

30 January 2026

Ms Rebecca Lannen  
General Manager - Future Made in Australia Implementation Branch  
Department of Industry, Science and Resources  
10 Binara Street  
CANBERRA ACT 2601  
via email: [CBPconsultation@industry.gov.au](mailto:CBPconsultation@industry.gov.au)

Dear Ms Lannen,

### Future Made in Australia Community Benefit Principles consultation

The Australian Small Business and Family Enterprise Ombudsman (ASBFEO) welcomes the opportunity to make a submission to the Department of Industry, Science and Resources (DISR) on the Future Made in Australia Community Benefit Principles consultation.

The ASBFEO supports the Australian Government's Future Made in Australia agenda. We appreciate the importance of fostering new and existing industrial sectors to boost Australia's economy while supporting the transition to net zero. The ASBFEO appreciates that the Community Benefit Principles are a vital part of the decision-making process for Future Made in Australia support, and to securing the objective of retaining economic benefit within Australia.

Receiving Future Made in Australia support could be transformative to Australian small businesses and family enterprises. Small businesses make a significant contribution to Australia's GDP, including generating \$86.6 billion in the professional, scientific and technical services sector.<sup>1</sup> Many of the activities within this sector align closely with the five priority industries identified in the National Interest Framework. Because of this alignment, access to Future Made in Australia support has the potential to help small businesses scale their capabilities and strengthen Australia's economic resilience.

We acknowledge the intentions behind the minimum and threshold requirements for each Community Benefit Principle. However, we are mindful of the regulatory and administrative burden these requirements may place on small businesses who do not have the resources of bigger businesses. Based on the feedback about the Commonwealth Procurement process, small businesses face a range of challenges such as navigating the complex tender process, competing with larger businesses who have dedicated procurement teams to complete their paperwork, and completing applications with tight timeframes. To alleviate these challenges, we have outlined overall and specific recommendations relating to the minimum and threshold requirements of each Community Benefit Principle.

### Overall recommendations

- While we acknowledge that the Community Benefit Principles are intended to be proportionate to the size and nature of the Future Made in Australia support provided, more detail on how decision makers will adjust the minimum requirements for small business with

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<sup>1</sup> Australian Small Business and Family Enterprise Ombudsman, *Contribution to Australian Gross Domestic Product*, ASBFEO, The Treasury, Australian Government, 2025.

small projects would be beneficial to understand how it will support small business proponents.

- We also recommend that DISR review the minimum and threshold requirements to ensure that there are no duplications in requirements between each Community Benefit Principle (for example, threshold 4.3 may be merged with threshold requirement 3.1). This will streamline the application process for small businesses who are over the financial threshold.
- Consultations with stakeholders, including First Nations communities and Traditional Owners, should be proportionate to the project's scale, culturally appropriate and safe, and undertaken in a way that leads to meaningful, actionable outcomes.

ASBFEO's submission provides feedback and some recommendations to improve the Future Made in Australia Community Benefit Principles Public Guidance (the guidance). Our feedback was informed by DISR, National Indigenous Australians Agency, the ASBFEO Procurement Inquiry Report, and other Australian Government policies such as the Commonwealth Procurement Rules, Indigenous Procurement Policy and Buy Australian Plan.

#### Specific recommendations

##### **Community Benefit Principle 1 – promoting safe and secure jobs that are well paid and have good conditions**

The ASBFEO supports the requirements in Community Benefit Principle 1 and we support its alignment with the Secure Australian Jobs Code. We note that threshold requirement 1.2 requires a policy that sets out how the project will support secure, ongoing employment in well paid jobs. We recommend expanding this threshold to require project proponents to pay small businesses in a timely manner if they contract them for a Future Made in Australia project. Small business stakeholders have highlighted that subcontractors routinely experience extended payment times from prime contractors (engaged by government) who themselves are paid promptly by government.<sup>2</sup>

There are several ways to ensure that project proponents pay small businesses on time. Payment times could be modelled off the Payment Times Procurement Connected Policy, which requires large businesses who enter into a contract with the Commonwealth to complement the Government's payments times and pay their subcontractors within 20 calendar days.<sup>3</sup> We also recommend providing a mechanism to enable small businesses to inform the Procurement Commissioner of practices that are in breach of the government's expectations option.<sup>4</sup> Setting clear expectations with proponents on timely payments will improve small business' cash flow and their ability to hire, invest and grow.

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<sup>2</sup> Australian Small Business and Family Enterprise Ombudsman, *Review of the implementation of the 1 July 2022 changes to the Commonwealth Procurement Rules*, ASBFEO, The Treasury, Australian Government, 2023.

<sup>3</sup> The Treasury, *Payment Times Procurement Connected Policy*, The Treasury, Australian Government, 2023.

<sup>4</sup> Australian Small Business and Family Enterprise Ombudsman, *Review of the implementation of the 1 July 2022 changes to the Commonwealth Procurement Rules*, ASBFEO, The Treasury, Australian Government, 2023.

**Community Benefit Principle 2 - developing more skilled and inclusive workforces, including by investing in training and skills development and broadening opportunities for workforce participation**

The ASBFEO supports the requirements in Community Benefit Principle 2, however we suggest that DISR consider expanding the minimum and threshold requirements beyond gender. This Principle should be responsive to small businesses that include underrepresented or disadvantaged cohorts in their diversity and inclusion plan, such as people with a disability, people from CALD backgrounds and people from LGBTQI communities. Proponents could be measured against possible targets or best practice, such as through Diversity Council Australia. Strong consideration should be given to small businesses that include participants from government employment service programs such as Inclusive Employment Australia and Workforce Australia if possible. These considerations will enhance Community Benefit Principle 2 to truly build more inclusive workforces and create employment opportunities for underrepresented cohorts.

**Community Benefit Principle 3 - engaging collaboratively with and achieving positive outcomes for local communities, such as First Nations communities and communities directly affected by the transition to net zero.**

The ASBFEO supports the associated minimum and threshold requirements in Community Benefit Principle 3.

**Community Benefit Principle 4 - supporting First Nations communities and Traditional Owners to participate in, and share in the benefits of, the transition to net zero.**

The ASBFEO supports the minimum and threshold requirements in Community Benefit Principle 4. Threshold requirement 4.1 in the guidance states 'if the project is taking place in remote Australia, have an identified target for First Nations employees exceeding the Indigenous Participation requirements in the Indigenous Procurement Policy.' We note that the threshold only mentions remote Australia, yet the majority of First Nations people and First Nations small businesses are located in greater capital city areas.<sup>5</sup> We suggest expanding the identified target to projects taking place in all parts of Australia, with the aim of including more First Nations people employed by small businesses.

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<sup>5</sup> Australian Bureau of Statistics (2021), Census of Population and Housing [Tablebuilder], accessed 9 January 2026; Australian Bureau of Statistics (2011 – 2031) Estimates and projections, Australian Aboriginal and Torres Strait Islander population, ABS Website, accessed 22 January 2026.

## **Community Benefit Principle 5 - Strengthening domestic industrial capabilities including through stronger local supply chains.**

The ASBFEO supports the minimum and threshold requirements in Community Benefit Principle 5. We note that projects should maximise participation by local small businesses in projects by providing ‘full, fair and reasonable’ opportunities to participate. However, when considering ‘fair’ opportunities, some small business stakeholders argued that government needs to do more to address unfair business practices along the procurement supply chain. An unfair business practice typically arises when a business disadvantages another business without a legitimate reason connected to commercial interests. Some examples of unfair business practices include insurance/accident issues where equipment (e.g. trucks) are damaged and there is a question around who should pay for the damage or insurance excess.<sup>6</sup> We recommend building in fair business practices as requirements for project proponents to follow so that contracted small businesses are not disadvantaged.

ASBFEO’s Procurement Inquiry heard how the South Australian procurement model weighed the ‘capability uplift’ benefits of supporting smaller businesses in terms of scaling, demonstrating capabilities, system verification and improved access to subsequent opportunities.<sup>7</sup> This could also be considered as a component of Community Benefit Principle 5.

To maximise small business participation in Future Made in Australia projects, we recommend using the Small Business Identification Tool, as used by the Payment Times Reporting Scheme. This tool will allow decision-makers and proponents to easily identify small businesses in the application process and allow project proponents to identify and hire small businesses related to their project.

## **Community Benefit Principle 6 - Demonstrating transparency and compliance in relation to the management of tax affairs, including benefits received under Future Made in Australia supports.**

The ASBFEO supports the minimum and threshold requirements in Community Benefit Principle 6. We support appropriate engagement with taxation laws to ensure national interest and integrity of the tax system.

### **Production Tax Incentive**

We support the Production Tax Incentive for small businesses. We note the reporting and publication requirements that companies are required to satisfy to claim the full amount of the incentives. We recommend that these requirements are based on right-sized regulation to help small business owners meet these requirements, noting that they do not have the resources of big businesses.

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<sup>6</sup> ASBFEO, *Review of the implementation of the 1 July 2022 changes to the Commonwealth Procurement Rules*.

<sup>7</sup> ASBFEO, *Review of the implementation of the 1 July 2022 changes to the Commonwealth Procurement Rules*.



If you require any further information, please do not hesitate to contact the ASBFEO Advocacy team via email at [advocacy@asbfeo.gov.au](mailto:advocacy@asbfeo.gov.au).

Yours sincerely



**The Hon Bruce Billson**

Australian Small Business and Family Enterprise Ombudsman