

29 October 2025

Joann Wilkie
Under Treasurer
Locked Bag 11
Cloisters Square WA 6850

Dear Under Treasurer,

2026-27 WA PRE-BUDGET SUBMISSION

The Chamber of Minerals and Energy of WA (CME) is the peak representative body for the resources sector in Western Australia. CME is funded by member companies responsible for 90 per cent of the state's onsite minerals employment.¹ In 2023-24, the WA resources sector accounted for 45 per cent of WA's economic activity,² 93 per cent of goods exports³ and 43 per cent of investment.⁴

CME is delighted to share with you our 2026-27 WA Pre-Budget Submission, which outlines the WA resources sector's recommendations for priority policy and funding actions in the WA 2026-27 State Budget.

Overview

Western Australians enjoy a standard of living that is among the highest in the world. In 2023-24, Western Australian households enjoyed disposable income per capita 9 per cent higher than the national average⁵ and in 2024 Perth was ranked the 15th most liveable city in the world, reflecting high scores across healthcare, education, infrastructure, stability and culture and environment.⁶

The prosperity enjoyed by WA's residents is due largely to the success of the WA resources sector. The sector has invested over \$842 billion in capital investment over the past 2 decades⁷ to develop an industry that supports 3 in 10 jobs in the state,⁸ pays the highest average wages in the country⁹ and underpins the State Government's budget position. In 2023-24 the WA resources sector contributed one third of the WA Government's general revenue via royalties, payroll and other taxes and fees,¹⁰ supporting the provision of public goods and services across healthcare, education, police and infrastructure that every Western Australian benefits from.

The development of the WA resources sector, and its significant contribution to our state, has occurred thanks to Western Australia's strong investment fundamentals over recent decades,

¹ Government of Western Australia, [2023-24 Economic Indicators Resource Data File](#), full-time equivalents onsite under State legislation, Department of Energy, Mines, Industry Regulation and Safety, 29 October 2024.

² As measured by gross value add (GVA). Australian Bureau of Statistics, [5220 Australian National Accounts: State Accounts](#), Table 6.

³ Department of Energy, Mines, Industry Regulation and Safety (DEMIRS), [2023-24 Economic Indicators Resource Data File](#), released 29 October 2024.

⁴ Includes Gross Fixed Capital Formation plus minerals and petroleum exploration. Australian Bureau of Statistics, [5220 Australian National Accounts: State Accounts](#), Table 25. Australian Bureau of Statistics, [8412 Mineral and Petroleum Exploration](#), Table 4.

⁵ Department of Energy and Economic Diversification (DEED), [Western Australia Economic Profile – July 2025](#), accessed 1 September 2025.

⁶ The Migration, [Most Liveable Cities in Australia in 2025](#), accessed 1 September 2025.

⁷ Mining gross fixed capital formation, chain volumes; figures cover 2004-05 to 2023-24. [Australian Bureau of Statistics, 5220 Australian National Accounts: State Accounts](#), Table 25.

⁸ Direct and indirect jobs. CME, [2023-24 Economic Contribution: Western Australia](#), March 2025.

⁹ ABS, [6302.0 Average weekly earnings, Australia](#), table 10h.

¹⁰ Includes royalties, Commonwealth grants from North West Shelf royalties and iron ore lease rentals plus surveyed expenditure on payroll and other taxes and fees. Government of Western Australia, [2023-24 Annual report on State finances](#), Department of Treasury, 27 September 2024, Table 2.1 Operating Revenue: General Government, pp 164-165; CME 2023-24 Economic Contribution Survey.



including timely access to land, attractive policy and fiscal settings, a skilled and productive workforce and reliable, low-cost energy.

However, Western Australia now finds itself facing significant global competition for investment in resources and value-adding manufacturing. Examples include competitors in Asia offering special economic zones and turnkey industrial precincts,¹¹ the United States offering additional funding and reduced red tape for critical minerals development,¹² and Indonesia and Guinea providing tax incentives and streamlined permitting to attract investment in domestic industries.¹³

At the same time, both Australia's and Western Australia's investment fundamentals have become increasingly uncompetitive:

- Federal and state approvals processes are lengthy, duplicative and increasingly complex and uncertain, due in part to spurious legal challenges.¹⁴
- Energy prices have increased across Australia since 2020,¹⁵ creating severe financial pressures on existing energy-intensive sectors¹⁶ and making new investments less attractive relative to other jurisdictions.¹⁷
- Capital costs for construction projects are some of the highest in the world.¹⁸
- Federal industrial relations reforms, along with duplicative federal-state Work Health and Safety (WHS) settings, have increased uncertainty, complexity and costs while reducing productivity.¹⁹
- Australia's corporate tax settings are increasingly uncompetitive with the OECD average, which has fallen to 21.1 per cent.²⁰ In the past financial year resources companies have reported effective Australian marginal tax rates (including royalties) of over 40 per cent,²¹ well above the statutory corporate tax rate of 30 per cent. In addition, the financial pressures facing local Governments have resulted in some attempts to substantially increase Local Government rates, fees and charges on the WA resources sector.²²

This decline in competitiveness is confirmed by Australia's IMD World Competitiveness Ranking falling five places to 18th in 2025.²³ Similarly, the Fraser Institute's 2024 Survey of Mining Companies found Western Australia's attractiveness as a resources jurisdiction has fallen from 4th to 17th, with jurisdictions in the US, Canada and Europe now comprising the top 10 most attractive jurisdictions.²⁴

The WA Government's Made in WA plan²⁵ relies on the state's ability to attract the substantial capital investment, technology and skills required to drive additional value-adding, job-creating industries. This will not occur without urgent action to address WA's declining fundamentals, with reliable and low-cost energy especially important for energy-intensive manufacturing activities. Other jurisdictions are competing fiercely for these 20–30-year investments and if they occur elsewhere our state will lose out on the associated jobs, local procurement and taxation revenues for decades to come.

¹¹ CME, [Activating Western Australia's Strategic Industrial Areas: CME Policy Brief](#), July 2025.

¹² White & Case, [New Executive Order regarding Immediate Measures to Increase American Mineral Production](#), 27 March 2025.

¹³ Discovery Alert, [Indonesia's Nickel Industry: Powering Global Supply Chains](#), 3 April 2025.

¹⁴ *Munkara v Santos NA Barossa Pty Ltd (No 3) [2024] FCA 9*.

¹⁵ Total delivered electricity costs for large industrial customers in WA's South West Interconnected System (SWIS) are estimated to have roughly doubled between 2020 and 2025 while WA domestic gas prices (contracted) have doubled from \$3.5/GJ in 2020 to \$7/GJ in 2025. Wholesale electricity prices in the National Electricity Market (NEM) have doubled between 2021 and 2025 while gas prices have doubled from \$6.6/GJ to \$11.3/GJ between 2020 and 2024. Sources: CME, [Energy Costs in Transition: Decarbonising WA's SWIS](#), September 2024; AEMO, [2024 WA GS00](#), December 2024; AEMO, [NEM Data Dashboard](#); AER, [Gas Market Prices](#), accessed 7 August 2025.

¹⁶ [Nyrstar to get \\$135 million bailout for struggling smelters](#), 5 August 2025; [Rio pushes for 'eye-watering' Tomago bailout](#), 6 June 2025; [Australian region facing 17,000 job losses as copper pressures hit](#), 31 July 2025.

¹⁷ Resource companies report that energy costs in Australia are two or more times higher than those in than those in Canada, Indonesia, China and India, and at least 50 per cent higher than in the US. The Daily Mail, [Major energy problem that is causing businesses to ditch Australia for China](#), 18 November 2024; The Australian, [BHP puts nickel assets on the block](#), 25 August 2025.

¹⁸ The Australian, [Pilbara rated most expensive place in the world to build a mine](#), 7 August 2025.

¹⁹ The Australian, [Unions 'the definition of unproductive': BHP](#), 22 May 2025.

²⁰ [New OECD data highlight stabilization in statutory corporate tax rates worldwide](#), 11 July 2024

²¹ Rio Tinto's [Australian effective income tax and royalty rate](#) on underlying earnings in 2024 was 41.5 per cent, Woodside's [Australian all-in effective tax rate](#) for 2024 was 46 per cent and BHP's [Australian adjusted effective tax rate including royalties](#) in 2024-25 was 45.7 per cent.

²² ABC, [Shire of Coolgardie angers mining industry with 97 per cent rates hike](#), 28 May 2025; ABC, [Mining rates win bolsters tiny town of Mount Magnet, as miners fear potential \\$55m rates bill](#), 11 July 2025.

²³ IMD 2025, [World Competitiveness Ranking](#), accessed 8 August 2025.

²⁴ Fraser Institute, [Annual Survey of Mining Companies 2024](#), July 2025

²⁵ WA Labor, [Made in WA](#), February 2025.



Key messages

CME's 2026-27 WA Pre-Budget Submission (PBS) outlines the WA resources sector's priority recommendations to improve WA's international competitiveness and ensure a strong future for our state's workers, residents and local communities. Similar to CME's 2025-26 PBS, our three priority areas for the WA Government are: ensuring timely and efficient approvals processes; providing project-ready strategic industrial areas; and delivering low emission, reliable and globally cost-competitive energy systems.

WA's world-class natural resources underpin our state's upstream mining and primary processing industries. Without timely and efficient access to these resources our sector cannot exist, and without domestic upstream activities WA is very unlikely to be cost-competitive in downstream processing activities.

We acknowledge the efforts of the WA Government to streamline state-based project assessments over recent years. This includes the implementation of recommendations made as part of the independent review of environmental assessment and approval processes (Vogel-McFerran Review), and the introduction of a series of legislative amendments to WA's Mining Act 1978 to provide prospective tenure validity and improve process efficiency. CME also recognises the WA Government's commitment to improve outcomes for both Traditional Owners and industry through the Native Title and Cultural Heritage Processes Review by identifying and addressing barriers to sustainable development.

However, persisting tenure security considerations, challenges associated with second lease renewals and duplicative federal heritage processes continue to impact development opportunities. There also remains significant risk to the WA resources sector if bilateral accreditation for assessments and approvals under federal environmental law reform is not implemented and reform fails to successfully balance environmental and sustainable development considerations. **CME recommends the WA Government implements sensible policy amendments to improve state-based heritage processes and engages with the Australian Government to ensure workable reforms to environment, heritage and native title settings.**

Project-ready or 'turnkey' industrial precincts are an important investment attraction mechanism for downstream processing activities as they increase speed to market and reduce costs through the sharing of common-use infrastructure.

The doubling of the Strategic Industries Fund to \$1 billion in the 2025-26 WA Budget was pleasing, as is the WA Government's desire to shift from a passive landholding model to a proactive 'plug-and-play' strategy. However, significant additional funding will be required to fully activate WA's 13 Strategic Industrial Areas. Only \$12 million was spent from the Fund in 2024-25 and on current indications the Fund may not be fully disbursed by mid 2029.²⁶ **CME recommends the WA Government consults with industry to rapidly identify core common-user infrastructure in priority industrial areas and promptly deliver this infrastructure using the Strategic Industries Fund. Additional funding will be required over the forward estimates.**

Reliable, cost-competitive and low emission energy is critical to the viability of existing WA resources sector operations, decarbonisation pathways and the attraction of new industries including critical minerals, green iron and hydrogen.

The WA Government and its entities have undertaken significant work over recent years planning for WA's future energy needs across the state. This includes intensive consultation regarding the transformation of the South West Interconnected System (SWIS), the development and release of a SWIS transmission plan, consultation on draft regulatory arrangements for a common-use electricity grid in the Pilbara, and exploration of a potential Goldfields Regional Network (GRN).²⁷ There continues to be significant effort to adjust market rules and mechanisms in the SWIS.

CME appreciates the WA Government's efforts regarding longer-term planning for the state's energy system, but details regarding future delivered costs to industry remain unknown. Costs in the SWIS

²⁶ WA Parliament, [Hansard – Legislative Assembly Estimate Committee A](#), 3 July 2025.

²⁷ WA Government, [Cook Government to engage industry on future energy needs](#), 16 June 2025; WA Government, [Mapping a Future-Ready Transmission Network for the South West Interconnected System](#), 18 September 2025; WA Government, [Regulatory changes in the Pilbara](#), 30 April 2025; WA Government, [Goldfields Regional Network](#), 20 August 2025.



continue to rise year on year and there remains significant reliability issues for industrial customers in the Goldfields region. Accordingly, **CME calls for the WA Government to focus on actions to bring down prices on the SWIS in the near-term to support large energy users through the transition. Addressing current reliability issues for SWIS-connected loads in the Goldfields region must be prioritised while work on longer-term solutions continues. The WA Government should also explore mechanisms, alongside the Australian Government, to bring down the cost of low-emission energy supply in the Pilbara.**

We note that the WA State Development Bill 2025 (WA) will provide the Coordinator General (via delegation from the Premier) statutory powers to facilitate regulatory processes, which has the potential to support actions that address all three of CME's priority areas. However, this only applies to declared State Development Areas and Priority Projects.²⁸ Addressing the WA resources sector's priority areas will require all projects in WA – across resources, utilities and transport – to have access to timely, risk-based and outcomes-focused regulation at both a state and federal level.

While there are challenges to overcome, WA is well-positioned to strengthen its reputation as a leading destination for mining and energy investment. If we can address our declining fundamentals we can create an even more prosperous future for generations of Western Australians. CME remains committed to working constructively with the WA Government to achieve this vision, and this PBS outlines our industry's views on how to get there. The recommendations provided throughout this document have been informed by feedback from across our broad membership and are grouped under the following areas:

- Competitive fiscal settings and industry development
- Access to resources
- Energy security, net zero and climate resilience
- A safe, diverse and skilled workforce
- Regional economic development.

²⁸ WA Government, [Landmark State Development Bill to drive investment and growth](#), 8 September 2025.



Competitive fiscal settings and industry development

Investment decisions for resources sector projects are made globally, with capital flowing to projects in jurisdictions that have the highest returns. With commodity prices also set globally, this means projects with the lowest costs and greatest certainty are prioritised. This certainty is even more important for new and emerging industries which face greater risk regarding future demand and prices.

The WA Government has a number of levers available to create a competitive cost environment that supports the development of the state's resources sector. A competitive and certain royalty system, the provision of turnkey industrial areas, funding for research and commercialisation activities and efficient government fees and charges can all play an important role in keeping capital and operating costs in WA low.

Taxes and royalties – The cumulative burden of Government taxes, royalties and charges is reducing WA's ability to attract capital

Taxes, royalties and other government fees and charges are key determinants of after-tax project returns and play a critical role in shaping investment decisions.

The cumulative burden of taxation on resources companies across company and fringe benefits taxes, royalties, payroll taxes, petroleum resource rent taxes and other government fees and charges, is well above the tax burden on other sectors of the economy.²⁹ Australia's taxation levels are also very high relative to other countries – the full company tax rate of 30 per cent is well above the 21.1 per cent OECD average and the attractiveness of Australia's company taxation system is ranked 59th in the 2025 IMD World Competitiveness Yearbook.³⁰ In the past financial year, resources and energy companies have reported effective Australian marginal tax rates including royalties of over 40 per cent.³¹

The royalty system is a key state setting influencing the financial returns on resource projects. Recent coal mine closures in Queensland highlight the significant damage that can be caused by uncompetitive and sudden changes to royalty settings, with ripple effects for local jobs, businesses and government revenue.³² It is critical that the WA Government does not add to the already high cumulative tax burden applied to the resources sector.

Recommendations

To ensure WA remains a stable and cost competitive jurisdiction, CME recommends the WA Government:

- Reiterates its ongoing commitment to no new or increased taxes or royalties on the WA resources sector.

Local Government Rates – More sustainable and accountable Local Government Authorities will improve investment confidence

The planning, management and rate-setting frameworks of Local Government Authorities (LGAs) significantly shapes the success of the resources sector, from early-stage exploration right through to mine site rehabilitation and closure. The efficient functioning of LGAs is pivotal to investment confidence and the ongoing sustainability of the broader economy.

²⁹ Minerals Council of Australia, [Royalty and Company Tax Payments](#), 20 May 2025.

³⁰ CEDA, [IMD World Competitiveness Yearbook 2025](#), 17 June 2025; OECD, [New OECD data highlight stabilization in statutory corporate tax rates worldwide](#), 11 July 2024.

³¹ Rio Tinto's [Australian effective income tax and royalty rate](#) on underlying earnings in 2024 was 41.5 per cent, Woodside's [Australian all-in effective tax rate](#) for 2024 was 46 per cent and BHP's [Australian adjusted effective tax rate including royalties](#) in 2024-25 was 45.7 per cent.

³² ABC, [Coal miner Anglo American confirms job cuts in Brisbane, Bowen Basin](#), 18 September 2025.



Local Governments rely on various forms of revenue to cover operational and capital costs, including rates and fees levied on residential and commercial land, and funding from state and federal governments and the private sector. The levying of rates across varying categories of land is the primary lever for generating operational revenue.

There is growing concern that some regional LGAs are looking to alleviate budget deficits by levying disproportionate rates and charges on resources companies.³³ These deficits are driven by growing residential expectations for services, insufficient funding and in some cases financial mismanagement. Of particular concern is how differential rates are being determined, with members raising the variability of rating categories, the lack of rate-setting transparency, and the limited detail regarding the services provided to industry to justify the charges. This is especially concerning where the rate in the dollar for mining-related categories is significantly higher than all other categories and/or the revenue harvested from the resources sector accounts for the bulk of an LGA's overall income.³⁴ There have been examples more recently of LGAs looking for other ways to leverage rates on resources companies where there has been no precedent. This was highlighted in the decision³⁵ of the Supreme Court of Western Australia in *Shire of Mount Magnet v Atlantic Vanadium*, when it was determined that land held under a miscellaneous licence is subject to rating by Local Government.

In addition to concerns around increasing rates, there have been rising expectations for resources companies to provide financial contributions to address priority local issues such as housing for essential service workers and improved access to health care and local education opportunities. This is in addition to voluntary support already provided by resources companies to LGAs and the communities where they operate, the taxes, royalties, and rates and fees charged by other tiers of government,³⁶ and the local government income streams generated by the resources sector through rates, Fly-In, Fly-Out traffic at LGA-owned airports,³⁷ road haulage fees,³⁸ and in-kind services.

The extent of financial support provided by CME members across regional WA effectively represents cost-shifting from the public sector to the private sector. This growing dependence on private sector contributions indicates serious financial sustainability concerns for WA's LGAs. These financial issues can cause additional problems such as difficulties attracting and retaining skilled staff, especially when coupled with remoteness and liveability issues.³⁹ This leaves LGAs vulnerable to systemic failures of governance,⁴⁰ further eroding regional LGA efficiency and impacting essential service delivery to communities.

CME welcomes recent WA Government actions to improve the viability and accountability of the state's LGAs. The Local Government Amendment Bill 2024 was passed in November last year to enable early intervention, increase transparency and accountability and reduce the red tape burden on LGAs,⁴¹ with WA's first Local Government Inspector appointed in August this year. Key amendments to the legislation include:

- Councils being required to adopt a rates and revenue policy to facilitate better financial planning and increase public transparency about proposed rate increases.
- Widening the scope of audit, risk and improvement committees while ensuring the committees have an independent Chairperson who can be shared between smaller local governments.
- Facilitating the shared employment of local government CEOs and senior employees.

Additionally, CME welcomes the WA Government's decisive action regarding miscellaneous rates this year. The intervention to prevent the Shire of Coolgardie almost doubling the differential rating for UV

³³ The West Australian, [Miners are not a cash cow](#), June 2025. ABC, [WA council turmoil](#), August. ABC, [Miners fear potential \\$55m rates bill](#), July 2025.

³⁴ Town of Port Hedland, [Statement of Objects and Reasons](#), 2025. Shire of East Pilbara [Statement of Objects and Reasons](#), 2025. Shire of Coolgardie, [Statement of Objects and Reasons](#), 2025. Shire of Ashburton, [Statement of Objects and Reasons](#), 2025. City of Kalgoorlie-Boulder, [Statement of Objects and Reasons](#), 2025. Shire of Menzies, [Notice of proposed differential rates](#), 2025.

³⁵ Department of Justice, [Supreme Court decision](#), July 2025.

³⁶ CME, [Economic Contribution Factsheets](#), March 2025.

³⁷ City of Karratha, [Annual Budget](#), page 24, 2025. City of Busselton, [Airport Advisory Committee Meeting](#), 2025. City of Kalgoorlie-Boulder, [City of Kalgoorlie-Boulder Budget](#), page: 22, 2025, Shire of East Pilbara, [Annual Budget](#), page 21, 2025.

³⁸ Shire of Coolgardie Unconfirmed Minutes. Shire of Coolgardie, [Shire of Coolgardie unconfirmed minutes](#), page 12, June 2025

³⁹ Local Government Professionals, [Workforce Shortage Survey](#), 2023.

⁴⁰ ABC [Minister Beefs Up Reforms](#), August 2025.

⁴¹ WA Government, [Landmark Reforms](#), November 2024.



mining for the 2025-26 financial year helped mitigate substantial concern amongst industry⁴² as did announcing an amendment to the *Local Government Act 1995* (WA) to clarify that land held under a miscellaneous licence is not, and has never been considered rateable.⁴³

During a period of sustained commodity market volatility, increasing Local Government rates and charges would undermine state and federal government incentives⁴⁴ designed to ensure the sector remains globally competitive. Targeted and specific local government reform could improve the efficiency, accountability and governance of LGAs to the benefit of councils, ratepayers, businesses and the wider community.

Recommendations

To support the financial sustainability, accountability and transparency of WA's LGAs and create a climate of investment confidence in regional WA, CME recommends the WA Government:

- Urgently legislates amendments to the *Local Government Act 1995* (WA) to clarify that land held under a miscellaneous licence is exempt from local government rates and ensure that the change is retrospective to reflect the original intention of the legislation.
- Considers opportunities for LGA boundary adjustments to remove the duplication of staff, service delivery mechanisms and infrastructure, while increasing the depth of talent pools for elected and non-elected LGA officials.
- Establishes WA Government-supported pools of planners, engineers, and compliance staff who can respond to regional local governments' project and workforce demands.
- Adequately resources the Department of Local Government, Industry Regulation and Safety (LGIRS) to ensure LGAs are adequately assisted in adhering to the requirements of the *Local Government Amendment Act 2024*.
- Tasks LGIRS with implementing proactive education and skills development support to LGAs to promote good governance.
- Develops and mandates the issuance of a standardised template by all Local Governments when publishing their intent to impose differential rates. The template should:
 - Be easily accessible
 - Identify distinct and uniform rating categories
 - Compare the proposed new financial year's differential rates across all categories against the previous year's differential rates across all categories
 - Provide a summary of the forecast annual revenue from each of those rating categories
 - Clearly articulate the percentage change in the Valuer General's property valuations across all categories
 - Clearly identify the services ratepayers receive under each category.

SIAs – Prompt prioritisation and disbursement of the Strategic Industries Fund will help activate WA's Strategic Industrial Areas and drive new investment

Project-ready or 'turnkey' industrial areas are an important investment attraction mechanism as they increase speed to market and reduce costs through the provision of land pre-approved for industrial

⁴² ABC, [Minister slams Coolgardie](#), June 2025

⁴³ State Government, [Miscellaneous Licenses Reform](#), August 2025.

⁴⁴ Nickel Finance Assistance Program, Investment Attraction Fund, Exploration Incentive Scheme, Critical Minerals Production Tax Incentive, Export Finance Australia, Northern Australia Infrastructure Facility, Fuel Tax Credits



uses with established common-use infrastructure.⁴⁵ Such precincts are especially important in supporting downstream processing and other value-adding activities which involve higher capital and operating costs per tonne. The provision of turnkey Strategic Industrial Areas (SIAs) is therefore key to WA's efforts to attract investment in critical minerals processing, hydrogen, green iron and other strategic industries.

Work commissioned by CME last year found that WA's 13 SIAs are not comparable to the industrial precincts offered by key competitors across South East Asia.⁴⁶ Common-use infrastructure such as utility and transport connections is lacking, land use is restricted, and regulatory facilitation processes need improvement. Kwinana is viewed as the only WA SIA that could be classified as turnkey and roughly comparable to global industrial precincts but is also in need of additional investment to remove energy supply and port capacity constraints. The absence of competitive SIAs threatens WA's ability to achieve its downstream processing and manufacturing ambitions, particularly when competing industrial precincts in the region are offering fully cleared and permitted land, established infrastructure, substantial financial incentives and dedicated regulatory facilitation services.

The WA Government has recognised the need to enhance the state's SIAs, doubling the Strategic Industries Fund (SIF) to \$1 billion in the 2025-26 WA Budget and signalling a shift from a passive landholding model to a proactive 'plug-and-play' strategy. However, only \$12 million was spent from the SIF in 2024-25 and the Fund may not be fully disbursed by mid 2029.⁴⁷ The WA Government has stated that a process is underway to prioritise and sequence the state's investments in SIAs and a detailed plan for additional investments from the SIF will be released later this year.⁴⁸

Disbursements from the Strategic Industries Fund should be prioritised to SIAs needing investment to support existing and near-to-market projects. CME's report last year expected the Kemerton SIA to be a high priority for funding due to 'overflow' pressure from the lack of land availability in Kwinana, along with key northern SIAs including Ashburton, Boodarie, Burrup and Oakajee. CME members continue to raise issues regarding electricity reliability in the Kemerton SIA. Information provided by the WA Government indicates interest from potential lease holders in the Ashburton, Boodarie and Maitland SIAs, and \$26 million has been allocated to the Oakajee SIA.⁴⁹ Significant additional funding to the SIF will be required to fully activate WA's SIAs.

Additionally, CME notes that ongoing access to the Australian Marine Complex (AMC) Common User Facility (CUF) in Henderson is critical to facilitating construction activities in the Kwinana SIA and broader Western Trade Coast. Any reduction in access to this facility to enable defence activities will require the replication of CUF capabilities elsewhere in the state to support resources sector activities. Without the continuation of these capabilities for private industry there is a real risk that non-defence activities will be crowded out, adversely impacting the state's local manufacturing capacities which have been built up over decades.

Faster regulatory processes are required to unlock WA's SIAs. This includes SIA-wide environmental approvals and land clearing permits, approvals for common-use infrastructure and any additional approvals specific to individual projects within an SIA. Members report long delays in negotiating Indigenous Land Use Agreements (ILUAs) and securing heritage approvals in Pilbara SIAs in particular. The State Development Bill 2025 (WA) will provide the Coordinator General (via delegation from the Premier) statutory powers to facilitate regulatory processes to declared State Development Areas, which could include SIAs.⁵⁰

Recommendations

To deliver turnkey Strategic Industrial Areas capable of supporting existing industries and attracting new investment to WA, CME recommends the WA Government:

⁴⁵ Common use infrastructure includes utility connections (e.g. water, gas, electricity, waste and recycling) and transport infrastructure such as roads, rail, ports and gas pipelines.

⁴⁶ CME, [Activating Western Australia's Strategic Industrial Areas: CME Policy Brief](#), July 2025.

⁴⁷ The \$12 million spent in 2024-25 was on entrance upgrades at the Kemerton and Kwinana SIAs. WA Parliament, [Hansard – Legislative Assembly Estimate Committee A](#), 3 July 2025.

⁴⁸ WA Parliament, [Hansard – Legislative Council](#), Questions without notice, 25 June 2025.

⁴⁹ WA Parliament, [Hansard – Legislative Council](#), Questions without notice, 25 June 2025; WA Parliament, [Hansard – Legislative Assembly Estimate Committee A](#), 3 July 2025.

⁵⁰ WA Government, [Landmark State Development Bill to drive investment and growth](#), 8 September 2025.



- Consults closely with industry to identify core common-user infrastructure in priority industrial areas and inform the WA Government's Strategic Industries Fund investment plan. CME expects investments in the Western Trade Coast (including Kwinana) and Kemerton industrial areas will be important to support existing and near-to-market projects, alongside investments in the Ashburton, Boodarie, Maitland and Oakajee SIAs to support near-to-market opportunities.
- Improves utility service delivery and reduces utility costs for projects located in SIAs. Competitive electricity costs are particularly important to attract new industries, and service delivery can be enhanced by mandating maximum connection timeframes for industrial customers, requiring transparent pricing methodologies from utility providers and establishing dispute resolution mechanisms for utility service failures.
- Provides development-ready SIAs. This includes:
 - Ensuring all land within SIAs is subject to tenure arrangements that enable intended land uses and leasing to industry on appropriate commercial terms.
 - Ensuring SIA common-user infrastructure planning and zoning is fit-for-purpose.
 - Funding and completing cultural heritage surveys for all SIAs and negotiating appropriate and equitable Indigenous Land Use Agreements where relevant.
 - Securing SIA-wide state and federal environmental approvals and land clearing permits and ensuring expedited processes for any residual specific environmental approvals.
 - Investing in industry-informed core common-use infrastructure including utilities (e.g. energy, water, waste and telecommunications) and transportation infrastructure (roads, rail, ports and pipelines for natural gas, carbon dioxide and hydrogen).
- Uses its powers under the State Development Bill 2025 (WA) to speed up project assessment processes for priority SIAs, including basic SIA-wide approvals, common-use infrastructure approvals and any additional approvals required for specific projects within the SIAs.

Critical Minerals – Lowering costs and securing international offtake and investment will spur the next wave of critical minerals investment

Critical minerals are crucial to the production of modern technologies, including renewable energy technologies and military and cybersecurity applications.⁵¹ Between 127 and 388 new mines are forecast to be needed to meet the increased demand for critical minerals within the next decade.⁵²

WA is already a key global producer of critical minerals and has an enormous opportunity to expand the industry and move into greater value-adding. WA is currently a top 10 global producer for many commodities on Australia's critical minerals list including cobalt, manganese, lithium, nickel, rare earths, ilmenite and rutile (titanium), silicon and zirconium, as well as bauxite which is the key feedstock to produce aluminium (identified on Australia's strategic materials list).⁵³ With regard to future potential, Australia is the 4th most critical minerals-rich country in the world, and WA accounts for almost half of this mineral wealth.⁵⁴ Over half of Australia's critical mineral project under development are located in Western Australia, with more than half of this investment pipeline attributable to CME's members.⁵⁵

⁵¹ International Energy Agency (IEA), [Global Critical Minerals Outlook 2024](#), 17 May 2024. North Atlantic Treaty Organization, [Defence-Critical Supply Chain Security Roadmap](#), July 2024. Carnegie Endowment for International Peace, [Minerals, Manufacturing, and Markets: Foreign Policy for U.S. Energy Technology and Minerals](#), 26 February 2025. Vivoda V, Matthews R and Andresen J, [Securing defense critical minerals: Challenges and U.S. strategic responses in an evolving geopolitical landscape](#), Comparative Strategy, vol 44, iss 2, 5 March 2025, pp 281-315.

⁵² United Nations Trade and Development, [Critical minerals boom: Global energy shift brings opportunities and risks for developing countries](#), 26 April 2024. Fraser Institute, [Can Metal Mining Match the Speed of the Planned Electric Vehicle Transition?](#), 23 November 2023. Benchmark Source, [More than 300 new mines required to meet battery demand by 2035](#), 6 September 2022.

⁵³ Western Australian Government, [2023-24 Major commodities data file](#), DEMIRS, 25 March 2025. [WA Battery and Critical Minerals Profile: March 2025](#), Department of Jobs, Tourism, Science and Innovation (JTSI), 8 April 2025. Australian Government, [Resources and Energy Quarterly: March 2025](#), DISR, 31 March 2025.

⁵⁴ Primary mine production. USGS, [Mineral Commodity Summaries 2025 Data Release](#), 8 April 2025. 48.5 per cent of economic demonstrated resources as at December 2023. Australian Government, [Australia's Identified Mineral Resources 2024 figures](#), Geoscience Australia, 27 February 2025.

⁵⁵ AUD 17.7 billion of AUD 32.6 billion as at 31 October 2024. Australian Government, [Resources and energy major projects 2024 report](#), [Resources and Energy Major Projects: 2024 data](#), Department of Industry, Science and Resources (DISR), 20 December 2024.



However, rising costs, strong global competition and declining prices have placed significant pressure on WA's critical minerals sector over recent years.

- Seven of WA's nine operating nickel mines, plus two projects under construction, have moved into care and maintenance⁵⁶ since mid-2022 in response to a 50 per cent fall in prices.⁵⁷
- A 90 per cent fall in lithium prices⁵⁸ has resulted in two of WA's eight lithium concentrate mines moving into care and maintenance, two lithium hydroxide projects cancelling expansion plans and reductions in costs and shareholder distributions to preserve cash.⁵⁹
- Subdued global demand for titanium feedstocks has also seen one mineral sands miner put a mine and synthetic rutile kiln on care and maintenance.⁶⁰

There has been broad recognition from governments worldwide that the supply of critical minerals must be diversified to reduce the risks associated with highly concentrated markets, including the risk of supply disruptions and limited price discovery.⁶¹ Despite efforts by various governments to diversify and ensure security of supply for downstream manufacturing, there remains significant market concentration of global midstream refining capacity and processing technologies, particularly for rare earth magnets and lithium chemicals.⁶²

The WA Government has responded to challenging near-term conditions for critical minerals producers through the introduction of near-term support for nickel and lithium producers in the form of royalty rebates and the waiving of certain fees and charges.⁶³ The Government is also supporting the longer-term development of the sector through funding for a Critical Minerals Advanced Processing (CMAP) common-use facility, grants under the New Energies Industries stream of the Investment Attraction Fund and reduced royalty rates for vanadium products.⁶⁴ These actions are part of the WA Government's Battery and Critical Minerals Strategy, which includes broader efforts to deliver turnkey SIAs and reliable, cost-competitive energy.⁶⁵

Securing offtake agreements and investment funding is vital to unlock the next wave of critical minerals projects in WA. With customers seeking secure, reliable supply of critical minerals WA must ensure its costs are competitive against other reliable jurisdictions, and work hard to expand its trade and investment relationships.

The announcement of the US-Australia Critical Minerals Framework on 20 October 2025 was a pivotal step in unlocking new opportunities for WA's critical minerals sector, formally recognising the need for prices that reflect Australia's high ESG standards and reliability.⁶⁶ WA must seize on this momentum to expand into new markets and drive the development of value-adding, job-creating projects in our state.

⁵⁶ Seven operating mines were put into care and maintenance: Panoramic's [Savannah](#), IGO's [Flying Fox](#) and [Forrestania](#), First Quantum's [Ravensthorpe](#), Wyloo's [Kambalda](#) and northern mines, and BHP's Mt Keith and Leinster. Two projects under construction were also put into care and maintenance: IGO's [Cosmos](#) and BHP's [West Musgrave](#). WA's remaining two operating nickel projects are IGO's Nova and Glencore's Murrin Murrin.

⁵⁷ Nickel prices have fallen from around USD34,000/t in March 2022 to around USD16,500/t in Q3 2024. DEMIRS, [2023 Major Commodities Resource Data File](#), accessed 6 September 2024; Trading Economics, [Nickel](#), accessed 22 October 2024.

⁵⁸ [Fastmarkets](#) assessed a lithium concentrate (6% lithium oxide) mid-point price of USD7,645/t in January 2023 and spot prices on 22 October 2024 were USD755/t according to the [Shanghai Metals Market](#). Lithium hydroxide prices fell from a USD80k/t peak in January 2023 to around USD9.5k/t in [October 2024](#) (accessed 22 October 2024), with lithium supply from Africa [contributing](#) to lower prices.

⁵⁹ Arcadium Lithium [announced its](#) Mt Cattlin lithium mine would transition to care and maintenance by mid-2025, 5 September. Mineral Resources [announced](#) its Bald Hill lithium mine would transition to care and maintenance in November 2024. Albemarle [announced](#) its Kemerton lithium hydroxide train 2 would enter care and maintenance and cancelled construction of approved trains 3 and 4, 1 August. IGO and Tianqi [cancelled construction](#) on train 2 at their Kwinana lithium hydroxide plant in January 2025. Pilbara Minerals [did not declare](#) an interim dividend to preserve balance sheet strength in H1 FY24. Chalice Mining [reduced expenditure](#) by 40 per cent.

⁶⁰ Iluka, [Mineral sands – production suspension at Cataby and SR2](#), 10 September 2025.

⁶¹ IEA, [Critical Minerals Market Review 2023](#), 11 July 2023, pp 46-47.

⁶² *Ibid*, p 8. [Global Critical Minerals Outlook 2024](#), 17 May 2024, pp 7-8, 42. International Renewable Energy Agency, [Geopolitics of the energy transition: Critical minerals](#), 12 July 2023, p 38. Bipartisan Policy Center, [The missing midstream: Identifying investment challenges for American critical mineral processing projects](#), May 2024.

⁶³ The Nickel Financial Assistance Program provides eligible applicants with a 50 per cent royalty rebate for Q1 2024 to Q2 2025, which is then repayable over 24 months. The Lithium Industry Support Program provides up to \$100 million in government fee waivers for 24 months for downstream processing and lithium miners in the ramp up phase, plus \$50m in interest free loans for lithium miners. WA Government, [Guidelines for nickel royalty relief now available](#), 29 February 2024; WA Government, [Lithium industry support program: financial assistance package for projects](#), 7 January 2025.

⁶⁴ MRIWA, [Critical Minerals Advanced Processing Common User Facility](#), accessed 17 September 2025; WA Government, [New Energies Industries Funding Stream open for applications](#), 9 September 2025; WA Labor, [Made in WA](#), February 2025.

⁶⁵ WA Government, [Western Australia's Battery and Critical Minerals Strategy 2024-2030](#), May 2024.

⁶⁶ AFR, [United States-Australia Framework For Securing of Supply in the Mining and Processing of Critical Minerals and Rare Earths](#), 20 October 2025.



Recommendations

The provision of low emission, reliable and cost-competitive energy, as well as the delivery of turnkey SIAs is of particular importance to WA's critical minerals sector due to high costs and low volumes and the energy-intensity of value-adding processing. CME's recommendations to address these issues are provided in the SIAs section above and the energy security, net zero and climate resilience chapter.

In addition to the above enablers, CME recommends the WA Government:

- Uses its trade and investment functions to establish new critical minerals offtake and investment opportunities with existing and new trading partners, in close collaboration with Austrade and the Department of Foreign Affairs and Trade (DFAT).
- Explores reductions in royalty rates for critical minerals where local value-adding activities take place. CME continues to strongly support the long-standing ad valorem royalty system in WA but believes adjustments could be made to incentivise downstream processing.

Green Iron – Technology development and commercialisation support is key to unlocking WA's green iron potential

The WA iron ore sector makes an enormous contribution to our state and our nation. In 2023-24, it accounted for 58 per cent of WA's total resources exports, 45 per cent of WA onsite minerals employment, 13 per cent of Australia's company and fringe benefits tax payments and over one fifth of the WA Government's general revenue.⁶⁷ Hosting some of the world's lowest-cost producers, WA is the dominant seaborne supplier of iron ore to global iron and steelmakers, located predominantly in China.

Steelmaking currently accounts for a significant share of global carbon emissions. The process of converting iron ore to higher-grade iron (ironmaking) accounts for 6-9 per cent of global emissions and comprises the bulk of steelmaking emissions. This reflects the burning of coking coal in blast furnaces to remove the oxygen from iron ore and provide sufficient heat to melt away impurities. Alloying iron with carbon and other elements to make steel (steelmaking) accounts for a small share of emissions.

Decarbonising the global steelmaking industry, and particularly ironmaking, would contribute substantially to global emissions reduction efforts. There are a range of pathways under exploration, including using higher-grade iron ore feedstocks to reduce coal usage, implementing carbon capture and storage systems for blast furnaces,⁶⁸ and developing new pathways to produce iron in a near-zero emissions manner ('green iron').⁶⁹

WA has two key pathways to support the decarbonisation of the global steel industry. The nearer-term pathway is to increase local production of higher-grade iron ore feedstocks, like magnetite, which can reduce net lifecycle emissions in existing blast furnace production pathways by around 10 per cent.⁷⁰ The longer-term pathway to unlock transformational reductions in ironmaking emissions involves the development and commercialisation of new processes capable of producing green iron using WA's lower grade iron ore feedstocks. This is vital for WA given around 95 per cent of current production is of lower grade feedstocks, and the substantial capital already invested in this industry can underpin low-cost production for decades to come. Developing and commercialising these technologies would:

- Future-proof the enormous contribution of our existing iron ore industry
- Contribute significantly to global decarbonisation efforts
- Create additional value-adding processing and skilled jobs here in WA.

⁶⁷ CME, [2023-24 Economic Contribution: WA Iron Ore](#), August 2025.

⁶⁸ BHP, [Pathways towards steelmaking decarbonisation](#), 16 October 2024; World Steel Association, [Carbon capture and storage \(CCS\)](#), January 2023.

⁶⁹ CME/Mandala, [Realising WA's Green Iron Potential](#), December 2024.

⁷⁰ CITIC/The Crucible Group, [Greenhouse emissions and magnetite iron ore "from pit to product"](#), 2022.



However, while CME members are exploring several potential green or low emission iron pathways for WA's iron ores, none are commercially viable at industrial scale even with current state and federal policy settings.⁷¹ Current activities include: Fortescue's Christmas Creek Green Iron Pilot Project is under construction and expected to produce green iron via the green hydrogen production pathway by early 2026;⁷² BHP and Rio Tinto have partnered with BlueScope, Woodside and Mitsui on a feasibility study for an electric smelting furnace (ESF) demonstration pilot plant in Kwinana;⁷³ Fortescue is collaborating with the Australian National University and the Heavy Industry Low-carbon Transition Cooperative Research Centre to explore Fluidised Bed hydrogen Direct Reduced Iron (DRI) for lower grade hematite ores;⁷⁴ Rio Tinto is constructing a Biolron R&D facility in WA;⁷⁵ and Fortescue is also exploring a Low Temperature Direct Electrochemical Reduction project, supported by ARENA.⁷⁶

CME commissioned work last year finding that, with the right settings, WA could become the world's third lowest cost producer of green iron by 2050.⁷⁷ This would allow WA to capture 14 per cent of the global green iron market by 2050, or 218 million tonnes per annum of green iron. Doing so would:

- Almost double the value of WA's iron/iron ore exports from \$142 billion in 2023-24 to \$272 billion.
- Support an additional 19,600 ongoing direct jobs, equivalent to 25 per cent of WA's current manufacturing workforce.
- Reduce net global emissions by 1.2 per cent, equal to Australia's current total domestic emissions.

The WA Government has recognised the opportunity that green iron offers our state, committing to developing a Green Iron and Steel Action Plan in February 2025, announcing \$75 million to support the Neosmelt consortium's ironmaking pilot plant in Kwinana and \$60 million from the Investment Attraction Fund to support New Energies Industries including green iron.⁷⁸ CME welcomes these actions, which align with key asks in our 2024 Green Iron report.

WA's Green Iron and Steel Action Plan should include policy and fiscal support for both of WA's key pathways to reduce emissions in the global steel industry, noting the transformative emissions reduction potential of developing and commercialising green iron pathways.

The provision of low emission, reliable and cost-competitive energy is critical to the commercial viability of all WA efforts to reduce emissions in the steelmaking chain. For example, CME's Green Iron report found that a WA green iron industry based on renewable hydrogen could require up to 346 GW of new renewable generation capacity, highlighting the importance of measures to streamline assessments for these projects like the WA Government's Green Energy Approvals Initiative.⁷⁹ CME's recommendations regarding WA's energy transition are provided in the energy security, net zero and climate resilience chapter.

Enabling infrastructure at key ports and road transport routes will also be key to unlocking WA's green iron opportunity. This includes the ability to offload large scale materials for renewable energy componentry, hydrogen and iron production facilities (e.g. furnaces).

Recommendations

⁷¹ The Australian Government has [legislated](#) a \$2/kg Hydrogen Production Tax Incentive for electrolytic hydrogen production, [announced](#) a \$1 billion Green Iron Investment Fund to support early-mover projects, \$750 million via the FMA Innovation Fund for [developing and commercialising](#) new low emission metals technologies, and up to \$400 million for pre-commercial pilot and demonstration plants under the [Industrial Transformation Stream](#) of the Powering the Regions Fund.

⁷² Commonwealth Scientific and Industrial Research Organisation (CSIRO), [Christmas Creek Green Iron Trial Commercial Plant](#), last updated August 2024. Fortescue, [Green energy and green metals projects approved](#), ASX release, 21 November 2023.

⁷³ BHP, [NeoSmelt welcomes Federal Government support and signs two new participants](#), 17 June 2025.

⁷⁴ ARENA, [ANU – De-risking large-scale Australian fine-ore hydrogen ironmaking - Australian Renewable Energy Agency \(ARENA\)](#), June 2024.

⁷⁵ Rio Tinto, [Rio Tinto to develop Biolron™ R&D facility in Western Australia to test low-carbon steelmaking](#) | Global, June 2024.

⁷⁶ ARENA, [Fortescue - low temperature direct electrochemical reduction for zero emissions iron - Australian Renewable Energy Agency \(ARENA\)](#), May 2025.

⁷⁷ CME/Mandala, [Realising WA's Green Iron Potential](#), December 2024.

⁷⁸ WA Labor, [Made in WA](#), February 2025; WA Government, [Nation's largest ironmaking electric smelting furnace set for WA](#), 17 December 2024; WA Government, [New Energies Industries Funding Stream open for applications](#), 9 September 2025.

⁷⁹ WA Government, [Green Energy Approvals Initiative](#), 20 December 2024.



To support the development of a WA green iron industry, CME recommends the WA Government:

- Reduces the royalty rate on value-added iron ore feedstocks like magnetite to reflect their high processing costs and global decarbonisation benefits.
- Maintains green steel as a Focus Area for the Minerals Research Institute of Western Australia's (MRIWA's) activities and ensures that green iron is the primary focus of research. This reflects WA's current position in the steel value chain and that ironmaking accounts for the majority of steelmaking emissions.
- Supports demonstration, pilot and commercial plants through targeted R&D funding, infrastructure investment and incentives for domestic projects and international partnerships.
- Includes green iron projects under the scope of the WA Government's Green Energy Approvals Initiative to support faster approvals processes for projects seeking to reduce net global emissions.
- Works with established and emerging trading partners through its trade and investment functions to attract investment and offtake agreements in demonstration and pilot plants and attract global green iron players to WA's Strategic Industrial Areas. This should include government-to-government agreements to explore mutually beneficial opportunities in decarbonising global steelmaking chains.
- Coordinates with the Australian Government to fund key infrastructure that will support WA's green iron ambitions:
 - Introduces measures to reduce the cost of new renewable generation capacity in the Pilbara.
 - Invests in additional port capacity in the Pilbara and Mid West regions, including the full activation of Lumsden Point and sufficient large-scale material offloading capabilities at Port Hedland and the activation of proposed port developments at Balla Balla, Anketell or Oakajee.
 - Develops common-use electricity, transmission, water, hydrogen and carbon capture, utilisation and storage (CCUS) infrastructure to support low carbon hydrogen and green iron production.
 - Undertakes road widening and bridge upgrades on routes core to the transportation of large modular materials and renewable power equipment needed for constructing hydrogen and green iron production projects.



Access to resources

Access to naturally occurring resources is the cornerstone of any resources sector, and WA is no different. Investors favour jurisdictions that provide industry with certainty of tenure and timely approvals processes. Importantly, this timeliness can be provided while meeting the high environmental, social and governance (ESG) standards expected by the WA resources sector's customers, investors, employees and local communities. The extractive nature of the resources industry also requires ongoing exploration to sustain existing operations and underpin new investments, supporting WA jobs.

In a competitive global environment, lengthy and demanding approvals processes and uncertainty regarding regulatory processes and tenure can deter investment to both maintain and create jobs. Concerningly, the Fraser Institute's Annual Survey of Mining Companies 2024 highlighted respondents' concerns over disputed land claims and regulatory duplication and inconsistencies in WA.⁸⁰ Ensuring WA's approvals processes, heritage and land tenure arrangements are timely and efficient is vital to the ongoing viability of the WA resources sector.

Streamlined project assessments – Introducing KPIs and reporting metrics will support ongoing efforts to streamline approvals processes

Timely, efficient and transparent approvals processes are crucial to attracting investment to sustain and expand WA's resources sector, unlock renewable energy projects and deliver common-use infrastructure.

Member feedback over recent years indicates WA project assessment timeframes are not competitive with national and international competitors. For example, a report commissioned by the Australian Aluminium Council forecasts delays in approvals processes to be the single largest contributor to additional alumina refining costs over the next five years.⁸¹

The WA Government has committed to reducing assessment and approval timeframes and CME acknowledges recent efforts in this space. This includes implementing recommendations made by the independent review of environmental assessments (the Vogel-McFerran Review) such as parallel processing and the introduction of Statement of Expectation for the WA EPA through amendments to the *Environmental Protection Act 1986* (WA) (EP Act). Recent investment in online systems upgrades has been significant, with the development and launch of the Department of Mines, Petroleum and Exploration (DMPE) Resources Online system. Developing strategic initiatives such as deemed decision-making by the Department of Water and Environmental Regulation (DWER) and the introduction of the State Development Bill 2025 (WA) to provide the WA Coordinator General the necessary legislative framework to streamline approvals processes for state significant projects and areas, remain critical to ensuring investment in major job-creating projects in WA.

Despite these efforts, CME member feedback suggests end-to-end approvals timeframes remain largely unchanged over the past year, with members reporting significant process delays in the range of 12-18 months. CME believes that intra and inter-agency process inefficiencies and Departmental capacity shortages contribute to these delays, highlighting the value of accurate timeframe reporting to support targeted improvements in end-to-end approvals timeframes.

Recommendations

To reduce project assessment timeframes while maintaining WA's high ESG standards, CME recommends the WA Government:

⁸⁰ Fraser Institute, Annual Survey of Mining Companies 2024, July 2025, p.35

⁸¹ Australian Aluminium Council, [Vulnerabilities & Opportunities in Australia's Upstream Aluminium Sectors](#), October 2024.



- Undertakes an approvals 'time in motion study' to quantify the end-to-end length of assessment processes and their impact on industry and identify focus areas to drive efficiencies.
- Develops KPIs and reporting mechanisms for state-based assessment timeframes that deliver real-time Departmental performance data, underpinned by measurable KPIs that support proactive decision-making and rapid response to emerging issues.
- Implements processes and technological changes to reduce the administrative burden on Government Departments tasked with reviewing assessments and approvals. Allocate additional funding to expand the Resources Online system to include compliance reporting.
- Provides targeted increases in Departmental resourcing at DMPE, DBCA and DWER, where capacity is identified as contributing to approvals processing delays.
- Implements significant outstanding recommendations made by the Vogel-McFerran Review, including:
 - Partnering with the Department of Climate Change, Energy, the Environment and Water on trusted national environmental data systems and ensuring bilateral arrangements are prioritised as a key focus area to support streamlined accreditation and bilateral project assessments in WA.
 - Addressing duplication caused by the definition of 'social surroundings' across state legislative regimes.
- Collaborates with industry to ensure that the objectives of the State Development Bill 2025 (WA) are met, with engagement on the implementation of the legislation and drafting of the regulations.
- Ensures that the Office of the Coordinator General is appropriately resourced to undertake its functions.
- Continues to work collaboratively with industry and the Australian Government to ensure that amendments to the *Environmental Protection and Biodiversity Conservation Act 1999* (Cth) (EPBC Act) provide necessary environmental protections while streamlining approvals timeframes and removing duplication.

Tenure – Considered reform will strengthen heritage process and provide tenure security to enable sustainable development

Certainty of access to tenure is a major determinant of the viability of operations. Regulatory, compliance and enforcement mechanisms must strike the right balance to facilitate heritage protection, responsible access to resources and sustainable development and advance WA's economic and community interests.

A lack of certainty regarding land tenure is a key issue facing WA's resources sector, undermining investor confidence in projects. Proponents are experiencing difficulties with the tenure application process, causing project delays with major cost implications. Member feedback has also identified concerns about the financial impact of retrospective tenure invalidity.

CME recognises that the WA Government has committed to addressing tenure access concerns as part of the WA Government's Mining Amendment Bill 2025. This includes addressing prospective tenure validity concerns that arose following the *Forrest & Forrest v Wilson* High Court of Australia decision, that determined that mining leases can be rendered invalid due to minor procedural non-compliance. Obtaining retrospective tenure validation is critical to the ongoing operations of current WA resources sector projects and providing a pathway for the WA resources sector to obtain this validation retrospectively would further demonstrate a policy commitment to maintaining a workable, compliant mining tenure system in WA.

CME also strongly welcomed the WA Government's targeted review into Native Title and Aboriginal cultural heritage processes in Western Australia's mining and exploration sector. CME believes that recommendations which address increasing timeframes and costs associated with heritage surveys,



improve capacity of First Nations representative bodies and support reliable regulatory outcomes and decision-making, would improve cultural heritage processes in WA.

Considered reforms relating to heritage and Native Title processes are particularly important given the broader federal reform agenda regarding Native Title and cultural heritage. These reforms present both opportunities and risks for the resources sector, with well-aligned reforms supporting streamlined heritage protection as part of sustainable development and responsible access to resources. However, poorly coordinated changes risk creating duplicative or inconsistent regulatory settings across state and federal regimes that undermine certainty and outcomes. The Australian Law Reform Commission's review into the Future Acts Regime, the development of a First Nations Engagement National Environmental Standard under EPBC Act reform and reform of the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) are all progressing concurrently or in the near future.

There are at least 22 legislative requirements, regulations or policy settings across the three tiers of government that include requirements for First Nations consultation and could be applied to mining activities. Requirements and definitions across these guidelines are inconsistent, often vague and are detrimental to supporting participation in regulatory processes and reliable regulatory outcomes. This duplication, such as cultural heritage assessments being repeated as part of environmental approvals or mine development processes, leads to consultation fatigue, strained relationships and unclear responsibilities. Environmental and heritage protections are important elements of a resource sector project approvals, however, where multiple agencies attempt to regulate there are often inefficiencies, confusion and protracted timeframes without improved heritage or environmental outcomes.

To further ensure meaningful and workable engagement with Indigenous rights holders through regulatory processes, including heritage and native title regimes, it is critical that the WA Government addresses the resourcing and capacity issues faced by First Nations representatives.

Recommendations

To support greater certainty of land tenure and the sustainable development of the WA resources sector, CME recommends the WA Government:

- Urgently progresses the Mining Amendment Bill 2025 (WA) through Parliament to provide proponents with greater certainty of land tenure.
- Advocates to the Australian Government to secure procedural changes to the *Native Title Act 1993* (Cth) required to implement retrospective tenure validation.
- Ensures any policy, governance or process amendments implemented as a result of the WA Government's targeted review into Native Title and Aboriginal cultural heritage processes in Western Australia's mining and exploration sector are supported through adequate and sustainable funding.
- Continues to advocate to the Australian Government to ensure that reform to the Future Acts Regime does not duplicate process requirements and is considerate of the WA context.
- In coordination with the Australian Government as part of its ongoing reform agenda, makes necessary legislative and regulatory changes to ensure engagement requirements are clear, consistent, not duplicative, and not placing an unnecessary burden on proponents or First Nations representatives.
- In collaboration with the Australian Government, develops ongoing funding to support targeted resourcing and upskilling of First Nations representatives, including work to identify what capacity support is needed.

Water – Improving regulatory efficiency will support sustainable water use

Secure and sustainable access to water is crucial for resource sector operations and its responsible use and management is increasingly critical in the face of a drying climate and growing, competing access demands. It is recognised that Aboriginal water concepts are deeply embedded in community and kinship relationships. CME supports strategic planning and investment to secure future reliable



sources of water, such as desalination plants and in managed aquifer recharge to defend against low rainfall years. The sustainable and culturally informed management of water resources is also vital to ensure that water rights are protected, sustainable development is supported, and future generations continue to have access to water resources.

CME member companies have reported lengthy and increasing timelines for the processing of applications made under the *Rights In Water and Irrigation Act 1914* (WA) (RIWI Act). Delays may in part reflect additional actions and consultation undertaken through the management of water licence applications and amendments that may not be clearly specified in the legislation, regulations or guidelines.

CME believes there is a need to revise the existing guidelines, introduce transparent reporting and ensure sufficient resources support the timely and sustainable management of WA's water resources.

Efficient processing of applications under the RIWI Act depends on DWER having the operational capacity to manage increased workloads. Appropriate resourcing, supported by technological and procedural improvements, will be essential to streamline water licensing and amendment activities.

Recommendations

To ensure the sustainable and efficient allocation of water to the mining and resources sector, CME recommends the WA Government:

- Invests in research and monitoring of Pilbara groundwater sources to inform sustainable allocations.
- Reviews current processes and guidelines for the allocation and extension of water licences under the *RIWI Act* to improve process efficiency and remove duplication across Part IV assessments.
- Appropriately resources the Department of Water and Environmental Regulation to process water licences and amendments within a reasonable timeframe.
- Implements procedural and technological changes to the water licencing process to reduce the administrative burden on the Department and proponents.
- Ensures proponents are assisted with compliance through clear communication from the regulator.
- Consider the role and development of common user infrastructure to support sustainable access to water resources.

Exploration – Continued support for resource identification will ensure a strong pipeline for resources development

Exploration is the bedrock of a sustainable resources sector, providing a pipeline of projects to secure investment and create wealth for the state. Access to precompetitive data and analysis by Geoscience Australia (GA) and the Geological Survey of Western Australia (GSWA) helps lower exploration costs and enhances investment potential. Deloitte Access Economics found that precompetitive geoscience data had supported around \$76 billion of value added in the national economy and around 80,000 full-time equivalent jobs in 2021-22 alone.⁸²

CME recognises the important work being undertaken by the WA Government in relation to exploration.

- The WA Array, established by GSWA in 2022, is a significant initiative that will provide valuable insight on the existence of valuable mineral resources across the state.

⁸² Deloitte Access Economics, The economic value of government precompetitive geoscience data and analysis for Australia's resources industry, report commissioned by Geoscience Australia, 18 August 2023



- GSWA manages a series of co-funded grants as part of the Exploration Incentive Scheme (EIS). The EIS provides industry with opportunities to identify new critical mineral deposits that benefit all Western Australians. Incentive schemes for exploration demonstrate to industry and investors that the government values the economic contributions made by the sector and acknowledges the need to ensure new projects are identified.
- WA's Geological Data Transformation Program (GDTP) is crucial in providing strategic, high-value geoscience data and supporting WA's global leadership in digital geoscience.

The WA Government should continue to provide funding certainty for these important projects. Viable opportunities to expand the EIS should be investigated to ensure that WA remains an attractive jurisdiction to conduct exploration works.

At a federal level, GA have released their 10-year plan for Resourcing Australia's Prosperity. Among other priorities, this framework details the work GA intends to undertake to assist with identifying new critical mineral deposits. This work has the potential to identify new projects that will contribute to the WA economy and create jobs.

Recommendations

To ensure a strong pipeline of new and emerging resources projects, CME recommends the WA Government:

- Continues to fund the WA Array project and collaborate with industry on areas of shared interest.
- Continues to provide, and considers expanding, incentive schemes for exploration drilling.
- Increases funding and appropriately resources WA's Geological Data Transformation Program to accelerate the delivery of consolidated and integrated datasets, deploy cutting-edge analytics and develop a seamless, enterprise-grade platform for industry, government, and research bodies.
- Collaborates with industry to determine research priorities that will assist with all aspects of mining operations, from exploration through to closure.
- Advocates to the Australian Government for WA industry priorities to be incorporated in the workplan for Geoscience Australia's Resourcing Australia's Prosperity 10-year plan. Engages with industry to identify any regions that may warrant a 'deep dive' study.

Uranium – Overturning the ban on uranium mining will diversify WA's economy and enhance the energy security of our trading partners

Uranium's ability to fuel zero-emissions baseload nuclear power is creating a significant opportunity for WA to diversify its economy, further support global decarbonisation efforts and provide energy security to our allies and defence partners.

The World Nuclear Association forecasts that global demand for uranium to power nuclear reactors will more than double between 2024 and 2040.⁸³ Many of WA's trading partners are looking to expand their nuclear generation capacity, including Japan, South Korea, UK, US, China and India, and 31 nations have endorsed the Declaration to Triple Nuclear Energy by 2050 as part of a global pathway to net zero emissions.⁸⁴ This growing demand, coupled with the declining supply, has seen uranium prices rise significantly in recent years to around US\$80 per pound.⁸⁵ Futures markets indicates prices will reach US\$90 per pound by 2029.⁸⁶

WA's substantial uranium resources and reputation as a stable, reliable jurisdiction means our state is well-placed to benefit from this strong demand outlook. WA has known deposits of about 226,000

⁸³ World Nuclear Association, [Nuclear Fuel Report](#), September 2025.

⁸⁴ World Nuclear Association, [Six more Countries Endorse the Declaration to Triple Nuclear Energy by 2050 at COP 29](#), 13 November 2024

⁸⁵ [Trading Economics](#), accessed 22 September 2025.

⁸⁶ [UxC Uranium U308 Futures](#), accessed 22 September 2025.



tonnes, which would make it the eighth largest uranium source in the world. WA has four proposed uranium projects (Wiluna, Kintyre, Mulga Rock and Yeelirrie) that received environmental approvals under the previous WA Liberal Government, with a combined capacity of over 10,800 tonnes per annum. However, only Deep Yellow's Mulga Rock project is currently in a position to proceed given that it met the 'substantial commencement' requirement within the 5-year time limit of their State Ministerial Approval. While the approvals for the other three projects (Yeelirrie, Kintyre and Wiluna) remain valid, the proponents must obtain an extension prior to implementing their projects; previous requests by Cameco to obtain an extension have been denied by the relevant Environment Minister.⁸⁷

Since 2017 there has been a *de facto* ban on new uranium mining in Western Australia. We understand the WA Government's concerns surrounding uranium mining are primarily related to environmental, health, and safety issues, and low prices over the past decade meant the economic opportunity was limited. Uranium prices averaged around US\$20 per pound in 2017 when the ban was introduced.

Uranium mining could unlock significant economic benefits for the state. It is estimated the four proposed projects could create up to 9,000 jobs and at expected future prices of US\$90 per pound would generate around \$1.9 billion in annual production value.⁸⁸ Given uranium attracts a 5 per cent royalty rate, these projects could generate almost \$100 million per annum in royalties.

CME continues to call for the removal of the ban on uranium mining in WA. The ban limits the WA resources sector's ability to support the energy transition and security of our trading partners, while preventing the domestic economic benefits arising from developing our natural resources. Existing policy and regulatory frameworks are well-equipped to manage the environmental, health, and safety aspects of uranium mining activities, with South Australia undertaking uranium mining safely and responsibly for years. Stronger current and expected prices also mean the economic diversification benefits on offer for WA are larger than in the past. This is evidenced by the restart of mining activities at Boss Energy's Honeymoon uranium project in SA in October 2023.⁸⁹

Recommendations

To support the diversification of WA's economy and the energy security and decarbonisation of our trading partners, CME recommends the WA Government:

- Overturns the *de facto* ban on uranium mining in WA.
- Supports the development of the four WA uranium projects which held state environmental approvals in 2017 (Wiluna, Kintyre, Mulga Rock and Yeelirrie).
- Supports uranium exploration in WA to develop a future pipeline of uranium projects. The Geological Survey of WA should include uranium in the Exploration Incentive Scheme and geological mapping projects.

⁸⁷ ABC News, 14 April 2022, 'Cameco Corp still set on WA uranium mine, despite government knockback, Indigenous opposition', Accessed 8th October 2024

⁸⁸ CCIWA, 2024, [Uranium Mining in Western Australia](#).

⁸⁹ Boss Energy, [H1 FY24 Results](#), pp 2-3.



Energy security, net zero and climate resilience

Access to reliable, low-cost energy has attracted energy-intensive resources and manufacturing operations to WA for decades, underpinning our state's industrial base and high-paying jobs. As the world decarbonises our state's energy system and industry must move to one that is also low emissions.

The WA resources sector is committed to decarbonisation, taking action to reduce operational emissions within our control while also supporting the decarbonisation of our trading partners. CME and its members support the Paris Agreement and its goal of limiting global warming to well below 2 degrees Celsius and pursuing efforts to limit temperature increase to 1.5 degrees Celsius, and accept the scientific consensus as assessed by the Intergovernmental Panel on Climate Change (IPCC). CME acknowledges the Commonwealth's 2035 emissions reduction target range of 62-70 per cent (on 2005 levels) and accompanying Net Zero Plan published in September.⁹⁰

WA should take a technology-neutral, least cost approach to achieving the decarbonisation of our economy. A low emissions energy system that is too expensive for our existing industries to remain viable, or to attract new industries, will cost jobs and reduce the living standards of all Western Australians. It would also undermine net zero ambitions as production would move to jurisdictions with less stringent emissions standards. The absence of widespread, material price premiums for low-emission ('green') commodities across Western Australia's key export markets means WA will need to continue to compete on cost for the foreseeable future.

Action to reduce the emissions-intensity of electricity used to power resources operations is well underway across the WA resources sector. Investments in wind, solar, battery and hybrid power solutions have been common over recent years as the costs of these low-emissions technologies have declined, with many more projects currently under construction. For operations on WA's South West Interconnected System (SWIS), the limited ability to progress behind-the-meter solutions means emissions reduction will depend heavily on the WA Government's efforts to transform the grid.

For some operations currently using fossil fuels to power activities or processes there may be the opportunity to switch to electricity ('electrification') in the near-to-medium-term. Large resources companies are conducting trials or entering partnerships for battery electric haul trucks, dozers, excavators and trains in the Pilbara region.⁹¹ However, the Australian Government's recent Resources Sector Plan⁹² acknowledges the substantial technical, commercial and logistical challenges involved and the sequencing challenges posed by existing asset lifecycles. Improving the commercial viability of electrification will require governments to provide certainty around the future availability of low-emissions, reliable and globally cost-competitive electricity, including the costs and availability of supporting infrastructure (e.g. transmission).

However, for other resources sector operations there may be no foreseeable pathway to electrification, particularly if greenhouse gas emissions come as a by-product of chemical processes. Some CME members are therefore looking to CCUS as a key enabler for decarbonisation, and others are looking at novel processing techniques which are not expected to be technologically or commercially ready in the near- to medium-term. This reinforces the need for continuing research, development and commercialisation of novel decarbonisation technologies. While these new technologies are developed and deployed, emissions reduction pathways in these hard-to-abate facilities will involve high-integrity offsets.

South West Interconnected System (SWIS) – Rising prices are threatening the viability of existing and future operations in the SWIS

Resources sector operations in SWIS-connected regions are incredibly diverse and make a large contribution to the state and local economies. In 2023-24, resources operations in SWIS-connected regions accounted for 9 per cent of WA minerals production value, 6 per cent of WA royalties (\$758

⁹⁰ [Australia's 2035 Emissions Reduction Target and Net Zero Plan](#), 18 September 2025

⁹¹ BHP, [BHP orders four battery-electric locomotives for WAIO rail network](#), 17 January 2022, Rio Tinto, [Rio Tinto purchases first battery-electric trains for the Pilbara](#), 11 January 2022

⁹² Federal Department of Industry, Science and Resources, Resources, September 2025 (page 19)



million) and 15 per cent of onsite minerals employment (19,794 FTEs).⁹³ The South West region in particular is home to significant value-adding manufacturing of critical minerals and strategic materials including alumina, lithium, silicon, zircon and titanium which have been in operation for decades.

These industries were established in large part due to the availability of reliable, cheap energy which underpinned investment decisions and the continued viability of these operations. Government investment in common-use infrastructure and stable policy settings also helped offset the impact of high capital and labour costs and distance from key customer markets.

Unfortunately, WA's historical energy advantage has quickly eroded over the past 5 years. Using publicly available data, CME estimates that total delivered wholesale power costs for large industrial customers on the SWIS have roughly doubled from around \$125/MWh in 2020 to at least \$210/MWh in 2025, and potentially as high as \$250/MWh.⁹⁴ Rising wholesale prices primarily reflect increases in domestic coal and gas prices, rising transmission costs reflect higher maintenance costs and interest rates while rising reliability costs and market fees are driven by the increasing share of intermittent renewable generation. These sharp increases in wholesale costs significantly reduce the viability of new electricity-intensive resources and manufacturing projects in SWIS-connected regions. They may also delay or undermine investment decisions that support the decarbonisation of existing industry via electrification.

The large increase in delivered prices also poses risks to the ongoing viability of existing operations as projects roll off low-cost long-term energy contracts in coming years and face the full impact of these increases. The current financial plight of east coast smelters and refineries provides a cautionary tale with sharp increases in electricity costs a key driver of the financial pressures being experienced by Nyrstar's lead and zinc operations,⁹⁵ the Tomago aluminium project⁹⁶ and Glencore's Mt Isa copper mine⁹⁷

Safeguarding the reliability of electricity supply on the SWIS as state-owned coal fired power stations are retired is critical. Ensuring sufficient electricity supply will require a significant build out of new transmission infrastructure, long-duration storage and large-scale renewable and gas-fired generation capacity in a short period of time. At the same time, the shift in generation from synchronous (coal and gas) to inverter-based (wind and solar) generation will create system strength challenges.⁹⁸ Addressing these issues will involve additional costs.

CME welcomed the release of the WA Government's SWIS Transmission Plan (the Plan) in September 2025,⁹⁹ which we had been calling for since our 2024-25 Pre-Budget Submission in October 2023. The Plan will provide much needed transparency and certainty regarding the location and expected timing of new transmission infrastructure on the SWIS. This will support investment certainty in the SWIS and reliability outcomes over the medium to longer-term. The three development phases, each with clearly defined drivers, provide flexibility to adapt to changing circumstances over time, and the clear focus on delivering electricity to WA's Strategic Industrial Areas (SIAs) will help to make these areas more project-ready. It is pleasing the WA Government has recognised that industry may pursue network solutions not prioritised by the State Government, and that elements of the second phase of the SWIS Transmission Plan, such as Clean Energy Link – Moora and Clean Energy Link – Chittering, may need to be brought forward to meet increasing demand.

CME also strongly supports the release of a 'Network Opportunities Map' later in 2025 that will outline existing connection opportunities across the SWIS. This will play a critical role in facilitating near-term opportunities to connect new generation and loads.

⁹³ These statistics are obtained from the Department of Energy, Mines, Industry Regulation and Safety (DEMIRS) [2023-24 Spatial and Regional Resource Data File](#).

⁹⁴ Estimated total delivered cost of \$211/MWh using real-time energy prices or \$250/MWh using Synergy Standard Offer Price (last available quote prior to the relevant capacity year). AEMO, [Quarterly Energy Dynamics Q2 2025](#), Figure 127; Economic Regulation Authority, [2024/25 Price List for the Western Power Network](#), 14 May 2024, Table 1.5, RT7.

⁹⁵ ABC, [Nyrstar to get \\$135 million bailout for struggling smelters](#), 5 August 2025

⁹⁶ AFR, [Rio pushes for 'eye-watering' Tomago bailout](#), 6 June 2025

⁹⁷ ABC, [Glencore announces closure date for Mount Isa Mines' copper operations](#), 3 April 2025

⁹⁸ System strength refers to issues including frequency control and voltage stabilisation. AEMO assessed SWIS system strength in its 2025 WEM ES00 and [AEMO's 2026 Engineering Roadmap](#) includes a focus on system strength.

⁹⁹ WA Government, [SWIS Transmission Plan to make WA a renewable energy powerhouse](#), 18 September 2025



However, the transmission plan does not provide any certainty regarding total future electricity costs on the SWIS. Total delivered costs for large industrial customers have increased substantially over recent years and prices are expected to rise further in coming years due to rising reliability and transmission costs. While reductions in wholesale energy costs are expected as new transmission unlocks additional renewable generation capacity, the Plan does not state whether these reductions will outweigh increases in transmission costs. The risk of transmission cost blow-outs is also high given recent the recent experience of east coast transmission project costs doubling.¹⁰⁰ It is also unclear how the plan addresses system strength issues as WA transitions to inverter-based generation, and whether these costs have been incorporated in the lowest-cost system modelling underpinning the transmission plan. As the WA Government and its entities continue to refine and implement the transmission plan it is important to keep front of mind that all current and potential future industrial demand in the SWIS is dependent on commercially viable electricity prices. **CME member feedback indicates total delivered electricity prices of around \$100/MWh or less are required to attract new industry and enable existing large industrial users to compete with other jurisdictions.**

Greater transparency regarding the cost of new transmission augmentations deemed 'Priority Projects' would support confidence in the transition. Under normal circumstances major transmission network upgrades proposed by Western Power must pass the Economic Regulatory Authority's (ERA) regulatory test¹⁰¹ that assesses whether the project would maximise the net benefit to grid participants (generators, distributors and consumers) after considering alternative options. This test requires Western Power to provide detailed identification of the net present costs of each alternative considered.¹⁰² However, the WA Minister for Energy can determine a project is a 'Priority Project' and therefore not subject to this test; this has occurred for both major augmentations under the SWIS transmission plan to date – Clean Energy Link North and the Regan's Ford reinforcement.¹⁰³ While a determination must be accompanied by published reasons those issued to date have not contained any estimates of net present costs for identified alternatives.

Delays to transmission projects also remain possible due to lengthy processes to secure land access, environmental and development approvals, long lead times for key items and workforce constraints. A lack of confidence regarding stated timeframes could undermine the value of the Plan in providing greater investment certainty for proponents. Continual refinement of the Plan will be required to ensure that only necessary transmission investments occur, and those that do are delivered cost-effectively.

New renewable generation projects on the SWIS need both revenue certainty and transmission access to reach a final investment decision (FID). While the Transmission Plan helps address transmission access, industry feedback indicates achieving sufficient guaranteed revenue to obtain finance and progress an investment remains challenging. With mixed views on the effectiveness of the Federal Capacity Investment Scheme in bridging commercial gaps for renewable projects, WA Government intervention is likely to be required to bring on the generation capacity required to replace exiting coal-fired plants.

Recommendations

Existing large energy users are facing further increases in energy costs over coming years and some continue to experience reliability issues. To support large energy users through the transition we recommend the WA Government:

- Implements measures that provide near-term cost-relief to safeguard the viability of operations.
- Prioritises improving reliability for existing and near-to-market projects, particularly those in the Kemerton and Western Trade Coast industrial areas (including Kwinana). The timing of Stage 1 augmentations at the Kemerton SIA should be brought forward to address existing power reliability issues.

¹⁰⁰ The [Energy Connect](#) transmission project on the east coast was originally budgeted at \$2.1b for 900kms (800MW) but these costs have blown out by 70 per cent to \$3.6b. The cost of the VNI West project is [expected](#) to double from \$3.9 billion to \$7.6 billion.

¹⁰¹ Economic Regulatory Authority (ERA), [Guideline on factors that will be considered in new facilities investment test determinations and methods to value net benefits](#), December 2021.

¹⁰² ERA, [Regulatory Tests](#), accessed 13 October 2025.

¹⁰³ WA Government, [Priority Project Determinations](#), 6 June 2025.



To ensure an optimal and efficient transmission build-out for the SWIS CME recommends the WA Government:

- Actively facilitates behind-the-meter options that reduce transmission requirements and support the overall affordability of the energy transition.
- Continues to update its demand and supply forecasts to refine the required transmission build out and incentivise proponents to build close to existing or planned transmission projects.
- Provides further detail on the mechanisms to ensure a cost-effective transmission build out. In particular, the roles of the Energy and Decarbonisation Expenditure Review Sub-Committee (EDERSC) and Economic Regulation Authority (ERA) in ensuring customers are not on the hook for cost over-runs.

To provide greater certainty to industry regarding future costs and delivery timeframes, CME recommends the WA Government:

- Provides estimates of future total delivered energy costs in the 2027 SWIS Whole of System Plan.
- Outlines the actions being taken to ensure project design, approval and construction activities will be delivered on time.
- Provides greater detail, including the net present costs, in the published reasons accompanying Ministerial determinations of SWIS priority transmission projects.

To support the commercial viability and development of new renewable generation projects we recommend the WA Government:

- Explores and implements measures to improve revenue certainty for new renewable generation projects to reach final investment decisions.

Goldfields – Government needs to focus on near term solutions to ensure reliable and cost competitive energy for Kalgoorlie

The Goldfields-Esperance region is WA's second most valuable resources region behind the Pilbara. In 2023-24, the region contributed 9 per cent of total resources sector production, 5 per cent of total royalties, and 28 per cent (38,139 FTEs) of total onsite mining employment.¹⁰⁴ Gold accounts for the vast majority of resources production value in the region, followed by nickel, lithium, tantalum, potash and rare earths. CME's 2023-24 Economic Contribution Survey found that the WA resources sector supports 3 in 8 jobs in the region and provided \$1.7 billion in direct payments to 933 local businesses, 229 community organisations and 10 local governments.¹⁰⁵

Power reliability is a critical enabler for mining and processing operations in the Goldfields. Most resources operations in the region use on-site or localised power solutions, with the South West Interconnected System (SWIS) only extending to the City of Kalgoorlie-Boulder and surrounding areas. Kalgoorlie-Boulder is connected to the SWIS via a single 220 kV transmission line stretching approximately 650 km from Muja near Perth.

SWIS-connected resources customers in the Goldfields have been experiencing increasing reliability issues over recent years,¹⁰⁶ reflecting ageing infrastructure, transmission network vulnerabilities and insufficient generation capacity to meet demand. This is having significant impact on mining operations, businesses and the community. Repeated outages are creating operational challenges, imposing additional costs on businesses and negatively impacting the region's ability to productively operate or expand.¹⁰⁷

Insufficient electricity supply for SWIS-connected loads led to the introduction of the Eastern Goldfields Load Permissive Scheme (ELPS) in 2021. This initiative allows large industrial customers in the region

¹⁰⁴ Department of Mines, Petroleum and Exploration, '[Resources Industry Data](#)', accessed 24 September 2025.

¹⁰⁵ CME, [2023-24 Economic Contribution: Goldfields-Esperance Region](#), March 2025.

¹⁰⁶ The Guardian, [Kalgoorlie faces a week without electricity amid heatwave due to WA power outages](#), 19 January 2024; Kalgoorlie Miner, [Lynas Rare Earths warns 'unacceptable' power outages threaten Kalgoorlie-Boulder's status as processing hub](#), 26 August 2024.

¹⁰⁷ ABC, [Goldfields residents brace for future blackouts as long-term solution still years away](#), 25 September 2025.



to access additional electricity supply from the existing network when there is spare capacity available. However, this supply scheme is interruptible, meaning that this additional power can be curtailed or switched off when other users need their contracted quantity.

The ELPS is a partial and imperfect scheme that does not address the core underlying issue of insufficient power availability in the region. As supply can be (and is) interrupted regularly, industry has to manage this risk by investing in backup diesel generators that are expensive to install and run and produce higher emissions than grid-sourced power. Switching to back-up power also results in production and revenue losses.

The WA Government has announced several measures to improve the reliability of the SWIS in the Goldfields region following lengthy blackouts experienced in Kalgoorlie in January 2024.¹⁰⁸ A Non-Co-optimised Essential System Services (NCESS) procurement process began in 2024 for up to 150 megawatts of new back up generation designed to replace the West Kalgoorlie's ageing turbines.¹⁰⁹ It has also partnered with TransAlta to provide emergency gas-fired generation for the Kalgoorlie-Boulder region as an interim solution.¹¹⁰ The WA Government is also exploring longer term solutions to improve energy security and deliver lower emissions and prices in the Goldfields region, including the installation of a 50 MW vanadium flow battery¹¹¹ by 2029 and the potential for a Goldfields Regional Network (GRN)¹¹² – a new privately-owned common-use grid which could be in place by 2033.

CME welcomes the exploration of longer-term solutions from the WA Government, but industry cannot wait eight years for the delivery of a reliable, low emissions and cost competitive electricity system in the Goldfields region.

Data obtained from a small sample of SWIS-connected CME members in the Goldfields region indicate an average of 4 power outages per month over the past year or so, with most related to the ELPS. Each outage event, no matter how short, can take 1-2 to 4-8 hours to return to full operations. Member data indicates tens of millions of dollars in lost revenue over the past year due to these outages, in addition to the costs of running and maintaining back-up power systems. CME members have also highlighted that the lack of additional power availability is also constraining expansion activities.

Urgent action is required to improve the reliability of SWIS-supplied power to the Goldfields region in the near-term. CME is aware of potential industry-led solutions that may provide a timely and low-cost solution to reliability issues that the WA Government should explore. This is likely to require significant improvements to Western Power's network connection and expansion processes to connect new generation in a timely manner. Members also raise the long approvals processes for behind the meter renewable solutions as a key barrier to reducing power-related emissions in the region.

The longer-term vision of a common-use grid in the Goldfields region is worth continued exploration, with a phased approach likely to improve the success of this initiative. There are many existing operations in the northern Goldfields regions with a near-term need to reduce power-related emissions, and several existing behind-the-meter hybrid power plants that may have excess renewable electricity to sell into a grid. Focusing on a 'GRN North' first phase that connects projects just north of Leinster down to areas east and potentially west of Leonora may pose a more commercial and near-term opportunity to progress common-use infrastructure that could reduce land use, costs and emissions.

Recommendations

To address near-term electricity reliability and availability issues for SWIS-connected customers in the Goldfields, CME recommends the WA Government:

- Explores the viability of industry-led solutions to improve power reliability and availability in the Kalgoorlie-Boulder region in a timely and least-cost manner.

¹⁰⁸ Australian Energy Council, 27 Feb 2025, [Western Australia Goes to the Polls: What's in Store for Energy?](#)

¹⁰⁹ Western Power, 20 March 2024, '[Cook Government to procure additional Goldfields power supply](#)', [Accessed on 23 Sep 2025]

¹¹⁰ Government of Western Australia, 1 Nov 2024, [Cook Government secures additional Goldfields power supply](#)

¹¹¹ [Biggest vanadium flow battery in Australia promised for ailing Kalgoorlie grid](#)

¹¹² WA Government, [Goldfields Regional Network](#), 20 Aug 2025.



- Funds Western Power, using third party resources if required, to speed up new generation and customer connections in the Kalgoorlie-Boulder region to support improved power reliability and availability.
- Ensures approvals streamlining efforts reduce end-to-end timeframes for new renewable energy projects, including in the Goldfields region.

To support the delivery of reliable, low emissions and globally cost-competitive energy in the Goldfields region over the longer term, CME recommends the WA Government:

- Introduces a phased approach to the development of a Goldfields Regional Network, prioritising more certain, near-term opportunities for common-use infrastructure to minimise land use and reduce costs.
- Advocates to the Australian Government for funding under the Rewiring the Nation scheme to support new common-use infrastructure in the Goldfields region, should a commercially viable network concept be identified.

Pilbara – A focus on nearer-term opportunities, with de-risking by the WA Government, is required to achieve progress on the Pilbara Energy Plan

The Pilbara region is WA's mining powerhouse. In 2023-24, the Pilbara contributed 60 per cent of the total value of WA resources sector production and 87 per cent of total WA resources sector royalties; iron ore accounts for 96 per cent of resources production value in the region.¹¹³ The Pilbara also comprised 50 per cent (67,036 full-time equivalents) of total onsite mining employment in WA.

Decarbonising the Pilbara region is essential to achieve WA's commitment to net zero emissions by 2050. As with other regions, for much of the Pilbara's resources sector operations, access to reliable, low-emission and globally cost-competitive electricity will be key to enable electrification of existing operations. It will also be crucial to unlock investment in future resources projects and new industries such as green iron, hydrogen and ammonia. The WA Government's Sectoral Emission Reduction Strategy (SERS) in 2023 estimated that the Pilbara's electricity needs could increase 5-fold by 2050, requiring around 50GW of new generation and storage capacity.¹¹⁴ Only 2 per cent of electricity generation in the Pilbara was renewable when the report was completed.

The Pilbara Energy Transition Plan outlines a pathway to a common-use electricity grid in the Pilbara to support the decarbonisation of the region.¹¹⁵ This will require significant investment to deliver new generation and storage capacity, as well as the transmission infrastructure required to deliver this supply to customers. The plan supports an orderly, equitable and rapid transition to low-emissions energy in the Pilbara, unlocked in part through common-user infrastructure to minimise land use, project assessment resources, construction materials and labour. We acknowledge the work to date by the WA Government on Traditional Owner engagement, facilitating land access, regulatory reform, and the award of 'preferred project' status for four new common-user transmission corridors in late 2024.

CME and its members continue to support the plan's ultimate goal of a common-user transmission model to act as the foundation for the necessary scale-up of firmed, low-emission electricity in the region, enabling resources sector operations to decarbonise and unlocking investment in new low-carbon projects.

However, CME also recognises that the scale of such a large physical and financial undertaking will take time. This reflects the timeframes required to consult with community, engage with Traditional Owners, obtain environmental approvals and deliver regulatory reform, alongside the significant workforce and material requirements to construct four new transmission corridors.

In addition, future electricity demand forecasts out to 2050 are naturally subject to uncertainty. The timing of deployment for low emission mining fleet and equipment will play a large part in determining

¹¹³ Department of Mines, Petroleum and Exploration, '[Resources Industry Data](#)', accessed 24 September 2025.

¹¹⁴ Government of Western Australia, '[Sectoral emissions reduction strategy for WA: Pathways and priority actions for the state's transition to net zero emissions](#)', Department of Water and Environmental Regulation, 2023

¹¹⁵ '[Pilbara Energy Roundtable](#)', September 2024



when significant new electricity demand will arise, as will the timeframes for investment in new electricity-intensive industries.

Crucially, there remains a commercial challenge for transmission proponents arising from the WA Government's desire to optimise transmission corridors to minimise land use by sizing transmission infrastructure to support future, but uncertain, demand growth and renewable generation hub requirements. Even with concessional finance provided under the Rewiring the Nation fund transmission proponents must be able to recoup their costs. Without additional Government support to shield foundation customers from paying for excess capacity, these investments are likely to remain unviable and could result in transmission investments that cannot support future customers and generation proponents.

CME considers that prioritising the transmission build-out in the Pilbara Energy Transition Plan to focus on corridors that unlock projects with nearer-term, more certain demand and renewable energy supply will allow for progress to be made towards the long-term vision for the Pilbara. Feedback from CME members indicates transmission corridors in coastal areas including the Burrup peninsula (Maitland SIA) and Port Hedland (Boodarie SIA) are likely to be the nearer-term priorities. This strategy would align with the approach taken in the WA Government's SWIS Transmission Plan, which prioritised the delivery of electricity to Strategic Industrial Areas.

Action will also be required to de-risk transmission investments to avoid first-mover disadvantages for energy customers and suppliers, and to work with the Commonwealth to explore measures to reduce the cost of new renewable energy generation in the region. CME notes the federal Capacity Investment Scheme does not currently apply to the North West Interconnected System (NWIS).

Recommendations

To support the delivery of reliable, stable and cost competitive power to in the Pilbara region to meet industry's needs, CME recommends the WA Government:

- Regularly updates and publishes modelling on future electricity supply and demand scenarios for the Pilbara to support industry and generation proponents and ensure common-use infrastructure is sized appropriately for future needs.
- Works with industry and other stakeholders to establish a pragmatic, phased approach to the build out of common-use transmission corridors that prioritises investments with more certain, near-term demand and renewable energy supply. Early indications suggest the Burrup (Murujuga) and Great Sandy Desert corridors should be prioritised.
- Engages with transmission corridor proponents and the Clean Energy Finance Corporation to identify additional actions the WA Government should take to ensure transmission infrastructure is sized adequately to cater for future needs.
- Enhances its model for undertaking Traditional Owner negotiations and obtaining land tenure for priority transmission corridors to provide transmission proponents and investors with greater certainty on project delivery timeframes.
- Works with the Commonwealth to explore additional measures to bring down the cost of new renewable generation capacity in the Pilbara.

CCUS – Government facilitation will unlock common-use CCUS opportunities

The deployment of pre- or post-combustion carbon capture, utilisation and storage (CCUS) is currently a leading decarbonisation pathway for those CME members whose emissions are hardest-to-abate at scale, including where carbon dioxide is generated from chemical processes or existing gas use in industrial processes.

CCUS projects are being deployed at scale internationally, driven by direct and indirect government support. Jurisdictions including Northern Europe, Canada, Middle East, China, Malaysia and Indonesia are actively leveraging investment through their industrial strategies. In many cases, these countries



are working to develop multi-emitter CCUS clusters to drive down costs, underpinned by support to de-risk investment in common-use infrastructure (including carbon dioxide pipelines) which have capacity to allow for future connections.

CME welcomed the WA Government's CCUS Action plan in 2024, which recognises CCUS technology as a key enabler for industrial decarbonisation, safeguarding jobs in industries where there are limited alternatives to decarbonise and anchoring new ones in new low-carbon industries.¹¹⁶ CME members consider that there might also be an opportunity for CCUS to play a role in producing low-carbon hydrogen and ammonia at scale while the costs of electrolytic hydrogen come down, which could play a role in unlocking some green iron opportunities (see green iron section above). CME also agrees with the Action Plan that WA could take advantage of its geological assets and support the Asia Pacific region's transition to net zero by storing carbon dioxide, offering an opportunity for economic diversification and potentially bring down deployment costs. We also acknowledge that the Australian Government's Net Zero Plan highlights CCUS and other carbon management technologies as a key pathway for emissions reduction.¹¹⁷

Since the CCUS Action Plan was published, the WA Government has been working actively to assess options to collaborate with industry, including project proponents, to drive investment in CCUS in the 2030s. Key focus areas for this work will be identifying and managing integration risks of bringing multiple proponents across the value chain from capture, transport to storage, which are likely to be greater and more complex in multi-emitter CCUS clusters. While we recognise that the WA Government has allocated funding for CCUS common-use infrastructure,¹¹⁸ the pace of planning and delivery is falling behind those of other jurisdictions.

CME believes that the WA Government should take a more proactive approach in driving the delivery of CCUS industry development in WA. This should include fostering collaboration between proponents, materials suppliers and training providers, and working to obtain community and Traditional Owner support. Learnings from other jurisdictions should be reviewed and implemented where appropriate. To unlock opportunities to support our trading partners to decarbonise by storing carbon dioxide ('CCUS as a service') the WA Government will need to work with the Commonwealth to secure bilateral agreements under the terms of the London Protocol.¹¹⁹

Recommendations

To position WA as a leader in CCUS deployment to decarbonise hard-to-abate processes and unlock new low-carbon opportunities, CME recommends the WA Government:

- Commits to a formalised delivery partnership with industry and key stakeholders to progress CCUS projects, particularly those that could unlock decarbonisation in multi-emitter clusters. This would require a cross-government approach with commercial and delivery capabilities and the ability to support community and Traditional Owner engagement, identify delivery pathways and manage interdependencies.
- Identifies measures to de-risk investments in CCUS common-use infrastructure, building on the funding that has already been earmarked for the Mid West and Pilbara, ensuring that infrastructure such as pipelines can be sized adequately to allow for further expansion in a way that removes first-mover disadvantage for foundation emitters.
- Ensures that the Petroleum, Geothermal and Greenhouse Gas Storage (Greenhouse Gas Injection and Storage) Regulations are enacted by the end of 2025. This will ensure an effective regime for safe carbon dioxide storage is in place which will allow project proponents to begin the process of applying for injection and storage approvals.
- Works with the Commonwealth and trading partners in the Asia Pacific region to support investment in CCUS clusters, with a focus on supporting trans-boundary shipments of carbon dioxide, bringing down the costs of deployment.

¹¹⁶ WA Government, [Carbon Capture Utilisation and Storage: Action Plan](#), published November 2024.

¹¹⁷ Federal Government [Net Zero Plan](#), 18 September 2025

¹¹⁸ Awards for [CCUS common-use infrastructure in the Pilbara and Mid-West](#), November 2024

¹¹⁹ International Maritime Organisation. [Carbon Capture and Sequestration](#), 2019.



- Supports the Commonwealth to secure government-to-government bilateral agreements for the importation of carbon dioxide for storage, including under the London Protocol.

Climate adaptation and resilience – An updated WA Climate Adaptation Strategy will help protect communities and support business investment

As WA continues to experience the physical impacts of climate change it is increasingly vital to improve our state's resilience. Physical effects of climate change include extreme weather events, such as fires and floods, and chronic climate changes, such as sea-level rise and a drying climate leading to more frequent and more prolonged periods of water stress. As noted in the recent federal National Climate Risk Assessment¹²⁰ the effects on communities, the economy and national security could be significant, particularly in the north of Western Australia.

We acknowledge the work being undertaken by the WA Government under the Climate Science Initiative¹²¹ to carry out detailed climate change projections to the end of this century. With completion expected by the end of this year communities and business will be able to accurately access their projected exposure to climate risks at local level. In light of this, and given that the actions stipulated in the 2023 WA Climate Adaptation Strategy¹²² are approaching completion, CME and its members believe that WA needs an updated and improved climate adaptation roadmap that clearly defines further actions to improve our resilience to the effects of climate change, and improves the investment case for new resources projects.

Recommendations

To ensure that WA's communities and business are adequately prepared for a changing climate, CME recommends that the WA Government:

- Works with industry and communities to update and issue a revised WA Climate Adaptation Strategy by end 2026. The strategy should identify actions to improve resilience over the short, medium and long-term to protect communities and sustain business investment.

Additional specific recommendations to improve the climate resilience of regional WA are provided in the regional economic development chapter.

¹²⁰ Australian Climate Service, [National Climate Risk Assessment](#), 15 September 2025

¹²¹ WA Government [Climate Science Initiative](#)

¹²² WA Government [Climate Adaptation Strategy](#), July 2023



A safe, diverse and skilled workforce

The health and safety of our people is the number one priority of the WA resources sector. While the sector already operates to high safety standards, it is vital that the WA Government ensures work health and safety (WHS) policy settings enable a risk-based, outcomes-focused approach that promotes continuous improvement and avoids unnecessary compliance burden.

A skilled, productive and adaptable workforce is needed to ensure the sector's ongoing success and sustainability. The WA labour market remains tight, and with a large future pipeline of potential resources and renewable energy infrastructure projects, it is crucial that both industry and the WA Government maintain a strong focus on addressing current and future skills shortages. This includes continued support of WA's workforce development plan through upskilling and reskilling initiatives for the existing workforce, as well as supporting apprenticeships and traineeships to ensure a pipeline of new talent.

In 2023-24 the WA resources sector supported 3 in 10 jobs and nearly 40 per cent of total employee income in the state.¹²³ In relation to gender representation, data collected by CME over the past ten years shows persistent growth in women's participation in the WA resources industry. Women's participation has grown from 19 per cent in 2013 to 24.8 per cent in 2023, which is an increase of around 10,000 positions. Moreover, over half of this growth has occurred in the last two years (5,347 jobs). Aboriginal and Torres Strait Islander Peoples participation has also increased over time, representing 5.6 per cent of the overall workforce in 2023, with those in management roles growing to 3 per cent in 2023 from 0.9 per cent in 2021. This progress demonstrates the sector's concerted efforts to establish workplaces that are safe, respectful and inclusive. Examples of member initiatives driving this change include: the Indigenous Pathways Program (IPP), a collaboration between Monadelphous and Rio Tinto, dedicated to fostering long-term, sustainable employment opportunities for Indigenous peoples in WA; the BHP FutureFit Academy training program, established to train women and other under-represented groups in non-traditional roles; the Monadelphous Crane Operations Pathway Traineeship Program – a 36-month initiative designed to equip female and Indigenous trainees with the skills needed to qualify as crane operators; the Mineral Resources Inspire Program, a career resiliency program designed for aspiring and emerging female leaders; and Fortescue's Vocational Training and Employment Centre program which provides over 1,500 graduates with a guaranteed position at Fortescue upon successful completion.

Science, Technology, Engineering and Mathematics (STEM) skills will continue to be increasingly essential for the careers of resources sector workers. CME's Digital Technologies program (DigiTech) delivers a curriculum-aligned program for students in pre-primary to year 10 across regional and remote schools, focused on developing foundational knowledge in automation and data science. Co-designed by the resources sector and curriculum experts, DigiTech engages students in 'hands on' learning with real-world examples of automation and data science use in industry. By December 2027, CME members will have invested nearly \$3.5 million in DigiTech to support the next generation of Australian workers. This funding is used to provide digital technologies equipment to 250 schools, make the program available to more than 1,000 primary and secondary schools and provide dedicated coaching and mentoring services for more than 300 WA teachers. In 2024, the program was adopted and piloted in South Australia (through the South Australia Chamber of Mines and Energy) and has since received interest from other jurisdictions.

Work Health and Safety – Government needs to reduce compliance complexity

CME strongly supports a non-prescriptive, risk-based, and outcomes-focused approach in WHS legislation that enables hazards and risks specific to different operational contexts to be efficiently and effectively managed through the best use of resources.

It has been several years since WA implemented the harmonised WHS legal framework, and the sector continues to face several key issues. In particular, codes of practice remain out of date, often

¹²³ CMEWA, [Economic Factsheets Western Australia](#), July 2025



referencing superseded legislation, and the messaging and application of WHS laws by WorkSafe Mine Safety can be inconsistent. Compliance complexity and regulatory burden is also set to increase driven by factors such as the ongoing development of lengthy and prescriptive codes of practice, limited public consultation or completion of regulatory impact assessments by Safe Work Australia (SWA) on model WHS changes which can flow down to WA. One example is the lack of a robust evidence base for significant reductions to airborne contaminants that will be introduced in the Workplace Exposure Limits from 1 December 2026.

Industry contributes significantly to WorkSafe's capacity to drive safety and continuous improvement through the Mines Safety Levy and Petroleum Levy. The application of these levies is strictly limited to funding regulatory activities related to mining and petroleum safety, ensuring that resources are dedicated to sector-specific oversight. This recognises that competent, well-resourced WHS regulators are essential to effectively monitor compliance, provide direction and assistance to companies, and support ongoing improvement in health and safety risk management.

CME acknowledges the value of WorkSafe's specialised inspectorate and consistently advocates for increased transparency in the collection and allocation of levy funds. Surplus funds remain within the Mines Safety Levy Special Purpose Account, and CME maintains that this levy should not be increased, and these resources should be used to support improved health and safety outcomes in the mining industry. Spending should prioritise the capability and consistency of the inspectorate, the development of fit-for-purpose codes of practice, guidance materials and other practical initiatives including the Mental Awareness Respect and Safety (MARS) Program.

CME commends the WA Government on WorkSafe's continued high level of consultation and engagement with CME and the WA resources sector. In particular, we welcome the reinstatement of safety sharing, drawing on a wealth of data in the Safety Regulation System (SRS) to support an educational focus and continuous learning. CME also commends the Department of Local Government, Industry Regulation and Safety (LGIRS) on engaging in the development of practical tools through the MARS Program to support all companies lift their ability to provide safe, inclusive and respectful workplaces through access to free or subsidised evidence-based resources. However, the MARS Program did not receive any further funding allocation in the last State Budget, and this has resulted in uncertainty regarding the future of the Program and the resources on offer. One important initiative supported by the MARS Program is the Resourceful Mind Program, a mental health peer support program designed through a partnership between Lifeline WA and CME. Further, there is currently a lack of transparency regarding MARS Program funding decisions and no single point of reference from LGIRS outlining and facilitating access to all initiatives available through the MARS Program.

Supporting continued high safety outcomes in the WA resources sector will require a risk-based approach to WHS legislative and policy frameworks to support effective and efficient use of industry resources, minimising unnecessary duplication, reducing onerous compliance processes and increasing transparency over the collection and allocation of levy funds.

Recommendations

To ensure policy settings support safety excellence in the WA resources sector, CME recommends the WA Government:

- Commits to using the WHS Act Statutory Review process to reduce compliance complexity, regulatory duplication and unnecessary burden, and re-align the regulatory framework towards a risk-based approach.
- Allocates sufficient resources to WorkSafe to boost policy development capacity and accelerate the revision and development of up-to-date, industry-specific codes of practice and guidance that are clear and concise.
- Invests in building a skilled and specialised WorkSafe Mine Safety inspectorate, and supports consistent interpretation and implementation of WHS laws across the sector.
- Supports the WA Minister for Industrial Relations and WorkSafe to work closely with SWA to ensure that model WHS policy changes are risk-based and avoid the introduction of unnecessary regulatory overlap and burden on the WA resources sector. This should include



prioritising regulatory impact assessments, genuine public consultation and evaluation as core elements of SWA's policy development process.

- Continues to work with industry to improve processes for statutory position examinations including accessibility in regional areas and a commitment to industry invigilation post the transition deadline.
- Commits to continue funding the MARS Program and improve governance, transparency and communications around MARS Program funding decisions and initiatives on offer.
- Amends the WHS Mines and Petroleum and Geothermal Energy Operations Regulations to prevent the automatic adoption of national Workplace Exposure Limits for airborne contaminants from 1 December 2026, allowing for locally informed decisions.
- Prioritises industry engagement – including consultation with regular SRS users – to ensure the Compliance and Regulation System (CARS) Transformation Project is fit for purpose and effectively addresses existing limitations and issues experienced by SRS users. Additionally, provides necessary resources to expedite the development and timely implementation of the new system.
- Provides adequate funding to ensure the effectiveness, sustainability and regional coverage of the WA Department of Health's Arbovirus Surveillance Program, which monitors mosquito-borne disease activity (such as Murray Valley encephalitis virus and Japanese encephalitis) through mosquito and sentinel chicken surveillance.

Skilled workforce – Recognising existing skills and upskilling workers is key to growing, retaining and developing WA's workforce of the future

A skilled workforce is critical to the ongoing success and sustainability of the WA resources sector, including our sector's vast supply chain of supporting businesses.

Recent and emerging technological advances combined with the growth of net zero-aligned industries are reshaping workforce requirements. This includes a clear shift away from predictable manual tasks. As a result, the industry continues to invest in a raft of initiatives to maximise local training and employment opportunities to grow, develop and retain its workforce. This includes contributing to government initiatives designed to support WA's workforce development through upskilling and reskilling initiatives for the existing workforce, as well as apprenticeships and traineeships to ensure a pipeline of new talent.

The WA resources sector faces a limited talent pool of experienced professionals across engineering and related disciplines, as well as trade-qualified workers. Electricians, automotive trade-skilled people, and vocational trainers remain in particularly short supply.¹²⁴ There are still not enough apprentices in training to meet forecast workforce requirements and the long lead time to develop skilled workers exacerbates the issue.¹²⁵ A targeted migration stream for priority trades within WA's skilled nominated migration program, with dedicated quotas and priority processing, could be considered to address the most critical shortages within WA's resources sector.

CME welcomed the WA Government's commitment to continue the low-fee TAFE initiative and was pleased to see it secure a 10,000 additional skilled migration places for WA in 2024-25, vital to meet the growing demand for skill gaps that cannot be met by the local talent pool.

CME calls on the WA Government for continued support to tackle current workforce gaps and deliver the skilled workers required to drive the Government's Made in WA Plan and the continued strength of the resources sector. This includes recognition of the significant value of the direct contributions the resources sector makes to the Construction Training Fund (CTF). The fact that the resources sector has limited access to the fund to support the development of its own workforce is at odds with the objectives of the CTF. Given the contribution of the resources sector to the WA economy, the resources sector's ability to access the fund, via grants and programs tailored to the construction

¹²⁴ Jobs and Skills Australia, [2025 Occupation Shortage List: Key Findings Report](#), October 2025

¹²⁵ Powering Skills, [2025 Workforce Plan – High Load, Short Supply: Bridging the gap to 2030](#), August 2025.



skills used in the sector, must be commensurate with the scale of the sector's direct contribution to the fund.

Recommendations

To better recognise and uplift the skills of WA's workforce CME recommends the WA Government:

- Increases funding for VET Delivered to Secondary Students (VETDSS) that aligns with industry priorities.
- Removes all barriers limiting the resources sector's ability to directly access the Construction Training Fund, including reforming the legislative and policy framework.
- Offers additional incentives and support to employers to upskill and reskill their existing workforce.
- Incentivises and funds TAFE to offer Recognition of Prior Learning (RPL) to enable accelerated apprenticeships as an attractive and achievable pathway to certified trade qualifications.
- Invests in targeted training initiatives linked to employment outcomes, particularly in remote and regional WA, to increase workforce participation for under-represented groups, including Aboriginal and Torres Strait Islander peoples.
- Incentivises and funds TAFE to modernise mining-related curriculums in response to industry technology advancements, including digital and AI technologies. This work should occur in close partnership with the WA Mining and Automotive Training Council (MATC) and Jobs Skills Councils, the Mining and Automotive Skills Alliance (AUSMASA) and Future Skills Organisation (FSO).
- Provides greater funding for the development of electrical skills qualifications, including accelerated learning programs, as well as greater funding for electrical skills trainers.
- Advocates to the Australian Government for an increase to WA's skilled migration allocation to better reflect the State's strong economic output, and outsized workforce demands in support of the energy transition.
- Advocates to the Australian Government for an urgent need for a comprehensive review of migration pathways in consultation with industry to facilitate the timely transition of skilled migrants into licensed occupations.



Regional economic development

WA's resources sector is anchored in regional WA, where most resource deposits are situated and developed.¹²⁶ The wealth generated by the sector underpins the state's economic prosperity, with a direct spend of \$88 billion by resources operations supporting 18,077 local businesses, over 1,900 community organisations and two in three jobs in the Pilbara, three in eight jobs in the Goldfields Esperance region and a quarter of jobs in the Peel region.¹²⁷ The adequate and accessible provision of economic and social infrastructure across regional WA is pivotal to safeguarding WA's prosperity.

Economic infrastructure – Greater investment in infrastructure is needed to underpin regional economic development

Economic infrastructure is the building block of commercial activity, including the cost-competitive and reliable provision of utilities (e.g. energy, water, waste and telecommunications) and freight and logistics infrastructure (e.g. road, rail, air, ports and pipelines). Robust port, rail, road and aviation infrastructure underpin supply chain resilience, facilitating the delivery of key materials and our workforce to production sites and the export of WA's resource commodities to customers around the state, country and the world. Regional airports and airstrips are particularly important in mobilising skilled workers to the state's remote resource endowments. Utilities such as the reliable provision of power and water are fundamental at every stage of resource extraction and processing. Inadequate investment in economic infrastructure reduces competitiveness and blunts investor confidence, putting the sector and the prosperity of the broader economy at risk.

Inadequate investment in maintaining ageing road infrastructure and growing climate risks expose regional freight corridor to vulnerabilities frequent leading to lengthy disruptions and increased road safety risks.¹²⁸ Supply chains across the Pilbara and Kimberley are regularly disrupted during wet seasons,¹²⁹ while other parts of WA face extreme weather events such as bushfires.¹³⁰ For industry to operate with supply chain certainty, roads must be designed to withstand these seasonal challenges.

Limited capacity and services at regional ports further compounds headwinds faced by resources operations across regional WA. CME member feedback indicates key regional ports lack sufficient capacity for bulk handling, laydown areas and berthing space to support current and future freight demands. The ports of Broome and Wyndham urgently need bulk handling capacity, laydown areas and cold storage to keep pace with growing industry needs. The Port of Bunbury has limited storage facilities and laydown areas, and its common-user Berth 8 facility is at capacity. These ongoing bottlenecks frustrate logistical planning and result in high demurrage costs.¹³¹ Limited availability of common-user infrastructure also restricts smaller and new-to-market operators, and insufficient or inadequate intermodal connections (road and rail links to ports) increase freight costs and reduce supply chain efficiency.¹³²

Regional WA is facing severe water shortages. Inadequate regional water infrastructure coupled with low rainfall and limited groundwater is leading to competing community, industry and agricultural demands on a limited resource.¹³³ Local governments and industry face significant costs of building, maintaining, and upgrading local assets to capture, recycle, treat and dispense water to attract and retain industry.¹³⁴

CME welcomes a suite of commitments in the 2025-26 State Budget intended to ease some of the key constraints on regional economic development. This includes, but is not limited to: \$543 million to increase capacity and reliability of the Goldfields and Agricultural Region Water Supply Scheme; \$44.7 million to improve access to Lumsden Point; \$35 million to progress road works at the Utah Point bulk

¹²⁶ DEMIRS, [Major Resource Projects](#), 2024.

¹²⁷ CMEWA, [Economic Contribution Factsheets](#), March 2025.

¹²⁸ ABC, [Great Northern Highway Re-opens](#), February 2025.

¹²⁹ WA Government, [Shipping and Supply Chain Taskforce](#), September 2023; Infrastructure Australia, [Great Northern Highway improvements](#), 2025.

¹³⁰ ABC, [Bushfires close Eyre Highway](#), February 2022.

¹³¹ WA Government, [Shipping and Supply Chain Taskforce](#), September 2023; Sydney Morning Herald, [Bottleneck at WA port](#), January 2023.

¹³² WA Government, [Shipping and Supply Chain Taskforce](#), September 2023.

¹³³ CSIRO, [Groundwater Scarcity in WA](#), July 2023, ABC [Port Hedland water woes](#), September 2025; ABC [Racing season in jeopardy](#) December 2024.

¹³⁴ Kalgoorlie Miner, [Kalgoorlie-Boulder Investing in Water Infrastructure](#), June 2025.



handling facility; \$24.9 million for the Bunbury Water Resource Recovery Scheme; \$14 million for the new infrastructure at the Ports of Wyndham and Broome to meet First Point Of Entry requirements and \$6 million to the Port of Broome for biosecurity. However, there are risks that common-use infrastructure initially planned for development at Lumsden Point may no longer go ahead, undermining investments already committed to by industry and reducing WA's ability to capitalise on future export opportunities.¹³⁵

Further investment is required to improve the capacity and resilience of economic infrastructure across regional WA. Road improvements at pinch points in key transport corridors across the Pilbara and Kimberley are critical, as is a shift in spending on regional ports from maintenance and incremental productivity to substantial capital investment that increases their capacity and accessibility. Investment in better managing and expanding regional water supply, including recycling, managed aquifer recharge and water capture initiatives is also needed.

Enhancing the effectiveness of the existing Royalties for Regions program is one pathway to improving infrastructure provision in regional WA. In line with the stated intent of the program,¹³⁶ CME would like to see stronger evidence that Royalties for Regions funding is clearly distinct from 'business as usual' public sector spending, including additional transparency in demonstrating how the expenditure develops and broadens the economic base of regional WA.

Recommendations

Significant investment in regional infrastructure is required to reduce costs and unlock trade and investment across WA. CME recommends the WA Government:

- Works with industry and freight operators to identify vulnerable regional road segments subject to isolation during extreme weather events and dedicates funding for ongoing maintenance, rapid repairs, and infrastructure upgrades to ensure reliable road access year-round.
- Commits additional funding to improve the resilience of the Great Northern Highway. This includes road sealing and raising and improving drainage on vulnerable sections of the road including the De Grey Bridge floodplain, Roebuck Plains (south of Roebuck Roadhouse) and Deep Creek (approx. 60km east of Broome).
- Increases the number of overtaking lanes to improve safety on key road freight corridors, including Newman to Port Hedland, Karratha to Roebourne, Tom Price to Karratha and Port Hedland to Broome.
- Identifies bottlenecks at regional ports and expands capacity through new berths, driving efficiencies at common-user facilities, developing additional storage and laydown capacity and activating port-adjacent land to support industrial growth and freight handling. The WA and Australian Government should fund the full initial scope of common-use infrastructure at Lumsden Point and ensure sufficient large-scale material offloading capabilities at Port Hedland.
- Funds sealed quarantine-compliant laydown areas to support biosecurity and multi-user logistics at the Ports of Broome and Wyndham.
- Identifies and implements a pipeline of reliable and scalable water infrastructure initiatives such as stormwater harvesting, recycling and desalination across WA's regions.
- Fast-tracks announced upgrades to the Goldfields and Agricultural Region Water Supply Scheme.
- Reviews the effectiveness of Royalties for Regions funding in delivering additional investment in regional WA 'above and beyond' basic, essential government spending.

¹³⁵ The Australian, [PLS, MinRes load up port row with WA government](#), 31 July 2025.

¹³⁶ The submission from the Department of Local Government and Regional Development in February 2009 to the Inquiry into the Royalties for Regions Policy stated that "Royalties for Regions has been established to supplement - not supplant - the existing provision of basic, essential infrastructure and services across regional Western Australia". Parliament of WA, [Final Report – Inquiry into the Royalties for Regions Policy](#), Report 20, 13 May 2009.



Social infrastructure – Additional housing supply and early childcare provision is urgently required in regional WA

Adequate and affordable housing is central to attracting people to live and work in regional WA. Housing provision is the cornerstone of thriving regional communities and supports the development of new infrastructure and the provision of essential community services such as childcare, healthcare, education, community services and recreational facilities. Stable housing conditions promote community wellbeing, social inclusion and economic diversity. The WA resources sector's success is closely tied to the prosperity and liveability of the regions in which our members operate.

Regional WA is experiencing a sustained housing shortage that is constraining workforce attraction, project development, and the delivery of essential services. CME members increasingly cover housing costs for employees and in some cases essential services workers, raising operational costs and affecting project viability. The high cost to build in several regional areas, especially the Pilbara, can outweigh the end market value of properties, preventing new developments from obtaining finance. Where valuations do support construction, limited availability of serviced residential land, and shortages in local construction workforce and contractors continues to frustrate new supply. High finance and insurance costs further compound the costs of regional housing. These issues result in a lack of diverse and affordable housing stock and inhibit investment, disincentivise the provision of key community services and negatively impact regional liveability.

Access to Early Childhood Education and Care (ECEC) is another key enabler of regional economic growth and productivity. Sustainable, accessible and affordable ECEC supports workforce attraction and retention, reduces social dependency and promotes diversity and inclusion.

An acute under-provision of ECEC across many parts of regional WA is stifling workforce attraction, retention and productivity.¹³⁷ Where ECEC offerings exist, they do not always address constraints on parents' workforce participation, including long working hours, shift work, travel commitments and unique work rosters. Challenges attracting and retaining ECEC staff in regional areas contribute to limited ECEC offerings. ECEC shortages are particularly prevalent in the Pilbara and the Goldfields, with some children on childcare centre waitlists for more than two years.¹³⁸

Affordable, reliable connectivity to the Perth metropolitan region is fundamental to regional liveability, enabling regional residents access to essential medical services, family, and onward travel opportunities. The Regional Airfare Zone Cap (RAZC) scheme is therefore an important initiative for regional Western Australians. CME notes the 3-year pilot scheme has not received funding guarantees beyond June 2026.¹³⁹

CME welcomes commitments in the 2025-26 State Budget intended to ease regional housing constraints. This includes but is not limited to: lifting the tax-free exemption threshold for the first homeowner stamp duty rate; expanding the Government Regional Officer Housing (GROH) program; investments in the Regional Housing Support Fund and Housing Innovation Fund; and investments in Development WA to unlock more serviced residential lots in Karratha, Bunbury, Busselton and Kununurra.

Fast-tracking the delivery of these initiatives and implementing additional targeted measures to increase regional housing supply and ECEC availability will materially improve social and economic outcomes in regional WA.

Recommendations

The delivery of affordable housing stock and accessible early childhood care and education across regional WA underpins liveability and supports regional economic development. To improve these outcomes CME recommends the WA Government:

¹³⁷ Victoria University report, [Childcare accessibility in Australia](#) August 2024.

¹³⁸ ABC News, [Childcare shortages stopping mums returning to work poses challenge for WA's mining gender balance](#), July 2023. [Kalgoorlie-Boulder childcare survey reveals two-year waiting lists with parents unable to return to work](#), November 2023.

¹³⁹ State Government, [RAZC extended by six months](#), January 2025.



- Fast-tracks the release of serviced land developments in high-demand regional areas supported by planning reforms and developer incentives.
- Lifts housing completions and reduces trade shortages in regional areas through targeted migration measures and incentives to attract and retain workers and apprentices.
- Incentivises high and medium density developments and infill through further regional planning reform.
- Leverages the Northern Australia Infrastructure Facility (NAIF) to support regional housing developments through its Social Infrastructure support category, following successful precedent in northern Queensland.
- Commits further funding to extend the Regional Airfare Zone Cap scheme beyond June 2026.
- Increases the WA Government's Regional Childcare Grants Program and incentivises the setup and operation of affordable before and after-school care programs at regional schools.
- Develops financial and social support incentives to attract ECEC providers and workers to regional areas through increased availability of GROH and remuneration benefits for regional-based employees.
- Continues to incentivise ECEC training and qualifications through free or subsidised TAFE courses which appropriately recognise relevant prior learning.

Conclusion

Western Australians enjoy a standard of living that is among the highest in the world. This prosperity is due largely to the success of WA's world-leading resources sector, developed on the back of strong investment fundamentals which have attracted over \$842 billion in capital investment over the past 2 decades.

However, WA is operating in an increasingly competitive global environment at the same time as its historical competitive advantages are deteriorating, especially across energy, land access and fiscal settings.

Reclaiming our state's competitive edge is vital to creating a prosperous future for generations of Western Australians and CME's 2026-27 Pre-Budget Submission provides the WA resources sector's insights and views on how the WA Government can do so.

CME looks forward to continuing its constructive engagement with the WA Government and its entities to achieve our shared vision of a strong resources sector that drives our state's success.

Yours sincerely,

Brooke Fowles

Acting Chief Executive Officer