

**SUBMISSION TO THE  
FUTURE MADE IN AUSTRALIA  
COMMUNITY BENEFIT PRINCIPLES CONSULTATIONS**

*Department of Industry, Science and Resources and Treasury*

Submitted by the

**Indigenous Reference Group**

for Northern Australia

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## **1. Introduction**

The Indigenous Reference Group (IRG) for Northern Australia welcomes the opportunity to contribute to the consultations on the Community Benefit Principles framework. This submission responds to both the Department of Industry, Science and Resources consultation on Future Made in Australia supports and the Treasury consultation on production tax incentives, given the common deadline and interconnected policy objectives.

The IRG was established to provide strategic advice to the Minister on matters affecting Indigenous communities across Northern Australia, with particular focus on economic development, workforce participation, and ensuring that major investment programs deliver lasting benefits to First Nations peoples. Our membership draws from Indigenous leaders, business owners, and community representatives across Queensland, the Northern Territory, and Western Australia.

Northern Australia comprises 53 per cent of Australia's landmass and represents a unique intersection of national priorities including the net zero transition, critical minerals development, renewable energy, and regional growth. First Nations people make up 17.4 per cent of northern Australia's population, compared to 3.1 per cent nationally, and Indigenous rights and interests cover 78 per cent of the north's land mass. This concentration of Indigenous population and land interests means that the effectiveness of the Community Benefit Principles framework will be tested most directly in northern Australia, where the intersection between major investment and Indigenous communities is most pronounced.

We approach this consultation with a clear proposition: the Community Benefit Principles can only achieve their stated objectives if they address the structural barriers that currently prevent Indigenous communities from participating meaningfully in the workforce opportunities these investments create. Our submission offers both a diagnosis of the current constraint and a pathway to genuine community benefit that serves both Indigenous self-determination and national productivity objectives.

## 1.1 Foundational Principles

The IRG recommends that the Community Benefit Principles made under the Future Made in Australia Act be grounded by the following foundations.

**First Nations value and priorities alignment.** Economic development must respect culture, identity, and long-term sustainability, and be embedded in First Nations capacities, knowledge, cultural informal economies and connection to Country. First Nations peoples bring critical capabilities foundational to emerging industries in the north, including local workforce and community leadership that strengthens regional stability, strong community networks enabling collaboration and shared resources, and resilience and adaptability grounded in generations of innovation in challenging environments. These are assets that Future Made in Australia investments should build upon, not bypass.

**Free, prior and informed consent.** Negotiation processes should uphold free, prior and informed consent to enable communities to move beyond short-term, transactional benefits towards co-ownership and transformational equity. This requires that Traditional Owner representative bodies have the capacity to engage from a position of informed capability, and that consent processes lead to genuine partnership rather than mere consultation.

**Equitable benefit sharing.** Profits, employment opportunities, and broader economic gains must be shared fairly with First Nations communities, particularly across regional and remote areas of northern Australia where development occurs. This extends beyond employment targets and procurement percentages to encompass equity participation, revenue sharing, and ownership stakes that create lasting community wealth.

**Local decision-making.** Regulatory settings should embed community leadership and aspirations, recognising First Nations peoples as active decision-makers, and purpose-custodians, not passive stakeholders, in all stages of project development, implementation, and evaluation. This includes meaningful participation in project governance, not merely consultation during approvals processes.

**Measurable and transparent outcomes.** Commitments should be accompanied by clear, transparent, and enforceable indicators to ensure outcomes are delivered

rather than remaining aspirational. This requires longitudinal data infrastructure capable of tracking whether commitments translate into lasting community benefit, and accountability mechanisms that respond to evidence of underperformance.

These principles should inform both the design of Community Benefit Principles requirements and the assessment of whether specific projects are delivering genuine community benefit.

## **2. The Productivity Constraint Limiting Future Made in Australia Returns**

Northern Australia is a major beneficiary of what is among the largest coordinated packages of government investment in Australian history. The region stands to gain from the \$22.7 billion Future Made in Australia program alongside \$20 billion in Rewiring the Nation investment, \$14-18 billion in Defence infrastructure, \$15 billion in transport infrastructure, \$12.6 billion under the National Skills Agreement, \$7 billion through the Northern Australia Infrastructure Facility, and \$2.4 billion in digital connectivity. The coordinated national and regional investment totals approximately \$100 billion over ten years, with a significant share expected to support northern Australia's growth and resilience.

This investment has demonstrated significant productivity potential. The Northern Australia Infrastructure Facility has generated a 7.7 times public benefit multiplier, delivering \$33.8 billion in public benefit from \$4.4 billion in committed investment. The critical minerals production tax incentive (\$7 billion), hydrogen production incentive (\$6.7 billion), and strategic Defence positioning (\$14-18 billion) position Australia advantageously in the global net zero transformation and amid supply chain reconfiguration.

However, these returns are constrained by a fundamental workforce pipeline failure. Analysis of Queensland government education data reveals systematic inefficiencies that undermine apparent completion rates and limit the pool of employment-ready workers available for infrastructure roles.

### **The Education Pipeline Failure**

Indigenous student retention presents the first constraint: 44.5 per cent of Indigenous Year 7 students in Queensland never reach Year 12, leaving only 55.5 per cent retention through secondary school. This compares to 17.6 per cent attrition for all Queensland students. The widely cited 94.5 per cent Year 12 completion rate measures only those students who survive to Year 12, masking the substantial earlier attrition.

Mathematics foundations present the second constraint. Of Year 12 survivors, only 12.3 per cent achieve A-grade performance in General Mathematics (2,507 of 20,439 students). Participation drops dramatically in STEM-enabling subjects: Mathematical Methods sees 43 per cent participation decline with 31.9 per cent achieving A-grade (11,539 students), while Specialist Mathematics experiences 80 per cent participation decline with 41.4 per cent achieving A-grade (4,078 students). This leaves a minimal pipeline for technical careers essential to infrastructure development.

Trades training presents the third constraint. Indigenous apprentices face 24 per cent completion rates, while even non-Indigenous apprentices achieve only 33 per cent completion. This creates a critical workforce bottleneck where 67-76 per cent fail to complete training pathways.

University pathways present the fourth constraint. While 16.9 per cent of Indigenous Year 12 completers statewide enter university studies (301 of 1,785 students), this drops to 11.8 per cent in Far North Queensland (35 of 296 students). National Indigenous undergraduate completion rates show systemic delays: only 30 per cent complete after four years, 42 per cent after six years, and 50 per cent after nine years.

### **The Cumulative Impact**

Tracing a cohort of 100 Indigenous Year 7 students in northern regions through available data demonstrates the cumulative effect: 55.5 reach Year 12, 52.4 complete their Queensland Certificate of Education, 10.9 achieve STEM mathematics foundation at Mathematical Methods participation rate, 2.6 complete technical training, and 2.1 become employment-ready for skilled STEM roles. Through university pathways, 6.2 enter university studies at Far North Queensland rates and 3.1 complete university degrees at national completion rates after nine years.

**This represents a 95 per cent overall efficiency loss, with only 2 per cent becoming immediately employment-ready for infrastructure roles.** This is the fundamental constraint on \$100 billion infrastructure productivity returns in northern Australia, where Indigenous populations constitute significant proportions of regional communities (31.4 per cent of Queensland's Indigenous students are located in Far North and North Queensland regions).

## **3. Why Current Community Benefit Principles Requirements Are Insufficient**

The IRG acknowledges that the Community Benefit Principles framework represents a genuine commitment to ensuring investment benefits flow to local workers,

industries, and communities. The inclusion of a dedicated principle supporting First Nations communities and Traditional Owners to participate in and share in the benefits of the transition to net zero, secured through advocacy by the First Nations Clean Energy Network and others, is particularly welcome.

However, we are concerned that the proposed minimum and threshold requirements, while well-intentioned, address symptoms rather than structural causes. Without addressing the education pipeline failure, the requirements risk becoming compliance exercises that deliver short-term employment during construction phases but fail to build the lasting Indigenous capacity required for genuine self-sufficiency.

### **The 4 Per Cent Employment Target**

The proposed minimum requirement of 4 per cent Indigenous employment as a weighted average of the full-time equivalent Australian-based workforce deployed on contracted projects reflects the Indigenous Procurement Policy baseline. For projects in remote Australia, threshold requirements increase this to exceed the Indigenous Participation requirements in that Policy.

These targets are necessary but insufficient given the scale of investment and regional demographics. In Far North Queensland and across much of Northern Australia, Indigenous populations constitute 15-30 per cent or more of regional communities. A 4 per cent employment target in these regions means that 80 per cent or more of Indigenous community members of working age remain outside the direct employment benefits of transformational infrastructure investment occurring on their traditional lands.

More fundamentally, meeting even modest employment targets becomes impossible when the education pipeline produces only 2 per cent employment-ready graduates for skilled infrastructure roles. Proponents cannot hire workers who do not exist. This creates a structural gap that no amount of good faith effort by project proponents can bridge.

### **Skills Development Requirements**

The threshold requirements include targets for labour hours set aside for apprentices, trainees, and graduates, alongside requirements for diversity and inclusion plans and workforce capability enhancement strategies. The minimum requirements include evidence of engagement with local communities and expressions of interest to the Net Zero Economy Authority for participation in the Energy Industry Jobs Plan.

These requirements assume a supply of candidates ready to enter apprenticeships, traineeships, and graduate programs. When 44.5 per cent of Indigenous students leave school before Year 12, when only 12.3 per cent of Year 12 survivors achieve

foundational mathematics proficiency, and when 76 per cent of Indigenous apprentices fail to complete their training, the candidate pool for these programs is structurally constrained regardless of proponent effort or investment. Underlying skills gaps in language, literacy, numeracy, and digital literacy compound these barriers, yet the framework provides no mechanism to address foundational capability development.

## **Consent and Approval Timeframes**

There is significant risk that the pace and scale of project approvals may undermine free, prior and informed consent and marginalise local decision-making. When approval timelines are accelerated, meaningful community consultation can be compressed or bypassed, leading to community dissatisfaction, loss of trust, and avoidable project delays. The framework as drafted does not establish minimum timeframes for community engagement or safeguards to ensure that expedited approval pathways cannot override consent requirements.

The Foundational Principle of free, prior and informed consent requires time for communities to receive information, seek independent advice, deliberate, and respond. Where the framework permits or encourages accelerated approvals without protecting consultation timeframes, it creates structural tension between project delivery and genuine consent. This tension should be resolved at the framework level by establishing that expedited processes cannot compress community engagement below minimum standards, rather than leaving this to proponent discretion or post-hoc dispute resolution.

## **The Reporting and Compliance Approach**

The draft guidance establishes monitoring and reporting requirements, with proponents required to demonstrate achievement of community benefit outcomes and report on risks or barriers to achieving future outcomes. For production tax incentives, non-compliance with reporting requirements results in percentage reductions to the tax offset (5-15 per cent depending on the nature and duration of non-compliance).

This compliance architecture measures outputs rather than addressing inputs. Proponents can report accurately that they engaged with communities, advertised positions, and offered training places, while the structural barriers in the education pipeline ensure that these efforts yield limited results. The current framework risks creating a compliance industry around community benefit reporting while the fundamental constraint remains unaddressed.

Moreover, point-in-time employment numbers do not reveal whether Indigenous workers are retained over project lifecycles. Workplaces that lack cultural safety, or

programs that do not provide adequate wrap-around support services, may achieve initial hiring targets while experiencing poor retention. A proponent could meet compliance requirements while Indigenous workers cycle through short-term roles without building lasting careers. Only longitudinal tracking would reveal this pattern.

## **The Data Infrastructure Gap**

The framework's capacity to drive genuine community benefit is further constrained by the absence of longitudinal data infrastructure. Australian education, training, and employment data is collected by separate establishments and jurisdictions—state education departments, curriculum authorities, registered training organisations, universities, the Australian Taxation Office, and project proponents—each designing data collection primarily for their own compliance reporting purposes.

This creates two fundamental limitations. First, the data is siloed: no mechanism exists to track an individual's journey from school through training into employment and beyond, meaning we cannot determine whether community benefit requirements translate into lasting outcomes for individuals or communities. Second, the data is predominantly backward-looking: it tells us what happened after outcomes are fixed, rather than providing the forward-looking indicators that would enable early intervention while trajectories can still be changed.

The draft guidance proposes that proponents report on 'progress towards achieving community benefit outcomes as well as the risks or barriers to the achievement of future outcomes.' Without integrated longitudinal data, proponents can report activities and point-in-time numbers, but neither they nor decision-makers can answer the essential question: is this investment building lasting community capacity, or merely providing temporary employment?

## **Enabling Infrastructure Constraints**

Workforce participation and training completion depend on factors beyond education pipeline performance, including housing availability and transport accessibility. In regional and remote Northern Australia, housing undersupply directly affects whether community members can realistically commit to training and ongoing employment. The draft guidance does not require decision-makers to assess whether these enabling conditions are present when setting community benefit requirements.

Housing constraints create particular complexity when projects require both long-term local workforce development and short-term specialist or surge capacity. Where housing supply is limited, accommodating imported workers for specialist roles can crowd out local access, inadvertently undermining the local workforce development that community benefit requirements are designed to promote. Housing settings

must support both objectives without creating competition that disadvantages local communities.

The high cost and seasonal unreliability of travel and logistics in remote and regional Northern Australia creates additional structural barriers. These affect access to training and governance participation, and undermine business viability through mobilisation costs, downtime, and cashflow disruption. First Nations enterprises seeking higher-value supply chain roles face structurally higher costs than competitors in better-connected locations, limiting their ability to compete even where technical capability exists. A region with strong education outcomes but severe infrastructure constraints may still fail to convert pipeline capacity into workforce participation and business development.

Digital connectivity limitations across northern Australia also affect how community engagement can meaningfully occur. The draft guidance references digital feedback platforms as engagement mechanisms, yet reliable digital access cannot be assumed in many First Nations communities. The framework should recognise that appropriate engagement methods vary by community context, and that requirements for community consultation must not assume digital accessibility or privilege engagement methods that exclude communities with limited connectivity.

#### **4. The Future Legacy: What Genuine Community Benefit Looks Like**

The Indigenous Reference Group proposes a different conception of community benefit, one that delivers lasting capacity rather than temporary employment, and positions Indigenous communities to drive their own economic futures rather than remaining dependent on government support.

**We call this the Future Legacy: Indigenous communities with the volume and capabilities to drive our own futures.** This means Indigenous workers filling technical, professional, and leadership roles across the clean energy, critical minerals, and infrastructure sectors. It means Indigenous businesses participating not merely as suppliers but as joint venture partners, equity holders, and enterprise owners throughout project supply chains. It means Indigenous communities retaining the economic benefits of investment within their regions rather than watching those benefits flow to external workforces while remaining dependent on social services.

This is not merely what Indigenous communities want from Future Made in Australia. It is what Future Made in Australia requires to succeed. The productivity gains that justify \$100 billion in coordinated investment depend on local workforce availability reducing skills premiums, enabling faster project delivery, and ensuring operational capacity once construction is complete. Communities that remain outside the workforce cannot operate the assets that investment creates.

## **The Critical Minerals Opportunity**

Critical minerals represents a specific opportunity for First Nations-led industry development. Significant deposits are located on or near Indigenous lands across northern Australia, and the \$7 billion Critical Minerals Production Tax Incentive creates a decade-long investment horizon extending to 2039-40. This alignment between resource location, Indigenous land interests, and government policy settings creates conditions for transformational Indigenous participation—not merely as employees or suppliers, but as project developers, equity partners, enterprise owners and local Indigenous economy builders.

Realising this opportunity requires addressing the pipeline and infrastructure constraints we have identified, and ensuring that consent and benefit-sharing frameworks support Indigenous communities to move from consultation to co-ownership. The critical minerals sector offers a tangible pathway to the Future Legacy we describe: Indigenous communities with genuine economic stakes in the industries developing on their traditional lands, building intergenerational wealth rather than temporary employment.

## **A Self-Sustaining Cycle**

The Future Legacy proposition offers a self-sustaining cycle where infrastructure investment generates local prosperity rather than external workforce dependency. When Indigenous students complete secondary education with strong foundations, they become candidates for apprenticeships, traineeships, and university pathways. When those training pathways achieve reasonable completion rates—supported by culturally safe learning environments and appropriate wrap-around services—graduates enter the workforce in numbers that meet project requirements. When local workers fill project roles in workplaces that respect cultural identity and support career progression, wages and economic activity remain within regional communities. When communities prosper economically, social service costs decline and the fiscal efficiency of public investment improves.

This cycle cannot be initiated by project proponents alone, regardless of their commitment to community benefit. It requires addressing the education pipeline that produces the workers who can fill the roles that investments create, and ensuring the enabling infrastructure—housing, transport, digital connectivity—that allows participation to occur.

## **The Role of Longitudinal Data**

The self-sustaining cycle we describe—where education produces candidates, training produces graduates, employment produces prosperity, and prosperity reduces service dependency—cannot be managed without data that tracks progress through each stage. Currently, we measure lagging indicators: how many Indigenous

workers were employed last year, how many apprenticeships were completed, what percentage of procurement went to Indigenous businesses. These accountability metrics tell us what happened after the fact, when it is too late to change the outcome for that cohort.

What the Future Legacy requires is leading indicators: the proportion of Indigenous students achieving NAPLAN proficiency at Years 3, 5, 7, and 9; Year 7 to Year 12 retention trajectories for current cohorts; enrolments in STEM-enabling subjects; apprenticeship commencement numbers and early-stage progression rates. These indicators provide six to ten years advance warning of workforce capacity, enabling intervention while outcomes can still be influenced.

Research evidence points to even earlier predictive measures that could inform intervention. Bandura's foundational work on self-efficacy established that individuals' beliefs in their capabilities to execute courses of action significantly influence their motivation, persistence, and ultimate performance. Subsequent research by Zimmerman, Schunk, Pajares, and others has consistently demonstrated strong positive correlations between academic self-efficacy and educational outcomes across diverse populations and contexts. Meta-analytic studies confirm that self-efficacy beliefs are significant predictors of academic performance independent of prior achievement.

Critically, this research indicates that building student self-belief, motivation, confidence, and strategies for assessment, reflection, and goal renewal generates higher levels of persistence, self-regulation, and self-efficacy—which in turn correlate strongly with academic performance. These improvements can be achieved independently of changes to curriculum content or pedagogical strategies, offering an intervention pathway that operates within existing educational structures.

Australian research has confirmed these findings in the Indigenous higher education context. Nakata's decade of research on building Indigenous academic self-efficacy demonstrates that targeted interventions addressing self-belief, motivation, and goal-setting strategies significantly improve student success outcomes. As Nakata and Nakata document in their comprehensive resource for the higher education sector, these approaches provide practical frameworks for supporting Indigenous students that complement rather than replace existing academic programs.

The education pipeline analysis underpinning this submission required assembling data from multiple government sources—enrolment records, certification summaries, destination surveys, higher education statistics—none of which was designed to answer questions about workforce pipeline efficiency. That the analysis was possible reflects relatively good data publication practices in Queensland; for other northern jurisdictions, equivalent analysis would be substantially more difficult.

A Future Legacy approach requires data infrastructure that tracks cohorts longitudinally across institutional boundaries, integrates education, training, and employment records with appropriate privacy protections, and distinguishes between the compliance question (did proponents meet their targets?) and the effectiveness question (did meeting those targets build lasting community capacity?). Such infrastructure should capture not only academic performance indicators but also the psychosocial predictors—including self-efficacy measures—that precede and enable that performance. Without this infrastructure, the Community Benefit Principles framework cannot learn from experience or adapt to evidence about what works.

## **Alignment with Government Objectives**

The Future Legacy proposition aligns directly with the four objectives guiding implementation of the Community Benefit Principles: proportionality to the size and nature of support provided; robust but flexible frameworks allowing communities and industry to work together; transparency supporting public trust; and fair and balanced requirements that do not undermine the primary purposes of the Future Made in Australia agenda.

It also advances the National Agreement on Closing the Gap, particularly Outcome 7 (youth engagement in employment or education), Outcome 8 (strong economic participation and development), and Outcome 15 (Aboriginal and Torres Strait Islander people maintaining their distinct cultural, spiritual, physical, and economic relationship with land and waters). The First Nations Clean Energy Strategy recognises that the energy transformation can be a catalyst for major change within First Nations communities. The Northern Australia Action Plan 2024-2029 establishes the strategic framework for realising northern Australia's economic potential. The Future Legacy proposition provides the mechanism for these policy commitments to translate into lasting community outcomes.

## **5. Recommendations**

The IRG offers the following recommendations addressing specific consultation questions across both the Department of Industry and Treasury consultations. These recommendations address the framework architecture—the principles, requirements, and accountability mechanisms that should govern Future Made in Australia supports. Detailed implementation guidance, including operational procedures and proponent-level practices, will appropriately follow from this framework; our focus is on ensuring the framework creates the right incentives and obligations.

### **Recommendation 1: Link Community Benefit Principles to Education Pipeline Performance**

*Addresses Consultation Questions 5, 8, 9, and 10.*

The Community Benefit Principles framework should recognise that genuine community benefit requires addressing the education pipeline that produces the workforce able to participate in investment opportunities. We recommend that the Commonwealth link education funding transfers to states and territories with measurable academic performance outcomes in northern regions, creating financial incentives to address the workforce pipeline inefficiency that constrains infrastructure productivity returns.

This approach leverages existing legislative mandates. Queensland's Education (General Provisions) Act 2006, the Northern Territory's Education Act 2015, and Western Australia's School Education Act 1999 already require quality education outcomes. Performance-based funding mechanisms would drive systemic improvements within current frameworks without requiring additional investment, simply by conditioning existing Commonwealth transfers on demonstrated outcomes.

The draft guidance notes that decision-makers can waive requirements where they are inappropriate for particular programs or projects. We recommend the inverse: that decision-makers be required to consider whether education pipeline performance in the relevant region is sufficient to enable community benefit requirements to be met, and that this assessment inform both project design and broader Commonwealth funding decisions.

## **Recommendation 2: Establish Regional Indigenous Employment Targets Reflecting Demographics**

*Addresses Consultation Questions 2, 4, and 6.*

The 4 per cent Indigenous employment minimum should be treated as a floor rather than a target for projects in regions where Indigenous populations constitute significantly higher proportions of the community. For projects in northern Australia where Indigenous populations exceed 15 per cent of regional communities, we recommend that Indigenous employment targets be negotiated as project-specific additional commitments reflecting regional demographics. Importantly, identified targets for First Nations apprentices, trainees, and graduates should be specified separately from general workforce targets to ensure training pathway opportunities are explicitly addressed.

These higher targets should be accompanied by proponent commitments to pre-employment training, foundation skills development including language, literacy, numeracy, and digital literacy, and supported employment pathways that address the current gap between community demographics and workforce-ready populations. Decision-makers should require evidence that proponents have engaged with education and training providers to build the pipeline necessary to meet elevated targets over project lifecycles.

The framework should require that hiring plans address cultural considerations in recruitment strategies, and that diversity and inclusion plans specifically address First Nations cultural safety. The operational detail of how proponents meet these requirements is appropriately left to implementation, but the framework should establish that these elements are mandatory components of compliant plans.

We recognise that local workforce growth should be the priority, with intentional investment in pathways, mentoring, and capability transfer. At the same time, some imported workforce capacity will be necessary in the near term for specialist roles and surge needs. Where imported workforce capacity is required, proponents should demonstrate how capability transfer and mentoring arrangements will build local capacity over time, ensuring that specialist knowledge is progressively transferred to local workers rather than remaining with external contractors.

### **Recommendation 3: Require Longitudinal Outcome Tracking**

*Addresses Consultation Questions 16, 20, and 23.*

Future Made in Australia plans and Production Tax Incentive Community Benefit Reports should be required to track longitudinal outcomes rather than point-in-time compliance. This means reporting not only how many Indigenous workers were employed or training places offered, but what happened to those workers and trainees over time: completion rates, retention in employment, progression to higher-skilled roles, and transition to ongoing employment after project completion.

This longitudinal tracking would reveal whether community benefit requirements are producing lasting capacity or temporary employment. It would also create an evidence base for improving the design of future requirements, enabling the framework to evolve based on demonstrated outcomes rather than assumed relationships between inputs and benefits. The focus should be on key learnings, improvements, and adaptation rather than short-term compliance-driven reporting.

### **Recommendation 4: Establish Pathways to Indigenous Business Ownership and Equity Participation**

*Addresses Consultation Questions 9, 11, and 12.*

Genuine community benefit extends beyond employment to business ownership, equity participation, and supply chain integration. We recommend that threshold requirements include specific pathways to Indigenous business development and wealth creation, including requirements for proponents to identify opportunities for Indigenous business participation at project inception, provide capacity-building support to enable Indigenous businesses to compete for supply contracts, consider joint venture arrangements and equity stakes that build Indigenous ownership over

time, and transition operational contracts to Indigenous-owned enterprises where capability has been developed during construction phases.

Critical minerals represents a priority sector for First Nations equity participation, given the location of significant deposits on or near Indigenous lands and the alignment with the \$7 billion production tax incentive. Projects in this sector should demonstrate pathways to Indigenous co-ownership and enterprise development, not merely employment and procurement participation.

The Indigenous Procurement Policy provides a foundation, but Future Made in Australia projects should explicitly aim to leave a legacy of Indigenous business capacity and community wealth in the regions where investment occurs, not merely to meet procurement targets during project delivery. This includes facilitating access to networks, markets, industry connections, and mentors that First Nations businesses have historically been excluded from.

## **Recommendation 5: Support Traditional Owner Representative Bodies**

*Addresses Consultation Question 11.*

The consultation asks how government can better support Traditional Owner representative bodies to engage effectively with project proponents. We recommend that Future Made in Australia supports include a component specifically allocated to building the capacity of Traditional Owner representative bodies in regions where significant investment is occurring.

This capacity building should enable Traditional Owner bodies to assess project proposals, negotiate benefit-sharing arrangements that move beyond short-term transactional benefits toward co-ownership and transformational equity, monitor compliance with community benefit commitments, and participate meaningfully in project governance as active decision-makers rather than passive stakeholders. It should be provided independently of project proponents to avoid conflicts of interest and ensure that Traditional Owner bodies can engage from a position of informed capability rather than asymmetric dependence on proponent-provided information.

The framework should require that proponents demonstrate not merely that consultation with Traditional Owner groups occurred, but how the outcomes of that consultation are reflected in project decisions. This feedback loop—showing how community input shaped project design and implementation—should be a required element of compliance reporting, not an optional disclosure.

Importantly, the burden of monitoring compliance with community benefit commitments should not fall on communities themselves. Accountability mechanisms

should be resourced and administered independently, ensuring that communities can raise concerns without bearing the cost of compliance oversight.

## **Recommendation 6: Align Production Tax Incentive Reporting with Pipeline Development**

*Addresses Treasury Consultation Questions 22, 23, and 24.*

For production tax incentives, the proposed percentage reductions for non-compliance (5-15 per cent) provide some incentive for compliance but may be insufficient to drive genuine community benefit outcomes. We recommend that the Production Tax Incentive Community Benefit Report requirements explicitly address workforce pipeline development, requiring companies to report on their contributions to building the Indigenous workforce pipeline in their regions of operation, not merely their employment of workers from the existing constrained pool.

This could include investments in school partnerships, support for education providers, funding for pre-employment programs, contributions to training infrastructure, and support for culturally safe workplace development. Companies making genuine investments in pipeline development should be recognised for those contributions even where current employment numbers remain constrained by the structural barriers we have identified.

## **Recommendation 7: Avoid Duplicative Reporting Where Possible**

*Addresses Consultation Questions 13, 14, and 15.*

The IRG supports the draft guidance's approach of allowing decision-makers to have regard to existing policies, strategies, or documents where proponents are already required to meet equivalent requirements under other Commonwealth, state, or territory frameworks. This approach should be applied consistently to minimise compliance burden while maintaining accountability.

Existing reporting under the Workplace Gender Equality Agency, Modern Slavery Act, and Australian Industry Participation requirements should be recognised where they address equivalent community benefit objectives. The focus should be on outcomes rather than compliance paperwork, with streamlined reporting enabling proponents to direct resources toward achieving community benefit rather than documenting compliance processes.

## **Recommendation 8: Establish Longitudinal Data Infrastructure for Community Benefit Measurement**

*Addresses Consultation Questions 16, 20, 21, and 23.*

The Community Benefit Principles framework should be supported by longitudinal data infrastructure capable of tracking outcomes across institutional and jurisdictional boundaries. We recommend that the Commonwealth establish a national data integration framework for Future Made in Australia community benefit measurement, with three components.

First, mandate data sharing protocols as a condition of Future Made in Australia supports. States and territories receiving Commonwealth education and skills funding in northern regions should be required to contribute standardised education and training data to a national longitudinal dataset. The Australian Institute of Health and Welfare's approach to cross-jurisdictional health data integration provides a precedent for managing sensitive data across government boundaries.

Second, require proponents to contribute workforce data in consistently formatted structures that enable linkage across projects and over time. This would allow tracking of whether workers employed on one project continue in the industry, progress to higher-skilled roles, or transition to ongoing employment after project completion. The Australian Bureau of Statistics' Multi-Agency Data Integration Project demonstrates that such linkage is technically feasible with appropriate privacy protections.

Third, specify both lagging indicators for accountability and leading indicators for pipeline management within the Community Benefit Principles guidance. Lagging indicators—employment numbers, training completions, procurement percentages—should continue to inform compliance assessment. Leading indicators, as detailed in Section 4, should include academic performance measures and psychosocial predictors such as self-efficacy and motivation that research demonstrates correlate strongly with subsequent educational and employment outcomes. Incorporating these earlier predictive measures would enable identification of pipeline risks at the earliest possible stage.

This data infrastructure would transform the Community Benefit Principles framework from a compliance architecture into a learning system capable of identifying what interventions build lasting community capacity and adjusting requirements based on evidence rather than assumption.

## **Recommendation 9: Require Assessment of Enabling Infrastructure**

*Addresses Consultation Questions 5, 6, 8, and 9.*

As identified in Section 3, enabling infrastructure constraints—housing undersupply, travel and logistics costs, digital connectivity limitations—directly affect whether community benefit requirements can realistically be achieved. Decision-makers should be required to assess whether enabling infrastructure in the relevant region is

sufficient to support achievement of community benefit targets, and where constraints exist, project-specific commitments should address these barriers.

Housing assessments should consider whether supply can accommodate both long-term local workforce growth and short-term specialist needs without crowding out local access. Training and business development requirements should account for travel and logistics constraints, including measures to reduce structural cost disadvantages faced by First Nations enterprises seeking supply chain participation.

This assessment should inform realistic target-setting and identify where complementary government investment in enabling infrastructure is necessary to unlock community benefit potential. Funding and investment approaches should be long-term and flexible rather than limited to short-term or pilot-only programs that cannot address structural constraints.

## **Recommendation 10: Differentiate Threshold Requirements for Indigenous-Led Projects**

*Addresses Consultation Question 3.*

The consultation asks what threshold amount should apply for the threshold requirements and Future Made in Australia plans. The draft guidance proposes \$20 million cumulative Future Made in Australia supports.

We recommend differentiated thresholds that facilitate Indigenous enterprise while maintaining accountability for community benefit. For Indigenous-led projects—defined as projects where Indigenous organisations hold majority ownership or control—the threshold should be raised or certain requirements waived to reduce compliance burden. Indigenous-led projects inherently deliver community benefit through Indigenous ownership, employment, and wealth retention; requiring extensive compliance documentation to demonstrate this creates barriers without commensurate benefit.

For projects where Indigenous communities are intended beneficiaries rather than proponents, the \$20 million threshold should be maintained or lowered to ensure accountability for delivering promised community benefits. This differentiated approach recognises that the compliance burden appropriate for large external proponents may be disproportionate for Indigenous enterprises, while ensuring that non-Indigenous proponents remain accountable for community benefit delivery.

## **Recommendation 11: Appoint a Community Benefit Principles Commissioner**

*Addresses Consultation Question 21.*

The Community Benefit Principles framework should be overseen by an independent Community Benefit Principles Commissioner with responsibility for the intersection between government, industry, and community in the delivery of Future Made in Australia investments. This appointment would be consistent with the Commonwealth's approach to other complex cross-jurisdictional coordination challenges, including appointments in skills and training, regional development, and tertiary harmonisation.

The Commissioner should have three core functions. First, a facilitation function: working proactively to support effective engagement between project proponents and affected communities, identifying emerging issues before they escalate to disputes, sharing learnings across projects, and building the relationships necessary for community benefit commitments to be delivered in practice.

Second, a complaint and remedy function: receiving and investigating concerns from affected communities about non-compliance with community benefit commitments, with authority to require remedy where non-compliance is established. This mechanism should be accessible without requiring communities to fund legal or technical expertise, and should be designed to accommodate language and cultural considerations so that it is genuinely available to affected communities regardless of their location or resources. The Commissioner should report publicly on complaints received and outcomes achieved.

Third, a ministerial reporting function: providing direct advice to Ministers on the effectiveness of the Community Benefit Principles framework, systemic barriers to achieving community benefit, and recommended improvements. This ensures that community perspectives and on-the-ground realities reach decision-makers without being filtered through agencies or proponents with interests in reporting success.

The Commissioner should be independent of both project proponents and the agencies administering Future Made in Australia supports, and should be adequately resourced to fulfil these functions across the geographic scope of northern Australia investment. As noted in Recommendation 5, the burden of compliance monitoring should not fall on communities themselves; the Commissioner provides the independent mechanism to ensure accountability without imposing that burden on affected communities.

## **6. Conclusion**

The Indigenous Reference Group welcomes the Community Benefit Principles framework and the Government's commitment to ensuring that Future Made in Australia investment delivers benefits to local workers, industries, and communities. The inclusion of dedicated principles addressing First Nations participation

represents meaningful progress toward recognising Indigenous rights and interests in the net zero transformation.

Our submission has sought to demonstrate that achieving these objectives requires addressing the structural barriers that currently constrain Indigenous participation. The 95 per cent efficiency loss in the education pipeline, the 2 per cent employment-ready graduation rate for skilled infrastructure roles, and the 76 per cent apprenticeship non-completion rate represent fundamental constraints that cannot be overcome through proponent effort alone, regardless of the compliance requirements imposed. Enabling infrastructure constraints—housing undersupply, transport costs, digital connectivity gaps—compound these barriers.

The Future Legacy we propose—Indigenous communities with the volume and capabilities to drive our own futures—is not merely an Indigenous aspiration. It is a prerequisite for the productivity gains that justify \$100 billion in coordinated northern Australia investment. When Indigenous communities can supply the skilled workers that projects require, skills premiums decline, project delivery accelerates, and economic benefits remain within regional communities. This creates a self-sustaining cycle where infrastructure investment generates local prosperity rather than external workforce dependency.

Achieving this outcome requires grounding the Community Benefit Principles in foundations of First Nations value alignment, free prior and informed consent, equitable benefit sharing, local decision-making, and measurable outcomes. Our eleven recommendations address framework architecture: linking community benefit to education pipeline performance, establishing regional employment targets, requiring longitudinal outcome tracking, creating pathways to Indigenous business ownership, supporting Traditional Owner representative bodies, aligning production tax incentive reporting with pipeline development, avoiding duplicative reporting, building longitudinal data infrastructure, assessing enabling infrastructure, differentiating threshold requirements for Indigenous-led projects, and appointing an independent Commissioner.

The IRG stands ready to work with the Department of Industry, Treasury, and project proponents to develop practical mechanisms for implementing these recommendations. The transformation from 5 per cent pipeline efficiency to sustainable local workforce capacity is achievable within existing legislative frameworks and funding allocations. Research evidence, including Australian studies on Indigenous academic self-efficacy, demonstrates that effective interventions exist and can be scaled. What is required is the policy architecture to drive accountability for outcomes, the data infrastructure to enable continuous improvement, and the independent oversight to ensure the framework delivers on its promise.

**Indigenous self-determination and national productivity are not competing objectives. They are mutually reinforcing outcomes that the Community Benefit Principles framework can deliver if it addresses causes rather than symptoms.** We urge the Government to seize this opportunity to ensure that Future Made in Australia truly delivers a future made for all Australians.

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## Indigenous Reference Group

for Northern Australia

February 2026

### IRG Biographies

#### **Professor Martin Nakata, Chair – Townsville, Qld**



Professor Martin Nakata, AM, PhD, is the Deputy Vice-Chancellor of Indigenous Education & Strategy at James Cook University (Member of the Northern Australia University Alliance).

Prof. Nakata has over 30-years of Indigenous education, research, and community engagement experience.

#### **Troy Fraser, Doomadgee (Gulf of Carpentaria), Qld**



Mr. Fraser is Chief Executive Officer at Doomadgee Aboriginal Shire Council, and formerly worked as Community, Youth and Economic Development Manager at the Aboriginal Development Benefits Trust.

Mr. Fraser represented the IRG at several parliamentary inquiries and on one occasion Mr. Fraser's insights prompted the parliamentary select committee to ask for a supplementary submission on the topic.

#### **Alinta McGuire, Darwin, NT**



Ms. Alinta McGuire has experience in the banking industry, having served at Westpac as the State Manager for Indigenous Banking in the Northern Territory from 2015 to 2024. In September 2024, she commenced in a new position as Director of Impact and Innovation Learning Projects at Impact North. Impact North is a not-for-profit organisation empowering social entrepreneurship. Ms. McGuire has strong networks and strategic leadership in empowering Indigenous communities.

#### **Damien Djerrkura, Nhulunbuy, NT**



Mr. Damien Djerrkura is the CEO of the North East Arnhem Land (NEAL) Aboriginal Corporation, which oversees the development of North East Arnhem Land's resources. Mr. Djerrkura demonstrates expertise in Indigenous community development, strategic program design, stakeholder engagement and training and development.

### **Nini Mills, Broome, WA**



Ms. Mills is CEO of Nyamba Buru Yawuru, the operational company of the Yawuru Native Title Holders Aboriginal Corporation based in Broome. Ms. Mills has previously held senior management and leadership roles within government agencies and community organisations that are focused on leading strategic direction, policy reform, program design and service delivery.

### **Flora Warrior, Torres Strait, Qld**



Ms. Warrior has a background in Indigenous health and is also a former local government CEO. Ms Warrior is also involved as a community advocate in the Education, Economic Development, Health, Languages and Fisheries space. Ms Warrior is well known throughout North Queensland Indigenous communities for her Cultural Brokerage work and was also a state and national winner in the People Development category at the Queensland (2018) and Australian Seafood Industry Awards 2019.

She has a Bachelor of Arts, and a Master of Business Administration, is a principal consultant in her business, Saltwater Blue Consultancy Services and is involved in several sectors.