

13 February 2026

Ref: KB:KB

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

Dear Sir,

Submission to the Inquiry into Factors Shaping Social Licence and Economic Outcomes in Critical Minerals Projects Across Australia

1. Introduction

Australia has a significant opportunity to position itself as a global leader in critical minerals, resources essential for renewable energy technologies, digital systems, advanced manufacturing, and defence. However, despite world-class resource endowment, the delivery of critical minerals projects is often hindered by regulatory complexity, unclear social licence requirements, and an underdeveloped strategy for domestic value-adding.

This submission outlines key issues limiting Australia's competitiveness and proposes clear, practical measures to improve economic outcomes, strengthen social licence, and support sustainable regional development.

2. Regulatory Barriers Affecting Project Delivery and Competitiveness

2.1 Lengthy and Complex Approval Processes

Australia's mining approval processes are significantly slower and more complex than those of competing jurisdictions, where regulatory frameworks may be limited or streamlined. These delays can undermine the economic viability of critical minerals developments.

In global markets where timing is critical, entering production years later than competitors can render otherwise viable projects economically uncompetitive.

2.2 Example: Section 10 Application – McPhillamys Gold Project (Blayney)

The McPhillamys Gold Project demonstrates the challenges faced by proponents. The application of Section 10 of the *Aboriginal and Torres Strait Islander Heritage Protection Act* created additional layers of assessment, delay, and uncertainty.

Even projects with strong economic potential can become bogged down in procedural requirements spanning environmental, heritage, state, and local planning frameworks, greatly inflating costs and reducing investor confidence.

Such complexities can cause projects to be shelved, downsized, or abandoned before approval is achieved.



3. Social Licence Challenges and the Limits of Current Frameworks

3.1 Lack of Clear, Consistent Social Licence Guidelines

Social licence is essential for the sustainable development of critical minerals projects. Yet, Australia lacks any consistent or binding framework outlining what is expected from proponents.

For State Significant Developments, local planning instruments such as developer contributions are often overridden. Councils must then rely on Voluntary Planning Agreements (VPAs) to negotiate community benefits, as they are not considered elsewhere by State or Federal jurisdictions.

However, VPAs are by definition voluntary. This severely restricts councils' ability to secure meaningful, fair and predictable contributions relative to the scale and impact of developments.

Clear guidelines would:

- provide certainty for project proponents
- ensure communities receive equitable benefits
- support councils in negotiations
- align state approval authorities with consistent expectations

4. Recommendations for a National Social Licence Framework

A structured, state- or national-level guideline for social licence could for example include such things as:

4.1 Early and Meaningful Community Engagement

Requirements for proponents to engage openly and early with affected communities. Engagement should be ongoing and documented, ensuring concerns are genuinely incorporated into project design.

4.2 Workforce Development and Training Targets

Proponents should employ a minimum proportion of trainees and apprentices, say for example 10% of the workforce.

Focus areas should include future-focused skills such as:

- automation and robotics
- programmable logic control (PLC)
- electrical and systems engineering
- instrumentation and digital technologies

This builds long-term regional capability and supports local career pathways.

4.3 Community Infrastructure Contribution

A consistent contribution metric, for example, 1% of project capital cost, should be directed to a community infrastructure fund administered jointly by councils and the local community.



4.4 Community Grants Program

Proponents should establish an annual community grants fund to support local clubs, community facilities, and not-for-profit organisations.

4.5 Community Service Leave

Employees should receive a small allocation of paid community service leave (e.g., 2–3 days annually) to support community projects such as:

- upgrading community facilities
- assisting local charities
- supporting events or volunteer programs

This strengthens community relationships and encourages visible, practical contributions.

5. The Importance of Value Adding and Downstream Processing

Australia has enormous potential in critical minerals, yet captures only a tiny fraction of the value because it exports raw materials rather than manufacturing high-value products.

According to Sustainable Minerals Institute:

- The value of rare earths produced globally each year is US\$4 billion, Australia's share: ~10%
- After processing into magnets for electric motors, the market becomes US\$400 billion, Australia's share: zero
- As finished products (e.g., EVs, turbines, electronics), the market reaches US\$4 trillion, Australia's share: zero

This illustrates the core issue:

Australia earns revenue at the bottom of the supply chain, while 99% of the economic value occurs in refining, manufacturing and the production of advanced technologies, stages Australia is currently absent from. That needs affirmative intervention from Government.

5.1 Why Downstream Processing Matters

Developing domestic refining and manufacturing would:

- create skilled, well-paid regional jobs
- expand Australia's sovereign capability
- strengthen social licence through visible community benefits
- stimulate innovation, R&D, and advanced manufacturing
- reduce dependence on foreign processing, particularly in strategic industries

5.2 Policy Measures Needed

To support value-adding, Australia requires:

- incentives for refining, separation, and magnet production



- streamlined approvals for co-located extraction and processing (the Parkes Special Activation Precinct is a great initiative in that regard).
- infrastructure investment to support industrial precincts
- national strategies linking critical minerals with domestic manufacturing targets

Without these measures, Australia risks remaining a low-value exporter while others capture the technological and economic benefits.

6. Conclusion

Australia has the geological resources and technical expertise to become a world leader in critical minerals. However, slow approvals, regulatory uncertainty, unclear social licence expectations, and insufficient focus on downstream processing undermine competitiveness and regional outcomes.

Establishing clear, consistent frameworks, both for project approvals and social licence, alongside a strong commitment to domestic value-adding will:

- attract global investment
- secure long-term regional jobs
- ensure communities benefit meaningfully
- strengthen Australia's economic resilience and sovereign capability

I welcome the opportunity to provide further input to the Inquiry.

Yours faithfully,



Kent Boyd
General Manager