Submission to the Standing Committee on Primary Industries

Inquiry into critical minerals: shaping social licence and economic development outcomes

Social licence and economic development outcomes in critical minerals projects cannot be treated solely as site-level issues. They are shaped by regional socio-economic capacity, governance arrangements, infrastructure endowments, and the long-term trajectories of regions before, during, and after extraction. While critical minerals are central to Australia's climate transition and strategic positioning in global supply chains, current planning and engagement frameworks continue to prioritise project-level approval and short-term delivery over durable regional development and long-term community trust.

This submission recommends a shift toward *early, regionally coordinated planning*, supported *by integrated, high-quality data and meaningful engagement processes* that extend across the full project life cycle, including closure and post-mining phases. Such an approach is essential to strengthening social licence, improving economic development outcomes, and avoiding the recurrence of boom–bust–abandon dynamics in regions hosting critical minerals projects.

Social licence and economic development are regional, not site-level challenges

Critical minerals projects are commonly assessed and approved on a project-by-project basis. However, their social, economic, and governance impacts are experienced at the regional scale, particularly in areas hosting multiple or sequential developments. Treating social licence as a site-specific issue obscures cumulative impacts on labour markets, housing, infrastructure, land use, and social cohesion.

Regions vary substantially in their capacity to absorb rapid change. Some possess diversified economies, strong institutions, and established infrastructure, while others face skills shortages, limited planning capacity, and structural disadvantage. Planning frameworks that treat regions as broadly comparable in terms of risk reinforce spatial inequality and governance gaps, ultimately undermining social licence and long-term acceptance of critical minerals development.

Recommendation: require critical minerals projects to be assessed within a regional planning context that explicitly considers cumulative impacts, regional capacity constraints, and longer-term development trajectories, rather than relying solely on site-level assessments.

The need for early, regional-scale engagement and co-design

Engagement with local communities, Traditional Owners, and landholders frequently occurs after key project parameters have been determined. This sequence limits genuine influence, reinforces perceptions of extractive decision-making, and weakens trust. Early, regionally focused engagement processes are essential to

allow communities and Traditional Owners to shape not only mitigation measures, but also broader development pathways linked to extraction.

In regions with multiple projects, cumulative impacts and competing land-use pressures further underscore the need for engagement processes that extend beyond individual project boundaries and align with regional development objectives.

Recommendation: introduce requirements for early, regional-scale engagement processes for critical minerals projects, involving Traditional Owners and local communities before project design is finalised, with explicit consideration of cumulative impacts and long-term regional futures.

Beyond short-term employment: addressing economic development risks

Economic narratives surrounding critical minerals development often focus narrowly on short-term employment, construction activity, and headline investment values. While important, these indicators do not necessarily translate into long-term regional development. Several risks require closer attention, including:

- mismatches between short project lifecycles and long-term regional capacity,
- reliance on FIFO-dominated workforces that limit local skill development and economic multipliers,
- aligning extraction with regional development,
- limited data, planning resources, and analytical capacity at the local government level.

Without addressing these risks, critical minerals development may reproduce boom–bust–abandon dynamics, eroding trust and social licence over time.

Recommendation: require regionally contextualised economic development assessments for critical minerals projects, explicitly considering governance, labour markets, infrastructure capacity, land capability, workforce development pathways, and market access.

Strengthening coordination through nationally consistent, spatially enabled data frameworks

Improved coordination between the Commonwealth, states, territories, and local governments is critical to translating critical minerals development into sustained regional benefits. Currently, fragmented data systems and inconsistent assessment approaches limit decision-makers' ability to work from a shared evidence base.

Nationally consistent, spatially enabled planning and assessment frameworks would support integration of land-use, infrastructure, labour market, and socio-economic data, while remaining adaptable to regional contexts. Such frameworks would enhance transparency, comparability, and evidence-based decision-making across jurisdictions.

Recommendation: develop nationally consistent, spatially enabled assessment frameworks that integrate land use, infrastructure, labour market, and socio-economic data, and that can be adapted to regional contexts to support coordinated decision-making across all levels of government.

Embedding closure and post-mining considerations early

Closure and post-mining outcomes are often treated as technical phases rather than integral components of regional development planning. This increases uncertainty, contestation, and mistrust as closure approaches.

Early consideration for those phases of land-use pathways can align critical minerals development with climate transition objectives, build long-term community trust through credible future planning, and avoid narratives of abandonment that undermine social licence. While closure and post-mining transitions will always remain complex, early articulation of regional priorities, land-use options, and infrastructure constraints provides a clearer and more stable framework for later decision-making.

Recommendation: require early-stage consideration of closure and post-mining land-use pathways for critical minerals projects, integrated within regional development strategies rather than deferred to late-stage closure planning.

In conclusion, improving social licence and economic development outcomes in critical minerals projects requires a shift toward earlier, regionally coordinated planning, *supported by integrated data and meaningful engagement*. While such an approach does not eliminate the inherent complexity of mining transitions, particularly during closure and post-mining phases, it plays a critical role in reducing downstream uncertainty, conflict, and governance failure.

When regional development priorities, land-use options, infrastructure constraints, and stakeholder expectations are articulated early in the project life cycle, critical minerals development can proceed within a clearer, more transparent, and more stable framework. Without such reform, Australia risks undermining both the social licence and long-term economic benefits of critical minerals development at precisely the moment when strategic, socially sustainable outcomes are most needed.