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Dodd & Dodd Group
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19 February 2021

Dear Bill,

**Response to your letter
Used Lead Acid Battery Recycling in Australia**

Thank you for your letter regarding the state of the market for Used Lead Acid Battery Recycling in Australia. The contents of your letter were discussed at length at the December 16th Executive Meeting. It was agreed that the issues raised provide important context for the ABRI strategic planning for the coming year.

Export of whole used lead acid batteries

The Executive Committee understands Dodd's position that it is more environmentally sound, more economically efficient, and safer to export whole ULAB recovered in Western Australia for recycling than to transport them 4,000 km by road, rail, road across Australia. Ultimately this is a matter for the Department of Agriculture, Water and Environment to decide however their interpretation of the Basel Convention suggests that their position is unlikely to change.

Impact of capacity on the rate of ULAB recovered for recycling

Independent analysis of recovery rates for ULAB conducted on behalf of the BSC has not identified a problem with regard to recycling rates across the board, however ABRI is concerned about the potential market failure in remote areas of Western Australia. While we are not in a position to comment on commercial issues or pricing, we do believe that your letter does highlight a lack of data on ULAB fates in remote areas.

ABRI proposes to write to the WA government to highlight the potential problem and request that the Department work with ABRI to procure a detailed analysis of battery fates in WA. This information would provide independent and up-to-date information necessary to inform government policy and investment to ensure responsible management of ULAB batteries at end of life.

**Collection rates**

We note your concern regarding the voracity of the collection data, however ABRI is not really in a position to question the work of independent consultants who have consistently indicated high recovery rates in comparison to other sectors. While Dodd concludes that 20% of arisings are not being collected for recycling the BSC report makes a different conclusion as can be seen from Figure E-29 which indicates that of the 149,000 tonnes of used lead acid batteries reaching end of life, 135,000 were identified as being processed in Australia with 8% being disposed of illegally.

Pricing issues

You raised several issues relating to pricing which of course is important in determining the health of the market, however the Competition & Consumer Act 2010 prevents ABRI or any association from commenting on issues of competition or pricing.

Reporting of recycling rates

The Executive Committee discussed your suggestion that ABRI request the Department ask for tonnages of ULAB processors report recycled, broken, or landfilled. The Committee agreed that this would be a good initiative and will request the Department do so as part of the permit closure process. This information would be very useful in better understanding flows of ULAB and would assist the Department and industry to have greater confidence in future market analysis.

Illegal export

In your letter you requested that ABRI contact authorities recommending strong action be taken to discourage illegal export of ULAB. I can report that ABRI regulatory raises this issue with the Department, and to the Assistant Minister for Recycling Waste Reduction. The Executive agrees with you that illegal export is a significant problem and would like to see more being done in enforcement and reporting of illegal activity. ABRI has requested that a register of illegal action be established and at a meeting late last year the DAWE agreed to investigate potential for publishing illegal export violations or in the meantime inform ABRI regarding final outcomes.

Market failure in remote areas

In your letter you raise a concern that there exists a market failure in remote areas. While it is difficult for ABRI to verify independently that a market failure exists without conducting independent research, the Executive Committee believes that there is cause for concern. With this in mind ABRI proposes to take the following actions:

- write to the relevant WA and federal ministers to make them aware of this issue
- put the issue on the agenda for the Battery Stewardship Council and explore the potential for including ULAB in the scope of the Scheme in future, particularly for remote areas.
- raising the issue with the Australian Battery Industry Association
- request the WA government provide funding to analyse battery fates in remote areas
- reaffirm industries desire for a register of illegal action with the Department of Agriculture, Water and Environment.

**ULAB processing Australia**

ABRI appreciates Dodd's perspective that some proportion of Australia's ULAB are exported as lead paste and that this does not constitute recycling. The Executive Committee believes that this does highlight the need for future market analysis to more clearly identify battery fates and better define the meaning of 'recycling'.

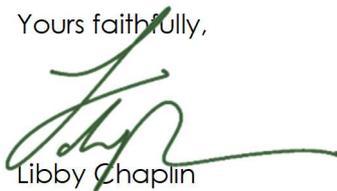
Strategic issues

In your letter you conclude that ABRI is losing focus by pursuing myopic aspirational objectives. While the Executive understands your disappointment regarding ABRI's ability to influence the export environment, it is disappointed this is your conclusion given the work conducted over the past few years to support members including:

- working to ensure that changes to the ADG does not negatively impact the industry
- working with the National Transport Commission to ensure members were aware of changes to the ADG that will impact them
- encouraging Governments to pursue harmonised regulation
- highlighting specific instances of illegal export activities to the DAWE
- raising concerns about illegal export to the Minister and to the Department
- raising concerns regarding the classification of whole lead and lead paste to the Department
- encouraging the Department to improve guidance regarding export requirements for ULABs.

As noted earlier, the Executive Committee has determined that the issues raised by Dodd and Dodd will provide important context for our upcoming strategic planning activities.

Yours faithfully,



Libby Chaplin
CEO, Australian Battery Recycling Initiative