FIRST NATIONS PEOPLES' RIGHTS WORKING GROUP

riaa Responsible Investment Association Australasia

Pre-Meeting Papers

First Nations Peoples' Rights Working Group Meeting #4-25

14th October 2025 | 12:00pm to 1:30pm AEDT / 2.00pm to 3:30pm NZDT

By Zoom - Those registered to attend will receive a unique login from Zoom at least 24 hours prior to the meeting – please see your email inbox.
In-person - Mercer Offices (Marsh McLennan), Tower One Barangaroo, International Towers, Sydney, 100 Barangaroo Avenue, NSW, 2000

Agenda

Time (AEDT)	Item	Action required
12:00- 12:05	**1. Welcome - Co-Chair – Phil Vernon (5 min)** ○ Opening ○ Acknowledgement of Country ○ Minutes from last meeting ○ Principles of Participation	For noting
12:05 – 12:55	**2. Special presentation and Q&A – First Nations Certification of Origin (50 min)** • **Clare McHugh (CEO) and Daniel Byers (General Counsel) NSW Aboriginal Land Council** • **Evan Leslie (Advisor)**	For discussion
12:55 – 1:10	**3. 2026 Workplan approval (15 min)** • 2026 Working Group Plan ○ Please find the updated workplan as part of the pre-meeting papers for your review prior to the meeting • Reflections from Will and Phil on this new workplan (5 mins) • Motion to approve the workplan	For information and discussion
1:10 – 1:25	**4. Industry Updates (15 min)** • Policy and Advocacy updates (Nayanisha Samarakoon, RIAA) (5 min) • Dhawura Ngilan Business and Investor Initiative (Jess Rowe, RIAA) (10 min)	For information and discussion
1:25 - 1:30	**5. Closing (5 min)** • Thursday 12 February 12-1.30pm AEDT / 2-3.30pm NZDT	For action

If you have any questions about this meeting, please contact Jess Rowe (Manager of Working Groups, RIAA)

Previous meeting's minutes

Meeting #3 – 31st of July 2025

Minutes

Item	Action required
1. Welcome (3 min) ○ Opening ○ Acknowledgement of Country ○ Minutes from last meeting ○ Principles of Participation highlighting the principle of not engaging in or discussing competitively sensitive information	Submit any amendments to the Minutes to Jess Rowe, Manager of Working Groups
2. Special presentation and Q&A – Perspectives on Indigenous Land, Sea, and Development (30 min) ○ Joe Morrison, CEO of Indigenous Land and Sea Corporation (ILSC) (20 min presentation, 10 min Q&A) • For ILSC, Legislative changes now allows acquisition beyond just land to sea country. • National consultations informed the development of the National Indigenous Sea Country Strategy. ILSC plays a facilitating role, acquiring properties on behalf of Traditional Owners based on their aspirations. • ILSC supports acquisitions from marginal properties in the Northern Territory to urban places in Sydney and Redfern, always in partnership with Traditional Owners. Caveats are placed on properties to protect them during times of financial hardship and ensure ownership is not transferred. • **Key Example - Noongar Partnerships (WA):** Supported Noongar enterprise groups in identifying and acquiring land for agribusiness and commercial use. Worked with private philanthropic investors and WA Government to activate supply chains, including sales into the mining industry. • ILSC is supported by a AU$2.3 billion land fund within the Future Fund. This enables flexible, long-term, and commercially sustainable investments. The current strategy emphasizes strong returns and community benefit. • FPIC remains central but complex to achieve. While widely used in language, applying FPIC effectively requires time, effort, and deep engagement. Important to ensure Indigenous communities can genuinely consent to third-party use or development taking into account different approaches to ways of working. • Traditional Owners should be supported to produce investment prospectuses themselves outlining their development goals (e.g., infrastructure, services, industry participation). This proactive approach helps attract aligned investors and avoids reactive decision-making. • Many Indigenous communities are still transitioning from welfare dependency and now face complex decisions about land, energy, and resources. Development is welcomed but must occur on community terms and contribute to broader economic goals. • The land fund has enabled ILSC to shift from managing small-scale tourism and agribusiness ventures to larger, strategic investments. Focus now on returning businesses to Traditional Owners and building scalable, sustainable ventures. • Achieving meaningful FPIC is resource-intensive which needs to be built into partnerships, and an example cited was over 200 consultations involving 15,000 people. The Northern Land Council model was referenced as a framework that ensures considered consent with third-party projects. • Emphasis on the need for investors to understand Indigenous community aspirations - not just offer projects. Communities are better positioned when they articulate their own vision and market opportunities. • Noted a gap in shared understanding between Traditional Owners, investors, and government. A full supply chain dialogue is needed to unlock value and ensure communities receive fair and sustainable outcomes.	To access the meeting papers, go on the RIAA website and select; 1. **"Membership"** *(top bar)*, 2. **"Working Groups"** *(bottom of drop-down* menu), 3. *"***First Nations Peoples' Rights Working Group"** 4. **"FNPRWG 2025 Meeting #2 - First Nations Clean Energy Network update "** (Scroll down to '*Past meeting papers and presentations'*) If you would like to get in touch with Joe Morrison, CEO of Indigenous Land and Sea Corporation, please contact Jess Rowe, Manager of Working Groups

• Discussion included prospects in carbon markets, clean energy, and other untapped sectors where Indigenous participation can grow with the right support and capacity-building.	

3. Industry and subgroup updates (35 min)
 	
Aotearoa New Zealand (Temuera Hall, TAHITO) (10 min)
• Tainui Group Holdings (commercial arm of Waikato-Tainui) has entered a NZ$1 billion joint venture spanning Australia and New Zealand, focused on logistics infrastructure.
• Partnership includes the Raukura sub-hapū, developing a supply chain and logistics hub, including:
  ○ A logistics building
  ○ 30 hectares of inland port land
• All land will remain under Waikato-Tainui ownership, ensuring mana whenua (authority over land), while generating jobs, training, and sustainable building development, highlighting a model similar to major Indigenous-led investment strategies in Australia.
• A Māori-led syndicate of six Māori investment groups and three Māori investment funds has formed around renewable energy and sustainable infrastructure, with investments in:
  ○ Hydro, wind, and biogas (from food waste)
  ○ Ownership of a Māori community-owned energy retailer offering both retail and wholesale electricity services.
• Emphasis on community benefit, environmental sustainability, and Māori stewardship values.
• Between 2018 and 2023, the Māori economy grew from NZ$69 billion to $120 billion, now accounting for 9% of New Zealand's total economy and on track to reach $200 billion by 2030, with growth driven not despite, but because of Māori values
• Investment strategies focus on long-term intergenerational benefit, aligning strongly with ESG principles.
• Tikanga Māori (Māori law) is increasingly recognised in the courts as a valid legal framework, shaping constitutional and legal discourse which represents a significant shift in recognising Māori worldview within mainstream legal and commercial systems.
• Māori-led investment is redefining responsible investment – 'whenua (land) before people, people before profit' - delivering both strong financial returns and culturally aligned, community-focused outcomes.
• Lessons from the Māori economy offer valuable insights into sustainable, values-led investing for broader Indigenous and Pacific contexts.
 	
Policy and Advocacy updates (Nayanisha Samarakoon, RIAA) (5 min)
• Focus is on embedding protection measures into the future of Australia's industry, with particular attention to taxonomy development. Some investors have already begun using the DNBII guides, so this area is being closely monitored as it evolves. Climate policy initiatives and plans are also being reviewed to ensure they adequately incorporate aspects of cultural heritage protection.
• Currently, there is an ongoing consultation related to the Modern Slavery Act, exploring how modern slavery issues intersect with cultural heritage protection.
• Parallel work is also progressing on New Zealand's Modern Slavery Act.
• Additionally, positions on product labelling, along with related issues under review in the context of modern slavery, are being considered to align with emerging policies and regulations.	

Dhawura Ngilan Business and Investor Initiative (Alan Dayeh, ERM) (10 min) • A self-assessment tool for businesses has been developed, with plans to launch an in-person training session soon. Further details will be released shortly. QIC has joined HESTA as two publicly known investors formally partnering alongside HESTA. Many other investors are using the DNBII guides but have not publicly announced their involvement; encouragement is given for wider public availability. • Lendlease and BHP have publicly declared their intention to partner with the initiative. • The Minerals Council of Australia is partnering with the Native Title Council to integrate DNBII into the globally recognized sustainable mining framework. • Caleb Adams from Evans and Partners attended the World Bank Land Conference, contributing to the global ripple effect. An article covering this is available in the papers. • The self-assessment tool was presented.	To access the self-assessment tool for businesses, please go on the First Nations Heritage Protection Alliance website by clicking here
4. Workplan Updates (20 min) Workplan for 2025 progress update (15 min) • The Co-Chairs and Manager of working groups provided reflections on the progress achieved thus far under the current workplan, highlighting key milestones and accomplishments. See slides for more details. Workplan for 2026 development (Jess Rowe, RIAA) (5 min) • An email from Jess Rowe will be circulated containing the link to fill a detailed survey on the members' insights and feedback on how the workplan objectives were met in 2025 and ideas on what the objectives for 2026 should be based around.	Link to the 2026 Workplan survey
5. Closing (2 min) Key upcoming dates ○ For Aotearoa New Zealand: - 15 - 21 September - Māori Language Week - Māori Language Week has been celebrated in Aotearoa since 1975. This special week is an opportunity for the concentrated celebration and promotion of te reo Māori, helping to secure its future as a living, dynamic, and rich language. ○ https://www.reomaori.co.nz/events ○ For Australia: - 4 August - National Aboriginal and Torres Strait Islander Children's Day - An opportunity for all Australians to show their support for Aboriginal and Torres Strait Islander children and learn about the impact that culture, family and community play in the life of every Aboriginal and Torres Strait Islander child. ○ https://www.snaicc.org.au/our-work/campaigns/childrens-day/childrens-day-events/ ○ International: - 9 August – International Day of the World's Indigenous People - This day is recognized by the United Nations to promote and protect the rights of indigenous peoples worldwide and to celebrate their unique cultures and contributions. - Virtual Commemoration on 8 August 2025 - Indigenous Peoples and AI: Defending Rights, Shaping Futures	Register here for the next meeting

https://social.desa.un.org/issues/indigenous-peoples/events/IDWIP-2025 Next meeting: Thursday 14 October 12-1.30pm AEDT / 2-3.30pm NZDT – Register here	

First Nations Peoples' Rights Working Group's Action Register

Last Updated: Monday 13, October 2025

Ref	Action	Delegation	Status
	New		
10/25	**Next Meeting** - Thursday 14 October 12-1.30pm AEDT / 2-3.30pm NZDT – Register here.	All	Ongoing
9/25	To share your thoughts on what you would like the core outputs of the working group to be for 2026, fill the workplan survey here.	All	Closed
8/25	To access the self-assessment tool for businesses, please go on the First Nations Heritage Protection Alliance website by clicking here	All	Ongoing
7/25	Submit any amendments to the Minutes of the second First Nations Peoples' Right Working Group meeting to Jess Rowe, Manager of Working Groups.	All	Ongoing
	Previous		
6/25	To register for RIAA Australia Conference 2025, visit RIAA's website.	All	Closed
5/25	To access RIAA's Policy Platform Australia 2025, visit RIAA's website.	All	Ongoing
4/25	**Next Meeting** - Thursday 1 May 12-1.30pm AEST / 2-3.30pm NZST – Register here	All	Closed
3/25	To volunteer for a subgroup, please fill in this volunteering form	All	Ongoing
2/25	Any feedback on the workplan can be provided to Jess Rowe, Manager of Working Groups.	All	Ongoing
1/25	Submit any amendments to the Minutes to Shelina Fernando, RIAA Working Groups Officer.	All	Closed

RIAA's First Nations Peoples' Rights Working Group Workplan 2026

Objective	Initiatives	Deliverables
Education Provide education and awareness raising for members on issues concerning First Nations cultural heritage issues and people's interests and rights and their implications for investors.	**Conferences** Co-Chairs and members to support in sharing suggestions for RIAA Conference session topics and speakers.	○ RIAA Australia Conference 2026 (May 27 and 28) ○ RIAA Aotearoa NZ Conference 2026 (TBC)
	Working Group Guest Speakers Regular guest speakers on topics of interest to Members.	○ Meeting #1 2026 ○ Meeting #2 2026 ○ Meeting #3 2026 ○ Meeting #4 2026
	Director education Explore options for improving the level of awareness and education of First Nations issues and the quality of conversation around the board table.	○ Subgroup formed to explore options Guidance paper on key recommendations for directors to be developed
Representation Increase the voice and representation of First Nations Peoples within the investment sector.	**Public profile and voice** Ensure that First Nations voices are appropriately represented in the development of initiatives and in public discourse.	○ Ongoing attention throughout all aspects of the Workplan.

	Career pathways Support Career Pathway Initiatives for First Nations.	○ Options paper to be developed. ○ Explore opportunities for partnership with organisations such as Career Trackers as aligned with the developed paper.		
Standards Collaborate with First Nations peoples to promote awareness of UN Declaration on the Rights of Indigenous People and develop guidance on minimum standards and application of frameworks/tools.	**Dhawura Ngilan Business and Investor Initiative** In partnership with the First Nations Heritage Alliance and the National Native Title Council, promote a set of Standards that assist business and investors to navigate cultural heritage and First Nations peoples' rights.	Stage 1 – Development	○ Principles and Guides	○ Completed March 2024.
			○ Self-assessment tool	○ Completed June 2025.
		Stage 2 - Awareness and Education	○ Pilots	○ Underway amongst a cross section or organisations. To be completed 30 June 2026
			○ Awareness and education	○ DNBII roundtable with investors. ○ Business and investor sessions being conducted in Oct 2025.
			○ Integration into industry standards	○ Ongoing exploration.
	Reconciliation Action Plans Provide a forum for sharing perspectives on approaches to reconciliation within the finance sector	○ Explore supporting a Reconciliation Industry Network Group (RAP RING) for the Responsible Investment Sector.		
Advocacy	**Education** Provide regular updates to the Working Group of key areas of legislative and regulatory areas	○ Regular updates in the working group main meetings on opportunities in this space.		

Facilitate advocacy that supports the rights, voices and truth telling relating to First Nations Peoples.	requiring change and windows for action.	
	Collective Advocacy From time to time provide options for the member base to lend its collective voice to advocate for specific changes.	○ To be included if capacity allows.
	Targeted support Provide materials for individual action by members in selective instances should the situation warrant it.	○ To be included if capacity allows.
Research Facilitate research on topics and issues relating to First Nations Peoples' interests, rights and outcomes within the investment sector.	**Indigenous Investment Markets** Research and mapping of indigenous investment markets launching at the end of 2025. To inform new outputs for this workplan once available.	○ Due for completion October 2025. ○ Launch in December 2025. ○ Outcomes will be discussed in future Working Group meetings and will inform the shaping of future Workplans.
Aotearoa specific kaupapa Incorporating Te Ao Māori as a fundamental principle throughout ACWG workstreams[1]	Connecting with the Aotearoa Collaborative Working Group (ACWG).	○ Further details are articulated and guided by the ACWG. ○ Collaboration and connections between the groups to be developed where feasible.

[1] Te Ao Māori refers to the Māori worldview. Although the term is straightforward, it encompasses a complex and extensive significance.
For the ACWG, Te Ao Māori refers to three key areas:

- te Reo Māori (Māori language)
- Tikanga Māori (protocols and customs)
- te Tiriti o Waitangi (the Treaty of Waitangi)

Note: as we work in an ever-changing context, the workplan may be updated as needed throughout its time period to add initiatives in response to this.

Initiatives proposed for the working group but have not been included in 2026 due to prioritisation. Note here for future uptake and if capacity changes.
• Undertake research on the application of UNDRIP by Australian companies across jurisdictions.
• First Nations Data

First Nations Certificate of Origin

A new mechanism to ensure a just energy transition and clean energy sovereignty.
Making First Nations participation in Australia's renewable energy transition feasible and sustainable.

Stakeholder consultation & discussion paper

July 2025

We acknowledge the Traditional Owners of Country throughout Australia.

We recognise their continuing connection to lands, waters, and communities, and we pay our respect to Aboriginal and Torres Strait Islander cultures; and to Elders past and present.

We are genuinely privileged that you have cared for our Country for so long and continue to do so.

Contents

This paper has been developed with very kind inputs and feedback from...

Australian Philanthropy [Confidential] — *Overall Project Sponsor*

New South Wales Aboriginal Land Council — *First Nations Project Sponsor*

Allens — *Legal Advisor*

EY Parthenon — *Regulatory & Policy Adviser*

FIRST NATIONS CLEAN ENERGY NETWORK — *First Nations Project Partner*

Indigenous Energy Australia — *First Nations Project Adviser*

First Nations Certificate of Origin

A new mechanism to ensure a just energy transition and clean energy sovereignty.
Making First Nations participation in Australia's renewable energy transition feasible and sustainable.

What is the First Nations Certificate of Origin?

The First Nations Certificate of Origin (FNCO) is proposed as a new certification designed to incentivise renewable energy projects that are owned by First Nations organisations in Australia. Modelled on the mechanics of the Large-Scale Generation Certificate (LGC), the FNCO adds an additional layer of cultural and social value to energy generation by ensuring projects are developed in partnership with, or under the control of, First Nations communities. The FNCO aims to support economic empowerment, promote environmental sustainability, and align energy generation with Indigenous cultural stewardship.

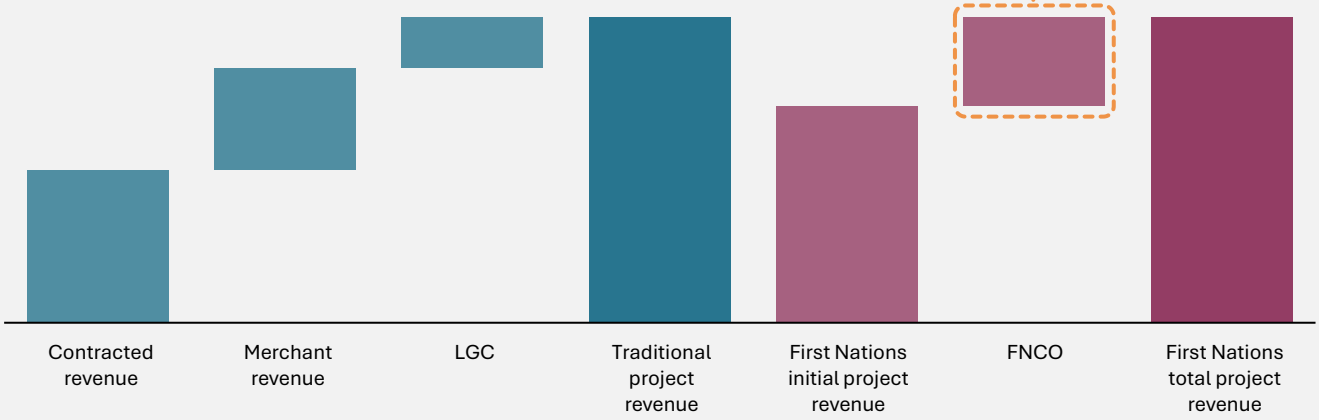
FNCOs would serve as a tradable asset, representing 1 MWh of electricity generated by Indigenous-owned renewable energy projects. These certificates could be purchased by corporates, governments, and retailers seeking to meet Environmental, Social, and Governance (ESG) commitments or Indigenous Procurement Policy (IPP) obligations. FNCOs offer a unique value proposition, combining clean energy generation with meaningful social impact, aligning with the broader goals of reconciliation and sustainable development in Australia.

Ultimately, the FNCO has the potential to create significant opportunities for First Nations communities, corporate buyers, and governments. By facilitating Indigenous participation in Australia's renewable energy sector, the FNCO can drive both economic development and environmental impact. However, its success will depend on careful design, robust oversight, and strong stakeholder engagement to manage risks and build market trust.

What direct outcomes could the FNCO generate?

Revenue enhancement	• Resulting in potential an uplift in project revenues. • Applicable to all First Nations organisations who engage in green power generation businesses.
Underpinning project bankability + private sector investment	• Additional revenues would enhance project bankability and enable First Nation organisations to have greater participation in the energy transition and undertake their own community development projects on their own.
Economic empowerment	• FNCOs will encourage investment in Indigenous-led renewable energy projects, this will lead to new revenue streams, job opportunities, and pathways for economic development.
Supporting cultural sovereignty	• The FNCO acknowledges the unique connection First Nations people have with the land and seeks to align energy production with Indigenous practices and stewardship of the environment.
Environmental and social impact	• FNCOs build on the existing environmental benefits of renewable energy while also promoting social equity and cultural integrity. Projects recognised under FNCO could adhere to sustainability & cultural protocols.

FNCO revenue uplift potential



Why is FNCO needed?

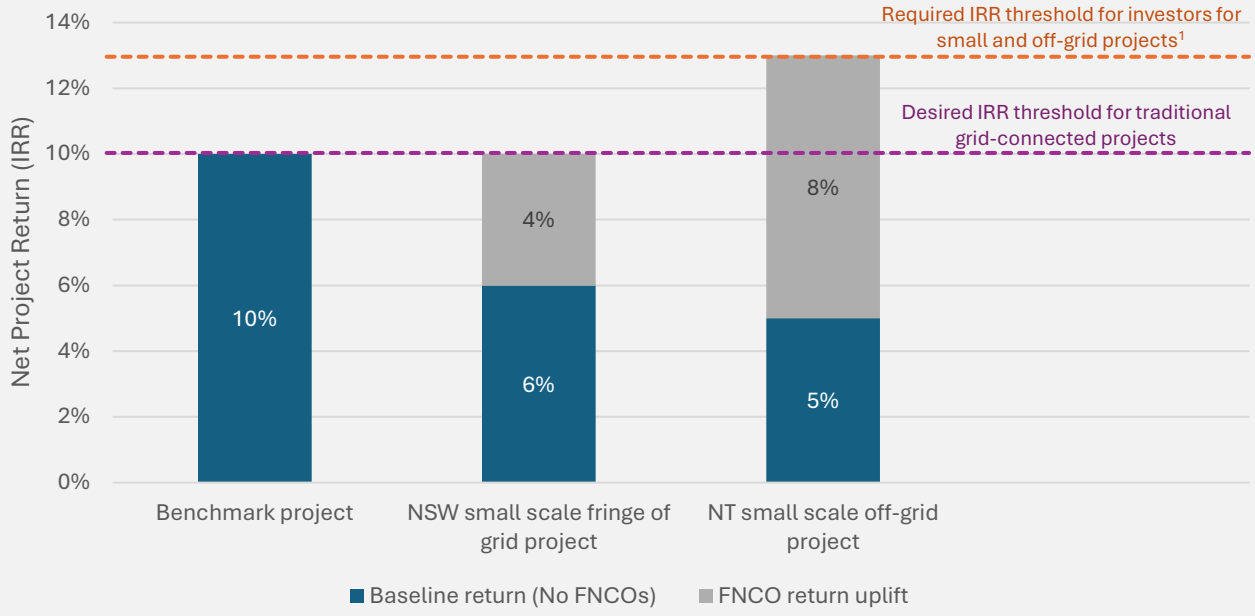
In Australia's renewable energy boom, large-scale, grid-connected solar and wind projects – what we might call "reference projects" – enjoy strong economics: they benefit from low-cost capital, established transmission, strong counterparty credit ratings, and favourable power purchase agreements, often delivering stabilised internal rates of return (IRRs) in the range of 7% to 10%. But when it comes to delivering renewable power to remote First Nations communities – where transmission is weaker or non-existent, loads are smaller, and projects have lower economies of scale – the economics are significantly less attractive, reducing the incentive for third party investment capital.

These fringe-of-grid or microgrid projects face higher capex per MW, higher operating risk, and weaker offtake economics, resulting in significantly lower (or even negative) return profiles.

Without intervention, these projects remain commercially unattractive, no matter how urgent the community need or policy intent.

The FNCO was created to solve this investment gap: a market-based instrument designed to contribute to the missing revenue uplift required to match the return profile of reference projects and unlock capital for a more equitable energy transition.

The project's modelling has highlighted off-grid projects are likely to need a higher FNCO price point. This emphasises the importance of FNCO being one of multiple mechanisms to unlock capital for those projects and the need for FNCO to be underpinned by policy demand drivers. To help achieve the necessary economic price for FNCOs, the certificate apportionment may also need to be different compared with a traditional project to recognise the stronger commercial incentives needed.



[1] Small or remote off-grid / microgrid projects often face higher weighted average cost of capital (WACC) due to perceived risks, limited contracted revenue, and lack of market precedent, while their lower scale and uncertain cash flows reduce lender appeal and increase financing costs. As a result, investors typically require a higher IRR to make an investment decision.

Input assumptions	200MW solar and 200MW / 2hr BESS benchmark project	NSW 7MW solar and 5MW / 4hr BESS small scale project	NT 5MW solar and 5MW / 2hr BESS off-grid project
Project owner	Typical developer	First Nations	First Nations
Economies of scale	Benchmark	+30%[2]	+30%[2]
Location factor	Benchmark	+5%[2]	+30%[2]
Cost of capital	Benchmark	-	+3%[2]
Generation	NSW solar irradiation	NSW solar irradiation	NT solar irradiation
Offtake	60% contracted	100% merchant	100% merchant

[2] Percentage cost increase relative to benchmark project.

Source: EY financial modelling (June 2025).

Why is it needed? 10 compelling reasons the FNCO helps address challenges faced by First Nations in the transition

Reason	Problem	FNCO solution
1. Unlock investment capital for First Nations projects	• Renewable projects owned by First Nations communities (including in regional & remote locations) face high costs and weak offtake economics, making them commercially unviable.	• FNCO creates an additional revenue stream per MWh through tradeable certificates, improving project IRRs and unlocking investment.
2. Close Indigenous ownership gap	• Indigenous Australians are largely excluded from ownership in energy infrastructure, despite much of it being built on or near their land.	• FNCO rewards projects with Indigenous ownership and control, encouraging genuine equity partnerships across the energy value chain.
3. Create a market signal for ethical energy	• Corporates have no reliable way to demonstrate that their energy spend supports First Nations communities.	• FNCO certifies energy of Indigenous origin, enabling buyers to credibly align purchases with ESG, reconciliation action plans (RAP), and social procurement goals.
4. Replicate the success of LGCs	• LGCs drove over $50B in investment but failed to include Indigenous participation in their design or benefits.	• FNCO adapts this proven mechanism to reward not just clean energy, but clean energy developed in partnership with Mob.
5. Incentivise joint ventures (JV) between developers and First Nations	• There is no consistent financial incentive for developers to enter equitable JVs with First Nations partners.	• FNCO creates upside for developers that structure fair JVs, rewarding deeper Indigenous equity and governance involvement.
6. Reduce project risks on Country	• Projects that fail to engage properly with Traditional Owners often experience delays, disputes, and reputational damage.	• FNCO provides a commercial incentive to engage respectfully, embedding benefit-sharing into project economics.
7. Improve returns on social impact projects	• Fringe and microgrid projects have high capital costs and lower revenue certainty, making private financing difficult.	• FNCO provides a supplementary revenue stream that improves return profiles, enabling access to blended and concessional capital.
8. Deliver scalable Closing the Gap outcomes	• Government programs often fail to deliver long-term economic outcomes for Indigenous communities.	• FNCO uses a market-based approach to embed Indigenous benefit directly into economic activity—scalable, measurable, and enduring.
9. Ensure long-term participation in energy transition	• Without targeted intervention, First Nations people risk being left behind in the renewables boom.	• FNCO creates a structural mechanism to ensure communities share in both decision-making and long-term financial benefits.
10. Position Australia as a global ESG leader	• Investors and trading partners increasingly expect Indigenous engagement in project governance.	• FNCO offers a globally credible framework for reconciliation-aligned investment, enhancing Australia's ESG and climate credentials.

Why is FNCO needed?

...a short story

You hear a knock at your front door.

Standing outside is a solar farm developer with a map, a contract, and a pen.

"Your land is perfect for our next project," he says. "We can offer a one-off access payment – or we'll just find a way to build around you."

You feel pressured and powerless. It's not really a choice. Your community needs money. Your family needs jobs. So, with no lawyer, no equity, and no leverage – you sign.

Soon after, you learn the developer will earn millions in profit each year, for the next 30 years.

As dramatic as it sounds, this is how Mob often feel – that they lack the power, resources, and capability to genuinely participate in, and reasonably benefit from, Australia's transition to renewable power.

Thanks to efforts such as the First Nations Clean Energy Strategy, Australia now has a framework to evolve away from situations like this, with stated goals to ensure clean energy to all Mob, that economic benefits will flow to community, and to create equitable partnerships.

Unfortunately, there is no simple, universal, or financially sustainable mechanism to deliver on these goals at scale. ***FNCO was invented to solve this problem.***

FNCOs are to reconciliation what LGCs were to renewables: Creating sustainable market demand for First Nations energy

Why

What if the development of renewable power assets owned by First Nations organisations could become more feasible, unlocking the value of Country, and creating a long-term sustainable income stream so that funds could be reinvested into improving Mob and communities?

What

FNCOs will be tradable certificates that verify and embed genuine First Nations participation in renewable energy projects, making them more financially bankable, sustainable and delivering long-term income to communities, which they can self-determine how to use.

How

By integrating FNCOs into national regulation (such as the Renewable Electricity Guarantee of Origin (REGO) scheme) we will create a market-based solution, with an LGC style acquittal model overlaid through Indigenous Procurement Policies. This will unlock billions in non-government revenue streams to underpin project feasibility.

Why are First Nations projects difficult to fund?

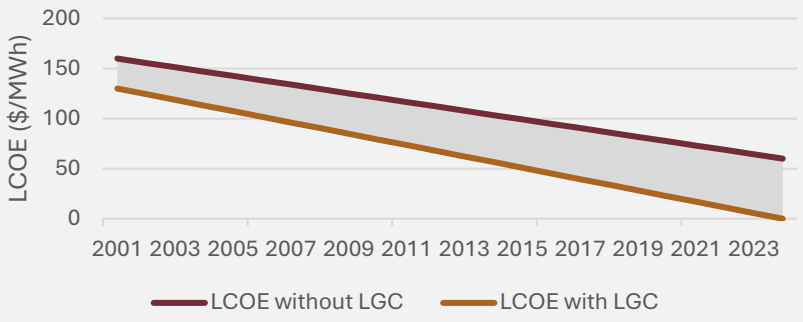
First Nations renewable energy projects represent a critical opportunity to align climate action with Indigenous empowerment, but they remain significantly underfunded. Despite strong community support and growing corporate and government interest in Indigenous-led climate solutions, these projects often struggle to secure capital.

The underlying barriers are not due to a lack of ambition or potential, but rather a range of systemic challenges—such as land tenure complexities, limited access to concessional finance, higher development and transaction costs, and investor unfamiliarity with Indigenous governance structures. These factors contribute to a perception of elevated risk and lower commercial returns, deterring mainstream capital. Addressing this structural funding gap is essential to unlocking the full potential of First Nations participation in Australia's energy transition.

Cost drivers	Impact on First Nations energy projects	How does the FNCO mitigate this?
1. Remoteness and lack of grid access	Higher connection costs due to locations (even higher with microgrid or off-grid projects).	Provides new revenue stream where grid economics fail.
2. Smaller project scale	Higher $/MWh due to loss of economies of scale.	Rewards small-scale output equally per MWh.
3. Higher cost of capital	Limited access to affordable finance or credit-enhancing structures.	Improves project return (IRR) through a reliable revenue enhancement.
4. Higher soft costs (legal, cultural, governance)	Costly and time-consuming due diligence and structuring.	Turns governance into certifiable economic value.
5. Land tenure complexity	Complicated titleholder arrangements can deter financiers unfamiliar with such tenure regimes.	Monetises non-cash contributions like land and licence.
6. Limited internal capacity or development experience	Reliance on external partners; limited project control equals higher development risk and cost.	Supports capability via revenue tied to ownership.
7. Procurement & labour availability	Scarcity of local trades equals higher construction costs due to fly-in-fly-out (FIFO) labour and remote logistics	Funds local workforce via recurring MWh premiums.
8. Energy load profile challenges	Remote community loads are small, variable, and less predictable, revenue modelling less certain.	Adds stable income regardless of demand volatility.
9. Higher opex costs	Elevated insurance premiums, stricter engineering standards, and higher contingency budgets.	Covers risk overhead with dependable cash yield.
10. Longer development timelines	Slower returns; friction with commercial finance.	Aligns return profile with community-led pacing.

Where have investment incentive issues been solved previously for renewable energy projects?

By creating a liquid, tradeable certificate market with enforceable targets under the Renewable Energy Target (RET), the LGC scheme effectively de-risked investments, accelerated market scale-up, and enabled developers to offer lower wholesale electricity prices. This market mechanism not only supported cost reductions in renewable technology but also provided a foundational blueprint for mechanisms like the FNCO to drive socially valuable but commercially challenged projects.



Levelised Cost of Electricity (LCOE) is a financial metric measuring the average cost of generating electricity over the lifetime of a generation plant, including all costs such as investment, operation and maintenance. It is generally used to compare the cost effectiveness of different electricity generation technologies.

How does FNCO work?

The following flow chart outlines a simplified version.
A detailed lifecycle of the FNCO can be provided if required.

1. First Nations + renewable power project = FNCO eligible

- First, you need a renewable energy project (solar, wind, microgrid or battery) that meets a simple but powerful rule: It must be First Nations-owned (in whole or part).
- The 'generator' then qualifies to earn FNCOs.

2. For every MWh, one certificate Is born

- Just like Australia's LGCs (Large-scale Generation Certificates), every megawatt-hour (MWh) of clean electricity generated by an FNCO-eligible project gets one FNCO.
- If the project is a joint venture (say 50% owned by First Nations and 50% developer owned), 1 in 2 MWh generated are eligible to receive an FNCO

3. Certificates are traded (for real money)

- Each FNCO can then be sold, traded, or retired. Buyers could include:
  - Corporates wanting to meet their RAP goals.
  - Service providers working under Indigenous Procurement Policies.
  - ESG-minded investors looking to show measurable Indigenous impact.

4. The Revenue Gap Gets Closed

That extra FNCO income can mean the difference between:

- A project that never gets financed.
- And one that gets built, creates jobs, and powers community-owned infrastructure.
- It makes marginal projects more bankable.

5. Verified. Tracked. Trusted.

Every FNCO will be managed through a registry, ensuring certificates are:

- Real (tied to verified energy generation).
- Unique (can't be double-counted).
- Transparent (buyers know where their impact lands).
- Building market trust.

6. Investment capital is unlocked via bankable project returns

What are the economic and policy implications?

Dimension	Subject	Federal Government implications	Jurisdictional Government implications
Economic	**Infrastructure investment**	FNCOs help unlock capital for clean energy in remote regions without requiring direct Federal grants.	Supports state-led energy transition in regional and First Nations areas through bankable project pipelines.
	Budget efficiency	Enables policy goals (Closing the Gap, net zero) via private capital rather than public expenditure.	Reduces long-term dependency on state-funded Indigenous infrastructure or energy subsidy programs.
	Regional development	Stimulates economic activity in remote communities, increasing job creation and enterprise formation.	Aligns with regional economic development strategies and job creation targets for Indigenous youth.
	Clean energy market efficiency	Adds a price signal that reflects social and cultural value, improving market signals in underdeveloped zones.	Encourages market-driven development in areas traditionally underserved by energy infrastructure.
	Closing the Gap	Delivers measurable, market-based progress against multiple Closing the Gap targets (economic participation, infrastructure, services).	Provides a mechanism to embed Indigenous benefit directly into state-led development and procurement plans.
Policy	**Procurement & RAP compliance**	Offers a tangible instrument to meet Commonwealth RAP, IPP, and ESG procurement requirements.	Enables agencies and government-owned corporations to meet RAP and social procurement goals credibly.
	Just transition & net zero	Reinforces Australia's global positioning as a leader in equitable, Indigenous-inclusive decarbonisation.	Helps states meet legislated renewable energy and just transition targets with equity at the core.
	Regulatory leadership	Positions the Commonwealth as a standard-setter in certifying social value in energy markets.	Opens a pathway for jurisdictions to adopt FNCO recognition in planning approvals and grid connection frameworks.
	Sovereign risk management	Reduces the risk of litigation, reputational damage, or project delays arising from exclusion of Traditional Owners.	Helps prevent delays or disputes in state-led transmission or renewable infrastructure projects.
	Data & impact measurement	FNCO registry provides transparent tracking of Indigenous benefit in real time—valuable for policy feedback loops.	Enables states to report on and improve Indigenous outcomes in energy development using real data.

How does it align with The First Nations Clean Energy Strategy?

The First Nations Clean Energy Strategy (FNCES) is a commitment to put First Nations front and centre of the country's clean energy transition. It acknowledges that First Nations knowledge is critical to living sustainably in Australia. The knowledge that Aboriginal and Torres Strait Islander peoples hold as Custodians of Australia's land and natural resources can and should underpin a fair and just clean energy transition.

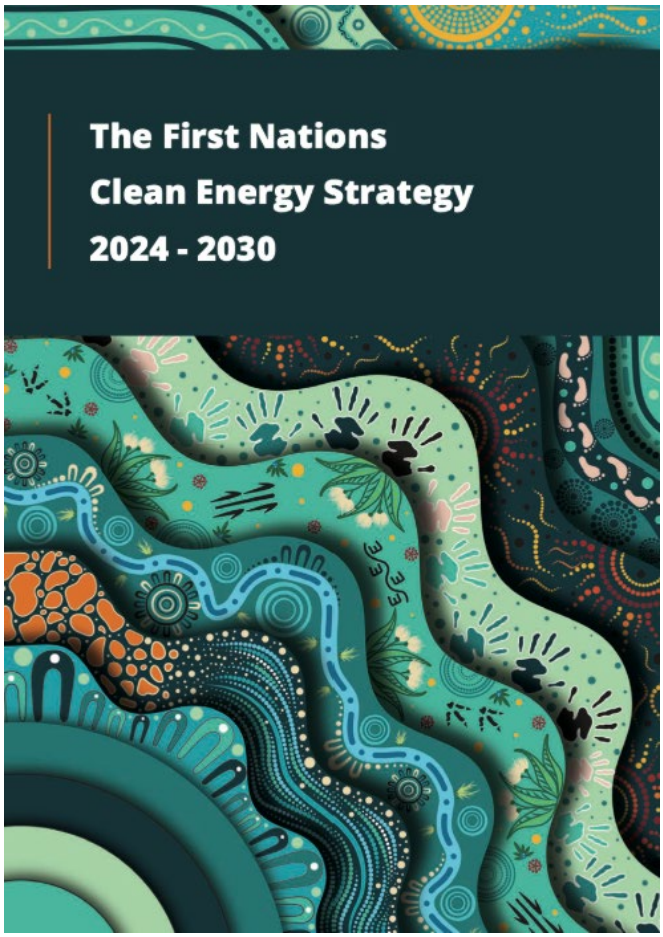
Australia's clean energy transformation presents a once-in-a-generation opportunity to advance both climate action and social justice. The First Nations Clean Energy Network has articulated three core goals for this transition:

1. Power First Nations communities with clean energy
2. Achieve economic benefits with First Nations peoples; and
3. Enable equitable partnerships (including *"Investigating a First Nations Clean Energy Investment Fund and new models for collaborative finance"*).

Achieving these goals in a long-term and sustainable manner requires moving beyond business-as-usual renewable deployment to models that centre Indigenous leadership and ownership.

This discussion paper argues that a FNCO – a tradable certificate awarded per MWh of renewable electricity generated by First Nations-owned or partnered projects – is the optimal policy mechanism to realise these goals.

By monetising the social, cultural, and land stewardship value that Indigenous communities contribute to clean energy projects, the FNCO can unlock new revenue streams and partnerships that make Indigenous-led microgrids and large projects financially viable.



Australian Government
Department of Climate Change, Energy, the Environment and Water

National Indigenous Australians Agency

FIRST NATIONS CLEAN ENERGY NETWORK

FNCES Vision	A sustainable clean energy future for all Australians, with Country and Culture at the heart.		
FNCES Goals	**1. Power First Nations communities with clean energy.**	**2. Achieve economic benefits with First Nations peoples.**	**3. Enable equitable partnerships.**
How does FNCO align and help to accelerate these goals?	FNCOs will make new clean energy projects in First Nations communities (including remote microgrids) more bankable. It will provide a stable, premium revenue stream per MWh generated, closing the economic gap that conventional energy pricing and the proposed voluntary REGO scheme are unlikely to achieve.	FNCOs will enable long-term annuity-style cashflows to mob, who can use it for jobs, training, housing, and wealth-building (delivering measurable economic dividends without requiring upfront cash equity). The FNCO will convert intangible value into direct income, co-ownership upside, and investment attraction.	FNCOs will create a powerful commercial incentive for developers and investors to engage in genuine, co-governed partnerships with First Nations organisations. It will embed First Nations participation into the value chain of clean energy markets, shifting from tokenistic involvement to enduring, structured equity partnerships that are attractive to both parties & scalable nationwide.

Why is FNCO an effective tool to achieve the FNCES goals?

1. FNCO enables clean energy access for First Nations communities more effectively than capital grants or procurement targets.

- **Problem with alternatives:** Traditional approaches like government grants or subsidised grid extensions often deliver one-off infrastructure that lacks long-term viability, ownership, or local control. Many such projects are donor-dependent, prone to neglect post-construction, or fail to scale.
- **Why FNCO is better:** FNCOs create a recurring revenue stream per MWh of energy generated, which First Nations communities can bank on. This makes off-grid or edge-of-grid clean energy projects financially viable, even in the most remote areas where electricity tariffs alone would not cover costs. It ensures that clean energy is not just installed but sustained and owned by the communities who use it.
- **Result:** FNCOs make microgrids, hybrid systems, and renewables-backed community energy hubs bankable and replicable, ensuring meaningful access to reliable clean power across regional and remote First Nations lands.

2. FNCO directly channels economic benefits to First Nations peoples by monetising their equity, land, and cultural value—without relying on cash equity or government redistribution.

- **Problem with alternatives:** Equity participation is often out of reach for First Nations groups due to capital constraints. Other policy mechanisms (e.g. project mandates or community benefit agreements) typically involve non-binding promises, short-term jobs, passive royalties / no ownership.
- **Why FNCO is better:** FNCOs translate non-cash contributions (such as land access, cultural license, community consent, and co-governance) into tangible economic value. This allows First Nations communities to gain equity-like returns even when they cannot contribute financial capital. Through models like the Minority Interest or Joint Venture pathways, communities can earn long-term income, build local governance capacity, and access energy revenue without compromising control.
- **Result:** FNCOs unlock intergenerational wealth creation, deliver yield-generating annuities, and create the foundation for true economic empowerment—all through market-validated participation rather than dependence on fiscal transfers.

3. FNCO structurally incentivises equitable partnerships, rather than just encouraging or requiring them.

- **Problem with alternatives:** Most policies that aim to support partnerships—like tender scoring preferences, project guidelines, or benefit-sharing agreements—depend on the goodwill or compliance of developers. These do not fundamentally shift the economics of inclusion, and can be gamed, tick-boxed, or watered down.
- **Why FNCO is better:** FNCOs tie premium revenue to First Nations involvement—meaning developers have a financial incentive to include First Nations organisations as equity holders, project sponsors, or land partners. It changes the commercial calculus: inclusive projects become more profitable, and exclusive ones leave value on the table. This aligns profit with partnership.
- **Result:** FNCOs drive a structural market correction—rewarding ethical developers, creating early-stage alignment, and embedding Indigenous participation into the DNA of clean energy development rather than as an afterthought.

FNCO Is circular, not transactional

Unlike one-off interventions (grants, benefit agreements, procurement quotas), FNCOs:

- **Are earned, not given:** only paid out per verified MWh, ensuring accountability.
- **Are repeatable and scalable:** working for 1 MW or 100 MW, microgrids or utility-scale.
- **Encourage project quality:** as price premiums depend on verified First Nations participation, not just labelling.

FNCO also builds long-term market credibility and investment attraction

- **FNCOs provide a transparent, independently verified asset:** ideal for ESG-aligned corporates and impact investors.
- **FNCOs are standardised and tradeable:** Unlike bespoke or ad hoc grant programs, enabling efficient aggregation & scaling.
- **Over time, FNCOs can create price signals and market benchmarks:** reflecting the true value of First Nations leadership in energy (something no other policy does).

How does it align with other jurisdictional & Federal goals?

First Nations Empowerment: These projects are First Nations-owned and operated; contributing to the commitments of the National First Nations Clean Energy Strategy and Australia's unique Closing the Gap commitment to Priority Reform 5 Economic Prosperity.

Net Zero by 2050: These projects directly contribute to NSW's Electricity Infrastructure Roadmap and National and jurisdictional Net Zero emissions targets by accelerating renewable energy deployment and decarbonising electricity generation.

Regional Economic Development: Investing in solar and Battery Energy Storage Systems (BESS) supports job creation, economic diversification, and energy security in regional to remote communities of NSW.

Community and economic impact	• **Job Creation:** Over 20-50 construction jobs and multiple ongoing operational roles per site, with pathways for First Nations training and employment. • **Housing Investment:** Profits are reinvested into affordable housing initiatives for First Nations communities, addressing a critical social need. • **Energy Cost Reduction:** Local solar and storage reduce grid reliance, lowering energy costs.
Renewable energy and grid stability	• **5MW Solar Farms:** Generate clean, reliable energy for regional areas. • **BESS:** Provide critical grid services, stabilise energy supply, and address volatility in electricity prices. • **Decentralised Energy:** Supports the transition to a resilient distributed energy system.
Addressing grid challenges	• Regional electricity grids face capacity constraints and increasing demand. • Solar and BESS projects alleviate pressure by providing distributed generation and storage capacity in critical areas.
Favourable economics	• Declining costs of solar PV and battery storage make these projects highly cost-effective. • Revenue streams from power sales, Renewable Energy Certificates, and ancillary services ensure long-term financial viability.
Transformational First Nations leadership	• Projects driven by the **NSW Aboriginal Land Council (NSWALC)** demonstrate a transformative model for First Nations-led development. • First Nations communities gain autonomy over energy infrastructure.
Leverage for further investment	• State funding catalyses private sector co-investment, amplifying the impact of public funds. • Demonstrates government leadership in delivering innovative, community-driven solutions.
Community benefits agreements co-designed with local First Nations communities and leadership	• **Direct Employment Opportunities**: Agreements prioritise job creation for local First Nations people during construction & operation, including apprenticeships. • **Training and Skills Development**: Co-designed programs focus on building capacity in renewable energy technologies, project management, and maintenance, empowering First Nations individuals to lead future projects. • **Profit Reinvestment into Communities**: All pre-tax profits are directed to critical local needs, such as housing, education, and healthcare for First Nations communities. • **Cultural Heritage Protection**: Agreements incorporate measures to preserve and respect cultural heritage sites, ensuring projects align with the values and priorities of local Elders. • **Affordable Energy Access**: Projects aim to provide lower-cost, reliable electricity to local First Nations communities, reducing energy poverty and improving quality of life. • **Community-Controlled Decision-Making**: Governance structures include First Nations representatives to ensure project decisions reflect community needs and aspirations. • **Housing Initiatives**: A portion of revenues is allocated to support affordable housing development and pathways to home ownership for local First Nations families. • **Long-Term Economic Empowerment**: Agreements establish pathways for First Nations organisations to take on larger roles in project ownership, management, and expansion. • **Education Partnerships**: Collaboration with local schools and training institutions to integrate renewable energy curriculum and career pathways for young people. • **Environmental Stewardship**: Projects are designed with sustainability principles, ensuring minimal environmental impact and opportunities for traditional ecological knowledge to guide land management practices.

How does it create value for buyers of FNCO's?

International co-benefit comparables (carbon + energy markets)	Global markets show that environmental instruments with verified social and cultural co-benefits trade at a 15–50% premium over standard equivalents: Gold Standard and Verra carbon credits with Indigenous or community benefits regularly sell above USD $15/tonne while generic credits range from USD $5–10/tonne. Māori-owned forestry offsets in NZ attract 10–20% premiums through recognition of Indigenous land management, biodiversity, and governance. In voluntary markets, co-benefit-linked PPAs (e.g. "impact PPAs") have emerged, where corporates pay more per MWh to secure social outcomes.	The FNCO represents a new, high-integrity class of certificate akin to "impact carbon credits" or "ethical renewable energy," providing buyers a quantifiable premium opportunity with clear social return.
Reputational uplift & brand differentiator	Corporates and governments that purchase FNCO-certified energy could: • Demonstrate alignment with **Reconciliation Action Plans** or **Indigenous Procurement Policies**. • Claim support for **First Nations self-determination** in ESG disclosures. • Strengthen their **social licence to operate** — especially in regions where projects are developed on or near Indigenous land.	FNCO creates **public and reputational capital**, which in turn drives consumer trust, employee engagement, and investor favourability — all of which have measurable economic value for listed companies and major brands.
De-risking project delivery & land access	Projects with FNCO certification are: • More likely to receive **community consent** and support over the long term. • Less exposed to disputes or delays related to cultural heritage, land tenure, or community conflict. • Able to engage proactively with **First Nations landholders**, often in regions where grid access is constrained, and land availability is otherwise limited.	This **de-risks project development timelines**, reduces legal and consultation costs, and enhances grid-access opportunities through earlier-stage social licence.
Catalyst for blended capital & philanthropic investment	FNCO could provide the missing revenue stream that enables: • Concessional capital from **Indigenous Business Australia** or **Clean Energy Finance Corporation** to meet return thresholds. • Grant or philanthropic capital to flow into projects with measurable outcomes. • Institutional investors to justify inclusion of lower-return assets in their **impact allocations**.	FNCO unlocks capital stacks that are **not accessible to standard market-based projects**, thereby enabling greater financial inclusion and First Nations ownership.
Systemic value: Indigenous economic participation	FNCO contributes to closing the **participation gap in Australia's clean energy transition**, supporting objectives outlined in Closing the Gap, UN Declaration on the Rights of Indigenous Peoples (UNDRIP), and Federal/national energy transition plans. Over time, FNCO-linked projects have the potential to create **training pathways, employment pipelines**, and **local economic development**, especially in regions currently under-served.	These long-term benefits reduce welfare dependency, increase tax revenue, and build **resilient, place-based Indigenous economies**.

The FNCO does more than fill a pricing gap — it creates new forms of risk mitigation, brand equity, capital access, and system-level reform that are **economically material and measurable**.

Value Type	How FNCO Creates It
Revenue uplift	Provides a revenue uplift compared to a project without an additional revenue stream
ESG-linked procurement value	Aligns with RAPs, IPPs, and ESG KPIs for corporates and governments.
Reputational capital	Strengthens brand, supports community trust, reduces backlash risk.
Project de-risking	Reduces soft costs, legal risks, and consent delays through community participation.
Capital stack optimisation	Enables concessional + impact capital to finance First Nations equity positions.
Systemic social ROI	Catalyses workforce participation, training, governance experience.

How to drive value and underpin demand?

There are several policies that could be adopted or adapted to leverage existing mechanisms to help achieve FNCO's purpose:

1. Indigenous Procurement Policy (IPP) adaptation	• **Expand the IPP definition of "spend" by formally recognising FNCOs as a qualifying Indigenous procurement activity under the IPP and similar State-based policies**, particularly for sectors where it is difficult to source Indigenous suppliers directly (e.g. energy, infrastructure, heavy industry). • For example, if a construction company is unable to contract Indigenous-owned plumbing or electrical contractors, it could partially satisfy its IPP targets by purchasing renewable energy bundled with FNCOs from First Nations-led solar farms. • Social procurement targets are frequently unmet in delivery due to challenges in sourcing suppliers. FNCOs provide certainty and could accordingly be weighted more heavily in procurement scoring systems, incentivising bidders to gain a competitive edge through partnering with First Nations energy projects.
2. Mandated government purchasing	• **Anchor the market with demand leadership by making Governments anchor buyers,** mandating FNCO-certified power for part of their electricity use. • **A 5–10% FNCO procurement target** would create market demand and set a price floor for certificates. • **Amending the Indigenous Procurement Policy (IPP)** would make this policy easy to implement.
3. Integration with REGO scheme	• **Underpin market confidence by integrating FNCOs into the REGO scheme,** allowing them to function as a certified subclass or tagged attribute within the existing national registry. • **Buyers can easily select REGO certificates** that carry verified First Nations equity, combining climate integrity with social impact. • **This reduces duplication and admin burden** for project developers, making FNCO participation more streamlined and accessible. • **It creates a trusted channel** for corporates and global investors seeking ESG-aligned procurement with Indigenous inclusion and traceability.
4. Corporate ESG alignment	• **Turn Reconciliation into a revenue stream through policy recognition in ESG frameworks and reporting** codes would fast-track FNCO adoption and embed reconciliation into core business practices. • **FNCOs enable corporates to align energy procurement** with Reconciliation Action Plans (RAPs), ESG goals, and net-zero strategies. • **They provide a tangible, auditable way to demonstrate First Nations impact** turning soft commitments into measurable outcomes. • **FNCOs offer strategic differentiation** in a crowded sustainability market, showcasing leadership in reconciliation and equity.
5. Price support and market-shaping funds	• **Government underwritten bankability in early years through a dedicated First Nations Clean Energy Fund** to ensure that FNCOs trade at a level sufficient to materially improve project economics. • Seeded by government, philanthropic capital, or large utilities under regulatory obligations, this fund would act as a market maker, purchasing FNCOs at a guaranteed price during the market's formative years. This mechanism ensures developers and communities can confidently forecast FNCO income, bridging • the early-stage risk curve and enabling lenders to finance projects more easily. Over time, as voluntary demand deepens and price discovery stabilises, the fund could taper its role or redeploy funds into other social value layers (e.g. housing or training linked to FNCO projects).

The FNCO could use existing regulatory and policy foundations for initial implementation

- FNCOs could leverage the REGO schemes mechanisms for eligible project registration and certificate creation, issue and publication in the register.
- It could utilise IPPs as the demand and value driver to achieve the commercial incentives that underpin the FNCO's success and fulfil its objectives.
- Future and additional mechanisms and regulatory pathways could be explored after establishment and as the FNCO market grows.

How could it integrate with the REGO scheme?

The *voluntary* **Renewable Electricity Guarantee of Origin (REGO)** scheme is an initiative being developed by the Australian Federal Government to provide a single, standardised framework for verifying and certifying the emissions, renewable content, and other attributes of electricity generation.

Led by the **Department of Climate Change, Energy, the Environment and Water (DCCEEW)**, REGO is intended to underpin Australia's transition to a clean energy economy by enabling traceable claims about renewable energy consumption across voluntary and compliance markets.

Public consultation commenced in 2022, with design options evolving throughout 2023 and early 2024. The scheme is expected to be implemented in phases, with a **market launch anticipated in 2025**, aligned with broader Guarantee of Origin (GO) reforms across green and hydrogen markets.

Integration of FNCO with REGO offers potential benefits such as streamlined regulatory infrastructure, increased buyer familiarity, and reduced administrative burden.

However, while the REGO scheme plays a vital role in providing transparency around the origin and attributes of renewable electricity, it is not designed to deliver economic transformation or address entrenched structural barriers to First Nations equity in energy infrastructure.

The purpose of REGO – to support verifiable environmental claims – does not extend to embedding financial incentives for Indigenous ownership, participation, or wealth-building. In contrast, the FNCO is expressly designed to create a market-based price signal for equity-based inclusion, ensuring that First Nations communities are not merely consulted, but co-owners of Australia's energy future

To fully achieve the FNCO's purpose, additional policy mechanisms need to be considered alongside the REGO.

How could First Nations ownership be recognised under REGO?

To preserve integrity and ensure confidence in the market, REGOs would need the ability to differentiate between:

- projects with genuine First Nations equity ownership of eligible projects (as opposed to other types of First Nations participation or interests)
- different levels of First Nations equity ownership in eligible projects
- on-grid and off-grid/microgrid projects (due to different cost structures, risk profiles and policy objectives)

There are a variety of different ways these characteristics could be achieved, including the creation of different classes of certificate or the use of transparent 'attributes' attached to REGO.

Different levels of First Nations equity ownership could be recognised through a simple proportional framework, as illustrated below.

This model ensures that every 1MWh of generation only gives rise to a maximum of 1 First Nations-branded certificate, and that attribution is not overstated in projects with partial equity.

First Nations shareholding	Potential REGO Attribution (First Nations Tagged REGOs)
100%	1 x First Nations attributed REGO per 1 MWh generated
50%	1 x First Nations attributed REGO per 2 MWh generated
33%	1 x First Nations attributed REGO per 3 MWh generated
25%	1 x First Nations attributed REGO per 4 MWh generated
Etc.	*Pro rata attribution continues*

How could additional policy mechanisms complement REGO to create a market-based price signal for FNCO?

FNCO offers government a proven, low-cost, and scalable way to catalyse systemic change, modelled on the success of the LGC scheme. LGCs drove over $50 billion in renewable energy investment without requiring direct grants or ongoing public expenditure; instead, they embedded a price signal within a regulated procurement environment.

FNCO proposes to do the same for Indigenous participation by creating a certificate that can be voluntarily purchased or mandated through First Nations procurement policies, government tenders, or ESG-linked procurement rules.

This can be achieved by either creating a parallel certificate, pegged to a REGO with qualifying attributes, or simply designating such a REGO certificate as an FNCO.

Unlike complex grant programs or regulatory compliance regimes, FNCO is a light-touch, scalable solution: it operates within existing market infrastructure, respects Indigenous self-determination, and monetises participation without adding cost to government budgets.

Opportunities to integrate FNCO into First Nations procurement policies are discussed further on the following page.

To maximise efficiency and interoperability, FNCO could be integrated into the REGO registry architecture as a **stackable attribute or parallel certificate class**, with shared verification and tracking infrastructure but distinct market purpose.

To prevent double counting and maintain integrity and value, the REGO registry architecture would need to be able to accommodate the 'retirement' of certificates (whether through an attribute designation or some other mechanism) once these had been acquitted against an IPP or equivalent procurement obligation.

How could it integrate with existing First Nations procurement policy frameworks?

Below is an overview of the current landscape of First Nations procurement policies across Australian jurisdictions (focussing initially on the three largest jurisdictions by procurement spend), along with potential pathways for incorporating FNCOs into these policy frameworks. By recognising FNCO purchase as a qualifying procurement activity, government agencies can align their purchasing strategies with social impact goals, fostering partnerships that drive cultural, economic and environmental outcomes.

Jurisdiction	Overview of current framework
Commonwealth: **Indigenous Procurement Policy (IPP)**	The IPP applies to Commonwealth Government procurements published on AusTender (with some exclusions/exemptions). It sets the following targets: • For the Commonwealth and each portfolio in aggregate: 3% of contracts awarded to First Nations businesses annually, by volume and value* • For suppliers to the Commonwealth (for contracts valued at $7.5m or more): minimum % of First Nations employment or supplier use (4% at contract level in non-remote areas, >4% at contract level in remote areas, or 3% at organisation level).
New South Wales: **Aboriginal Procurement Policy (APP)**	The APP applies to all procurement of goods and services by NSW government agencies and requires: • Minimum 1.5% First Nations participation in all contracts valued at $7.5m or more, achieved through subcontracting to First Nations businesses, First Nations FTE and / or spend applied to education, training or capability for First Nations staff or businesses • For government agencies at a 'cluster' level: ▪ 1% of 'addressable spend' to First Nations businesses ▪ 3% of the total number of goods and services contracts ▪ 3,000 First Nations FTE employment opportunities.
Victoria: **Social Procurement Framework (SPF)**	The SPF applies to all procurement by Victorian Government departments / agencies. A minimum 10% evaluation weighting and contractual clauses apply to procurements over $20m (or $1m if regional), while smaller projects must incorporate SPF objectives and outcomes within general procurement planning. Specified social and sustainable procurement objectives include: • Opportunities for Victorian Aboriginal people, through ▪ Purchasing from Victorian Aboriginal businesses ▪ Employment of Victorian Aboriginal people by suppliers • Sustainable Victorian social enterprise and Aboriginal business sectors, through purchasing from social enterprises and Aboriginal businesses. Departments/agencies must each develop a Social Procurement Strategy (at an organisation level) and have some flexibility to determine the relevant social procurement objectives and approach for a given procurement.

* Procurement value targets under the IPP are progressively increasing up to 3% by FY28

How could FNCOs potentially be integrated?

FNCOs could be recognised towards government and/or supplier spending targets (which, subject to further consultation and diligence, may not require any amendment to the policies). Policies could also be expanded to mandate that government departments/agencies purchase a minimum amount of renewable energy (by volume and/or value) from First Nations suppliers, bundled with FNCOs.

Under existing policies, First Nations procurement targets are generally evaluated at the time of tender, and there is a risk that obligations are not met throughout the life of a project/contract, for reasons including lack of supply from certified First Nations businesses. Arguably, FNCOs present a more realisable commitment than more traditional forms of social procurement, due to their scaleabilty and validity across all Australian jurisdictions, and as such could attract higher scoring in tender assessments.

Overview of Indigenous procurement policies in other jurisdictions

Comparable policies exist in most other Australian states and territories. The FNCO could be integrated into these policies through similar mechanisms to those described above.

Queensland	The **Queensland Indigenous Procurement Policy** (QIPP) targets 3% of government spending to be directed to First Nations businesses.
Western Australia	The **Aboriginal Procurement Policy** mandates progressive targets for the award of contracts to First Nations businesses (4.5% of awarded contracts as at 2025-26).
South Australia	The **Aboriginal Economic Participation Strategy** promotes government procurement from First Nations businesses, including through an Aboriginal Business Register. The **Industry Participation Policy** also provides specific incentives for government agencies to procure from First Nations businesses.
Northern Territory	The **Aboriginal Procurement Policy** targets 5% of government contracts awarded to First Nations enterprises annually, by both volume and value.
ACT	The **Aboriginal and Torres Straight Islander Procurement Policy** targets 2% of addressable spend with First Nations enterprises.

What other FNCO demand driver policy options could be used to underpin the economic price?

We have proposed IPPs as a potential first step policy driver for demand. However, to better support objectives, additional demand drivers could be considered. The list below and on the next page is intended to prompt discussion rather than provide a comprehensive list, set pathway, or detailed analysis of the respective benefits and potential challenges. While some of these options would require legislative change or amendments to existing policies and guidelines, establishing clear policy directions that facilitate achieving the FNCO objective, align with the First Nations Clean Energy Strategy vision and goals.

	Policy	Description	Impact	Top 3 actions for implementation
1	Mandatory government FNCO procurement	All federal and state departments must procure at least 5% of their electricity from FNCO-certified generators.	• Creates guaranteed demand • Legitimizes FNCOs across markets • Establishes de facto price floor.	1. Amend Commonwealth procurement rules 2. Issue state directives 3. CER to certify FNCO sources
2	FNCO in Renewable Energy Target (RET)	Create a 5% FNCO-specific obligation within RET for energy retailers.	• Establishes long-term demand • Ties FNCOs to compliance markets.	1. Amend RET legislation 2. CER registry update 3. Enforce through LGC penalty structure
3	Statutory Market Authority	Establish an independent FNCO authority to regulate and underwrite markets	• Creates permanent price floor • Increases investor confidence	1. Draft enabling legislation 2. Fund and launch regulator 3. Appoint Indigenous-led Board
4	FNCO buy-back program	Government acts as buyer of last resort for unsold FNCOs at $35/MWh	• Ensures price floor; de-risks financing for developers	1. Allocate $100m fund 2. Establish buy-pack process 3. Monitor via CER
5	Tax deduction incentives	Provide 150% tax deduction for FNCO purchases (like research & development).	• Strong financial incentive • Boosts buyer pool.	1. Amend Income Tax Act 2. Treasury modelling 3. ATO guidance for corporates
6	Weighted FNCO scoring in grants	Make FNCO participation a scoring criterion in all renewable grants.	Pushes developers to include FNCOs to win public funding.	1. ARENA and DCCEEW policy directive 2. Grant guideline updates 3. Applicant support material
7	Disclosure in power purchase agreements (PPAs)	Mandatory disclosure of FNCO involvement in PPAs >5MW.	• Improves market transparency and benchmarking.	1. AEMC rule change 2. Regulator compliance portal 3. Public register of FNCO projects

What other FNCO demand driver policy options could be used to underpin the economic price?

	Policy	Description	Impact	Top 3 actions for implementation
8	Land access linked to FNCOs	Development approvals and land access approvals conditional on FNCO registration.	• Forces early inclusion of First Nations benefits.	1. Planning law amendment 2. FNCO contract templates 3. LGA-level training
9	ESG fund certification	Allow ESG funds to count FNCOs toward certified investments.	• Drives institutional capital into FNCO markets.	1. ASIC ESG taxonomy recognition 2. Fund-level disclosure templates 3. Alignment with Task Force on Climate-related Financial Disclosures (TCFD)
10	Bank lending discounts	Green loan discounts for developers with FNCO-backed PPAs.	• Improves weighted average cost of capital (WACC) • Increases investor confidence	1. Bank partnership MOUs 2. Due diligence guidelines 3. Credit policy reform
11	Auction weighting in REZ projects	Provide higher weighting for FNCO projects in REZ auctions.	• Makes FNCOs key to winning competitive funding	1. NSW Roadmap and Victorian REZ updates 2. Set rules and registry design 3. Developer education sessions

Policies don't need to be limited to Commonwealth-level and could be applied via individual jurisdictions

The above are a combination of national, jurisdictional, and market-driven policies and mechanisms that will be further considered to understand the trade-offs, feasibility, and whether it could achieve, or partially contribute to the FNCO's success. For example, leveraging auction processes, as applied to upcoming CIS tender processes, can provide an avenue to increase the commercial value of FNCOs.

Australian State Government's energy transition roadmaps include the establishment and development of Renewable Energy Zones (REZs). REZs present the most significant policy intervention framework that could be leveraged as State Governments are taking a coordinating role in auction process and have publicly committed to partnering and sharing benefits with First Nations people. The REZ frameworks include initiatives to partner and share benefits with First Nations people, including procurement policies. Engaging with the relevant jurisdictional REZ coordinating body to discuss updating procurement policies to include compulsory acquisition of FNCOs could provide an alternative pathway to achieve the value of FNCOs.

How could it work?
As part of the auction process, the relevant tender and procurement rules would set either eligibility or merit criteria requiring a minimum % of equity held by First Nations. This could be evidenced by FNCOs. To incentivise higher equity, the merit criteria could allocate additional 'scoring' proportionate to the amount of equity held. Alternatively, projects with additional equity could be awarded more favourable above-market contracts as an incentive to increase equity share.

Who are the likely buyers of FNCOs?

Buyer Group	Key Motivation
Providers of goods & services to government	Discharge Indigenous Procurement Policy obligations by purchasing power.
Corporates with RAPs	Demonstrate measurable support for First Nations and meet RAP targets.
ESG-focused companies	Strengthen ESG credentials with traceable social impact linked to clean energy.
Government	Align with Indigenous Procurement Policy and "Closing the Gap" initiatives.
Utilities & retailers	Offer FNCO-certified products to meet emerging customer & compliance demand.
Superannuation funds	Enhance portfolio impact and comply with responsible investment frameworks.
Project developers	Secure premium PPA terms and de-risk projects through Indigenous partnerships.
Local governments	Support local Indigenous communities and achieve community benefit targets.
Universities & institutions	Demonstrate leadership in reconciliation and renewable energy procurement.

Market demand worked example

The FNCO provides an innovative way for corporates to fulfil Mandatory Minimum Requirements (MMR) under the IPP. This is especially valuable in industries like construction, where sourcing qualified Indigenous subcontractors can be challenging.

Hypothetical example: FNCO for a major contractor

Lendlease, managing a $200 million Defence Australia project, must allocate $6 million to First Nations businesses (3% by 2027/28 under IPP). Sourcing Indigenous subcontractors with required specialisations, such as plumbing or civil engineering, can be difficult.

Solution by procuring First Nations power + FNCOs

Lendlease could purchase renewable energy (2,000 MWh/year) from a First Nations-owned solar farm, bundled with 2,000 FNCOs, contributing $1.5 million annually toward their $6 million IPP target. This approach expands the pool of goods and services available to discharge IPP requirements and supports Indigenous businesses and renewable energy goals.

Outcome: FNCOs could provide corporates like Lendlease with a scalable, impactful way to meet procurement targets, addressing subcontractor shortages while driving Indigenous-led renewable energy development.

Financial Year	IPP MMR targets (By Value of Contract)	Sample IPP MMR obligation (based on $200m contract)
2023-24	2.00%	Annual spend of $4.0m
2024-25	2.25%	Annual spend of $4.5m
2025-26	2.50%	Annual spend of $5.0m
2026-27	2.75%	Annual spend of $5.5m
2027-28	3.00%	Annual spend of $6.0m

What is a realistic price range for FNCOs?

What is the economic value?

To uplift revenue to match the commercially viable return profile and unlock capital, the target range for FNCOs needs to be AUD $35-$100 per MWh of FNCO-certified generation

This range is economically justifiable based on:

- Marginal revenue required to close project feasibility gaps.
- International willingness-to-pay for co-benefit certificates.
- Internal carbon prices and social value monetisation.
- Comparable premiums in similar voluntary certificate markets (e.g. NZ, US).

This pricing is not only **justified**—it is necessary to enable the participation of First Nations people in Australia's energy transition **on equitable and sovereign terms**.

Cost-based justification: Closing feasibility gaps	Many First Nations-led or Joint-Venture renewable energy projects struggle to meet commercial hurdle rates (~10% equity return) due to: • Higher early-stage soft costs (land access, consultation, governance setup). • Smaller scale (sub-10MW projects lacking economies of scale). • Lack of access to low-cost equity or grant capital. A premium of **~$35/MWh** on a 5MW solar project generating 10,000 MWh annually produces **$350,000/year in additional revenue**—equivalent to a **3–5% uplift in IRR**, enough to: • Attract concessional or blended finance. • Justify developer equity gifting in land-based projects. • Create intergenerational income streams for First Nations communities. This amount effectively "prices in" the social and cultural value contributed by the community, which the energy market otherwise fails to recognise.
Demand-side benchmarking: ESG & procurement premiums	In corporate ESG and Indigenous procurement contexts: • **RE100 companies**, governments, and institutions with RAPs are willing to **pay premiums** to meet Indigenous engagement goals. • **Supply Nation-certified spending targets** by major corporates are often 3–5% of total spend; some ESG-linked loans assign **1–2% of financing costs** to RAP targets • Similar **premium-based procurement frameworks** (e.g. B-Corp credits, Fairtrade carbon offsets) show buyers are willing to pay **15–30% more** for certified social co-benefits. Therefore, an FNCO priced **at the FNCO floor** is **well within ESG budgets** and seen as **value-aligned procurement**, not charity.
International comparables: co-benefit offsets & certificates	While FNCO is electricity-based (not a carbon offset), the following comparables show that **buyers will pay materially more for embedded cultural and social co-benefits**, especially when supported by a credible certification process: • In New Zealand, Māori-led native forest carbon credits are known to attract **~10–20% premiums** over standard NZUs, depending on cultural and biodiversity attributes. • In the US voluntary carbon market, offsets with Indigenous rights or biodiversity co-benefits can trade at **USD $15–$25/tonne** when generic credits trade at USD $8–$12/tonne. • Gold Standard and Verra projects with community co-benefits have demonstrated premiums of **30–50%** in high-integrity offset markets.
Social value pricing logic	An FNCO represents not just energy, but: • **Land access & stewardship** without extinguishment. • **Governance by First Nations organisations**. • **Cultural knowledge, protection of heritage, and social licence**. • **Training, employment, and economic development pathways**. These contributions represent **real economic value**, and can be benchmarked against: • **Land lease equivalents** ($500–$2,000/ha/year). • **Cultural heritage compliance costs** ($20,000–$100,000 per project). • **Reputational value to corporates**, which can influence brand equity, social capital, and ESG ratings. When amortised across generation volume, these values easily justify **$15–$40/MWh**, especially for corporates paying **AUD $140–$160/MWh** all-in for firmed renewable energy.

What are the pathways to First Nations equity participation?

Minority Interest (Land-only contribution and / or gifted equity)	• This pathway is designed for communities that may be limited in the amount of capital they can contribute, and communities that cannot contribute capital but can offer land access or social licence. • In these models, a First Nations organisation(s) could purchase a minority interest in the project, or developers may "gift" an equity interest (e.g., 10%) to the First Nations group in recognition of land contribution or co-development rights. • FNCO certificates could be issued proportionate to the First Nation organisation's equity interest. Alternatively, this could result in a different 'class' of FNCO that trades at a different price to those created by joint venture or full 100% First Nations ownership projects. • The additional social and cultural price layer of an FNCO (referred to hereafter as a 'premium') creates commercial justification for the developer to share equity, since the uplift in project revenue enhances IRR and de-risks project approvals. • These models open supply creation in low-capacity communities and are especially powerful for fast-tracking land access and social consent.
Joint Venture (Shared ownership model such as 50:50 or similar)	• This model represents an equitable partnership between a First Nations entity and a commercial developer. • The community could contribute land and part of the equity, often with support from concessional capital providers like Indigenous Business Australia (IBA), Clean Energy Finance Corporation (CEFC), or philanthropic sources. • It could also include a combination of purchased equity by a First Nations organisation, and gifted capital 'top-up' by investors such that the First Nations organisation has at least a 50% equity share. • One FNCO would be created for 1MWh of generation if a First Nations organisation had at least 50% equity. Alternative, 1 in 2 MWh generated could be eligible to receive an FNCO. Another option is this results in a class of certificate that could trade at a higher price compared with minority interest. • The inclusion of an FNCO floor revenue enables these joint ventures to meet or exceed a 10% equity yield, making them attractive for impact-aligned investors. • This model is scalable, replicable, and balances commercial feasibility with community empowerment.
100% First Nations Ownership (Fully owned by a First Nations organisation)	• In this pathway, the renewable energy project is entirely owned and controlled by a First Nations organisation or trust. • The full equity stack is provided by a combination of grant funding, concessional equity, and / or philanthropic capital, with technical delivery managed by Engineering, Procurement and Construction (EPC) partners or project developers under service contracts. • All FNCO certificates and associated revenue are retained by the First Nations proponent. • The FNCO premium is critical to closing the commercial viability gap, ensuring that fully Indigenous-owned projects can generate a sustainable distribution yield (≥10%). • This model creates the most powerful supply-side structure for long-term community wealth creation, intergenerational income, and First Nations leadership in the energy transition.
Generally	• In all models, the FNCO acts as **a new revenue layer** that transforms previously unmonetised participation—such as cultural leadership, land contribution, and governance—into a **bankable income stream**. • This enhances the commercial case for developers, unlocks concessional capital, and ensures a **steady pipeline of certifiable FNCO supply** across varying project scales and community capacities. • The **diversity of supply pathways** ensures inclusivity, scalability, and integrity as the FNCO ecosystem grows nationwide.

NSWALC's renewable energy strategy

New South Wales Aboriginal Land Council

In late 2024, the NSWALC Council approved the incorporation of a wholly owned, not-for-profit subsidiary. The company will originate renewable power projects across NSW by providing the enabling resources required by local communities.

NSWALC's vision is to dramatically increase First Nations participation in Australia's energy transition, by developing a state-wide portfolio of renewable energy assets.

The annual proceeds (net income) from these projects will be reinvested into communities via benefits sharing agreements with Local Aboriginal Land Councils.

Three pilot projects are currently being developed and a detailed analysis of the entire NSW LALC land holding portfolio is currently underway to determine most ideal locations for a portfolio of potential future developments.

How can eligibility design be culturally appropriate and maintain FNCO integrity?

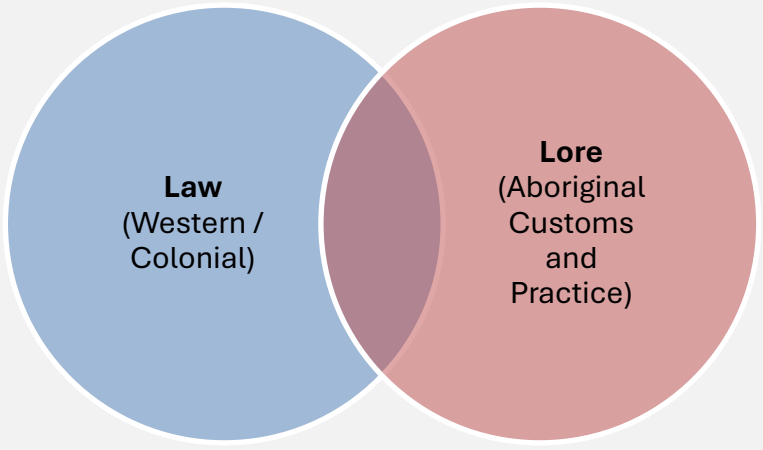
Over the next pages, an organisation eligibility framework that considers Law (Western / colonial) and Lore (Aboriginal Customers and Practice) has been applied to two eligibility approaches, with the objective to identify a blender midpoint that balances the principle of self-determination and providing industry and buyers confidence in the integrity and credibility of FNCOs.

Should an organisation need to demonstrate a charitable purpose to be eligible, such that it demonstrates benefits will flow back to Community?		
Law (Western definition of a Charitable organisation)	**Blended Midpoint** (Eligibility criteria for First Nations organisation)	**Lore** (Cultural equivalent under First Nations Lore)
Operates for public benefit – must have charitable purpose such as relieving poverty, advancing education, or advancing culture.	Must deliver measurable public / community benefit *and* affirm cultural continuance and intergenerational reciprocity.	**Operates for collective good** – duty to care for mob, Country, culture and kin; benefit flows through relational obligations.
Governed by fiduciary duty and a constitution – regulated by ACNC and/or ASIC.	Governed by *both* a formal constitution and a Lore-informed governance framework (e.g. Elders Council, skin group decision-making).	**Governed by cultural protocols** – Elders' authority, kinship systems, Dreaming Law guide conduct, decisions, and stewardship.
Eligible for tax exemption and deductible gift recipient (DGR) status – donations are tax-deductible; income is exempt.	Structured for tax compliance *and* embeds cultural value systems in how surplus is used (e.g. redistributed via Lore-based principles).	**Reciprocal redistribution of wealth** – surplus is used for ceremonies, care for Elders, Country healing, and knowledge-sharing.
Must not profit private individuals – all income must go toward charitable purpose.	Profit is prohibited at individual level *and* surplus must be cycled through culturally determined community benefit (e.g. ceremony, land return).	**No personal profit from community resources** – wealth and land are shared for group survival and cultural responsibility.
Defined charitable objects – must be written clearly and adhered to.	Objects written in legal terms but interpreted and assessed through cultural storytelling and Elder validation.	**Oral declaration of purpose** – law is passed through stories, songs, and Country; authority lies in narrative and place.
Annual reporting and transparency – financial reporting and audits required.	Reports include both financial data *and* cultural performance indicators (e.g. youth on Country, language retention).	**Cultural accountability** – shown by presence at ceremony, maintenance of songlines, and continued consent from Elders.
Has legal personality – can own land, contract, sue or be sued.	Has legal status *and* is grounded in cultural legitimacy (e.g. recognised by skin groups, Elders, or custodians).	**Custodial identity** – entities represent clan groups or responsibilities tied to land and Dreaming, not corporate "personhood".
Must not engage in illegal activity – even with a charitable purpose.	Follows legal standards *and* avoids actions in breach of Lore (e.g. desecrating sacred sites, disrespecting Elders).	**Lore breaches carry spiritual and social consequences** – not just legal penalties, but shame, exclusion, or imbalance.
Profit-maximising for shareholders or owners	Profit-generating *and* bound by a Cultural Benefit Charter ensuring profits cycle back to community.	**Profit is redistributed relationally** – gain is shared according to kinship, ceremony, and custodial responsibility.

How can eligibility design be culturally appropriate and maintain FNCO integrity? (cont'd)

Should an organisation be eligible if it is for profit purpose?		
Law **(Western For-profit enterprise)**	**Blended Midpoint** **(First Nations For-profit model)**	**Lore** **(Traditional economic equivalent)**
Governed by directors under the Corporations Act	Directors' duties include fiduciary obligations *and* cultural obligations to Elders and Country.	**Governance by Elders, kinship leaders, and moiety systems** – decisions reflect ancestral law and cultural protocols.
Can raise capital from investors, banks, and equity markets	Can raise capital with conditions on cultural integrity and benefit-sharing, e.g. via First Nations-led investment funds.	**Capital sourced from trade, barter, and gifting systems** – trust and reciprocity underpin resource movement.
Owners have legal property rights to company assets	Ownership includes legal rights *and* cultural custodianship – certain assets (e.g. land) held in trust for mob.	**Custodianship, not ownership** – land, stories, and totems cannot be owned but must be cared for across generations.
Subject to tax on profits	Tax-compliant *and* uses profit to fund cultural ventures, employment, and land restoration.	**Profit use guided by Lore** – such as ceremonial cycles, funerals, caring for Country, and kinship obligations.
Direct benefit to founders, investors, employees	Benefit distributed to stakeholders *and* wider community, including non-financial cultural obligations.	**Social licence is community-based** – approval from Elders and mob required to 'run business on Country'.
Freedom of enterprise – can operate as long as laws are followed.	Freedom subject to community consent and Lore-based cultural permissions (e.g. seasonal access, songline integrity).	**Economic activity must align with Law of the Land (Dreaming, stories, restrictions)** – breach results in loss of authority and spiritual imbalance.
Can exploit natural resources with licenses	Can access natural resources with *Free, Prior, and Informed Consent (FPIC)* and cultural risk assessments.	**Extractive activities require permission from ancestors, custodians, and land itself.**

Community will be engaged to further explore the appropriateness of this framework and validate the adequacy of a blended midpoint.



What international precedents exist?

Canada provides notable learnings and examples of significant First Nations participation in renewable energy projects. The Canadian government and the private energy sector have activated the mutual economic and social benefits of meaningful participation by First Nations communities through policy, programs and incentives promoting First Nation ownership and equity in renewable energy projects. **This has resulted in approximately 20% of operational clean energy projects in Canada involving First Nations ownership or equity**. Below are some examples of successful policies, and projects implemented in Canda.

British Columbia (BC) Indigenous Clean Energy Initiative (BCICEI)	• The initiative promotes First Nations owned and led projects, ensuring ownership, revenue sharing, local employment and business development benefits are built into the process of developing clean energy projects in First Nations communities. • The funding provided enables implementation of projects by supporting multiple eligible activities. • Since it started in 2016, it has funded over 135 projects with approximately $30 million (CAD) • In 2024, the initiative's eight intake received a record-breaking 57 applications from communities across BC, with 35 projects approved for funding.
Henvey Inlet Wind Project, Ontario	• The project is the largest First Nation wind energy partnership in Canada. • Henvey Inlet First Nation, through its subsidiary Nigig Power Corporation, partnered with Pattern Canada to jointly develop, construct and operate the 300 MW site and its transmission line. • The project is a 50-50 joint venture. • The project generates approximately $10 million annually for the community and created about 1,200 jobs during its construction. The Henvey Inlet First Nation determines how proceeds are used. • Investor benefits included fostering of strong community support which was crucial to the project's success. The Henvey Inlet First Nation's cultural and environmental insights during development helped ensure the project met high environmental standards.
Hydro One, Ontario Canada	• As a form of economic reconciliation, the Ontario government gave First Nations governments the opportunity to purchase shares in Hydro One, the province's electricity transmission and distribution service provider. • A low interest loan was provided to assist in the purchase of shares, which could be paid-off through equity revenue. The shares sold in the transaction were pledged as security for the loan. • The Ontario government also provided seed capital to help establish a First Nations Indigenous Sovereign Wealth Fund to hold the shares and manage the resulting revenue on behalf of all Ontario First Nations. • The model of revenue sharing through equity investment is becoming more common throughout Canada, with similar arrangements in BC and Saskatchewan.
'Aboriginal Price-Adder', Ontario Canada	• The Green Energy Economy Act introduced an 'Aboriginal Price-Adder' within its feed-in-tariff program. • This offered above-market, fixed price contracts for generation projects passing certain First Nations ownership thresholds. • The price adder increased incrementally with a higher share of First Nations equity ownership.

These examples demonstrate that First Nations ownership create wealth and build capabilities for First Nations communities and evidence the symbiotic relationship for investors, evidenced by reduced project delays, risks and costs

A review of key learnings from these and other examples of Indigenous Energy Models in Canada demonstrate potential investor benefits from First Nations ownership and meaningful participation in energy projects.

- **Quicker project development cycle:** First Nations participation can create community support for projects, and in turn, decrease the time take for projects to progress through the development cycle, including cultural heritage and environmental approval, community engagement, and land use agreements. The benefits to investors would be quantified based on reduced costs for the development and construction stages, and bringing revenue forward as the operational stage of the project is reached sooner.
- **Access to capital and potentially a lower cost of capital:** Since higher levels of First Nations participation can accelerate access to land and other components of the development cycle, projects may be considered less risky with fewer potential project delays. The decreased risk profile awards projects with a greater likelihood of obtaining capital, and in some case, lower capital. Lenders who prioritise ESG investments could be more incentivised to provide access to capital.
- **Access to, and preference amongst, offtake parties:** Offtaker energy supply tenders can often include First Nations involvement as a requirement of preference. Projects with First Nations ownership and participation could have a higher likelihood of success (all other requirements being met) when responding to tender and access a broader range of socially responsible offtake parties. Projects attractive to offtakers are more likely to negotiate improved commercial terms.

What is the consultation plan?

Stage 1: Q1 25 Consultation paper

Overview of FNCO, energy market analysis and assessment of the existing regulatory environment shared with targeted stakeholders.

Stage 2: Q2/3 25 Targeted consultation

Key stakeholder consultations alongside ongoing input from Federal DCCEEW, Clean Energy Regulator, and First Nations Clean Energy Network.

Stage 3: Q3/4 25 Consultation on recommendations

Draft recommendations paper for broader consultation with First Nations and industry.

Stage 4: Q4 25 Regulatory reform submission

Submission to Federal DCCEEW and Energy Minister through the REGO consultation process or alternative processes subject to the policy pathway.

Who are we engaging with?

Mob

Engage with Community to articulate the concept, how it could work commercially, get buy-in, and understand feasibility of pathway

Procurement Policy Stakeholders

Engage with procurement policy owners to understand appetite and feasibility of using IPPs as a demand measure

Energy Policy Stakeholders

Engage energy policy makers to understand feasibility of implementation pathways for demand measures

First Nations Policy Stakeholders

Engage First Nations policy makers to understand feasibility of implementation pathways for demand measures

Energy Sector Stakeholders

Engage with industry stakeholders, including investors, to obtain industry views on commercial and policy measures

Potential FNCO purchasers

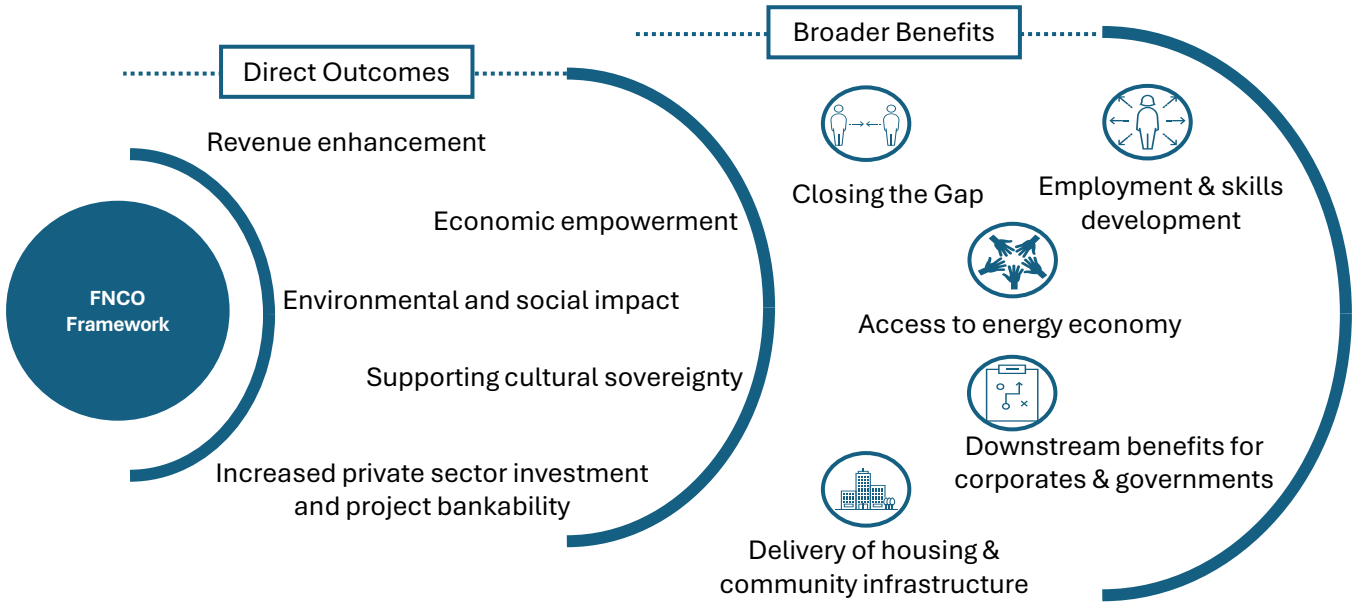
Engage with commercial buyers of certificates to obtain views on commercial viability issue and demand measures

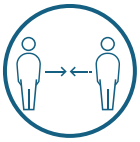
First Nations Peak Bodies

Engage with First Nations peak bodies to obtain views on commercial and policy measures

Conclusion: benefits summary

The benefits of the proposed FNCO framework expand beyond its direct outcomes from participation. The diagram below outlines the direct outcomes of the FNCO framework, and the broader, downstream benefits for First Nations communities.





Closing the Gap

Whilst the National Agreement on Closing the gap does not make specific reference to clean energy, the energy transition offers an opportunity to align with a number of targets, including:

- Target 8: developing strong economic participation and development of people and their communities.
- Target 9: securing appropriate, affordable housing aligned with need and priorities.

Targets encompassing employment, housing, health and education are intrinsically linked to having access to affordable and reliable energy. The FNCO provides access to participation in decision-making that enable self-determination opportunities for communities in achieving these targets.

Facilitating greater skills development and employment opportunities for communities

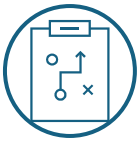
Participation in renewable energy projects offers communities short-term (project development and construction) and long-term (ongoing asset operation) employment opportunities. It also supports training and development of transferable skills that facilitates long-term employment outcomes in a significant growth sector in the Australian and global economy.

Participation in the energy transition economy

The FNCO can provide meaningful participation and self-determination opportunities with renewable energy projects which enable communities to receive their share of economic benefits from the energy transition. Such opportunities provide access to new markets and revenue streams, and associated employment opportunities and pathways to economic development.

Delivery of affordable housing and community infrastructure with FNCO revenue

New revenue streams stand to benefit First Nations communities in a variety of ways, including investing profits to deliver new infrastructure such as affordable housing.



Further downstream benefits

Benefits of the FNCO framework continue downstream, including for the renewable energy sector by opening the market to new players and increasing competition and overall investment in renewable energy generation to support net zero targets and address grid capacity challenges, corporates looking to meet IPP requirements, ESG compliance, and demonstrate reconciliation leadership and commitments, and Governments by helping towards achieving renewable energy targets and driving regional economic development.

Conclusion: FNCO theory of change

Level	Description
Context / Problem	First Nations communities are largely excluded from ownership and economic participation in Australia's energy transition, despite much of the renewable energy opportunity occurring on or near Indigenous-held land. Current energy markets do not recognise or reward cultural governance, land contributions, or community benefits.
Inputs	• Development of FNCO market architecture. • First Nations-led governance body. • Policy and regulatory engagement. • Project pipeline and developer partnerships. • Corporate and government buyer outreach. • Certification, registry, and tracking systems.
Activities	• Design and trial of FNCO certification criteria. • Engagement with First Nations land councils and Prescribed Bodies Corporate (PBCs). • Consultation with regulators and energy market operators. • Pilot FNCO-certified energy projects. • Voluntary market activation (buyers and retailers). • Investor and concessional capital structuring.
Outputs	• FNCO certification system established. • FNCOs issued to qualifying projects. • First Nations projects become bankable via uplift in yield. • Early-stage revenue delivered to communities. • Corporate buyers procure FNCO-backed energy. • First Nations governance embedded in clean energy Special Purpose Vehicles (SPVs).
Outcomes	• First Nations groups secure equity or revenue interests in renewable energy projects. • Developers de-risk land access and social licence. • Concessional capital flows into Indigenous-led infrastructure. • Cultural governance recognised and rewarded. • ESG-aligned energy procurement becomes normalised.
Impact	• Structural economic inclusion of First Nations people in Australia's energy transition. • Intergenerational wealth creation and energy sovereignty. • Climate justice and self-determined decarbonisation. • Replicable model for Indigenous participation in environmental markets.

The FNCO is intended to correct a fundamental market failure: the absence of recognition and compensation for the cultural, social, and land-based contributions that First Nations communities bring to Australia's renewable energy transition. At present, First Nations groups are often excluded from energy infrastructure projects occurring on or near their traditional lands, largely due to capital constraints, limited market access, or the invisibility of their contributions in existing regulatory frameworks.

The FNCO responds to this by creating a **certificate system** that monetises verified First Nations participation—whether through equity ownership, land contribution, governance, employment, or cultural custodianship. The introduction of this mechanism enables developers to unlock land access, social licence, and concessional capital, while communities gain an income stream, a seat at the governance table, and a pathway to intergenerational wealth creation. To succeed in its objectives and support the commercial viability of projects, strong and sustained demand is needed beyond what a voluntary certificate system, like the REGO, is likely to provide.

By institutionalising this mechanism through a trusted and independently governed certification process, FNCO catalyses a series of reinforcing activities: stakeholder co-design, project structuring, community consultation, capital mobilisation, and market education. These activities produce tangible outputs: FNCO certificates are issued, certified energy is sold at a premium, communities receive financial benefits, and developers meet their ESG and Reconciliation Action Plan (RAP) targets.

Over time, these outputs generate systemic outcomes—such as improved equity participation, project bankability, and industry-wide cultural accountability—which compound into long-term impacts: **self-determined First Nations participation in clean energy**, **economic inclusion**, and **climate justice through energy sovereignty**. In this way, FNCO acts as both a financial instrument and a structural reform tool, bridging the gap between ethical intent and economic inclusion.

Appendix: What other policy options could be explored?

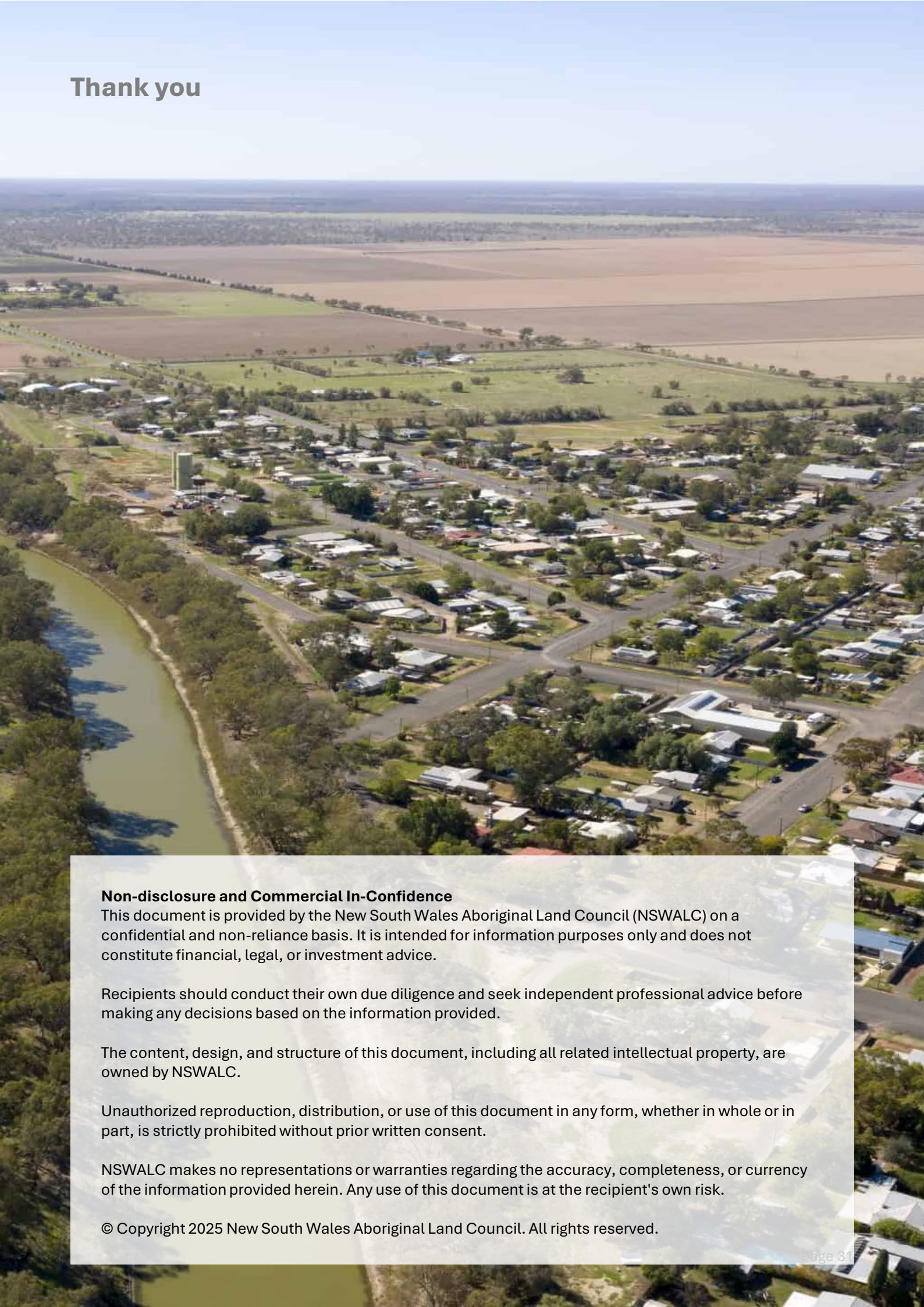
The following table presents a brainstorming of additional policy options, complementing those outlined on pages 18 and 19, aimed at stimulating discussions on potential regulatory pathways to drive demand and underpin the economic price for FNCOs.

	Policy	Description	Impact	Top 3 actions for implementation
1	Social Bond Coupon Link	Tie bond coupon reductions to FNCO uptake KPIs.	• Aligns fiscal savings with energy equity outcomes.	1. Design KPI metrics. 2. Structure bond terms. 3. Promote to ESG markets.
2	FNCOs in Modern Slavery Compliance	Recognize FNCOs as compliance evidence under the Modern Slavery Act.	• Drives procurement from corporates seeking de-risked supply chains.	1. DCCEEW + AGD regulatory guidance. 2. Supply Nation audit recognition. 3. Corporate outreach.
3	Safeguard Mechanism Inclusion	Allow FNCOs as compliance offsets under Safeguard Mechanism.	• Generates compliance-driven demand from large emitters.	1. Methodology development. 2. CER registry integration. 3. Monitor compliance offsets.
4	Council-Level FNCO Mandates	Local councils must procure 10% of energy from FNCOs.	• Builds distributed demand. • Supports regional supply.	1. State-local procurement policy. 2. Template contracts. 3. LGA capacity building.
5	FNCO Index Inclusion in ESG Ratings	Incorporate FNCO metrics in ESG ratings and Treasury economic data.	• Increases reputational value and market benchmarks.	1. Engage MSCI, FTSE. 2. Treasury economic reporting reform. 3. ESG fund alignment.
6	Tradable Voluntary FNCO Market	Create a CER-administered voluntary market with tradable FNCOs.	• Enhances liquidity, price discovery and scale.	1. Build trading platform. 2. Set rules and registry design. 3. Certify FNCO aggregators.
7	Premium Guarantee for Early Adopters	Offer $20/MWh premium to first 10 projects using FNCOs.	• Kickstarts demand and pricing signal.	1. Launch incentive round. 2. Fund via Climate Solutions Fund. 3. Track uptake.
8	STEM Incentive Linkage	Tie FNCOs to STEM/workforce rebate eligibility.	• Creates cross-policy leverage.	1. Align programs via DEWR. 2. Eligibility rule update. 3. Promote with TAFEs/unis.

Appendix: What other policy options could be explored? (continued)

	Policy	Description	Impact	Top 3 actions for implementation
9	International Carbon Market Recognition	Get FNCOs recognised as social carbon internationally.	• Expands buyer pool globally.	1. DFAT negotiations. 2. UNFCCC registry push. 3. Broker arrangements.
10	FNCO Leaderboard & Transparency Portal	Public rankings of firms' FNCO participation.	• Reputational pressure drives uptake.	1. CER platform build. 2. Publish quarterly. 3. ESG ratings firm collaboration.
11	Retail Tariff Line for FNCOs	All energy bills include 1% levy to fund FNCO pool.	• Creates citizen-funded demand. • Creates a stable floor.	1. AER rule change. 2. Energy retailer compliance. 3. Pool management framework.
12	Penalty Offset for Non-FNCO Developers	Developers without FNCOs pay $3–5/MWh into fund.	• Disincentivises exclusion and funds the floor.	1. DA condition change. 2. Treasury-managed pool. 3. Developer guidance.
13	ESG Tax Shield for Corporates	Offset income tax via FNCO-linked investment.	• Makes FNCO spend a tax reduction lever.	1. Treasury legislation. 2. ATO FNCO deduction guidance. 3. PPA structuring support.
14	Urban Planning Law Reform	FNCO required for RE projects >1MW as DA condition.	• Institutionalises FNCO early in project lifecycle.	1. Planning dept guideline. 2. DA template changes. 3. Council training.
15	Super Fund Portfolio Quotas	Mandate CEFC/Future Fund to hold FNCO exposure.	• Injects large-scale institutional demand.	1. Portfolio mandate revision. 2. Risk-adjusted benchmarking. 3. Fund manager engagement.
16	Treaty-Based Participation Rights	Guarantee FNCOs via First Nations treaty frameworks.	• Creates legal and moral foundation for demand.	1. Treaty negotiation template. 2. Legal draft inclusion. 3. Community consultations.
17	RET Modernisation – FNCO as Compliance Path	Update RET to include FNCOs in LGC targets.	• Reforms old scheme with justice lens.	1. Ministerial amendment bill. 2. CER rule change. 3. Retailer adjustment period.
18	Public Sector Energy Contracts Rule	All public power contracts must include FNCO clauses.	• Hardwires demand across every agency.	1. Procurement rule update. 2. PPA clause template. 3. Portfolio audit.
19	LGC Price Adder for FNCO Projects	Provide $10/MWh bonus on LGCs for FNCO-certified generation.	• Incentivises FNCO inclusion through market price uplift.	1. CER LGC system update. 2. Treasury price adder funding. 3. FNCO validator list.

Thank you



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1 August 2025

New South Wales
Aboriginal Land Council
ABN: 82 726 507 500

Guarantee of Origin Scheme Team

Department of Climate Change, Energy, the Environment and Water
GPO Box 3090
Canberra ACT 2601
Australia

Dear Sir/Madam,

Re: Renewable Electricity Guarantee of Origin (REGO) scheme

NSW Aboriginal Land Council (**NSWALC**) is pleased to provide the following response to the Department of Climate Change, Energy, the Environment and Water's (the **Department**) request for feedback on the Exposure Drafts of the legislative instruments that will support the Guarantee of Origin (**GO**) scheme.

Our enclosed response is guided by an 18-month project to determine how First Nations people across Australia can meaningfully participate in, and benefit from, Australia's energy transition. Our work has identified a unique opportunity to unlock the investment capital required to achieve this goal at significant scale across Australia.

We believe that REGOs can play a vital role in achieving this goal. Additional policy and legislative/regulatory support (beyond the REGO scheme) will also be essential. We believe this twofold approach can have a dramatic impact on numerous Closing the Gap targets, if implemented correctly.

The enclosed response is therefore structured in the following 2 parts:

Response	Overview
Response part 1: Feedback on the REGO scheme	1.1. Feedback on eligibility criteria suitable for renewable energy projects owned and operated by First Nations organisations (in whole or in part). 1.2. Feedback on the importance of being able to distinguish between on-grid and off-grid generation within a REGO certificate.
Response part 2: Future Market Design proposal	2.1. Introduces the concept of a First Nations Certificate of Origin (**FNCO**) as a way of branding REGOs generated by eligible First Nations organisations. 2.2. Outline a range of policy pathways to create mandatory demand for FNCOs as a market-based mechanism (much like LGCs). 2.3. Describe the economic price floor for FNCOs which would make both on-grid and off-grid (microgrid) projects attractive to institutional investment and generate community benefits. 2.4. Outline the impact that such a market-based mechanism could have on Government objectives such as Closing the Gap.

This proposal has been kindly reviewed by the First Nations Clean Energy Network and their generous feedback has been incorporated into this response.

NSWALC is currently undertaking an extensive consultation process to develop the Future Market Design proposal outlined in part 2 of this response and we welcome the opportunity to continue engaging with the Australian Government to move this concept forward as rapidly as possible. Doing so will support an imminent pipeline of investment ready projects.

Thank you for taking the time to consider our enclosed feedback and research. Should you need to discuss this submission, please do not hesitate to contact our Principal Advisor on these matters, Evan Leslie on evan.leslie@alc.org.au.

Regards,

Clare McHugh
Chief Executive Officer

Enclosed:

1. Response Part 1: Feedback to the REGO scheme
2. Response Part 2: Future Market Design proposal

Response Part 1: Feedback to the REGO scheme

1.1. Eligibility criteria for REGO Certificates with First Nations attributes

We recommend that the REGO scheme include clear, consistent and transparent **eligibility criteria** for attributing First Nations ownership to REGO certificates: criteria that reflect both legal ownership and the economic substance of First Nations participation.

To ensure the integrity and value of any future First Nations attribute within REGO, **we propose a straightforward equity-linked attribution model** that governs how REGO certificates can carry the necessary First Nations credentials, and lays the foundation for integration with a future First Nations Certificate of Origin (FNCO) (discussed in Response Part 2).

a) Equity-Based Attribution Model

To preserve integrity and ensure confidence in the market, we recommend that REGOs are able to accommodate the following key characteristics:

- ability to clearly differentiate between REGOs issued in respect of projects with genuine First Nations equity ownership of eligible projects (as opposed to other types of First Nations participation or interests)
- ability to differentiate between different levels of First Nations equity ownership in eligible projects.

We recognise there are a variety of different ways to deliver these characteristics, including the creation of different classes of certificate or the use of transparent 'attributes'. In relation to recognising different levels of First Nations equity ownership, we recommend adopting a **simple proportional framework**. This model ensures that every 1MWh of generation only gives rise to a maximum of 1 First Nations-branded certificate, and that attribution is not overstated in projects with partial equity.

First Nations shareholding	REGO Attribution (First Nations Tagged REGOs)
100%	1 x First Nations attributed REGO per 1 MWh generated
50%	1 x First Nations attributed REGO per 2 MWh generated
33%	1 x First Nations attributed REGO per 3 MWh generated
25%	1 x First Nations attributed REGO per 4 MWh generated
And so on	*Pro rata attribution continues*

Definition of "*shareholding*"

For the purposes of REGO attribution, the term *"shareholding"* refers to a legal and beneficial equity interest in an entity that owns or controls a renewable energy generation asset. Under the *Corporations Act 2001 (Cth)*, a shareholder is a person or entity entered on the register of members as holding shares in a company, which confers proprietary rights including voting rights, entitlement to dividends, and participation in surplus capital on winding up. For REGO purposes, this definition is extended to include **any equity**

interest (held via company shares, trust units, or joint venture arrangements) that confers genuine economic entitlements to the First Nations participant.

This includes situations where a First Nations organisation (e.g., an Aboriginal Land Council, a not-for-profit corporation, or a prescribed body corporate) holds equity either:

- **Directly**, via ordinary shares or units entitling the holder to a proportionate share of profits;
- **Indirectly**, via a trust or partnership structure in which the organisation is a named beneficiary with a documented entitlement to net income or value generated by the project;
- Or **in trustee or nominee capacity**, where the First Nations entity acts as a custodian for community benefit and has control over the distribution of project-derived revenues.

To qualify, such equity interests must include the right to receive a proportionate share of dividends or equivalent distributions **on a pari passu basis** with other holders of the same equity class. Attribution must not be extended to arrangements that are purely nominal, non-economic, or where First Nations entities have no entitlement to actual distributions or decision-making power in relation to project revenues.

This model is intentionally simple and transparent, and that clarity is its strength.

It allows all REGO certificates to remain valued at **1 MWh of energy**, but only a defined and limited subset will qualify for First Nations attribution, based **precisely on equity ownership**. This prevents the dilution of the brand, avoids over-issuance, and provides a credible foundation for premium pricing in voluntary or ESG-linked markets.

Importantly, this framework:

- Preserves the **perceived market value of each First Nations attributed REGO** regardless of the equity structure of the underlying project.
- Avoids complex fractional certificates or sub-MWh instruments, which can reduce trust and usability.
- Aligns with the proven logic of LGCs: simple, standardised, verifiable.

b) Basis for Eligibility

We recommend that DCCEEW adopt an economic eligibility framework for any First Nations REGO tag or attribute that is:

- **Verifiable:** based on clear equity documentation (e.g., shareholder agreements, ASIC/ACNC records).
- **Culturally endorsed:** with optional guidance or verification from a First Nations-led governance body or accreditor (e.g., Supply Nation, First Nations Clean Energy Network, or a future FNCO registry).
- **Economically grounded:** economic attribution should only flow from genuine equity or trust-based net income participation, not from employment, consultation or benefit-sharing arrangements that don't deliver long-term wealth.

We caution against eligibility based solely on "involvement" or contractual engagement. Attribution must be limited to **legal equity or beneficial ownership**, otherwise the integrity and value of any First Nations attribute will quickly erode.

1.2. Importance of distinguishing between on-grid and off-grid generation within REGO certificates

As Australia's energy transition extends beyond major transmission corridors and into regional and remote communities, it becomes critical that the REGO framework **recognises the unique characteristics of off-grid and microgrid renewable energy projects**, particularly those developed by or in partnership with First Nations communities.

We recommend that the REGO scheme include a **technical attribute or data field** that clearly identifies whether the generation is:

- **On-grid:** connected to the National Electricity Market (NEM), Wholesale Electricity Market (WEM) or a major distribution network; or
- **Off-grid / microgrid:** operating independently, with inbuilt Islandable mode (during network outages or instability), or in a stand-alone power system (SAPS), typically servicing remote or fringe-of-grid communities.

Why this distinction matters

The generation of renewable electricity in off-grid and microgrid contexts is subject to **fundamentally different cost structures, risk profiles, and policy objectives** compared to grid-connected projects. In particular:

- **Higher capital costs per MWh**, due to lower economies of scale, engineering complexity, and limited procurement leverage;
- **Elevated operational costs**, including remote maintenance, diesel displacement requirements, and system resilience;
- **Revenue uncertainty**, as many off-grid systems serve communities with constrained demand and limited ability to enter firm offtake arrangements;
- **Public policy significance**, given the role of off-grid renewable projects in addressing energy poverty, replacing diesel reliance, and closing infrastructure gaps in Indigenous communities.

These realities are especially pronounced for First Nations organisations seeking to develop **community-scale solar and battery projects**, which often lack access to large corporate offtakers or the liquidity of grid export revenues.

Benefits of integrating this attribute into REGO

By incorporating a simple binary distinction (e.g., *on-grid* / *off-grid*) into each REGO certificate, the Department would:

- Enable **future targeting of support mechanisms** (e.g., grant programs, procurement weighting, or FNCO multipliers) to projects facing the most material barriers to investment;
- Enhance the **integrity and granularity of market reporting**, which is essential for ESG disclosure, government planning, and reconciliation tracking;

- Support the eventual **stacking of REGO with co-benefit certificates** like FNCOs, where pricing or recognition may vary based on the project's remoteness and role in social impact delivery;
- Lay the foundation for a **more equitable, differentiated clean energy certificate market**, in which both market and non-market value drivers can be recognised.

Implementation

This attribute could be introduced as part of the standard REGO certificate metadata, requiring generators to declare the nature of their grid connection at the time of registration. A declaration supported by documentation from the network operator, or AEMO classification, would suffice.

Where REGO is proposed to be the foundation registry for a future FNCO instrument, this distinction will be critical to ensuring **voluntary FNCO markets can appropriately calibrate value to the relative cost and impact** of each project.

Response Part 2: Future Market Design proposal

Please refer **attached**.

This document outlines a concept known as the First Nations Certificate of Origin (FNCO) which is intended to provide a recognisable way of describing and branding REGOs with First Nations attributes such that FNCOs could be tradable instruments as part of a market-based system.

Summary: Why is FNCO required in addition to First Nations attributed REGOs?

While the REGO scheme plays a vital role in providing transparency around the origin and attributes of renewable electricity, it is not designed to deliver economic transformation or address entrenched structural barriers to First Nations equity in energy infrastructure. The purpose of REGO (to support verifiable environmental claims) does not extend to embedding financial incentives for Indigenous ownership, participation, or wealth-building.

In contrast, the First Nations Certificate of Origin (FNCO) is expressly designed to **create a market-based price signal for equity-based inclusion**, ensuring that First Nations communities are not merely consulted, but co-owners of Australia's energy future. FNCO is needed in addition to REGO because **transparency alone does not shift capital flows**, but targeted demand mechanisms can. By tying social value to a tradable certificate, FNCO makes Indigenous inclusion economically rational (not just ethically desirable).

FNCO offers government a proven, low-cost, and scalable way to catalyse systemic change, **modelled on the success of the Large-scale Generation Certificate (LGC)** scheme. LGCs drove over $50 billion in renewable energy investment without requiring direct grants or ongoing public expenditure; instead, they embedded a price signal within a regulated procurement environment.

FNCO proposes to do the same for Indigenous participation by creating **a certificate that can be voluntarily purchased or mandated through Indigenous Procurement Policies (IPPs), government tenders, or ESG-linked procurement rules**. This can be achieved by either creating a parallel certificate, pegged to a REGO with qualifying attributes, or simply designating such a REGO certificate as an FNCO. Unlike complex grant programs or regulatory compliance regimes, FNCO is a light-touch, scalable solution: it operates **within existing market infrastructure**, respects Indigenous self-determination, and **monetises participation without adding cost to government budgets**.

In short, it is the most sustainable way to achieve universal, lasting change (by aligning private capital, community benefit, and national policy objectives).

To maximise efficiency and interoperability, the FNCO could be integrated into the REGO registry architecture as a **stackable attribute or parallel certificate class**, with shared verification and tracking infrastructure but distinct market purpose. Importantly, to prevent double counting and maintain integrity and value, the REGO registry architecture would need to be able to accommodate the 'retirement' of certificates (whether through an attribute designation or some other mechanism) once these had been acquitted against an IPP or equivalent procurement obligation.

This approach preserves the REGO scheme's core function (to certify the environmental content and provenance of electricity) while allowing FNCO to introduce a **separate, tradable layer of social and economic value tied to First Nations equity**. Registry integration would ensure trust, prevent double-counting, and reduce administrative burden for developers and buyers. At the same time, **FNCOs would retain their own pricing dynamics**, driven by demand from ESG purchasers, IPP obligations, and social procurement frameworks.

This dual-structure model (one registry, two distinct value streams) draws confidence from the Clean Energy Regulator's successful administration of LGCs and ACCUs, and would enable Australia to lead the world in embedding Indigenous equity into market-based decarbonisation pathways.