



First Nations Clean Energy Network

**Submission to the Senate Economics Legislation Committee
inquiry into the provisions of Future Made in Australia Bill
2024 and the Future Made in Australia (Omnibus Amendments
No. 1) Bill 2024**

July 2024



Recommendations

- Recommendation 1:**
- in securing Australia’s place in a shifting global economic and strategic landscape as the world transitions to clean energy, Australia must realise that investing in, incentivising and including First Nations consent, partnerships and participation in the energy transition and in industrial policy is an investment decision that will support Australia to remain globally competitive.
- Recommendation 2:**
- the Community Benefit Principles introduced by the Future Made in Australia Bill must also include the following point:
 - *ensuring First Nations communities and Traditional Owners can participate in and benefit from Future Made in Australia supports.*
- Recommendation 3:**
- given the broadened focus of Export Finance Australia on domestic transactions, amend, through the Future Made in Australia (Omnibus Amendments No. 1) Bill 2024, the manner in which Export Finance Australia performs its functions by including the following paragraph:
 - *encouraging and facilitating First Nations participation in and benefit from EFIC’s national economy and net zero functions.*



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About the First Nations Clean Energy Network

The [First Nations Clean Energy Network](#) is made up of First Nations people, groups, community organisations, land councils, unions, academics, industry groups, technical advisors, legal experts, renewables companies and others - working in partnership to ensure that First Nations share in the benefits of Australia's clean energy transition.

The Network is led by a [Steering Group](#) of First Nations leaders.

As a national, First Nations-led coalition, the Network aims to enable and empower First Nations to participate in, benefit from, respond to, and shape clean energy projects that impact their communities, land, waters and Sea Country.

The Network's approach is built on three pillars:

- **Community** The First Nations Clean Energy Network supports First Nations communities to shape the design, development and implementation of clean energy projects at every scale.
- **Industry partnerships** The First Nations Clean Energy Network acts as an innovation hub, promoting best practice standards and principles that companies should adopt and investors should require before committing capital to a clean energy project.
- **Policy reform** The First Nations Clean Energy Network advocates to lift significant federal and state regulatory barriers and stoke government investment, provide meaningful opportunities for energy security and clean energy generation for First Nations.

The Network was established to ensure that First Nations people play a central role in and harness the opportunities from Australia's clean energy transition.

After being launched in November 2021 on Arrente country in Mparntwe (Alice Springs), the Network has achieved a lot in just over 2 years, supported by our Steering Group, over 1000 First Nations members (individuals and organisations) and our thousands of other supporters.

Overview and background

The [First Nations Clean Energy Network](#) (the **Network**) welcomes the opportunity to provide a submission to the Senate Economics Legislation Committee inquiry into the provisions of Future Made in Australia Bill 2024 and the Future Made in Australia (Omnibus Amendments No. 1) Bill 2024.

Since being launched in November 2021, the Network has advocated for a system that ensures First Nations participation and benefit in Australia's transition to clean energy.

The commitment by all Australian Energy Ministers through the National Energy Transformation Partnership to the development of a First Nations Clean Energy Strategy underscores the importance of ensuring First Nations have a say in policies and programs as Australia transitions its energy system.

The Network, for example, has advocated strongly for the inclusion of First Nations-specific criteria in the design of the [Capacity Investment Scheme](#), and relevantly for this inquiry, in September 2023, the Network [joined with a group of organisations calling on the Federal Government to commit to an appropriately funded Renewable Industry Package](#). A key focus of the Network in joining that collaboration was the need for the inclusion of community benefits that for First Nations included Free, Prior and Informed Consent and co-ownership outcomes.

As the [Network has noted and observed](#), overseas jurisdictions have seen the benefit of incentivising and including First Nations outcomes in the design of systems.

We consider that Australia must likewise realise that investing in, incentivising and including First Nations consent, partnerships and participation in the energy transition and through industrial policy is an investment decision, not an additional cost.

Repositioning Australia's economy to remain globally competitive through the energy transition does not mean stripping out First Nations outcomes - in fact the opposite must be the case

The Network appreciates that the broad intent of the Future Made in Australia agenda is about remaining globally competitive and helping to *'secure Australia's place in a shifting global economic and strategic landscape on the back of the global transition to net zero.'*¹

As is evident from the [Network's collaboration with other organisations](#) in September 2023 (as noted above) calling for an Australian Renewable Industry Package, we acknowledge that acting with speed and ambition is necessary, and in that regard, the Network has welcomed the Australian Government's plans for a Future Made in Australia agenda.

The Network does not accept, however, that First Nations outcomes should be compromised or diminished in this push to remain globally competitive.

¹ Hon Dr Jim Chalmers MP, Second Reading, Future Made in Australia Bill, 3 July 2024.

Rather, Australia's Future Made in Australia agenda - including through the Future Made in Australia Bill - provides an [unmissable opportunity](#) to embed First Nations outcomes.

As the Network [has noted](#) in similar policy frameworks in other jurisdictions (e.g. the US Inflation Reduction Act), incorporating First Nations consent, partnerships, ownership - and incentivising such outcomes through innovative tax and procurement rules has become part of the competitive advantage that jurisdictions are seeking to establish. This is the emerging nature of the global economic and strategic landscape - one that no longer excludes First Nations priorities and opportunities, because of the realisation of the additional value that First Nations participation and consent adds.

Given that the Future Made in Australia agenda is about competing globally and attracting investment to Australia, there is no reason that similar beneficial arrangements for First Nations communities - as are being built into economic and tax policy systems internationally (because doing so establishes a competitive advantage) - should not similarly be deployed in Australia and in the design of the Future Made in Australia agenda.

The Community Benefit Principles in the Future Made in Australia Bill 2024 need to include a specific point and focus on First Nations outcomes

The Network notes the development of the Community Benefit Principles associated with the Future Made in Australia Bill.

The Network considers that as presently framed, the Community Benefit Principles do not adequately prioritise and focus decision-makers and proponents on achieving First Nations outcomes, and the following point must also be included in clause 10(3) of the Future Made in Australia Bill:

- *ensuring First Nations communities and Traditional Owners can participate in and benefit from Future Made in Australia supports*

The Network has similarly highlighted the importance of separating out First Nations outcomes [in our assessment](#) and ongoing work on the design of the Australian Government's Capacity Investment Scheme.²

In short, decision-makers and proponents need to be supported with the appropriate guidance (including through the details that should be focused on in the development of Future Made in Australia Plans), and accordingly, the sorts of outcomes desired from Future Made in Australia supports must be clearly signalled.

Conflating outcomes into broad and generic descriptions will fail to achieve the strategic and globally competitive investment environment as desired by the Future Made in Australia agenda.

² See also the [Network's submission](#) on the Expanded Capacity Investment Scheme Design Paper (March 2024).

The Network also notes that there is precedent in existing laws and policies for there to be a specific focus on First Nations outcomes in investment decisions and in policy frameworks about social and community benefits (as opposed to broad and generic articulations).

See for example:

- the provisions of the *National Reconstruction Fund Corporation Act 2023* (Cth) (see sections 17(4) and 75)
- the provisions of the Net Zero Economy Authority Bill (see sub-clause 16(1)(d)).

The Network notes that industry is clearly alive to and already engaging with the commercial and competitive advantages that arise through First Nations partnerships. Including the additional specific point we've suggested above would further enable and support this trajectory. (For examples of some of these emerging relationships and arrangements, see the [Network's project tracker](#) which highlights First Nations involvement, ownership and equity in clean energy projects.)

Incorporate First Nations outcomes into the design of Export Finance Australia given its broadened focus on domestic transactions

An intention of the Future Made in Australia (Omnibus Amendments No. 1) Bill 2024 is to enable Export Finance Australia to support a broader range of domestic transactions.

Accordingly, in the Network's view, there is a consequent need to ensure that Export Finance Australia's design and focus is best structured to support sound decision-making in a domestic context.

As noted above, the provisions of the *National Reconstruction Fund Corporation Act 2023* (Cth) provide guidance in this regard, specifically:

- sub-section 17(4) of that Act which focuses attention of the Board on encouraging and improving economic participation by historically underrepresented groups, including First Nations Australians
- sub-section 75(1)(aa) of that Act which requires the Board to formulate written policies with respect to the impact of investments on First Nations Australians.

Similar provisions to focus Export Finance Australia on such outcomes should be included in the *Export Finance and Insurance Corporation Act 1991* (Cth) (EFIC Act) by the adding the following paragraph in sub-section 8(2)(b) into the EFIC Act:

- *encouraging and facilitating First Nations participation in and benefit from EFIC's national economy and net zero functions.*

This amendment could be readily achieved through the Future Made in Australia (Omnibus Amendments No. 1) Bill 2024.



Our contact details

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