Investing in cheaper, cleaner energy and the net zero transformation – Interim Report

Submission by: The Alliance for Responsible Mining Regulation (ARMR)

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Introduction

The Alliance for Responsible Mining Regulation (ARMR) is a coalition of community groups and individuals interested in improving the regulation of mining and quarry industry in the State of Victoria, Australia.

ARMR Vision Statement

ARMR supports financially viable and responsible mining with adequate regulation that is enforced in a timely and effective manner but will oppose proposals that threaten to destroy productive agricultural land, water resources, or negatively impact environmental and human health or that fail to obtain social licence.

Until such time as it can be proven to ARMR's satisfaction that the responsible authorities are regulating existing mines effectively ARMR will strongly oppose any new proposals in Victoria.

Overview

There is no doubt that climate change is a serious existential threat to all life. However, emissions reduction comes at a significant cost.

Therefore, the proposition that lowering emissions will reduce the damage from climate change must account for the environmental, social and economic costs of renewables infrastructure. These costs must include the relatively short lifespan of wind and solar infrastructure before replacement is needed and the costs of expanding critical minerals mines which, if successful, still take at least 15 to 20 years from discovery to production and longer to realise any profit, most of which goes to the company. Mineral sands mines which produce rare earths also have a short lifespan of 20 years approximately.

Assurances that the Net Zero strategy "*will bring benefits in the form of less damage from climate change and help realise Australia's international climate commitments – most importantly the goal of net zero emissions by 2050*" ignore the fact that there is no easy or speedy path to reducing emissions.

ARMR has gathered enough scientific evidence to know that mining in Victoria is a threat to our environment, agricultural productivity and human health and wellbeing. Given ARMR'S key focus is on mines and, to some extent, quarries, this submission is largely confined to problems related to minerals sands mining of rare earths, deemed 'critical minerals' due to their importance in the manufacture of the wind and solar components needed for the renewables transition. It is, therefore, surprising that the Productivity Commission's Interim Report is silent on the mining of rare earths. Consequently, this submission aims to address its problems.

Although ARMR supports some of the recommendations in the Discussion Paper, even if only in part, others are counterproductive to a fair and just transition.

ARMR Recommendations

ARMR supports "*research and development; designing and regulating markets; helping businesses build their capacity to measure and reduce emissions; addressing behavioural or market gaps; enabling access to complementary infrastructure*". However, when it comes to "***assisting communities to adjust to change*"**, this does not mean bullying, coercing, or threatening communities or individuals to change. Communities will only change when there is social licence.

ARMR supports "*developing* [and applying] *national target-consistent carbon values***.**" There must be a price on Greenhouse Gas Emissions (GHGs) but this must not come at any price.

ARMR strongly opposes the reform of national environment laws "*to expedite approvals for clean energy projects*" (Draft recommendation 2.1) because this will only lead to further environmental destruction and regional-rural community harm.

ARMR opposes Draft recommendation 2.4 to consider the impacts of environmental and other regulatory approvals for infrastructure projects on the energy transition because it takes too long to develop energy infrastructure. Watering down environmental regulation is detrimental to the protection and enhancement of our unique environmental assets – water, soils, biodiversity and ecosystems. ARMR'S experience is that the health of, even viability, of our environment is being sacrificed for dubious and contentious mineral sands mining projects.

ARMR supports strict environmental protection and biodiversity national standards that are consistent and uniform, to which all states and territories must adhere.

ARMR supports the provision of accessible, high-quality information about the environment and past assessment decisions and their environmental impacts.

ARMR supports the findings of the Australian National Audit Office (ANAO June 2020) report which found that offsets cannot compensate for lost *in situ* habitat. Threatened and vulnerable species and ecosystems are at particular risk. Trading biodiversity loss in rural Australia for money does not protect critical habitat and encourages more land-clearing, already a major contribution to Australia's emissions.

The ANAO Report, Summary and Recommendations, No. 10 concluded:

"*Referrals and assessments [under the EPBC Act] are not administered effectively or efficiently. Regulation is not supported by appropriate systems and processes, including an appropriate quality assurance framework. The department has not implemented arrangements to measure or improve its efficiency.*"

ARMR recommends that a regional approach be taken to mine licence approvals which include all cumulative impacts of mining across the landscape, not those of a single mine.

ARMR supports 'No Go Zones' to protect productive agriculture and the environment.

ARMR supports the inclusion of embodied emissions, that is, all Scope 1, 2 and 3 emissions in the cost of reducing emissions. Emissions reduction strategies should be included as a condition of a mining licence and for solar and wind projects.

ARMR supports the inclusion of externalities, e.g. environmental assets, human health impacts, which are excluded from community net benefit/disbenefit analysis.

ARMR supports a focus on the emphasis of recycling of e-waste as paramount policy, not new mines. We cannot afford to discard e-waste to landfill. New technologies enabling the recovery of metals from ores and waste material sources are advancing[1]. E-waste recycling is essential to a renewables transition which is environmentally and socioeconomically sustainable.

ARMR opposes taxpayer-funded subsidies to rent-seeking mining companies who lack insufficient finances to fund their mine proposals. including rehabilitation, which is rarely, if ever, done, leaving taxpayers to pick up the tab.

ARMR supports the setting of clear expectations about engagement with local communities and Aboriginal and Torres Strait Islander people.

ARMR supports stronger regulation of all mining, wind and solar projects that includes scientifically rigorous environmental monitoring and public reporting of adverse impacts as a regulatory condition.

ARMR recommends the appointment of a national regulator to implement legislative reform that would strengthen regulation and compliance.

The Race for Critical Minerals

The State Government's *Roadmap to Critical Minerals* claims that Victoria has "*the potential to be a major player in ethically produced critical minerals from our significant mineral deposits*". Its promised dreams of enormous economic wealth and prosperity are ill-founded. There is plenty of evidence that a new mine takes 15 to 20 years from approval to actual operations, and more years to reach a profitable situation. Many companies never become profitable but are persistent rent-seekers eager to live off government taxpayer-funded subsidies.

Furthermore, only a couple of Victorian gold mines have made any significant profits for their foreign-owned companies. Royalties have been negligible. Before January 2020, the gold royalty was ZERO. It is now only 2.75% on net market value with the first 2500 ounces exempted. As for jobs, which are often the trade off for lower royalties, mining jobs per mine average less than 1000, but under 500 for the junior mineral sands mine companies.

Regional Planning and Social Licence for Victoria

A huge challenge, which the Victorian government acknowledges, is that regional Victoria is closely-settled. Its land is primarily under agriculture which contributes a significant and sustainable contribution to the state and national economy. The state government's aggressive facilitation of "critical minerals" (i.e. mineral sands) mining by inexperienced and non-financial junior companies, which have no prospects of ever yielding profits for the taxpayers, is incomprehensible. In direct contravention of the Commonwealth Critical Minerals Strategy and Made in Australia policy the Victorian government has granted licences to companies knowing they plan to sell what ore they recover to China.

Rationale for 'No Go Zones'

'Go Zones" must only be declared where there is social licence founded on full, proper and fair community acceptance of them and where there are clear and genuine shared community benefits for all. ARMR finds that promised community benefits are pitiful and often never delivered.

[1] See, for example, Metallium Ltd (ASX:MTM)

Country Victorians are being slammed with a double blow from wind and solar projects **and** mineral sands mining. The practice where one landowner receives a financial benefit but her neighbours do not is unfair and incites significant community conflict. Conflicts between residents and farmers are growing, dividing friends and communities.

‘No Go Zones’

Likewise: ‘No Go Zones’ must also be declared. There can **only** be “*stricter statutory deadlines for assessing projects”* in ‘Go Zones’ when community and landowners genuinely approve Renewable Energy Zones (REZ) and the mechanisms for their monitoring and management are properly regulated.

However, ‘Go Zones’ must be sufficiently separated from ‘No Go Zones’ to protect the viability of existing agricultural businesses close by. For example, in July 2019, the Minister for Resources, Jaclyn Symes, exempted 4000 hectares of prime irrigated horticultural land, which produces a large part of Australia’s domestic fresh vegetables,[2] from mining and minerals exploration. Unfortunately, at the time, the proposed Kalbar Fingerboards mineral sands project, barely 150 metres away, was subject of an Environment Effects Statement (EES). After the Minister for Planning, Richard Wynne, ruled the environmental effects were “*unacceptable*” due to—among 49 matters—the impacts of radioactive silica dust and toxic chemicals on the vegetables, Kalbar Pty Ltd, now renamed Gippsland Critical Minerals, received a Retention Licence to resurrect the project.

The threat of this mine over the past eleven years is causing intense and sustained stress and anxiety. Local farmers and communities are living in a hellish limbo. To exempt prime horticultural businesses, which employ 2000 people, from mining and then facilitate a mine that will ruin them is irrational. Food production must be quarantined from mineral sands mining by at least a 20 km buffer. They cannot safely coexist any closer.

In addition, this mine threatens the health of the Ramsar Gippsland Lakes, already under serious and protracted stress from human activities.

No Social Licence

A huge challenge—which the Victorian government acknowledges - is that regional Victoria is closely-settled and its land is primarily under agriculture. The Victorian Mining Act (MRSDA 1990) gives companies the right to appropriate land for mining. If landowners refuse entry, the company can appeal to VCAT but only concerning financial compensation.

The ***National Electricity (Victoria) Amendment (VicGrid Stage 2 Reform) Bill 2025*** includes the imposition of fines up to $12,210 on landowners who refuse entry to wind and solar companies and possible imprisonment for non-payment.[3] This draconian measure is a breach of international human rights law and a denial of citizen’s democratic rights. It entrenches community hostility to the transition and could delay projects due to litigation, including lengthy class actions.

The state government’s callous concern for the welfare of the evicted farmers is causing significant emotional and psychological anxiety among the farming communities. The anger, despair and fear felt by those losing their homes and facing business losses when farms are compulsorily acquired for solar and wind farms or mineral sands is leading to suicidal ideation

[2] https://www.premier.vic.gov.au/gippslands-foodbowl-safe-farmers-win-certainty
[3] https://www.instagram.com/reel/DN9VJqTEzRD/ - Wendy Lovell MP, Amendment Bill debate: “*Under this new law, the Allan Labor Government has stripped farmers and landowners of their property rights and imposed fines of up to $12,210 for those who resist forced entry on to their land.*”

and suicide attempts are rising among farmers already known to have a very high suicide rate nationally.

Agricultural Land Must Be Protected

"*Victoria is Australia's largest producer of food and fibre products, and these make up over half of Victoria's total product exports*."[4]

"*The Loddon Mallee North region's economy is driven by its competitive advantage in agriculture*. Its "*economy is one of the most globally linked and affected parts of Victoria… Conducted for several generations in this region, "the agricultural industry has demonstrated resilience and capacity to adapt in the face of significant climatic, economic and policy challenges."*[5]

Land is being removed from productive agriculture and replaced with high GHG emitting industrial mining which irreversibly pollutes our atmosphere, waterways, aquifers, soils and damages our unique ecosystems and biodiversity. Further examples[6]:

Avonbank mineral sands mine

In 2024, against all scientific evidence, Sonja Kilkenny, the Minister for Planning approved WIM Resource's Avonbank mineral sands mine near Horsham in the Wimmera. This mine is in the middle of a highly-productive lentils cropping area. As part of this approval, the Minister allowed the Wet Concentrator Plant to be constructed outside the designated mine site adjacent Farm Frite Australia's newly-established potato products processing factory, despite WIM Resource's admission in their EES reports that this was a prohibited use and development under the Victorian Planning Provisions. ARMR's vehement objection to this perversion of the planning regulations was dismissed. Due to poor and dishonest community consultation, affected farmers did not learn until after the EES process that they stood to lose their homes and farm businesses. The Avonbank mine seriously disrupts their operations and puts at risk their considerable business investments—high-tech machinery costs millions of dollars.[7]

Goschen mineral sands mine

Minister Kilkenny also approved ASX: VHM's mineral sands mine in 2024, which was subject of an EES because it was a controlled action under the EPBC Act and Matters of Environmental Signficance (MNES). This mine will permanently erase some of the most fertile cropping land - the Cannie Ridge in the Mallee. It also threatens the viability of the aquifer and waterways which flow all the way to the Ramsar Murray Darling Basin. The pollution of the Murray with heavy metal toxins will decimate its ecosystems and biodiversity and harm irrigators and even Adelaide's water supply. VHM estimates the mine life will be barely 20 years, if that. Mining is not a long-term sustainable industry like cereal cropping.

Food Security – A Matter Of National Interest

Australia prides itself on its international reputation for growing "clean, green" healthy food. Reputation is hard won and easily lost. Consequently, the Commonwealth Government understands that food security is a matter of national interest (as attested by DAFF's current National Food Security consultation, deadline 24 September 2025). That the Victorian

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[4] https://agriculture.vic.gov.au
[5] Loddon Mallee North Regional Growth Plan, pp 10, 18, 19, 27/80
[6] https://www.abc.net.au/news/2024-12-10/mineral-sands-mines-swan-hill-horsham-environmental-approval/104707930
[7] https://www.abc.net.au/news/2024-11-16/land-may-be-acquired-wim-resource-avonbank-mineral-sands-mine/104601848

government is allowed to jeopardise our national interest by bringing reputational harm to Australia is scandalous.

When estimating economic viability of agriculture versus mineral sands mining, the unspecified cost of the consequent permanent loss of unrehabilitated farmland and lost agricultural revenue must be included.

The economic impacts would be so significant as to destroy rural/regional communities which depend on agriculture and tourism. As it stands, many thousands of hectares are contaminated with heavy metals or remain unrehabilitated post-mining, causing subsidence and destroyed soil biota and structure, making them unable to return to their former productivity.

Retired Air Vice Marshall ADF John Blackburn, now Chair of Integrated Economics Research, said on ABC radio (3/8/23), that food is much more important to our national security than the AUKUS subs because food shortages in neighbouring countries would threaten regional harmony.

Commonwealth Critical Minerals Strategy and Made in Australia Policy

The Albanese plan to process our rare earth Heavy Metals Ore (HMC) in Australia is not feasible. Its boasts that critical mineral mining is a well-paid occupation that will drive productivity and living standards. However, Australian miners cannot compete with China's state-sponsored critical mining processing industry and its excessively low labour costs. Ambitions to build our own refineries cannot be realised without large taxpayer subsidies. Subsidising unprofitable ventures is an unacceptable and foolish drain on the government budgets. It is fiscally unsustainable and must not be countenanced.

Regulatory Oversight

ARMR is extremely concerned at Victoria's poor record of regulation of mines and quarries. Recent legislative changes have significantly weakened the regulators' powers:

- The EPA Vic General Environmental Duty (GED), which relies on self-reporting substantially transfers the EPA's regulatory duties to the mining company.
- The Mineral Resources (Sustainable Development) Amendment Act 2023 eliminates the need for mining companies to have Work Plans. The new Act has replaced the words 'sustainable development' in its title to 'extraction' which infers that mines no longer needs to comply with the principles of environmental sustainable development.
- Planning Scheme Amendment VC242 transfers regulatory responsibilities from ERR to local government councils who have neither the resources nor expertise to perform this role, especially the monitoring and management of mineral sands heavy metals ore (HMC) which being radioactive require ARPANSA licensing.
- Certain mining projects can be approved by Invest Victoria which has no mineral sands mining expertise, including about radioactive ores.

ARMR opposes fast-tracking of any mining or solar/wind projects. Even projects in 'Go Zones' have environmental and social impacts.

Public Liability Insurance Risk

Landowners whose farms are occupied for mines and solar/wind farms may find themselves liable for actions caused by the company, even after project closure. The practice of onselling licences also raises the question as to whether liabilities are transferred to the buyer or become the landowner's onus. Where insurance indemnification lies is a serious legal question. As it stands, affected landowners may find they not only lose their homes and businesses but find themselves bearing the financial burden of insurance claims for events not of their making. Just who is responsible in the event of default must be clarified **before** approvals are granted.

Conclusion

There must be an equitable and measured approach to the renewable energy transition. Regional communities are currently bearing all the downsides of the renewables transition, whereas urban residents will reap the benefits. Country people are being trampled in the frantic race to Net Zero. This is a violation of their human rights, grossly undemocratic and cruel.

As Ken Henry said in his address to the National Press Club address, 16 July 2025, economic productivity depends on a healthy and thriving environment. This is well-understood. To give precedence to an energy project that "*will have a significant impact on a matter of national environmental significance*" is shocking.

The *Environment Protection and Biodiversity Conservation Act 1999* (Cth) must be strengthened to give stronger, firmer powers for protecting environmental assets, including endangered and vulnerable species. No matter how important a project is to Australia's clean energy transition, it is illogical and counterproductive to destroy our environment in the process. We cannot kill the environment in the name of arresting climate change. A healthy environment is an essential and proven aspect of climate action.[8]

Tragically, the hope of holding global temperatures to 1.5 degrees is slipping away; so building resilience through reducing emissions is vital. But bull-dozing the rights of country people and polluting rural environments is not the way. A sustainable transition plan must invite consensus. It must deliver meaningful benefits to country people and communities for bearing the transition load. Compromises must be sought. To avoid disruptions to agriculture, transmission lines should be put along roads instead of across paddocks.

Country people must share in the productivity benefits of a healthier population and improved quality of life. If this does not happen, their resistance and alienation from the Australian polity will worsen. This is a fact that a wise and compassionate governments could not ignore.

[8] See for example, the documentary *The Forest* (ABC TV) which explains how intact forest ecosystems are the best carbon sequestrators