

Submission to the House of Representatives Standing Committee on Primary Industries Inquiry into Factors Shaping Social Licence and Economic Development Outcomes in Critical Minerals Projects Across Australia

From: Concerned regional community members

Introduction

1. Social Licence Cannot Be Assumed — or Bought

The Federal Government's Australian Critical Minerals Prospectus and associated funding commitments signal strong support for rapid project development. However, social licence is not created by policy ambition or financial incentives.

In our experience in the Wimmera region of Victoria — particularly in relation to WIM Resource and Donald Mineral Sands projects — proponents have sought to build “support” through sponsorships, donations, and financial contributions to local clubs, events, and community groups.

We wish to make it clear: community sponsorship and monetary contributions are not social licence.

Small regional communities often struggle to raise funds for sporting clubs, schools, agricultural shows, and volunteer organisations. Mining companies are aware of this vulnerability. When significant sponsorship funds are offered, it places community groups in a difficult position. Acceptance of funding can be interpreted as endorsement of the project, even when members hold serious concerns.

This dynamic creates:

- Perceived or actual pressure to publicly support the project
- Division within committees and volunteer groups
- Tension between those who accept funding and those who oppose the development
- Silence from individuals who fear social or financial repercussions

This is not genuine community support. It is influence through financial leverage.

2. Community Division and Social Harm

In the Wimmera, these practices have contributed to deep and lasting community division.

Where once neighbours worked cooperatively and socialised freely, relationships have fractured. Long-standing friendships have deteriorated. In some cases, neighbours no longer speak. Families and community groups have become polarised between hosts, impacted landholders, and those opposed to the developments.

We believe that monetary persuasion directed at hosts and impacted landowners has played a significant role in this fragmentation. When private financial agreements are made, or when sponsorship funding flows to certain organisations, it can create suspicion, resentment, and mistrust within small communities.

The social cost is profound. Regional communities depend on cohesion, mutual support, and the ability to rely on one another during hardship — particularly in drought, fire, and economic downturn. When division becomes entrenched, that resilience is weakened.

The erosion of community solidarity is not a minor side effect. It is a serious social impact that must be considered in any assessment of social licence.

3. Misleading or Selective Information

We are also concerned about the use of optimistic or selective messaging in community engagement. Overstated employment figures, simplified rehabilitation assurances, or incomplete explanations of environmental risk contribute to confusion and mistrust.

Where sponsorship funding is combined with promotional messaging, it becomes even more difficult for communities to feel they are receiving balanced and independent information.

True social licence requires:

- Independent, transparent data
- Honest communication about risks as well as benefits
- Clear acknowledgement of uncertainty
- Equal access to independent expert advice for communities

4. Agricultural Land and Water Security

Critical minerals projects are frequently proposed in highly productive agricultural regions. These regions:

- Sustain food and fibre production
- Support export markets
- Provide long-term, renewable economic value
- Anchor regional employment and social cohesion

Agriculture is intergenerational. Mining is finite. Once prime agricultural land is disturbed, there is no certainty that rehabilitation will restore it to its original productivity.

Water security is also a central concern. Mineral sands and critical minerals projects often intersect with groundwater systems that sustain farms and towns. Even minor impacts can have long-term consequences in low-rainfall regions.

5. Economic Claims Require Independent Scrutiny

Projected employment and economic benefits must be independently verified. Communities often experience:

- Short-term construction jobs followed by reduced operational employment
- Specialist roles filled by non-local workers
- Disruption to existing industries such as agriculture

We recommend mandatory independent cost-benefit analysis that includes:

- Impact on existing agricultural production
- Long-term land value impacts
- Social cohesion indicators
- Potential long-term environmental liabilities

6. Governance and Regulatory Integrity

Trust in the regulatory system is critical. Perceived or actual conflicts of interest, including movement of senior officials into industry roles, undermine confidence.

The Committee should consider:

- Strengthened cooling-off periods for senior public officials
- Greater transparency in decision-making
- Adequate resourcing and independence of regulators

7. Recommendations

We respectfully recommend that the Committee consider:

1. Prohibiting or strictly regulating the use of community sponsorships and donations by project proponents during assessment and approval phases.
2. Requiring full disclosure of all financial agreements with community groups and landholders.
3. Establishing independent community funding pools, administered at arm's length from proponents.
4. Recognising community division and social cohesion impacts as formal assessment criteria.
5. Strengthening protections for prime agricultural land and groundwater.
6. Mandating independent economic impact assessments.
7. Enhancing rehabilitation bonding and long-term liability safeguards.

8. Inappropriate Solicitation of Business Support

We are also concerned about the practice of proponents directly approaching local businesses to seek formal statements of support or to request favourable submissions during Environmental Effects Statement (EES) or assessment processes.

In small regional towns, business owners often rely on goodwill, reputation, and broad community support to remain viable. When a mining company approaches a business and asks for written endorsement of a project — particularly during a statutory assessment process — it places that business in an uncomfortable and potentially coercive position.

Even if no explicit pressure is applied, the power imbalance is clear. Businesses may feel that:

- Refusal could damage future commercial opportunities
- Neutrality may be interpreted as opposition
- Publicly declining to provide support could alienate customers on either side of the debate

This practice risks distorting the integrity of the assessment process. Environmental assessment frameworks are intended to gather genuine, independent views about potential impacts. When proponents actively solicit favourable submissions, it can create the perception that support is being curated rather than organically expressed.

The EES and similar processes must remain independent, evidence-based, and free from orchestrated endorsement campaigns.

9. Inequality Within Independent Advisory Committee and Hearing Processes

We are deeply concerned that the current Independent Advisory Committee (IAC) and hearing processes are structurally imbalanced and place affected landholders at a significant disadvantage.

While these hearings are described as independent and accessible, in practice they resemble formal legal proceedings. Proponents are typically represented by King's Counsel, senior barristers, solicitors, expert witnesses, and technical consultants. In contrast, individual farmers and landholders are expected to present their own case, interpret complex environmental modelling, cross-examine experts, and respond to legal argument — often without professional representation.

Farmers are farmers — not lawyers.

The financial burden of engaging legal counsel, hydrologists, soil scientists, and planning experts is prohibitive for most landholders. Many face the impossible choice of either:

- Appearing unrepresented against highly resourced legal teams, or
- Incurring substantial personal financial cost to attempt to participate on an equal footing.

This imbalance undermines procedural fairness. It creates a system where those with the greatest financial resources can present the most technically polished case, regardless of the lived experience and legitimate concerns of affected landholders.

Furthermore:

- Timeframes are often tight and documentation volumes extensive.
- Expert evidence can run to thousands of pages.
- Cross-examination environments can be intimidating and adversarial.

The result is not an even contest of ideas. It is an uneven contest of resources.

If the Federal Government is serious about social licence, it must ensure that assessment processes are not only technically sound but genuinely accessible and equitable.

We respectfully recommend:

1. Establishing funded independent legal and expert assistance for affected landholders.
2. Simplifying hearing procedures to reduce adversarial dynamics.
3. Ensuring plain-language summaries of technical material are provided.
4. Reviewing whether current committee structures unintentionally favour well-resourced proponents.

When landholders feel that the process itself is stacked against them, trust in both the project and the regulatory framework deteriorates. Social licence cannot be achieved where procedural fairness is perceived to be lacking.

Strategic Contribution to Regional and National Economic Development – Key Concerns

We acknowledge that critical minerals are strategically important to Australia's national interest. They underpin renewable energy technologies, defence capability, advanced manufacturing, and global supply chain security. In principle, well-planned projects can contribute to regional employment, infrastructure investment, royalties, and export earnings.

However, the strategic contribution of critical minerals projects must be assessed holistically. In our view, current frameworks do not adequately address three fundamental issues: cumulative planning, protection of food and fibre production, and the absence of rigorous net social benefit analysis.

1. Lack of Cumulative Planning

Critical minerals development is increasingly occurring in clusters across regional Australia. In areas such as the Wimmera, multiple mining and renewable energy proposals are being assessed either sequentially or in isolation.

Project-by-project assessment fails to consider:

- The combined impact on groundwater systems
- Cumulative land fragmentation
- Loss of productive agricultural acreage
- Increased heavy vehicle movements and infrastructure strain
- Compounded social disruption

Strategic economic development cannot be evaluated on a single-project basis. True regional planning requires cumulative impact modelling that considers the aggregate effect of multiple developments over time.

Without integrated regional land-use planning, there is a risk that short-term extraction projects gradually displace long-standing agricultural systems that have sustained communities for generations.

2. Protection of Food and Fibre Production

Australia's agricultural regions are strategic national assets. They contribute not only to regional employment but also to food security, export markets, biosecurity resilience, and long-term economic stability.

Mining is finite. Agriculture, when well-managed, is renewable and intergenerational.

There is currently insufficient protection for high-value agricultural land within critical minerals policy settings. In many cases, projects are proposed directly on prime cropping soils that underpin regional economies.

The strategic economic contribution of critical minerals must therefore be weighed against:

- Permanent or long-term loss of productive land
- Risks to groundwater and irrigation systems
- Reduced investor confidence in agricultural enterprises
- Intergenerational impacts on family farming businesses

If food and fibre production is diminished, Australia may undermine one strategic sector in pursuit of another.

3. Absence of Net Cost Social Benefit Analysis

Public discourse frequently highlights projected job numbers, export value, and capital investment. However, there is limited transparent analysis of net economic benefit once broader social and environmental costs are considered.

A genuine net cost–benefit assessment should include:

- Impact on existing agricultural output and supply chains
- Long-term rehabilitation uncertainty
- Water system risk
- Social cohesion and community division
- Infrastructure wear and public service demand
- Long-term monitoring and potential legacy liabilities

Without comprehensive net social benefit modelling, economic development claims risk being one-sided. Strategic development must demonstrate that overall regional prosperity is improved — not merely shifted.

Critical minerals may contribute significantly to Australia's national economy. However, strategic economic development requires:

- Integrated, cumulative regional planning
- Strong protections for prime agricultural land and water
- Transparent, independent net social benefit analysis

Without these safeguards, there is a real risk that short-term extraction benefits will come at the expense of long-term regional sustainability, food and fibre security, and community resilience.

Economic strategy must balance extraction with stewardship. True national prosperity depends on both.

Rehabilitation, Restoration and Long-Term Land Productivity

A central issue shaping social licence is confidence in land rehabilitation. In productive agricultural regions, the standard of restoration must be exceptionally high. It is not sufficient to return land to a “stable” condition — it must be restored to demonstrably equivalent agricultural capability.

At present, we are unable to identify robust, peer-reviewed, science-backed evidence demonstrating that large-scale mineral sands or critical minerals mining on high-quality cropping land consistently returns soils to pre-mining structure, function and yield over the long term.

Soil systems are complex. They involve:

- Natural soil horizons developed over thousands of years
- Microbial communities essential to nutrient cycling
- Soil carbon composition
- Subsoil structure affecting water infiltration and root depth
- Natural compaction and profile integrity

Disturbance of these systems through excavation, stockpiling and replacement is not a simple reversible process. While rehabilitation techniques may aim to reconstruct soil profiles, the long-term equivalency of reconstructed soils — particularly in low-rainfall broadacre cropping regions — remains uncertain.

Productivity Must Be Measured Over the Long Term

We are particularly concerned about proposed rehabilitation sign-off timeframes of approximately four years.

A four-year monitoring period is insufficient to determine whether land has been successfully restored to pre-mining agricultural productivity. In dryland farming systems, yield variability due to seasonal conditions alone can mask underlying soil performance issues. Short-term crop establishment does not equate to restored soil function.

Restoration assessment should include:

- Long-term yield benchmarking against pre-mining averages
- Independent soil structure and chemistry testing
- Monitoring across multiple seasonal cycles, including drought conditions
- Demonstrated restoration of subsoil integrity and water-holding capacity

True agricultural restoration should be assessed over a timeframe consistent with farming cycles — potentially 10 years or more — rather than a short regulatory window.

Financial Risk and Company Insolvency

Another critical concern is financial liability if a proponent becomes insolvent, restructures, or is otherwise unable to complete rehabilitation.

Mining companies operate in global commodity markets. Bankruptcy, asset transfers, or corporate restructuring are not uncommon in the resources sector. If a company fails before rehabilitation is fully complete — or before long-term productivity has been demonstrated — who guarantees that the landowner is not left with permanently diminished land?

Key questions that require clear answers include:

- Are rehabilitation bonds sufficient to cover full soil reconstruction to pre-mining productivity levels?

- Do financial assurances account for long-term monitoring beyond initial sign-off?
- Are bonds indexed to inflation and realistic restoration costs?
- Is there a statutory guarantee that landowners will not bear residual liability?

Without robust, fully secured financial guarantees, the ultimate risk may fall to the landholder or taxpayer.

Independent Rehabilitation Assessment

To ensure integrity and restore community confidence, rehabilitation assessment should not rely solely on company-appointed experts.

We strongly recommend:

1. Independent, government-appointed soil and agricultural experts to oversee rehabilitation verification.
2. Formal inclusion of the affected landowner in rehabilitation planning, soil replacement methods, and monitoring design.
3. Transparent publication of all soil testing and productivity data.
4. Clear, enforceable criteria defining what constitutes “equivalent agricultural capability.”

Landowners must have a meaningful role in determining whether their land has been successfully restored. It is their intergenerational asset, not a temporary project site.

Conclusion

Critical minerals development must not come at the expense of regional integrity, agricultural sustainability, and social cohesion.

In the Wimmera, we have witnessed how financial influence, selective information, and unequal bargaining power can fracture once close-knit communities. The loss of trust between neighbours is deeply distressing and, in some cases, beyond repair. Regional communities depend on mutual support and solidarity. When that is compromised, the damage extends far beyond the life of any mine.

If social licence is to mean anything, it must be based on informed consent, transparency, fairness, and respect — not sponsorship, financial persuasion, or division.

We thank the Committee for considering these concerns as part of its Inquiry.

Critical minerals may play an important role in Australia’s national economic and strategic future. However, strategic development must not come at the expense of long-established agricultural systems, water security, community cohesion, or procedural fairness.

Our concerns are clear:

- Social licence cannot be bought through sponsorships, donations, or curated endorsements.
- Community division and social harm are real impacts that must be formally recognised.
- Businesses and landholders should not be placed under pressure to provide favourable submissions.
- Assessment and hearing processes must be genuinely accessible and procedurally fair, not dominated by well-resourced legal teams.
- Cumulative regional impacts must be planned for strategically, not assessed project by project in isolation.
- Prime food and fibre producing land must be protected as a matter of national interest.
- Net economic benefit must be transparently demonstrated, including social and environmental costs.
- Rehabilitation must be supported by credible, science-based evidence, independently verified, monitored over meaningful timeframes, and fully financially guaranteed in the event of corporate failure.

Farmers are stewards of intergenerational assets. They are not legal experts, hydrologists, or soil scientists — yet they are being asked to carry disproportionate risk in processes that are complex, costly, and adversarial.

If the Federal Government is committed to responsible development, then policy settings must ensure that critical minerals projects genuinely enhance regional and national prosperity without weakening agricultural capacity, fracturing communities, or transferring long-term risk onto landholders and taxpayers.

True strategic development balances extraction with stewardship. Without that balance, short-term economic gain may come at an unacceptable long-term cost.