

**FEDERAL 2026-27**

# **Pre-Budget Submission**

**POLICY BRIEF**



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Australians enjoy a standard of living that is among the highest in the world, underpinned by the success of the resources sector. The sector has invested over \$1.7 trillion in the past two decades alone<sup>1</sup> to develop an industry that pays the highest average wages in the country<sup>2</sup> and underpins the Western Australian (WA) and Australian Government's budget positions.<sup>3</sup>

These outcomes have occurred thanks to Australia's historically strong investment fundamentals, including timely access to land, attractive investment and policy settings, a skilled and productive workforce, and reliable, low-cost energy.

### In 2024-25, the WA resources sector accounted for:



**55%**

of resources exports<sup>4</sup>



**52%**

of resources capital expenditure<sup>5</sup>



**51%**

of resources employment<sup>6</sup>

Despite the resources sector's enormous contribution to the Federal Budget, Australia's poor productivity growth since the early 2000s and rising demand for public goods and services have created significant pressures on the Budget.<sup>7</sup>

Key to lifting Australia's productivity performance and delivering long-term prosperity is attracting the next wave of investment in Australia's high-productivity minerals and energy sectors.

1 Mining gross fixed capital formation, chain volumes; figures cover 2004-05 to 2023-24. ABS, [Australian System of National Accounts](#), table 64.

2 Productivity Commission, [Trade and Assistance Review 2022-23](#), 24 July 2024, pp 31-32. ABS, [6302.0 Average weekly earnings, Australia](#), table 10.

3 Australia's minerals sector alone has paid an estimated \$394 billion in company tax and royalties since 2014-15. MCA, [Royalty and Company Tax Payments](#), 24 June 2025.

4 Department of Mines, Petroleum and Exploration (DMPE), [2024-25 Economic Indicators Resource Data File](#), WA Government, 4 December 2025.

5 Investment refers to capital expenditure as measured by gross fixed capital formation, current prices. Australian Bureau of Statistics (ABS), [5220 Australian National Accounts: State Accounts](#), Table 25. [5206 Australian National Accounts: National Income, Expenditure and Product](#), Table 34.

6 ABS, [6291 Labour Force, Australia](#), Detailed, Table 5.

7 The Treasury, [Mid-Year Economic and Fiscal Outlook 2025-26](#), Australian Government, 17 December 2025.

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

But global competition for investment is fierce and increasing at the same time Australia's investment fundamentals have become increasingly uncompetitive. Energy prices have roughly doubled over the past five years, federal approvals processes are lengthy, duplicative and increasingly uncertain, and Australia's taxation burden is among the highest in the OECD.

This decline in competitiveness is confirmed by Australia's IMD World Competitiveness Ranking falling five places to 18<sup>th</sup> in 2025.<sup>8</sup>



CME's 2026-27 Pre-Budget Submission (PBS) provides the WA resources sector's priority recommendations to recapture Australia's competitiveness as a resources jurisdiction, supporting the ongoing viability of existing resources operations and the attraction of new and emerging industries.

**This Policy Brief summarises the key recommendations contained within the PBS across the following areas:**

**1**

**Competitive fiscal and policy settings**

**2**

**Access to resources**

**3**

**Energy security and net zero transition**

**4**

**A safe, diverse and skilled workforce**

**5**

**Regional economic development**



**Investment decisions for resources sector projects are made globally, with capital flowing to jurisdictions with the lowest costs, greatest policy certainty and most efficient regulatory systems.**

This investment certainty is even more important for new and emerging industries in WA's resources sector which face greater uncertainty regarding future demand and prices.

The Australian Government has several levers available to create a competitive cost environment that supports the resources sector.

Competitive and certain tax settings, efficient project facilitation, well-designed industry support measures, funding for research and commercialisation activities and productive industrial relations settings all play an important role in maintaining strong capital inflows and lowering operating costs in Australia.

**To ensure competitive fiscal and policy settings that increase productivity, support existing operations and drive the development of new industries under the Future Made in Australia (FMA) plan, CME recommends the Australian Government:**

- **Taxes:** Reiterates its commitment to no new or additional taxes on the resources sector, rejects the introduction of a new 5 per cent net cashflow tax and commits to retaining the Fuel Tax Credit scheme in its current form.
- **Community Benefit Principles (CBPs):** Ensures the CBP framework is broad and flexible and avoids duplication by using existing reporting requirements to assess compliance.
- **Critical Minerals:** Ensures that prices offered to producers under the Critical Minerals Strategic Reserve (CMSR) model reflect Australia's high reliability, ESG standards and costs of production, and brings forward commencement of the Critical Minerals Production Tax Incentive (CMPTI) to 1 July 2026.
- **Green Iron:** Prioritises federal support measures for green iron projects located in WA; works with established and emerging trading partners to attract investment and offtake agreements for Australian green iron projects; reduces the cost of new renewable generation capacity; and reviews Safeguard Mechanism settings to support emissions reduction across the steel value chain.
- **Industrial Relations:** Provides a clear carve-out for the resources sector from intractable bargaining and involuntary multi-employer bargaining measures; clearly exempts service contractors from 'same job same pay' measures; avoids the over-regulation of artificial intelligence (AI) technologies; and uses the current Closing Loopholes and National Employment Standards reviews to improve productivity and reduce complexity in Australia's industrial relations system.

## 2 Access to resources



**Timely and efficient access to land and resources, underpinned by clear and effective regulatory processes, remains fundamental to the global competitiveness of WA's resources sector.**

As landmark reform to the *Environmental Protection and Biodiversity Conservation Act 1999* (Cth) (EPBC Act) progresses, it is crucial that the new National Environmental Standards and reformed regulatory settings are workable across states and territories. They must provide certainty and process efficiency for business while delivering environmental outcomes to ensure that Australia remains an attractive jurisdiction for investment.

Duplicative federal-state processes across Native Title, cultural heritage and First Nations engagement settings should be addressed to support robust First Nations engagement, responsible resource development and ensure consistency across state and federal policy settings.

**To deliver access to WA's natural resources in competitive timeframes and enable the sustainable development of WA's resources sector, CME recommends the Australian Government:**

### **Environmental law reform:**

- Prioritises the development of National Environmental Standards that are workable with WA's environmental, regulatory and tenure settings.
- Expedites the accreditation of WA for both EPBC Act assessments and approvals within six months of the legislation coming into effect.
- Establishes ongoing monitoring and public reporting of key performance indicators that evaluate end-to-end processing times and proponent experience, supplemented by a 12-month EPBC Act reform review process.
- Ensures that the staffing and resourcing of National Environment Protection Australia supports its effective operation and continuity for proponents.
- Directs the focus of Environment Information Australia to onboarding data and information held by state and territory agencies to assess knowledge gaps before duplicating any previously conducted research or data collection.

### **Responsible land access:**

- Identifies and implements long-term, strategically targeted government funding solutions for First Nations Representative bodies to support capacity development and enable representative bodies to maintain essential corporate functions and engage in regulatory processes.
- Implements sensible reform in response to the recommendations made as part of the Australian Law Reform Commission Review of the Future Acts Regime.
- In consultation with stakeholders, develops a workable First Nations Engagement Standard that is consistently applied across federal and state approvals processes.
- Collaborates with the WA Government to remove duplication in Native Title and heritage settings while maintaining robust, best practice standards and processes.

### **Pre-competitive data:**

- Reinstates the Junior Mineral Exploration Incentive to support the exploration required to sustain and grow Australia's resources sector.



**Reliable, cost-competitive and low emission energy is critical to the ongoing viability of WA's resources sector – underpinning existing operations, decarbonisation efforts and the growth of emerging industries such as critical minerals, green iron and hydrogen.**

CME supports the Paris Agreement and acknowledges the Commonwealth's 2035 emissions reduction target range of 62-70 per cent. Decarbonising WA's resources sector and stimulating new low-carbon industries will depend on our ability to compete with other jurisdictions.

CME remains concerned that Australia's current net zero policy settings are creating carbon leakage for export-oriented sectors of the economy, where stricter and more costly domestic climate policies result in investment and carbon-emitting activities moving to other jurisdictions.

The associated loss of Australian jobs, government revenue and local business procurement opportunities will undermine net zero efforts and reduce living standards for all Australians.

The continued viability of existing operations and the attraction of investment in new industries requires Australia's net zero settings to be technology-neutral, sector-agnostic and least-cost.

**To deliver a low emission, reliable and cost-competitive WA energy system and support least-cost decarbonisation across the economy, CME recommends the Australian Government:**

- **Climate regulation:** Ensures that the technology-neutral Safeguard Mechanism remains the principal policy lever driving least-cost decarbonisation across the resources sector; assesses the effectiveness of the Safeguard Mechanism in driving least-cost abatement across the Australian economy; and responds to the Carbon Leakage Review and outlines policy proposals that will protect export-facing industries from the risks of carbon leakage.
- **Net Zero funding:** Offers technology-neutral industry decarbonisation support measures; provides funding to support investment in multi-emitter decarbonisation clusters; directs departments and agencies to align and rationalise net zero funding mechanisms; and ensures that funding vehicles offer measures conducive to stimulating private-sector investment, such as grants.
- **South West Interconnected System:** Improves the Capacity Investment Scheme's design to ensure it fully covers the commercial gap between the price industrial customers can afford to pay and the price generation proponents require to achieve final investment decisions.
- **Pilbara:** Identifies and implements additional measures to de-risk investment in transmission infrastructure that is sized adequately to cater for future needs, and develops and rolls out an effective scheme to attract rapid investment in renewable generation and storage hubs in the Pilbara.
- **CCUS:** Develops and implements a federal Strategic Delivery Plan for Carbon Management Technologies, including Carbon Capture, Usage and Storage (CCUS), that involves de-risking investment in common-use CCUS infrastructure for multi-emitter hubs, securing government-to-government agreements to support the cross-boundary transfer of carbon dioxide, and building and sustaining social license.
- **Hydrogen:** Expands federal support programs for electrolytic hydrogen to include CCUS-enabled hydrogen and extends the window for the Hydrogen Production Tax Incentive to allow projects to secure funding if they make a Final Investment Decision after 2030.



**A skilled, productive and adaptable workforce is critical to the long-term success of Western Australia's resources sector.** The sector is facing sustained workforce pressure as major resources, energy, defence and public infrastructure projects progress concurrently, driving demand for skilled trades, engineers and technical specialists beyond current training and labour supply capacity.

While industry has made significant improvements in safety systems, supervision and critical risk management, these gains are at risk due to reduced apprenticeship incentives, constrained training and supervision capacity, migration bottlenecks and fragmented skills recognition processes.

Increasing workforce participation is essential, yet childcare availability and cost remain significant barriers, particularly for FIFO and shift-working families, while workforce reporting requirements disproportionately impact project-based and contractor-heavy workforces.

Ensuring nationally consistent, risk-based and practical work health and safety (WHS) policy settings that reflect the realities of WA's high-risk and remote operations is critical to sustaining productivity, safety performance and long-term workforce capability.

## To ensure WHS and workforce policies support safety excellence and sufficient availability of a skilled, adaptable resources workforce, CME recommends the Australian Government:

### Skills and training:

- Ensures national defence workforce planning explicitly considers cross-sector labour demand in WA and supports coordinated workforce development across defence, resources, construction and state infrastructure projects.
- Excludes the resources sector from recent changes to the Australian Apprenticeships Incentive System and increases incentives, particularly for adult apprentices, to support uptake and completion in priority trades.
- Increases investment in high-quality Vocational Education and Training delivery and assessor capability in WA for safety-critical and technical occupations.
- Accelerates processing of skilled nominated visa pathways and enables refunds of Skilled Australia Fund payments where nominations are refused.
- Allocates funding to modernise and expand electrical licensing pathways for clean energy jobs including those related to heavy machinery fleet maintenance.

### Workforce participation:

- Improves access to affordable, flexible and high-quality childcare, with specific consideration of Fly-In, Fly-Out (FIFO) and shift-working families.
- Co-designs with industry practical Workplace Gender Equality Agency reporting models and digital tools that reflect project-based operations and contractor-heavy supply chains.
- Invests in targeted, industry-led reskilling, cross-training and career transition initiatives that support sustainable workforce participation for women and other under-represented groups.

### Work health and safety:

- Directs Safe Work Australia to: prioritise regulatory impact assessments, genuine public consultation and evaluation as core elements of national WHS policy development; establish sector-specific working groups to enable deeper engagement with the WA resources sector; and use the Best Practice Review to ensure future revisions of the model WHS laws and codes of practice remain outcomes-focused, risk-based and free from unnecessary prescription.



**Adequate and accessible economic and social infrastructure across regional WA is essential to attracting investment in the resources sector and safeguarding the nation's prosperity.**

Reliable, affordable utilities including energy, water, gas and waste services, together with efficient freight, logistics and transport networks across road, rail, air, ports and pipelines are critical to supporting industry and communities. Equally, social infrastructure such as affordable housing and accessible Early Childhood Education and Care (ECEC) underpins workforce participation and regional liveability.

The inadequate provision of infrastructure including roads, ports, housing, health and childcare is stunting regional economic opportunities and disincentivising private investment. CME urges the Australian Government to focus on equitable infrastructure service delivery across regional WA and prioritise areas demonstrating existing and future economic opportunities.

**To attract new jobs and productivity-enhancing investment in regional WA, CME recommends the Australian Government:**

#### **Freight networks:**

- Leverages the Northern Australia Infrastructure Facility (NAIF) to provide capital grants to increase berthing, storage and laydown capacity at regional WA ports, including Port Hedland, Dampier, Bunbury, Broome, Ashburton and Wyndham.
- Commits additional funding to improve the resilience of the Great Northern Highway, including road resealing and improving drainage.
- Expedites the implementation of the First Point of Entry determination for the Ports of Broome, Wyndham, Ashburton and Dampier.

#### **Housing:**

- Increases the 50 per cent Fringe Benefits Tax (FBT) concession on employer-provided assistance to employee-sourced accommodation, including residential utilities, rent, mortgage interest and purchase property costs, to a 100 per cent FBT exemption in remote areas.
- Leverages the NAIF to deliver social and key worker housing through its Social Infrastructure support category, following successful precedent in northern Queensland.

#### **Social infrastructure:**

- Targets financial and social support incentives to attract ECEC providers and workers to regional areas through health, wellbeing, housing and professional development opportunities.
- Expands existing funding for primary healthcare workers opting to live and work in regional communities through the Workforce Incentives Program.

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