

# **Finance and Public Administration References Committee**

## **Senate Inquiry into Federal Financial Support for State and Territory Infrastructure Projects**

### **Submission from Regional Development Australia Goldfields Esperance (RDA Goldfields Esperance) December 2025**



An Australian Government Initiative



Regional  
Development  
*Australia*

**GOLDFIELDS ESPERANCE**

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## Inquiry Terms of Reference

On 26 November 2025, the Senate referred the following matters to the Finance and Public Administration References Committee for inquiry and report by 30 March 2026:

The process, governance and effectiveness of federal financial support provided to state and territory governments for infrastructure development, with particular reference to:

1. the criteria and processes used by the federal government to assess, prioritise and allocate infrastructure funding;
2. the transparency, consistency and accountability of federal funding decisions;
3. how the viability and appropriateness of state and territory projects receiving federal funding is assessed, including the adequacy of business cases, rural and regional distribution impacts, and use of independent assessments;
4. how the economic, social, cultural and community impacts of federally supported infrastructure projects are considered during assessments;
5. federal oversight mechanisms used to track progress and performance of a state or territory project receiving federal funding and opportunities to improve governance, oversight and public reporting; and
6. any other related matters.

## 1.INTRODUCTION AND SUBMISSION OVERVIEW

Regional Development Australia Goldfields Esperance (RDA Goldfields Esperance) welcomes the opportunity to contribute to the Senate Inquiry into Federal Financial Support for State and Territory Infrastructure Projects. The Goldfields-Esperance region is one of Australia's most economically significant yet infrastructure-constrained regions, delivering almost **\$40 billion in annual economic output** with a population of just **58,134** across **955,276 km<sup>2</sup>**.

The region underpins Australia's **critical minerals, gold, battery metals, renewable energy, hydrogen, agriculture, freight and export industries**. It is home to globally significant projects including the **Western Green Energy Hub, Lynas Rare Earths processing, Northern Star's KCGM long-life gold**

**operations**, world-class grain production, and new industries emerging in **bioenergy and sustainable aviation fuels**.

However, critical infrastructure has not kept pace with economic growth or national expectations. Federal funding frameworks, assessment methods and transparency mechanisms disadvantage remote regions due to high delivery costs, low population density and traditional cost–benefit ratios that fail to capture national strategic value. Local governments are increasingly forced to subsidise essential services, including **GPs, supermarkets, airstrips, housing, and workforce facilities**, undermining their ability to co-fund infrastructure.

Major national systems including **the Port of Esperance**, the **Outback Way**, the **Goldfields Highway**, and the **Kalgoorlie–Esperance freight corridor** require sustained federal investment to ensure supply-chain resilience, decarbonisation, sovereign capability and equitable access for remote Aboriginal communities.

This submission responds to all Terms of Reference and proposes reforms to ensure federal processes recognise:

- the **national economic importance** of remote infrastructure,
- the need for **transparent and timely funding decisions**,
- the importance of assessing **long-term strategic value** rather than short-term commodity cycles,
- the necessity of including **social, cultural and community outcomes** in project assessment, and
- the opportunity to strengthen governance through **corridor-based and precinct-based planning**.

RDA Goldfields Esperance recommends a suite of reforms to federal funding programs, assessment frameworks, oversight mechanisms and intergovernmental coordination structures.

The region is ready to deliver the next wave of national prosperity in critical minerals, renewable energy, advanced processing, agriculture, bioenergy and future industries — but this cannot be achieved without **long-term, consistent and equitable federal investment** in enabling infrastructure, housing and services.

RDA Goldfields Esperance would welcome the opportunity to provide further evidence or appear before the Committee.

## 2. ABOUT REGIONAL DEVELOPMENT AUSTRALIA GOLDFIELDS ESPERANCE

RDA Goldfields Esperance is part of the national RDA network funded by the Australian Government. Our role is to:

- identify regional priorities and strategic opportunities,
- support investment attraction and project development,
- facilitate collaboration between local, state and federal stakeholders,
- provide an evidence-based regional voice to government, and
- strengthen local economies, liveability and community resilience.

We work across ten local government areas spanning mining centres, coastal communities, remote Aboriginal communities and vast pastoral and agricultural districts.

### 3. REGIONAL PROFILE AND STRATEGIC CONTEXT

#### 3.1 Geography and Population

The Goldfields-Esperance region now covers approximately **955,276 km<sup>2</sup>** following the inclusion of the Shire of Wiluna in 2021. It is one of the largest regions in Australia by land area.

Despite enormous economic output, the resident population is small and has declined:

- In 2014, the region (then 771,276 km<sup>2</sup>) was home to about **61,400 people**.
- By 2025, the region is home to **58,134 people**, supporting **37,696 jobs** and generating **\$39.963 billion** in annual economic output.

The region's population is historically cyclical and closely tied to commodity cycles, project activity and liveability factors such as housing and services.

#### 3.2 Economic Profile and Sector Drivers

Key sectors include:

- **Mining and Resources** – gold, nickel, cobalt, lithium, rare earths, iron ore and emerging vanadium and magnetite projects.
- **Agriculture** – broadacre grains (wheat, barley, canola, oats, lupins), sheep and beef, with the Esperance zone one of WA's most productive grain regions.
- **Transport and Logistics** – interstate road, rail and port systems, including the Port of Esperance and key east–west corridors.
- **Tourism and Cultural Industries** – coastal tourism in Esperance, outback and desert tourism along the Outback Way, and a thriving Aboriginal arts sector in the Western Desert.
- **Emerging Industries** – bioenergy and low-carbon fuels, renewable energy and hydrogen, and advanced processing for critical minerals.

The economy has nearly **doubled in output** since 2016 (from around \$19 billion to almost \$40 billion), yet the population has fallen. This mismatch drives severe pressure on infrastructure, services and local government capacity.

#### 3.3 Long-Term Regional Vision and the 2016 Blueprint

The **Goldfields-Esperance Regional Investment Blueprint (2016)** set a long-term vision to 2050, focussed on:

- **Enhancing regional living** – improving liveability and services to attract and retain population and workforce.
- **Enabling infrastructure** – transport, energy, digital and utilities as foundations for growth and diversification.
- **Fostering an innovative economy** – building on comparative advantages to diversify into value-added industries and new sectors.

The Blueprint acknowledged that while programs like **Royalties for Regions** could contribute to enabling infrastructure, the real “heavy lifting” in job creation and economic dynamism would come from private investment – and that such investment depends on public infrastructure and policy certainty.

## 4. EVOLVING FUNDING CONTEXT FOR REGIONAL INFRASTRUCTURE

### 4.1 Royalties for Regions and the Changing State Funding Landscape

Western Australia’s **Royalties for Regions (RfR)** program was originally conceived to direct 25 per cent of mining and petroleum royalties back into regional infrastructure and services. Under previous governments it funded transformative projects, but also attracted criticism over project selection and fiscal sustainability.

Since 2017, RfR has been significantly reshaped. The **2025-26 WA State Budget** includes approximately **\$4 billion in RfR-related investment** and a **\$10.3 billion pipeline of regional infrastructure works** over four years. However, much of this now supports core state services and recurrent spending, rather than the large, transformative local infrastructure that once characterised the program.

For regions like Goldfields-Esperance, this has left a gap in funding for:

- new multi-user industrial and logistics precincts,
- major transport and freight corridors,
- large-scale energy and digital infrastructure, and
- strategic place-making projects needed to retain workforce.

### 4.2 Federal Grants and the Region’s Small Share of National Funding

The region has successfully increased its share of federal grants in recent years, particularly through:

- targeted investments in critical minerals (e.g. **Lynas Rare Earths** grants in 2021 and 2023),
- road and corridor funding (e.g. **Outback Way** and Goldfields Highway sections), and
- support for specific regional initiatives.

However, when viewed against:

- the region’s **land area**,
- **almost \$40 billion** in annual output,
- its role in **critical minerals and rare earths**,
- **grain export volumes**, and
- its significance in **east–west national logistics**,

its share of total Commonwealth infrastructure and regional development funding remains **very small**.

This Inquiry is an opportunity to better align federal allocations with national economic and strategic priorities, and with the true cost of infrastructure in remote regions.



### 4.3 Local Government Financial Pressures and Cost Shifting

Local governments in the region are structurally constrained in their ability to raise revenue:

- Rate income varies from as low as **2 per cent** of total revenue in remote shires to around **87 per cent** in some urban councils.
- Councils manage **thousands of kilometres of roads**, airstrips, water and community infrastructure.
- Construction costs remain significantly above pre-COVID levels and are unlikely to return to historic norms.
- Labour and workforce costs are rising quickly, with local government wages and conditions needing to keep pace with mining and other sectors.

At the same time, councils are increasingly forced to shoulder responsibilities traditionally funded by other tiers of government or the private sector, including:

- subsidising or directly funding **GP services**,
- operating **supermarkets, laundromats and service centres** when private operators withdraw,
- maintaining **airstrips** essential for health, emergency services and FIFO, and
- delivering more complex **emergency management and disaster resilience** functions.

Financial Assistance Grants to local government now sit at around **0.51 per cent of Commonwealth taxation revenue**, well below the 1 per cent level previously achieved. This is unsustainable for remote councils carrying critical infrastructure responsibilities.

## 5. RESPONSE TO TERMS OF REFERENCE

| Term of Reference  | Where Addressed in Submission | Summary of Coverage  |
|--|-------------------------------|--|
| <b>1. Criteria and processes used by the federal government to assess, prioritise and allocate funding</b>     | <b>Section 5.1 TOR (a)</b>    | Explains how traditional CBA and per-capita metrics disadvantage remote regions; notes lack of strategic weighting for critical minerals, freight resilience and First Nations outcomes; identifies thin markets and high delivery costs; recommends remote-region weighting, national-benefit criteria and adjusted co-funding. |
| <b>2. Transparency, consistency and accountability of federal funding decisions</b>                            | <b>Section 5.2 TOR (b)</b>    | Discusses delays in federal decisions (e.g., Growing Regions); missing feedback; inconsistent timelines; unstable grant cycles; recommends mandated decision timeframes, structured feedback, and multi-year program cycles.   |
| <b>3. How viability and appropriateness of projects are assessed, including business cases, rural/regional</b> | <b>Section 5.3 TOR (c)</b>    | Notes that current methods overlook long-term strategic value of critical minerals, renewable energy, ports, and national supply chains; highlights nickel industry cycle shocks; shows why viability assessments  |

| Term of Reference  | Where Addressed in Submission | Summary of Coverage   |
|--|-------------------------------|---|
| <b>distribution, independent assessments</b>   |                               | must consider whole-of-nation benefits; recommends precinct-level assessment and non-commodity-cyclical evaluation.   |
| <b>4. How economic, social, cultural and community impacts are considered during assessments</b> | <b>Section 5.4 TOR (d)</b>    | Shows impacts on First Nations communities; highlights social and liveability pressures (GP shortages, health access, supermarkets, airports); explains community and tourism benefits of roads like Outback Way; recommends requirement to include community wellbeing, service access, safety, Aboriginal outcomes and local government sustainability. |
| <b>5. Oversight, governance and public reporting of federally funded projects</b>                | <b>Section 5.5 TOR (e)</b>    | Identifies governance fragmentation across large multi-jurisdiction projects (Outback Way, Kalgoorlie–Esperance corridor, port precincts); calls for corridor governance models, precinct-based frameworks, and improved public reporting aligned with national strategies.   |
| <b>6. Any other related matters</b>  | <b>Section 5.6 TOR (f)</b>    | Addresses vertical fiscal imbalance; local government cost-shifting (GPs, supermarkets, airstrips); evolving Royalties for Regions landscape; alignment with WA planning; decarbonisation and critical minerals strategy alignment; national strategic significance of regional infrastructure.   |

## 5.1 TOR (a): Criteria and Processes for Assessing, Prioritising and Allocating Funding

### Issue 1: Standard cost–benefit methods undervalue remote regions

Traditional cost–benefit analysis and per-capita metrics systematically disadvantage regions like Goldfields-Esperance where:

- populations are small,
- infrastructure costs are high, and
- national benefits (critical minerals, food exports, freight resilience, sovereign capability) extend far beyond local boundaries.

Current processes often underweight:

- redundancy and resilience in national freight systems,
- supply-chain security for critical minerals and fuels,
- benefits to remote Aboriginal communities, and
- strategic defence, energy transition and decarbonisation outcomes.



## Issue 2: Long project delivery timelines and incomplete networks

The **Goldfields Highway Wiluna–Meekatharra** section is a clear example:

- Announced and commenced in **2016**, but still incomplete in 2026.
- Funding packages have been assembled in stages over many years.
- Remaining sections are “subject to funding”, leaving a critical corridor in limbo.

Similarly, the **Outback Way** has progressed in sections over decades, but still lacks full sealing and associated digital and service infrastructure.

## Issue 3: Remote area and thin-market penalties

Competitive grant programs that do not explicitly weight for remoteness, high delivery costs and limited local revenue capacity make it very difficult for small councils to succeed, even when project benefits are substantial at state or national scale.

### Recommendation – TOR (a)

1. Introduce **remote-region weighting** and **strategic national significance criteria** into federal funding assessments.
2. Require that cost–benefit analysis explicitly quantify **supply-chain resilience, critical minerals, food security** and **First Nations outcomes**.
3. Provide dedicated streams or adjusted co-funding ratios for **thin-market, high-cost regions** where local governments cannot meet standard co-funding requirements.

## 5.2 TOR (b): Transparency, Consistency and Accountability of Funding Decisions

Regional stakeholders report:

- short application windows for major programs,
- long delays (many months) in decision-making,
- limited feedback on unsuccessful proposals, and
- no clear long-term program continuity for planning.

Delays in programs such as **Growing Regions** and **Precincts and Partnerships** create real-world impacts for councils trying to finalise budgets, secure co-funding and lock in contractors in a high-cost, labour-constrained environment.

### Recommendation – TOR (b)

4. Establish **clear timeframes** for assessment and announcement of federal grants, to support local budget planning.
5. Provide **structured feedback** to unsuccessful applicants, particularly small councils, to build capacity and avoid repeated sunk costs.
6. Commit to **multi-round, multi-year program cycles** (e.g. 5–10 years) for major regional programs, so regions can plan pipeline development.

### 5.3 TOR (c): Assessment of Viability and Appropriateness of Projects

Infrastructure linked to **critical minerals**, **energy transition** and **freight resilience** is sometimes assessed only on short-term project metrics rather than long-term national need.

Examples:

- **Nickel projects** have been suspended due to global oversupply and low prices (e.g. BHP Nickel West, West Musgrave, Ravensthorpe). Yet nickel remains essential for batteries and energy storage. Future recovery depends on enabling infrastructure and policy continuity.
- **Lynas Rare Earths** received federal grants (\$14.8 million under the Modern Manufacturing Initiative and a \$20 million grant in 2023 for Mt Weld processing). These investments are critical to Australia's ambition to become a world-leading producer of raw and processed critical minerals.
- **Wingellina Nickel-Cobalt Project** and the **Goongarrie (Kalgoorlie Nickel) Project** represent billions in potential investment and thousands of jobs, currently on hold but still strategically important.

#### Recommendation – TOR (c)

7. In assessing project viability, incorporate **long-term strategic value**, not just short-term commodity cycles.
8. Support **transition infrastructure** (power, water, transport, digital) that underpins multiple projects across commodities and reduces regional vulnerability to market swings.
9. Ensure federal funding frameworks support **multi-commodity precincts** rather than single-project infrastructure.

### 5.4 TOR (d): Economic, Social, Cultural and Community Impacts

Infrastructure in Goldfields-Esperance has profound impacts on:

- **First Nations communities**, particularly along the Outback Way and in the Ngaanyatjarra Lands,
- **remote towns** reliant on a single road, airstrip or GP,
- **workers and families** who decide where to live based on housing, health and education, and
- **tourism and cultural sectors** that depend on safe access, digital connectivity and community facilities.

Case examples:

- **Outback Way** sealing reduces travel times, improves road safety, lowers logistics costs and opens tourism and service opportunities for remote Aboriginal communities – but also brings risks that must be managed through proper consultation and mitigation.
- **GP shortages** have forced some shires to spend up to **\$350,000 per year** (almost 10 per cent of their budget) to secure a single GP. This is an unsustainable cost shift.
- Some shires (e.g. Dundas, Perenjori, Ravensthorpe) have had to **purchase or operate supermarkets** and other essential services when private operators withdrew.

#### Recommendation – TOR (d)

10. Require federal infrastructure assessments to explicitly consider **health access, service retention, Aboriginal community benefits, tourism diversification and local government financial sustainability**.
11. Allow infrastructure programs to fund **community-critical facilities** (e.g. GP clinics, supermarkets in remote towns, airstrips) where market failure is evident and other levels of government are unable to respond.

## 5.5 TOR (e): Oversight, Governance, Progress and Public Reporting

Major projects in the region often span multiple jurisdictions, departments and program streams. The **Outback Way, Port of Esperance master planning**, and potential **Kalgoorlie intermodal hub** are examples where:

- project oversight is fragmented,
- responsibilities are shared across tiers of government, and
- there is no single integrated “corridor” or “precinct” governance model.

### Recommendation – TOR (e)

12. Establish **corridor-based and precinct-based governance frameworks** for nation-building projects (e.g. Outback Way, Esperance-Kalgoorlie freight corridor, Kalgoorlie–Esperance–Nullarbor renewable energy and export precincts).
13. Improve **public reporting** of project progress, including regional distribution of funding, project timelines, and alignment with national strategies (Critical Minerals Strategy, Net Zero 2050, National Freight Strategy).

## 5.6 TOR (f): Any Other Related Matters

Beyond the specific elements set out in the Terms of Reference, RDA Goldfields Esperance wishes to highlight three systemic issues that materially affect the effectiveness of federal financial support for infrastructure in our region:

1. **Vertical Fiscal Imbalance and Local Government Capacity**  
The growing mismatch between responsibilities and revenue at the local level – particularly in remote WA – undermines the impact of federal infrastructure funding. When councils must subsidise GPs, operate supermarkets, maintain airstrips and fill service gaps, they have reduced capacity to co-fund or manage major infrastructure projects. Federal infrastructure policy must be considered alongside Financial Assistance Grants, disaster funding, and primary care funding to avoid unintended cost shifting.
2. **Interaction with State Programs and Policy Settings**  
The redesign of Royalties for Regions, the structure of WA’s regional investment agenda, and state-controlled planning, approvals and utility pricing all shape the effectiveness of federal funds. Commonwealth programs are most effective when they are coordinated with state infrastructure plans (roads, ports, transmission, water) and when they explicitly recognise that some state programs have shifted from “transformational” to “core services”, leaving a gap for enabling infrastructure.

### 3. **Decarbonisation, Critical Minerals and National Strategic Alignment**

The future of mining, processing and freight is inseparable from renewable energy, low-carbon fuels and decarbonisation pathways. Federal infrastructure support must be explicitly aligned with the Critical Minerals Strategy, Net Zero plans, and defence and supply-chain resilience strategies. Investments in ports, rail, energy and industrial precincts in regions like Goldfields-Esperance should be assessed not just as regional projects, but as **national strategic assets** crucial to Australia's energy transition and sovereign capability.

These related matters strongly influence whether federal financial support for infrastructure in Western Australia delivers its full national benefit.

## 6. KEY INFRASTRUCTURE SYSTEMS AND CASE STUDIES

### 6.1 National Corridors and Roads: Outback Way and Goldfields Highways

#### **Outback Way**

The Outback Way is a 2,700 km route from Laverton (WA) to Winton (Qld) via the Red Centre. For WA, it:

- provides a critical alternative east–west route,
- connects remote Aboriginal communities and tourism assets,
- supports minerals exploration and logistics, and
- enhances national freight and disaster-response resilience.

The Commonwealth and WA Governments have jointly committed **\$164.1 million** to seal priority sections in WA, but full sealing and associated digital/telecommunications infrastructure remain unfunded. Heritage and environmental surveys are ongoing; community consultation conducted with Ngaanyatjarra communities (Warburton, Warakurna, Wanarn, Kampa) emphasises both opportunity and the need for culturally sensitive planning.

#### **Goldfields Highway Wiluna–Meekatharra**

The last unsealed section of the Goldfields Highway received initial investment around **2016**, including a \$60 million Royalties for Regions package. Works have progressed in packages (e.g. Packages 3A and 3B around Wiluna), but remaining sections are still “subject to funding”.

This highway is a **lifeline** for:

- Wiluna residents and Aboriginal communities,
- mining and pastoral supply chains, and
- future critical minerals and freight flows.

The Shire of Wiluna also identifies **Wiluna North Road** as another of its top priorities, essential for access to emerging mining projects and communities.

## Recommendation – Roads

14. Designate the **Outback Way** and **Wiluna–Meekatharra / Wiluna North corridors** as **national priority projects**, with staged but committed federal funding to full completion.
15. Incorporate **telecommunications and safety infrastructure** (mobile coverage, rest areas, digital signs) into road funding packages.

## 6.2 Port of Esperance: Exports, Imports and Supply Chain Resilience

The **Port of Esperance** is the deep-water port for the region and a critical national gateway.

### Exports (tonnes) – 2021–2025:

- Total exports declined from **13.5 million tonnes (2021)** to **7.58 million tonnes (2025)**.
- Iron ore exports fell sharply (from over 10 million tonnes to 3.8 million tonnes) following the cessation of Yilgarn haematite exports.
- Grain exports have remained strong (2.25–3.76 million tonnes), with the Esperance Grain Terminal regularly receiving **>1 million tonnes each harvest** and the Esperance Zone setting a daily receipt record of **118,531 tonnes** in 2025.
- Spodumene (lithium) exports remain significant despite price volatility (around 700,000–1,000,000 tonnes per year).
- Nickel volumes have fluctuated but remain strategically important.

### Imports (tonnes) – 2021–2025:

- **Fuel** imports (300,000–400,000 tonnes per year) support agriculture, mining, freight and regional communities.
- **Fertiliser** imports have increased steadily (to over 300,000 tonnes in 2025), underpinning the grains industry.
- **Sulphur** imports (for nickel and other processing) have been highly variable, reflecting mining cycles.

The **Port Master Plan** identifies:

- existing capacity constraints in rail loops, berths and storage,
- the need for an additional multi-user berth under high-growth scenarios,
- the requirement for expanded laydown and storage areas, and
- integration with emerging industries such as hydrogen, bioenergy and critical minerals processing.

## Recommendation – Port

16. Recognise the **Port of Esperance** as infrastructure of **national significance**, eligible for co-investment through Commonwealth infrastructure programs.
17. Support port upgrades that enable diversification into **critical minerals, bioenergy, hydrogen and advanced manufacturing exports**, alongside traditional grain and bulk exports.

### 6.3 Rail, Intermodal and Freight Capacity

Aurizon and other freight operators report that:

- existing **Kalgoorlie–Esperance** and east–west freight corridors are nearing capacity,
- demand for containerised and bulk freight is increasing, including new economy products, and
- rail passing loops, sidings and intermodal infrastructure will need expansion by 2030.

A future **Kalgoorlie intermodal hub** and enhanced **Leonora/Goldfields rail capacity** are critical to support:

- critical minerals,
- manufacturing,
- defence supply chains, and
- transcontinental freight resilience.

### 6.4 Aviation and Regional Connectivity

Kalgoorlie–Boulder Airport and numerous regional airstrips support:

- FIFO workforces,
- Royal Flying Doctor Service and emergency transport,
- tourism,
- freight, and
- community connectivity.

Local governments struggle to fund runway upgrades, lighting, navigation equipment and terminal improvements. Direct **Kalgoorlie–eastern states** flights would significantly improve business, tourism and workforce attraction but require infrastructure readiness and policy support.

## 7. STRATEGIC INDUSTRY PILLARS AND FUTURE GROWTH

### 7.1 Gold and Established Mining

The **gold industry** remains strong. Northern Star’s **KCGM Operations** (Super Pit) is investing in **Growth Projects** to extend mine life to at least **2034**, requiring:

- short-term specialised workforces for construction and expansion, and
- long-term power, transport, housing and service infrastructure to maintain operations.
- These projects anchor regional employment and exports, but intensify pressure on housing, roads, **health services and local amenity**.

### 7.2 Critical Minerals and Processing (Lynas, Wingellina, Goongarrie)

The region hosts:

- **Lynas Rare Earths – Mt Weld and Kalgoorlie processing**



- \$14.8 million federal grant (2021) under the Modern Manufacturing Initiative for a new rare earth carbonate refining process.
- \$20 million federal grant (2023) to develop a leach circuit for apatite-rich ore at Mt Weld, increasing rare earth recoveries and extending mine and plant life.
- **Wingellina Nickel-Cobalt Project** – \$2.9 billion CAPEX, 1,500 construction jobs, 500 ongoing jobs, with 42+ year life (currently on hold).
- **Goongarrie (Kalgoorlie Nickel Project)** – \$3.1 billion CAPEX, 3,000 construction jobs, 800 ongoing jobs (also on hold).

These projects are central to Australia's goal of being a **world-leading producer of raw and processed critical minerals**. Federal grants to Lynas are examples of highly effective strategic investment. Similar support should be available for precinct-wide energy, water, transport and digital infrastructure.

### 7.3 Agriculture, Research and Food Security in the Esperance Zone

Agriculture in the Esperance region:

- produces large volumes of grain for export via the **Esperance Grain Terminal**,
- has recently achieved record daily receivals, highlighting both productivity and capacity constraints, and
- supports a significant sheep and beef sector.

The **Esperance Downs Research Station** and associated DPIRD research office provide:

- applied grains research (agronomy, soil amelioration, pest and disease, nitrogen cycling),
- drought resilience and climate adaptation innovation,
- collaborations with **SEPWA, ASHEEP, GRDC, EZI Group**, and others, and
- trial networks across the shire.

Federal support for agricultural R&D, Future Drought Fund initiatives, and digital connectivity is essential to maintain and grow this nationally-significant export sector.

### 7.4 Emerging Industries: Bioenergy, Low-Carbon Fuels and Hydrogen

Esperance is emerging as a hub for **bioenergy and low-carbon liquid fuels (LCLF)**:

- The proposed **Australis Biofuels Facility** (Renewable.bio) aims to use forestry residues and marginal-land crops to produce **Sustainable Aviation Fuel (SAF)**, renewable diesel, cellulosic ethanol, biochar and bio-based chemicals.
- The project is expected to create over **100 permanent jobs** and support many more in supporting industries.
- It will leverage the **Port of Esperance** for both domestic supply and export.

Nationally, the **Bioenergy Australia WA Low Carbon Fuels Summit** highlighted:

- the potential for grains and residues to supply the LCLF sector,
- the importance of market signals and fair value sharing for growers, and

- CSIRO/Deloitte modelling showing domestic feedstocks could meet around half of heavy industry's LCLF demand by 2050.

For this opportunity to be realised, federal policy must provide:

- mandates and incentives for low-carbon fuels,
- support for precinct infrastructure, and
- alignment with aviation and heavy transport decarbonisation strategies.

## 7.5 Renewable Energy, Transmission and the Western Green Energy Hub

Future mining and processing growth is inseparable from **renewable energy, wind, solar and battery storage**. The region hosts:

- the proposed **Western Green Energy Hub (WGEH)** – up to 70 GW of renewable generation and 3.5 Mtpa green hydrogen/derivatives, with Stage 1 targeting 8 GW and 500 ktpa hydrogen.
- multiple local solar and wind projects to power mines and communities.

Realising these opportunities requires:

- major new **transmission infrastructure**,
- industrial-scale **battery storage**,
- planning and approvals suited to large renewable precincts on traditional lands, and
- strong Commonwealth–State coordination.

## 8. Liveability, Workforce and Community Infrastructure

### 8.1 Housing and Accommodation

Housing shortages are a critical constraint across the region:

- local governments report unprecedented pressure on social, key worker and market housing;
- private and public sector employers struggle to house staff; and
- projects in mining, health, education and services are delayed or scaled back because accommodation is unavailable or unaffordable.

Federal enabling infrastructure funding (water, power, roads, headworks) is needed to support housing projects and unlock land supply in small and remote centres.

### 8.2 GP Shortages, Health Services and Local Government Subsidies

GP and health service shortages are acute. In many regional towns:

- councils are paying **hundreds of thousands of dollars per year** to secure GP services;
- one WA shire spends around **\$350,000 annually** (about 8.5 per cent of its budget) to keep a single doctor in town;
- over half of non-metropolitan local governments contribute to GP service costs.

Primary care is a federal responsibility, yet local governments are bearing increasing costs to prevent service collapse. Without local GPs, communities face long travel distances, poorer health outcomes and greater difficulty attracting residents and workers.

### 8.3 Local Governments Doing “More Than Roads, Rates and Rubbish”

Across the region, local governments have had to:

- purchase or operate **supermarkets**,
- build and operate **laundromats, youth centres and visitor centres**,
- expand into **commercial and tourism operations**,
- manage **airstrips** that are essential for the RFDS and FIFO, and
- act as “provider of last resort” when markets or other levels of government fail.

These expanded roles occur without matching funding increases and at the expense of core asset maintenance and renewal.

## 9. Federal Place-Based Programs: Growing Regions and Precincts and Partnerships

Programs such as **Growing Regions** and **Precincts and Partnerships** are critical for regions like Goldfields-Esperance. They recognise that enabling infrastructure, housing, community facilities and industrial precincts must be designed and funded at the **place level**.

However:

- delays in decision-making,
- limited rounds, and
- uncertainty about future funding cycles

have undermined local planning efforts.

For Goldfields-Esperance, these programs are essential to:

- develop **worker housing and enabling infrastructure**,
- activate **industrial and logistics precincts** (e.g. Mungari SIA, Yilkari, intermodal hubs),
- support **tourism and cultural precincts**, and
- fund **community facilities** that sustain workforce and families.

### Recommendation – Place-based Programs

18. Continue and scale up **Growing Regions** and **Precincts and Partnerships** with clear multi-year commitments.
19. Introduce dedicated **remote and thin-market streams** with adjusted co-funding ratios and assessment criteria.

## 10. RECOMMENDATIONS

The following recommendations address all Terms of Reference and reflect the structural challenges and national opportunities present in the Goldfields-Esperance region.

### 1. Reform Federal Infrastructure Assessment Criteria (TOR 1, TOR 3)

1. **Introduce a remote-region weighting** in all major infrastructure programs to account for high delivery costs, thin markets and small populations.
2. **Embed national strategic value criteria** (critical minerals, battery supply chains, hydrogen, food security, freight resilience, defence mobility, First Nations benefits).
3. Require cost–benefit analyses to explicitly quantify:
  - national supply chain resilience
  - export and sovereign capability benefits
  - decarbonisation and energy transition outcomes
  - cultural and community access benefits
4. Adjust co-funding ratios for remote local governments that lack rate revenue capacity.
5. Establish **dedicated funding streams for remote and high-cost regions** with flexible project requirements.

### 2. Improve Transparency, Consistency and Predictability of Federal Funding (TOR 2)

6. Introduce statutory timeframes for grant decision-making and public announcements.
7. Provide structured written feedback for all unsuccessful applications.
8. Publish clear annual schedules for major regional programs, including application windows and assessment periods.
9. Commit to **multi-year, multi-round funding programs** (5–10 year cycles) for Growing Regions, Precincts and Partnerships, and similar place-based programs.

### 3. Strengthen Project Viability Assessment and Precinct-Level Planning (TOR 3)

10. Assess mining and critical minerals projects using long-term strategic criteria, not short-term commodity cycles.
11. Support infrastructure that enables **multi-industry precincts**: energy, water, transport, advanced processing and digital systems.
12. Fund enabling infrastructure for precincts such as:
  - Port of Esperance export diversification
  - Kalgoorlie intermodal and freight precinct
  - Mungari Strategic Industrial Area
  - Renewable energy zones and hydrogen precincts

### 4. Prioritise Economic, Social, Cultural and Community Livability Outcomes (TOR 4)

13. Require all federally-funded projects to include measurable community impact criteria (health access, safety, Aboriginal engagement, workforce housing).
14. Increase federal investment in **housing enabling infrastructure** (headworks, power, water, sewer, roads).

15. Provide dedicated federal funding streams for:
  - GP and primary care access
  - remote supermarkets and essential services
  - airstrips and emergency access infrastructure
16. Expand Aboriginal community infrastructure funding for Outback Way communities and remote regions.

## 5. Strengthen Governance, Oversight and Public Reporting (TOR 5)

17. Establish **corridor governance frameworks** for major multi-jurisdiction projects (Outback Way, Kalgoorlie–Esperance freight).
18. Create **precinct-based governance** for industrial, port and renewable energy precincts.
19. Publish annual regional infrastructure investment reports showing:
  - funding by region
  - project status
  - alignment with national strategies
20. Develop a National Remote Infrastructure Coordination Framework linking federal, state and local programs.

## 6. Address Vertical Fiscal Imbalance and Local Government Capacity (TOR 6)

21. Increase Financial Assistance Grants steadily towards **1 per cent of Commonwealth taxation revenue**.
22. Recognise local governments as delivery partners and adjust funding models to reflect cost shifting in:
  - GP services
  - essential service operations
  - disaster resilience
  - airstrips and emergency access
23. Create a federal **Remote Infrastructure Operating Support Fund** to offset ongoing costs where market failure exists.

## 7. Support Mining, Critical Minerals and Future Industry Growth

24. Co-invest in **Port of Esperance upgrades**: berths, rail loops, storage, dredging, heavy-lift, digital systems.
25. Fund the completion of **Goldfields Highway (Wiluna–Meekatharra)** and **Wiluna North Road**.
26. Accelerate sealing and telecommunications along the **Outback Way**.
27. Invest in power transmission, renewable energy and storage for mining precincts.
28. Expand grants for **critical minerals processing**, building on the Lynas model.

## 8. Strengthen Agriculture, Freight and Supply Chain Resilience

29. Support Esperance Grain Terminal and CBH network upgrades for high-volume harvest years.
30. Expand freight rail capacity between **Kalgoorlie and Esperance**.
31. Invest in freight route resilience on the **Great Eastern Highway** and **Coolgardie–Esperance Highway**.

32. Fund Future Drought Fund initiatives and applied agricultural research in the Esperance zone.

## 9. Support Emerging Bioenergy, SAF and Hydrogen Industries

- 33. Create national mandates or incentives for **Sustainable Aviation Fuel (SAF)**.
- 34. Co-fund infrastructure for the **Australis Biofuels Facility** and similar precincts.
- 35. Support hydrogen export infrastructure planning at Esperance Port.
- 36. Align bioenergy and hydrogen projects with freight, port and transmission upgrades.

## 11. CONCLUSION

The Goldfields-Esperance region is central to Australia's future:

- in **critical minerals and rare earths**,
- in **gold and established mining**,
- in **agricultural exports and food security**,
- in **bioenergy, hydrogen and renewable energy**, and
- in **national freight and supply-chain resilience**.

Yet the infrastructure required to realise this potential cannot be funded by local governments or industry alone. Distances are vast, markets are thin, and the national benefits of regional infrastructure far exceed local revenue capacity.

Federal financial support for infrastructure in Goldfields-Esperance is not discretionary; it is a national interest requirement. With the right investment in transport, ports, energy, digital systems, housing and community services, the region will continue to deliver outsized economic, social and strategic returns to Western Australia and to the nation.

RDA Goldfields Esperance would welcome the opportunity to appear before the Committee to elaborate on this submission.



An Australian Government Initiative

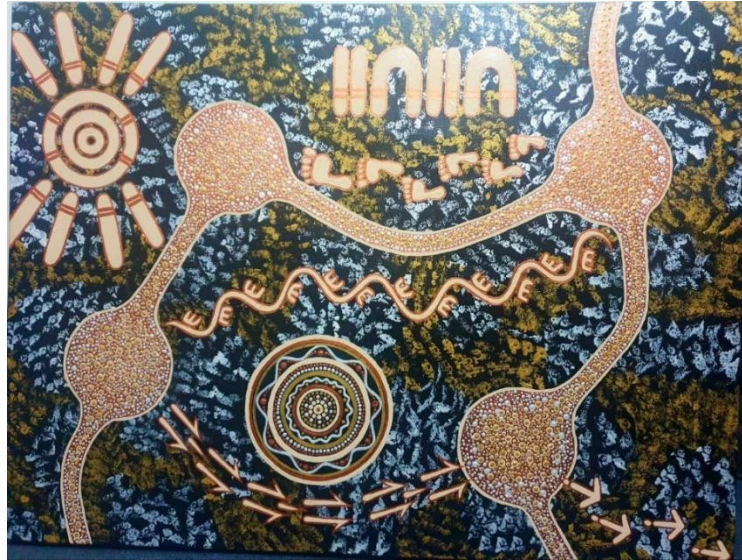


**GOLDFIELDS ESPERANCE**



### **Acknowledgement of Traditional Owners and Country**

Regional Development Australia Goldfields Esperance acknowledges First Nations peoples as the Traditional Owners and Custodians of Australia. We respect and celebrate the inherent strengths of Aboriginal and Torres Strait Islander peoples, and their commitment to the land, waters and their communities. We pay our respects to their Elders past and present.



*Artwork by Travis Tucker, Committee Member 2020-2024*

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