

**FIRST NATIONS GOVERNANCE: A SYSTEMS
GUIDE FOR ESG, POLICY, AND
INSTITUTIONAL ENGAGEMENT**

FIRST NATIONS AFFAIRS

JUNE 2025

About This Guide

Title:

First Nations Governance
A Systems Guide for ESG, Policy, and Institutional Engagement

Publisher:

First Nations Affairs
www.firstnationsaffairs.com
hello@firstnationsaffairs.com

Publication Date:

June 2025

Copyright:

© 2025 First Nations Affairs. All rights reserved.
This guide may be shared in its entirety with appropriate attribution. No part of this publication may be reproduced, stored, or transmitted by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission from First Nations Affairs, except in the case of brief quotations for educational or non-commercial use with clear attribution.

Disclaimer:

This document is intended for strategic use by ESG professionals, policy practitioners, and institutional leaders. It does not constitute legal, financial, or cultural advice. The perspectives and frameworks shared reflect First Nations Affairs’ lived expertise, technical practice, and commitment to advancing structural integrity in First Nations governance. All engagement decisions remain the responsibility of the end user.

Acknowledgement:

We acknowledge the First Nations peoples of all lands and waters in Australia. We recognise their enduring sovereignty, governance systems, and unbroken relationships with Country. We pay respect to Elders past and present, and extend that respect to all First Nations peoples engaging with this work.

CONTENTS

1. WHAT FIRST NATIONS GOVERNANCE ACTUALLY IS
2. WHERE IT BREAKS DOWN IN PRACTICE
3. DESIGNING FOR LEGITIMACY
4. STRUCTURES THAT WORK AND WHY
5. EMBEDDING INTO THE ORGANISATION
6. FNSAF ALIGNMENT TOUCHPOINTS

WHAT FIRST NATIONS GOVERNANCE ACTUALLY IS

First Nations governance isn't representation. And it isn't participation. It's authority.

It's the right to make decisions over matters that affect Country, culture, and community, based on systems that have existed for thousands of years. Systems grounded in kinship, Country, law/lore, and responsibility.

In a western setting, governance is often confused with leadership roles, seniority, or compliance structures. But First Nations governance is different. It's not about hierarchy or tokenism, it's about legitimacy.

Cultural legitimacy matters

A person may identify as Aboriginal or Torres Strait Islander, but that doesn't automatically give them governance authority in every context. Just like being an Australian citizen doesn't make you a member of Parliament, being Indigenous doesn't mean you hold decision-making rights on another Nation's Country.

That authority is earned, inherited, and validated by community. Not appointed by an organisation.

You can't build governance through invitation alone

When organisations create advisory roles without understanding where governance sits in First Nations contexts, they end up creating shadow structures: RAP committees, reconciliation panels, or working groups that have no legitimacy, no power, and no accountability.

This guide is about shifting from participation to structure. From consultation to governance. From voice to authority.

WHERE IT BREAKS DOWN IN PRACTICE

Most governance failures don't come from bad intentions. They come from misunderstanding the difference between consultation and decision-making, or assuming that inviting Indigenous people into a space is the same as embedding governance. Here are the most common breakdowns.

1. Appointing “Representatives” Instead of Engaging Governance

Organisations often invite a single Aboriginal staff member, a well-known First Nations figure, or a community liaison into a committee and call it governance. But unless that person has governance legitimacy (as recognised by the Nation, community, or elders) they are representing only themselves. Not structure. Not Country. Not governance. Representation ≠ Authority.

2. Forming Advisory Groups With No Terms of Reference

Many First Nations advisory groups are created with a clear purpose but no process. There's no defined role, no reporting line, no scope of power and when things get hard, the group is either ignored or sidelined. This signals to community that the organisation is happy to host identity, but unwilling to share decision-making.

3. Asking for “Cultural Advice” Without Accepting Cultural Risk

Some organisations establish RAP or reconciliation panels and use them for feedback on tone, language, or internal events. But when deeper questions of land, policy, or structural change come up, they defer to lawyers or executives. This signals that cultural advice is welcome only when it's safe not when it matters most.

First Nations governance is not a support act. It's a system of accountability.

4. Avoiding Difficult Questions About Who Holds Authority

Sometimes the breakdown is subtle. Organisations are afraid to ask, “Are we talking to the right people?” or “Is this group accountable to anyone?”

Instead, they go with whoever is easiest to contact or already has a working relationship. That's not governance, that's access.

This guide is about getting it right from the start with clarity, legitimacy, and structure.

DESIGNING FOR LEGITIMACY

You can't build strong First Nations governance by starting with people.

You have to start with structure.

The questions to ask are not:

- Who do we know?
- Who will say yes?
- Who's available?

They are:

- Who has authority on this Country or issue?
- What decision is being made?
- Whose governance systems does it impact?
- How will our own internal structures respect, embed, or resist that authority?

Governance ≠ Consultation

Consultation is temporary. It's often reactive, and it can be superficial. Governance is embedded. It is systemic, not symbolic. It shapes decisions, not just responds to them.

If your First Nations group can be overruled by an executive, it's not governance.

If their recommendations can be ignored without consequence, it's not governance.

If they aren't supported with budget, structure, and a clear role, it's not governance.

Key Design Elements That Signal Legitimacy

When building or reviewing a First Nations advisory or governance group, these are the non-negotiables:

Terms of Reference

- What is the group's role? Is it decision-making, strategic advice, cultural governance, or something else? Who do they report to and who is bound by their input?

Cultural Authority

- Has the group been endorsed by, or built with, people who hold governance legitimacy for the relevant Country or context? Can their role be validated if challenged?

Resourcing & Payment

- Are participants compensated in line with their contribution and authority? Is there budget for meetings, travel, facilitation, or cultural processes?

Accountability Pathways

- If the organisation fails to act on advice, what happens? If the group delivers poor or inappropriate input, what happens? Who holds who accountable?

Designing for legitimacy is not just a checklist it's a commitment to structural alignment.

It means your governance doesn't collapse the moment it's tested.

STRUCTURES THAT WORK AND WHY

There's no universal model for First Nations governance. Structures vary by Country, by community, by purpose and by what decisions are on the table. But across sectors, certain design choices consistently signal strength, legitimacy, and accountability.

Elders Councils

Elders Councils operate within cultural governance systems, holding authority recognised by community. When organisations engage with Elders Councils, they must understand that this is not consultation, it's governance engagement. These groups may operate outside formal structures, but their influence is significant.

Use with care:

Elders should not be brought into governance roles without clarity, resourcing, or clear purpose. Inviting Elders to validate a decision already made is not meaningful engagement it's performance.

First Nations Advisory Groups

These are the most common structures seen across corporate, policy, and ESG contexts. Their effectiveness depends entirely on:

- Whether they hold real influence over decisions
- Whether their purpose is clearly defined in a terms of reference
- Whether their voices are structurally embedded and not symbolic

Well-designed advisory groups offer cultural, strategic, and governance insight. Poorly designed ones are performative, under-resourced, and ignored when they matter most.

Cultural Governance Committees

These bodies are designed to sit alongside formal governance systems bringing cultural authority to strategic decision-making. They may work with boards, investment committees, or executive teams to assess risks, validate engagement pathways, or shape policy outcomes.

To function properly, cultural governance committees need:

- Defined scope and independence
- Appropriate compensation
- A seat at the table when it matters not after decisions are made

Structural Markers of Success

Across any model, strong governance structures include:

- A clear terms of reference with reporting lines and power boundaries
- Support mechanisms (admin, facilitation, capacity-building)
- Direct input into strategic decisions
- Resourcing that reflects the value of the governance role
- A plan for renewal, succession, or dispute resolution

The structure must fit the context but accountability is non-negotiable.

Governance can't be symbolic. It must shape outcomes.

EMBEDDING INTO THE ORGANISATION

Strong governance isn't something that sits to the side.

If a First Nations governance structure exists but has no direct influence over decisions, it's not embedded. It's adjacent. And that's where it fails.

Embedding governance means building clear pathways for influence, feedback, and accountability into the heart of how decisions are made, evaluated, and communicated.

Structural Integration

- Reporting lines must be explicit.
- Governance groups should report to a board subcommittee, an executive leader, or equivalent. Not to a diversity manager or project team.
- Input must shape outcomes.
- If a First Nations advisory group provides input, that input must be reflected in outcomes or a rationale for deviation must be documented and communicated back.
- Timelines must align with decisions.
- First Nations governance isn't reactive. If advice is always sought at the end of a process, it isn't shaping decisions it's rubber-stamping them.

Organisational Readiness

Embedding governance also requires organisations to look inward:

- Are internal teams prepared to engage with First Nations governance as a structural issue, not a cultural add-on?
- Is there a clear understanding of what decisions First Nations groups will influence and what they won't?
- Have staff, particularly at executive and governance levels, received orientation or training that positions First Nations governance as a form of power-sharing, not just engagement?

When Governance Is Ignored

Sometimes, governance advice is provided and ignored.

When that happens, the risk isn't just reputational. It can lead to:

- Breakdown in trust with communities
- Public scrutiny or stakeholder backlash
- Internal disengagement from First Nations staff
- Legal or compliance exposure (particularly in ESG reporting contexts)

Organisations must build accountability mechanisms for how First Nations governance advice is received, reviewed, and acted upon.

Embedding governance is not about inclusion it's about authority and alignment.

If the governance structure doesn't influence decisions, it's not embedded, it's performative.

FNSAF ALIGNMENT TOUCHPOINTS

The First Nations Strategic Alignment Framework (FNSAF) exists to help organisations move beyond surface-level engagement and into measurable, embedded governance.

It provides a structured, nine-step methodology for aligning operations with First Nations rights, governance expectations, and ESG best practice.

FNSAF Fundamentals and Governance

1. Strategy

Governance structures must be reflected in organisational strategy not just in community engagement plans.

Do First Nations priorities inform your strategic direction? Are governance bodies engaged early enough to influence strategy?

2. Governance

This is the obvious pillar but it's often the most underdeveloped.

Does your organisation have a First Nations governance mechanism with a clear role, scope, and reporting line? Does it influence decisions?

3. Risk Management

Governance should inform your organisation's understanding of both operational risk and opportunity.

Are First Nations advisors involved in identifying and mitigating cultural, reputational, and systemic risks?

4. Targets + Metrics

Governance must be trackable.

What gets measured? Who is accountable for implementation? Are there defined targets linked to First Nations engagement, leadership, or governance outcomes?

Using This Guide Within the FNSAF Process

This guide supports multiple stages of the FNSAF pathway, including:

- Maturity Assessment: Scoring governance structure, influence, and legitimacy
- Implementation Planning: Designing fit-for-purpose advisory structures
- Executive Briefings: Aligning internal leadership with governance expectations
- Reporting: Ensuring governance is linked to outcomes, not presence

Strong First Nations governance should not be a feature but a foundation. It's what turns engagement into accountability, and strategy into integrity.

First Nations Affairs.

First Nations Affairs is a governance-focused firm. We build frameworks, design policy interventions, and support implementation. We work across governance, policy, and ESG to embed First Nations leadership into systems that shape investment, risk, and accountability.

www.firstnationsaffairs.com
hello@firstnationsaffairs.com

© 2025 FIRST NATIONS AFFAIRS. ALL RIGHTS RESERVED.