



First Nations Economic Self-Determination Senate Inquiry

Australian Sustainable Finance Institute inquiry questions

Question 1: Update on the First Nations Major Projects Coalition

[Australian Sustainable Finance Institute \(ASFI\)](#) and [First Nations Projects Group \(FNPG\)](#) have partnered to scope, develop, and incubate an Australian **First Nations Major Projects Coalition (FNMPC)**, a national peak body that will support Traditional Owners and industry in negotiating partnerships for major projects that impact First Nations people and their traditional lands.

Given the significant expanse of the Indigenous Estate in Australia, which covers 57% of the continent, there is an emerging consensus among First Nations and Traditional Owners regarding their role in the continent's future economic developments. Native Title holders are key stakeholders in any major project, from resource extraction to renewable energy initiatives. The objective is for these communities to engage in these projects as participants and equity partners actively. This approach aims to balance economic development with the rights, cultural heritage, and environmental stewardship of First Nations, fostering a model of development where benefits are shared, and Indigenous input shapes the future of major projects on their ancestral lands.

The **First Nations Major Projects Coalition (FNMPC)** is our strategic solution to leverage the significant opportunity within the Australian market to enhance First Nations' involvement in major projects.

The services FNMPC will explore delivering.

- **Providing Capability Uplift Support:** to empower First Nations communities and Traditional Owner groups in project development.
- **Offering Technical Support** with best practices for engagement, including Free, Prior, and Informed Consent (FPIC), alongside negotiation and agreement-making advice to industry proponents.
- **Partnering with government for policy change** at the national level to foster First Nations self-determination and economic growth.
- **Delivering Commercial Support**, including guidance on capital markets and fund-raising for First Nations project equity.
- **Supplying Tools and Resources** like case studies, reports, and industry insights for informed project involvement.

Please note that the above framework and services are subject to refinement and adaptation following a comprehensive consultation period with communities to ensure alignment with their aspirations and needs.

The inspiration for this project has come from the successful Canadian model, the First Nations Major Projects Coalition Canada. The First Nations Major Projects Coalition (FNMPC) in Canada is an organisation

dedicated to enhancing the capacity of First Nations to engage, lead, and benefit from major projects on their territories. It operates under a governance model with a board of directors comprised of First Nations leaders and experts, ensuring that decisions reflect the communities' best interests. The FNMPC focuses on economic inclusion and ensuring projects proceed with the free, prior, and informed consent of the communities involved, emphasising Indigenous sovereignty and participation in the governance of these initiatives.

The establishment of an Australian First Nations Major Projects Coalition (FNMPC) presents a unique opportunity for the Commonwealth Government to advance several key interests:

1. **Economic Development and Stability:** By supporting the FNMPC, the government can foster economic development within Indigenous communities, leading to greater economic stability and growth across Australia. Indigenous participation in major projects as equity partners ensures economic benefits for these communities and potentially reduces dependency on government welfare programs, contributing to a more balanced economy.
2. **Reconciliation and Social Cohesion:** Supporting the FNMPC aligns with the broader goals of reconciliation. It demonstrates a commitment to addressing historical injustices and promoting social inclusion. This can enhance Australia's international reputation and domestic social harmony, promoting healing and cooperation between Indigenous and non-Indigenous Australians.
3. **Legal and Policy Alignment:** Given the increasing land rights and native title determinations, facilitating a body like FNMPC can help navigate the complex legal landscape between federal, state, and Indigenous land rights. This can streamline project approvals and operations, reducing conflicts and legal challenges, which is in the government's interest to ensure smooth economic activities.
4. **Sustainable Development:** Indigenous communities often have a deep connection to the land, promoting sustainable development practices. By involving First Nations in major projects, there's an opportunity to incorporate traditional ecological knowledge, which can lead to more environmentally sustainable project practices, aligning with global trends towards sustainability.
5. **Political Capital and Governance:** Engaging with Indigenous communities through the FNMPC can build political goodwill. It can serve as a model for Indigenous engagement worldwide and be leveraged in international forums to show Australia's commitment to Indigenous rights. Moreover, as discussions around treaties and a voice to parliament indicate, supporting such initiatives can be politically advantageous, showing responsiveness to Indigenous affairs.
6. **Cultural Heritage Protection:** Projects developed with Indigenous input are more likely to respect and protect cultural heritage sites, reducing the risk of legal challenges or public relations issues that arise when such sites are damaged or disrespected.

In conclusion, the Commonwealth Government's support for developing an FNMPC is in its interest as it promotes economic, social, and environmental objectives while aligning with legal and political imperatives. This initiative not only aids in the practical aspects of project development but also contributes to nation-building through inclusive growth, reconciliation, and sustainable practices. This approach can reduce conflicts, enhance Indigenous self-determination, and promote a more integrated, prosperous Australia.

Question 2: what are the benefits to financial institutions from elevating First Nations people in business?

Elevating First Nations people in business offers numerous benefits to financial institutions, which can be highlighted as follows:

1. **Economic Growth and Market Expansion:** Supporting First Nations businesses can lead to new markets and economic growth. Financial institutions can tap into these emerging markets for banking, investment, and other financial services, expanding their customer base.
2. **Risk Diversification:** Financial institutions can diversify their portfolios by investing in or lending to a broader, more diverse set of businesses, including those owned by First Nations. This diversification can reduce risk, as the performance of these businesses might not correlate directly with traditional market sectors.
3. **Reconciliation efforts and Reputation Enhancement:** Financial institutions supporting First Nations entrepreneurs can enhance their brand reputation. This commitment demonstrates social responsibility, which can attract customers and investors who prioritise ethical practices and social impact.
4. **Innovation and Unique Business Models:** First Nations businesses often bring unique perspectives and innovations, particularly in cultural tourism, sustainable practices, and traditional crafts or services. Financial institutions can benefit from these innovations through partnerships or financing projects leading to new financial products or services.
5. **Community Development and Stability:** Investing in First Nations businesses contributes to community development, leading to economic stability in those regions. Stable communities are better for business overall, reducing credit risks and fostering long-term customer relationships.
6. **Access to New Networks:** First Nations communities have networks and connections, which can be valuable for financial institutions looking to expand their reach or better understand local markets. This can lead to more nuanced and successful financial products tailored to these communities.
7. **Cultural Capital and Knowledge Exchange:** First Nations people possess a wealth of traditional knowledge, particularly in environmental management and sustainable practices. Financial institutions can learn from and integrate this knowledge into their risk assessment and investment strategies, particularly in agriculture, forestry, and renewable energy sectors.
8. **Increased Financial Inclusion:** By elevating First Nations people in business, financial institutions contribute to greater financial inclusion. This broadens their market and aligns with global trends towards inclusive banking, potentially attracting international investment or partnerships focused on social impact.
9. **Long-term Loyalty and Trust:** Building relationships with First Nations communities can lead to long-term customer loyalty. Given the historical and often negative interactions these communities might have had with mainstream financial institutions, firms that genuinely engage and support could see a loyal customer base develop over time.

By highlighting these benefits, financial institutions can see the value in supporting and actively elevating First Nations people in business. This isn't just about corporate responsibility; it's smart business with multifaceted returns on investment.

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