

To: Department of State Development, Infrastructure, Local Government and Planning

Re: Battery industry opportunities for Queensland discussion paper

Date submitted: 31 March 2023

Introduction

The Association of Mining and Exploration Companies (AMEC) appreciates the opportunity to make a submission on the Battery industry opportunities for Queensland discussion paper.

If Queensland is to maximise the opportunity that advanced battery manufacturing presents, it is essential that the state government is considering the supply chain as a whole and the critical role that Queensland's exploration and mining sector can play in achieving success.

About AMEC

AMEC is a national industry body representing over 530 mineral exploration and mining companies across Australia, with 68 located in Queensland. Our members are mineral explorers, emerging miners, producers, and a wide range of businesses working in and for the industry. Collectively, AMEC's member companies account for over \$100 billion of the mineral exploration and mining sector's capital value.

Mineral exploration and mining make a critical contribution to Australia's economy, directly employing over 274,000 people. In 2020/21 Industry generated a record high \$301 billion in mining exports, invested \$3.2 billion in exploration expenditure to discover the mines of the future, and collectively paid over \$43.2 billion in royalties and taxes.

AMEC's members explore for, develop and produce minerals including antimony, bauxite, coal, cobalt, copper, gold, graphite, lead, lithium, manganese, mineral sands (e.g., silica), molybdenum, nickel, phosphate, potash, rare earths, silver, tungsten, vanadium and zinc.

General comments

AMEC acknowledges the work that is underway at the state and federal levels to define and operationalise the domestic battery opportunity. With so much analysis and action afoot, it is critical to ensure as a fundamental principle that coordination and integration of these respective efforts is implemented. This will enable governments to negate the risk of duplication and achieve optimum efficiency in rolling out their respective opportunities and the supporting roles and responsibilities of each jurisdiction, to achieve their objectives.

Recommendations

Rather than answer the discussion paper questions directly, below are recommendations that AMEC see as being integral to the development of a domestic battery industry.

- **Speed up approvals for critical minerals exploration and mines.**

Many of the critical minerals necessary to battery production—cobalt, nickel, vanadium and graphite—are in abundance in Queensland. Developing these minerals, both brownfield and

greenfield, continues to be an obstacle, with the average timeframe for the approval of an Australian mine being 13 years from discovery to production. If Queensland intends to meet the opportunity of supplying critical minerals to battery supply chains, be it domestically (“Be the market”) or internationally (“Supply the market”), it needs to find a way to accelerate this process while maintaining robust, risk based regulation.

It is AMEC’s and our members’ experience that the Queensland Government persists with increasing the level of regulatory complexity of the resource approval assessment process, in particular for environmental assessments, which are increasingly moving away from any notion of risk-based or outcomes focus. The increasing complexity coupled with high staff turnover within the regulators’ (in particular within the Department of Environment and Science (DES)) means statutory timeframes (where they exist) simply are not met.

Queensland needs a fundamental reconsideration of the assessment and approval process if critical minerals projects are to be met and maximise any opportunity of accessing battery supply chains in the short term, if the ambition is to feed these with domestic, responsibly sourced minerals. This is the single biggest issue facing industry and should be a key focus of any battery strategy. Alternatively, this could be an aspect of key integration with the proposed critical minerals strategies currently under development through the work PwC is leading on behalf of the government.

- **Ensure the sandbox for critical minerals has a meaningful output.**

Action 43 of the Queensland Resources Industry Development Plan (QRIDP) commits the Queensland Government to implement a regulatory sandbox for critical minerals in collaboration with industry. AMEC congratulates the Queensland Government on leading an innovative approach and involving three key departmental partners involved and their corresponding administrative responsibilities, namely the Department of Resources, Department of Environment and Science, and the Department of State Development, Infrastructure, Local Government and Planning.

As described above critical minerals face numerous assessment requirements and the regulatory sandbox approach presents a path forward to help identify improvements to the current process, as well as new pathways to achieve assessment efficiency. The current frameworks that are used to assess critical minerals projects were designed to assess what were largely and traditionally, large coal and metalliferous projects. The critical minerals industry AMEC represents and the Queensland Government seeks to support is different and a fit for operations approach is necessary. We will not get to the front of the line and optimise this opportunity if the Queensland Government is reticent in doing things differently in the administration and assessment of projects.

Another aspect that could be exercised through the regulatory sandbox mechanism is accelerating the development of the proposed Bioregional Plan for a critical mineral zone, such as Julia Creek-Richmond in Queensland. The objective being to achieve responsible development and deliver certainty for the vanadium developers in this area. This could be piloted in several defined zones around Queensland including the above-mentioned Julia Creek-Richmond zone and Mount Isa inlier. Following these pilots, it could then be applied more agnostically in other zones. Aspects of the sandbox could include but not be limited to, front loading land access, environmental assessments, cultural heritage, and other assessment requirements, ultimately creating a development ready zone.

The key benefits being reduced assessment timeframes and costs, and maintenance of strong ESG performance.

While critical minerals are the focus of this activity currently, AMEC strongly encourages that where systemic improvements can be made for other commodities that these are implemented with broad intent and Australia's already established commodities—copper, gold, bauxite—are not left behind.

- **Common User Infrastructure.**

Investment in common user infrastructure to bridge the gap between concept and reality would support supply chain development from exploration through to manufacturing for batteries. AMEC appreciates the Queensland Government leading the way in and committing \$75 million toward the Queensland Resources Common User Facility that will be built in Townsville, and \$100 million to a Critical Mineral Investment Fund that will target downstream applications to help bridge that development gap. Investment such as this is a clear signal from government that critical mineral and associated supply chain development is a priority.

AMEC is aware that the needs of most critical minerals developers however are still fundamental in nature and encourages DSDILGP to ensure that these are being considered and not assumed to be safe. Namely, this includes secure and firm energy, water security and safe transport corridors. There are other considerations as well, such as reliable acid sources and prohibitive policies, such as 'take or pay' that are used in rail.

Through the above mentioned 'zones', these could be better understood, and appropriate infrastructure put in place that delivers on the needs of a number of developers, lifting the tide for all involved.

- **Amplify trade engagements that will attract investment.**

The Queensland Government could amplify their trade delegations by taking delegations of critical mineral developers and battery developers to jurisdictions, or alternatively hosting jurisdictions, that are actively implementing tangible actions to decarbonise their economies, such as South Korea, Japan, the United States and the European Union.

Conclusion

AMEC welcomes the opportunity to discuss these proposals with the department and facilitate engagement with the membership to bring to life Queensland's battery opportunity.

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