



Filming a climate change documentary in Kowanyama, Qld.

Kowanyama Aboriginal Land and Natural Resource Management Office



**Northern Australia
Environmental
Resources
Hub**

National Environmental Science Programme

Diversifying investment in Indigenous cultural and natural resource management

Wrap-up factsheet

Indigenous rangers are essential in managing cultural and natural resources in northern Australia

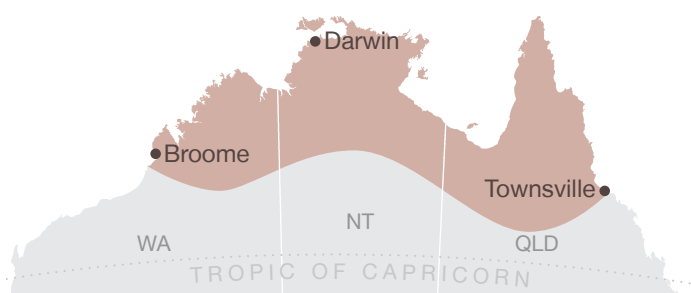
Indigenous cultural and natural resource management (ICNRM) creates many environmental, social, cultural, and economic benefits for all Australians. The ICNRM sector has grown quickly in recent decades, primarily driven by investment from Indigenous communities and key federal and state government agencies focussed on Indigenous and environmental issues (e.g., Working on Country, Indigenous Protected Area [IPA], and Indigenous ranger programs). The number of Indigenous ranger groups, organisations and enterprises continues to grow, as does the geographic spread of the work. This results in ICNRM organisations and enterprises sometimes operating on a variety of land tenures (e.g., Native Title, Aboriginal freehold, pastoral leasehold, IPAs, and national parks) and through diverse partnerships that may have different management regimes and aims. The future resilience of the sector will require a larger and more diverse set of funding and resourcing options.

There is potential to diversify investment

Major expansion of direct government funding of the ICNRM sector remains unlikely and as a result,

the sector is under-resourced and vulnerable to policy change. To keep growing and getting stronger, ICNRM needs larger and more diverse funding sources. This means generating new investment for ICNRM enterprises from Indigenous organisations, the corporate sector, philanthropic and non-government organisations, and ICNRM fee-for-service customers or investors. However, there has been little research done into the investment landscape and future options of the ICNRM sector.

In this project, we use ‘investment’ in a broad sense, to encompass financial and non-financial investment, income (e.g., fee-for-service, carbon credits), and any form of input (e.g., labour, advisory service) into ICNRM programs. Our use of ‘investment’ does not imply that an investor will, or seek to, receive financial gain from their investment.



This research is relevant to Indigenous cultural and natural resource management across northern Australia.

What makes investors choose to invest?

This research project considered the future opportunities and pathways to diversify investment in ICNRM enterprises and organisations – essentially, ‘what makes investors choose to invest?’. The research team investigated the current and potential role of four key investor groups (Indigenous, corporate, philanthropic, and government fee-for-service customers or investors) to support and enable further growth of the ICNRM sector.

It considered the investment logics (motivations, priority areas, and impacts sought) and the performance assessment needs of these investor groups, and identified challenges to investment in the ICNRM sector and future investment interests.¹ The work builds upon and supports the efforts of Indigenous leaders from across northern Australia who seek to diversify funding for the ICNRM sector.

Indigenous community investment in the ICNRM sector

The project worked with Indigenous groups, communities, and organisations – all co-investors in ICNRM. Partnerships in three local ICNRM contexts – Kalan Enterprises (Qld), Kowanyama (Qld) and Larrakia Rangers (NT) – demonstrated how local community co-investment in ICNRM occurs alongside external investment. Community investment includes Traditional Owner family support, which enables rangers to achieve organisational objectives and aids ranger recruitment and retention.

Properly positioning ICNRM organisations within local political, ownership, and organisational structures is also important to the community co-investment they receive. Kalan, Kowanyama, and Larrakia were also important collaborators because of their historical strengths in ICNRM income diversification. Their combined experience includes partnerships with international non-government organisations, collaborations with industry clients and customers, and experience in undertaking activities such as civil construction to improve the size, resilience, and skill base of their organisations. ICNRM organisations must be supported by Indigenous community co-investment in their activities for them to be sustainable in the long term.

Philanthropic sector investment logic and interests

The Australian philanthropic sector currently investing in ICNRM includes a diverse mix of trusts,

foundations, networks, alliances, global philanthropy, and environmental charitable organisations. Some are based in Australia, while others are global, operating across multiple countries. We interviewed 13 representatives from both Australian and international philanthropic organisations who were identified as investing in ICNRM in northern Australia. Key insights and recommendations for this sector are listed on the following page and summarised in Figure 1.



Indigenous cultural and natural resource management would benefit from non-government investment.

Key insights about the philanthropic sector

The philanthropic sector

- is inclined to be more willing than government to invest in higher-risk projects and activities
- demonstrates a changing focus from once-off investment to ongoing investment for social impacts and outcomes
- identifies potential recipients via new and existing networks
- includes organisations keen to develop long-term relationship-based partnerships with organisations that have shared values, motivations, and priorities
- puts a strong focus on transformative change and is keen to enable and support Indigenous leadership to set performance reporting and evaluations
- includes many organisations interested in the potential co-benefits (e.g., biodiversity conservation, landscape restoration, Indigenous empowerment, Caring for Country management) resulting from ICNRM investment.
- includes individual philanthropists, and larger organisations, who are keen to invest but do not know how to begin, i.e., how to make connections with Indigenous organisations.

Recommendations to improve investment opportunities

For Indigenous groups, there is great potential to:

- develop ways to show investment impacts – many philanthropists invest in already-established Indigenous organisations, there is great potential for thus less-established organisations should develop ways to show investment impact (e.g., capacity building) in order to attract investors
- showcase how investments can have multiple benefits – philanthropic organisations are keen to invest in projects that generate multiple benefits, thus Indigenous groups should consider alternative ways to showcase the many potential co-benefits that can be derived from philanthropic investment into ICNRM.

For philanthropic investors:

- Tap into existing alliances with established ICNRM networks to gain a better understanding of how to develop connections and relationships with Indigenous leaders and organisations as a basis for future investment.
- Consider using a percentage of the investment to support less established organisations, in order to develop their internal capacity in managing future investment opportunities and to allow for future co-benefits.

Both groups (with government assistance) should create a marketplace where philanthropic investors and ICNRM organisations or enterprises can find each other, match interests and priorities, build relationships, and develop investment arrangements.

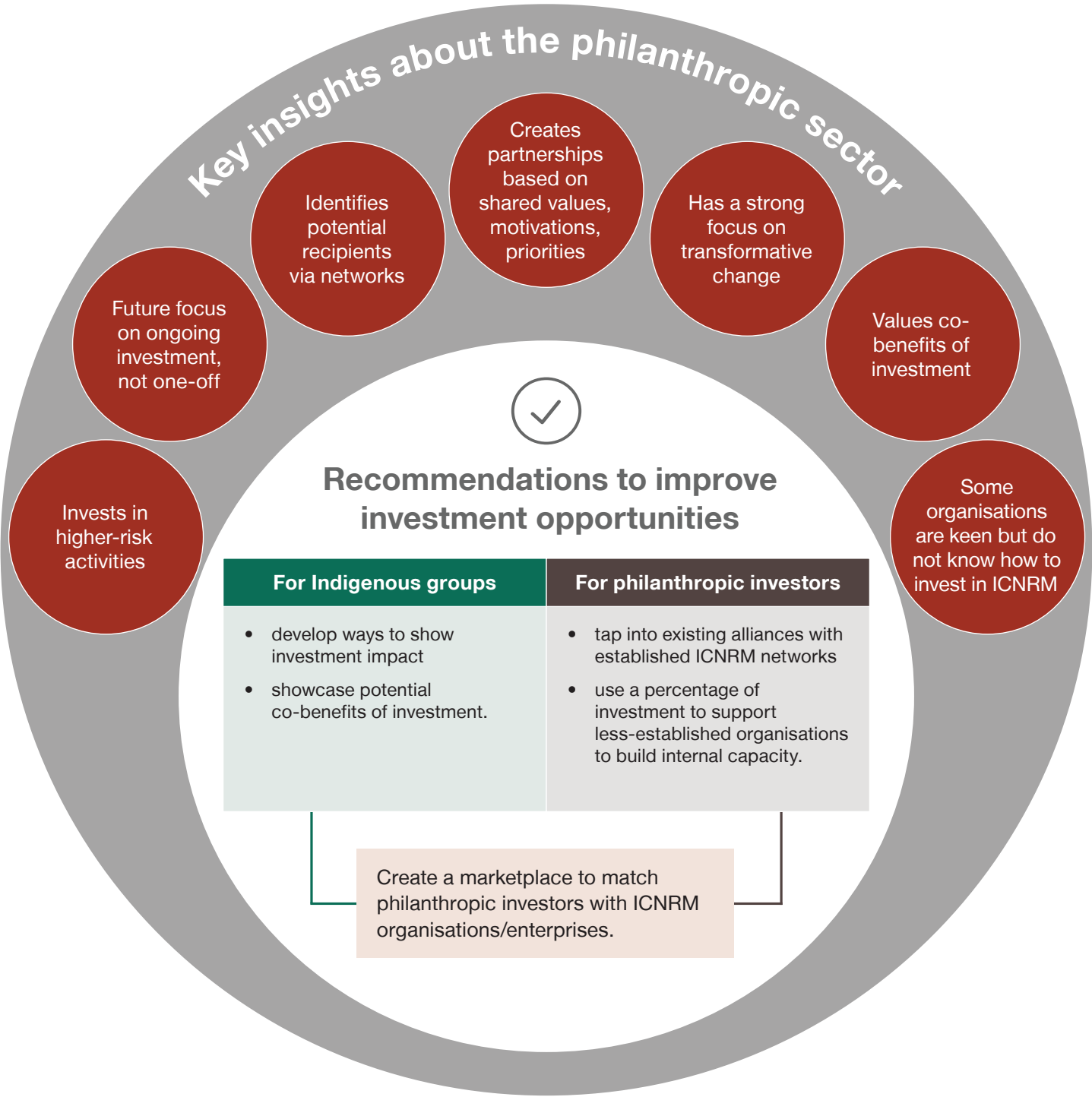


Figure 1. Key insights and recommendations to increase investment opportunities between the ICNRM and philanthropic sectors.

Corporate sector investment logic and interests

The size and relative wealth of the corporate sector presents an opportunity for increased private sector support and investment in the ICNRM sector. The corporate sector invests in ICNRM activities as part of their regular business activities – what an interviewee called ‘profit with a purpose’ – and as a corporate social responsibility (CSR). An example of ‘profit with a purpose’ is bank loans for ICNRM enterprises. Corporations provide grants and non-monetary support such as mentorship, advisory services, and secondment as part of their CSR. We interviewed 10 entities from the corporate sector – seven companies and three corporate philanthropic organisations. Key insights and recommendations for this sector are listed below and summarised in Figure 2.



Michael Lawrence-Taylor

Kalan rangers and Justin Perry collecting samples.

Recommendations to improve investment opportunities

For Indigenous groups:

- Pitch projects that align with the core business, values, and priorities of target corporations to make projects more attractive.
- Develop projects that provide several impacts to attract corporate funders seeking projects with multiple benefits.
- Examine how their projects’ expected outcomes align with reporting metric frameworks, including the Dow Jones Sustainability Index; United Nations Global Compact; environment, social and governance criteria; Global Reporting Initiative; materiality assessment; Reconciliation Action Plans; and social impact and theory of change frameworks.
- Explore the non-financial investments are provided by target corporations and consider pursuing non-financial supports, as well as grants.
- Approach corporate philanthropic organisations in addition to corporations, as some corporations manage grant-giving by setting up separate philanthropic entities.

For corporate investors:

- Provide incentives through CSR and sustainability initiatives, such as awards, to promote diversity and support emerging ICNRM groups.
- Invest in programs and intermediaries to create opportunities for ICNRM operators to network and build relationships with corporations, which may increase the number of ICNRM operators being considered for corporation funding.
- Create a platform to help ICNRM operators identify which corporations service Indigenous clientele.

Key insights about the corporate sector

- Corporations want to invest in projects that align with their core businesses and values, and their CSR activities are driven by the priorities and concerns of their customers and business partners. Opportunities exist with ICNRM operators who can demonstrate links between their work and the core businesses, values, priorities, and concerns of those corporations they target.
- Corporations seek a wide range of impacts, including improving environmental conditions or reducing negative impacts on the environment, sustainable development, achieving reconciliation, promoting equity, wellbeing and economic empowerment, and making real change to deep-rooted social-ecological issues. These areas present opportunities for future investment in ICNRM operators who are actively working on these impacts.
- Corporations view long-term relationships and trust as key factors in partner selection.
- Corporations are interested in projects that can provide multiple impacts. Examples include ICNRM projects that can help reduce carbon footprints and restore habitats, as well as add diversity of their portfolio of CSR activities.
- Some corporations see Indigenous communities, including ICNRM operators, as an important market segment that they want to serve.
- Some corporations have limited exposure to and experience with working with Indigenous communities and are hesitant to engage with unfamiliar situations.



Figure 2. Key insights and recommendations to increase investment opportunities between the ICNRM and corporate sectors.

Government fee-for-service sector investment logic and interests

Government fee-for-service arrangements are contractual agreements where a partnering government organisation pays fees for the provision of a good (e.g., an ecological dataset) or service (e.g., weed management). For Indigenous groups, fee-for-service income has increasingly provided important financial and employment benefits, including self-sufficiency, reduced dependence on welfare, and increased confidence. However, the motivations, priority areas and benefits sought by fee-for-service partners have not been well examined. Four

representatives from the government fee-for-service sector were interviewed for this project. Key insights and recommendations for this sector are summarised in the next section and in Figure 3.

Recommendations

- Create a marketplace where government fee for service purchasers and ICNRM organisations and enterprises can find each other, matching their interests and priorities, in order to build relationships, and develop investment arrangements.
- Create a mechanism for potential purchasers to ensure they are not buying goods/services already being acquired by other government agencies.

- Extend contract terms to capitalise on capacity building and reduce transaction costs.
- Explore potential public-private or cross-governmental partnerships that allow for ‘true’ government fee-for-service arrangements, in order to marry with capacity building or support programs for low-capacity Indigenous groups. This is particularly important when the government agencies involved do not have explicit statutory responsibilities to foster social co-benefits.
- Introduce a shared reporting and learning framework between purchaser and supplier to allow the supplier to better demonstrate their fee-for-service competence.

Key insights about the government fee-for-service sector

- There is a changing focus from once-off investment to ongoing investment with specific groups when relationships have been established and smaller contracts have been successful.
- The government fee-for-service sector identifies potential recipients through new and existing networks, where statutory obligations may be beneficial.



Figure 3. Key insights and recommendations to increase investment opportunities between the ICNRM and the government fee-for-service sectors.

Overall recommendations for how government can enable cross-sectoral investment in ICNRM

Linking ICNRM organisations and individuals to new economic opportunities and diversified employment markets requires additional business and employment support structures and processes (see Figure 4). Government can support and enable cross-sector investment in ICNRM via the recommendations set out below. Such support may result in investor outcome from the philanthropic, corporate, and government fee-for-service sectors, as well as ICNRM organisations and individuals.

Outcomes for investors might include:

- Improved access assurance to a wider section of the ICNRM ‘market’ (organisations involved in delivering ICNRM).
- Adaptation of existing performance and impact frameworks to reduce the collection of asymmetric information.

Outcomes for ICNRM organisations and individuals may include:

- Increased economic opportunities and diversified employment markets.
- Enhanced ability to access, promote and deliver ICNRM to the ‘marketplace’.

Business support

Business support for ICNRM organisations such as Prescribed Bodies Corporate will assist them to better access fee-for-service and other diverse business opportunities.

Recommendations:

- Continue to provide core funding for Indigenous ranger groups as the operational side of the ICNRM sector. These groups deliver essential cultural and natural resource management services for the benefit of all Australians.
- Enable greater flexibility for ICNRM organisations to diversify their income streams – specifically, the percentage of investment they can attract from other investor sectors while maintaining government core funding.

- Expand, adapt, and sufficiently resource the use of existing performance and impact frameworks (e.g., monitoring, evaluation, reporting and improvement tool [MERIT], and social return on investment [SROI]) to include metrics that meet the reporting needs of the philanthropic, corporate, and government fee-for-service sectors. This should include quantitative and qualitative measures inclusive of both the national and international SROI frameworks, the Indigenous definitions of ‘success’, and metrics for:
 - transformational change and learning
 - capacity development (e.g., leadership, governance, business acumen)
 - Indigenous leadership of their own performance and impact measures
 - co-benefits derived from the management of cultural and natural resources and ecosystem services.
 - developing and funding a ‘marketplace’ to match potential investors with Indigenous organisations from the ICNRM sector
 - making mapping and identification of co-investments and co-benefits related to investment in ICNRM explicit and transparent
 - providing capacity-building support for Indigenous businesses that do not currently have pre-existing government fee-for-service, corporate, or philanthropic relationships and investments.

Employment support

Individuals and groups working in the ICNRM sector will benefit from employment support to better scope and access employment and income-generating opportunities in both ICNRM and their local economies.

Recommendation

- Support the ICNRM sector build the capacity of Indigenous rangers and ICNRM groups in income stream diversification (e.g., organisational skills, business acumen, project planning, performance and impact reporting and assessment, networking skills, and relationship-based partnerships).

References

- 1 Maclean, K., Kong, T. Addison, J., Barber, M., Hutton, M. 2021. Pathways and opportunities to diversify investment in Indigenous cultural and natural resource management enterprises. CSIRO, Australia

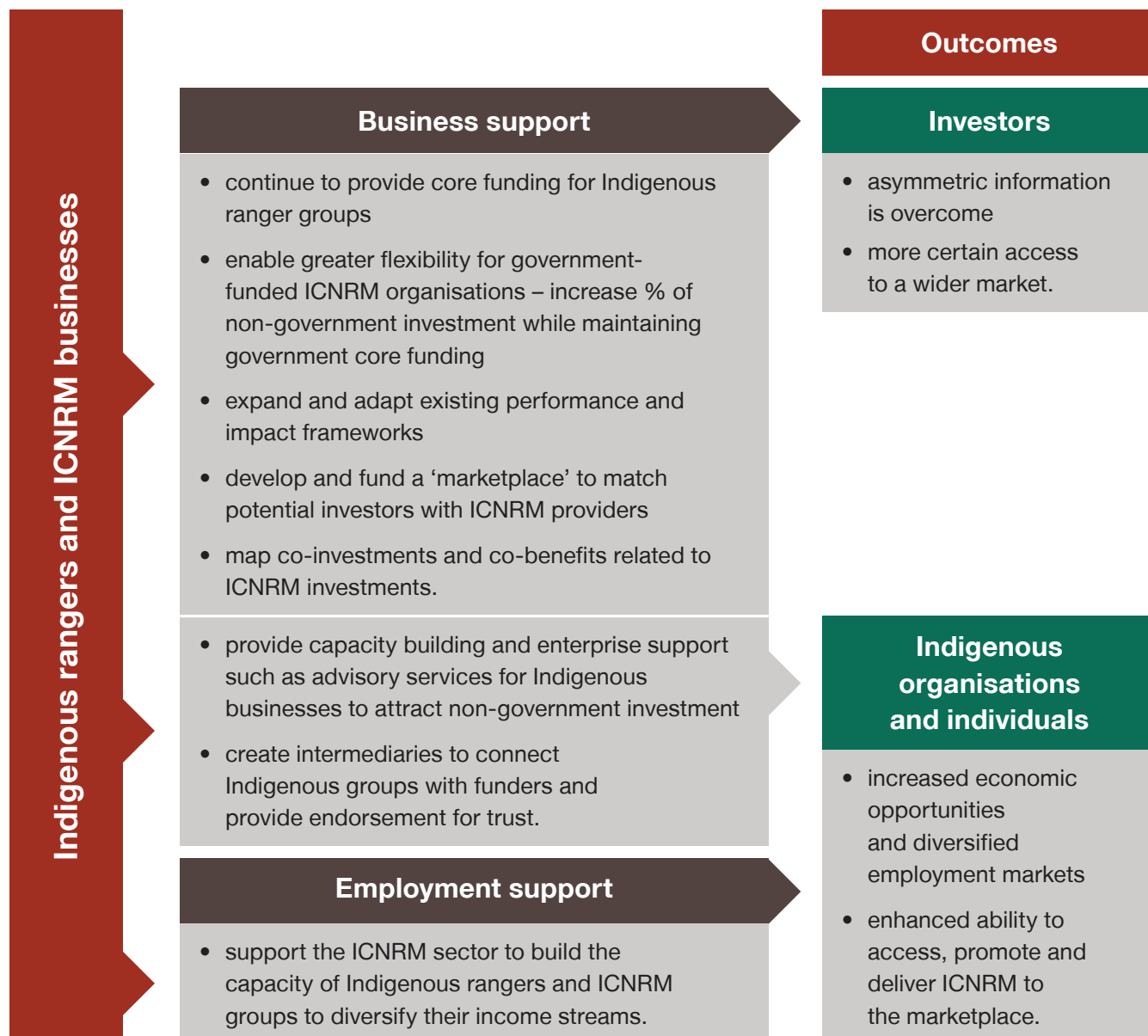


Figure 4. Recommendations how government can enable investment in ICNRM.

Further information

The CSIRO project team included Kirsten Maclean (project leader), Marcus Barber, Taryn Kong, Jane Addison, and Marlee Hutton. The project Indigenous Steering Committee included Ricky Archer (Chair – NAILSMA), Dion Creek and Tim Jaffer (Kalan Enterprises), Ben Smith (Larrakia Rangers), Tanya Major and Viv Sinnamon (Kowanyama Aboriginal Land and Natural Resources Management Office), Will Durack (Kimberley Land Council), Fiona Peek (Northern Land Council), Nerida Bradley (Australian Land Conservation Alliance), and Tom Vigilante (Bush Heritage).

Project factsheets and final report are available from the project webpage at nеспnorthern.edu.au/projects/nesp/guiding-resource-investment

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