

25 February 2026

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

To Whom It May Concern

**Re: Submission – Terms of Reference Social Licence and Economic Development Outcomes in Critical Minerals Projects across Australia**

Yarriambiack Shire Council and Horsham Rural City Council have collaborated to develop each Councils individual Terms of Reference submission. While the majority of elements in each submission are aligned, both Councils have tailored certain sections to reflect their unique experiences.

Yarriambiack Shire Council and Horsham Rural City Council are vibrant and diverse municipalities located approximately 300 kilometres north-west of Melbourne, in the heart of the Wimmera Mallee region of Victoria.

The two municipalities combined, cover an area of more than 11,600 square kilometres. Yarriambiack municipality has a population of 6556 with Warracknabeal being the largest centre of 2359 people. Horsham Rural City Council has a population of over 20,000 residents, with the regional city of Horsham serving as the major regional centre, for a broader catchment of over 60,000 people.

The municipalities are characterised by a strong agricultural base, particularly in dryland and broadacre farming and is a key producer of Australia’s cereal and pulse crops.

Both areas represent communities with a strong agricultural heritage that play a critical role in one of Australia’s key food production landscapes.

Council offers our feedback in relation to the Terms of Reference as outlined below.

1. *The effectiveness of engagement practices with local communities, Traditional Owners, and other stakeholders.*

In relation to Yarriambiack Shire and mining activities, the Shire’s land area is encompassed by exploration, retention, or mining licenses.

This information has become realised across our community in more recent times, with the announcement of the State Government of Victoria’s Critical Minerals Road Map.

The number of large-scale mines and extraction pits (cells) permitted to be operating at any given time in a region remains uncertain, contributing to concerns among local communities.

*Competing Land Uses*

Additionally, the extent of productive agricultural land designated for mining activities and the potential effects on farming communities are not clearly defined. Meaningful engagement will require the Government to establish a comprehensive and transparent national framework addressing mineral exploration, including their locations and operational limits.



Engagement with our communities is hindered by unclear government strategy for mining and its relationship with agriculture, including the potential impact on agricultural land.

Victoria's Critical Minerals Road Map is heavily focused on the delivery of minerals to support renewable energy infrastructure and harnessing the jobs and economic activity from this. It identifies significant opportunities within the Wimmera Southern Mallee region but also recognises there is currently no guidance of how earth resources and agriculture should interact. Whilst the following objective included in the roadmap is admirable, it furthers the risk of siloed strategic plans and decisions:

*'To support the co-existence and collaboration between stakeholders in the earth resources, renewable energy and agriculture industries, government will consider developing a co-existence policy for these industries.'*

Such a policy is yet to be developed. Dryland farming is indispensable but often left out of national planning conversations. It is imperative that agricultural land is not industrialised or treated as a commodity that is traded casually or incrementally to meet short term objectives outside agriculture. Soil is a national asset. It has to be managed, nurtured and protected to maintain its health, value and food producing capacity to the nation. Engagement with our food producers however seems to be nearly always overlooked.

#### Strategic Collaboration & Cumulative Effects

Although individual proponents may engage with the community independently, it is also essential to consider the cumulative effect of mining projects and the overlapping impacts of renewable energy initiatives being driven by the States.

Strategic collaboration between Government Departments and communities is essential to avoid consultation fatigue and excessive demands on communities. Governments should fully recognise and consider the significant changes planned for different regions. Currently, the perspectives of rural communities are not being effectively heard at the Federal and State Government level.

The State Government is proposing significant land use changes in rural Victoria, and our communities feedback is not being reflected in any of the decisions being imposed.

When pursuing engagement, it is essential to provide clear and tangible benefits as compensation and acknowledgment of any associated impacts. Incorporating such considerations should be an integral element of strategic engagement practices at the forefront.

#### Inadequacy of Environmental Effects Statement Process

The Environmental Effects Statement (EES) Process under Victorian legislation does not seem to consider cumulative impacts of a range of projects that may be occurring across a common geographical landscape.

Additionally, when it comes to fairness and equity the EES process appears to be positively weighted in favour of the proponent. This is not specific to mining projects alone. Proponents can take years to produce a suite of reports that get published to the community who have an extremely short timeframe of 4 weeks (6 weeks if generous) to respond.

There is no way community members can comprehensively work through the hundreds of pages of technical information to participate through the submission process. It then often falls back to local Council's to try and represent their communities in such situations. Council's who don't have the financial resources or



technical expertise end up spending significant dollars to try to get community perspectives heard and get proponents to address project shortfalls.

It is our opinion, that the EES process is not serving regional communities.

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

In our Shire most of the land is currently covered by exploration, retention, or mining licences. This has become more visible to the community following the Victorian Government's Critical Minerals Roadmap release.

As a result, many community members are concerned. As stated above they want to understand what these licences mean, how they fit with long-term planning, and how mining could affect farming businesses, the environment, and local livelihoods. This concern is particularly important because the Wimmera Southern Mallee region is recognised as highly productive, high-yield agricultural land.

Our Council is concerned about how decisions are currently made in regards to whether mining delivers greater benefits than agriculture. In particular, Council is not confident that the economic modelling used today fully captures the true costs and benefits of mining for our community, the state, or the nation.

Council believes that mining projects should be assessed through a Social Benefit Cost Analysis (SBCA) as part of the EES process. An SBCA looks at both the benefits and the costs of a project, including those that are not easily measured in dollars.

Unlike standard economic models, which mainly measure changes in economic activity, an SBCA asks a more important question: does the project actually make society better off overall?

Traditional economic tools, such as input-output modelling or general equilibrium analysis, can show how money flows through the economy or how jobs and production may change. However, these tools do not assess whether those changes improve community wellbeing. They also do not fully account for long-term impacts or losses.

An SBCA goes further by considering:

- Environmental damage, such as soil degradation and loss of productive farmland
- Social impacts, including disruption to farming communities and regional stability
- Long-term effects on agriculture, which is a sustainable and ongoing industry
- Both private benefits (to companies) and public costs (to communities and governments)

Importantly, an SBCA includes non-market impacts—things that do not have a clear price but still matter greatly to society. These include environmental health, food security, community cohesion, and intergenerational impacts.

Without using an SBCA, there is a real risk that long-term and irreversible impacts on agriculture and regional communities are overlooked. This can lead to decisions that favour short-term gains from mining while undermining sustainable industries that support communities for generations.

An SBCA also allows decision-makers to properly compare different land uses. It helps determine whether changing land from agriculture to mining results in a net benefit or a net loss to society once all costs, risks, and long-term consequences are considered.



At present, it is unclear whether mining on productive agricultural land delivers a net benefit to society. Council believes this is because a full and rigorous SBCA has not yet been undertaken.

For this reason, our Council strongly supports the use of SBCA in assessing mining proposals, to ensure decisions are informed, transparent, and in the long-term interests of our community, our region, and future generations.

Section 26B of the *Mineral Resources (Sustainable Development) Act 1990* states that owners or occupiers of agricultural land may request to remove their land from a mining licence if keeping it as agricultural land is considered to provide greater benefit to Victoria.

As detailed above, it remains challenging to advance this argument without conducting a SBCA to evaluate the issue and determine whether mining outweighs agricultural land use in the Wimmera Southern Mallee region, as well as more broadly across the State and Country.

Furthermore, when farming families choose not to relinquish their land for mining purposes, they may lack the necessary quantitative and qualitative data required to support their application for excision. This deficiency can result in the displacement of these families should the pursuit of a mining licence proceed.

This inquiry must establish how economic benefits are measured at regional, state, and national levels that is fair and equitable.

3. *Opportunities to strengthen workforce participation, skills development, and employment pathways, particularly in remote and Indigenous communities.*

When the Federal Government prioritises mining activities, it is essential to allocate targeted funding to Local Government areas to facilitate housing development. This approach will support future workers in residing within the communities.

Additionally, financial resources should be directed to TAFEs and universities near these mining sites to create and deliver training programs that empower people to gain skills locally and retain expertise within their communities. A drive-in/drive-out or fly-in/fly-out workforce does not directly benefit the affected communities. As mentioned above, mining should contribute positively to overall societal welfare. If a SBCA confirms these benefits, Federal and State Governments should allocate resources to the areas most impacted so those advantages can be fully realised.

Yarriambiack and Horsham Council's along with 7 other Councils in the north west of Victoria have commissioned a study called *Resource Ready* which identifies the potential impacts and opportunities of both renewable energy and mining projects in the region. The study identifies a range of projects and programs to strengthen workforce participation.

Government investment in these opportunities is necessary such as, prioritising vocational training in the regions and encouraging partnerships between project proponents and education providers to create direct training and employment pathways for critical skills. Opportunities for targeted skilled migration to address labour needs is also considered necessary.

4. *The role of state, territory, and local governments in supporting socially and economically sustainable development.*

The State Government should set up its own Ministerial Land Rehabilitation Committees to oversee the restoration of highly valuable and productive agricultural land that has been disturbed by mining. These committees will offer expert technical oversight to ensure that, following the conclusion of mining activities, the land is



restored to its original standard suitable for agricultural purposes. This framework helps guarantee food security while ensuring continuous monitoring and independent technical analysis that is unbiased and not influenced by mining proponents.

Local Government's role is to represent its municipal district. Where land use changes are proposed, that create transformational change, Local Government should be a decision maker in the process. Currently we are treated as a stakeholder, and this has angered our community.

Currently, in Victoria, Local Government is not a decision maker for large scale mining and renewable energy projects, therefore, we have limited ability to influence sustainable development. What the government views as sustainable does not always reflect the views of the community in which mining is proposed.

If state governments are to continue to be the decision maker, then proper genuine engagement with local communities is required.

#### *5. Options for improved coordination between jurisdictions and the Commonwealth.*

When a project receives Australian Government Major Project Status, it is essential to collaborate closely with the State Government to determine the implications for local communities that will be directly affected and to assess the necessary investment required to prepare these towns and regions for the anticipated transformation.

Investment is needed up front ahead of projects to ensure communities are ready for impacts from mining projects. Given the royalties generated from mining projects, this should not be seen as asking too much, as regional areas are doing all of the heavy lifting and taking the extent of impacts.

Priority funding should be allocated specifically to these areas, focusing on rail, roads, housing, workforce development, community infrastructure, health services and emergency management to adequately support supply and demand and/or impacts.

If government announcements were accompanied by strategic investment enhancements to the liveability of impacted regions, it would mitigate the negative effects and reduce the current level of public outrage.

#### *6. Any other related matters that may assist the Committee.*

Adopting a strategic perspective that accounts for cumulative impacts is crucial when planning and approving critical mineral projects. These impacts should be considered comprehensively at regional, state, and national levels.

At present, project approvals rarely incorporate proactive measures to address increased demand on road networks, nor do they provide sufficient funding for housing, connecting infrastructure, or trunk infrastructure—all of which can hinder development in rural regions. Additionally, the potential effects on social health, wellbeing, and mental health within communities, as their way of life changes rapidly, are often overlooked.

#### *7. Conclusion*

In conclusion, we welcome the Commonwealth Governments inquiry into factors shaping social licence and economic development outcomes in critical minerals projects across Australia.

We have identified concerns affecting our communities and suggested ways to improve approval processes. Social licence could be earned if clear, tangible benefits are provided to the most impacted communities and their voices are heard and taken into consideration when making decisions.



We thank you for considering this response and if you wish to discuss this further,  
please contact our Chief Executive Officer, Tammy Smith via email at [REDACTED]  
[REDACTED] or via phone during business hours on [REDACTED]

Kind Regards



**Cr Andrew McLean, Mayor  
Yarriambiack Shire Council**