FEDERAL CHAMBER OF AUTOMOTIVE INDUSTRIES

FCAI submission in response to:

Productivity Commission's Inquiry on Opportunities in the circular economy

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1. INTRODUCTION

The Federal Chamber of Automotive Industries (FCAI) welcomes the chance to respond to the Productivity Commission's Inquiry on Opportunities in the Circular Economy. We understand that this Inquiry aims at informing the Australian Government's policymaking regarding strengthening Australian circular economy by:

- investigating and reporting on the potential scope to lift Australia's materials productivity and efficiency,
- identifying and prioritising the circular economy opportunities across the Australian economy, and
- identifying the barriers to enhanced materials productivity and the prospective approaches to addressing them.

The FCAI is the peak Australian industry organisation representing over 60 global automotive brands who design, manufacture, import, distribute and sell light duty passenger vehicles, light commercial vehicles, and motorcycles in Australia. FCAI members supply about 96 per cent of new vehicles to the Australian market each year, across more than 380 models supported by almost 4,000 dealers.

We bring together our members (as listed on our website) to consider changes to their operating environment, develop industry-wide positions, and drive collective initiatives for the benefits of our members, their consumers and the broader industry.

Thanks to a $1 million grant awarded at the end of 2021 under the Australian Government's Product Stewardship Investment Fund, the FCAI – in collaboration with the Motor Trades Association of Australia – undertook extensive research and broad consultation regarding the recovery of End-of-Life motor Vehicles (ELVs). 'The Outlook for End-of-Life Vehicles in Australia' report released in August presents the key findings and recommendations from this research.

With an estimate of 850,000 vehicles reaching end-of-life every year from a park of 19.78 million registered passenger vehicles and light commercial vehicles[1], and a current resource recovery rate focused on metals of about 70%, approximately 400,000 tonnes of materials end up being landfilled (or exported without visibility) every year[2]. This potentially represents 2% of all landfilled waste in Australia based on the 2022 National Waste Report estimating that approximately 20 million tonnes of waste were landfilled in 2020-21.

The solutions to increase the Australian ELV recovery rate are multipronged, complex and will require time to design and implement but the success that other developed countries

are achieving with recovery rates over 90%, some even with rates over 95%, demonstrate that opportunities exist.

Since the end of the grant work in June 2023, the FCAI has been advocating for the establishment of a co-regulatory product stewardship scheme with minimal but indispensable government interventions required at the onset to align Australia with other developed markets.

As described in this submission, two key government actions are needed to unlock the current situation and allow industry to progress on improving ELV recovery in Australia:

- **Mandatory Proof of Responsible Disposal**: Require state and territory vehicle registration authorities to obtain formal evidence of ELV disposal and destruction before allowing the deregistration of a vehicle. This evidence would be issued by accredited collection and treatment facilities (ACFs / ATFs) based on a nationally consistent template developed by the Producer Responsibility Organisation administering the co-regulatory scheme. It would ensure all ELVs can be monitored throughout the ELV ecosystem and their recovery rate individually measured and reported upon.

- **National ELV Management Standards**: Consolidate environmental and waste handling regulations for ELVs under a nationally consistent accreditation and licensing scheme for businesses involved in ELV collection and treatment (e.g., dismantlers).

These recommendations are intentionally focused, acknowledging the capacity constraints faced by Australian governments in enabling circularity across many sectors and products.

The need for action is emphasised by the continuous increase of the Australian car park as our population grows, the increasing proportion of non-ferrous metals, plastics, electronic equipment and rare earth metals in ELVs, and the need to recover the traction batteries from the growing share of electric vehicles that will reach end-of-life from 2035.

We firmly believe the time for engagement on this important issue is now and we hope that this submission will enable the Productivity Commission to convey this opportunity to the Australian Government. The automotive industry that FCAI represents stands ready to work with governments and the broader ELV industry to support the transition to a more circular economy.

2. CIRCULAR ECONOMY SUCCESS STORIES AND MEASURES OF SUCCESS

Despite continuous global improvements in vehicle design and some spontaneous market responses to recover valuable materials from end-of-life vehicles, Australia's 70% recovery rate lags significantly behind other developed countries.

As industry stands ready to play its part, targeted government interventions are required to unlock the current situation and enable wide-spread benefits in environmental protection, material recovery, industrial developments, job creation, vehicle theft prevention, and vehicle safety.

2.1 Circular economy activities already occurring

A vehicle passes through many stages across its lifecycle. It is first designed and manufactured by an overseas Original Equipment Manufacturer (OEM), where it is then imported into Australia to be distributed for sale. Once purchased, the vehicle is subject to many forms of ownership and uses until it reaches its end-of-life. A vehicle is determined to reach its end-of-life stage when it ceases to be working or be complete due to incidental or accidental damage, unroadworthiness, vehicle age, or at the owner's request.

Vehicles are the subject of increasing global and domestic efforts led by the OEMs (and their global supply chain partners) to reduce their impact on the environment and increase opportunities for circularity:

- OEMs continuously look to optimise their manufacturing processes to reduce waste and recover scrap materials for re-introduction in the manufacturing process.

- OEMs also consider the resourcing risk and emissions of their input materials, and increasingly consider opportunities to introduce recycled content into new vehicles (e.g. metals, plastics).

- OEMs design vehicles for durability as demonstrated by the extended warranties commonly offered on new vehicles. In 2000, vehicle warranties commonly had a 3-year / 100,000 km term when they can now reach 10 years and apply with unlimited number of kilometres.

- OEMs design vehicles for repairability. They bring genuine replacement parts to the market and make repair methods and other technical information available to franchised and independent repairers. The Australian repair industry is particularly active as it employs 158,500 workers across over 27,000 businesses[3].

- OEMs design vehicles for dismantlability with, for instance, some brands getting their pre-production test vehicles through disassembly lines to identify design elements that assess how practical it may be to dismantle a vehicle, and then embed those findings to improve future designs.

- At the end of life, the ELV will typically reach one of the 1,500 auto dismantlers operating domestically. The dismantlers are expected to undertake a process of depollution to remove hazardous components (e.g. oils, remaining fuels, coolants) under state-based environmental regulations, before undertaking a manual dismantling process to harvest used parts. Some dismantlers use inventory systems to catalogue the recovered parts and place them on the market for resale.

- Specific parts are directed to recycling by dealers, repairers and dismantlers at the end of their life (when they need to be replaced during the life of the vehicle, or at the end of life of the whole vehicle). Notably:

  - Approximately 90% (or 145,000 tonnes)[4] of used lead-acid batteries are recycled annually in Australia thanks to the financial value of lead. The recycling process has a recovery rate of 97% with the lead being smelted and refined to produce new lead used to manufacture new batteries or other products, while the plastic casings are also recycled and used to make new battery cases or other plastic products.
  - Approximately 97% of passenger vehicle end-of-life tyres (EoLTs) are collected[6] and either converted into crumb rubber used in road construction, converted into energy as tyre-derived fuel in energy-intensive industries (mainly for export to Japan and South Korea), or legally disposed of in landfill where there are no appropriate alternatives available.
  - Many OEMs are establishing contractual relationships with domestic battery recyclers to organise the safe collection, transport and pre-processing into black mass of high-voltage traction batteries present in electric vehicles. These current efforts are targeted at batteries under the OEM responsibilities and subject to recalls or warranty terms rather than actual end-of-life. The black mass is a valuable mixture of materials recovered from spent lithium-ion batteries which is then sent overseas for material separation and refining before individual critical minerals can be reinjected into manufacturing of batteries or other products.

- Research and trials are also underway to determine the opportunities for the reconditioning or repurposing of EV batteries, noting for instance collaboration efforts between OEMs and aftermarket businesses like Infinitev.
- Even though more sporadically, some plastic parts from ELVs can be directed to recycling. For instance, bumper bars are often made of a single plastic type that can be recycled and used to manufacture a range of products. As an example, Boxhead Plastics is a social enterprise and charity that has so far saved over 87 tonnes of bumper bar plastic waste from ending up in landfill[5].

- After dismantling, the ELV is then crushed or baled and typically transported to a metal processor to shred. This process allows for the recycling of the ferrous (e.g. steel) and non-ferrous (e.g. aluminium, copper, zinc) metals. The remaining material compound – made of plastics, glass, fibres and residual metals – commonly referred to as Automotive Shredder Residue (ASR) – may be further refined to extract more metals but is ultimately landfilled.
  To note, a noticeable but unknown proportion of ELVs avoids this shredding and metal recovery process and instead gets exported.

Between the recovery of used parts and the metal recycling, we estimate that the recovery rate of ELVs in Australia is currently in order of 70% of the average mass of a vehicle. There remains significant room for improvement on the whole vehicle and its components parts.

2.2 Potential to move to a more circular economy

Multiple leading jurisdictions typically achieve resource recovery rates of 90% or above through planned and targeted interventions. Such jurisdictions include European countries (such as the Netherlands, Belgium, France, Ireland), the UK, Japan and South Korea.

The success of these leading jurisdictions is no accident. Years of effort, including national initiatives in the 1990s and the EU's 2001 ELV Directive, have fostered a proactive environment with close collaboration between governments and manufacturers. Common foundations attributable to these jurisdictions' success include:

- Accredited and licenced Collection and Treatment Facilities (ACFs and ATFs) where only authorised operators are permitted to collect, accept, treat and/or dispose of ELVs;

- Specific ELV regulations to enshrine minimum standards of ACF / ATF practice relating to environmental protection into national law;

- Certificates of Destruction which validate an ATF has appropriately destroyed the ELV in compliance with the prescribed standards;

- Continuous vehicle registration processes which combine with Certificates of Destruction to enable tracking of vehicles from cradle to grave and to ensure ELVs are brought to an authorised operator (ACF / ATF) and not exported; and

- Extended Producer Responsibility (EPR) which enforces obligations on manufacturers / importers for the post-consumer stage of the vehicle's lifecycle.

Beyond Australia's unique landscape and the absence of vehicle manufacturing which hinders OEMs individually getting directly involved in the recovery of ELVs or the collection of used / ELV parts for remanufacturing, the fact is that **none of these foundations are in place in our market at this point in time**. Some of these foundations could be partly implemented by industry itself, but all require government involvement to increase the likelihood of success and pace of any interventions.

We are of the view that **setting up these foundations in close collaboration between industry and government would unlock the current situation, dramatically improve the recovery rate of ELVs and open up a broad range of benefits.**

Prior to designing the right solutions for the Australian ELV ecosystem and investing into systemic improvements at scale, it is paramount to be able to formally identify when vehicles reach the ELV status and ensure all actors in the value chain – auto dismantlers, material recyclers, and shredders – effectively report on their recovery activities.

A formal certificate of disposal & destruction – which could only be produced by an Accredited Collection or Treatment Facility operating under mandatory minimum standards and reporting requirements and which would be required by the State and Territory Registration and Licencing departments for the deregistration of the vehicle, constitute the keystone for improving the Australian ELV ecosystem.

A central not-for-profit Producer Responsible Organisation (PRO) authorised by ACCC and approved by government would be established to orchestrate the co-regulatory product stewardship scheme, monitor progress and measure progressive success.

The following description of how an ELV scheme and its PRO would work is largely informative. It aims at setting the scene for the transformative journey that lies ahead for the Australian ELV ecosystem, and at demonstrating the readiness and willingness of the FCAI members to increase the level of recovery of ELVs.

Five core scheme design principles (and 32 scheme design considerations included in Appendix 1) have been developed as part of the grant work we undertook in 2022-2023 and would serve as an initial blueprint for the establishment of this PRO:

1. A scheme that maximises positive environmental impact and circularity of materials across the end-of-life vehicle value chain
2. A scheme that leverages best practices from global end-of-life vehicle schemes with a realistic velocity of implementation that is tailored to Australia's unique landscape

3. A scheme that considers existing policy context, leverages existing industry structures experience and integration with existing product stewardship schemes where feasible
4. A scheme that is transparent and equipped with appropriate levels of regulation and enforceability to ensure a nationally consistent and level playing field, whilst minimising excessive regulatory burden for stakeholders
5. A scheme that is equitable, accessible and incentivises participation whilst remaining economically sustainable to maximise the scheme's ability to deliver on its objectives and minimise the cost burden for all stakeholders

The proposed ELV scheme would cover 93% of registered vehicles in Australia. Its design would allow for the inclusion of other vehicle types (e.g. heavy vehicles, motorcycles) once there has been comprehensive learnings from its full implementation and a period of operation.

Funding of the ELV scheme may take many forms including producer/importer/distributor levies, consumer levy, government subsidy, licencing of ACFs/ATFs, and any shared model that leverages multiple funding sources. Funding may also be sourced at one or several touchpoints during the lifecycle of the vehicle including at the point and time of sale of a new vehicle, during the operation of the vehicle in parallel to its state-based registration, and / or at its disposal from the final owner to the ACF/ ATF. Ultimately, the costs would be borne by the end consumers either directly or indirectly, with consideration of the residual value of the ELV for the last owner.

The PRO would strategically allocate the collected funds to incentivise the ecosystem to meet the objectives, targets and obligations of the scheme. Whilst a full plan still needs to be developed through research, consultation, and prioritisation, the PRO would consider supporting:

- Additional manual dismantling effort for increase of used parts being re-introduced to the market or directed to recycling
- Recycling of ELV parts and materials pre-and/or post-shredding
- Further material separation at/post shredding
- Conversion of residual ELV waste to energy
- Upskilling / upgrade of domestic dismantling and recycling capabilities
- Research & Development to identify, develop and prioritise improved ELV treatments through processes, systems or new technologies
- Public awareness campaigns
- Coordination / collaboration with existing schemes (e.g. for tyres) to reduce administrative burden and avoid duplicating expertise

The funding regime would be expected to ramp up progressively based on the agreed activities and priorities to be funded by the PRO and its measured success on past activities. A high-level implementation plan was developed as part of the grant work and will be expected to serve as a starting point.

3. PRIORITY OPPORTUNITIES TO PROGRESS THE CIRCULAR ECONOMY

Although our research has given much confidence as to the feasibility of increasing the level of ELV recovery to that of other developed markets and has firmly established that a central Producer Responsible Organisation would be instrumental in monitoring progress, it has not focused on quantifying how an ELV recovery program would affect businesses and economic outcomes.

To assist the Productivity Commission in assessing the opportunity that an ELV recovery program represents, the following qualitative benefits should be considered:

- Diversion of significant amount of waste from landfill (with an estimated volume of ASR of almost half a million tons annually, acknowledging a significant portion of this disposal / landfilling may occur overseas following the export of ELVs and potential second life they may have in those markets).

- Direction of a significant feedstock of materials to the domestic recycling industry, supporting the growth of its capacity and capabilities.

- Generation of valuable recycled content that can be reinjected into manufacturing, domestically or overseas.

- Creation of new jobs in dismantling, recycling and shredding with higher skills than those required for landfilling. Conservative estimates state that 3 jobs can be created in recycling alone from every job in landfilling[7].

- Ability to follow leading markets in mandating the use of recycled content into new vehicles (which would be harder to set up and could lead to trade tensions if the recovery of ELV material is not effectively administered in our market to similar levels as others).

- Ability to set quality requirements on used parts that are re-introduced into the market and ensure their safety and performance for the vehicle owners, passengers and all road users. Today, this responsibility is left uncontrolled to individual dismantlers and repairers.

- Attraction of private investment in ELV improvement initiatives and activation of further R&D.

- Control of the export of ELVs and reduction of their environmental impacts on overseas countries. We understand the number of exported ELVs is increasing. This trend is reinforced when landfill levies that applies to ASR increase putting further pressure on metal recyclers and dismantling businesses. 30-50% of ELVs may be

currently exported with a lower level of recovered parts and unknown outcomes at the end destinations.

- Constraint to criminal activities around vehicle and parts theft by the administrative tracking of ELVs and any used parts dismantled from them and re-introduced in the repair market. As vehicles are not currently tracked at end of life, this allows for the targeted theft of vehicles, which includes dismantling and stripping of stolen vehicles and/or vehicle rebirthing. Profit motivated vehicle theft has historically been identified as concern and on the rise by both the Victorian Task Force Discover in 2014[8] and more recently Operation Neptune[9].

- Certainty as to the existence of the vehicle in the market, ensuring OEM and government recall efforts are not wasted on looking for vehicles that have actually exited the market.

- Potential longer-term trade opportunities in the Asia-Pacific region by supporting neighbouring countries in the management of their ELVs and the recovery of ELV materials, increasing the feedstock for Australian recyclers and the volume of recycled content produced.

4. HURDLES AND BARRIERS TO A CIRCULAR ECONOMY

As presented in Section 2.1, vehicles are the subject of increasing global and domestic efforts to reduce their impact on the environment and increase opportunities for circularity. All these measures contribute to the existing ELV recovery rate of approximately 70% of the average mass of a vehicle in our market.

Further systemic and at-scale improvements of the Australian ELV recovery system are however constrained by multiple factors, including:

- **Australia also has a unique geographic landscape** with vehicles dispersed across 7.7 million km^2 of land mass which makes collection and recovery an economic challenge. Global best practice often includes mandates for the availability and geographic coverage of accredited collection and/or treatment facilities in relation to their distance from the population. The proposed ELV scheme would ensure that ELV owners in Australia have an appropriate level of ACFs / ATFs.

- **The Australian ELV dismantling industry as a whole is largely uncoordinated** with approximately 1,500 motor vehicle dismantling and used parts wholesaling businesses in Australia – often small operators – with significant variation in their practice. Auto dismantlers can range from 'high' level operators who are considered to be compliant with the full range of environmental, OH&S, employment and taxation regulations, have sound inventory management practices and sophisticated operations through to 'low' level dismantlers who typically have a low level of compliance with legislation and regulations, with unskilled staff and less sophisticated operations. Noting the strong economic incentives of the sector, environmental and human health considerations are not the primary objective behind the current ELV recovery process in Australia. The proposed ELV scheme would establish minimum standards of practice for ELV collection and treatment facilities in line with the agreed recovery targets and would ensure on-going compliance through an accreditation and audit process.

- **The absence of vehicle manufacturing in Australia** makes it practically difficult to achieve true circularity. It significantly limits the opportunities for closed loops and challenges the options for simpler take-back requirements that could be put on OEMs. The ELV scheme proposes to orchestrate the whole ELV ecosystem by bringing together OEMs with the dismantling and recycling industries to design the circularity solutions most appropriate for the Australian market.

- **The value of materials from ELVs does not cover the costs of their collection, transport, separation and recycling**. An ELV recovery scheme would inject funding to progressively improve recovery rates and kick start sustainable solutions that can ultimately be viable in and by themselves.

- Consumers who look to dispose of the vehicles once it has reached its end-of-life have no knowledge as to what happens after they hand it over to an auto

dismantler or another third party offering to dispose of the vehicle. The PRO would raise consumers awareness on the ELV scheme and reports on its effectiveness. It would also consider consumer incentives to ensure ELVs are brought to ACFs / ATFs. In light of global best practice, it is suggested that evidence of appropriate disposal of an ELV through an accredited business should be required of the last owner by the state-based registration authority to allow the deregistration of the vehicle.

All above constraints have been part of the considerations for the design of the proposed ELV scheme (see Appendix 1) and would be addressed overtime by the operations of such a scheme.

The critical challenge is the inability to track when and where a vehicle reaches its end-of-life and enters the ELV ecosystem. This lack of traceability makes it impossible to measure improvements, hindering the effective allocation of funds towards systemic improvements. Without a formal certificate of disposal and destruction that would be required as evidence in the vehicle deregistration, any industry intervention will have unpredictable and largely unmeasurable results.

5. GOVERNMENTS' ROLE IN THE CIRCULAR ECONOMY

The research, conducted under our federal grant and supported by the success of similar interventions in other developed economies, identifies two key government actions to unlock the current situation and allow industry to progress on improving ELV recovery in Australia:

- **Mandatory Proof of Responsible Disposal**: Require state and territory vehicle registration authorities to obtain formal evidence of ELV disposal and destruction before allowing the deregistration of a vehicle. This evidence would be issued by accredited collection and treatment facilities (ACFs / ATFs) based on a nationally consistent template developed by the Producer Responsibility Organisation. It would ensure all ELVs can be monitored throughout the ELV ecosystem and their recovery rate individually measured and reported upon.

- **National ELV Management Standards**: Consolidate environmental and waste handling regulations for ELVs under a nationally consistent accreditation and licensing scheme for businesses involved in ELV collection and treatment (e.g., dismantlers).

These recommendations are intentionally focused, acknowledging the capacity constraints faced by Australian governments in enabling circularity across many sectors and products. This constraint is highlighted by the government's request to the Productivity Commission for guidance on prioritising areas for intervention.

To refine these recommendations and develop a practical plan towards nationally consistent and synchronised implementation, consideration could be given to setting up a national ELV taskforce with representation from transport, environment, industry regulation portfolios.

We firmly believe the time for engagement on this important issue is now and we hope that this submission will enable the Productivity Commission to convey this opportunity to the Australian Government. The automotive industry that FCAI represents stands ready to work with governments and the broader ELV industry to support the transition to a more circular economy through the establishment of a co-regulatory scheme.

6. REFERENCES

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3. Industry workforce plan "Moving ahead together", AUSMASA, August 2024
4. Data from website of collector and transporter of lead-acid batteries Battery Rescue
5. News article "Second chance for car bumpers", GoAuto, July 2024
6. Report on Used tyres supply chain and fate analysis, Tyre Stewardship Australia, June 2020
7. Media release on financial investment from Recycling Modernisation Fund, The Hon Tanya Plibersek MP, September 2024
8. Task force Discover report "Addressing profit-motivated vehicle theft in Victoria's separated parts and scrap metal industries", Victoria Police, September 2014
9. Article on Operation Neptune, Northern Star Weekly, March 2022

7. APPENDIX 1 – ELV SCHEME DESIGN CONSIDERATIONS

Scheme Design Consideration	Sub-Consideration	Selected sub-option(s)
#1 – National vs. State-based Framework		A **single** and **consolidated national ELV Scheme**
#2 – Inclusion of Materials	**#2A – Coverage of Materials**	A scheme that **considers all materials in an ELV**
	#2B - Material Circularity Mandates	A scheme that **mandates circularity of select materials** in ELV processing
#3 – Hazardous material and waste management	**#3A – Hazardous materials**	A scheme that specifically **enforces the removal and treatment of hazardous materials** within ELVs
	#3B – Environmental & waste handling	A scheme that **consolidates** and **harmonises environmental and waste handling laws / regulations**
	#3C – Waste exports	A scheme that **allows for some exporting of waste materials**, contingent on local processing capabilities
#4 - ATF/ACF framework	**#4A – Authorised Treatment Facility (ATF) Framework**	A **prescribed ATF framework** to mandate minimum standards and practices for facilities that treat and dispose of ELVs
	#4B – Authorised Collection Facility (ACF) Model	A **prescribed ACF framework** to mandate minimum standards and practices for facilities that collect ELVs
	#4C – Geographic Coverage of ATF/ACFs	A **coverage target for ATF/ACFs** for a portion of the population, **supplemented by a logistics service** to cater for rural/remote communities
#5 – Evidence of Destruction Tracking Process		A **centralised** and **nationally consistent Evidence of Destruction tracking process**
#6 - Interaction w/ other Product Stewardship Schemes (PSSs)	**#6A – Operational interaction with other PSS**	A scheme that **formalises coordination and integration with other PSS**, distributing materials as appropriate to other PSSs for appropriate disposal
	#6B – Financial interaction with other PSS	A scheme that **integrates financially with other PSSs in the calculating and collection of levies**, with fees disbursed accordingly
#7 - Target Rate Calculation	**#7A – Segmentation by materials**	A **partially segmented target rate that mandates the circularity of some materials** while providing an overall average weight target for the remainder of the ELV
	#7B – Segmentation by waste hierarchy	A target rate that is **segmented by the waste hierarchy** (i.e. separate targets for re-use, recycle and/or recovery)
	#7C – Interaction with other PSSs	A target rate this is **calculated inclusive of materials** that will eventually flow through to **other PSSs** (i.e. tyres)
	#7D – Calculation inclusive of all ELVs or collected ELVs only	A target rate that **is applied to collected ELVs** with incentives to maximise collection
#8 - Establishment of new infrastructure	**#8A – New infrastructure requirements**	A scheme that **establishes a level of new infrastructure** to support greater recycling and recovery
	#8B – New infrastructure financing	A scheme that **shares the financial responsibility of new infrastructure across multiple stakeholders** within the ecosystem

Scheme Design Consideration	Sub-Consideration	Selected sub-option(s)
#9 – Initial financing arrangement		A scheme that is **first established through government financing**, with the intention for that to be **recouped in the long term via** the **scheme's operations**
#10 – Consumer ELV disposal incentives		A scheme that **ensures ease of access to ELV collection / treatment facilities, provides education and awareness campaigns and incentivises** consumers to properly dispose of their ELVs
#11 – Extended Producer Responsibility (EPR)	**#11A – Financial & Physical Responsibility**	A scheme that **mandates a level of financial EPR**, but **does not apply physical EPR**
	#11B – Design Responsibility	A scheme that **does not apply EPR to the design of vehicles** used in Australia
#12 - Funding Collection Mechanisms	**#12A – Funding Collection Mechanism (Who)**	A scheme that **collects funding from both producers and consumers** to fund the scheme's activities
	#12B – Funding Collection Mechanism (When)	A scheme that collects **funding during the sale and operation** of the vehicle
#13 - Funding Allocation Mechanisms	**#13A – Funding allocation**	A scheme that allocates monies to **subsidise / fund its administration and operations, recycling operations, public awareness campaigns and return incentivisation**
	#13B – Funding transparency	A scheme that **provides full transparency** on the allocation of funds
#14 – Maximisation of social benefit		A scheme that aims to **upskill the ELV processing workforce, enhance innovation within the ELV ecosystem and create jobs**
#15 - Electric and Alternate Fuel Vehicle Considerations	**#15A – Inclusion of HEV, PHEV and BEVs**	A scheme that **includes HEV, PHEV and BEVs** for collection and processing **at commencement**
	#15B – Inclusion of alternative fuel vehicles	A scheme that **phases the inclusion of alternate fuel vehicles** for collection and processing **when it has matured in the latter years**
	#15C – Electric ELV levies	A scheme that **collects the ELV levy** for all types of electric and alternative fuel ELVs **upon establishment**
#16 - Regulatory Framework[1]		A scheme that eventually established operates a **co-regulatory arrangement**, development of which will be enabled through a phased approach
#17 – Regulating & Administering Organisation[2]		A **government regulated, but industry administered** scheme

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