



Committee Secretary
Joint Standing Committee on Primary Industries
PO Box 6021
Parliament House
Canberra ACT 2600

27 February 2026

Dear Secretary,

Inquiry into and report on factors shaping social licence and economic development outcomes in critical mineral projects across Australia

Thank you for the opportunity to make a submission to this inquiry examining how critical mineral projects contribute to regional and national economic development. This submission is made in advocacy for the Limestone Coast region of South Australia.

Rare earth mineral development within the Limestone Coast has the potential to contribute to national economic and strategic objectives. However, this development must proceed only with clear safeguards to protect the region's agricultural industries, groundwater systems, biodiversity, and world heritage values. Preserving the Limestone Coast's role as a critical food-producing region and protecting its internationally significant natural and cultural assets must remain central to any project approval framework.

Rare earth elements are essential to Australia's clean energy transition and to the manufacture of advanced technologies, including permanent magnets used in renewable energy systems, electric vehicles, and defence applications. Australia's clay-hosted rare earth deposits present a potential opportunity to strengthen sovereign capability in magnet-grade rare earths, particularly where projects are Australian-owned and seek to address Australia's current reliance on offshore midstream processing.

Australia is reported as the world's fourth-largest producer of rare earth elements; however, it remains heavily dependent on China for downstream and midstream processing¹. The Koppamurra Project has been identified as a test case for a common-use processing facility for clay-hosted rare earths, positioning it as strategically significant within the national critical minerals landscape².

The Koppamurra Project is located at Wratttonbully in the Limestone Coast of South Australia and is reported to host a substantial JORC-compliant mineral resource of approximately 186 million tonnes at 712 parts per million Total Rare Earth Oxide (TREO). Project documentation identifies the relatively high proportion of rare earth elements suitable for rare earth permanent magnet production as a key advantage of the deposit².

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Effectiveness of Engagement Practices with Local Communities, Traditional Owners, and Stakeholders

The effectiveness of engagement with local communities, Traditional Owners, and other stakeholders is critical in establishing and maintaining social licence. Wrattontully is a predominantly agricultural and viticultural region situated between Padthaway and Coonawarra within the Limestone Coast. Agriculture, forestry, and fishing are the dominant industries in the region, comprising approximately 36.4 per cent of economic activity, compared with 9.9 per cent across South Australia more broadly³.

For landholders and producers, key considerations include land use compatibility, soil health, groundwater protection, and long-term agricultural viability for future generations. The Limestone Coast is recognised as a significant food-producing region, and safeguarding the productivity of high-value agricultural land is essential.

While farmers in the region have demonstrated resilience in the face of climatic challenges such as drought, the long-term impacts of mining activities remain uncertain. Concerns include potential degradation of clay-rich soils, impacts on red gum landscapes, and risks to the region's aquifer systems. The proposed use of acids in rare earth extraction raises concerns regarding potential contamination pathways to groundwater resources that underpin agriculture, ecosystems, and community water supply.

Additional considerations include potential impacts on biodiversity, including native bird species and wildlife that rely on natural waterholes and tree hollows. Land disturbance and vegetation clearance may result in irreversible impacts on flora and fauna if not carefully managed.

The Koppamurra Project is located approximately 15 kilometres from the Naracoorte Caves World Heritage Area, including the Wonambi Fossil Centre. These sites are recognised internationally as among the world's most significant fossil locations, with records dating back more than one million years and providing critical insight into ancient biodiversity⁴. Tourism, conservation, and heritage stakeholders are therefore important contributors to the social licence framework, particularly given the significant number of visitors to the Limestone Coast region annually.

How critical minerals projects contribute strategically to regional and national economic development

Critical mineral projects have the potential to support Australia's economic development through export growth, technological advancement, and participation in global clean energy supply chains. Opportunities exist to strengthen workforce participation, skills development, and regional employment pathways.

However, these opportunities must not come at the expense of the Limestone Coast's unique environmental, agricultural, and cultural assets. While agriculture and mining can coexist, this requires careful planning, transparent engagement, and robust regulatory oversight. Protection of high-value agricultural land, biodiversity, groundwater resources, and world heritage assets must remain a priority alongside renewable energy objectives.

Australia is well positioned to become a reliable global supplier of critical minerals, contributing to energy security and emissions reduction goals⁵. Secure and sustainable rare earth capability will support supply chains for renewable energy technologies, electric vehicles, and defence applications.

The South Australian Department for Energy and Mining has commenced scoping processes to inform a comprehensive impact assessment for the Koppamurra Project. These processes propose specialist

assessments covering Aboriginal and non-Aboriginal heritage, air quality, groundwater and surface water, geotechnical conditions, sinkholes, mine closure, native fauna and vegetation, noise and vibration, socio-economic impacts, traffic and transport, geochemistry, and visual amenity⁶. These assessments are essential to ensuring informed decision-making and maintaining public confidence within the Limestone Coast.

Recommendations

1. Protection of Water Resources (Sections 24D and 24E – “Water Trigger”)

Sections 24D and 24E of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act)⁷ require approval for actions that are likely to have a significant impact on water resources in relation to mining developments, including impacts on groundwater. Robust monitoring of groundwater systems is essential to ensure that rare earth mineral mining activities do not reduce, contaminate, or divert underground water resources critical to agricultural productivity.

Recommendation:

Any rare earth mineral project proposed within the Limestone Coast that involves excavation, chemical leaching, or other activities with potential groundwater impacts should be mandatorily referred for Commonwealth assessment under sections 24D and 24E. Approval should only be granted where independent, peer-reviewed evidence demonstrates that groundwater quantity, quality, and connectivity will not be compromised during operations or post-closure.

2. World Heritage Protection (Sections 12 and 15A)

Sections 12 and 15A of the EPBC Act prohibit actions that have, will have, or are likely to have a significant impact on the values of a declared World Heritage property. This includes indirect and cumulative impacts.

Recommendation:

Given the proximity of the Koppamurra Project to the Naracoorte Caves World Heritage Area, Commonwealth assessment must explicitly consider indirect, cumulative, and hydrological impacts under sections 12 and 15A. Approval should require avoidance of harm to world heritage values, rather than reliance on mitigation alone, consistent with Australia’s international obligations.

3. Threatened Species and Ecological Communities (Sections 18 and 18A)

Sections 18 and 18A of the EPBC Act apply to actions that are likely to significantly impact listed threatened species or ecological communities, including through habitat loss, hydrological change, or ecosystem degradation.

Recommendation:

Comprehensive baseline surveys and impact assessments should be required under sections 18 and 18A prior to any approval. Conditions should prioritise avoidance of irreversible impacts to threatened species and groundwater-dependent ecosystems, with offsets used only where impacts are genuinely residual and

scientifically justified. Land disturbed or impacted by mining activities must be appropriately rehabilitated to restore soil health, productivity, and long-term viability for primary producers and agricultural use.

4. National Heritage Places (Sections 15B and 15C)

Sections 15B and 15C of the EPBC Act protect National Heritage values from actions that may significantly impact their integrity, including cumulative landscape-scale effects.

Recommendation:

Assessment processes should consider whether rare earth mineral development may incrementally erode nationally significant heritage values of the Limestone Coast, particularly where industrial activity intersects with tourism, conservation, and geologically significant landscapes.

5. Cumulative Impact Assessment (Sections 82, 87, and 136)

Sections 82 and 87 provide the framework for environmental impact assessment, while section 136 requires decision-makers to consider all relevant impacts when determining approvals.

Recommendation:

The Commonwealth should require cumulative impact assessments that examine the combined effects of current and foreseeable future mining activities, associated infrastructure, and shared processing facilities, rather than assessing individual proposals in isolation.

6. Application of the Precautionary Principle (Section 391)

Section 391 of the EPBC Act requires decision-makers to take into account the precautionary principle where there is a risk of serious or irreversible environmental damage and scientific uncertainty.

Recommendation:

Where uncertainty exists regarding the long-term impacts of development or mining activities on soils, aquifers, biodiversity, or agricultural productivity within the Limestone Coast region, approvals should not be granted unless it can be clearly demonstrated that risks are avoided, minimised, or effectively mitigated. Short-term strategic or economic considerations must not override intergenerational environmental protection obligations. Recognising the Limestone Coast as a nationally and internationally significant green food bowl that underpins primary production, export supply chains, and regional food security, all land impacted by such activities must be subject to clear, enforceable rehabilitation requirements. Rehabilitation should restore soil condition, groundwater integrity, ecological function, and agricultural productivity to ensure the ongoing viability, resilience, and sustainability of primary production in the region.

7. Consideration of Economic and Social Matters (Section 136)

Section 136 allows decision-makers to consider economic and social matters, provided these considerations do not override protections for matters of national environmental significance.

Recommendation:

Any consideration of national strategic or economic benefits associated with critical minerals development should be balanced against the Limestone Coast's enduring agricultural value, environmental sensitivity, and heritage significance, ensuring that mining does not displace or undermine existing regional industries.

Where development is proposed, clear and enforceable commitments should be required to maximise social and economic benefits for the Limestone Coast region, including prioritised employment of local workers, procurement from local businesses, skills development pathways, and long-term investment in regional infrastructure and community wellbeing.

The economic case for development should include transparent disclosure of anticipated royalty arrangements and demonstrate how financial returns will directly benefit the Limestone Coast region. While mineral royalties in South Australia are generally paid to the State Government based on the value of minerals produced (typically around 3.5–5% depending on the product, with reduced introductory rates sometimes applying for new mines)⁸, consideration should be given to mechanisms that ensure a fair proportion of economic value is reinvested locally to support regional economic diversification, social services, and sustainable growth.

Recognising the Limestone Coast as a nationally significant green food bowl supporting primary producers and regional food security, any project approval should include mandatory land rehabilitation requirements to restore soil health, groundwater integrity, biodiversity values, and agricultural productivity, ensuring long-term coexistence between resource development and primary production.

The Limestone Coast is a nationally significant region whose agricultural productivity, groundwater systems, biodiversity, and world heritage values are fundamental to Australia's long-term environmental and economic resilience. While rare earth mineral development may contribute to sovereign capability and strategic supply chains, such development must not proceed at the expense of irreplaceable natural and cultural assets. The Commonwealth has both the authority and responsibility under national environmental law to apply robust, precautionary, and transparent assessment standards. Protecting the Limestone Coast's role as a critical food-producing region and safeguarding matters of national and international environmental significance must remain paramount in all decisions relating to critical mineral development.

Conclusion

In conclusion, while rare earth mineral development within the Limestone Coast may contribute to national economic resilience and strategic capability, any such development must proceed in a manner consistent with Commonwealth environmental, agricultural, and heritage protection objectives. Project assessment and approval processes must apply robust, transparent, and enforceable safeguards to protect the region's agricultural productivity, groundwater-dependent ecosystems, biodiversity, and matters of national and international environmental significance. Maintaining the Limestone Coast's role as a critical food-producing region, and safeguarding its internationally significant natural and cultural values, should remain central

considerations in all Federal and State decision-making and regulatory frameworks relating to proposed development in critical minerals.

Yours sincerely,



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References

¹Australian Nuclear Science and Technology Organisation (ANSTO) (2023). *Australia's Rare Earths Capability and Global Supply Chains*.

²RareX Limited (2024). *The Koppamurra Project: Clay-Hosted Rare Earths, South Australia*.

³Informed Decisions (2026). *Limestone Coast Regional Economic Profile*.

⁴National Parks and Wildlife Service South Australia (2024). *Naracoorte Caves National Park World Heritage Area*.

⁵CSIRO (2023). *Critical Minerals for Australia's Energy Transition*.

⁶Department for Energy and Mining South Australia (2024). *Koppamurra Project – Scoping Report and Impact Assessment Guidelines*.

⁷The *Environment Protection and Biodiversity Conservation Act 1999* is the Australian Government's primary federal environmental law, available in its latest consolidated form on the **Federal Register of Legislation**

⁸Government of South Australia — Department for Energy and Mining, *Mineral royalties*, available at: <https://www.energymining.sa.gov.au/industry/minerals-and-mining/mining/mineral-royalties> (accessed 17 February 2026).