of an EV battery stewardship scheme is buy-in from across the whole EV battery supply chain which includes battery manufacturers, importers or suppliers, retailers, consumers and recyclers. Governments will also play an important role in regulating the stewardship scheme to make sure others in the supply chain are adhering to their responsibilities in the stewardship process.

4. What do you consider to be essential policies or standards needed for future proofing EV battery stewardship in this space:

- **Reuse and Repurposing standards for EV batteries for 2nd life, efficient regulation for transport of used batteries, and funding.**

The AADA is supportive of standards aimed at the reuse (removal of an EV battery from one vehicle for use with another vehicle) or repurposing (the removal of an EV Battery and its components being repurposed for other uses) of EV batteries.

In order to ensure EV batteries are reused or repurposed, they must be easily identifiable and traceable in a stewardship scheme. Other international jurisdictions are undertaking research to determine how to accomplish this, for example, China has introduced a platform that traces batteries throughout their lifetime. As part of the

establishment of a battery stewardship scheme, this type of traceability or 'battery passport' should be explored.

Funding will also be another key element of an effective EV battery stewardship scheme. This could be in the form of a levy used to fund rebates for authorised collectors, processors and recyclers of end-of-life EV batteries.

Conclusion

The AADA is keen to continue to engage with the Battery Stewardship Council on the development of a fit for purpose EV battery stewardship scheme and leverage Dealers skills to ensure EV battery reuse and repurposing standards are adhered to and that EV batteries are stored and transported in a safe manner.

We would be happy to meet with you to discuss our submission and participate in any further consultation. If you require further information or clarification in respect of any matters raised, please do not hesitate to contact me.

Yours Sincerely,



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