Australian Industry Greenhouse Network

AIGN submission

Department of Industry, Science and Resources

Future Made in Australia Community Benefit Principles draft public guidance

January 2026

1 About AIGN

AIGN is a network of industry associations and businesses that provides a forum for discussion on key climate change issues, as well as information and analysis on national and international climate change policy, and the role industry can play in the transition to net-zero emissions by 2050.

We are committed to supporting cohesive, efficient, and predictable climate policies that align with Australia's Paris Agreement targets. We believe a harmonised approach across federal, state, and territory jurisdictions is essential to achieving our emissions reduction targets while maintaining investment stability and minimising sovereign risk.

AIGN supports policy frameworks that are transparent, stable and predictable and avoid unnecessary complexity. This promotes the international competitiveness of Australia's export- and import-competing industries while encouraging transition-aligned investment.

The transition to a net-zero economy is complex and ambitious, requiring collaborative management and open dialogue. AIGN corporate members are on the frontlines of this transition (including many of the nation's largest energy producers, energy users, and exporters); association members are valuable sources of expertise on the specific needs and challenges of their respective industry sectors as they move towards a net-zero future.

2 General feedback

AIGN welcomes the opportunity to comment on how the Future Made in Australia (FMIA) Community Benefit Principles (the principles) can be applied in a way that is transparent, fair and balanced, robust and flexible, and proportionate to the projects they are applied to. This will be essential to attracting the kind of investment required to promote the transition of the economy in line with net zero by 2050, supporting projects in critical and emerging industries such as green metals (alumina, aluminium, iron, steel), critical minerals and low-emissions energy such as hydrogen. AIGN's feedback on this consultation process is guided by our long-standing policy principles (https://aign.net.au/policy_principles.html).

2.1 Continued consultation

We note that the timeframe for this consultation falls within the summer holiday period, during which many professionals are on leave. This has meant that key expertise has not been fully available, reducing opportunities for meaningful engagement and feedback.

AIGN strongly supports a consultation approach that enables full participation by all stakeholders and encourages the Department to provide further consultation opportunities for the draft guidance.

2.2 Encouraging investment

AIGN recognises the Government's objective to ensure significant public investments promote net zero-aligned private sector investment that delivers tangible benefits for Australian workers, communities, and supply chains.

AIGN supports a framework that builds community confidence and promotes investment certainty for proponents, particularly when projects compete for capital in global markets.

The draft guidance appropriately distinguishes between:

- **FMIA supports** where decision-makers have regard to the principles, supported by minimum and threshold requirements, and
- **Production tax incentives** (PTI) where compliance is via objective reporting and tax-integrity requirements.

AIGN recommends that the implementation of the guidance prioritise:

1. **Clarity:** what information is required, for whom, when, and how it will be assessed.
2. **Avoidance of duplication:** leveraging existing regulated plans and reporting wherever possible.
3. **Outcomes focus:** providing flexibility to accommodate varied region/sector/workforce differences without compromising outcomes.

2.3 Threshold settings

The draft guidance notes an intent to avoid unnecessary administrative obligations for smaller projects through a financial threshold. AIGN supports this headline concept, noting the threshold should be set at a level that meaningfully distinguishes 'major' supports from smaller, early-stage activities. Clear rules and examples for calculating cumulative supports for the same projects must also be provided.

Appendix D uses $20 million as a possible cumulative threshold (noting this is subject to consultation within this process). AIGN suggests the Government test (and share results) whether this is the right inflection point across all FMIA supports, considering potential project scale and administrative costs. A tiered threshold approach could also be considered.

2.4 Using existing obligations for compliance

Section 3.3 indicates that where equivalent obligations already apply, existing documentation can be used to minimise duplication, and that decision-makers may waive requirements if appropriate (with an expectation that requirements apply unless impractical).

AIGN recommends strengthening this approach by including explicit pathways for commonly overlapping instruments that demonstrably address outcomes relevant to the community benefit principles (for example, tax transparency reporting, industrial relations and workplace health & safety systems, Reconciliation Action Plans, and First Nations procurement frameworks).

Where such obligations already apply, they should be treated as satisfying the relevant community benefit principle without the need for additional FMIA-specific plans or reporting.

2.5 Reporting, monitoring, and enforcement

AIGN supports targeted and proportionate reporting. The draft guidance proposes that reporting details be determined by relevant decision-makers and/or support entities (for supports), with non-compliance consequences largely handled through contractual mechanisms.

AIGN advises streamlining this approach to ensure reporting, monitoring, and compliance costs are reasonable and to enable thorough, effective reporting. Further discussion with reporting entities is recommended to explore how this could be achieved (for example, standardised reporting templates, clear materiality thresholds, etc).

Reporting should operate as an assurance mechanism and should not become a condition of access that disadvantages small to mid-tier and First Nations enterprises that are meeting their obligations under existing regulatory or contractual frameworks.

3 Detailed feedback

All six community benefit principles play an important role in ensuring that Australians share equitably in the benefits arising from the net-zero transition. AIGN members support the intent of the principles and are eager to work with the Government to ensure their implementation enables effective project delivery, supports social licence, and promotes competitiveness.

3.1 Minimum requirements

The community benefit principles' minimum requirements for FMIA supports (Appendix A) are to be established by a rule. It will be crucial for the FMIA support rule to ensure the principles operate as intended, encourage investment in transition-aligned projects, and ensure the benefits of the transition are shared with the community.

- **Secure, safe, well-paid jobs (principle 1):**
  AIGN supports a focus on safety and compliance. We recommend the 'secure jobs' benchmark approach be implemented in a way that recognises project phases (construction vs operation), legitimate employment turnover in the

labour market, and legitimate use of specialised skilled labour. Minimum requirements should be met primarily through compliance with existing workplace relations and work health and safety frameworks.

- **Skilled and inclusive workforce (principle 2):**
  The workplace gender equality minimum requirement is clear; however, the guidance should clarify the evidentiary standard for entities not captured by Workplace Gender Equality Agency (WGEA) reporting thresholds (for example, project joint ventures). For these entities, proportional and site-based approaches could be accepted rather than extending large-employer reporting models by default.
- **Community and First Nations engagement (principles 3 and 4):**
  AIGN supports early engagement and benefit sharing and recommends that the guidance more explicitly recognise existing statutory processes and agreement frameworks, including native title processes. These could be recognised as the primary means of demonstrating compliance with the minimum requirements. The guidance should also provide realistic timeframes and confidentiality settings, particularly where negotiations are sensitive.
- **Supply chains and modern slavery (principle 5):**
  AIGN supports the Modern Slavery compliance requirement and the focus on compliance with the existing, purpose-built legal architecture. FMIA minimum requirements should not extend supplier-level documentation obligations beyond those already required under the *Modern Slavery Act 2018 (Cth)*.
- **Tax transparency (principle 6):**
  AIGN notes the proposed adoption of the Voluntary Tax Transparency Code (VTTC). It would be useful for the guidance to clarify that proponents are not expected to publish confidential or commercially sensitive information, and that group-level VTTC disclosures will be acceptable for projects that sit within consolidated groups, with sensitive information provided confidentially to the government where required and public reporting focused on aggregated outcomes.

3.2 Threshold requirements

In applying additional requirements above the threshold (Appendix B), AIGN suggests focusing on outcomes and local context, and maintaining balance in administrative processes.

Where requirements overlap with other Commonwealth frameworks, the guidance should provide clear pathways that accept these instruments as meeting the expectations of the community benefit principles.

Threshold requirements should operate as targeted escalation where existing regulatory frameworks are insufficient, rather than as a default trigger for additional FMIA-specific plans or reporting.

- **Recruitment and workforce requirements (principles 1 and 2):**
  It is important that policies supporting secure employment, diversity and inclusion, and apprentice/trainee labour-hour targets can respond to regional capacity and conditions. AIGN recommends targeted consultation with industry to identify how proponents can be supported in meeting these requirements. The guidance should also clarify how these requirements will interact with industrial relations frameworks and major project delivery models. Where existing industrial relations frameworks and project agreements deliver these outcomes, additional FMIA-specific workforce plans should not be required.
- **Community and First Nations engagement (principles 3 and 4):**
  The guidance should more clearly articulate that engagement, and outcomes should be co-designed with communities on a project-by-project basis. Existing negotiated arrangements (for example, Indigenous Land Use Agreements) should be explicitly recognised as satisfying threshold expectations where they are in place, and practical guidance on how confidentiality will be managed in public plans should be provided.
- **Local industry participation (principle 5):**
  AIGN supports the 'full, fair and reasonable opportunity' framing to facilitate local entities' participation in projects. The guidance would benefit from examples tailored to early-stage industries where local supply chains are developing, particularly where local capability is expected to scale in the future. Where Australian Industry Participation plans or state procurement frameworks apply, these should be relied upon rather than requiring additional FMIA-specific reporting.

3.3 Future Made in Australia (FMIA) plans

AIGN notes that the proposed content requirements for FMIA plans include a range of information. The guidance could usefully provide standard templates to support administrative requirements. The Government's approach to the plans should allow proponents who already maintain equivalent public documents to submit these to satisfy their obligations.

Explicit rules for the treatment of commercial-in-confidence information are recommended. The triggers for updating FMIA plans should focus on material changes to reduce administrative churn.

3.4 Production tax incentives (PTI)

AIGN members have a strong interest in the PTI settings for hydrogen and critical minerals, as well as potential future PTIs. The draft guidance states that compliance will be through the publication of a Production Tax Incentive community benefit report and additional tax requirements.

In implementing PTI reporting requirements, care should be taken to ensure compliance intensity does not unintentionally limit participation to entities with corporate-scale administrative capacity. Reliance on existing tax, corporate, and community reporting frameworks should be prioritised wherever possible.

The guidance proposes that reports should broadly align with the minimum and threshold requirements for supports, as well as with additional tax compliance and transparency requirements. AIGN supports this general approach and encourages the Government to continue consulting with reporting entities as the guidance is being finalised and put into implementation to address any issues that may arise in a timely and collaborative manner.

3.5 Interaction with section 10A of the FMIA Act

Section 10A of the FMIA Act excludes certain activities from eligibility for FMIA supports at a time when energy and industrial supply chains are increasingly interconnected across the transition to net zero. Many suppliers and service providers operate across both FMIA-eligible and excluded activities as part of integrated transition pathways.

The guidance should clarify that Community Benefit Principles requirements for FMIA-supported activities are not intended to create additional or duplicative expectations for shared suppliers already operating under existing regulatory or contractual frameworks. Clear treatment of section 10A is important to maintain policy coherence, investment certainty, and the efficient functioning of transition-critical supply chains.

4 Conclusion

Thank you for the opportunity to contribute to the development of the Future Made in Australia Community Benefit Principles public guidance. Continued engagement before finalising the guidance and during implementation would be welcome. This would help build trust and maximise community outcomes while supporting Australia’s attractiveness as an investment destination and the international competitiveness of key industries in the net-zero transition.