

6 September 2019

Senate Select Committee on Jobs for the Future in Regional Areas

By email:

To whom this may concern,

## **INQUIRY INTO JOBS FOR THE FUTURE IN REGIONAL AREAS**

The City of Kwinana (the City) welcomes the invitation to provide a submission to the Senate Select Committee on Jobs for the Future in Regional Areas. Whilst the City is located in the Perth Metropolitan Area, it is the focus of significant investment, research and job creation in the Future Battery Industry.

The City is the second fastest growing local government in Western Australia. It is the home to Western Australia's premier industrial area, an economic powerhouse that contributes over \$16 billion to the State's GDP. The City has also been dubbed by some as "Lithium Valley" due to the focus of battery metal processing in the area.

Contrasting this, despite the best efforts of all three tiers of government, Kwinana remains the most disadvantaged local government area in the metropolitan area. The City's residents face unemployment rates in excess of twice the national rate and an even more dire situation for youth looking for employment. While there are no doubt pressures facing job creation in regional areas, there is also disadvantage present in the Cities, which needs to be addressed collectively.

### **City of Kwinana Administration**

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The City wishes to provide the following comments for the Committee's consideration:

Development of a successful clean energy sector will rely on greater collaboration and coordination between regional areas and Cities. In the case of Western Australia, this will become a hub and spoke model, with many regional locations sending their minerals to a hub for export into both the Asian and European markets.

Kwinana is home to the Tianqi Lithium lithium hydroxide plant, which will produce approximately 48,000 tonnes of lithium hydroxide per annum, at full production. This will make it the world's largest lithium hydroxide plant. The location of the processing plant is critical to the economics of the processing. In the past, Australia has traditionally exported ores to predominantly Asian destinations for processing. With Lithium, we are seeing refining of the lithium spodumene to lithium hydroxide and the exporting of the value added product. The ability to drive value adding in Australia is reliant on the proximity to reagents and a large workforce.

The Kwinana Industrial Area is a world leader in the area of Industrial Symbiosis - the trading of products and by-products between producers. Kwinana has over 158 documented transactions between companies in the area. This means that industry is less dependent on regional or even international imports of reagents and this is possible due to the density of industrial development in the region. For this reason, if Australia is to be globally competitive in the battery metal industry, the development of hubs will be critical for the economical processing of minerals.

While there are opportunities for mining and initial processing in the regions, where reagents can be transported to site at an efficient and economical rate, secondary and tertiary processing will only be viable in centralised hubs. Therefore it is of great importance to ensure that there is sufficient industrial land available adjacent to transport infrastructure in major cities.

The other key consideration is the proximity to ports. As an island nation dependent on mineral export, an efficient port, linked into an effective transport network, is critical for the success of our economy. In Western Australia, the opportunity to align Perth's container port adjacent to the City's only heavy industrial area in Kwinana exists. In this respect, it would create far greater efficiencies to the transport network, improve road safety and allow for the industrial activation of the 1400 hectare Latitude 32 Industrial Estate. This centre will work as a hub for regional development, allowing greater processing and added viability to regional opportunities.

The development of Kwinana as a hub for energy metals is an identified opportunity by studies from CCIWA, Regional Development Australia and the WA State Government. The support for infrastructure provision to open up rail and road linkages into the area, as well as a commitment to the timely construction of the Port at Kwinana will unleash further opportunities for Regional Australia and create safer access for the movement of freight in and out of smaller towns.

In conclusion, we would like to reiterate that the success of employment in the regions is directly linked to the success of employment and infrastructure in hubs like Kwinana. The early provision of infrastructure linking Australian exports to the world is key for our export focussed economy to continue to grow. The Australian Government should work closely with state and local government to identify key freight corridors for road, rail and shipping that will create efficient supply chains to support and grow the ongoing employment opportunities in Regional Australia.

For further information in regards to this submission, please do not hesitate to contact Warwick Carter, Economic Development and Advocacy Manager, City of Kwinana at [warwick.carter@kwinana.wa.gov.au](mailto:warwick.carter@kwinana.wa.gov.au) .

Yours sincerely,

City of Kwinana