



# **Future Made in Australia Community Benefit Principles**

**Submission by First Nations Economics**

January 2026

## Acknowledgement of Country

First Nations Economics acknowledges the Aboriginal and Torres Strait Islander Peoples as the First Peoples and Traditional Custodians of Australia, their lands, seas, and skies.

Our offices are located on the traditional lands of the Gadigal and Wangal clans of the Eora Nation in Camperdown, the traditional lands of the Bundjalung Nation in Lennox Head, and the traditional lands of the Whadjuk Noongar people in Perth, Western Australia.

We have staff on the lands of the Larrakia, the Yuggera, the Wurundjeri Woi-wurrung, and the Bunurong / Boon Wurrung peoples. We pay our respects to the Elders of these lands, past and present, and thank them for their ongoing custodianship of Country.

We acknowledge that sovereignty was never ceded. These lands, waterways and skies are, and will always be, sovereign Aboriginal and Torres Strait Islander lands

## Executive Summary

First Nations Economics (FNE) welcomes the opportunity to comment on the Future Made in Australia Community Benefit Principles (CBPs). FNE is an Aboriginal-led, Supply Nation-registered charity providing independent professional advisory services, dedicated to walking alongside First Nations communities to achieve their self-determined prosperity.

Drawing on extensive advisory experience with Traditional Owners and First Nations organisations, as well as applied analysis of operational participation and benefit-sharing models in Australia and internationally, this submission identifies material risks in the practical implementation of the CBPs.

A central concern is that, as currently framed, the CBPs risk equating community benefit with the completion of engagement activities or the delivery of discretionary contributions, rather than with participation that enables First Nations communities to influence how economic value is created, governed, and shared over time. Evidence across jurisdictions consistently shows that where engagement occurs after key commercial, procurement, and governance decisions are made, outcomes are limited to short-term or transactional benefits with little enduring impact.

This submission discusses minimum requirements, which, while necessary, are insufficient if treated as end-point metrics rather than pathways to participation. It further contends that threshold requirements should raise expectations for structural participation and decision-making influence in higher-impact projects, rather than relying on increased numerical targets that do not alter underlying power or value distribution.

International experience demonstrates that more enduring outcomes are achieved where participation is embedded early. Without clearer emphasis on timing, decision points, and enabling conditions, the CBPs risk incentivising procedural compliance rather than delivering meaningful community benefit. Strengthening the Principles along these lines is essential if they are to achieve their stated intent for Traditional Owners and First Nations communities.

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## 1. About First Nations Economics

First Nations Economics (FNE) is an Aboriginal-led, Supply Nation-registered charity dedicated to walking alongside communities to achieve their self-determined prosperity. Our professional services specialise in First Nations participation, governance, and shared-value design in major investment contexts. Our work focuses on the interface among First Nations rights and interests, public investment frameworks, and projects that deliver net-zero benefits to Aboriginal and Torres Strait Islander communities.

FNE works alongside Traditional Owner groups, Aboriginal corporations, governments, and proponents to support informed participation in economic decisions. Our role is to provide strategic economic advice, applied analysis, and system-level insight to help design participation pathways that move beyond consultation and transactional benefit-sharing toward enduring economic participation, decision-making influence, and long-term value creation.

Our approach recognises that investment on Country is not only a technical or commercial exercise. It is also an intergenerational economic decision with implications for community wealth and broader prosperity. Effective participation, therefore, depends on alignment between commercial logic, policy intent, and First Nations governance systems.

FNE's authority to comment on the CBPs is supported by extensive advisory experience supporting First Nations organisations engaging with large-scale infrastructure and clean energy investments. Through this work, FNE has undertaken applied analysis of First Nations operational participation and benefit-sharing models used domestically and internationally, including in Australia, Canada, the United States, and Aotearoa New Zealand. This analysis has focused on implemented mechanisms rather than aspirational models, assessing them for legal operability, financial viability, governance readiness, and scalability.

Across this body of work, FNE has observed consistent patterns in what enables economic outcomes for First Nations communities. Outcomes are stronger where:

- First Nations communities are involved early, before commercial, procurement, and governance settings are finalised;
- Participation is structured through equity, revenue-linked benefit sharing, or formal governance roles, rather than discretionary community contributions;
- Governance arrangements recognise cultural authority and provide genuine influence over decision-making, not merely advisory input.

Conversely, where engagement occurs after key project decisions are made, benefits tend to be limited to short-term employment, training programs, or community grants, with little enduring influence over value distribution or strategic direction.

The evidence used in this submission is practice-informed. It draws on:

- FNE's advisory experience supporting Aboriginal and Torres Strait Islander organisations to engage with proponents and governments in complex commercial and policy environments;
- Comparative analysis of First Nations economic participation models across multiple jurisdictions;
- Governance and investment-readiness frameworks developed through applied economic advisory work.

This evidence illustrates implementation risks and enabling conditions relevant to the CBPs, without assessing individual projects, setting targets, or modelling compliance. It provides system-level insight into how effectively applying the CBPs can support genuine participation, shared value, and long-term economic agency for Traditional Owners and First Nations communities.

## 2. What *Community Benefit* means under the CBPs

Under the CBPs, *community benefit* should be understood as economic participation and influence, not as discretionary social contributions or consultation activities.

From a First Nations perspective on economic development and governance, community benefit is not measured by the number of engagements conducted, the commitments outlined, or the supplementary programs introduced. Rather, it is defined by communities' ability to influence decisions about how value is created, distributed, and maintained over time.

Across our advisory work supporting First Nations organisations engaging with major infrastructure and transition-related investments, outcomes materially differ depending on *when* and *how* communities are involved. Where First Nations participation occurs before commercial, procurement, and governance settings are finalised, communities can influence supplier pathways, contracting structures, governance arrangements, and longer-term economic participation, including enterprise development, revenue sharing, and ownership pathways. In these contexts, benefits tend to be more durable, aligned with community priorities, and capable of supporting intergenerational outcomes.

On the other hand, where engagement occurs after key project decisions are already locked in, benefits are typically limited to short-term employment, training programs, or community contributions. While often well-intentioned, these measures rarely alter underlying value distribution or provide communities with meaningful influence over strategic outcomes. This pattern is observed across sectors and jurisdictions and reflects a structural issue rather than isolated project behaviour.

To achieve the intent of the CBPs, implementation guidance should distinguish clearly between consultation as an activity and participation that demonstrably shapes decisions and outcomes.

Without this distinction, there is a risk that “community benefit” becomes synonymous with compliance activity rather than a mechanism for enabling genuine economic participation and shared value.

## 3. Minimum and Threshold Requirements

### 3.1 Minimum requirements (Q2)

Minimum requirements are an appropriate and necessary baseline for applying the CBPs. They establish a common expectation that proponents receiving public support demonstrate attention to workforce, community engagement, and local participation considerations.

However, there is a risk that minimum requirements become compliance-driven if framed primarily as end-point metrics rather than as pathways to participation. Proponents are often able to meet minimum employment, procurement, or engagement commitments without materially altering project design, governance arrangements, or long-term economic outcomes for affected communities. This typically occurs where minimum requirements are treated as discrete deliverables, assessed independently of whether they enable communities to influence decisions that shape value creation and distribution.

In these circumstances, minimum requirements may demonstrate activity but not necessarily benefit. Employment targets can be met through short-term or lower-value roles, procurement commitments satisfied through intermediaries, and engagement processes conducted without affecting commercial or governance settings.

This does not suggest that minimum requirements are ineffective. Rather, it highlights that they are necessary but not sufficient to demonstrate genuine community benefit, particularly for Traditional Owners and First Nations communities. Implementation guidance should therefore make explicit that minimum requirements represent a baseline expectation only, and that decision-makers should consider whether they function as entry points to meaningful participation rather than as a substitute for it.

### 3.2 Threshold Requirements (Q4)

Threshold requirements offer an important opportunity to raise expectations when the scale, impact, and level of public investment associated with a project are greatest. From our perspective, threshold requirements should strengthen expectations around participation and influence, not simply increase the volume of commitments or reporting obligations.

Practice-informed evidence and comparative analysis indicates that higher-impact infrastructure and clean energy projects are most likely to deliver enduring community benefits where First Nations

participation extends beyond employment and procurement into decision-making and economic positioning. This may include equity participation, revenue-linked benefit sharing, or formal governance roles that enable communities to influence strategic outcomes throughout a project's life.

In contrast, simply increasing numeric targets, such as higher employment or procurement percentages, does not necessarily change the underlying distribution of risk, reward, or decision-making power. In some cases, higher targets can entrench transactional approaches if they are not connected to broader participation pathways.

Internationally, higher-impact projects increasingly require proponents to demonstrate First Nations participation at the level of ownership or governance as a condition of public support<sup>1</sup>. These approaches have proven more effective at delivering long-term economic participation and community confidence than reliance on workforce or supplier metrics alone<sup>2</sup>.

Threshold requirements under the CBPs should therefore explicitly escalate expectations for structural participation where project impacts are greatest. This does not require prescriptive models or mandated targets. Rather, guidance should signal that higher levels of public support warrant clearer articulation of how Traditional Owners and First Nations communities will participate in decision-making and share in long-term economic value.

## 4. Principle 4 – Participation and Benefit Sharing in Practice

Principle 4 recognises that Traditional Owners and First Nations communities should be supported to participate in, and share in the benefits of, the transition to net zero. The effectiveness of this Principle depends on whether participation is treated as structural and enduring, rather than discretionary or symbolic.

### 4.1 Ensuring Communities Benefit (Q9)

International experience shows that First Nations communities benefit most from large-scale infrastructure and clean energy investment when participation is embedded structurally, rather than delivered through downstream or discretionary measures.

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<sup>1</sup> Canadian renewable energy policy frameworks supporting Indigenous equity participation, including the *Ontario Feed-In Tariff (FIT) Indigenous Price Adder* and provincial programs supporting Indigenous ownership in wind, solar, and hydroelectric projects.

<sup>2</sup> See evaluations of Indigenous equity participation and Impact Benefit Agreement (IBA) models in Canadian clean energy and infrastructure projects, which demonstrate stronger long-term economic outcomes than employment or procurement targets alone.



Across international jurisdictions, higher-impact energy and infrastructure projects increasingly involve First Nations communities in shaping procurement pathways, commercial structures, and governance arrangements before project approvals and investment decisions are finalised<sup>3,4</sup>. In these contexts, First Nations businesses are positioned to participate beyond entry-level contracting, and communities can influence long-term economic outcomes through ownership, revenue-linked benefit sharing, or formal governance roles<sup>5</sup>.

Alternatively, where engagement occurs later in the project lifecycle, as remains common in Australia, benefits are typically limited to short-term employment, training programs, or community contributions<sup>6</sup>. While these measures can deliver immediate outcomes, our international comparative analysis indicates that they rarely provide enduring influence over value distribution or strategic decision-making.

Community benefit under Principle 4 should therefore be assessed not by the presence of activities or commitments, but by whether communities are positioned to participate economically over the life of a project and beyond.

## 4.2 Supporting Traditional Owner Engagement (Q11)

International practice also demonstrates that meaningful participation depends on addressing capacity and power asymmetries between proponents and Indigenous rights-holders.

In jurisdictions such as Canada and the United States, First Nations participation in major energy and infrastructure projects is often supported by access to independent technical, legal, and financial advice, as well as financing mechanisms that reduce risk exposure for communities<sup>7</sup>. These supports enable First Nations organisations to engage as informed economic participants rather than as consultees responding to predetermined proposals.

By comparison, Australian Traditional Owner representative bodies are frequently expected to engage in complex commercial and technical discussions without equivalent access to independent advice or

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<sup>3</sup> Examples include Indigenous equity partnerships in Canada's *Henvey Inlet Wind Project* (Ontario) and *K2 Wind Project*, where First Nations participated in project ownership and governance prior to financial close.

<sup>4</sup> Australian examples include early-stage Traditional Owner engagement associated with large-scale renewable energy and transmission proposals in northern and western Australia, such as the Australia-Asia PowerLink (Sun Cable) project, where engagement with Traditional Owner groups commenced prior to finalisation of project design, governance, and commercial settings.

<sup>5</sup> In Aotearoa, iwi involvement in governance and ownership arrangements for infrastructure and energy projects—such as *Waikato-Tainui's energy and infrastructure investments*—reflects a system expectation of early Māori participation in decision-making affecting land and economic interests.

<sup>6</sup> Australian experience in large-scale renewable energy and infrastructure proposals indicates that where Traditional Owner engagement occurs after key commercial and governance parameters are established, benefit-sharing has tended to focus on employment, training, or community contribution measures, rather than on longer-term economic positioning.

<sup>7</sup> In Canada and the United States, Indigenous participation is supported through mechanisms such as the *Canada Infrastructure Bank Indigenous Equity Initiative*, loan guarantees for First Nations energy ownership, and US tribal energy financing and technical assistance programs administered through the Department of Energy.

resourcing<sup>8</sup>. While engagement may be procedurally documented, international evidence suggests that, without these enabling conditions, participation is substantively constrained, limiting communities' ability to influence outcomes aligned with their economic and governance priorities.

### 4.3 Genuine Engagement and Unintended Consequences (Q12)

International experience also shows that late-stage engagement generates predictable, limited outcomes. Comparative analysis shows that where First Nations engagement is introduced after project approval or major investment decisions, benefits are typically confined to short-term employment or community programs, regardless of jurisdiction.

International models mitigate this risk by clearly defining early decision points at which First Nations participation must occur, particularly for projects with significant land, economic, or cultural impacts<sup>9</sup>. In Australia, where engagement typically occurs after project parameters are largely fixed, transactional benefit-sharing approaches persist, particularly in regional and remote areas experiencing rapid investment driven by transition.

These outcomes are not the result of individual project failure, but of system design that does not prioritise timing, influence, or participation pathways.

## 5. Future Made in Australia Plans (Q16)

Future Made in Australia plans will play a critical role in translating the CBPs from intent into practice. Their effectiveness depends on whether they demonstrate how participation and benefit sharing will occur, rather than simply asserting that commitments exist.

International experience indicates that transparency and accountability are strongest where plans articulate the logic and mechanisms through which communities participate in decision-making and share in long-term value. Plans that focus primarily on listing activities or high-level commitments provide limited insight into whether community benefit outcomes are likely to be durable or influential.

Practice-informed evidence suggests that plans are most effective where they clearly set out:

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<sup>8</sup> Australian experience in large-scale, transition-related infrastructure and renewable energy proposals—such as the Western Green Energy Hub in Western Australia—illustrates the extent to which Traditional Owner representative bodies are expected to engage in complex, multi-stage commercial and technical processes over extended timeframes, often without access to comparable independent advisory or financing support.

<sup>9</sup> Comparative analysis of Indigenous participation frameworks in Canada and Aotearoa shows that mandated early engagement and clearly defined participation points—often embedded in regulatory or funding conditions—reduce reliance on late-stage mitigation and transactional benefit-sharing.

- the participation mechanisms through which Traditional Owners and First Nations communities are involved;
- the benefit-sharing logic that links activities to economic outcomes over the project lifecycle; and
- the approach to monitoring whether participation pathways are functioning as intended.

In higher-impact projects, international approaches increasingly expect proponents to explain how participation occurs at key decision points, not only how outcomes are reported after the fact. This emphasis on process and influence supports public trust by making clear whether communities are positioned as participants in value creation or recipients of downstream benefits.

## 6. Enhancing the CBPs

Practice-informed and international experience supports the intent of the CBPs. At the same time, that evidence highlights design limitations which, if left unaddressed, risk constraining the CBPs effectiveness in delivering durable community benefit outcomes in a manner that is proportionate, transparent, and fair across different project contexts.

As currently framed, the CBPs risk combining community benefit with the completion of engagement activities, rather than with participation that shapes economic and governance outcomes. International experience shows that when benefits are assessed primarily through consultation processes or commitment lists, outcomes tend to be transactional, with limited impact on how value is created or distributed. Strengthening the CBPs to more clearly articulate participation as influence would help ensure that community benefit reflects substantive involvement in decision-making, rather than procedural compliance.

Practice-informed and international evidence also demonstrates that the timing of engagement is a primary determinant of outcomes. Where First Nations participation occurs after project approvals or major investment decisions, benefits are predictably limited to short-term employment or community programs. Conversely, more durable outcomes are associated with early involvement at key design and structuring stages. Explicitly recognising timing and decision points as core implementation considerations would strengthen the CBP's capacity to deliver meaningful outcomes, while preserving flexibility for proponents and communities to determine appropriate mechanisms.

While threshold requirements appropriately raise expectations for larger or higher-impact projects, international experience indicates that increasing numerical targets alone does not reliably improve outcomes. Stronger results are achieved where escalation reflects changes in economic positioning and governance participation, rather than simply higher volumes of activity. Clarifying that escalation

should focus on how participation and influence scale with project impact would support a proportionate and balanced application of expectations, aligned to risk and impact.

The effectiveness of Principle 4 is further constrained where Traditional Owner organisations are expected to engage in complex commercial contexts without access to independent advice or adequate resourcing. In such circumstances, participation may be procedurally documented but substantively constrained. International models recognise that meaningful participation depends on addressing these capacity and power asymmetries. Acknowledging this explicitly within the CBPs and associated guidance would support fairer and more effective engagement, without imposing uniform or inflexible requirements.

International experience also indicates that stronger participation and benefit-sharing outcomes are achieved where governments and proponents have access to First Nations-led economic and governance expertise at the design and implementation stages of major investment frameworks<sup>10</sup>. Such expertise supports early identification of participation pathways, alignment between commercial structures and cultural authority, and a more realistic assessment of what constitutes meaningful community benefit across different project contexts. Greater recognition of the role of First Nations-led advisors, operating independently of project delivery, would strengthen the practical application of the CBPs by mitigating implementation risk and reducing reliance on procedural compliance.

Future Made in Australia plans present a practical opportunity to operationalise these enhancements. Where plans are framed as accountability mechanisms rather than commitment lists, and clearly articulate participation mechanisms, benefit logic, and how influence is exercised across the project lifecycle, they can support greater transparency and public confidence while maintaining flexibility for proponents and communities to tailor approaches to local context

FNE supports the intent of the CBPs and welcomes the opportunity to contribute practice-informed, system-level insight to their refinement. The observations set out in this submission are intended to support effective implementation by strengthening clarity around participation, decision-making influence, and long-term value creation for Traditional Owners and First Nations communities. FNE welcomes continued engagement as the CBPs and associated guidance are finalised and applied in practice.

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<sup>10</sup> International experience, including Canadian federal and provincial infrastructure programs and Māori-Crown partnership models in Aotearoa, demonstrates the value of First Nations-led economic and governance expertise in shaping participation pathways, managing risk, and improving implementation quality.