Our Ref: TB | DJL

2 February 2026

Dear recipient

Future Made in Australia – Community Benefit Principles

Thank you for the opportunity to provide a submission on the Future Made in Australia Community Benefit Principles. This submission has been prepared by the Local Government Association of Tasmania (LGAT) on behalf of Tasmanian local government in collaboration with our members; all twenty-nine (29) councils.

LGAT is incorporated under the *Local Government Act 1993* and is the representative body and advocate for local government in Tasmania. Where a council has made a direct submission to this process, any omission of specific comments made by that council in this submission should not be viewed as lack of support by the LGAT for that specific issue.

Please contact Tim Boyle if you have any questions or would like further information, at tim.boyle@lgat.tas.gov.au or 0437136798

Yours sincerely,

Dion Lester
Chief Executive Officer

LGAT Submission: Future Made in Australia – Community Benefit Principles

Introduction

During LGAT's sector consultation on the Community Benefit Principles, councils articulated a consistent set of cross-cutting concerns. While the principles are broadly supported, their practical application must meet the realities of Tasmania's scale, geography, workforce constraints, and community dynamics.

General Comments

Tasmania's small, dispersed population and thin labour markets mean that council workforces, local businesses, and regional labour pools all operate with limited depth. Some specialist skills may be in short supply (such as planning, engineering, regulatory services, and renewables-related disciplines) and most training must be accessed off island or through limited local providers. Seasonal industries, such as agriculture and tourism, are foundational in many regions.

Many of Tasmania's businesses and suppliers, particularly in rural and remote areas, are small in scale and rarely possess the administrative systems required to meet Federal procurement accreditation or reporting standards. Councils repeatedly emphasised that compliance requirements intended for large national companies can overwhelm Tasmanian enterprises, effectively excluding them from participating as proponents.

Tasmania's geography further shapes its labour and supply chain realities. Freight costs, travel time, and logistical constraints impose significant burdens on local businesses and on any project operating outside the main population centres. While these are structural challenges for Tasmania, they must be understood within any national policy framework designed to support equitable community benefit.

Community expectations and engagement capacity also present challenges. Many Tasmanian councils and their communities experience consultation fatigue, particularly when multiple infrastructure or renewable energy proposals are active simultaneously. Councils said that engagement must be scaled to community capacity, avoid duplication, and be transparent about the degree of influence communities can reasonably expect.

First Nations participation is a critical priority, yet Tasmania's context is uniquely complex. Councils highlighted ongoing questions about First Nations representative structures, limited organisational capacity in local Aboriginal groups, and large variations in population distribution. In some municipalities, Aboriginal representation is disputed, making uniform national employment or procurement targets challenging and potentially prohibitive.

Finally, councils expressed concern that without sustained, multi-year investment, Future Made in Australia projects risk becoming isolated, one-off initiatives that do not leave long-term skills, workforce capability, or local industry development. To properly support councils and communities, proponents must forward plan continuity and predictability to ensure that training efforts, workforce development, and community benefit outcomes can be maintained over time.

Specific Comments

The specific feedback relating to Principles are provided below.

Principle 1: Safe, Secure, Well Paid Jobs

Councils affirmed that safe, secure, well-paid jobs are essential but noted that "secure work" in regional Tasmania often depends on long-term employment and reliable local services. Many councils and community businesses rely on a mixture of permanent, casual, and contract labour due to limited workforce availability, though councils have a clear preference for permanent employment at appropriate pay rates. Councils emphasised that rigid job benchmarks could be unrealistic for small markets and that Fly-in Fly-out (FIFO) heavy workforces offer limited community benefit. Proponents must clearly state plans for building community employment.

Principle 2: Skilled, Inclusive and Growing Workforces

The ability to deliver skilled, inclusive workforces is constrained by Tasmania's limited training capacity and specialist skill shortages. Councils identified barriers to accessing training, particularly for hands on and technical trades, with travel often required. Apprenticeship and trainee targets may not be feasible without multiyear project continuity. While smaller contractors may struggle to collect workforce demographic data, opportunities for increased training is welcome. Proponents could support skill gap analysis and provide opportunities as part of their community benefit contribution. Employment opportunities for young people and upskilling of older workers into new industries (to help with rural youth unemployment and aging population) should be an included goal for proponents.

Principle 3: Collaborative, Culturally Appropriate Community Engagement

Effective engagement in Tasmania requires early, meaningful, and locally grounded interaction with councils and communities. Councils stressed that 'local' engagement must be understood at the LGA level, not aggregated by region. Smaller councils usually lack dedicated engagement staff, and communities can experience consultation fatigue.

Early engagement before planning lodgement is essential to avoid downstream approval risks. Consultation must meet the appropriate official best practice guidelines, such as the National Guidelines: Community Engagement and Benefits for Electricity Transmission Projects. Project benefits must be identified in partnership with affected local communities. The findings from proponent consultation must also be shared with impacted councils and communities. Clear engagement guidelines should be provided at the application phase to ensure proponents meet local government requirements and community expectations. To avoid imposing major project requirements on smaller projects, consultation engagement should also be scaled to project size, impact, and risk.

Principle 4: Supporting First Nations Participation and Benefit Sharing

Councils strongly support deeper First Nations participation but emphasised the need for approaches that reflect Tasmania's unique cultural landscape. Disputed representative structures, capacity limitations, and uneven population distribution mean national targets may not be realistic or appropriate. Councils express concern about the burden placed on volunteer run First Nations organisations and the risk of engagement fatigue.

Principle 5: Strengthening Domestic Industry and Local Supply Chains

Local suppliers in Tasmania face significant barriers to meeting procurement and Work Health and Safety accreditation requirements associated with Future Made in Australia projects. Many operate at a small scale and cannot justify investment in specialised equipment for single projects. Freight costs and logistical constraints further undermine competitiveness. Councils also noted potential tensions between Federal expectations and the procurement requirements under the *Local Government Act 1993*.

Principle 6: Tax Transparency and Compliance

Councils questioned the appropriateness of local government assessing tax transparency commitments and expressed concern about administrative burden, privacy issues, and the potential exclusion of small local businesses. Councils sought clarity around proportional requirements and independent verification mechanisms.