

16th March 2023

The Hon Ed Husic MP
Minister for Industry & Science
Department of Industry, Science & Resources

Submitted via email

Dear Minister Husic,

National Battery Strategy: Issues Paper

PIAC welcomes the opportunity to respond to the Department of Industry, Science and Resources' (the Department) National Battery Strategy (the Strategy) Issues Paper (the Paper).

We support the intent to deliver an ambitious and coordinated National Battery Strategy. Batteries are a key enabling technology for efficient and equitable decarbonisation & electrification of our energy system.

The Strategy must be centred on a clearly stated, overarching objective linking development and implementation of battery technology to key climate, energy, environment, community resilience and industry policy goals. There is an opportunity to ensure the National Battery Strategy is linked to and consistent with the National Energy Performance Strategy (NEPS) being progressed concurrently by the Department of Climate Change, Energy, the Environment and Water (DCCEEW).

Our submission predominantly responds to the overarching question posed in the Paper, "What Australia's vision should be for our battery industries?"¹ and Theme 4: Creating the enabling environment for industry growth.

Sustainability, equity, energy affordability and resilience

The National Battery Strategy should be shaped by principles of sustainability, energy equity and affordability, local community and industry resilience and access to batteries for the benefit of Australian households and communities.

Actions arising from the objectives of the strategy should promote the principles and serve as a coherent and consistent link between climate, energy, housing, industry, economic and social support policies. PIAC recommends policies, targets and initiatives of the Strategy be

Department of Industry, Science and Resources, "National Battery Strategy Issues Paper", February 2023, p.3 <
<https://consult.industry.gov.au/national-battery-strategy-issues-paper>>

assessed against the contribution they can make to the objective of an efficient, equitable and affordable transition to a zero-carbon economy that delivers better climate, energy and resilience outcomes for all Australian households and communities.

The four themes currently framing the Strategy are not sufficient. We recommend a revised approach to the Strategy that better incorporates a wider scope of objectives and principles batteries should promote and support.

Domestic battery ecosystem: Linking NEPS and the Battery Strategy

There should be an explicit relationship and alignment between the Strategy and the NEPS. The Strategy is seeking a market for local batteries and the NEPS will benefit from locally made batteries to support energy performance initiatives.

An efficient and resilient ecosystem for battery technology (including manufacture, installation, maintenance, and recycling) is a crucial but not sufficient objective for the strategy. A wider strategic scope is required. The Paper misses a valuable opportunity to link concurrent government processes related to the development and utilisation of battery technology. A domestic battery manufacturing ecosystem will be more durably supported through strategic linkage with the NEPs and the implementation of batteries by households, businesses, industry, and communities.

While neither the NEPS nor its associated programs and initiatives have been finalised, batteries will have an important role to play. For example, if the recommendations made by a coalition of community organisations, including PIAC, are implemented there will be considerable demand for residential batteries² and the mere existence of a robust supply chain will not be sufficient to ensure objectives will be met.

Social and ecological outcomes

Ensuring possible social and environmental outcomes are prioritised by the Strategy will be crucial to ensuring social licence for a domestic battery industry is built and maintained. Adding principles of community and industry resilience, energy equity and affordability and access to the benefits of batteries for Australian households and communities, will further strengthen social licence. Social equity programs such as those recommended in the attached community sector submission to the NEPS consultation paper should be supported by the Strategy. They should be regarded as a practical measure to strengthen social license demonstrating to the community the contribution of the battery industry to better social outcomes.

PIAC supports the inclusion of local content requirements in the Strategy. This will contribute towards the creation of secure, safe, and resilient local employment and build social licence for an emerging domestic battery industry. Local content requirements would align the Strategy with existing requirements in other jurisdictions. For example, the Renewable Energy Sector Board has been tasked with ensuring the NSW Electricity Infrastructure Roadmap includes local content and creates local jobs³. Local content requirements and supply chains for batteries could also contribute towards greater resilience for local communities.

ACOSS Joint Submission to the National Energy Performance Strategy Consultation Paper, attached as Appendix 1 to this submission.

³ Energy NSW, "Entities delivering the roadmap" < <https://www.energy.nsw.gov.au/nsw-plans-and-progress/major-state-projects/electricity-infrastructure-roadmap/entities-delivering#renewable-energy-sector-board>>

Government support and potential subsidisation of an Australian battery industry considered in the Strategy should be accompanied by a mandate to prioritise domestic market sales at discounted prices. This would contribute to the building of social licence as well as supporting the objectives of the NEPS and overarching principles of equity of access to the benefits batteries can enable.

We support the prioritisation of locally manufactured batteries for safety reasons. Australian battery products will be subject to strong and consistent product and workplace safety requirements which is better for Australian workers, consumers and the environment.

Inclusion of end-of-life, recycling and recommissioning initiatives in the strategy are a priority. Battery end-of-life and recycling considerations are a key concern that we hear from the community. Clear end-of-life pathways for battery products can contribute towards improved social and ecological outcomes.

PIAC would welcome the opportunity to discuss these matters further with the Department and other stakeholders.

Yours sincerely

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