

**INQUIRY INTO FACTORS SHAPING  
SOCIAL LICENCE AND ECONOMIC  
DEVELOPMENT OUTCOMES IN  
CRITICAL MINERALS ACROSS  
AUSTRALIA**

**SUBMISSION**

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**NSW MINERALS COUNCIL**

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## Executive Summary

Please find attached the NSW Minerals Council (NSWMC) submission to the Commonwealth Government House of Representatives Standing Committee on Primary Industries inquiry on social licence and economic development outcomes for critical minerals in Australia.

Surging global demand for critical minerals provides Australia with an incredible economic opportunity where our mineral resources and world-leading mining industry create a competitive advantage. Furthermore, the landmark critical minerals agreement signed between Australia and the United States<sup>1</sup> underscores the strategic importance of our mineral resources. Through this agreement, both governments have committed billions of dollars in investment to accelerate critical minerals production and processing.

Right now in New South Wales alone, there are a number of critical minerals and strategic metals projects in the approval pipeline, including projects involving rare earths and mineral sands, as well as copper, nickel, cobalt, scandium and antimony. In addition to strengthening Australia's national security and supporting the energy transition, these projects have the potential to deliver billions of dollars in new investment and create thousands of jobs in our regional areas.

Whether we can seize these opportunities will depend upon the delivery of another key element of the Australian-United States critical minerals agreement. Both countries promised to fast-track the approvals processes for critical minerals projects to get more mines into production more quickly.

There is, however, strong global competition to attract investment in critical minerals. These are capital-intensive, high-risk and long-lived projects and decisions to commit capital are very sensitive to cumulative cost, delay and policy uncertainty. Commonwealth Government policies that enable efficient, rigorous and timely mine approvals are therefore essential and represent the single greatest opportunity to attract new critical minerals investment to Australia.

History suggests promises for faster planning assessment processes and less bureaucracy are easy to make, but hard to deliver. Too often, governments have promised cutting red and green tape but proponents remain lost in a sea of proposed new legislative and regulatory requirements from multiple departments and agencies.

There are immediate, low-cost actions available to the Commonwealth Government to trigger delivery of its critical minerals ambitions. Commonwealth assessments of critical minerals projects under the EPBC Act and the ATSIHP Act duplicate robust state-based mining assessment processes. The Commonwealth Government should pursue rapid accreditation of all states for both assessments and approvals under the EPBC Act, unwind its decision to override the state-based assessment process for the McPhillamys Gold Project and act to provide greater transparency in its administration of the ATSIHP Act.

These actions, and others outlined in this submission, would send a clear signal to strategic partners and investors that Australia supports the responsible, efficient development of critical mineral resources.

NSWMC fully supports the Minerals Council of Australia (MCA) submission to the Standing Committee on Primary Industries inquiry.

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<sup>1</sup> *Bilateral framework on critical minerals and rare earths*

## Submission

### Terms of reference:

- The role of state, territory, and local governments in supporting socially and economically sustainable development.
- Options for improved coordination between jurisdictions and the Commonwealth.
- The effectiveness of engagement practices with local communities, Traditional Owners, and other stakeholders.
- How critical minerals projects contribute strategically to regional and national economic development.
- Opportunities to strengthen workforce participation, skills development, and employment pathways, particularly in remote and Indigenous communities.

The terms of reference are broad for the Standing Committee on Primary Industries inquiry on social licence and economic development outcomes for critical minerals in Australia. They seek to address the roles and effectiveness of various jurisdictions in sustainable development, acknowledge the economic and strategic importance of critical minerals, and seek to capitalise on the skills, employment, community benefits, infrastructure and broader economic benefits of this critical mineral opportunity particularly in regional and indigenous communities.

For the mining industry the terms of reference are not novel expectations or emerging policy concepts, they are core operating requirements of an industry that is embedded in many of our regional communities. The MCA submission to this inquiry eloquently addresses the terms of reference and outlines that the focus of the inquiry should be on the role of government in supporting an industry already delivering for regional communities:

*“The relevant policy question is therefore not whether the industry can meet the expectations reflected in the Terms of Reference, but how government settings can best support delivery, reduce unnecessary friction and enable timely progression from approval to construction and operation.*

*For regional and remote communities, these operating settings have direct economic and social consequences. Where minerals projects progress with certainty, they anchor local economies, support population retention, justify investment in enabling infrastructure and provide the basis for long-term employment and business development. Where delivery is delayed or destabilised, the impacts are borne locally through deferred jobs, constrained business activity and reduced confidence.”*

Our submission highlights that the jobs, skills and economic opportunities afforded through critical minerals depend first and foremost on project approvals. The inquiry should focus on initiatives to support extensions and new mining operations vital to the industry already delivering a large portion of the jobs, skills and infrastructure in these communities.

Despite Australia's competitive advantage, there is a real risk that duplicative, uncertain and protracted assessment processes will deter investment and shift capital to jurisdictions that actively encourage projects through faster approvals and targeted financial support.

Critical mineral projects typically require large upfront capital investment and have long development timelines. When coupled with low-volume, variable pricing and demand for many critical minerals, this creates a challenging environment to secure investment. In this context, jurisdictions with supportive, robust and efficient project assessment timeframes are essential to attract investment in a highly competitive market. The recent agreement between the Commonwealth and United States Governments to fast track investment in Australia's critical minerals projects recognises that streamlined approvals are a primary driver of investment.

There are a suite of policy opportunities available to support the critical minerals projects such as strategic reserves, access to low-cost capital, mechanisms to provide greater commodity price certainty, and improved geological data. While these measures are valuable, they are ineffective without consistent and timely mine approvals and extensions. Supporting robust and efficient assessment of critical minerals represents a substantial, low-cost opportunity for the Commonwealth Government. Duplicative project assessment processes must be removed, and the Commonwealth Government should work closely with State governments to encourage accelerated approvals.

## **Australia must deliver efficient mining approvals to attract investment in a competitive global market**

The International Energy Agency (IEA)<sup>2</sup> provides a simple playbook to drive investment in critical minerals for resource rich countries:

*“... resource-owning governments can support new project development by reinforcing national geological surveys, **streamlining permitting procedures to shorten lead times**, providing financing support to de-risk projects, and raising public awareness of the contribution that such projects play in the transformation of the energy sector.”*

It is critical that Australia positions itself to take advantage of these opportunities. If projects are unduly delayed, or the regulatory environment becomes too risky, investment opportunities will simply go elsewhere – including to jurisdictions with lax environmental regulation – and Australia will miss out.

## **Mining operations are subject to robust assessment. Duplicative assessment processes compromises investment without improving community, environmental or economic outcomes**

The terms of reference consider the coordination and respective roles of local, state and Commonwealth governments in the assessment of critical mineral projects, as well as the effectiveness of engagement with local communities, Traditional Owners and other stakeholders.

In response, we emphasise that mining operations are the cornerstone of many regional communities. They provide well paid jobs and provide the foundation for sustaining local businesses, services and infrastructure. Project proponents undertake extensive engagement with communities and Traditional Owners throughout approval, operations, and closure of a project. We encourage the inquiry to recognise the world-leading assessment and consultation processes for Australian mining projects, as well as the need to remove inefficiencies from current approval processes so projects can be delivered sooner and along with the benefits to regional communities and the national economy.

The modern regulatory framework for mining involves assessment and advice from multiple government agencies at both the State and Commonwealth levels. Independent experts are engaged to peer review sensitive aspects of projects and critique assessment reports commissioned by proponents. Independent regulators such as the Environmental Protection Authority, Resources Regulator and Natural Resources Access Regulator monitor ongoing compliance.

Local communities and First Nations people are engaged during the assessment processes to ensure their views are heard and addressed. After several years of baseline studies, formal assessment processes typically take years and involve multiple iterations of project design in response to feedback from communities, Traditional Owners, government agencies and independent experts.

Where approval is granted, projects are subject to extensive conditions and require numerous secondary approvals, as well as detailed operational plans demonstrating compliance with consent requirements. These conditions comprehensively address environmental, cultural, social, health and economic matters across the life of the project.

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<sup>2</sup> *IEA - The Role of Critical Minerals in Clean Energy Transitions*

We encourage the Standing Committee to consider findings of the Productivity Commission report<sup>3</sup> on regulating the resources sector. The report recognised the investment risk created through overregulation and identified almost fifty leading practices that, if adopted, would cut unnecessary delays without diluting regulatory objectives while simultaneously building more effective community engagement.

Findings of the report were delivered after a thorough assessment of best practice project approval and compliance processes in Australia and internationally. The 'key points' section of the report provides a compelling case for policy reform in Australia, particularly in light of recent commitments to grow our critical mineral exports. The key takeaways included:

- “regulatory processes in the resources sector remain unduly complex, duplicative, lengthy and uncertain, and may be becoming more so”
- “Improved co-operation and coordination between regulators, both within jurisdictions and between the Commonwealth and States, would reduce delays, duplication and inconsistency”
- “Leading regulatory practice supports an effective risk- and outcomes-based approach by regulators who: are accountable and transparent; follow clear and predictable processes”

The Commonwealth Government should increase cooperation and coordination with the State and Territory regulators and focus on opportunities such as bilateral assessments that reduce duplication, inconsistency, and delays.

### **The Commonwealth Government should provide transparent assessment of critical mineral projects regarding the ATSIHP Act**

The Commonwealth Government decision to override robust state level assessments and intervene in the McPhillamys gold project created an enduring investment risk in Australia. This risk has been exacerbated by the rapid growth of environmental groups, often government funded, intent on litigation to restrict mining projects regardless of their merit. A successful request for a 30-year suppression order on evidence regarding the decision to block the project missed an opportunity to provide clarity and transparency regarding the Commonwealth Government decision-making process, and did nothing to alleviate investor concerns.

The McPhillamys gold project had the support of the recognised Local Aboriginal Land Council, who were key advocates for the development through an exhaustive and robust NSW assessment process. It is concerning that a taxpayer funded activist group has undermined the voices of local Aboriginal communities who supported the project and effectively halted the project.

The Commonwealth Government should unwind its decision on the McPhillamys Gold Project, then implement changes that provide greater transparency in its decision making processes for Section 10 determinations under the Aboriginal and Torres Strait Islander Heritage Protection (ATSIHP) Act.

The Commonwealth Government should also consider broader reforms to its implementation of the ATSIHP Act, particularly;

- Improved criteria around who is able to make a Section 10 application
- Limiting the introduction of new material into the Section 10 assessment process (unless there are exceptional circumstances)
- Introducing time frames for each stage of the assessment process
- Better alignment with, or accreditation of, State development assessment processes (similar to EPBC bilateral assessments)

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<sup>3</sup> *Resources Sector Regulation - Study report*

- Public access to the decision making processes, and the assessment outcomes of applications

## **Regulations to operationalise EPBC reforms present an opportunity and risk to Australia's critical mineral ambitions**

The *Environment Protection Reform Act*, assented in 2025, introduced significant amendments to the EPBC framework. The Act risks prolonging statutory approval timeframes and increasing regulatory complexity and uncertainty for mining projects. These outcomes could compromise critical minerals investment and are contrary to the Commonwealth Government's objective of accelerating approvals and creating a more efficient regulatory system that is better for business. Key areas of concern include:

- The newly introduced unacceptable impact test is ambiguous and difficult to distinguish from the significant impact criteria and is likely to create a judicial review risk.
- The introduction of a net gain requirement that has not been defined.
- The introduction of climate disclosures which duplicate reporting mandated under the National Greenhouse and Energy Reporting Act as well as NSW assessment processes.
- Retaining the 'water trigger' despite the Commonwealth Government commissioned Independent review finding the trigger "results in regulatory inconsistency". While the trigger generally does not apply to critical minerals projects it does not demonstrate a commitment to reduce regulatory inconsistencies and burden.

Whilst the Government acknowledges the need to accredit state based assessment and approvals, there is still significant uncertainty around how alignment with the state based regimes will occur. This is a direct risk for obtaining approvals in an efficient and timely manner.

We encourage the Standing Committee to recommend the Commonwealth Government consider its commitment to more efficient planning assessment processes when developing the National Environmental Standards and regulations supporting implementation of the *Environment Protection Reform Act*. These supporting documents provide an opportunity to improve project assessment timeframes and help deliver Australia's critical mineral ambitions, but also present a material risk of extending and complicating project assessments.

## **Growing production is the catalyst for job opportunities and skills development**

We commend the Commonwealth Government's ambition to "strengthen workforce participation, skills development, and employment pathways, particularly in remote and Indigenous communities".

Mining is a major employer of Indigenous people and integral to many regional communities across New South Wales. The NSW Minerals Council's annual Expenditure Impact Survey quantifies the sector's substantial economic contribution. In 2024–25, mining and exploration supported more than 35,000 jobs and spent \$14.2 billion with local businesses across the state. In regional areas with higher Indigenous populations, mining provides critical and sustaining employment opportunities. For example, the sector accounted for 34.8 per cent of all employment in the Far West, 28.2 per cent in the Hunter, and 19.6 per cent in the Central West.

There are a number of critical minerals and strategic metals projects at various stages of assessment in regional NSW, with a combined value of over \$2 Billion and the potential to create well over 2,000 jobs. Improving policy settings to ensure timely and efficient assessment of these projects is essential to attracting investment that can build on their significant economic and employment benefits.

The NSW Minerals Council and its members work closely with Indigenous communities to support Aboriginal-owned businesses and increase Indigenous employment, often through formal

commitments such as Reconciliation Action Plans. For example, Whitehaven<sup>4</sup> has achieved more than 10 per cent Indigenous employment across its workforce, with even higher participation at the Maules Creek Mine (14%) and the Vickery Mine (16%), reflecting the positive outcomes that sustained, community-led engagement can deliver.

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<sup>4</sup> [Whitehaven, Sustainability Report 2025](#)