

6 October 2026

Michael Court  
Acting Under Treasurer  
Department of Treasury and Finance  
Locked Bag 11  
Cloisters Square WA 6850

Dear Under Treasurer,

## 2027-28 WA PRE-BUDGET SUBMISSION

The Chamber of Minerals and Energy of WA (CME) is the peak representative body for the resources sector in WA. CME is funded by member companies responsible for 92 per cent of the state's employment on mine sites.<sup>1</sup> In 2024-25, the WA resources sector accounted for 40 per cent of WA's economic activity, 92 per cent of goods exports and 41 per cent of investment.<sup>2</sup>

CME is pleased to share our 2027-28 WA Pre-Budget Submission (PBS), which outlines the WA resources sector's priority funding and policy recommendations for consideration in the upcoming WA State Budget.

### Overview

WA supplies a diverse range of resources that underpin the infrastructure, industries and technologies which modern life and economies depend on. In doing so, the WA resources sector has delivered substantial benefits to Western Australians and our nation for decades.

Yet much of WA's vast resource potential remains undeveloped. These resources – iron ore, gas, gold, bauxite-alumina, copper, critical minerals, solar and wind – provide the essential inputs for the bridges and buildings that shape our communities, the phones and laptops that connect us, the vehicles that move us, and the energy systems that power our homes and businesses.

These resources have the potential to deliver further prosperity for decades to come, through trillions in export value, trillions in combined state royalties and federal tax payments and hundreds of thousands of jobs, creating careers for life for younger generations.<sup>3</sup>

Global energy security concerns, reinforced by ongoing wars in the Middle East and Europe, have underscored the role our sector plays in insulating the WA economy from shocks beyond our borders, delivering geostrategic trade leverage to ensure our fuel and energy security.

Our substantial mineral and energy endowment, combined with political stability, rule of law and world-leading geoscience capabilities provide a strong foundation for future success and prosperity.

However, these factors alone do not guarantee success. To remain indispensable to global supply chains WA must continue to attract the investment required to sustainably develop our natural resources in a timely and cost-competitive manner.

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<sup>1</sup> Department of Mines, Petroleum and Exploration (DMPE), [2024-25 Economic Indicators Resource Data File](#), full-time equivalents under state legislation in the 'Mining Employment By Project' tab, WA Government, 4 December 2025.

<sup>2</sup> As measured by gross value added. Australian Bureau of Statistics (ABS), [5220 Australian National Accounts: State Accounts](#), 20 November 2025, table 6. DMPE, [2024-25 Economic Indicators Resource Data File](#), 'Exports 2-years' tab, WA Government, 4 December 2025. <sup>2</sup> Includes gross fixed capital formation plus minerals and petroleum exploration. ABS, [5220 Australian National Accounts: State Accounts](#), table 25, 20 November 2025. [8412 Mineral and Petroleum Exploration](#), table 4, 1 September 2025.

<sup>3</sup> CME, [Unearthing Potential](#), 13 September 2026.



Global capital is increasingly flowing to jurisdictions with the most attractive investment offerings. Rising domestic costs, regulatory complexity, sovereign risk perceptions and intensifying competition from overseas jurisdictions are undermining WA's long-term competitiveness:

- Federal and state approval processes are lengthy, duplicative, costly and uncertain for proponents, delaying the delivery of new resources projects, common-use infrastructure and our energy transition.
- Rising energy prices since 2020 have increased cost pressures on existing energy-intensive sectors and are impacting investment decisions for new projects.
- Strategic industrial areas are not development-ready, lacking the approvals and common use infrastructure to support existing industries and attract new projects.
- Federal industrial relations reforms are driving disruption and reducing productivity, risking investment and jobs.
- Federal changes to the capital gains tax (CGT) discount and foreign resident CGT regime, proposals to increase gas taxation and introduce a new net cash flow tax and the pending introduction of a national domestic gas reservation scheme reduce certainty for investors.
- Local governments are disproportionately increasing rates, fees and charges on the WA resources sector.

If left unaddressed these declining investment fundamentals could result in WA's global market share for key resources declining or even outright production volume declines – as has occurred for nickel, alumina, copper and zinc in recent years.<sup>4</sup>

Strengthening WA's investment offering is also critical to achieving the State's Made in WA plan, which aims to attract the substantial capital investment, technology and skills required to drive additional value-adding, job-creating industries.

## Key messages

CME's 2027-28 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.

Our priority areas for the WA Government are:

1. ensuring timely and efficient approvals processes
2. supporting projects facing large increases in electricity costs on the South West Interconnected System (SWIS)
3. improving the rate setting conduct of local governments
4. fully funding actions arising from the Glen Kelly Review
5. ensuring whole-of-government alignment to support economic development objectives.

CME acknowledges the reform agenda the WA Government has progressed to improve the state's investment environment, including efforts to streamline state-based project assessments. CME also welcomes the WA Government's response to the WA Native Title and Cultural Heritage Processes Review and its commitment to improving outcomes for both Traditional Owners and industry. Building on these actions, **CME recommends the WA Government undertakes an approvals 'time in motion' study to quantify end-to-end timeframes across all WA assessment processes to identify both industry and agency bottlenecks and opportunities to reduce duplication and improve assessment efficiency, including enhancements to the Lead Agency Framework.**

**CME also recommends the WA Government fully funds its response to the Kelly Review, prioritising additional, dedicated staffing for relevant regulators, capacity building for First Nations representative bodies and developing standards for heritage surveys and consultants.**

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<sup>4</sup> WA's domestic production of nickel, alumina, copper and zinc has declined over the past three years due to a combination of weak international prices, difficulty accessing resources and rising domestic operating costs. Department of Mines, Petroleum and Exploration, [2025 Major Commodities Data File](#), WA Government, 'Q&V CY 2004 to Now' tab, 28 May 2026.



Total delivered industrial electricity costs in WA's SWIS, which services the majority of WA's critical minerals production as well as substantial gold production, are estimated to have risen by around 80 per cent since 2020. Costs are expected to increase further over coming years as new transmission investment is recouped, and reliability costs grow due to rising peak demand and benchmark capacity prices. **CME calls on the WA Government to implement near-term support measures to safeguard the viability of existing energy-intensive operations facing large increases in electricity costs on the SWIS.**

There is a recent history of local governments looking to raise revenue to alleviate budget deficits or fund unreasonable capital works programs by levying disproportionate rates and charges on the resources sector. This often occurs without apparent consideration for budget efficiency measures or where there is little to no service provision to (or use by) the sector. **CME recommends the WA Government requires local governments to undertake genuine consultation with ratepayers and apply greater transparency, consistency and spending restraint throughout the rates setting process. Councils should be subject to greater oversight when these principles are not met.**

High-performing Government Trading Enterprises (GTEs) are central to the delivery of the WA Government's economic and policy agenda. While existing mechanisms to support their effective functioning and alignment with whole-of-government initiatives are in place, industry feedback has identified areas for improvement. **CME recommends the WA Government reinforces the importance of state development objectives to GTEs that deliver enabling economic infrastructure to support the timely and efficient achievement of WA Government priorities.**

There are further 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
- Industry Policy
- Access to Resources
- Energy Security and Decarbonisation
- A Safe, Diverse and Skilled Workforce
- Regional Economic Development
- Federal-State Relations.

With action on these areas WA is well-positioned to strengthen its reputation as a leading destination for mining and energy investment. CME remains committed to working constructively with the WA Government to grow an industry that is resilient, indispensable to global supply chains and provides prosperity for future for generations of Western Australians.

Yours sincerely,

**Aaron Morey**  
Chief Executive Officer



## Competitive Fiscal Settings

Investment decisions for resources sector projects are made globally, with capital flowing to projects with the highest returns and lowest risk. With commodity prices also set globally, projects with the lowest costs and greatest investment certainty are prioritised. This certainty matters more for new and emerging industries, which face greater risk around future demand and prices.

The WA Government has levers to create a competitive cost environment that supports the resources sector. A competitive and certain royalty system, stable taxes, efficient government fees and charges and well-designed industry support play an important role in maintaining strong capital inflows and keeping operating costs in WA low.

## Royalties, taxes and fees – The cumulative tax burden reduces WA's attractiveness for capital and growth

Royalties, taxes, government fees and other charges are key determinants of after-tax project returns and play a critical role in shaping investment decisions. Australia's statutory corporate tax rate of 30 per cent is well above the 21.2 per cent global average and 24.2 per cent OECD average, ranking poorly at 59<sup>th</sup> in the 2026 IMD World Competitiveness Yearbook as an uncompetitive factor.<sup>5</sup> Including royalties, the total effective tax rate on resource companies is well above the tax burden of other sectors of the economy.<sup>6</sup>

In WA, the long-standing ad valorem royalty system is a key setting influencing the financial returns on resource projects. In an environment of significant uncertainty regarding federal taxation settings the WA Government can bolster global investor confidence in WA by providing consistent and competitive state-based royalty and tax settings.

A stable royalty system, combined with reduced royalty rates for value-adding processing activities, can incentivise industrial growth in WA. Recent clarity that a reduced 2.5 per cent royalty rate will apply to vanadium products is welcome and supports the development of an emerging industry.<sup>7</sup>

## 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 royalties, taxes or other fees on the WA resources sector.
- Considers reduced royalty rates for value-adding processing of critical minerals and magnetite.

CME also recommends the WA Government advocates to the Australian Government for:

- No new or additional taxes, royalties or other cost imposts on WA's minerals and energy sectors
- The retention of the fuel tax credit scheme in its current form.
- A CGT exemption on shares held by retail investors in junior exploration companies.

## Local government rates – Sustainable and accountable local governments improve investment confidence

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<sup>5</sup> 146 jurisdictions; 38 OECD member countries. OECD, [Corporate Tax Statistics 2026](#), chapter 2, 21 July 2026. 70 peer economies. CEDA, [IMD World Competitiveness Yearbook 2026: Australia profile](#), June 2026.

<sup>6</sup> Minerals Council of Australia, [Mining tax and royalty payments down for 2023-24, but still above historical averages](#), media release; [Royalty and Company Tax Payments](#), report prepared by EY-Parthenon, July 2026. Institute of Public Affairs, [Losing its lustre: 11 reasons why investment in the Australian resources sector is in decline](#), August 2026, pp 20-21. [Rio Tinto's](#) Australian effective tax rate including royalties in 2025 is 41.4 per cent and [BHP's](#) Australian adjusted effective tax rate including royalties for 2025-26 is 44.7 per cent.

<sup>7</sup> WA Government, [Vanadium royalty relief a win for regional jobs, emerging industries](#), media statement, 4 February 2026.



The planning, management and rate-setting frameworks of local government authorities (LGAs) significantly shape 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 broader economy. Levying rates across varying categories of land is the primary lever for generating LGAs' operational revenue.

Most local governments do the right thing by their ratepayers. However, there is a recent history of some local governments looking to raise revenue to alleviate budget deficits or fund unreasonable capital works programs by levying disproportionate rates and charges on the resources sector.<sup>8</sup> This often occurs without any apparent consideration for budget efficiency measures. This is especially concerning when there is little to no service provision to (or use by) the sector, but the rate (cents in the dollar) for mining-related categories is significantly higher than all other categories and accounts for the bulk of an LGA's overall income – in some instances more than 90 per cent.<sup>9</sup> This is in addition to the other revenue streams LGAs with an active resources sector benefit from. Examples include road service agreements, fees charged for commercial waste services, revenue generated by fly-in, fly-out passenger traffic at LGA-owned airports, direct community investment in localised services programs and additional financial and in-kind services.

During a period of heightened global competition and sustained commodity market volatility, sharply rising local government rates undermine state and Australian Government incentives designed to ensure the sector remains sustainable and competitive.<sup>10</sup> Rate structures that charge more for additional value-adding investments despite no increase in local government costs further blunt investor confidence and challenge the Government's Made in WA vision. Additionally, there are concerning precedents of money held in airport reserve accounts being used to fund other infrastructure or funds being amassed for unreasonable and unsustainable airport upgrades.<sup>11</sup> Targeted local government reform could improve the efficiency, accountability and governance of LGAs to the benefit of themselves, ratepayers, businesses, and the wider community.

CME welcomed the WA Government's decisive action in ensuring the passing of the *Local Government Amendment (Rating of Certain Mining Licenses) Act 2026* (WA) in June this year. CME also welcomed the ministerial rejection of the Shire of East Pilbara's proposal to increase the rate-in-the-dollar for 'GRV Transient Workforce Accommodation' by 66 per cent for 2026-27. However, CME remains concerned that the current framework does not hold LGAs accountable for the principles of objectivity, fairness, equity and consistency when the threshold for ministerial determinations is not triggered.

## 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:

- 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.
- Where the Minister or Local Government Inspector intervenes in a local government's rates-setting process or appoints a Commissioner, provides appropriate resourcing to enable LGIRS to support the local government next rates-setting process to improve transparency, consistency and accountability.
- Develops best practice guidance to help LGAs undertake genuine consultation with disproportionately affected ratepayers when developing proposed differential rates, and to use a standardised template when publishing their intent to impose differential rates to provide

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<sup>8</sup> ABC, [Shire of Coolgardie rates](#), 13 June 2025; Pilbara News, [Shire of East Pilbara Rates](#), 20 July 2026.

<sup>9</sup> Shire of Laverton, [Agenda](#), page 13, July 2026.

<sup>10</sup> 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.

<sup>11</sup> City of Busselton, [Public notice of Airport Reserve](#), 18 December 2025. Shire of East Pilbara [Newman Airport Reserve](#), 28 April 2023. Shire of Dundas, [Reserve Accounts](#), 1 February 2023.



greater rate-setting transparency and demonstrate a clear link between proposed rate changes, forecast costs, service delivery and delivery capability. The completed template should:

- Be publicly visible and easily accessible.
- 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, other revenue streams (e.g. road user agreements) and the key forecast costs driving the proposed rates.
- Demonstrate robust evidence of impacts to services and infrastructure when used as a justification for rate rises against a particular category and clearly identify the services the affected ratepayers receive.
- Detail the efficiency measures considered and applied in the budgeting process.
- Detail any proposed major capital works projects and demonstrate to what extent the proposed projects reflect the minimum viable option. This should be supported by evidence, including demand modelling and forecast economic and social metrics for major infrastructure investments.
- Specify forecast rates revenue to be allocated to reserve accounts and detail how the money is intended to be spent.



## Industry Policy

In an environment of growing geostrategic competition, there is a role for governments to address economic and national security issues through targeted policy interventions. Industry policy done well respects the power of free market structures to drive efficient outcomes and only intervenes to address market failures, including uneven playing fields created by industry policy measures implemented in competing jurisdictions.

There is intense global competition to attract investment in emerging industries such as critical minerals, green iron and carbon capture, utilisation and storage (CCUS), with the provision of turnkey strategic industrial areas a key measure employed by jurisdictions around the world.

### Strategic industrial areas – Prioritise disbursement to help activate WA's industrial areas and drive new investment

Project-ready or turnkey strategic industrial areas (SIAs) are an important investment attraction mechanism, as they increase speed to market and reduce costs by providing land pre-approved for industrial uses with established common-use infrastructure, service connections and access to transport networks. Such precincts are important in attracting and supporting downstream processing and other value-adding activities that involve higher capital and operating costs per tonne. The provision of turnkey SIAs is therefore key to WA's efforts to attract investment in critical minerals processing, hydrogen, green iron and other strategic industries.

As an established industrial zone, the Kwinana Industrial Area (KIA) is the only SIA in WA that is considered turnkey and comparable to global industrial precincts.<sup>12</sup> However, it also needs additional investment to remove constraints on energy supply, port capacity and minimise competing land uses. The absence of investment-ready SIAs threatens WA's competitiveness and ability to achieve its Made in WA ambitions, particularly when competing industrial clusters elsewhere offer fully cleared and permitted land, established infrastructure, financial incentives and dedicated facilitation services.<sup>13</sup>

Declaration of the Western Trade Coast (WTC) as WA's first State Development Area under the *State Development Act 2025* (WA) will provide a welcome template for whole-of-government coordination on land use planning, environmental approvals and infrastructure development. It will also support the delivery of designated priority projects in the area, like NeoSmelt.<sup>14</sup>

Allocations from the Strategic Industries Fund of \$91.7 million in the 2026-27 WA Budget and \$82.5 million in the 2025-26 Mid-year Review for the WTC, Ashburton North, Boodarie, Kemerton and Maitland SIAs will help address some of the constraints in these industrial areas. However, much of the current funding is allocated to planning and design studies rather than infrastructure delivery, and over 60 per cent of the Fund remains unallocated.

The Fund should prioritise delivering the common user infrastructure required by existing and near-to-market projects over the next four years. This should be complemented by forward planning, coordinated regulatory approvals and investment decisions for significant additional funding over the next decade to fully activate WA's SIAs. Funding priorities can be broader than priority sectors in SIAs with 'proven demand' and 'critical constraints'.<sup>15</sup> It can extend to supporting near-to-market opportunities through strategic environmental and heritage assessment areas that also consider future land uses and enable access to port, energy and water infrastructure that keeps pace ahead of demand.

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<sup>12</sup> CME, [Activating WA's SIAs: Policy Brief](#); [Activating WA's SIAs](#), report prepared by AVC, July 2024. World Economic Forum, [Transitioning Industrial Clusters](#), January 2023.

<sup>13</sup> World Economic Forum, [Industrial transformation in ASEAN](#), January 2026. [Inside China's industrial transformation policy practice](#), June 2026.

<sup>14</sup> WA Government Gazette, [SDA Declaration No 1: WTC SDA](#), no 73, 26 June 2026; [Priority Project Designation Notice: Project NeoSmelt](#), no 76, 30 June 2026. Some other projects under development or proposed in the WTC include H2Perth, Parmelia Green Hydrogen Project, Kwinana Cobalt Refinery and Kwinana Thermal Energy Storage Project.

<sup>15</sup> Hon Roger Cook MLA, [Hansard Daily: LA Estimates Committee A](#), 21 May 2026.



## Recommendations

To deliver project-ready SIAs capable of supporting the expansion of existing industries and attracting new investment to WA, CME recommends the WA Government:

- Consults closely with proponents in priority SIAs including Kemerton, the Western Trade Coast, Maitland and Boodarie to agree on core common user infrastructure needs, including any requirements to move existing infrastructure, and then delivers infrastructure in a timely manner to support existing and near-to-market projects.
- Ensures land in priority SIAs is development-ready by addressing SIA-wide matters including tenure, land use planning and separation zones, securing native vegetation clearing permits, environmental approvals, Native Title and Aboriginal cultural heritage agreements. In particular, the Kemerton SIA requires appropriate environmental offsets and conservation programs to manage the impacts of future industrial developments. Priority SIAs should have streamlined approvals pathways for proponents – possibly including Development Approval exemptions – with transparent, certain timeframes.
- Ensures the timely delivery of reliable, cost-competitive and low emission energy supply to priority SIAs. In the Pilbara, the Boodarie and Maitland SIAs require substation site selection, design, funding and construction works alongside timely connections for common use transmission infrastructure. In the SWIS, the timing of transmission augmentations at the Kemerton SIA should be brought forward to address existing power reliability issues, and the delivery of Clean Energy Link Kwinana's Stage 2 transmission network upgrades must be met by the 2032 timeframe, to provide investment certainty for proponents.

## Critical minerals – Now is the time to grasp WA's opportunity

Critical minerals are crucial to the production of modern technologies, from renewable energy and digital technologies to advanced manufacturing, defence and cybersecurity applications.<sup>16</sup> Global demand for critical minerals to meet electrification needs continues to rise, with strong further growth expected to 2040. At the same time, there has been a growing focus from governments on the importance of critical minerals for energy security, industrial resilience and geostrategic purposes.

WA is currently a top 10 global producer for many commodities on Australia's critical minerals list and has enormous growth potential. Australia is the 4<sup>th</sup> most critical minerals-rich country in the world, and WA accounts for almost half of this mineral wealth.<sup>17</sup> Work commissioned by CME estimates WA's currently known critical minerals resources could generate \$38.3 billion in royalties and around 31,000 onsite operational jobs per year.<sup>18</sup>

Australia is building momentum in negotiating international agreements to support funding for new project developments across gallium, rare earths, nickel and more in WA.

However, WA's existing critical minerals capacity is under pressure, with production of nickel, alumina, copper and zinc declining over the past three years due to a combination of weak international prices, difficulty accessing resources and rising domestic operating costs.<sup>19</sup> Efforts to move into downstream critical minerals processing remain challenged by high capital and energy costs, as well as constraints preventing the use of certain co-products arising from value-adding processing, which undermine circular economy efforts.

The WA Government's Battery and Critical Minerals Strategy recognises the importance of supporting upstream production while expanding midstream development.<sup>20</sup> Over the past year, support for

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<sup>16</sup> International Energy Agency (IEA), [Global Critical Minerals Outlook 2025](#), 13 June 2025. 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.

<sup>17</sup> 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.

<sup>18</sup> Includes cobalt, gallium, graphite, ilmenite, rutile, lithium, manganese, molybdenum, nickel, rare earths, tungsten, vanadium and zircon. CME, [Unearthing Potential](#), September 2026.

<sup>19</sup> Department of Mines, Petroleum and Exploration, [2025 Major Commodities Data File](#), WA Government, 'Q&V CY 2004 to Now' tab, 28 May 2026.

<sup>20</sup> WA Government, [Western Australia's Battery and Critical Minerals Strategy 2024-2030](#), May 2024.



midstream lithium hydroxide producers has been extended by twelve months and \$15 million in interest-free loans has been announced for nickel producers.<sup>21</sup> The WA Government is also supporting the longer-term development of the sector through grants under the New Energies Industries stream of the Investment Attraction Fund and a reduced royalty rate for vanadium products.<sup>22</sup>

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 and decarbonisation chapter.

## Recommendations

To support the retention and expansion of WA's critical minerals sector, CME recommends the WA Government:

- Continues to use Invest and Trade WA 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.
- 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.
- Enacts clear, timely pathways to allow the use of co-products arising from downstream processing where a commercial pathway exists to support circular economy objectives.

## Green Iron – Technology development and commercialisation support needed to future-proof WA's iron ore industry

The WA iron ore sector makes an enormous contribution to our state and our nation. In 2024-25, it accounted for 55 per cent of WA's total resources exports, 47 per cent of WA onsite minerals employment, 11 per cent of Australia's company tax payments and one fifth of the WA Government's general revenue.<sup>23</sup>

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. Reducing emissions in global steelmaking processes would contribute substantially to decarbonisation targets.

WA's lower grade iron ore feedstocks are not well suited to current lower-carbon ironmaking technologies.<sup>24</sup> Increasing production of higher-grade iron ore feedstocks, like magnetite, is a nearer-term option to support lower ironmaking emissions, with high-grade magnetite concentrate up to 10 per cent less emissions-intensive compared to medium grade ores in existing blast furnace production processes.<sup>25</sup> Over the longer-term, ensuring the continued strength of WA's iron ore sector in a decarbonising world will require the development and commercialisation of processes capable of producing green iron using WA's lower grade iron ore feedstocks. In doing so WA will also be contributing significantly to global decarbonisation efforts and, with the right policy settings, creating additional value-adding processing and skilled jobs here in WA.<sup>26</sup> Work in this space is progressing,

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<sup>21</sup> WA Government, [Cook Labor Government extends support for WA lithium industry](#), 21 April 2026. WA Government, [WA nickel industry supported with no-interest loan initiative](#), 1 April 2026.

<sup>22</sup> WA Government, [New Energies Industries Funding Stream open for applications](#), 9 September 2025; WA Government, [Vanadium royalty relief a win for regional jobs, emerging industries](#), 4 February 2026.

<sup>23</sup> CME, [2024-25 Economic Contribution: WA Iron Ore](#), March 2026.

<sup>24</sup> CME/Mandala, [Realising WA's Green Iron Potential](#), December 2024.

<sup>25</sup> 65% Fe magnetite concentrate compared to 62% Fe Pilbara fines. CITIC/The Crucible Group, Greenhouse emissions and magnetite iron ore "from pit to product", 2022.

<sup>26</sup> Work commissioned by CME found that a competitive WA green iron industry could almost double the value of WA's iron/iron ore exports from \$142 billion in 2023-24 to \$272 billion in 2050 and support an additional 19,600 ongoing direct jobs, equivalent to 25 per cent of WA's current manufacturing workforce. CME/Mandala, [Realising WA's Green Iron Potential](#), December 2024.



with Fortescue producing first hot metal at its Green Metal Project at Christmas Creek, marking the first successful operation of its Pilbara electric smelting process.<sup>27</sup>

The WA Government has recognised the opportunity that green iron offers our state. Development of a Green Iron and Steel Action Plan is underway, \$75 million has been announced to support the Neosmelt joint venture's ironmaking pilot plant in the KIA and \$60 million has been allocated from the Investment Attraction Fund to support New Energies Industries, including green iron.<sup>28</sup>

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. Enabling infrastructure at key ports and road transport routes is also vital. CME's recommendations to address these issues are provided in the SIAs section above and the energy security and decarbonisation chapter.

## Recommendations

To future-proof WA's iron ore industry and support the development of a WA green iron industry, CME recommends the WA Government:

- Uses WA's Green Iron and Steel Action Plan to support demonstration, pilot and commercial plants through targeted R&D funding, infrastructure investment and incentives for domestic projects and international partnerships.
- Reduces the royalty rate on value-added iron ore feedstocks like magnetite to reflect their high processing costs and global decarbonisation benefits.
- Works with established and emerging trading partners to attract investment and offtake agreements in demonstration, pilot and commercial-scale plants. 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 region, including the full activation of Lumsden Point and sufficient large-scale material offloading capabilities at Port Hedland, in a timely manner. The activation of proposed port developments at Balla Balla, Anketell or Oakajee are likely to be required in the future.
  - 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. This includes additional Great Northern Highway passing bays and intersection upgrades at the Boodarie SIA entry point.

## CCUS – WA is likely to miss out on CCUS opportunities without government action

Carbon Capture, Usage and Storage (CCUS) would be a key enabler for decarbonising the hardest-to-abate sectors of WA's economy, reducing emissions from existing operations where no other viable options are available and providing a low-carbon pathway for new projects. A WA CCUS industry could also play an important role in global decarbonisation, offering 'carbon storage as a service' to our key trading partners in the Asia-Pacific and producing at-scale low-carbon hydrogen and ammonia (alongside electrolytic production pathways). WA has the geology and workforce capability to develop a thriving CCUS sector, sustaining and creating new jobs.

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<sup>27</sup> Fortescue, [Fortescue produces first hot metal in milestone towards Australian green iron](#), 19 August 2026

<sup>28</sup> 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.



CCUS projects are being deployed at scale internationally, driven by direct and indirect government support. Over thirty countries have CCUS as part of the Nationally Determined Contributions under the Paris Agreement, and 22 new CCUS projects came on-line globally in 2024-25 (including the Moomba project in South Australia).<sup>29</sup>

Jurisdictions including Northern Europe, Canada, Middle East, China, Malaysia and Indonesia are actively leveraging investment in CCUS as part of their industrial strategies, and those that are putting in place stable policy frameworks are attracting internationally mobile capital. 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 user infrastructure, with the capacity to allow for future connections, overcoming the challenges in integrating various industrial emitters over time. Competitor jurisdictions such as Malaysia and Indonesia are now forming active partnerships with Asia Pacific trading partners to assess storage opportunities.<sup>30</sup>

While the WA Government's 2024 CCUS Action Plan was a welcome statement of intent, no WA project proposals have materially progressed since then.<sup>31</sup> This is, in part, driven by a lack of unequivocal commitment from the federal government to pursue more CCUS projects in Australia. It is also results from the WA Government not having provided sufficient, additional, cross-agency resource to meet the Action Plan's core commitment to '*[w]ork with industry to enable and facilitate CCUS projects*'. WA is now acutely at risk of de-industrialising some critical sectors of the economy and missing out on investment in project deployment.

Driving the development of multi-emitter CCUS projects in WA would address these risks and provide a significant opportunity to not only support our own decarbonisation goals, but that of our trading partners. CMEs recommendations to address WA's energy transition more broadly, are provided in the energy security and decarbonisation chapter.

## Recommendations

To re-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, and adequately resources, a formalised delivery partnership between government, industry and key stakeholders to assess and agree a joint plan to progress CCUS projects. This will require adequate technological, geological, commercial and delivery capability to support development, identification of delivery pathways and management of interdependencies.
- Develops a CCUS Delivery Plan, with firm timeframes, to drive multi-use CCUS hub deployment in WA in the 2030s.
- Identifies and implements effective and targeted measures to de-risk investments in CCUS common user infrastructure, including adequately sizing infrastructure such as pipelines to allow for further expansion while avoiding first-mover disadvantage for foundation emitters.

CME also recommends the WA Government advocates to the Australian Government for:

- Unequivocal support for CCUS as a decarbonisation pathway for hard-to-abate sectors and the development of a CCUS Strategic Delivery Plan. Support the Commonwealth to secure government-to-government bilateral agreements for the importation of carbon dioxide for storage, including under the London Protocol.<sup>32</sup>
- Technology-neutral federal support mechanisms for net zero investments, such as grant and concessional financing arrangements, so that CCUS (and other carbon management technologies, such as mineral carbonation) projects can be supported. This will require an expansion to the remits of vehicles such as the Clean Energy Finance Corporation, the National Reconstruction Fund ('Renewables and low-emission technologies' stream) and the Hydrogen Production Tax Incentive, all of which do not include carbon capture.

<sup>29</sup> Global CCS Institute, [Global Status of Carbon Capture and Storage 2025](#), October 2025

<sup>30</sup> S&P Global, [Japan signs cooperation memorandum with Malaysia, opens door to first cross-border CCS](#), 17 October 2025. Korea Ministry of Climate, Energy and Environment, [Korea-Indonesia Bolster Cooperation in Environment, Energy, and Carbon Capture and Storage](#), 1 April 2026.

<sup>31</sup> WA Government [CCUS Action Plan](#), November 2024

<sup>32</sup> International Maritime Organisation, [Carbon Capture and Sequestration](#), 2019.



## **Delivery mechanisms – Successful delivery of industry policy requires strong whole-of-government alignment**

High-performing Government Trading Enterprises (GTEs) are central to the delivery of the WA Government's economic and policy agenda. For the resources sector, GTEs involved in delivering enabling economic infrastructure such as industrial lands, power and water are particularly important.

Reflecting their importance, WA GTEs are already subject to measures to support their effective functioning and alignment with whole-of-government initiatives. For example, the [Government Trading Enterprises Act 2023 \(WA\)](#) (GTE Act) consolidated and standardised governance and accountability and strengthened oversight of GTEs.

However, CME members have identified instances where some GTEs have prioritised near-term commercial outcomes over actions that support the WA Government's state development objectives, drive economic growth and deliver larger dividends over the long term.

### **Recommendations**

To strengthen coordinated whole-of-government delivery of WA's industrial policy objectives, CME recommends the WA Government:

- Reinforces to relevant GTEs the importance of state development objectives. To this end, all levers in the GTE Act should be drawn on as appropriate, which may include:
  - Policy Orders establishing state development as an explicit objective.
  - Varying Statements of Expectations in accordance with that objective.
  - Placing measurable targets in Annual Performance Statements.



## 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.

In a competitive global environment, lengthy and demanding approvals processes and uncertainty regarding tenure can deter investment critical to maintaining and creating jobs. These opportunities are reliant on policy settings that are clear, consistent and enable timely access to the state's significant energy and resource endowment while delivering the high environmental, social and governance (ESG) standards expected of the industry.

## Approvals – Transparent, timely and efficient approvals needed to sustain and attract investment to WA

Investors favour jurisdictions with clear, efficient approvals processes that provide proponents with the certainty they require to plan projects with accuracy across long-term timeframes.

CME acknowledges the WA Government's recent focus on streamlining approvals processes and increasing efficiency, including through legislative reforms to the *Environmental Protection Act 1986* (WA) (the EP Act), expanded powers for the WA Coordinator General under the *State Development Act 2025* (WA) and the State's Lead Agency Framework which is designed to assist proponents to navigate whole-of-government referral and approval requirements relevant to strategic and state significant projects.<sup>33</sup>

These initiatives build on regulatory agencies' ongoing improvement efforts, such as DMPE's quarterly Approvals Performance Reporting, that provides greater certainty for project planning and identifies approval pressure points. However, further opportunities to improve state approval processes exist, including reducing duplication between agency approval processes (such as overlap between the Biodiversity Conservation Act 2016 (WA) (the BC Act) and the EP Act), and extending performance reporting across DWER and DBCA to better inform proponent project planning, agency resourcing requirements and process issue identification. In addition, clear pathways for escalation and referral between Lead Agency and Priority Project services (under the Office of the Coordinator General) would help to ensure projects receive appropriate support.

Investment in digital innovation would further improve state-based approvals processes. For example, AI enabled pre-lodgement spatial screening against relevant environmental data layers to identify potential risks and assessment requirements, or pre-application screening to reduce requests for information (RFI) by ensuring all required information was included. In parallel, investment in agencies' digital capability should build on improvements delivered through new systems, such as Resources Online, to reduce manual processing and improve cross-agency interoperability so data can be shared and reused across agencies.

Policy and regulatory settings that constrain the development of particular resources, such as WA's ban on new uranium projects and the absence of an enabling framework for hydraulic fracture stimulation, limits investment in WA. Overturning bans and the timely release of evidence-based regulation for stakeholder consultation is critical to unlocking economic opportunities across WA, with WA's currently known uranium resources potentially generating \$1.3 billion in royalties and one thousand onsite operational jobs per year.<sup>34</sup>

## Recommendations

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<sup>33</sup> [Legislative Council Question on Notice 2145: Tabled Paper](#), 21 August 2024. [Legislative Council Second reading debate: State Development Bill 2025](#), 3 December 2025, p 3. [Agency Capability Review: Executive Summary](#), December 2025, p 9. [Gonneville approved as a strategic project by WA Government](#), 17 September 2024. [Yindjibarndi Energy Corporation's Project Baru Marnda Awarded Strategic Project Status](#), 11 December 2025. [Browse declared a state significant project](#), 27 July 2026.

<sup>34</sup> CME, [Unearthing Potential](#), September 2026.



To ensure the timely delivery of crucial energy and resource projects, CME recommends the WA Government:

- Undertakes an approvals 'time in motion' study to quantify the end-to-end timeframes for WA assessment processes across all state agencies to identify industry and agency bottlenecks, and opportunities to reduce duplication and improve assessment efficiency, including enhancements to the Lead Agency Framework.
- Develops real-time, accessible reporting that delivers departmental performance data and approvals timeframes, underpinned by measurable KPIs for:
  - Part IV and V approvals under the EP Act
  - Ministerial authorisations under the BC Act
  - Water licence applications and amendments under the Rights in Water and Irrigation Act 1914 (WA) (RIWI Act).
- Increases regulator resourcing to target bottlenecks identified by agency performance reporting, such as Petroleum Environment Plans and Native Vegetation Clearing Permits (NVCPs), and establish demand indicators to support future temporary resource and capability uplifts, when required.
- Delivers targeted, multi-year funding to develop and deliver improved digital capability across agencies, focusing on modernising key systems to support proponent applications, compliance and environmental reporting. This should include:
  - Continued refinement and expansion of Resources Online, to support annual environmental reporting and compliance activities.
  - Delivering interoperability across relevant agency systems, including integration of DMPE's Mining Environmental Group identifier into Environment Online.
  - Developing and piloting AI-enabled proponent pre-lodgement and application screening tools to identify application deficiencies, reducing the need for RFIs and interagency referrals.
- Urgently releases draft legislative settings that enable hydraulic fracture stimulation in WA for consultation with industry and relevant stakeholders.
- Overturns WA's de facto ban on uranium mining and supports the four WA uranium projects with state environmental approvals to progress into operation.

CME also recommends the WA Government advocates to the Australian Government for:

- Fit-for-purpose bilateral arrangements that accredit WA to provide *Environmental Protection and Biodiversity Conservation Act 1999* (Cth) (EPBC Act) assessments and approvals, based on delivering equivalent environmental outcomes rather than mirrored Commonwealth processes.
- Revisions to relevant National Recovery Plans, Protection Statements and conservation advice to ensure they are fit for purpose given their new project assessment function under the reformed EPBC Act.
- The Restoration Contribution Holder under the EPBC Act to be accessible, provide reasonably priced alternatives to proponent-led offsets, and enable restoration contributions through state-based funds such as the Pilbara Environmental Offsets Fund.

## **Water – Ensuring long-term sustainable access to water is critical to project viability**

The responsible use and management of water is becoming increasingly important in the face of WA's drying climate and competing access demands. Further, the intersection between water and cultural heritage, with Aboriginal water concepts deeply embedded in community and kinship relationships, places greater prominence on robust and evidence-based regulatory settings to ensure sustainable access to water, while protecting environmental, cultural and community value.



CME supports the recent efforts of the WA Government in bolstering common user infrastructure to enable sustainable access to water. The ongoing development of desalination plants is key to ensuring sufficient volumes of water are available for major projects, while maintaining supply for other purposes.

Regulatory settings are also critical to sustainable access to water. CME member companies continue to report growing delays associated with water licence applications under the Rights in Water and Irrigation Act 1914 (WA) (RIWI Act). Clear and consistently applied licencing requirements, including expectations for First Nations engagement, would support more timely and efficient licensing. Further, water licensing regulatory settings should not facilitate the commodification of water resources.

Access to water can be supported by regional approaches to licensing, responding to local conditions. CME notes the draft Fitzroy Derby Water Resource Management Plan provides an opportunity to develop local settings and governance arrangements, which should continue to be informed and developed by stakeholder consultation to ensure they are workable.

## Recommendations

To support the sustainable development of crucial resource and energy projects, CME recommends the WA Government:

- Reviews current processes and guidelines for the allocation and extension of water licences under the RIWI Act to improve process clarity and efficiency and prevent third-party commodification of water allocations.
- Supports regional approaches to water management by:
  - Investing in research and monitoring of groundwater sources in the Pilbara, to inform sustainable allocations.
  - Consulting stakeholders throughout the development of regional water management plans to support workable development, while retaining ministerial decision-making.
- Continues to plan, assess and explore funding options develop common user infrastructure, such as desalinisation plants, to support sustainable access to water resources.

## Aboriginal cultural heritage – Delivering on the Kelly Review implementation plan is key to improving WA's Aboriginal cultural heritage processes

Targeted improvements to WA's Aboriginal Cultural Heritage processes are required to ensure that outcomes are timely, consistent and provide certainty for all parties involved. CME welcomed the release of WA's Native Title and Cultural Heritage Processes Review (the Kelly Review) and acknowledges the WA Government's implementation plan released in response to the Review's recommendations. Industry consultation on reform development and implementation will be critical to delivering enduring, workable reform that reduces process timeframes and costs, supports constructive relationships and enduring, transparent process outcomes.

Ongoing delays in site registration, which increase project costs and timeframes associated with *Aboriginal Heritage Act 1972 (WA)* (the AH Act) processes, continue to be identified as prohibitive to exploration, resource sector project development and constructive stakeholder relationships. Current solutions to navigate registration backlogs often rely on unnecessary risk management approaches, such as utilising section 18 AH Act consent processes to obtain certainty.

The capacity of First Nations communities and representative bodies to engage effectively and in a timely manner with required heritage and native title processes also continues to be a key constraint of WA's heritage and native title system. Inconsistent engagement requirements and unclear processes compound capacity issues and contribute to delays, increased costs and uncertainty for proponents and First Nations representative bodies.

CME acknowledges the WA Government's investment in the Native Title Party Capacity Building Program, with continued funding support critical to enabling engagement in approvals and heritage management processes. Additional departmental resourcing, clear agency decision-making



accountability and consistent First Nations engagement policy settings across government agencies are key to addressing heritage process issues and supporting effective First Nations engagement and relationships.

Complementary to capacity funding, and to support the growing costs associated with heritage survey incurred by WA's resources sector, CME is seeking continued support for DMPE's Aboriginal Heritage Survey Assistance Program, with expansions to support all commercial arrangements associated with exploration and mining (e.g. joint ventures and farm-in/farm-out arrangements). Proponent assistance support for energy developments (including renewable energy systems), is also required to help offset the increasing costs of conducting heritage surveys.

## Recommendations

To ensure the robust management of Aboriginal cultural heritage while encouraging responsible project development, CME recommends the WA Government:

- Fully funds the WA Government's implementation plan in response to the Kelly Review, prioritising:
  - Additional, dedicated FTE for DPC, DPLH and DMPE to support reform development and implementation.
  - Establishment of an ongoing forum for industry feedback to support reform development and implementation.
  - Future Act and heritage funding support for First Nations representative bodies, reflective of recommendations 22 and 23 of the Kelly Review.
  - Professional standards for consultants engaging in heritage surveys and consistent heritage survey methodologies to improve certainty, consistency and efficiency in heritage surveying.
  - The development and implementation of Kelly Review recommendations 14 to 18 to support consistent, well-defined consultation thresholds and engagement processes.
- Provides dedicated funding to DPLH to clear the Aboriginal Heritage Register backlog and undertake timely standalone assessments, reducing reliance on section 18 applications solely because a site or its boundaries remain unconfirmed.
- Amends the eligibility criteria of DMPE's Aboriginal Heritage Assistance Program to ensure all commercial arrangements utilised in exploration are captured.
- Develops heritage survey assistance programs for energy proponents, that support energy exploration, renewable energy development and energy storage facilities.

CME also recommends the WA Government advocate to the Australian Government for:

- Reform to the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) that introduces prescribed process timeframes, clears standing requirements and retains ministerial decision-making, while preserving it as a backstop to the WA regime.
- Procedural changes to the *Native Title Act 1993* (Cth) required to implement retrospective tenure validation in WA, addressing the impact of the High Court's *Forrest & Forrest v Wilson* decision and providing greater tenure certainty in WA.
- Retention of the expedited procedure process under the NT Act and assurance that any reform to the Future Acts regime does not cause regulatory duplication.

## Exploration and Tenure – WA's pipeline of future projects is contingent on certainty of access to tenure and a bold exploration strategy

The long-term timeframes associated with exploration and mining projects necessitates a strong certainty of access to tenure to attract investment in a globally competitive environment. To provide industry and investors with confidence, tenure requirements must be clear.



CME member companies continue to praise the ongoing work of the Geological Survey of Western Australia (GSWA), with pre-competitive geoscience data and exploration incentive initiatives such as the WA Array, Accelerated Geoscience Program, Geoscience Data Transformation Project and Exploration Incentive Scheme (EIS) reducing exploration costs and risk, improving resource targeting and supporting greenfield discovery.

Additional funding for geophysical surveys, including gravity and 3D active seismic, through the EIS would support mineral and energy exploration in areas that are currently underexplored. The margins of ancient continental blocks and adjacent basins are among the most prospective locations for major mineral and energy deposits, however, WA's known margins are largely untested. Targeting mature but underexplored parts of proven basins offers a cost-effective pathway to additional gas resources, strengthening WA's energy security and supporting the State's industrial and economic growth. Similarly, improving data coverage across WA's lesser-known basins and eastern provinces would also open exploration opportunities and attract investment where recognised geological potential is constrained by insufficient data for confident targeting, including for niobium, rare earth elements, iron oxide-copper-gold deposits, battery minerals, natural hydrogen and helium.

CME also strongly supports further investment in GSWA's Geoscience Data Transformation Program. Specifically, to protect and maximise the value of these data assets through ongoing storage, management and accessibility services, ensuring they remain available and usable by industry to support exploration, investment decisions and future resource discoveries. Further improvements to digital capability, including modernising existing antiquated tenure and tenement systems, such as Mineral Titles Online and Petroleum and Geothermal Register, will support automating person-led processing, improve tenement application tracking and transparency, and deliver reliable KPI reporting.

Following the *Forrest & Forrest Pty Ltd v Wilson & Ors* [2017] HCA 30 decision, CME welcomed the WA Government's decision to address prospective tenure invalidity through the Mining Amendment Bill 2025,<sup>35</sup> which also addressed other tenure process inefficiencies and supported second lease renewal processes. Passage of this legislation will provide proponents with greater tenure certainty and support administrative processes associated with exploration and mining.

## Recommendations

To support exploration and new resource sector project development in WA, CME recommends the WA Government:

- Provides ongoing funding and support for GSWA, with additional funding through the EIS to expand WA's pre-competitive geoscience data coverage and resolution, including regional and targeted geophysical surveys to address data gaps in the Pilbara, Yilgarn, Wheatbelt and priority sedimentary basins, supporting mineral discovery and unlocking additional gas and other energy resources.
- Funds GSWA's Geoscience Data Transformation Program and the development of replacement systems for the Mineral Titles Online and Petroleum and Geothermal Register systems.
- Continues to progress the Mining Amendment Bill 2025 through Parliament.

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<sup>35</sup> Parliament of Western Australia, [Mining Amendment Bill 2025](#) (Bill No. 28, introduced 26 June 2025).



## Energy Security and Decarbonisation

The WA resources sector is committed to decarbonisation, taking action to reduce operational emissions within our control in pursuit of net zero by 2050.<sup>36</sup> The sector is also supporting the development of new low carbon industries that will improve our domestic energy security and support the decarbonisation and energy security of our trading partners.

The transition to net zero provides opportunities to strengthen WA's economy, but domestic decarbonisation settings must not lead to costs that exceed our key competitor jurisdictions and weaken WA's relative competitiveness. Given the absence of material global price premiums for low-carbon products, higher domestic carbon costs in Australia would see WA lose existing operations and potential new projects to other jurisdictions, costing jobs, government revenues and local business opportunities. At the same time, if the pace of domestic decarbonisation falls behind that of key competitors our sector could miss out on future opportunities posed by emerging lower-carbon markets. WA's carbon costs must therefore be comparable to those in key competitor jurisdictions.

Ensuring WA's energy costs are globally competitive will play a fundamental role in determining whether the State's Made in WA ambitions, including its Critical Minerals Strategy and under-development Green Iron and Steel Action Plan, are realised.

Each facility will have its own unique decarbonisation pathway, and CME continues to advocate for technology-neutral policy frameworks that will support at-scale decarbonisation. For much of the resources sector, electrification will prove to be a key near-term pathway. Many of CME's members are also investing in renewable generation capacity, expected to total around 3.6 Gigawatts (GW) between 2020 and the end of 2028, around two and a half times current large-scale renewable generation capacity on WA's main grid.<sup>37</sup> However, further action is required to ensure the future availability of reliable, cost-competitive and low-emission electricity supply and required transmission.

For some facilities at-scale electrification will not be a viable option and other investments will be required to decarbonise and to build new low-carbon industries. Urgent action is needed to strengthen the investment case in CCUS and biofuels, supporting decarbonisation, new economic opportunities and our state's energy resilience. Success will require clear, long-term, cross-system action and effective partnerships between industry, government and state-owned entities.

## South West Interconnected System – Rising prices continue to threaten the viability of existing and future operations in the system

WA's South West Interconnected System (SWIS) underpins resources sector operations accounting for around 12 per cent of WA minerals production value, 6 per cent of WA royalties (\$663 million) and 19 per cent of onsite minerals employment (25,925 FTEs).<sup>38</sup> These operations account for the majority of WA's critical minerals production – lithium, silicon, bauxite (which contains alumina and gallium), zircon, titanium and rare earths – as well as substantial gold production.

Total delivered energy costs for large industrial users on the SWIS are estimated to have risen by around 80 per cent since 2020.<sup>39</sup> Wholesale energy generation costs account for half of this increase, while rising transmission and reliability costs account for around one quarter each. Costs are expected to increase further over coming years as new transmission investment is recouped and reliability costs grow due to rising peak demand and benchmark capacity prices. While modelling indicates wholesale generation costs should fall as new renewable generation capacity comes online,

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<sup>36</sup> CME's [Climate and Energy Policy Statement](#), December 2024

<sup>37</sup> As at June 2026 there was 0.3 GW of utility-scale solar and 1.1 GW of wind on the South West Interconnected System (SWIS). OpenElectricity, [Capacity > Western Australia \(SWIS\)](#), accessed 29 July 2026.

<sup>38</sup> Includes Perth metro, South West, Peel, Mid West and Wheatbelt regions (royalty figure excludes Perth metro). Department of Mines, Petroleum and Exploration, [2025 Spatial and Regional Resource Data File](#), accessed 29 July 2026.

<sup>39</sup> CME estimates using publicly available data indicates prices of \$125/MWh in 2019-20 and around \$225/MWh in 2025-26 (using real-time energy prices), potentially as high as \$240/MWh (using Synergy Standard Offer Price; last available quote prior to the relevant capacity year). AEMO, [Quarterly Energy Dynamics Q2 2026](#), Figure 118; Economic Regulation Authority, [2025/26 Price List for the Western Power Network](#), 16 May 2025, Table 1.5, RT7.



average prices across April to August 2026 have been 37 per cent higher than the 2026 March quarter.<sup>40</sup>

Rising costs threaten the viability of existing and new electricity-intensive resources and manufacturing projects in SWIS-connected regions. Near-term support is needed to safeguard operations while actions are taken to deliver the medium and long-term reliability and emissions outcomes industry requires at a cost that works. CME member feedback continues to indicate that total delivered electricity prices of around \$100/MWh are required to attract new industry and enable existing large industrial users to compete with other jurisdictions.

The [Future Energy System Outlook \(FESO\) 2027](#) is an important opportunity to increase transparency around the SWIS transition, including the inherent trade-offs between reliability, costs and emissions. The FESO's published scenarios should include annual estimates of total delivered energy costs, by component – like the 2020 Whole of System Plan did – to aid in investment certainty for energy users.<sup>41</sup> Regarding the trade-off between reliability and costs, a review of the Reserve Capacity Mechanism (RCM) seems timely in light of the proposal to relax reliability requirements in the east coast electricity market and expectations of significant further increases in RCM costs in WA.<sup>42</sup>

There is also a need to support the entry of new gas and wind generation to the SWIS, which modelling indicates are critical to keeping total grid costs low. With the Federal Capacity Investment Scheme proving ineffective in fully bridging commercial gaps for wind projects, it is pleasing to see Energy Policy WA investigating mechanisms to support the investment case for new wind generation capacity.<sup>43</sup> The allocation of any additional costs arising from such measures should avoid penalising those who have secured their own renewable supply needs.

## Recommendations

To safeguard jobs at existing SWIS-connected operations and attract new energy-intensive industries, CME recommends the WA Government:

- Implements near-term support measures to safeguard the viability of existing energy-intensive operations facing large increases in electricity costs.
- Prioritises reliability enhancements for existing and near-to-market projects, particularly those in the KIA, Kemerton SIA and WTC. The timing of Stage 1 augmentations at the Kemerton SIA should be brought forward to address existing issues.
- Reviews the RCM to determine whether the costs of WA's stringent reliability requirements exceed the benefits to consumers, ideally by April 2027 to inform the next WA Electricity Statement of Opportunities. This should include a review of the reserve margin and expected unserved energy requirement, transitional pricing arrangements and fixed reserve capacity price arrangements.
- Publishes estimates of future total delivered energy costs, by component, in the FESO 2027 to improve transparency around future costs to support investment decisions. The FESO should involve up-to-date demand and supply forecasts, developed in consultation with industry, to ensure generation, storage and transmission investments are efficient.
- Explores and implements measures to improve revenue certainty for new renewable generation projects, especially wind, to reach final investment decisions in a manner that minimises total delivered energy costs.

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<sup>40</sup> AEMO, [WEM Data Dashboard](#), Average Market Price, accessed 8 September 2026. Jan 2026 = \$84.07/MWh, Feb 2026 = \$88.33/MWh, Mar 2026 = \$93.16/MWh, Apr = \$103.28/MWh, May = \$115.89/MWh, Jun 2026 = \$134.5/MWh, Jul 2026 = \$133.02/MWh, Aug 2026 = \$119.09.

<sup>41</sup> WA Government, [Whole of System Plan](#), August 2020

<sup>42</sup> Australian Energy Market Commission, [2026 Reliability Standard and Settings Review](#), 23 April 2026.

<sup>43</sup> Energy Policy WA, [Wholesale Electricity Market Investment Certainty Review Working Group meeting](#), *Renewable Energy Mechanism to provide investment certainty to renewable generation*, 23 July 2026



## Goldfields – Further actions required to ensure reliability in Kalgoorlie and progress a broader regional energy solution

The Goldfields-Esperance region is WA's second most valuable resources region behind the Pilbara. In 2025 the region contributed 16 per cent of WA minerals production value, 7 per cent of total royalties and 26 per cent (35,494 FTEs) of onsite minerals employment.<sup>44</sup> While most resources operations in the region use behind-the-meter or localised power solutions, the SWIS supplies several mining operations in the City of Kalgoorlie-Boulder and surrounding areas.

SWIS-connected resources customers in the Goldfields have been experiencing increasing reliability issues over recent years,<sup>45</sup> reflecting ageing infrastructure, transmission network vulnerabilities and insufficient generation capacity to meet demand. Regular interruptions to power supply for those on the Eastern Goldfields Load Permissive Scheme cause operational challenges including lost production and revenue and add costs due to expensive back-up requirements. Members generally report that outages have lessened relative to last year but remain challenging.<sup>46</sup>

The WA Government is progressing several initiatives to improve reliability for SWIS-connected customers in the Kalgoorlie region. This includes a Western Power procurement process to replace the ageing West Kalgoorlie gas plant<sup>47</sup> and the installation of a 10-hour 50 MW vanadium flow battery by 2029.<sup>48</sup> In line with CME's recommendation last year the WA Government is looking to industry-led solutions to improve near-term reliability, and signed a Memorandum of Understanding with Northern Star to provide up to 70 MW of power during transmission outages.<sup>49</sup> CME is seeking further efforts to improve Western Power's network connection and expansion processes in the region.<sup>50</sup>

The WA Government continues to investigate with industry whether a privately-led Goldfields Regional Network (GRN) could deliver a lower-cost alternative to standalone 'behind the meter' power solutions across the Goldfields. While the Stage 1 Concept Study in late 2024 indicated a GRN was likely to be lower cost, significant increases in transmission costs mean these assumptions need re-testing, alongside updates to demand forecasts, behind the meter generation and storage capacity and the timeframes for delivery (initially 2033). Commercial challenges also remain regarding coordination, avoiding first mover disadvantage and having sufficient certainty in resource availability to underpin long-lived transmission assets. With the GRN investigation first announced almost 2½ years ago CME suggests near-term activities focus on determining whether commercial pathways to a GRN exist to support certainty around future energy solutions in the Goldfields.

### Recommendations

To support the delivery of reliable, cost-competitive and low emission electricity across the Goldfields region in the near and longer-term, CME recommends the WA Government:

- Progresses announced initiatives to improve power reliability and availability in the Kalgoorlie-Boulder region in a timely and least-cost manner.
- 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.
- Identifies a preferred long-term Goldfields regional energy solution by mid 2027. This should include finalising commercial and regulatory assessments for a potential GRN under both full-scale grid and phased or 'hub' approaches by end 2026.

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<sup>44</sup> Department of Mines, Petroleum and Exploration, [2025 Spatial and Regional Resource Data File](#), accessed 29 July 2026.

<sup>45</sup> 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.

<sup>46</sup> ABC, [Mining industry spearheads energy transition at Kalgoorlie on edge of WA's main power grid](#), 29 July 2026.

<sup>47</sup> Western Power, 20 March 2024, [Cook Government to procure additional Goldfields power supply](#), accessed 29 July 2026.

<sup>48</sup> WA Government, [Strong industry response for Kalgoorlie vanadium battery plan](#), 19 February 2026.

<sup>49</sup> WA Government, [MOU signed to strengthen power resilience for Kalgoorlie-Boulder](#), 2 July 2026.

<sup>50</sup> CME, [Framework and approach for Western Power's sixth access arrangement review](#), submission to the Economic Regulation Authority, 5 February 2026.



## Pilbara – Focussed action is needed to deliver near-term opportunities

The Pilbara region is WA's mining powerhouse. In 2024-25 the Pilbara contributed 71 per cent of the total value of the WA's resources sector production and 86 per cent of total WA resources sector royalties. Iron ore accounts for 96 per cent of resources production value in the region. The Pilbara comprised 52 per cent (70,651 full-time equivalent) of total onsite mining employment in WA.<sup>51</sup>

As with other regions, access to reliable, low-emission and cost-competitive electricity will be key to enable the electrification of existing operations, and to unlock investment in new resources projects and low-emission industries such as green iron and ammonia. Work is also ongoing to test and trial technologies which are still maturing.

There is uncertainty over the scale and timing of electricity demand in the Pilbara, including the growth profile of new industries and the deployment of electrified fleets, as well as the deployment of renewable generation and storage projects and the necessary transmission infrastructure. The WA Government last modelled and published demand scenarios in 2023.

The Pilbara Energy Transition Plan (PET Plan) was initiated by the WA Government and industry in 2023.<sup>52</sup> It aims to support an orderly, equitable and rapid transition to low-emissions electricity through a new common use electricity grid in the region, complementing the largely privately-owned networks that currently serve the region's industry. A key aim of the PET Plan is to secure private investment in four new, optimised transmission corridors that will meet long-term capacity requirements and avoid the need for additional build in the future, leveraging concessional financing through the Australian Government's Clean Energy Finance Corporation (CEFC). Alongside this are parallel pieces of work to ensure Aboriginal empowerment, streamline land tenure arrangements and develop the electricity network's market and regulatory framework.

CME and its members continue to support these goals, and recognise the work done by the WA Government to date. However, it is evident that the scale of such a large physical and financial undertaking is a significant challenge, particularly in the absence of firm timeframes for demand and supply growth over the next quarter century. To date, no CEFC financing has been publicly confirmed, despite over \$27 billion having now been committed nationally.<sup>53</sup> All four transmission corridors share a common challenge in being able to secure investment which needs to be addressed promptly.

In parallel are concerns over environmental approvals, the development of regulatory and market frameworks, and the significant workforce and material requirements to construct transmission lines.

As such, some projects are being held back, particularly around the SIAs of Maitland and Boodarie which (as above) depend on access to reliable, low-emissions and cost-competitive energy. CME considers that there is a need for a review of the practical and commercial delivery challenges, and to be open to revise the approach to deliver pragmatic, short-term progress in the decarbonisation of the Pilbara. In this context, the Burrup (Murujuga) corridor should be prioritised, so that the foundation can be laid for success for the other corridors.

Other projects are also now proceeding *outside* the aims of the PET Plan, with 'behind the meter' solutions being pursued along with investments in private wires, which can provide efficient and timely pathways for individual projects. These investments should be supported by tenure and regulatory settings that give proponents flexibility to sell surplus power to other parties. As renewable generation varies with weather and time of day, output will not always align with an operation's electricity demand. Similarly for existing generation assets, allowing surplus power to be sold to other users, or for system services as grids transition, supports a more efficient and lower cost electricity system across the Pilbara. CME considers that urgent work is needed to remove tenure constraints and improve approval efficiency.

## Recommendations

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<sup>51</sup> WA Department for Mines, Petroleum and Exploration, [Resources Industry Data](#) (Accessed Aug 2026)

<sup>52</sup> WA Government, [Pilbara Industry Roundtable Communiqué](#), 26 July 2023

<sup>53</sup> Australian Government's [Clean Energy Finance Corporation, Investment Update 2025-26](#), August 2026



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

- Undertakes a full review of progress, scope and delivery timeframes for the Pilbara Energy Transition Plan. Following this, it should assume a strengthened leadership role in driving forward actions that lead to commercial investments.
- Urgently updates and publishes modelling on future electricity supply and demand scenarios to support the sequencing of industrial demand and generation investments, and to ensure common use infrastructure is sized appropriately for credible future demand, while avoiding overbuild and unnecessary costs on users.
- Works with industry to develop and publish a clear funding framework for common-user transmission and connection infrastructure, setting out the respective roles of the State, Commonwealth, concessional finance and industry. Additional funding will reduce the risk of foundation users having to pay for stranded assets.
- Prioritises securing commercial commitments in common use corridors that have more certain, near-term demand and supply opportunities, particularly around the Burrup (Murujuga) corridor. The Burrup corridor (including connections) should be given priority project status under the new *State Development Act 2025* (WA), and further resources committed to support Traditional Owner negotiations. This will need to include work to assess what role, if any, existing transmission capacity plays in the near term.
- Works with the Commonwealth to implement measures to reduce the cost of new renewable generation capacity in the Pilbara.
- Works with industry to:
  - Provide greater certainty and flexibility for mining proponents investing in electricity generation and associated infrastructure, including the ability to sell surplus power to other parties including non-mining users. This should also address tenure arrangements for generation projects that could operate beyond the expected life of the mine.
  - Streamline administrative approvals processes under the *Land Administration Act 1997* (WA) for new projects, in recognition of the urgent need to decarbonise the Pilbara. This should form part of the approvals 'time in motion' study recommended in the access to resources chapter.

## Accelerating low carbon fuels in WA

CME sees low-carbon fuels as an important part in supporting WA's decarbonisation objectives and fuel resilience. For the resources sector, low-carbon fuels such as renewable diesel are a pathway to reduce emissions where electrification options are not yet technically or commercially feasible. However, the limited availability of locally-sourced, cost-competitive fuels means that this option is not being actively pursued at scale by potential customers across multiple sectors of the WA economy.

A clear, coordinated and competitive policy framework is required to unlock investment in low-carbon fuel production in WA. Policy uncertainty paired with regulatory barriers means WA is falling behind competing jurisdictions (including in Australia) in attracting investment in low-carbon fuels. While other states and territories have developed biofuel strategies and put in place measures to drive production, WA does not have at-scale supply aggregation or refining capacity for renewable liquid fuels, despite having large resources of potential feedstocks from the agricultural sector. Further work is needed to address regulatory barriers, improve feedstock aggregation, strengthen supply chains and support market development at commercial scale. For biomethane, legislative barriers prevent injection into the gas grid.

The WA Government has taken positive steps to explore opportunities for a WA low-carbon fuels market including developing an Advanced Biofuels Strategy<sup>54</sup> which has been subject to engagement

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<sup>54</sup> WA Government – [Media statement announcing Advanced Biofuels Strategy](#), 9 October 2025



with industry stakeholders. CME expects this Strategy to set out clear and funded steps to build local supply capability and to create a sustainable, cost-competitive market through certification schemes that recognise WA's unique geographical challenges with resources sector demand likely to be geographically distant from supply. This should be carried out as part of the WA Government's studies to assess the feasibility for new (fossil fuel) refining capacity in WA. It is vital that the Strategy does not impose cost imposts onto the resources sector, for instance through demand mandates (which the Australian Government is currently considering).<sup>5556</sup>

Support for low carbon fuel supply should also be done in partnership with the Commonwealth, for instance as it looks to allocate funding under its Cleaner Fuels Program<sup>57</sup> and its Guarantee of Origin scheme for various renewable fuel types.<sup>58</sup>

## Recommendations

To support the development of a competitive and investable low-carbon fuels industry in WA, CME recommends the WA Government:

- Brings WA in-line with other Australian states and publishes the Advanced Biofuels Strategy as a priority, with clear actions and committed implementation funding to stimulate investment in the sustainable supply of feedstocks and cost-effective production of low-carbon fuels, including renewable diesel and biomethane.
- Ensures that renewable liquid fuel refining is considered as part of assessments in new (fossil fuel) refining capacity in WA, which are being pursued to support wider energy resilience.
- Removes regulatory barriers for biomethane production and injection into the gas network and supports investment in production projects.

CME also recommends the WA Government:

- Works with the Commonwealth to secure funding from federal initiatives such as the Cleaner Fuels Program to support supply-side investments.
- Works with industry and the Commonwealth to develop market-building mechanisms, alongside federal initiatives such as the Product Guarantee of Origin certificates, such as national 'book and claim' schemes integrated into national emissions reporting.

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<sup>55</sup> Federal Department of Climate Change, Energy, Environment and Water, [Securing Australia's Cleaner Fuels Industry](#), August 2026

<sup>56</sup> CME response to consultation on Securing Australia's Cleaner Fuels Industry, September 2026

<sup>57</sup> Australian Renewable Energy Agency – [Cleaner Fuels Program](#)

<sup>58</sup> Department of Climate Change, Energy, the Environment and Water – [Guarantee of Origin scheme](#)



## A Safe, Diverse and Productive Workforce

The WA resources sector employs a large, mobile and highly skilled workforce across some of the most complex operating environments in the country, with 2 in 5 jobs supported by the WA resources sector in 2025.<sup>59</sup> In relation to gender diversity, data collected by CME over the past ten years shows persistent growth in women's participation in the WA resources industry, growing to 24.8 per cent in 2023 from 19 per cent in 2013.<sup>60</sup>

The sector's capacity to attract, train, retain and safely employ its workforce underpins the production that generates a third of the State's general revenue. It is also the constraint most likely to determine whether WA can deliver its industrial ambitions.

WA is now committing simultaneously to major defence, housing, energy transition and downstream processing programs, each drawing on the same trades and technical occupations as the resources sector. Meeting those commitments requires regulatory settings that direct effort to where the risks actually are, training that reaches the workforce gaps that matter, and a training and licensing system able to keep pace with technological change.

### Work health and safety – regulatory settings should direct effort to where risks actually are

The health and safety of its people is the resources sector's first priority. Regulatory settings determine how much of that effort controls risk at its source and how much is consumed by compliance activity that does not improve outcomes. The following settings currently fall into the second category.

From 1 December 2026 the national Workplace Exposure Limits (WEL) will commence, reducing limits for many substances used in mining and energy operations. The WA Work Health and Safety (WHS) regulations for mining and petroleum and geothermal energy operations will automatically apply these changes in WA, without any assessment of whether they are achievable, measurable, underpinned by robust evidence or will improve worker health outcomes. CME and its members engaged extensively and in good faith throughout the development of the new WELs, providing operational and exposure data at each opportunity. It is disappointing that substantive concerns raised by industry remain unresolved as commencement approaches. Nine chemicals were treated separately and subject to the most detailed analysis undertaken in the review, but due to issues with the process and evidence used WHS Ministers from across Australia were unable to achieve majority support and requested further work. The majority of the WELs did not receive that level of scrutiny and numerous WELs are not reasonably practicable in the context of WA resources sector operations. Some sit below the level that current sampling and analysis can reliably measure, and others could be met only through continuous reliance on respiratory protection – inverting the hierarchy of control rather than reinforcing it. The result risks current operations and future investment in WA without a demonstrated improvement in worker health outcomes.

Health monitoring records fragment across employers, often leaving contractors and labour hire workers without a longitudinal record of their own occupational health. Assessments are repeated not because clinical need requires it, but because prior results cannot easily be obtained.<sup>61</sup> This level of duplication is unnecessary and costly for all involved.

CME welcomed the reinstatement of safety sharing by WorkSafe, and its trend analysis identifying patterns across multiple sites has been a valuable educational tool for industry.<sup>62</sup> Further value could be delivered to industry by producing that analysis as a committed program rather than occasionally, and by sharing learnings immediately following an event in WA or in other jurisdictions.

WHS laws do not require a health and safety representative's request for assistance to identify the safety matter it relates to. A person whose assistance is requested, which may include a union

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<sup>59</sup> CME, [Economic Contribution: Western Australia](#)

<sup>60</sup> CME [Diversity and Inclusion Report 2024](#)

<sup>61</sup> Work Health and Safety (Mines) Regulations 2022 (WA), Part 10.3 Division 2.

<sup>62</sup> WorkSafe WA, SafetyLine Hub, Special edition: conveyor guarding, 18 September 2025.



official, can therefore enter a workplace without the business being told what issue is to be addressed, and without the entry being confined to the relevant area(s).

The statutory review of the *Work Health and Safety Act 2020* (WA) is due to report to Parliament in late 2026 and provides a platform to address these issues and ensure that WHS requirements enable industry to operate effectively in a risk-based framework.

## Recommendations

To ensure WHS regulation directs effort to where risk is greatest, CME recommends the WA Government:

- Amends the *WHS (Mines) Regulations 2022* and *WHS (Petroleum and Geothermal Energy Operations) Regulations 2022* to remove the automatic adoption of national WELs, so changes only take effect in WA following assessment of health benefit, achievability and measurement capability. Should automatic adoption be retained, WorkSafe WA should use a transparent class exemption pathway under the regulations, noting exemptions do not affect the primary duty of care under the *Work Health and Safety Act 2020* (WA).
- Amends the work health and safety regulations to enable portability of worker health monitoring records and establish a WorkSafe-held worker health surveillance repository linked to the Compliance and Regulation System (CARS), owned and administered by the regulator with access controlled by the worker.
- Provides WorkSafe with analytical resourcing to deliver regular communications to industry including thematic incident trend analysis, weekly incident summary reports and a system for searchable de-identified incident data.
- Restores industry access to historical WorkSafe safety alerts, bulletins and incident information archived in the transition from the former departmental website, indexed and searchable, with appropriate notation where advice has since been superseded.
- Amends section 68 of the *Work Health and Safety Act 2020* (WA) so a request for assistance by a Health and Safety Representative must identify the specific safety matter, the notice includes particulars, and access is confined to relevant areas, while confirming the ability to refuse access on reasonable grounds.
- Ensures adequate resourcing for implementation of agreed reforms arising from the statutory review of the *Work Health and Safety Act 2020* (WA) including guidance development and industry transition support.
- Supports WorkSafe WA to reach and sustain full employment of its mines safety inspectorate, including development pathways that enable movement between industry and the inspectorate, and progress toward the International Labour Organization (ILO) benchmark for inspector to worker ratios.

To ensure national WHS policy settings are fit for purpose for WA conditions, CME recommends the WA Government uses its position as both a member of the Safe Work Australia board and a voting member to advocate for:

- Regulatory impact assessments, genuine consultation and post-implementation evaluations to be applied consistently to all model WHS regulatory and policy settings, and that jurisdictions with distinct operating conditions have a defined mechanism to contribute technical evidence during development.
- Best Practice Review outcomes that reflect WA's resources-specific regulatory arrangements.

## Attraction and participation – Training investment should reach the workforce gaps that matter



Women and Aboriginal and Torres Strait Islander people remain significantly under-represented in the skilled trades the resources sector depends on, and those are the trades in shortest supply. Lifting participation addresses a shortage and an equity objective with the same investment.

The resources sector has paid the Construction Training Fund levy since October 2018. In the four years to December 2023, 604 resources projects worth \$41.2 billion paid \$82.5 million in levies.<sup>63</sup> Levy revenue has since run well ahead of forecast, reaching \$76.7 million in 2024-25 against a budget of \$53 million, with the Fund attributing the variance to higher than anticipated activity in the resources and residential sectors. The Fund's own accounts record that unanticipated resources sector levy payments left cash balances in excess of operational requirements, contributing to an accumulated surplus of \$114 million.<sup>64</sup> Grant eligibility, however, requires primary and substantial direct involvement in on-site construction, so the operational workforce of the businesses paying the levy cannot access the training it funds. Collections are reported by sector; disbursements are not, so the relationship between contribution and return cannot be assessed.

The Women in Trades Scholarship Program is well targeted but modest and structured only around entry, providing \$5,000 to women at WA TAFE colleges and funding up to 400 places over four years to 2027 across a range of industries and qualifications where women are under-represented.<sup>65</sup> The payment is made once, after enrolment, with nothing contingent on progression or completion – despite 17.2 per cent of trade apprenticeships ending without completion in the first year and a four-year attrition rate for women in trade occupations in WA of 44.8 per cent.<sup>66</sup>

CME acknowledges the Construction Training Fund's contribution to the WA training system and its recognition that the resources sector is one of the four sectors it serves. CME strongly supports the Women in Trades Scholarship Program, whose permitted uses reflect a genuine understanding of the barriers women face. What remains is to align what the resources sector receives from the Fund with what it contributes, and to ensure the scholarship program incentivises retention and completion of a full apprenticeship. That program concludes in 2027, making this Budget the decision point on its continuation. CME notes the insertion of section 3A of the *Building and Construction Industry Training Fund and Levy Collection Act 1990* (WA) from 1 January 2026, which provides the Act with a standalone definition of the building and construction industry and extends it to work normally carried out on site but performed offsite. This is a welcome improvement for construction activity associated with resources projects. However, it does not enable the resources sector proportionate access to the Fund's workforce incentives.

## Recommendations

To ensure training investment supports the workforce that generates it, CME recommends the WA Government:

- Amend section 3A of the *Building and Construction Industry Training Fund and Levy Collection Act 1990* (WA) so eligibility for grants, subsidies and benefits reflects contribution to the Fund as well as activity type, enabling workers engaged in the resources sector to access training funded by the levy the sector pays.
- Directs that a defined share of the levy attributable to the resources sector be allocated to trade training and pre-apprenticeship pathways for women and Aboriginal and Torres Strait Islander people, and require the Fund to publish annually, by sector, both contributions and grants disbursed.
- Extends and substantially increases the Women in Trades Scholarship Program beyond 2027, extends scholarship eligibility to any registered training provider (currently only WA TAFE colleges) and restructures payments so support continues throughout the apprenticeship, with staged payments on completion of each year and a final payment on attainment of the qualification.

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<sup>63</sup>Finity Consulting, Actuarial advice on recommendations from the 2019 Statutory Review of the Construction Training Fund, December 2024, Tables 3.4 and 6.4.

<sup>64</sup>Construction Training Fund, *Annual Report 2024-25*, Building and Construction Industry Training Board, 29 August 2025.

<sup>65</sup>Jobs and Skills WA, Women in Trades Scholarship Program, February 2026.

<sup>66</sup>NCVER, Apprentice and trainee completion rates 2025, ncver.edu.au.



## Skills, training and licensing – The system must keep pace with the technology it regulates

Electrification is impacting skills and training requirements for the resources sector now and into the future. Each technology raises the question of who is authorised to work on it, and the answer determines both safety and the maintenance capacity available to support the investment.

WA has long provided for graduated electrical authorisation, issuing restricted licences to instrument process control technicians, refrigeration technicians and plumbers for defined work associated with their trade.<sup>67</sup> The principle is settled; the difficulty is pace. Establishing an appropriate authorisation for electrified earthmoving machinery has taken industry more than a year of roundtables, working groups and analysis, and that equipment is just the first of a series. Licence applications to convert from apprentice to electrician grew from 755 in 2023 to 1,369 in 2025 with almost none refused, so licensing approval is not the constraint.<sup>68</sup> Those completions reflect apprenticeships commenced four years earlier, and national commencements have since fallen. The Australian Government is also developing a national electrical licensing scheme through the National Competition Policy framework, with consultation on scheme design including what categories of electrical work to include. WA has an interest in ensuring that scheme recognises graduated authorisation classes and not only full electrician's licences.

Training capacity is the second constraint. Completions of the Certificate IV in Training and Assessment have fallen by almost a quarter since 2016, and the shortage of qualified trainers is most acute in regional areas where accommodation costs and availability worsen supply.<sup>69</sup> The cost and complexity of the teaching qualification deters experienced tradespeople from moving into training, and existing recruitment, employment and workload arrangements make it difficult for training providers to recruit from the mining and energy industries even where individuals are willing. The consequence is felt most in the regions, where delivery is often limited to entry-level qualifications. Students, apprentices and those seeking to upskill must then relocate to metropolitan areas to complete specialised training – at a cost to both the individual and the employer. The resources sector contributes to this pressure by recruiting the same people, and can be part of the response. Industry is investing in training capacity alongside government, with Fortescue's Power Up Training Centre delivering electrical apprenticeship and battery electric vehicle post-trade training in partnership with South Metropolitan TAFE and North Metropolitan TAFE, respectively.<sup>70</sup>

CME acknowledges the constructive engagement of Building and Energy on the licensing implications of electrified earthmoving machinery, and welcomes the national Credential Policy of 1 July 2025, which removed a compliance barrier pushing experienced trainers out of the sector. CME also acknowledges the WA Government's investment in the training system and its partnership with the Commonwealth on defence workforce planning. What remains is to build the capacity for licensing and training to keep pace with technological change, make it easier for tradespeople to move into and remain in training roles, and give the State and industry a shared view of aggregate demand. Where domestic training cannot meet demand within the required timeframe, skilled migration supplements it.

CME's recommendations on regional housing, serviced land and enabling infrastructure, which are equally central to attracting and retaining a regional workforce, are provided in the regional economic development chapter.

## Recommendations

To ensure WA has the licensed and trained workforce required to deliver its industrial, energy and defence commitments, CME recommends the WA Government:

- Publishes the priority sector workforce planning annually as a standing outlook, consolidating forecast labour requirements across resources, defence, construction, energy and housing by

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<sup>67</sup> Electricity (Licensing) Regulations 1991 (WA), regs 20 to 22.

<sup>68</sup> WA Legislative Council, Hansard, 11 August 2026, question on notice, electrician licence applications.

<sup>69</sup> Jobs and Skills Australia, VET Workforce Study, October 2024; Industry Skills Australia, VET Workforce Project, 2026.

<sup>70</sup> Fortescue, [Fortescue tackles electrical skills shortage with new training centre](#), 30 June 2026.



occupation, region and year against projected supply, and uses it to inform decisions on training allocation, apprenticeship incentives and State nomination settings.

- Publishes formal regulator guidance on the interpretation of electrical work as it applies to electrified earthmoving and mobile plant and funds cost and demand modelling to support agency resourcing cases for licensing and training system capacity, ensuring the Electrical Licensing Board and Building and Energy can complete and implement the proposed restricted electrical licence class.
- Establishes a standing working group comprising the regulator, industry and other key stakeholder groups to identify emerging categories of electrical work ahead of deployment of new technologies to site, determine authorisation settings proactively, and publish the criteria applied in determining restricted licence classes.
- Funds WA training delivery capacity for the units of competency underpinning restricted electrical authorisations, including provider scope, assessor capability and regional delivery.
- Establishes a joint industry and government working group on training delivery models, to identify, promote and scale flexible approaches including combined site-based and regional TAFE roles, mobile and site-based delivery, and industry and TAFE partnerships.
- Implements a pathway into vocational training roles for experienced industry tradespeople by meeting wage costs while the Certificate IV in Training and Assessment is completed, providing mentoring and support into the teaching role and priority for regional applicants and trades in shortage.
- Maintains trainers' vocational currency through structured industry placements and expands regional and site-based delivery, including mobile training units, so that specialised and post-entry-level qualifications can be completed regionally. Review regional training subsidy loadings to ensure they reflect actual delivery costs.
- Ensure national electrical licensing scheme being developed through the National Competition Policy framework to accommodate State restricted and graduated licence classes as well as full electrician's licences, so that WA authorisation classes are recognised nationally.

CME also recommends the WA Government advocates to the Australian Government for:

- A State Nominated Migration Program allocation reflecting WA's share of national economic output and workforce demand, confirmed before the commencement of the program year so the full allocation can be used.
- Occupation list settings that reach resources sector occupations in demonstrated shortage, including semi-skilled and specialist technical roles, and apply to them the same concessions extended to building and construction occupations.
- Any national skills recognition body or arrangement to be required to align with State occupational licensing, so recognition of an overseas qualification translates into the ability to perform licensed work in WA.
- The reinstatement of Commonwealth employer incentives for apprenticeships in priority occupations beyond the housing and clean energy sectors.
- The retention of occupations currently available on individual regional DAMAs to ensure regional businesses can continue to access the skills they require to maintain operations, support growth opportunities and contribute to the economic prosperity of Western Australia.

## **Digital Technologies education – Continuing to build the WA STEM skills pipeline**

The Digital Technologies curriculum supports student knowledge and understanding of essential skills needed for future careers, including in WA's resources sector. Concepts such as automation and data science are increasingly core to how the sector operates, and early exposure in schools helps build student awareness, engagement and future workforce readiness. However, many WA teachers



lack the confidence, specialist training or classroom resources to deliver this effectively, particularly in schools facing limited specialist capability, equipment access, travel distance or competing priorities.

This gap is more pronounced outside the metropolitan area. Without adequate coaching and support, teachers in regional and remote WA are less able to deliver consistent, high-quality Digital Technologies learning, limiting student access to contemporary, industry-relevant STEM education and the career pathways it can open.

Data and digital skills are among the fastest growing emerging skills in WA, with research showing 1.5 million WA workers will need some reskilling due to evolving critical technologies such as AI, robotics and advanced data analytics. The WA Government's Future State, Future Skills: Accelerating STEM Skills for Western Australia (2024–2029)<sup>71</sup> strategy sets a vision of a globally competitive, innovative workforce equipped to drive the State's technological future, with a mission to grow an industry-connected STEM talent pool and ensure students have the STEM skills needed for the jobs of the future. Strengthening Digital Technologies delivery in classrooms is a practical, near-term action that advances these goals.

The WA Government has taken positive steps to address this through its existing support for the CME-delivered Digital Technologies Challenges – an established, curriculum-aligned program supported by industry-developed content and dedicated adviser roles. This has allowed the WA Government to extend the program's reach at a lower cost than developing an equivalent program from the ground up, while giving teachers direct access to coaching, planning support and curriculum guidance, and directly delivering on the strategy's goal of an industry-connected STEM skills pipeline.

Demand for this support continues to grow, and current Adviser capacity is not sufficient to meet it. Continued and expanded WA Government investment is needed to build on this foundation, extend delivery to more schools, and ensure teachers across metropolitan, regional and remote WA are equipped to deliver the Digital Technologies curriculum with confidence and consistency.

## Recommendations

To strengthen teacher capability and expand student access to industry-connected Digital Technologies learning, CME recommends the WA Government:

- Funds 2.0 FTE Adviser roles through to 31 December 2030 to expand teacher coaching, planning support and curriculum guidance for delivery of the Digital Technologies Challenges across WA public schools.

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<sup>71</sup> WA Government, [Future State, Future Skills: Accelerating STEM Skills for Western Australia \(2024–2029\)](#)



## Regional Economic Development

WA's resources sector is anchored in the regions where most resource deposits are situated and developed. The wealth generated by the sector underpins the state's economic prosperity. In 2024-25 the sector supported two in three jobs in the Pilbara, four in nine jobs in the Goldfields-Esperance region and a quarter of all jobs in the Peel region, while also making direct payments to over 21,000 local WA businesses.<sup>72</sup> The jobs and incomes the sector provides are vital against a backdrop of the high cost of living and doing business, particularly in the north west of the State where goods and services are up to 12.8 per cent higher than Perth.<sup>73</sup>

The adequate and accessible provision of economic and social infrastructure across regional WA is pivotal to safeguarding the prosperity of Western Australians across the state.

### **Economic infrastructure – Greater investment underpins investor confidence and promotes economic development**

Economic infrastructure is the building block of commercial activity, including the cost-competitive and reliable provision of utilities (energy, water, waste and telecommunications) and freight and logistics infrastructure (road, rail, air, ports and pipelines). Robust port, rail, road, pipeline and aviation infrastructure underpins supply chain resilience, facilitating the delivery of key materials and our workforce to production sites and the export of WA's resource commodities. Inadequate investment in economic infrastructure reduces competitiveness and blunts investor confidence, putting the sector and the prosperity of the broader economy at risk.

Extreme weather events expose regional freight corridor vulnerabilities across the Pilbara, Kimberley, and northern Goldfields. For industry to operate with supply chain certainty, key roads must be designed, maintained and upgraded to withstand these seasonal challenges. Limited capacity and services at regional ports further compound 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. These ongoing bottlenecks hinder logistical planning and result in high demurrage costs. 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.

Regional WA faces severe water shortages. Inadequate regional water infrastructure, coupled with low rainfall and limited groundwater, is leading to competing community, industry, and agricultural demands. 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 and community.

CME welcomes a suite of commitments in the 2026-27 WA Budget intended to bolster economic infrastructure. This includes, but is not limited to, significant co-investment in the Dampier Seawater Desalination Plant, \$41.6 million in funding for upgrades on the Great Northern Highway between Fitzroy Crossing and Gogo Station, a \$23 million investment in south west water infrastructure and a \$4.8 million investment in the business case and optimisation of the Port of Bunbury.

### **Recommendations**

To support economic expansion in regional communities through improved regional infrastructure and private trade and investment opportunities, CME recommends the WA Government:

- Provides sufficient funding to deliver the Port of Bunbury Optimisation Plan, with a focus on improving bottlenecks at Berth 8, and develops additional storage and laydown capacity at regional ports in the Pilbara and Kimberley.

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<sup>72</sup> CME, [Economic Contribution Factsheets](#), March 2026.

<sup>73</sup> DPIRD, [Regional Price Index](#), 2025.



- Commits long-term funding for upgrades to the Coolgardie-Esperance Highway, Great Eastern Highway, and Goldfields Highway (Wiluna-Meekatharra) as nationally significant freight routes servicing Western Australia's mining, critical minerals, agriculture and export industries. Investment should focus on road safety, flood resilience, and freight efficiency to reduce transport costs and improve supply chain reliability.
- 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.
- Progresses the state-supported business case for a realigned east-west line and intermodal terminal south of Kalgoorlie-Boulder. The project has potential to reduce freight costs, support critical minerals development, improve supply chain efficiency and establish Kalgoorlie-Boulder as a major inland logistics hub.
- Identifies and implements a pipeline of reliable and scalable water infrastructure initiatives such as stormwater harvesting, recycling and desalination across WA's regions to serve both community and industry needs.

CME also recommends the WA Government advocates to the Australian Government for:

- A streamlined, risk-based Commonwealth FPOE approval framework for regional ports that is not cost prohibitive.
- Fit for purpose border infrastructure and regulatory capability at strategic regional ports.

## **Social infrastructure – additional housing supply and an uplift in regional training capacity are urgent priorities across 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.

However, regional WA is experiencing a sustained housing shortage that is constraining workforce attraction, project development, and the delivery of essential services. The high cost to build in several regional areas, especially the Pilbara and Kimberley, 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.

Access to a skilled regional workforce is fundamental to maintaining safe, productive and globally competitive mining, energy and critical minerals industries. Expanding opportunities for regional education and training supports workforce participation, strengthens regional communities and helps industry meet increasing demand for skilled workers. Aligning curriculum and career pathways with regional workforce needs, strengthening STEM education and expanding secondary education to tertiary pathways are pivotal to developing regional workforces.

CME supports the Seven Cities vision announced in the 2026-27 State Budget to support regional development and also notes the WA Government has continued investing in fee-free TAFE and apprenticeships to support workforce development across regional WA. However, investment is required to attract and retain high-quality teaching staff to regional towns and cities to ensure regional students at TAFE meet competency and training milestones. CME's state-wide recommendations on skills and training are provided in the safe, diverse and productive workforce chapter.

## **Recommendations**

To support regional liveability and attract and retain a skilled regional workforce, CME recommends the WA Government:



- Prioritises investment in enabling infrastructure for residential developments through the provision of sustainable and reliable water, power, sewer and road services.
- Accelerates serviced land release through DevelopmentWA, while addressing Native Title and crown-to-freehold approval delays.
- Establishes on-site trade training centres at regional high schools with alignment of curriculums to each region's current and future workforce needs.
- Provides TAFE lecturers with competitive salaries and access to GROH housing to support regional attraction and retention.



## Federal-State Relations

Australian Government fiscal and policy settings can significantly impact the viability of existing resources projects in WA, as well as the attraction of new projects to our state. CME calls on the WA Government to advocate to the Australian Government for settings that support the continued success of WA's resources sector:

- **Taxation** – Oppose new or additional taxes, royalties or other cost imposts on WA's minerals and energy sectors; advocate for the retention of the fuel tax credit scheme in its current form; and continue to call for a CGT discount exemption for investors in junior mineral explorers.
- **Industrial relations** – Advocate for settings that promote productive, harmonious workplaces, deliver sustainable real wages growth and maintain the global cost-competitiveness of the WA resources industry.
- **Safeguard Mechanism** – Advocate for stable settings aligned with realistic deployment timeframes for abatement technologies to avoid driving resources investment and jobs to competitor jurisdictions. Unrestricted access to offsets should be retained.
- **Low-carbon fuels** – Advocate for supply-side measures that complement WA's Advanced Biofuels Strategy, and advocate against demand-side mandates for renewable diesel that would distort investment signals in decarbonisation, recognising that electrification is the sector's preferred long-term solution.
- **National gas reservation** – Continue to call for a legislative carve-out for WA from the national Domestic Gas Reservation Scheme to avoid disrupting WA's longstanding policy certainty.
- **CCUS** – Advocate for the Commonwealth to develop a CCUS Strategic Delivery Plan (including other carbon management technologies) and provide policy support for deployment.
- **First Point of Entry** – Continue to work with the Commonwealth to deliver fit-for-purpose infrastructure and personnel to enact First Point of Entry status for ports in the Pilbara and Kimberley in a timely manner.
- **Environmental Protection** – Continue to collaborate with the Commonwealth to enact fit-for-purpose bilateral arrangements for WA to conduct assessments and approvals under the *Environmental Protection and Biodiversity Conservation Act 1999* (Cth) (EPBC Act).
- **Cultural Heritage** – Advocate for reform to the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (ATSIHP Act) that introduces prescribed process timeframes, clear standing requirements and retains ministerial decision-making.
- **Native Title** – Advocate for procedural changes to the *Native Title Act 1993* (Cth) (NT Act) to implement retrospective tenure validation to provide greater tenure certainty in WA.
- **Work health and safety (WHS)** – Advocate to Work Safe Australia to ensure national WHS policy settings are workable for WA's resources sector.
- **Skilled migration** – Continue advocating for a State Nominated Migration Program allocation reflecting WA's share of national economic output and that national skills recognition arrangements align with WA occupational licensing.