

Current Works Approval Applications

Title/Question: **Envirostream
submissions**

Date Exported: 19 Nov 2020 09:17 am

Contribution ID		277614
Date Submitted		Nov 15, 2020, 05:27 PM
Postcode		3156
Best practice design issues and proposed operations	Very low	
	Low	
	Medium	
	High	
	Very high	x
Environmental management and monitoring	Very low	
	Low	
	Medium	
	High	
	Very high	x
Existing site or Applicant's performance and compliance	Very low	
	Low	
	Medium	
	High	
	Very high	x
Proposal is not compliant with principles of the Environment Protection Act 1970	Very low	
	Low	
	Medium	x
	High	
	Very high	
Waste acceptance / storage / treatment	Very low	
	Low	
	Medium	
	High	
	Very high	x
Dust and particulate emissions	Very low	
	Low	
	Medium	
	High	
	Very high	x
Noise amenity	Very low	
	Low	
	Medium	x
	High	
	Very high	
Odour and air	Very low	

emissions	Low	
	Medium	
	High	
	Very high	x
Surface water resources	Very low	
	Low	
	Medium	x
	High	
	Very high	
Waste	Very low	
	Low	
	Medium	x
	High	
	Very high	
Health risks and/or hazards	Very low	
	Low	
	Medium	
	High	
	Very high	x
Please provide your comments on the works approval application in the box below		<p>I find the way this company has gone about its business to be highly unethical. I hope that the EPA takes a stand against the actions of companies like this.</p> <p>*See attachment accompanying this submission</p>

Envirostream Works Approval Application

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Anonymous Submission

12/11/2020

Executive Summary

Envirostream have made an application to EPA Victoria for a Works Approval to continue to conduct their business of battery recycling. I do not believe EPA Victoria should grant said license to Envirostream because;

- 1) They have had a major facility fire in 2019 as a result of poor storage and handling practices at the facility
- 2) They continue to announce, via their parent company, Lithium Australia, that they have the capacity to process 3,000tpa of batteries and do not require a license. This is both misleading, and sends a very poor message about the industry and EPA's regulations
- 3) The process has not been correctly engineered upfront, and is continuously modified in order to meet requirements. This includes the late addition of the scrubber, and excuses around why fumes from the scrubber were over a scheduled premises limit
- 4) The introduction of the ACCC endorsed battery recycling scheme will encourage new cowboys in the industry to participate if the EPA does not take a firm stance on this company now.
- 5) The company has failed to engage with the community regarding its facilities, fires and failures as a business.
- 6) The company is operating without Hume council permits. Again another example of this company attempting to skirt around legislation and avoid scrutiny.
- 7) There is evidence, via historical volumes, that the company has had a capacity of more than 500 tpa as far back as 2017.

There is a history of this company avoiding its responsibilities to notify the EPA of its whereabouts. There is a history of operating without a licence. There is also a history of the parent company not adequately notifying the market of the responsibilities of the company to operate with a license. A history of operating without adequate safeguards on storage of batteries and operating without adequate scrubbing of emissions. Some of the questions asked during the Q&A for the Works Approval application highlight this. Constant excuses given for why things have or have not happened.

Given the history of the company, as highlighted, I do not believe the EPA should issue a license. Or if a license is issued, the EPA should enforce its legislation and the blatant disregard by this company, and issue significant fines and penalties. A strong message needs to be sent to industry.

PF Metals & Envirostream

The battery recycling Envirostream was born out of recycling efforts of a company called PF Metals¹. *"Having already installed crushing and separating equipment for processing e-waste, PF Metals Director, Andrew Mackenzie, recognised an opportunity to use the same equipment for processing lithium and alkaline batteries. He set up Envirostream Australia in 2017 to provide local solutions for the safe recovery of battery waste and began processing a mixture of recovered batteries into several powder fractions, which could be sold to off-shore processors at a relatively low price"*. So PF Metals, and Envirostream are affiliated companies. Also, Envirostream or PF Metals were processing batteries as far back as 2017.

Historical Capacity

According to the Work Permit application, Envirostream has been operating battery recycling since 2017. Lithium Australia claims that Envirostream had an upgrade to capacity to process more than 500 tpa of batteries. I find this claim to be both false and misleading.

According to an announcement² made by Lithium Australia dated 13th December 2019, “*Generally, there is around 30% MMD by mass*”. So for lithium-ion batteries, approximately 30% of the battery mass produces Mixed Metal Dust, or MMD as the company calls it. This MMD is the product which the company then ships to Korea as a saleable product.

According to The Department of Agriculture, Water and Environment website, PF metals applied for a permit to export 240 tonnes of MMD from discharged Lithium Ion Batteries on 26th June 2017³. This was granted by the department on 16th January 2018⁴. So early 2018, PF Metals, or Envirostream, were granted permission to ship 240 tonnes of MMD to Korea.

Now, Lithium Australia claim that 30% of the battery weight is MMD. So 240 tonnes of MMD would require 800 tonnes of lithium-ion batteries. They clearly had a capacity of over 500tpa well before the claimed date of late 2019.

Now, not only is it evident they had capacity of more than 500tpa as far back as 2017, one has to ask why they were issued a license to export when they did not have a license to operate in the first place !

Major Battery Facility Fire

On the 19th January 2019, Envirostream had a major battery facility fire at one of the facilities at 31 Colbert Rd, Campbellfield. You would consider this fire to be major and significant. According to EPA documents 100 tonnes of Lithium-ion batteries and 200-300 tonnes of ink toner cartridges were being stored at the facility. The EPA did not issue the company any fines or any other penalty as a result of that fire. Why was the EPA not aware of Envirostream at this time? Why was the EPA not notified by the company that they were storing large volumes of batteries and ink toner cartridges? It appears to the public that they were attempting to fly-under-the-rader of government authorities.

So despite the negligence of storing ink toner cartridges & batteries at the same facility, and despite not having adequate monitoring or safety equipment to detect and extinguish the blaze, the company was allowed to continue to operate after the blaze. At no point did the company make a public acknowledge or statement regarding this fire.

If the company had 100+ tonnes of batteries, and 200-300 tonnes of ink toner cartridges, that places it at 300-400 tonnes of e-waste. That volume is just in storage. What other volumes of e-waste did the company have in other locations?

How on earth can the company attempt to claim they did not have the capacity for 500 tpa prior to late 2019? It is evident from the facts that they in fact have had a capacity of more than 500 tpa prior to the January 2019 fire, even as early as 2017.

Notice to Identify Producer

On the 21st January 2019, EPA Victoria issued a “Notice to identify producer” to Envirostream at the facility at 31 Colbert Rd Campbellfield. It is clear that the EPA were not aware of Envirostream's operations or whereabouts.

In addition, EPA Victoria issued another “Notice to identify producer” to Envirostream at the facility in New Gisborne on 4th February 2019.

It is evident that the company was failing in it's duty to notify EPA Victoria of the company's whereabouts, and also the nature of the business. Again, EPA Victoria have not penalised the company for this.

Lithium Australia & Envirostream

According to Lithium Australia (LIT) announcements, LIT started to become involved with Envirostream on 4th April 2019⁵. In that same announcement, the company mentioned “expanding” the facilities. So very early on in LIT's journey with Envirostream, they made it clear to the market they were planning on “expanding” the capacity of the business. So although during the Q&A, the company indicated expansion was late 2019, it is documented that this expansion took place early in 2019.

Further announcements about Envirostream include 20th June 2019⁶ and 12th July 2019⁷. In that announcement, the company mentions a capacity of 1,000tpa. So well over 12 months ago, the company was well on its way to expanding capacity over and above the 500 tpa limit set by EPA Victoria. No licence or work order had been applied for or granted.

Then on the 26th November 2019, the company announced⁸ a capacity of 3,000tpa. Again, no references to the EPA or licences or applications for a work order. Also, in that announcement, the company provided a photo of their “New Envirostream Plant In operation”. However, if you look at the picture, it closely resembles the roof layout of the address at 78 Barry Rd, New Gisborne, not the address at 20-22 Berwick Rd, Campbellfield. So the company was advertising their expanded facility based on a picture at the New Gisborne address, and yet on the 20th December 2019, the company announced⁹ that the upgraded facility was at Campbellfield. Again, there the market is being misled until such time as someone made an enquiry to the ASX.



New Envirostream plant in operation

There is a history here of the company not adequately informing the market, and not informing the EPA of the company's whereabouts, capabilities and intentions.

Not Requiring A License

On the 29th September 2020, Lithium Australia made a market announcement regarding Envirostream to counter the article posted in The Age. In that announcement the company made the statement “Envirostream has not been operating at above 500 tonnes per annum (tpa) of specified waste at any of its Melbourne sites and is not required to hold an EPA licence to operate”. However, Lithium Australia has notified the market on several occasions that it has the capacity for 3,000tpa. So it advertises a capacity over the 500tpa e-waste threshold, yet it informed the market it does not require a license.

This sends a clear message to other market participants.

1. It tells the market that the company is operating according to the law
2. It tells the market that a company can have a capacity of more than 500tpa, and yet does not require a license from the EPA

However, one has to question whether or not the company is abiding by the laws? EPA legislation clearly states “capacity of 500 tpa”, yet here, Lithium Australia is telling the market they do not require said license. Envirostream continues to operate. Shareholders of Lithium Australia continue to make investment decisions based on the understanding that Lithium Australia is operating within its rules and regulations of EPA Victoria. In addition, other stakeholders like Bunnings, Officeworks, Mobile Muster and other stakeholders make business decisions based on the understanding that the company is fulfilling its rights and obligations according to EPA Legislation.

The company also applies for grants from Sustainability Victoria under the guise of operating a

legitimate business. Would Sustainability Victoria provide grants to this business if it was aware that the company was operating unlicensed and outside the law?

If EPA Victoria allows this to happen and does not enforce its rules and regulations, then it sends a clear message to the market.

Hume Council Permit

Is the EPA aware that Envirostream is operating without the required permits from Hume Council? Again, yet another example of this company skirting around rules and regulations. The company has never mentioned this to the market¹⁰, until such time as it was reported in The Age article. Only after it was reported in The Age, did the company disclose that it was in fact operating without the required Hume Council permits.

How many examples of avoiding rules and regulations has this company provided. It is not a single, it is multiple events over a period of years.

Community Engagement

So the company has had a major facility fire at Colbert Rd, Campbellfield, with no public engagement pre or post event.

The company setup a facility at Barry Rd, New Gisborne, with no public engagement pre or post move

The company is currently operating an unlicensed facility at Berwick Rd, Campbellfield where it is finally seeking to obtain a license from the EPA. Again, there is no community engagement.

Why does the company continue to avoid engagement with the community? If the business is so clean and green, why does it not seek to engage with said local community and encourage the businesses and local community members who are impacted by the pollution of this company to have their say? When watching footage on youtube of the facility fire in 2019, it is evident that the local community were outraged by what took place. I dare say that if the company engaged with the local community, they would be outraged that the same company that had a major facility fire, has been operating unlicensed for over 3 years and is now seeking to obtain a license without community engagement.

I believe the community would be outraged and I believe the company is attempting to avoid said scrutiny.

References

1. <https://www.csiro.au/en/Do-business/Solutions-for-SMEs/Our-track-record-working-with-SMEs/Innovation-Connections/Envirostream>
2. <https://lithium-au.com/wp-content/uploads/2016/11/13122019-New-World-Metals-conference-presentation.pdf>
3. <https://www.environment.gov.au/system/files/pages/bfac5687-ef9f-4a7f-9e17-51652f3de9b4/files/auh17-026-application-received.pdf>
4. <https://www.environment.gov.au/system/files/pages/b49b0a5a-fc44-41a3-a6f8-e6f11c780f06/files/auh17-026-decision-granted.pdf>
5. <https://lithium-au.com/wp-content/uploads/2016/11/04042019-Battery-recycling-made-easy.pdf>
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10. <http://lithium-au.com/wp-content/uploads/2020/02/29082020-Envirostream-update.pdf>