Western Australia
Energy Landscape Update

April 2026

This update builds on the earlier paper, Western Australia Policy Overview: First Nations and Clean Energy (2023), found on our website.

Information in this document should not be relied upon as legal advice. Each situation will be different and you should obtain and rely on legal advice for your own situation.

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Overview of what's happening in Western Australia

First Nations rights and interests and the energy sector

Western Australia's energy transition, including the shift towards large-scale renewable energy projects, is increasingly occurring on First Nations land. In this context, ensuring that the transition delivers meaningful and lasting benefits for First Nations people and communities is a critical policy and governance issue.

Given the complex interaction between native title, Crown land management and private property rights, there is an ongoing need to carefully consider how First Nations rights and interests are recognised and protected, and how the economic and social benefits of renewable energy development are equitably shared with the Traditional Owners whose lands are central to the transition.

Key rights relevant to energy infrastructure projects

Western Australia is the only Australian state or territory without state-specific land rights legislation. Instead, the rights and interests of First Nations people in relation to land are primarily recognised through the *Native Title Act 1993* (Cth). Native title is widespread across the state: approximately 85% of Western Australia is subject to either active native title claims or finalised determinations. In addition, around 8.7% of the state is land managed by the Aboriginal Lands Trust (ALT).

Given the scale of land subject to these interests, it is effectively impossible to progress major energy developments in Western Australia without engagement with Traditional Owners. As a result, free, prior and informed consent in accordance with the United Nations Declaration on the Rights of Indigenous Peoples (including meaningful engagement and negotiated agreements) is an essential part of project planning and development across the state.

For projects proposed on land where native title exists, a range of levers are available to Traditional Owners including:

1. procedural and process rights under the future acts regime (for example, land tenure or energy leases)
2. negotiation of Indigenous Land Use Agreements (ILUAs) - a voluntary agreement between native title groups, project proponents and other stakeholders that will typically include provisions for compensation, cultural heritage protection, employment and procurement opportunities, and environmental monitoring.

In addition to Native Title, any development must also consider First Nations cultural heritage.

New land tenure frameworks, such as diversification leases under the *Land Administration Act 1997* (WA), may enable renewable energy development across Western Australia. But these new tenure

frameworks also raise questions about how such projects interact with native title rights and interests.

Diversification leases create a new form of tenure intended to facilitate large-scale developments on Crown land, including renewable energy, carbon projects and other diversified land uses. The grant of a diversification lease does not, of itself, extinguish native title rights, although it may affect how those rights can be exercised. In practice, projects will typically require agreement-making with relevant native title parties under the future act regime, commonly through Indigenous Land Use Agreements or other negotiated processes.

Traditional Owner organisations have raised concerns about how diversification leases may operate in practice, particularly in relation to whether the framework adequately recognises native title rights and supports meaningful engagement, participation and consent in decisions about development on Country.

First Nations participation in the energy transition in WA

Partnerships between renewable energy developers and First Nations peoples

In Western Australia, renewable energy ownership includes government-backed projects delivered through state-owned corporations, alongside private developments and joint ventures.

Examples of this include:

Yindjibarndi Energy Corporation

A notable example of a First Nations–developer partnership is the joint venture between the Yindjibarndi people and ACEN Renewables in the Pilbara.

Through this arrangement, the Yindjibarndi Aboriginal Corporation and ACEN established the **Yindjibarndi Energy Corporation (YEC),** with Traditional Owners holding equity stakes of 25–50% in all completed projects.

The partnership also provides preferred contracting opportunities for Yindjibarndi-owned businesses, as well as training and employment pathways for community members.

YEC's initial goal is to develop 750 MW of wind, solar and battery storage, supported by an investment of $1 billion from ACEN.

Project Jinbi (Karratha) and Baru-Marnda (near Karratha) are joint ventures between the Yindjibarndi Aboriginal Corporation and Rio Tinto/ACEN Renewables, offering 25–50% equity stakes plus preferred contracting, training and employment opportunities.

Western Green Energy Hub

Another example of an energy sector / First Nations collaboration is the **Western Green Energy Hub (WGEH),** a joint partnership between the Mirning Traditional Owners (via Mirning Green Energy Limited) and global developers including InterContinental Energy and CWP Global.

The project gives Mirning people a 10% ownership stake in the Hub, ensuring they are able to participate in and benefit from the project, including involvement in governance, protecting culture and environment, and sharing in economic opportunities.

WGEH is a long-term project that aims to generate clean energy from Mirning Lands, deploying large-scale generation and global energy export infrastructure.

East Kimberley Clean Energy Project

The **East Kimberley Clean Energy Project** is a First Nations-led initiative that aims to build a large-scale renewable energy / export hub in northern Western Australia.

It is a partnership between Kimberley Land Council, Balanggarra Ventures Limited, MGCorporation and project development and investment group Pollination.

It intends to build a 2,000-hectare solar farm on MG Corporation freehold land near Kununurra, using existing infrastructure, combining with hydro-energy from the Ord Hydro Power Plant to produce green hydrogen.

Ngarluma Green Energy Park

The **Ngarluma Green Energy Park** is 100% owned and operated by Ngarluma Aboriginal Corporation (NAC). The park will enable utility-scale solar and battery developments with a target of up to 5 GW across NAC's Green Energy Parks portfolio. The first project involves a 50 MW solar farm planned to supply power via the Maitland–Karratha–Burrup transmission corridor.

Other projects with varying levels of First Nations participation

- **Catalpa Offshore Wind Farm (Bunbury)** involves the Gnaala Karla Booja Aboriginal Corporation, with equity shareholding arrangements alongside Wind with Purpose and Barrington Energy.

- **Aalga Goorlil (Sun Turtle) Project** (Djarindjin Community, Broome) is a 100% First Nations-owned initiative by the Djarindjin Aboriginal Corporation, delivering solar and battery storage underpinned by multiple partnerships and currently at feasibility stage.
- **Ngarluma Solar Farm** (Karratha) is a collaboration between the Ngarluma Aboriginal Corporation and Rio Tinto (under a Memorandum of Understanding).

- **Tjiwarl Katu and Kathleen Valley power station**, which is 80% owned by the Tjiwarl Aboriginal Corporation with Zenith Energy, covering solar, wind and battery storage.

- **Junja Solar Farm** (Jinparinya, Pilbara) is a leasehold arrangement with the Jinparinya Community, Ngarla People (Wanparta Aboriginal Corporation) and Pilbara Solar, with a 5% free carry (ownership) agreement in addition to jobs, training and governance roles.

Other mechanisms supporting First Nations involvement in renewable energy projects

Support for engaging with industry and developing renewable energy projects

The **Aboriginal Empowerment Strategy 2021–2029** sets the high-level direction for government action over the coming years, with the **Aboriginal Advisory Council** serving as a strategic partner in developing cross-government implementation plans.

The Strategy highlights the central role of land and negotiated agreements in advancing self-determination and economic participation.

Key elements include:

- Positioning Traditional Owners as empowered negotiators
- Increasing funding and capacity-building support for First Nations corporations
- Ensuring land tenure arrangements align with commercial aspirations and cultural priorities
- Enabling Traditional Owners to use natural resources for commercial purposes
- Strengthening Traditional Owner corporations as vehicles for economic development
- Delivering essential municipal services and infrastructure in remote communities.

In addition to this, the **Indigenous Land and Sea Corporation** **(ILSC)** offers a wide range of assistance to First Nations groups seeking support for their projects, including:

- Direct funding for purchasing, managing and/or developing land or water-related interests
- Advice and capability support for property owners including information, knowledge and training to assist with project development and delivery
- Facilitation, advocacy and negotiation to develop partnerships, markets and other opportunities.

Overview of the energy landscape in Western Australia

Climate and energy targets

Western Australia remains the only state without a 2030 emissions reduction target, and the WA Labor Government's 2050 climate legislation (Climate Change Bill 2023), which would legislate interim emissions targets for 2035, 2040 and 2045, and net zero by 2050, has been stalled in parliament.

Western Australia also remains one of the only jurisdictions to have no renewable energy target (legislated or otherwise).

The Government has set a target for reducing emissions from Government operations by 80 per cent below 2020 levels by 2030. The target covers all current Scope 1 (direct) and Scope 2 (electricity use) emissions from Government agencies and government trading enterprises (GTEs), including Synergy, Western Power, Horizon Power and the Water Corporation, as well as public hospitals, schools and the Public Transport Authority.

Electricity markets

Western Australia framework

The electricity system in Western Australia operates separately and independently from the system that powers the east coast of Australia (the National Electricity Market - NEM).

Western Australia has three distinct electricity systems that provide power across the state:

- **South West Interconnected System (SWIS)** – the largest electricity network in WA, which covers Perth and the south-west corner of the state and serves approximately 1.2 million Western Australian households.

- **North West Interconnected System (NWIS)** – in the north of the state, the NWIS supplies the Pilbara region, largely covering mining communities and heavy industry loads.

- For areas outside the SWIS and NWIS, electricity is supplied through a significant number of **isolated power systems** (microgrids and stand-alone systems) that service remote and regional communities, including many First Nations communities. These decentralised networks are operated by **Horizon Power.**

The geographic coverage of each of these electricity networks is illustrated in Figure 1 below. Note that the blue-shaded area in Figure 1 highlights the vast area in which the State's many isolated power systems (managed by Horizon Power) operate. Figure 2 illustrates the intra-network planning regions of the SWIS.

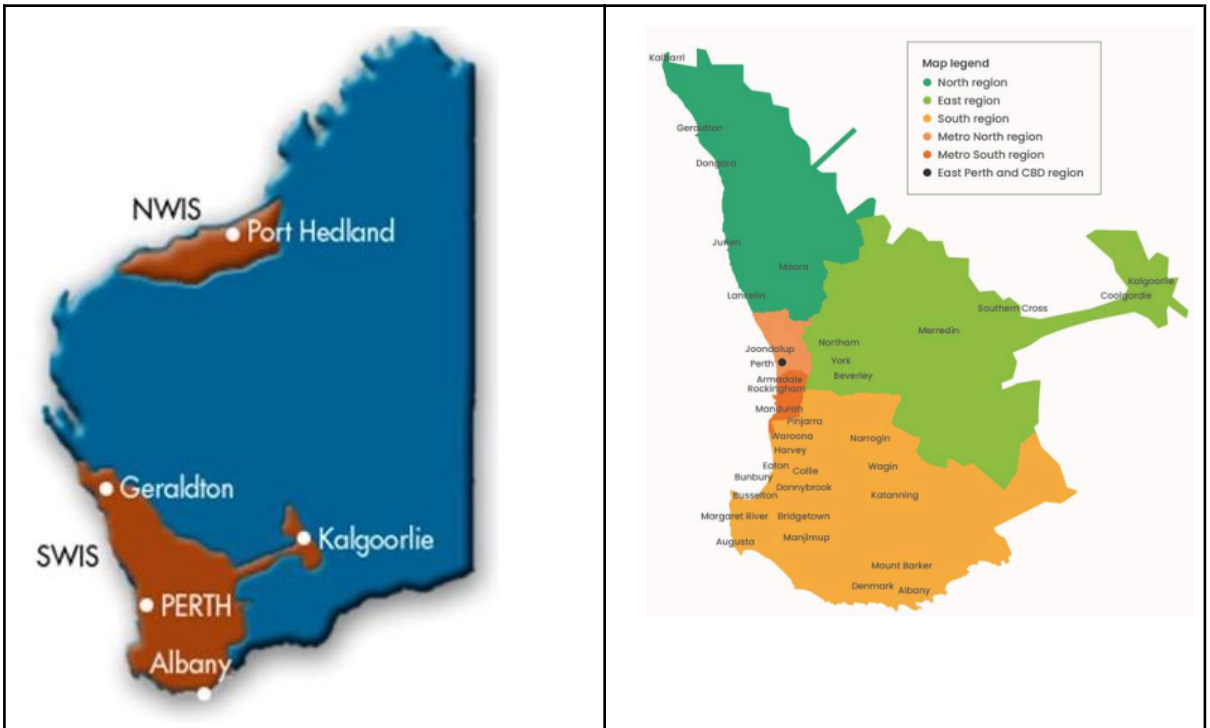

Figure 1 Western Australia electricity networks. Source: Parliament of Australia

Figure 2 SWIS planning regions. Source: 2024 Western Power Transmission System Plan

South West Interconnected System framework

The South West Interconnected System (SWIS) operates under the **Wholesale Electricity Market (WEM).** The WEM is governed by the **Electricity System and Market (ESM) Rules**, which are developed, upheld and enforced through various independent and Government aligned regulatory bodies, including:

- **Coordinator of Energy** – a statutory role responsible for the rulemaking and administration of the WEM Rules and market development of the WEM.
- **Energy Policy WA (EPWA)** – a State Government department that supports the Coordinator in overseeing the ESM Rules and advising the Minister on energy policy.
- **Economic Regulation Authority (ERA)** – the independent economic regulator in the WEM. The ERA monitors market performance, reviews market processes and enforces compliance with the ESM Rules.
- **Electricity Review Board (ERB)** – the primary appeals body for the WEM which reviews various decisions/actions by market bodies and participants. Primarily, they review decisions relating to the regulated electricity network, consider cases referred by the ERA regarding WEM Rule breaches, and of changes to procedures and rules.
- **Market Advisory Committee (MAC)** – an advisory panel representing industry, networks and consumer groups that advise on changes and development of WEM Rules. It has an independent chair appointed by the Minister for Energy.

Like the NEM, the WEM is a market that facilitates the sale of electricity from generators to retailers. However, unlike the NEM, the WEM also includes a capacity mechanism — known as the Reserve Capacity Mechanism — alongside the energy market. Under this mechanism, generators are paid for making capacity available to the system, regardless of whether they are dispatched to generate electricity. The mechanism is intended to ensure the South West Interconnected System (SWIS) has sufficient installed capacity to meet peak demand and maintain system reliability.

The **Australian Energy Market Operator (AEMO)** is the market and system operator of the WEM, responsible for operating the capacity and energy markets and overseeing short- and medium-term planning. AEMO presides over procedures relating to market and power systems operation.

The energy system in the SWIS consists of a combination of State-owned and privately owned entities, including:

- **Synergy,** a state-owned gentailer (a company that both generates and sells electricity), owns most of the State's generation assets including coal and gas plants, and renewable energy assets. Synergy is also the default retail supplier for households and small businesses in the SWIS.
- **Western Power**, a state-owned network business that is the only Network Operator registered in the WEM. Western Power owns and operates the transmission and distribution networks.

- **Private generators and retailers**: Alinta Energy is the largest privately owned generator that operates in the SWIS, while there are also a number of smaller generators and retailers.

Other entities

- **PoweringWA** was established to coordinate the roll-out of WA's renewable energy and transmission infrastructure. It is housed in the Department of Energy and Economic Diversification.

North West Interconnected System framework

Unlike the SWIS, the **North West Interconnected System (NWIS)** does not operate under a centrally governed wholesale market. Instead, the NWIS consists of a combination of privately owned and operated networks (typically mining companies) that have been built and operated to service private interests.

Rio Tinto, BHP and Fortescue are the dominant owners and operators of the NWIS, each running vertically integrated power systems comprising generation and transmission assets. These companies largely use the electricity they generate for their own industrial purposes, with limited electricity trading being conducted through bilateral (two-party) agreements rather than a wholesale market.

Alongside the miners, Horizon Power (a state-owned utility) owns and operates parts of the NWIS network around Port Hedland and Karratha and provides retail services for non-industrial customers such as households, small businesses and community facilities.

Under **Part 8A of the *Electricity Industry Act 2004* (WA)**, the NWIS is subject to a 'light-handed' regulatory framework built around the Pilbara Networks Access Code (PNAC) and the Pilbara Networks Rules (PNR). The framework aims to promote third-party access to network infrastructure and ensure operational coordination. To achieve this, the rules define an independent system operator role, currently being performed by Pilbara ISOCo, a not-for-profit company made up of the three primary operators of the SWIS: Horizon Power, Alinta Energy and Rio Tinto.

Rural and remote communities

Outside of the SWIS and NWIS, electricity in WA is delivered almost entirely by **Horizon Power**, the state-owned, vertically integrated utility. Horizon is responsible for generation, transmission, distribution and retail across regional and remote areas, operating around 34 microgrids and stand-alone power systems that supply small towns and First Nations communities. These systems are typically hybrid in nature, combining diesel and gas with increasing shares of solar, wind and battery storage.

Horizon Power is directly accountable to the Minister for Energy, with regulatory oversight from the ERA on tariffs and service standards. There is no wholesale market; electricity is supplied directly from Horizon to end-users, who are charged based on regulated retail tariffs set by government policy.

WA has a **Uniform Tariff Policy** for small-scale customers, which means that all WA customers should theoretically pay the same price regardless of geographic location. This is achieved through the **Tariff Equalisation Contribution**, a cross-subsidy which means the higher costs of supplying electricity to rural and remote areas are partially funded by electricity network customer charges in the SWIS.

In some of Horizon Power's network areas, **prepaid meters** have been installed, where customers are required to pay for energy before using it. There are specific pre-payment conditions under *WA's Code of Conduct for the Supply of Electricity to Small Use Customers (Part 9)*.

In some remote parts of Western Australia, power is provided through a mix of local and decentralised generators - both solar and diesel. A lot of this infrastructure was provided by the Bushlight Program that ran between 2002 and 2013, and which led to 130 renewable energy systems installed across remote Northern Territory, Western Australia and Queensland. In Western Australia, these systems were exclusively installed in the Kimberley.

Key energy policy and programs impacting First Nations

Australian Government

First Nations Clean Energy Strategy

The **First Nations Clean Energy Strategy** is a national policy framework developed in partnership with First Nations people and communities to ensure they are active participants and beneficiaries in Australia's clean energy transition.

The Strategy sets out a national vision: 'a sustainable clean energy future for all Australians, with Country and Culture at the heart' which is centred on three interrelated goals:

- *Power First Nations communities with clean energy*, which aims to tackle energy inequity by improving access and reliability in First Nations households and regions, including remote and off-grid areas.
- *Enable equitable partnerships*, which focuses on ensuring First Nations participation, empowerment and leadership in the transition.
- *Achieve economic benefits with First Nations peoples*, which targets tangible economic participation through business, ownership and workforce development.

These goals have 11 corresponding objectives and 24 priority actions, collectively forming a five-year national framework that is aligned with Closing the Gap reforms.

Funding available - First Nations Clean Energy Strategy

Federal government grant monies are now available for First Nations communities, organisations and groups for advice and engagement on planning, negotiating or pursuing clean energy projects in homes, communities and on Country.

The grants are made available as part of implementing the First Nations Clean Energy Strategy 2024-2030 – a commitment by all energy ministers in Australia to ensure First Nations communities are powered with clean energy, enabled in equitable partnerships, and are achieving economic benefits.

The Round One grants are between $5,000 to $80,000 are available on a 'first in, first served' basis. Grant funding can be applied to support:

- advisory services (technical, legal, financial advice from independent consultants and experts) on clean energy projects
- community / group / staff engagement on clean energy projects.

Round One grants are aimed at building a community or group's skills and knowledge, and its access to support, so that informed decisions can be made.

First Nations groups may consider putting in nation or cross-nation joint applications, depending on local context.

Capacity Investment Scheme

The **Capacity Investment Scheme** **(CIS)** is an Australian Government revenue underwriting scheme to accelerate investment in renewable energy generation and clean dispatchable capacity. The scheme provides a long-term revenue safety net that decreases financial risk for investors, supporting more renewable energy projects to get financed and built.

On 29 July 2025, the Australian Government announced an expansion of the CIS to target a total of 40 gigawatts (GW) of new capacity nationally by 2030, made up of 26 GW of renewable capacity (i.e. solar and wind) and 14 GW of clean dispatchable capacity (i.e. batteries).

The expanded CIS will be rolled out from 2024 to 2027, with auctions for both generation and dispatchable capacity to be held every six months in the National Electricity Market. This competitive tender process is being administered by **AusEnergy Services Ltd** (previously AEMO Services Ltd).

First Nations merit-based tender process

The competitive tender process used to select **Capacity Investment Scheme** (CIS) projects involves a merit-based assessment, where projects are evaluated against a set of defined criteria.

First Nations engagement and benefit-sharing considerations have been incorporated into CIS tenders, with requirements strengthening in later tender rounds. Earlier tenders assessed proponents on their approach to engaging and consulting with First Nations communities.

The assessment framework for Tender 5 and 6 (currently open) includes a more prescriptive set of First Nations criteria, including a **12.5% assessment weighting for First Nations participation and benefit sharing**, as well as a further **12.5% weighting for social outcomes and community benefit sharing**. The First Nations participation and benefit sharing criterion

assesses projects on their approach to First Nations engagement, economic participation and shared benefits, and employment, workforce and capacity development.

Renewable Energy Transformation Agreements

To support Australia's national emissions reduction targets, the Australian Government is negotiating bilateral **Renewable Energy Transformation Agreements (RETAs)** with each state and territory.

RETAs are designed as partnership frameworks that align national and jurisdictional schemes, policies and commitments, while also coordinating investment to accelerate the energy transition.

Beyond renewable energy, RETAs provide a vehicle for addressing state- and territory-specific challenges. ***This may include ensuring First Nations communities' involvement***, strengthening regional development outcomes, creating local jobs and improving community engagement practices.

Through a RETA, the Australian and WA Governments have agreed upon a minimum capacity allocation under the Capacity Investment Scheme (CIS). Before the July 2025 CIS expansion announcement, the RETA between the Australian Government and WA Governments included committed CIS allocations of 2 gigawatts (GW) of generation capacity and 1.1 GW of four-hour dispatchable capacity (4.4 GWh) in WA.

Grant funding

The **Australian Renewable Energy Agency (ARENA)** was established by the Australian Government in 2012 to support research and development, demonstration and early deployment of clean energy technologies. It does this by providing grants for renewables, storage, hydrogen and industrial decarbonisation projects, with a focus on innovation and commercialisation.

A total of 663 projects and $2.25 billion total funds have been invested by ARENA to date (at the time of writing).

First Nations Clean Energy Strategy Grants

Federal government grant monies are now available for First Nations communities, organisations and groups for advice and engagement on planning, negotiating or pursuing clean energy projects in homes, communities and on Country.

The grants are made available as part of implementing the First Nations Clean Energy Strategy 2024-2030 – a commitment by all energy ministers in Australia to ensure First Nations communities are powered with clean energy, enabled in equitable partnerships, and are achieving economic benefits.

Round One grants are aimed at building a community or group's skills and knowledge, and its access to support, so that informed decisions can be made. More information can be found here.

First Nations considerations in Hydrogen Headstart

When applying for the **Hydrogen Headstart** program, projects are assessed against a defined set of merit criteria, including how they engage with and contribute benefits to First Nations people. It assesses the extent to which projects have engaged and involved First Nations peoples in decision-making, defines objectives related to First Nations procurement plans and employment opportunities, and delivers positive economic benefits and financial returns.

Applications must include a First Nations recruitment, procurement and engagement plan, including consideration of ongoing consultation with relevant First Nations communities.

Investment

The **Clean Energy Finance Corporation** **(CEFC)** is Australia's government-owned "green bank", established under the *Clean Energy Finance Corporation Act 2012* to mobilise investment in clean energy and low-emissions technologies. The CEFC provides debt and equity finance to renewable energy, energy storage, grid infrastructure and other decarbonisation projects, with the aim of increasing the flow of private capital into the clean energy sector while delivering a positive return to taxpayers.

The Australian Government has allocated the CEFC **around $32.5 billion in investment capital**, which it invests alongside private sector partners to accelerate Australia's transition to net-zero emissions.

Through the Government's investment mandate, the CEFC also administers several specialised investment vehicles and funds, including the **Rewiring the Nation Fund** (approximately $20 billion) which finances major transmission infrastructure needed to connect renewable energy zones and modernise Australia's electricity grid.

Rewiring the Nation

Rewiring the Nation is an Australian Government program that aims to modernise the electricity grid and deliver new and upgraded grid infrastructure. It does this through a $20 billion funding facility (via the CEFC), which is used to provide finance at concessional rates to minimise the costs of these investments. The overall aim of the program is to lower the cost to consumers of this essential grid infrastructure. Eligible investments include priority transmission projects, distribution network enhancements, and long-duration storage.

Rewiring the Nation aims to deliver First Nations outcomes by ensuring renewable energy infrastructure projects drive economic empowerment, jobs, and social benefits for Traditional Owners. Key outcomes include co-designing projects for shared equity, building capacity for First Nations businesses, and protecting cultural heritage.

First Nations investment screening approach and Investment Mandate

The **CEFC Environmental Social Governance (ESG) Policy** outlines First Nations and social engagement specifically as a factor to be considered in assessing investments. The **CEFC' First Nations investment screening approach** is structured around three critical areas:

1. Identify First Nations considerations
2. Assess the likely impact of identified issues
3. Engage with relevant First Nations people to secure positive outcomes.

Although it could be strengthened to provide a stronger focus on supporting First Nations outcomes, the CEFC's investment mandate increasingly emphasises mobilising private capital at scale, creating opportunities for innovative financing structures that could support greater First Nations participation in clean energy projects.

Future Made in Australia

The **Future Made in Australia** agenda was announced as part of the 2024-25 Federal Budget as a $22.7 billion investment (over the next ten years) to maximise Australia's economic and industrial benefits of the net zero transition and strengthen national security.

As part of this plan, the Government has established a **National Interest Framework** to guide the identification of priority industries and prudent investments of national interest. In the 2024–25 Budget, five industries were identified that align with the National Interest Framework:

- Renewable hydrogen
- Critical minerals processing
- Green metals
- Low carbon liquid fuels
- Clean energy manufacturing, including battery and solar panel supply chains.

The Future Made in Australia framework also introduces **Community Benefit Principles**, which set expectations for projects receiving government support under the agenda. These principles aim to ensure that public investment delivers broader social and economic outcomes, including secure jobs, support for local supply chains, regional economic development, and meaningful engagement with affected communities, including First Nations peoples.

Guarantee of Origin Scheme

The **Future Made in Australia (Guarantee of Origin) Act 2024** establishes the Guarantee of Origin (GO) scheme, a voluntary national framework for tracking and verifying the emissions intensity of renewable electricity and other low-emissions products such as renewable hydrogen.

Under the scheme, **Guarantee of Origin certificates** will be created to verify the emissions profile and renewable source of electricity and related products. The scheme will initially operate alongside **Large-scale Generation Certificates (LGCs)** under the Renewable Energy Target and is intended to continue beyond **2030**, when the Large-scale Renewable Energy Target (LRET) scheme concludes.

GO certificates may be issued for renewable electricity generated in Australia, including electricity produced by:

- Existing or new renewable generation facilities
- Electricity dispatched from energy storage facilities
- Aggregated renewable generation and storage systems.

These certificates provide a **verified method of demonstrating the renewable origin and emissions intensity of electricity and related products**, supporting emerging markets for low-emissions commodities such as renewable hydrogen and green metals, and enabling companies to demonstrate the use of renewable energy in supply chains.

Offshore wind licensing

Most offshore wind farms are expected to connect in Australian waters rather than State waters (which are closer to the shore).

Therefore, the Australian Government has been responsible for declaring **Offshore Wind Zones** and issuing licences in relation to these zones.

To date, six Offshore Wind Zones have been declared, including one in the Indian Ocean off the coast of Western Australia, near Bunbury.

There are a range of licences that developers require to undertake different activities in these zones, including:

- **Feasibility licences**, which allow developers to carry out detailed environmental and geotechnical assessments. During the feasibility stage, proposed projects are assessed for environmental approvals, including under the *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act).
- **Commercial licences**, granting rights to construct and operate offshore wind projects, including the commercial generation of electricity. Commercial licences are valid for up to 40 years.
- **Transmission and infrastructure licences**, covering the installation of offshore transmission cables and related facilities. Projects with these licences are also assessed for environmental approvals including under the EPBC Act.
- **Research and demonstration licences,** which allow for the trialling and testing of new offshore energy technologies. These licences are valid for up to 10 years.

Offshore Renewables and First Nations people

Offshore renewable energy projects (e.g. wind farms) in Commonwealth waters fall under the *Offshore Electricity Infrastructure Act 2021* (Cth) and related legislation.

Licence approvals require consultation with Native Title Representative Bodies or Service Providers, Prescribed Bodies Corporates (PBCs) and other First Nations groups.

Licence-holders must submit management plans covering heritage protection and environmental obligations, and must take reasonable steps to negotiate with First Nations peoples whose lands or waters are affected.

The intention of this is to enable opportunities for First Nations people to negotiate benefits sharing agreements with licence holders. This may include energy supply, employment and training opportunities, business and procurement opportunities, community benefit funds and participation in project design.

Western Australia Government

Community Benefits Guideline for Renewable Energy Projects

The Western Australian Government has developed policy guidelines to ensure communities hosting renewable energy infrastructure receive benefits. The *Community Benefits Guideline for Renewable Energy Projects* aims to ensure consultation with local communities including First Nations and benefit-sharing mechanisms such as infrastructure investment, training and jobs.

The Government is currently developing a subsequent Guideline that will cover communities not connected to the South West Interconnected System (SWIS), stating the need to ensure it is appropriate for the specific regional circumstances of those areas.

Energy Transformation Strategy

The **Energy Transformation Strategy** (2019) is the State Government's overarching plan to manage the energy transition in the WEM.

It was launched to address the challenges of an isolated grid with rapidly growing levels of rooftop solar, batteries and other distributed energy resources, while also preparing for the staged retirement of coal-fired generation.

The Strategy is focused on ensuring the market rules, planning processes and system operations evolve in line with technological changes.

To implement the plan, more than $2.8 billion was allocated in the 2023 Budget for energy storage, wind generation and transmission network upgrades to modernise the SWIS.

Energy Policy WA is leading the Strategy on behalf of the government, working in close coordination with the AEMO, Western Power and Synergy.

Key products under the Strategy include the **Whole of System Plan**, which models long-term scenarios for the SWIS, and the **Distributed Energy Resources Roadmap**, which provides a framework for managing rooftop solar, batteries and EVs to maintain security and stability.

Coal retirement plan

The Government has committed to closing all state-owned coal plants by 2030, with a phased timetable that includes the retirement of Collie Power Station in late 2027 and Muja D in late 2029.

These closures align with the electricity sector's decarbonisation pathway outlined in the State's **Sectoral Emissions Reduction Strategy,** a series of tailored emissions reduction plans for high emitting industries.

As per the electricity sector's plan, the coal closures will be offset by investment in renewable energy projects and grid-scale batteries to maintain reliability.

As part of the transition away from electricity generated by coal, the Government has pledged targeted financial support for communities adversely affected.

In the Collie region, the Government has announced the **Collie Transition Package**, so far a $662 million funding contribution to build new industries, create local jobs and provide support for workers and businesses impacted by the coal power station closures.

First Nations considerations in the Sectoral Emissions Reduction Strategy

One of the key themes of the **Sectoral Emissions Reduction Strategy** is to ensure a just transition to renewable energy that benefits First Nations people and regional communities. It notes that a large proportion of the prospective clean energy projects will take place on land where First Nations people hold rights and interests. Therefore, the net zero transition presents as an opportunity for First Nations people to benefit through equity stakes in projects, and community-owned projects that improve access to clean, affordable and reliable energy.

The strategy highlights how empowering and engaging First Nations people is critical to the success of the transition, to ensure benefits are shared equitably and ecological and cultural heritage values are protected.

Battery industry development

The **Future Battery Industry Strategy** is the State government's framework to develop a leading and sustainable battery industry, centred around four action themes: investment attraction, project facilitation, research and technology sector development, and adoption of battery technologies.

The aim of the strategy is to both accelerate decarbonisation efforts and to diversify WA's economy by moving up the value chain from raw mineral exports to processing and potentially advanced manufacturing.

First Nations considerations in the Future Battery Industry Strategy

One of the primary goals of the **Future Battery Industry Strategy** is to create quality jobs and support positive outcomes for First Nations people, including by sharing the value of battery industry projects with regional communities and First Nations people.

In implementing the strategy, the WA Government is supporting engagement and partnerships between industry and First Nations communities, including early and ongoing engagement. This includes working with First Nations people and representative groups to explore opportunities to build capacity and knowledge to support effective engagement on critical minerals issues.

Renewable Hydrogen Strategy

The **Renewable Hydrogen Strategy 2024-2030** is the WA Government's plan to develop a domestic hydrogen market and export industry.

Released in 2019, the strategy was followed by a Hydrogen Roadmap in 2020, a Strategy Update in 2021, and a Mission in 2022, each refining the State's ambitions.

In 2023, the government introduced a 1% Renewable Hydrogen Target for electricity generation.

Key actions being delivered under the State's hydrogen agenda include:

- Funding support for priority projects in green ammonia, green metals and minerals processing
- Developing hydrogen hubs in key industrial areas
- Streamlining approvals to speed up project development
- Building partnerships with international trading partners and domestic industries
- **Creating opportunities for First Nations participation in hydrogen projects.**

First Nations considerations in the Renewable Hydrogen Strategy

The strategy highlights supporting First Nations people to self-determine cultural and economic outcomes as a key enabler to the **Renewable Hydrogen Strategy**. Key actions highlighted in the Strategy to realise this enabler include:

- Government and private sector working with Traditional Owners to identify and facilitate land access approvals for renewable energy projects.
- Delivering guidance documents to support renewable energy development done in partnership with First Nations people.
- Various actions relating to skills development, training, education and workforce readiness, to enable the energy transition.

Synergy Initiatives

Synergy is the government's main vehicle for delivering the coal retirement plan and managing the transition to a renewable-led grid. Synergy is vertically integrated, meaning they control multiple stages of the energy generation supply chain - they own generation assests as well as are the retail provider of energy to consumers.

Synergy owns and is investing in new wind, solar, gas and battery projects, and investigating pumped hydro storage, to replace retiring coal capacity.

Synergy is also piloting **Virtual Power Plants (VPPs)** that aggregate rooftop solar and household batteries to provide system services, a solution empowered by WA's very high rooftop solar penetration.

To progress this, Synergy is:

- Delivering the State Government's **Distributed Energy Buyback Scheme (DEBS)**, which encourages household investment in rooftop solar and battery systems. It does this by offering a time of use buyback rate for net electricity exported into the grid.
- Alongside the Federal Government's Cheaper Home Battery Program, providing combined subsidies of up to $5,000 for eligible Synergy customers (with VPP participation being one of the eligibility criteria).
- Providing interest free loans of up to $10,000 to mid-low-income households to purchase new battery systems. Eligibility requirements apply, including VPP participation.

Synergy's First Nations policies and programs

Synergy's Reconciliation Action Plan (RAP) is its overarching organisation plan to improve relationships, economic participation and cultural respect with First Nations people.

Key initiatives undertaken by Synergy, including those outlined under its RAP, include:

- Synergy has procurement and supply targets (3% of total contract value) to encourage procuring or subcontracting work from First Nations people and businesses. This contributed to Synergy awarding over $2.3 million in total contract value to First Nations businesses in 2021, including seven contracts worth over $50,000
- Synergy is aiming to increase First Nations representation in its workforce
- Supporting energy infrastructure development and energy cost reductions in First Nations communities, for example, installing a 12.8 KW solar PV system at Roelands Village.

Horizon Power initiatives

Horizon Power is the government-owned utility responsible for supplying electricity to regional and remote communities outside of the SWIS. Like Synergy, Horizon Power is also vertically

integrated, and is responsible for the generation of energy and the provision of energy services, providing a unique position to manage the energy transition for WA's regional communities.

Horizon Power also plays a central role in delivering electricity to remote communities, including many First Nations communities, who are not connected to the State's main grid.

Renewable energy is increasingly being integrated into Horizon Energy's generation portfolio, which includes gas and diesel generators, wind farms, solar farms and rooftop solar, as well as battery energy storage systems, spread across 38 microgrids and interconnected systems in regional WA.

There is ongoing work to introduce more renewables and reduce reliance on fossil fuels, including by delivering the distribution and transmission infrastructure to support this.

A sample of current Horizon Power projects include:

- *The Exmouth Power Project*, which is building a new solar farm and BESS, integrated with the thermal power plant to ensure reliable power is always available. It is due to be operational in 2026.
- *Locational Energy System Planning Projects* at Esperance, Broome, Derby, Kimberly, Carnarvon and mid-west and remote towns, including engaging with communities to explore different ways to transition to renewables and decrease carbon emissions, while ensuring the specific needs of the community are considered and met.
- *Horizon Power's* ***Renew the Regions*** *initiative*, part of Western Australia's Recovery Plan, is investing in battery energy storage systems across regional networks to provide system services and improve electricity supply reliability.
- *Kimberley Communities Solar Saver program* - a community solar initiative supporting households in remote First Nations communities to access the benefits of solar energy where rooftop installation is not feasible
- *Residential battery rebate and loan schemes* - Horizon Power is delivering a State-based residential battery rebate alongside interest-free loans of up to $10,000 for eligible households, and is also leveraging the Commonwealth's Cheaper Home Battery Program. These programs aim to increase uptake of household battery systems, including through participation in virtual power plant (VPP) arrangements.

Horizon Power's First Nations policies and programs

Horizon Power's Reconciliation Action Plan (RAP) Oct 2025-Oct 2028 includes the following policies and programs:

- Targets for First Nations workforce representation (7%) and is implementing recruitment and retention programs to enable this.
- Specific commercial and capacity building objectives to increase spend with First Nations businesses and actions to remove barriers to supplier participation and grow local capacity.

- Infrastructure and energy cost reduction initiatives in remote First Nations communities, including developing community solar farms and solar incentive schemes to reduce reliance on diesel and make energy more affordable.
- An Aboriginal Cultural Heritage Management Policy that includes obligations for risk assessment, engaging Traditional Owners, avoiding heritage impacts (wherever possible) and training their people in cultural safety.

Western Power initiatives

As the State-owned transmission and distribution network operator for the SWIS, **Western Power** plays a critical role in enabling WA's energy transition.

Responsible for planning, building, maintaining and operating the poles, wires and substations that connect generation and customers across the SWIS, its focus is on ensuring system reliability, safety, affordability and resilience while supporting a more renewable grid.

Key initiatives and programs being delivered by Western Power include:

- Rolling out 4,000 standalone power systems (SAPS) over the next decade, replacing long rural power lines with off-grid solar-battery-diesel systems. This reduces risks of outages in extreme weather events, cuts maintenance costs and provides more reliable supply to regional customers. Western Power is also piloting community-scale microgrids in towns such as Kalbarri, Perenjori and Onslow.
- Upgrading substations, feeders and control systems to improve hosting capacity for rooftop solar and batteries, and to manage increasingly two-way energy flows. This includes voltage management upgrades, deployment of smart meters and trials of dynamic operating envelopes.
- Progressing major transmission upgrades, including new 330 kV lines from the Mid West to the metropolitan area (Clean Energy Link North), to unlock high-quality wind and solar resources. These augmentations are critical to enable new large-scale renewable projects to connect and replace retiring coal capacity.
- Western Power, in partnership with Synergy and local governments, is deploying neighbourhood-scale batteries across metropolitan and regional areas. These community batteries absorb excess rooftop solar output during the day and discharge in the evening, supporting local grid stability and allowing more households to install solar.

Western Power's First Nations policies and programs

Western Power's latest Reconciliation Action Plan (RAP) 2022-2023 includes the following policies and programs:

- Under its sustainable procurement framework, Western Power outlines its commitment to working with First Nations-owned businesses, seeking out these suppliers, removing procurement barriers, and exceeding the standards set by WA State policy.

- Increasing First Nations participation through recruitment traineeships, and pathways into employment. As an example, apprenticeships have been awarded to students through partnerships with the Clontarf Foundation and the Waalitj Foundation, which exist to improve education and wellbeing for young First Nations people.
- Participating in strategic projects that deliver energy infrastructure to remote First Nations communities, such as deployment of SAPS that contribute to improved reliability, reduced diesel dependence and more autonomous energy supply in these communities.

What this all means for First Nations communities in Western Australia

Western Australia's energy transition is expected to involve large-scale investment in renewable generation, transmission infrastructure and emerging industries such as renewable hydrogen and green minerals processing. Much of this development is likely to occur on land where First Nations peoples hold native title rights and interests or maintain cultural and historical connections to Country. As a result, First Nations communities are likely to play an increasingly important role in shaping how the energy transition unfolds across the state.

Renewable energy development will increasingly occur on First Nations land

Western Australia has one of the highest levels of native title coverage in Australia, with approximately 85 per cent of the state subject to either determined native title or active claims. In addition, areas of land are managed by the Aboriginal Lands Trust and by First Nations corporations holding freehold interests.

Many renewable energy developments require large areas of land, particularly for solar, wind and transmission infrastructure. As the transition accelerates, developers and governments will therefore need to engage with Traditional Owners across significant parts of the state. In practical terms, this means that renewable energy development in Western Australia will often involve engagement with native title holders and Prescribed Body Corporates (PBCs), including through consultation processes and negotiated agreements.

The interaction between renewable energy development and land tenure frameworks — including native title, pastoral leases and newer tenure arrangements such as diversification leases — will continue to shape how projects proceed and how Traditional Owners participate in decision-making.

Agreements with developers are likely to be a key pathway for participation

In many cases, the main mechanism through which Traditional Owners engage with renewable energy projects is through negotiated agreements with project proponents. These agreements can arise through processes under the Native Title Act, including Indigenous Land Use Agreements (ILUAs), or through other forms of commercial negotiation.

Such agreements may include provisions relating to:

- equity participation, financial compensation or benefit-sharing arrangements
- employment and training opportunities
- contracting and procurement opportunities for First Nations businesses
- cultural heritage protection and environmental management
- governance arrangements that enable Traditional Owner participation in project oversight.

As renewable energy development expands across the state, these agreements are likely to play an important role in determining how benefits from projects are shared with Traditional Owners and how cultural and environmental values are protected.

Emerging models of First Nations participation

Across Western Australia, several projects are beginning to demonstrate different models of First Nations participation in the energy sector. These range from consultation and benefit-sharing arrangements through to equity partnerships and First Nations-led developments.

Some projects involve joint ventures or equity arrangements between Traditional Owner corporations and energy developers, enabling communities to participate not only as hosts of infrastructure but also as project partners. Other initiatives involve community-owned or First Nations-led renewable energy developments that aim to generate both economic and social benefits.

These examples illustrate the potential for a range of participation models to emerge as the sector develops. However, the scale and consistency of these arrangements varies significantly between projects, and there is not yet a uniform approach across the industry.

Changes to energy systems in regional and remote communities

The energy transition is also likely to affect how electricity is supplied in regional and remote parts of Western Australia. Many remote towns and communities — including numerous First Nations communities — are currently supplied through isolated microgrids that rely on diesel and gas generation.

Government and utility programs are increasingly exploring the integration of renewable generation, battery storage and other technologies into these systems. Over time, this may reduce reliance on diesel generation and create opportunities for new forms of local energy infrastructure, including community-scale solar and battery systems.

For First Nations communities, these changes may affect the reliability, affordability and sustainability of local energy supply. In some cases, there may also be opportunities for communities to participate in the development, management or ownership of local energy projects.

Policy frameworks are continuing to evolve

Many of the policies and programs shaping the energy transition in Western Australia are still developing. At the national level, initiatives such as the Capacity Investment Scheme, the First Nations Clean Energy Strategy and the Future Made in Australia agenda are intended to accelerate renewable investment while supporting broader economic and social outcomes.

At the state level, strategies such as the Energy Transformation Strategy, Renewable Hydrogen Strategy and other sectoral initiatives are guiding investment in infrastructure and new industries. State-owned utilities, including Synergy, Horizon Power and Western Power, are also playing an important role in delivering projects and supporting system transformation.

As these policies continue to evolve, they will influence the scale and location of renewable energy development and the opportunities available for First Nations participation.

Looking ahead

Taken together, these developments suggest that First Nations communities will increasingly be central participants in Western Australia's energy transition. Renewable energy projects, transmission infrastructure and new clean industries will often intersect with land where Traditional Owners hold rights and interests.

For many communities, this creates opportunities to negotiate agreements, develop partnerships with industry, and pursue new forms of economic participation. At the same time, it highlights the importance of ensuring that engagement processes are meaningful, cultural heritage is respected, and that benefits from renewable energy development are shared in ways that support long-term community priorities.