



AMEC Champions Local Battery Metal Industry Development

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COMMODITY CAPERS: The Association of Mining and Exploration Companies has taken a front foot approach to encouraging State and Federal government participation in development of the Western Australia lithium industry.

The lobby group hopes its proactive stance on the issue will inspire State and Federal governments of all persuasions to do the same, rather than be reactive, while the global demand for lithium as a vital element of the global electric vehicle revolution is in a relatively embryonic stage.

AMEC pointed out that Western Australia mines 60 per cent of the world's lithium and produces all the other minerals necessary to construct batteries, which it considers to be a genuine industry opportunity for Australia, and for Western Australia.

AMEC has released a follow-up report to its Future Smart Strategies Report from earlier this year saying that WA could become a leader in the downstream processing of battery minerals, which it believes could be worth \$2 trillion by 2025.

In its *The Path Forward: Supporting the development of a lithium and battery mineral industry in Australia* report, AMEC has outlined the next steps it believes the State and Federal Government should be taking to make the most of this battery mineral processing and manufacturing potential.

“There is a two-year window for industry and both tiers of Government to act, this plan steps through what needs to be done to get further down the value chain,” AMEC chief executive officer Warren Pearce said.

“There is a clear need for both tiers of Government to provide leadership in the development of a domestic battery industry.

“A clear signal from Government has to be sent to attract investment to Australia.

“There must be a willingness to clearly plan and coordinate where a battery industry would be located, and deliberate efforts made to entice international companies to come and set up in Australia.”

The AMEC report outlines the importance of attracting an international battery producer to Western Australia to firmly establish Australia's position in the global battery supply chain.

Currently technology and intellectual property for processing high-grade lithium hydroxide, and undertake further battery cathode development, is held by a tight enclave of companies based within the Asia region, primarily in Japan, South Korea, China, with others scattered around the European Union and the United States.

They also have well-established markets for their products that are generally earmarked for the burgeoning electric vehicle, computer screen, and phone manufacturing sectors.

“The necessary battery materials need to be readily accessible to make the decision to invest in Western Australia attractive,” the report says.

“This makes a concentrated single hub preferable, as it will help provide critical mass.

“While not all the precursors need to be domestically produced, there are obvious advantages if the majority are.

“A preliminary focus of engagement must be on ensuring Australia attracts the companies developing precursor materials.

“The next step is attracting the international companies that combine the precursor materials, make cathodes and eventually assemble batteries.

“A strategic approach is needed.

“We cannot wait for these countries and companies to come to us.

“We cannot expect them to understand the opportunities available in Australia; we must make the case.”

The argument hasn't been lost on Western Australia Minister for Mines and Petroleum Bill Johnston.

Addressing the recent Paydirt Latin America Down Under Conference in Perth, Johnston highlighted the growing opportunities coming out of the emerging battery materials sector for both Western Australia and, due to the subject matter of the conference, South America.

Johnston said there was a genuine opportunity for WA to reap the rewards of the growing scale of the battery materials industry.

“We have the resources in the ground, we have the capacities and the technologies, and we believe with careful partnership between government and investors we can get a genuine long-term processing industry,” he told the conference.

“And indeed, given those in the successful industries in Argentina and Chile and elsewhere, there's many things we can learn from our friends in Latin America so that we are all successful in this new industry.”

Johnston said one advantage held by Australia, and WA especially, was the greater expectations the discussion was placing on the establishment for local supply chains.

“The fact that we have very high standards in WA is now a competitive advantage for operators in this state,” he said.

“We can go to end users of materials and make the point that we can guarantee the environmental impact and social impact of projects in WA that may not be able to be done in other jurisdictions.

“It is our relationships with indigenous people, our high environmental standards, our health and safety standards, and our work and labour standards.

“These are all now competitive advantages in these types of supply chains.”

It’s not as if this is suddenly a new thing.

The AMEC report acknowledged the number of battery minerals and processing research activities and projects already underway

Regional Development Australia (RDA) Perth is preparing a detailed report for consideration by the Federal Government that outlines the advantages of developing a ‘lithium valley’ in Australia.

The Silicon Valley reference is cute, but the report is serious in outlining the development of a focussed lithium processing and battery minerals hub.

The Chamber of Commerce and Industry Western Australia commissioned a Business Case looking at investment in Western Australia for lithium and battery minerals aimed at determining the economics of developing a lithium battery industry in Australia.

The WA State Government, WA Universities and industry have combined to support a bid for a New Energy Industry Co-operative Research Centre (CRC) bid for Energy Minerals to support ongoing research into the potential of battery minerals development and processing and will further enhance the long-term development and attractiveness of the industry.

“Each breakthrough in technology and innovation could drive Australia further down the cost curve, further down the value chain, or both,” the AMEC report concluded.

“State and Federal Government backing of the New Energy Industry CRC bid will support initial academic and industry funding to grow a domestic research capacity to support a battery minerals industry in Australia.”