

LITHIUM HYDROXIDE PROCESSING

Statement by Minister for Energy

MR W.J. JOHNSTON (Cannington — Minister for Energy) [1.10 pm]: I stand today to commend US company Albemarle Corporation on its decision to double the lithium hydroxide processing capacity at its facility at Kemerton. Albemarle has announced it will invest about \$2 billion to expand the plant at Kemerton from two to four trains, providing for the processing of 100 000 tonnes of lithium hydroxide per annum. Feed for the plant will be sourced from what many consider to be the world's premier hard-rock lithium mine, Greenbushes in the state's south west. Albemarle's decision to expand operations in Western Australia indicates the high level of confidence investors have in our state. The first product from the expanded facility is expected to come online in 2026, which, at that stage, will make Albemarle's facility at Kemerton, south of Perth, one of the largest and most advanced battery-grade lithium hydroxide plants in the world. To put the significance of the plant into perspective, the product from Kemerton will enable the manufacture of a further 2.4 million batteries for electric vehicles. Upon Albemarle's announcement earlier this month, construction of trains 3 and 4 was expected to start immediately. At its peak, construction will support a workforce of about 1 000 people, while the permanent operational workforce at the facility will increase from 480 to 850.

The McGowan government welcomes Albemarle's commitment to continue to invest in Western Australia, and I note the company's \$140 million workforce accommodation precinct near Australind, which will become a permanent residential estate over time. Albemarle's latest investment reflects the success the McGowan government is having in implementing the state's future battery and critical minerals strategy.

Currently, China refines about 80 per cent of the world's lithium. There are two lithium hydroxide refineries operating in the US, as well as one in Chile and one in Japan. Significantly, right here in Western Australia, we already have two lithium hydroxide facilities operated by Albemarle and Tianqi Lithium Energy Australia Ltd, respectively. Covalent Lithium will start production from a third lithium hydroxide refinery in the state early next year. Projects such as these are putting Western Australia on course to account for 10 per cent of global lithium refining production by the end of next year, rising to over 20 per cent by 2028, according to data from the Department of Industry, Science and Resources.

In addition to the significant volume of lithium hydroxide refining capacity being developed in the state, companies continue to assess the potential to establish world-class precursor cathode active material manufacturing facilities in Western Australia, while rare earths refining in Western Australia is imminent.