

NSW Treasury

# First Nations Investment Framework

Summary

TPG24-28

November 2024



# Acknowledgement of Country

We acknowledge that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and the oldest continuing culture in human history.

We pay respect to Elders past and present and commit to respecting the lands we walk on, and the communities we walk with.

We celebrate the deep and enduring connection of Aboriginal and Torres Strait Islander peoples to Country and acknowledge their continuing custodianship of the land, seas and sky.

We acknowledge the ongoing stewardship of Aboriginal and Torres Strait Islander peoples, and the important contribution they make to our communities and economies.

We reflect on the continuing impact of government policies and practices, and recognise our responsibility to work together with and for Aboriginal and Torres Strait Islander peoples, families and communities, towards improved economic, social and cultural outcomes.

Artwork:  
*Regeneration* by Josie Rose



## Regeneration

Josie Rose is a Gumbaynggirr woman who expresses her contemporary Gumbaynggirr cultural heritage through art. For *Regeneration* her chosen medium is acrylic paint on canvas and the design embodies both creative and cultural expression. The inspiration for her artworks comes from a deep place of spiritual connection to her family, community, culture and respect for Mother Earth. Gumbaynggirr Country is beautiful land with both freshwater and saltwater waterways which inspire her holistic connection to the Ancestors.

Josie Rose  
Artist

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# The First Nations Investment Framework

The First Nations Investment Framework is a guide to good practice in working with First Nations people and communities on the design, appraisal and evaluation of initiatives.<sup>1</sup>

The approach is centred on genuine relationships and partnerships with First Nations people and communities to ensure that the outcomes initiatives seek to improve are defined, measured, analysed and reported in a way that is culturally informed, relevant and meaningful.

The First Nations Investment Framework sets out five steps to work through when using and developing evidence on initiatives that impact First Nations people and communities:

- Foundations for genuine relationships
- Partnership for shared decision-making
- Community-led design
- Data collection, access and analysis
- Transparency and accountability.

These steps apply across all stages of the investment lifecycle (Figure 1).

A technical appendix outlines how these steps can be embedded when undertaking cost-benefit analysis.

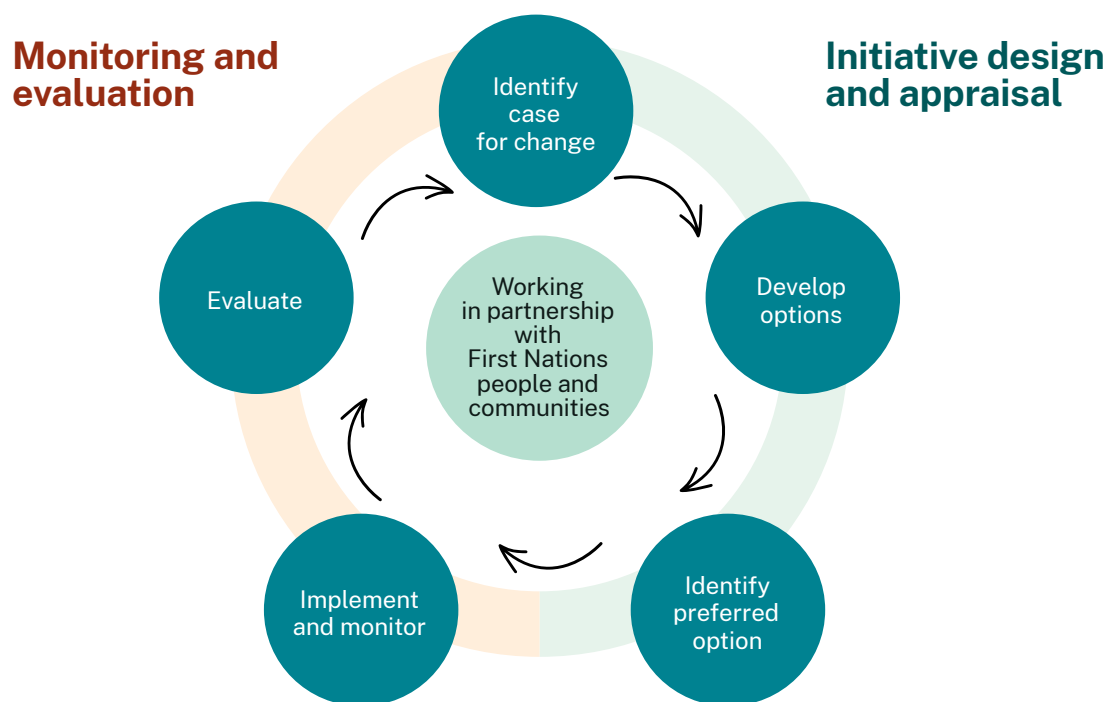
## Who should read and apply the framework?

The Framework has been prepared to support NSW Government agencies and other organisations involved in the design, appraisal or evaluation of initiatives that impact First Nations people and communities.

This includes the design and evaluation of policies, strategies, projects, programs, services and regulations.

The Framework is relevant to **both** First Nations-specific initiatives and general ones that impact First Nations people and communities. Some examples are included on page 8 as a guide.

**Figure 1: Working in partnership with First Nations people across the investment lifecycle**



<sup>1</sup> NSW Treasury acknowledges that there are different views and preferences on terminology when referring to First Nations people and that no single term can appropriately reflect the diversity of First Nations cultures. This framework applies 'First Nations' in reference to Aboriginal or Torres Strait Islander people residing in NSW.

# Purpose and development process

The Framework supports the development and use of stronger evidence on what works in improving First Nations outcomes.

The NSW Government is committed to working in partnership with First Nations people and communities on the design, implementation, monitoring and evaluation of policies and programs.<sup>2</sup>

This shift in government planning and practice can drive systemic reform towards better outcomes.

Research and experience tells us that initiatives that seek to improve outcomes for First Nations people and communities are more likely to be successful if they are:

- evidence based
- designed, developed and delivered with First Nations people and communities
- flexible and adaptable to local contexts.<sup>3</sup>

The Framework responds to NSW Treasury's commitment to embed First Nations perspectives into how government programs and funding arrangements are evaluated, under Priority Reform 3 within the [2022-2024 NSW Implementation Plan for Closing the Gap](#).

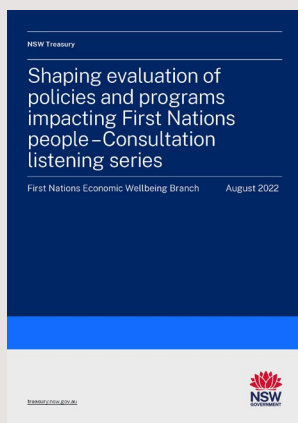
The Framework has been informed by research, analysis and consultation.

The **research stage** assessed current practice for evaluation and cost-benefit analysis. The findings of this work are published in two NSW Treasury research papers (linked below).

The **analysis stage** examined the identified gaps in capability and practice and mapped them to content areas of the framework (refer to **Figure 2** on the following page).

The **consultation stage** involved feedback from NSW Government agencies, the NSW Coalition of Aboriginal Peak Organisations (NSW CAPO) and its member organisations, the NSW Coalition of Aboriginal Regional Alliances (NCARA), the Australian Government Productivity Commission, the National Indigenous Australians Agency and Indigenous Business Australia.

## NSW Treasury research papers



[Shaping evaluation of policies and programs impacting First Nations people - Consultation listening series \(August 2022\)](#)



[Valuing First Nations Cultures in Cost-Benefit Analysis \(March 2024\)](#)


<sup>2</sup> As set out in the [National Agreement on Closing the Gap \(2020\)](#) and the [NSW Partnership Agreement](#) between the NSW Coalition of Aboriginal Peak Organisations, the NSW Government and Local Government NSW (2024).

<sup>3</sup> Australian Government Productivity Commission (2020 p. 97), drawing on findings from Bowes and Grace (2014), AIHW and AIFS (2013), Al-Yaman and Higgins (2011) & the Queensland Productivity Commission (2017).


**Figure 2: The five steps of the Framework address common gaps in current knowledge and capability**

Gaps in current practice	
<p><b>Step 1</b></p> <p>Foundations for genuine relationships</p>	<ul style="list-style-type: none"> <li>• Varying levels of cultural capability</li> <li>• Historical practice of doing things to, rather than with, First Nations communities</li> <li>• Insufficient planning can limit the time and resources available for meaningful, culturally-appropriate engagement</li> <li>• Mixed understanding and experience in navigating ethical considerations</li> </ul>
<p><b>Step 2</b></p> <p>Partnership for shared decision-making</p>	<ul style="list-style-type: none"> <li>• Engagements limit the voices and influence of First Nations people and communities when:               <ul style="list-style-type: none"> <li>– ongoing trusted relationships have not been established beforehand</li> <li>– engagement is too late in the process or restricted by a pre-set agenda</li> <li>– governance structures exclude First Nations representatives</li> <li>– the capacity and other commitments of First Nations community members are not considered</li> <li>– work is outsourced without First Nations influence on the scope of works and cultural requirements</li> </ul> </li> </ul>
<p><b>Step 3</b></p> <p>Community-led design</p>	<ul style="list-style-type: none"> <li>• Inconsistent practice in centring First Nations perspectives on what success looks like</li> <li>• Measuring outputs rather than the outcomes experienced by people and communities</li> <li>• Top-down approaches that do not provide flexibility to tailor to local circumstances</li> <li>• Difficulty recognising and articulating the influence of First Nations cultures on broader outcomes</li> </ul>
<p><b>Step 4</b></p> <p>Data collection, access and analysis</p>	<ul style="list-style-type: none"> <li>• Insufficient engagement with First Nations people to identify and agree what information to collect</li> <li>• Insufficient consideration and action to embed Indigenous Data Sovereignty and Governance</li> <li>• Lack of application of First Nations data collection and evaluation methods</li> <li>• Not including First Nations people in the analysis and interpretation of data and findings</li> </ul>
<p><b>Step 5</b></p> <p>Transparency and accountability</p>	<ul style="list-style-type: none"> <li>• Limited engagement with First Nations people and communities to test and validate findings</li> <li>• Evaluations are not regularly made public or shared in a way that is accessible to impacted First Nations people and communities</li> <li>• Lack of transparency on how the recommendations of evaluations will be actioned</li> </ul>
<p><b>Technical Appendix</b></p> <p>Application to Cost-Benefit Analysis</p>	<ul style="list-style-type: none"> <li>• First Nations cultures are not consistently considered from the very first steps of cost-benefit analysis, including insufficient engagement with First Nations people when establishing the case for change and developing options</li> <li>• Lack of methodological guidance for incorporating the value of First Nations cultures across all steps of cost-benefit analysis in a culturally appropriate way</li> </ul>


### Good practice looks like...




NSW Government agencies reflect internally on their ways of working and proactively adapt their approaches to set the foundations for genuine, trusting relationships with First Nations people and communities.




Decision-making responsibilities are shared between NSW Government agencies and First Nations partners, supported by formal governance structures and appropriate partnership resourcing.



First Nations initiatives and outcomes are aligned with the values, priorities, and aspirations of First Nations communities.




The quality and breadth of analysis underpinning initiative design and evaluation is improved as First Nations people share in decisions about how and what information to collect and how this is interpreted.



Findings from evaluations and research are shared with and validated by First Nations communities in suitable and accessible formats.

Communities have a clear understanding of who is responsible for actioning recommendations and ensuring outcomes are delivered.



The allocation of resources is improved by understanding and capturing the values, rights, interests and cultures of First Nations people in cost-benefit analysis.

# How to apply the First Nations Investment Framework

The Framework provides targeted guidance on how to partner with First Nations people when designing initiatives, preparing business cases, monitoring progress and conducting evaluations.

The Framework does not provide a checklist for working in partnership with First Nations people and communities on design and evaluation.

A flexible and proportionate approach is required, reflecting differences in the size, scale and risks of initiatives, the range of people who are impacted, and the nature and priorities of those impacts.

Agencies are encouraged to start by considering the foundations for genuine relationships in Chapter 2. This guidance covers pre-requisites for working through the steps together with First Nations partners.

While some aspects of the Framework can be readily incorporated into existing ways of working, other aspects will require changes to an organisation's policies or processes.

## What kinds of initiatives are in scope?

The Framework is relevant to both general and First Nations-specific initiatives.

Some examples of initiatives likely to benefit from application of the Framework include:

- initiatives that influence outcomes for First Nations people or communities, including the Priority Reforms and socio-economic targets agreed under the [National Agreement on Closing the Gap](#)
- initiatives that impact on First Nations people's rights and interests in land, water or specific cultural heritage places and objects
- targeted and mainstream programs or services where First Nations people are a priority cohort, and
- infrastructure projects to be delivered in communities with a significant First Nations population.

## What are the minimum requirements?

The Framework does not set any new specific mandatory requirements.

Instead, it supports agencies to better meet the requirements set out in the following policies, agreements and guidelines:

### First Nations-specific policies and agreements

- [OCHRE \(Opportunity, Choice, Healing, Responsibility, Empowerment\) Plan \(2013\)](#)
- [National Agreement on Closing the Gap \(2020\)](#)
- [NSW Partnership Agreement between the NSW Coalition of Aboriginal Peak Organisations, the NSW Government and Local Government NSW \(2024\)](#)

### NSW Treasury policies and guidelines

- [First Nations Impact Assessment \(TPG24-26\)](#)
- [Business Case Guidelines \(TPG22-04 and TPP18-09\)](#)
- [Guide to Cost-Benefit Analysis \(TPG23-08\)](#)
- [Evaluation Guidelines \(TPG22-22\)](#)
- [Benefits Realisation Management Framework](#)

## Where can I go for more information and support?

Explore the links to resources included throughout the Framework. These provide more detailed information on specific topics.

You can also contact NSW Treasury's First Nations Economic Wellbeing Branch for further support or to join the First Nations Investment Framework mailing list. Please direct emails to [fnew@treasury.nsw.gov.au](mailto:fnew@treasury.nsw.gov.au)



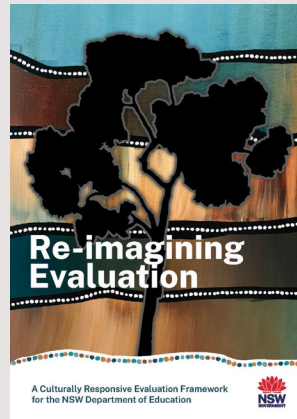
# Step 1: Foundations for genuine relationships

Embedding a First Nations centred approach into the design and evaluation of initiatives relies on establishing and maintaining genuine, trusting relationships with First Nations people and communities.

## Work through four foundational areas:

- **Cultural safety:** move beyond cultural awareness towards critical self-reflection and adaptation to support an environment that respects, understands and values cultural differences and is free from racism, discrimination and bias.
- **Adopting a principles-based approach:** define the overarching standards for working with, and incorporating, First Nations perspectives and priorities, to guide actions, decisions, build trust and ensure accountability.
- **Planning and resourcing:** allow adequate time and funding, including for travel, to build and maintain relationships in line with community protocols.
- **Understanding ethical responsibilities:** recognise the importance of ensuring that any proposed work will genuinely benefit First Nations peoples and communities, mitigate risks and seek consent as a mechanism for self-determination.

Reflecting on these topics early and adapting your approach where needed can help set a strong foundation for building trusted relationships.



## Case study: Re-imagining Evaluation: a culturally responsive evaluation framework for the NSW Department of Education

*Re-imagining Evaluation* is a culturally responsive, principles-based framework that emphasises the importance of centring Aboriginal students, families and communities at the heart of evaluation. It promotes evaluation practice that is ethical and culturally-safe.

The framework includes six guiding principles, placing 'Our Students and Aboriginal Family Sovereignty' at the centre.

The principles of 'Relationships' and 'Yarning' emphasise the importance of allowing time and resourcing to maintain relationships through active listening, and two-way conversations and reflection.

## Example guiding questions:

- How will you assess your individual, team and practitioner biases and assumptions? In what ways are they likely to affect your approach to working with First Nations people and communities?
- How will your approach incorporate First Nations priorities, perspectives and ways of knowing, being and doing?
- What allowance has been made in the project timeframes and budget to establish new relationships? Who will lead this process within your team or organisation?
- Have you agreed on the benefits and risks of the project with the communities you are partnering with?

# Step 2: Partnership for shared decision-making

Leadership and governance arrangements influence the way initiatives are designed and evaluated. Community representation through partnerships, networks and shared leadership are key enablers for the success of initiatives that impact on First Nations people and communities.

## Genuine partnership means shared decision-making

A partnership approach allows for First Nations communities to influence how the initiative is designed and evaluated. It differs from other forms of engagement, such as consultations or discussions (**Figure 3**).

## Establishing a partnership will often be an iterative process

The framework provides guidance on how to explore:

- **who** the potential First Nations partners are
- **what** the scope of a partnership could look like
- **how** you can work together and establish appropriate governance.

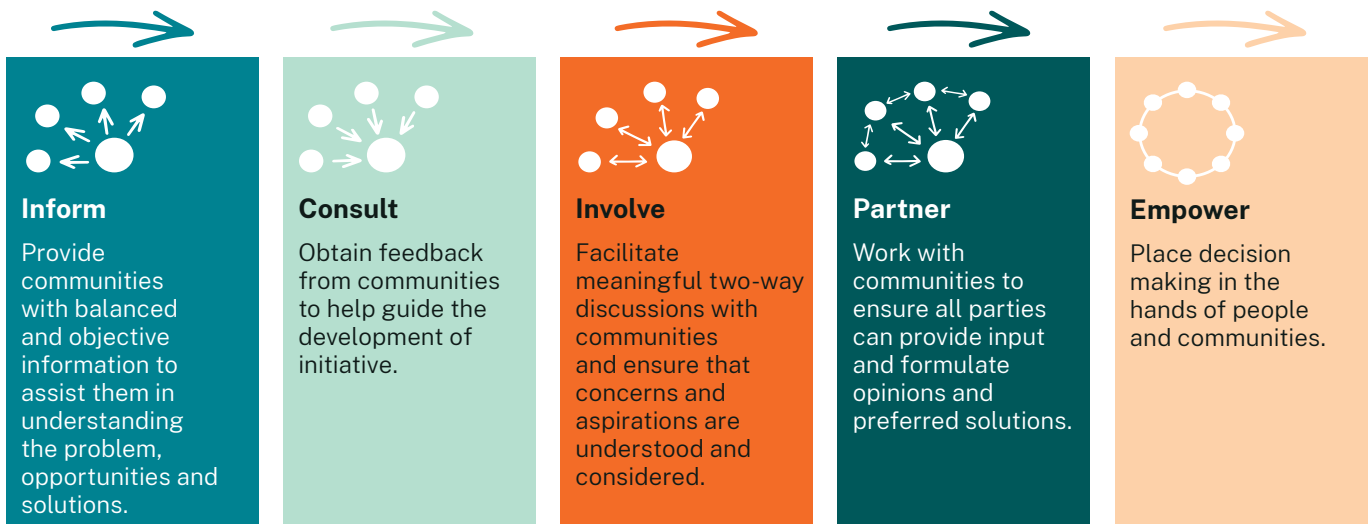
Ensure that you embed an appropriate level of place-based representation to account for the diversity of First Nations cultures and communities.

Examine the scope of the proposed commitment and factor partnership capacity building and resourcing into the business case and evaluation budgets.

Navigating this process will likely be easier when your organisation has invested in genuine relationships with stakeholders as part of core business.

While different initiatives and communities will require different arrangements, what is important is that the approach taken reflects what has been agreed together.

**Figure 3: The spectrum of engagement**  
Increasing level of community influence



Source: Adapted with permission from © International Association for Public Participation, [www.iap2.org](http://www.iap2.org)

## Example guiding questions:

- What arrangements does your organisation have in place to build and maintain relationships with First Nations people and communities?
- What governance structure do the partners agree will be most suitable for shared decision-making that is effective, efficient, active and informed?
- How will we remain accountable to First Nations communities and report progress against the purpose and objectives of the partnership?
- How have you identified what elements of the work can be undertaken internally, and what elements are most appropriate to outsource?

# Step 3: Community-led design

Community-led design means that initiative scoping and evaluation planning centre the values, perspectives, and priorities of First Nations people.

Initiatives are likely to be more effective when they reflect lived experience in the development of options and embed cultural considerations in delivery. Similarly, the quality of evaluation evidence will likely improve when the examined outcomes align with community objectives and suitable methods are used to accurately measure impacts.

## Work with First Nations partners to establish the case for change and community objectives

Centre First Nations perspectives and priorities from this first stage of initiative design before working together to develop options that target the intended objectives and establish an evaluation approach.

## Build in appropriate flexibility to understand and account for place-based variations

First Nations communities are diverse. A local approach can better address individual community needs by recognising differing priorities and exploring different delivery options.

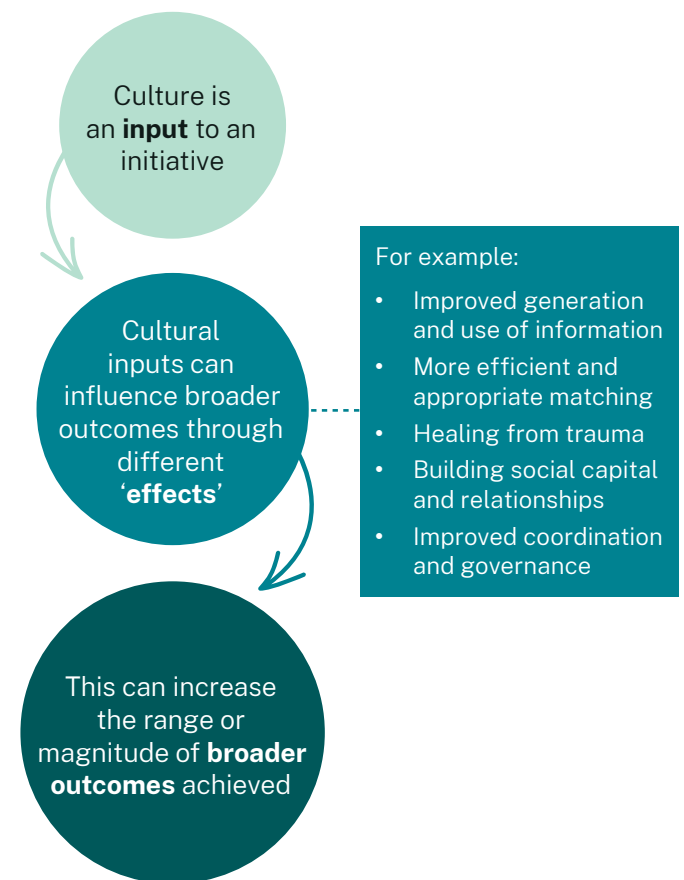
## Explore the ways that culture can improve broader outcomes when scoping options

The economic framework of culture is a three-step method (**Figure 4**) to consider and explain how culture can influence a broad range of outcomes:

- Recognise culture as an asset that can be an input to initiatives.
- Understand and describe the effects through which culture influences outcomes.
- Identify expected outcomes linked with these pathways or effects.

This method has been developed to assist in the recognition of culture as something that can lead to better outcomes if recognised in initiative design and evaluation. It draws on insights from engagement with First Nations stakeholders and community-controlled organisations and elements of institutional economic theory.

**Figure 4: The economic framework of culture**



### Example guiding questions:

- What outcomes matter and are a priority to community? How does community define these?
- What options have been considered? Has culture been captured as an input to the initiative? How does this influence outcomes?

# Step 4: Data collection, access and analysis

Work with First Nations partners to decide how the data to measure community-defined outcomes will be collected, accessed and analysed.

Taking a culturally responsive, ethical approach that adheres to Indigenous Data Sovereignty and Governance principles can lift the quality of evidence by building trust and ensuring that outcomes are measured and analysed accurately.

## Identify the right data for measuring community-defined outcomes

After establishing the outcomes associated with an initiative in step 3, work with First Nations partners and community stakeholders to identify how these can be measured. This step applies to both pre-implementation economic appraisal and subsequent monitoring and evaluation.

Discuss what data is important for specific communities. Consider the appropriate level of disaggregation of data to inform local decision-making and support effective co-design, while maintaining appropriate privacy.

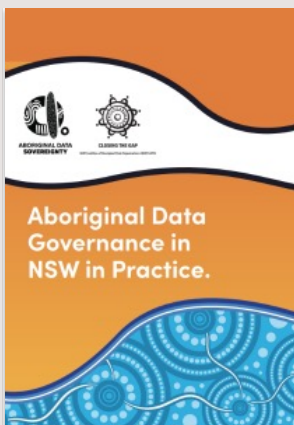
## Incorporate Indigenous Data Sovereignty and Governance principles

Explore what data exists within both community and government. Negotiate access, collection, storage, use and reuse of the data in line with the principles of Indigenous Data Sovereignty (IDS) and Indigenous Data Governance (IDG).

## Draw on First Nations evaluation methodologies

The Aboriginal Participatory Action Research (APAR) approach embeds First Nations ways of doing and knowing, enabling self-determination and ensuring that initiatives and evaluations meet community expectations.

### Supporting resources



#### Aboriginal Data Governance in NSW in Practice (Discussion Paper)

Source: NSW Coalition of Aboriginal Peak Organisations (CAPO); Gage L. (2023)



#### Aboriginal Participatory Action Research (Discussion Paper and Literature Review)

Source: Dudgeon, P., Bray, A., Darlaston-Jones, D. & Walker, R. (2020)

### Example guiding questions:

- What insights can the data provide for community? Is the data relevant, meaningful and useful for community and decision making?
- How do the data collection and handling principles identified abide with the Maiam nayri Wingara Indigenous Data Sovereignty principles?
- Who can access the data and how can they access it? What systems are required to ensure First Nations people have access and retain control over use of data?
- What process has been established to validate findings? How might any disagreement from community be addressed prior to the report being finalised?

# Step 5: Transparency and accountability

Strengthen partnerships and accountability by sharing information and understanding community needs around monitoring and reporting.

While First Nations and non-Indigenous understandings of accountability may differ, effective partnerships will develop a shared understanding of who is accountable for what, and how to ensure all parties deliver on their commitments.

## Accountability starts when forming partnerships

When forming partnerships to improve outcomes in First Nations communities, ensure that monitoring and evaluation practices reflect a shared understanding of accountability and allow First Nations people to access and validate relevant information.

## Consider how to test, publish and share findings with First Nations community stakeholders

Options for making evaluation findings accessible and transparent at the community level may include:

- **validating or ‘sense checking’** findings with community stakeholders
- developing a **knowledge translation plan** to ensure that reporting is accessible to First Nations communities
- publishing a **management response** to evaluation findings.

Understandings of accountability may differ across communities, so there is no one-size-fits-all approach.

**Table 1: First Nations and Western understandings of accountability**

Western liberal democratic	First Nations
Concerned with transparency	Concerned with relationships and relationality
Individual rights-based	Collective rights-based
Rights to information	Rights to relationship, process and informed decision-making
Cycled around elections, key reporting events and electoral consequences	Cycled around outcomes-based monitoring, procedural compliance and the point of decision-making
Siloed between professional/public and personal	Whole-of-person accountability
Institution-based jurisdiction	Place-based, relationship-based jurisdiction
Claim to authority through statehood, popular electoral mandate, access to and provision of funding	Claim to authority through Country, community, relationships, processes and outcomes

Source: Adapted from Jumbunna Institute (2020)

### Example guiding questions:

- How have you adapted monitoring and reporting practices to accommodate community understandings of accountability?
- Have you developed a knowledge translation plan to ensure that community can access and validate information in reports and evaluations?
- Have the perspectives of community and those affected by the initiative been appropriately considered in reporting findings?
- How will management responses to the findings of the evaluation be disseminated?

# Technical appendix: Cost-benefit analysis (CBA)

CBA is the NSW Government's preferred method for assessing the relative merit of proposed initiatives but is not often used for First Nations initiatives.

This appendix outlines how the Framework can be applied at each step in a CBA. This includes application of the 'economic framework of culture' from step 3 (community-led design) to understand and articulate the ways that culture can influence outcomes.

The technical appendix supplements the NSW Government Guide to Cost-Benefit Analysis (TPG23-08). It provides targeted guidance on:

- preparing for a CBA
- incorporating First Nations perspectives into the case for change and overarching objectives
- defining a base case with recognition of First Nations legal rights and interests
- exploring the influence of culture on the range and magnitude of outcomes when developing culturally informed options
- using culturally appropriate valuation methods
- adequate consideration of both quantitative and qualitative information and impacts when presenting results.

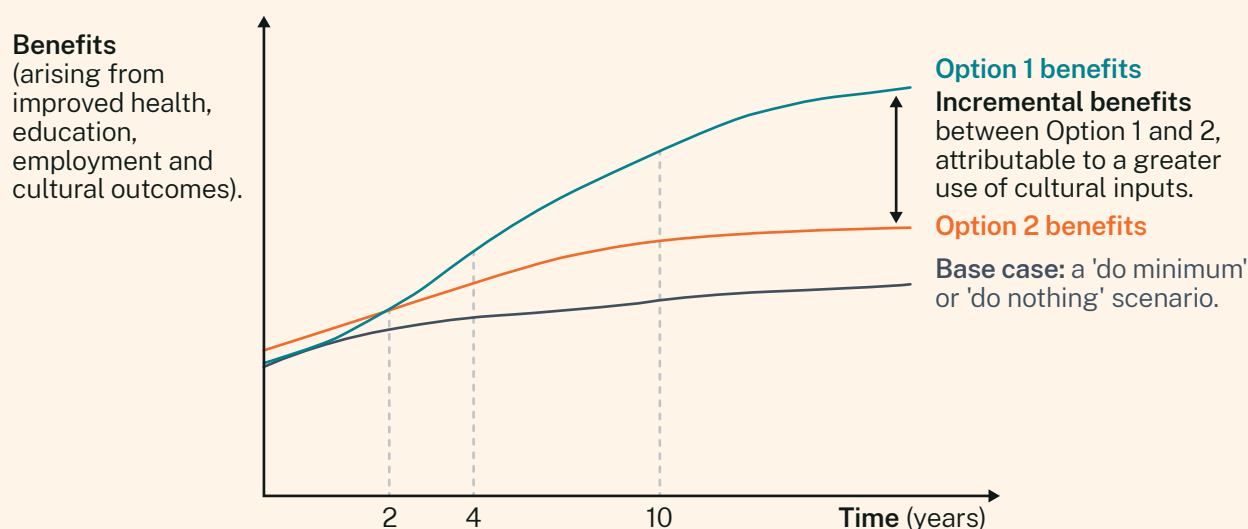
## Applying the economic framework of culture

A worked example steps through how this guidance can be applied to the cost-benefit analysis of a hypothetical land management initiative.

This includes application of the economic framework of culture when scoping and comparing options in CBA (**Figure 5**).

By recognising the way culture can enhance the delivery of initiatives, proponents can work with First Nations community partners to design culturally informed options – such as providing employment on Country – and articulate how they benefit the NSW community within the CBA framework.

**Figure 5: Using the economic framework of culture to compare options**



### Example guiding questions:

- Have the case for change and objectives been defined by First Nations communities? Has community been involved in developing culturally informed options?
- Has the economic framework of culture been applied to understand the role of culture in the base case and proposed options?
- Are the data and assumptions used to forecast costs and benefits acceptable to the community?

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# NSW Treasury

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