



Frequently Asked Questions

Community Benefit Principles

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Introduction

The Future Made in Australia Community Benefit Principles (CBPs) public guidance outlines our proposed approach to implementing the principles. This consultation is your opportunity to help us understand the challenges and opportunities associated with ensuring that funding from Future Made in Australia projects flows to communities in ways that benefit local workers, communities and businesses.

This FAQ responds to issues raised in roundtables and meetings and is being released for the information of interested stakeholders.

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Questions and Answers

General Questions

Q. Do the CBPs apply to the project or to a company?

A. The scope of the CBPs applies (along with Future Made in Australia plan requirements) to the proponent seeking Future Made in Australia support for their project. This means they apply to the project **and** the company responsible for the delivery of the project as appropriate.

Q. Is the Australian Government considering specifying additional CBPs under s10(3)(b) FMIA Act?

A. Any decision to prescribe additional CBPs is a matter for the government.

Q. What happens when a project changes over time?

A. The CBPs recognise that investment can support better outcomes for people, the places they live in, the services they rely on, and the regional industries and economies that are core to Australia's prosperity.

Four objectives are guiding our approach to implementing the CBPs. The objectives are that the principles should be:

- proportionate to the size and nature of the Future Made in Australia support provided
- robust but flexible, allowing communities and industry to work together to deliver the best outcomes for each individual project
- transparent, to support public trust and ensure that public investments are helping to achieve desired community benefits
- imposed in a way that is fair and balanced to ensure that communities benefit from investments, but not at such a cost to applicants that they undermine the primary purposes of the Future Made in Australia agenda.

The Department of Industry, Science and Resources (the department) proposes (p.21 of the guidance) that if material changes occur after approval, recipients must update their Future Made in Australia plan to reflect these changes. If a threshold is put in place, it may be that those changes trigger the need for a Future Made in Australia plan.

Q. What is the definition of supply chain?

A. The Future Made in Australia agenda is broad and captures projects that contribute to the net zero transformation in addition to projects that contribute to economic resilience and security. Supply chains will differ between projects, therefore no specific supply chain has been defined.

Frequently Asked Questions

[| industry.gov.au/news/implementing-future-made-australia-community-benefit-principles-have-your-say](https://industry.gov.au/news/implementing-future-made-australia-community-benefit-principles-have-your-say)

Future Made in Australia plans

Q. What are the requirements of a Future Made in Australia plan?

A. A proponent applying for, or receiving, Future Made in Australia supports must have in effect a Future Made in Australia plan in the circumstances prescribed by Future Made in Australia support rules. Under section 11 (2) of the *Future Made in Australia Act*, a Future Made in Australia plan must explain how the Future Made in Australia support would provide community benefits consistent with the CBPs. The proposed full list of requirements for FMA plans is available in Appendix C of the public guidance (p.36).

Q. Will there be a proforma or a template for the Future Made in Australia plan?

A. Feedback we receive through the consultation process will inform the development of the Rule to give effect to the CBPs, and the guidance documentation from proponents and decision makers. However, we are also keen to hear from stakeholders whether other tools or support (such as a template) would assist or constrain work on FMA plans.

Q. What information will be made publicly available?

A. The department is proposing (p.21 of the guidance) proponents be required to publish the Future Made in Australia plan on a public website within 30 days of it coming into effect.

The department is also proposing (p.22 of the guidance) the proponent can ask the decision-maker to determine that certain information is not required to be included in a published copy of the plan if the information is personal, or commercially sensitive. We are interested to hear your views on this and whether it strikes the right balance.

Financial Threshold

Q. How will the CBPs be assessed for different sized businesses?

A. The CBPs recognise that investment can support better outcomes for people, the places they live in, the services they rely on, and the regional industries and economies that are core to Australia's prosperity. Four objectives will guide our approach to implementation of the CBPs. The objectives are that the principles should be:

- proportionate to the size and nature of the Future Made in Australia support provided
- robust but flexible, allowing communities and industry to work together to deliver the best outcomes for each individual project
- transparent, to support public trust and ensure that public investments are helping to achieve desired community benefits

- imposed in a way that is fair and balanced to ensure that communities benefit from investments, but not at such a cost to applicants that they undermine the primary purposes of the Future Made in Australia agenda.

The issue of whether a financial threshold should apply is a key focus of this consultation.

Q. Why is the financial threshold at \$20million?

A. The consultation cites \$20 million as an example of a threshold. The proposed threshold has not been set – the amount is part of this consultation.

We are keen to hear from stakeholders on what a threshold could be, in line with the objectives outlined above.

Minimum and Threshold Requirements for Future Made in Australia support

Q. How will workforce targets (First Nations etc.) be applied?

A. The extent to which the project will use local workers instead of ‘fly in fly out’ (FIFO) workers and, if FIFO workers are used, the justification for not using local workers has been raised and will be considered as part of the consultation. We welcome stakeholder views on this topic.

Q. Can you explain what health and safety incidents are intended to be reportable?

A. The scope and coverage of each minimum requirement is a key part of this consultation. We are keen to hear your views on exactly what incidents should be considered reportable (e.g. in line with State and Territory legislation) and this feedback will be considered as part of the consultation process.

Q. What is the definition of ‘local’?

A. We recognise that projects and their locations are bespoke. We have proposed that the definition of local is to be considered by the decision-maker in the context of the application of the CBPs depending on the nature of the project, the size of the project investment, its benefits and the geographical context of the surrounding region.

Q. What are the requirements for CBP 6?

A. We are currently proposing a minimum requirement (adopting the Voluntary Tax Transparency Code) for Principle 6 that, similarly to other minimum requirements, will apply to all projects. There are no threshold requirements for Principle 6.

Q. Are all 3 proposed Principle 4 threshold requirements with the caveat 'if the project is in remote Australia', or just the first one?

A. Only the first Principle 4 threshold requirement includes the specific caveat 'if the project is taking place in remote Australia'.

Q. Will First Nations employment targets be assessed at the project level or the company level?

A. The proposed target is a minimum of 4% Indigenous employment (as weighted average) of the full-time equivalent Australian-based workforce deployed on the contracted project (by the end of the contract term).

Q. What provisions are there to support Traditional Owner Group engagement and free, prior and informed consent? Will the engagement standard proposed for First Nations Communities be consistent with other engagement standards?

A. We are proposing genuine, early and collaborative engagement with First Nations and local communities, as this is crucial to understanding local considerations that may impact on the design and delivery of a project, in addition to securing social licence for projects. Actively involving affected communities throughout all project phases can build trust, address concerns and ensure projects align with the government's Future Made in Australia objectives and community priorities.

We are interested to hear your views on what you think are appropriate requirements for engagement, what will work practically and deliver benefits to local communities.

Reporting, Monitoring and Compliance

Q. Is there opportunity for reducing double-up with compliance reporting? Will reporting be complementary to reporting requirements already in place?

A. Where a proponent is already required to have a policy, strategy or other document in place (to meet a different regulatory or policy requirement at Commonwealth, state or local government level), the decision-maker would be able to have regard to that document in determining compliance with the minimum requirements. This aims to reduce duplication where existing obligations are likely to achieve similar outcomes.

Q. How would commitments made in line with the CBPs be assessed as met/not compliant?

A. The reporting requirements imposed on proponents would be established through funding agreements and managed through the funding agency. We welcome thoughts on how best to assess and monitor compliance with the CBPs. We welcome feedback on any considerations for compliance with individual Principles or the CBPs as a whole.

Production Tax Incentives

Q. Will decision-makers be able to waive requirements for the Production Tax Incentive?

A. Companies will claim the Production Tax Incentives through their annual tax return. It will not be possible for individual requirements to be waived in relation to particular projects due to the need for tax legislation to contain objective liability criteria. The publication of a Production Tax Incentive Community Benefit Report will be required to meet the CBPs requirements for Production Tax Incentives, in addition to adopting the Voluntary Tax Transparency Code (VTTC) and demonstrating engagement in the tax system by meeting criteria consistent with a satisfactory Statement of Tax Record.

Q. Does the assurance of reported information requirement extend to Principle 6 tax compliance and transparency requirements (e.g. does the VTTC require auditor sign-off)?

A. Under the draft guidance material, it would be a requirement for a Production Tax Incentive Community Benefit Report to be reviewed by a Registered Company Auditor. The requirement would extend to all information provided in this report, but is not designed to impose a separate assurance requirement for reports prepared under the Voluntary Tax Transparency Code.

Other

Q. What and where is a NZEA priority region?

A. The Net Zero Economy Authority is working closely with the regions that will be most affected by Australia's transition to a net zero emissions economy, prioritising the regions most at risk from decarbonisation. The current priority regions include:

- Collie, Western Australia
- Central Queensland
- The Hunter, New South Wales
- Latrobe-Gippsland, Victoria
- Pilbara, Western Australia
- Upper Spencer Gulf, South Australia

Further information can be found on the [Net Zero Economy Authority website](#).