



17 March 2023

The Hon Ed Husic MP
Minister for Industry and Science
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

Dear Minister,

RACQ SUBMISSION TO THE NATIONAL BATTERY STRATEGY

The Royal Automobile Club of Queensland (RACQ) is Queensland's largest member-owned mutual with almost 1.8 million members. Throughout our 118-year history, we have actively engaged with Government in the interests of our members, sharing our expertise and recommendations on a wide range of policy areas including road safety, transport and infrastructure, natural hazard resilience, sustainability, and disaster response. Our membership makes up a significant portion of our home state's population, and we have a presence in more than 60 per cent of Queensland homes. On behalf of our members and all Queenslanders, we provide this submission to the National Battery Strategy.

RACQ supports the Commonwealth Government's goals of net zero emissions economic development through local battery industry development and manufacturing.

Queensland can, and must, play a key role in establishing new industries or else decarbonisation of the Australian economy will be a wasted opportunity. Electric transport and battery manufacturing economic development opportunities, creating jobs in mining, refining, research & development, and manufacturing, are all essential to bringing the Australian people along the decarbonisation transition.

New industry development will become more critical to more than offset the regional job losses expected in the decline of coal and natural gas industries. Industry opportunities abound to support decarbonisation including material/mineral extraction and refining, technology research and development, and vehicle and battery manufacturing.

The National Battery Strategy issues paper identifies two broad market opportunities for battery manufacturing:

1. Stationary home, community and grid batteries; and
2. Batteries for vehicle manufacturing.

While RACQ supports the Strategy developing local battery manufacturing for both opportunities, this submission is focussed on electric vehicle manufacturing.

While developing a Strategy that enables battery manufacturing, Government must not lose sight that stationary storage is half the opportunity. Batteries for storage will not be the same chemistries, or in the same cell and pack format, as vehicle/transport batteries.

Global vehicle and battery manufacturers are transforming and investing in their EV manufacturing and supply chains capacity at a scale not seen before in Australian industry. This makes it difficult for Australia to compete outside of niche transport manufacturing. The competitiveness of exporting battery cells or battery packs for global vehicle manufacturing is questionable given the 'just in time' principles of manufacturing, hence the need to support local vehicle industry development and manufacturing as a key means of supporting our local battery manufacturing industry.

The Federal Government has made a commitment to supporting electric vehicles (EVs) and supporting a local electric transport manufacturing industry, including vehicle development and manufacturing. This commitment is essential to the development of a robust and sustainable battery manufacturing industry.

The transport opportunity for Australian batteries should logically start with our existing vehicle manufacturing. The current focus of Queensland's vehicle transport manufacturing is trucks, buses, truck



trailers, caravans, and defence vehicles. To effectively transition to electric vehicle manufacturing as well as local battery manufacturing, the focus has to be on electric chassis innovation in these existing vehicle types and integration of locally manufactured battery systems.

- 1. RACQ RECOMMENDATION: The Federal Government should recognise the need to transition Queensland's vehicle manufacturing industry to electric to maximise opportunities for locally manufactured batteries and provide electric vehicle manufacturing industry policy leadership.**
- 2. RACQ RECOMMENDATION: Battery and electric vehicle manufacturing policy development should take a broad perspective with opportunities across the whole transport industrial ecosystem.**
- 3. RACQ RECOMMENDATION: The Federal Government should fund partnerships with universities and industry within states and regions that have transport manufacturing capacity and potential, for Australian electric vehicle and battery manufacturing to be globally competitive.**

To help develop and support these partnerships industry-university partnerships will be essential. RACQ, University of Queensland and the Queensland University of Technology held a forum on 17 March 2023 to start this conversation on the support required for the development of a globally competitive electric transport industrial ecosystem, in Queensland and Australia.

The forum was attended by 150 academics, industry and government leaders, including Senator the Hon Anthony Chisholm, Assistant Minister for Regional Development and the Hon Mark Bailey MP, Minister for Transport in the Queensland Government. The forum session covered:

- The development of an advanced industrial ecosystem
- Battery R&D and manufacturing for electric transport
- Electric vehicle manufacturing
- Electric transport technology
- Future fuels-electrification
- What needs to happen next?

The forum will create further ideas and inspiration for input into the national policy discussion to create stronger and more sustainable economies for Queensland and Australia in a low carbon world.

- 4. RACQ RECOMMENDATION: In the interests of sustainability, the National Battery Strategy should also address:**
 - a. Government consideration of policy instruments that support research and development into new "greener" battery technologies and recycling technologies (an area in which Australia is lagging); and**
 - b. The support for the use of second life older vehicle batteries for stationary energy uses such as home energy storage, battery assisted EV rapid chargers in remote locations and microgrids or distributed energy resources.**

RACQ welcomes the opportunity to provide these comments and recommendations to the National Battery Strategy consultation.

Yours sincerely

Joshua Cooney
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