

# AGRIBUSINESS INVESTMENT PROGRAM

INVESTING IN THE INDIGENOUS AGRIBUSINESS SECTOR



Australian Government  
Indigenous Land and Sea Corporation



The ILSC GROUP

PEOPLE. COUNTRY. OPPORTUNITY.

## Introduction

The Indigenous Land and Sea Corporation (ILSC) is a corporate Commonwealth entity established under the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act). The ILSC assists Indigenous Australians with ownership and management of country (both land and sea) to achieve economic, environmental, social and cultural benefits.

This is enabled through the ILSC's primary funding program, *Our Land Our Future* (OLOF), which assists Aboriginal and Torres Strait Islander peoples to own, manage, use, care for, and improve land and sea country.

In January 2019, the ILSC established the Agribusiness Investment Program to provide a funding stream to support commercial growth, primarily through capital investment and/or business capability, of the Indigenous agribusiness sector. The Agribusiness Investment Program is separate but complementary to the ILSC's OLOF grant funding program and is targeted specifically at commercial investments in Indigenous agribusiness. The program aims to open up new opportunities for Indigenous Australians in a diverse range of agribusiness markets as well as geographical locations.

Through the Agribusiness Investment Program the ILSC will work with Indigenous Australians, investors, industry and agricultural producers to not only support commercial and sustainable agribusiness operations but also to create meaningful impact for Aboriginal and Torres Strait Islander peoples.

The agribusiness sector has always been a significant contributor to the Australian economy — in 2016-17 it contributed 3 per cent to Australia's gross domestic product (GDP). By 2023-24, the value of farm production alone is forecast to be worth \$64 billion. Indigenous Australians have a real opportunity to participate in this sector — with approximately 40 per cent of Australia's land mass being formally recognised as having rights and interests held by Indigenous peoples.

The ILSC is seeking expressions of interest from parties interested in partnering to develop or grow Indigenous agribusiness ventures and ultimately support a thriving and sustainable Indigenous agribusiness sector.

<sup>1</sup> ABARES Agricultural Commodities: December 2018



TO BE THE **TRUSTED PARTNER** IN  
GROWING AND REALISING THE POTENTIAL  
OF THE INDIGENOUS ESTATE





## Partnering with the ILSC

Since its establishment in 1995, the ILSC has supported Indigenous Australians to grow commercial agribusinesses by:

- Buying and granting land and water-related rights; and
- Building the capacity and capability to sustainably manage country (both land and sea).

These roles have supported Indigenous Australians in the agribusiness sector to enjoy the rightful entitlements, opportunities and benefits it brings.

The ILSC's longstanding history of working with Indigenous Australians in the agribusiness sector has seen the ILSC invest in an array of agribusiness ventures from northern cattle properties to southern sheep meat and wool enterprises.

As an agribusiness operator itself, the ILSC has firsthand experience working within the sector and achieving significant benefits for Indigenous Australians in areas such as employment and training; business development; the enhancement of capability to support commercial success; and economic benefits through income generation.

More recently, the ILSC welcomed amendments to its enabling legislation to improve the sustainability of the Land Account as well as to extend its operations to include fresh and salt water activities.

The ILSC is also expanding its role to better support and position Indigenous Australians for commercial success in the agribusiness sector. The ILSC's new agribusiness strategy will see the ILSC broaden its approach to include different types of supporting roles such as being an equity partner investing in Indigenous agribusinesses.

This change reflects a shift in the expectations Indigenous Australians have of the ILSC to support them with their aspirations to directly manage and operate agribusiness enterprises as well as the increased appetite from private enterprise to partner with Indigenous Australians. In this way, the ILSC is keen to support the development of successful partnerships and positive relationships between industry, investors and Indigenous peoples to open up new opportunities in agribusiness.

ILSC works to bring together Indigenous Australians and commercial partners to benefit from shared agribusiness expertise and capital. ILSC's ability to attract partners across industry, government, private and philanthropic areas works to support sustainable and ethical Indigenous agribusiness opportunities.

# THE ECONOMY OF AUSTRALIA'S AGRICULTURE SECTOR 2017/18



**228,372**  
PEOPLE EMPLOYED  
in agriculture in 2016

**3.6%**  
FORECAST  
global economic  
growth in 2020



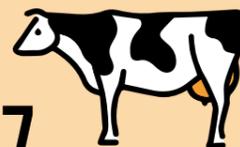
**\$45** BILLION  
FORECAST VALUE  
of export earnings in 2023-24



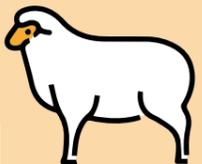
**\$59** BILLION  
FORECAST VALUE  
of Australian farm  
production in 2019-20



**\$7.7** BILLION  
FORECAST VALUE  
of beef & veal exports in 2019-20



**\$3.1** BILLION  
FORECAST VALUE  
of wool exports in 2019-20



**\$2.2** BILLION  
FORECAST VALUE  
of lamb exports in 2019-20



**\$3.3** BILLION  
FORECAST VALUE  
of fisheries production in 2019-20



**\$4.4** BILLION  
FORECAST VALUE  
of wheat exports in 2019-20



**\$11.7**<sup>1</sup> BILLION  
FORECAST VALUE  
of horticulture  
production in 2019-20



ABARES Agricultural Commodities: June 2019  
<sup>1</sup>ABARES Agricultural Commodities: March 2019



## About the Agribusiness Investment Program

The ILSC recognises the value of Aboriginal and Torres Strait Islander peoples' wealth of traditional knowledge and understanding of sustainable land management practices in growing the Indigenous agribusiness sector. For example, over the years, Indigenous peoples' knowledge and experience in Australia's cattle industry has stimulated a strong industry presence in Northern Australia and Indigenous Australians play an important role in cattle production in the region.

The ILSC is focused on investing in sustainable opportunities that support Indigenous Australians to be positioned for success in Australia's agribusiness sector. A central part of ILSC's agribusiness investment strategy is identifying locations and agricultural markets that balance the spread of ILSC's investment and stimulates growth of the Indigenous agribusiness sector around Australia.

To achieve this, the ILSC has developed an Agribusiness Investment Program to support the growth of new and existing Indigenous agribusinesses.

This investment program aims to provide support to Indigenous agribusinesses through the provision of patient capital; by working with potential co-investors and/or developing commercial partnerships; and by working with business and industry partners to provide agribusiness capability support.

The investment program is an open and competitive process. Through the Agribusiness Investment Program, the ILSC invites submissions from interested parties seeking to develop or grow Indigenous agribusinesses in Australia.

While the investment program is targeted to support the Indigenous agribusiness sector it remains aligned to the ILSC's core mandate to assist Indigenous Australians in ownership and management of country (both land and sea) to enjoy the entitlements, opportunities and benefits that it brings.

Generating positive impact and opening up more opportunities for Indigenous Australians is the key driver behind the Agribusiness Investment Program.

### KEY FEATURES OF THE AGRIBUSINESS INVESTMENT PROGRAM

- Works in partnership with Indigenous Australians to support their aspirations for commercial success in agribusiness.
- Brings together Indigenous Australians, investors, industry and agricultural producers to generate positive impact for Indigenous Australians.
- Commercially geared and achieves benefits for Indigenous Australians.
- Supports ethical and sustainable agribusiness operations.
- Open and competitive process.
- Aligned with ILSC's statutory requirements: supporting ownership and management of country (both land and sea) to generate economic, social, environmental or cultural benefits for Indigenous Australians.



SUPPORTING INDIGENOUS AUSTRALIANS  
TO CREATE **MORE OPPORTUNITIES**  
FROM COUNTRY.



## Investing in Indigenous agribusiness opportunities

The ILSC is proud of the work it has undertaken in the Northern Australia beef sector and has invested approximately \$30 million in infrastructure to support the development of Indigenous agribusiness ventures in this market. The ILSC is now actively seeking opportunities to achieve a more balanced distribution of its investment in Indigenous agribusiness around Australia and in a range of agricultural commodities. Through the Agribusiness Investment Program, the ILSC has identified a number of key agribusiness industries that are forecast to achieve Indigenous benefits along with high returns in the sector.



### Aquaculture

Seafood demand in Australia has increased over the last three decades. Consumer demand exceeds supply from domestic production and continues to grow. Aquaculture has great potential to expand to meet domestic and international demand. The ILSC has an interest in supporting Indigenous groups working on commercial aquaculture or fisheries development. This follows recent changes to the ATSI Act, whereby the ILSC now has an interest in extending into water based activities (fresh and sea).



### Bush foods

Indigenous Australians have a strong affiliation with native bush foods such as wattle seed, lemon myrtle, finger limes and Kakadu plums. The ILSC is interested in supporting Indigenous Australians to use native species for commercial purposes.



### Horticulture

Horticulture is forecast to achieve \$11.7<sup>2</sup> billion in gross value production in 2019-20. The ILSC has an interest in agribusinesses involved in commodities such as vegetables, fruits and nuts.



### Livestock

The forecast value of beef and veal exports is set to achieve \$7.71 billion in 2019-20. The forecast value of lamb exports is set to achieve \$2.27 billion. The ILSC has strong existing investment in the cattle industry and is interested in extending its reach to support other livestock industries such as sheep, goats and dairy.



PEOPLE. COUNTRY. **OPPORTUNITY.**



<sup>1</sup> ABARES Agricultural Commodities: June 2019

<sup>2</sup> ABARES Agricultural Commodities: March 2019

## Agribusiness Sector Principles for Investment

- Fulfil our statutory obligations under the *Aboriginal and Torres Strait Islander Act 2005*
- Capitalise on and enhance the value of the Indigenous Estate
- Deploy capital and expertise to maximise Indigenous benefits
- Facilitate commercial arrangements with Indigenous groups, proven operators, investors and other business partners
- Work in partnership—not in competition—with Indigenous Australians
- Enhance Indigenous capability to support commercial success in agribusiness
- Ensure ownership of the business can be transferred where agricultural land is being granted to Indigenous groups
- Support an agribusiness portfolio that is diversified by both commodity and geography

## Investment support

The ILSC endeavours to provide flexible and customised support and patient capital to drive the development or growth of Indigenous agribusiness ventures on Indigenous-held land whether through ownership or management of country (both land and sea).

### THE ILSC WILL WORK WITH INTERESTED PARTIES TO DESIGN AN INVESTMENT PACKAGE THAT MAY CONSIST OF DIFFERENT TYPES OF SUPPORT SUCH AS:

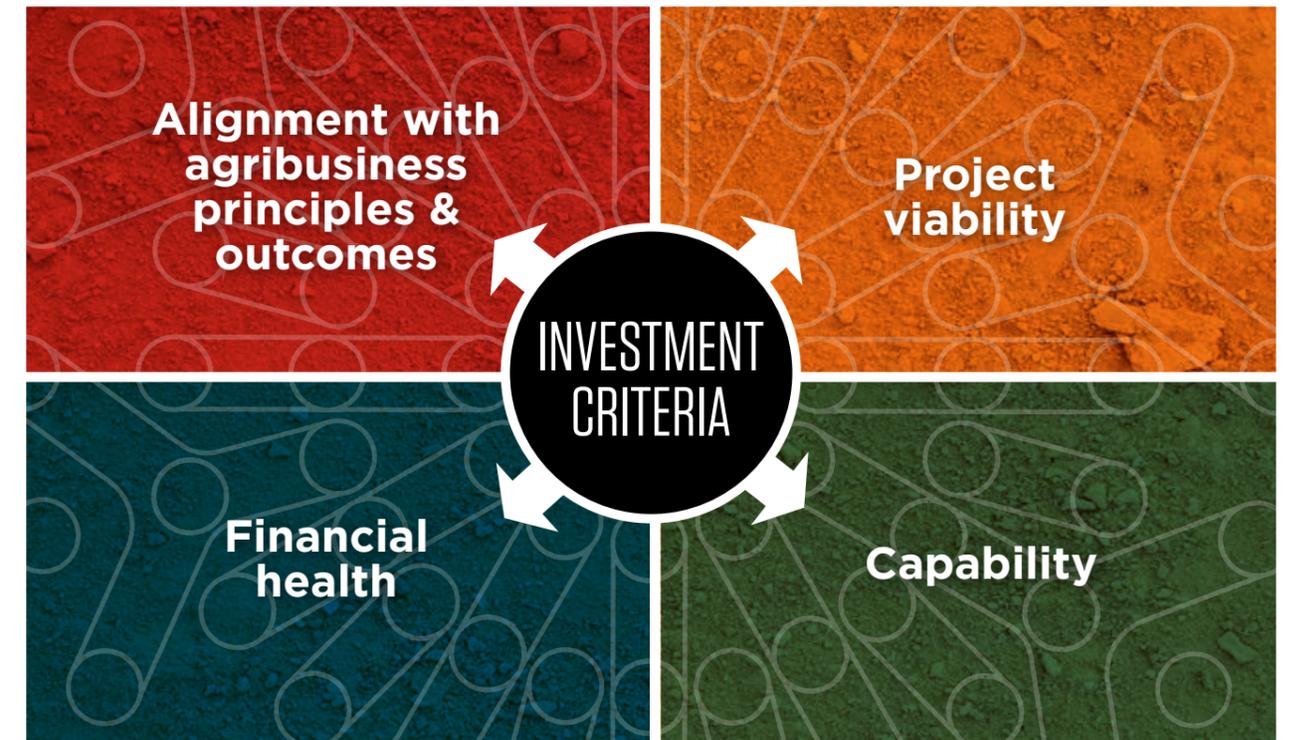
- 
**Equity investments:** A form of patient capital where the ILSC supports an Indigenous group to own a portion of the agribusiness; and payments are aligned to financial viability and Indigenous benefits.
- 
**Partnership arrangements:** An arrangement where the ILSC supports the development or growth of an Indigenous agribusiness in conjunction with other investors or commercial operators.
- 
**Joint ventures:** An agreement where the ILSC supports an Indigenous group and third party to jointly pursue business objectives on the development of an Indigenous agribusiness.
- 
**Loans and repayable grants:** A form of patient capital where the Indigenous group repays a defined amount, in line with agreed milestones and Indigenous benefits.

In conjunction with one of the above models, the ILSC can also provide capability support to ensure Indigenous groups can effectively manage and operate the Indigenous agribusiness to achieve their aspirations for commercial success.

All agribusiness opportunities must achieve Indigenous benefits commensurate with the level of investment. The venture must be financially viable and look to generate a financial return. The value of the financial return and measure of impact will be determined on a case-by-case basis. It will take into account the type of agribusiness opportunity and the scale of likely financial return. For all investment opportunities that generate some measure of financial return, these funds will be reinvested back into developing new Indigenous agribusiness opportunities.

## Agribusiness investment criteria

Expression of interest submissions will be assessed by ILSC Agribusiness to determine if the opportunity meets the investment criteria. During this assessment, ILSC Agribusiness will assess each opportunity according to its alignment to the ILSC and the merit of the agribusiness opportunity. The ILSC will also assess the overall risk of the opportunity and put in controls to ensure risk is appropriately managed.



## Creating impact

The ILSC exists to assist Indigenous Australians with ownership and management of country (both land and sea) to achieve economic, social, and cultural benefits for Indigenous Australians and for future generations. Since 1996 the ILSC has invested approximately \$1 billion in the Indigenous Estate to support the achievement of benefits for Indigenous Australians.

### IMPACT THROUGH INDIGENOUS AGRIBUSINESS



## Are you ready to partner?

The ILSC now invites interested parties (Indigenous groups, investors, agricultural producers and industry) to submit expressions of interest to support the development and growth of Australia's Indigenous agribusiness sector.

INDIGENOUS GROUPS	INVESTORS	AGRICULTURE PRODUCERS & INDUSTRY
<ul style="list-style-type: none"> <li>Do you have a feasible agribusiness idea or an existing agribusiness operation?</li> <li>Are you looking to diversify the income stream from your country with agribusiness?</li> <li>Are you interested in scaling up your production?</li> <li>Are you looking to include a new value adding production?</li> </ul>	<ul style="list-style-type: none"> <li>Are you interested in achieving a financial return while generating positive impact for Indigenous Australians?</li> <li>Are you interested in supporting the growth of the Indigenous agribusiness sector?</li> <li>Are you interested in working with Indigenous groups to trial new and innovative tools, methods or technology in the agribusiness sector?</li> </ul>	<ul style="list-style-type: none"> <li>Are you looking for an opportunity to make a difference in your sector?</li> <li>Are you looking for a partner to achieve scale?</li> <li>Are you looking to include value adding production to your operation?</li> </ul>
<p><b>HOW THE ILSC CAN SUPPORT</b></p> <ul style="list-style-type: none"> <li>Provide patient capital to support the development of a new agribusiness opportunity on Indigenous-held country (land and/or sea).</li> <li>Provide investment to support ownership of country (land and/or sea) to develop a new agribusiness opportunity.</li> <li>Provide capability support, in conjunction with patient capital, to help take your operations to the next level.</li> <li>Support you to find suitable partners to take your operations to the next level.</li> </ul>	<p><b>HOW THE ILSC CAN SUPPORT</b></p> <ul style="list-style-type: none"> <li>Provide support to identify an Indigenous agribusiness opportunity that generates positive impact for Indigenous Australians.</li> <li>Provide patient capital that supports partnership with an Indigenous group.</li> <li>Provide support to de-risk an investment in an Indigenous agribusiness.</li> </ul>	<p><b>HOW THE ILSC CAN SUPPORT</b></p> <ul style="list-style-type: none"> <li>Provide support to identify an Indigenous agribusiness opportunity that generates positive impact for Indigenous Australians.</li> <li>Provide patient capital that supports partnership with an Indigenous group.</li> <li>Work in partnership with industry members to identify opportunities that support the piloting of new methods and technology in the Indigenous agribusiness sector.</li> </ul>
<p><b>ELIGIBILITY</b></p> <ul style="list-style-type: none"> <li>Be aligned to ILSC's Agribusiness Sector Principles for Investment.</li> <li>Have a business proposal for an existing agribusiness enterprise.</li> <li>Have a business proposal to own country (land and/or sea) for the purposes of agribusiness.</li> <li>Demonstrate the ability to generate and achieve economic, environmental, social and/or cultural benefits for Indigenous Australians.</li> <li>Demonstrate the ability to break even or generate some measure of financial return.</li> </ul>	<p><b>ELIGIBILITY</b></p> <ul style="list-style-type: none"> <li>Be aligned to ILSC's Agribusiness Sector Principles for Investment.</li> <li>Be interested in supporting long-term Indigenous benefits in agribusiness.</li> <li>Be willing to share your knowledge and learnings to support the enhancement of Indigenous capability.</li> <li>Demonstrate the ability to generate and achieve economic, environmental, social and/or cultural benefits for Indigenous Australians.</li> </ul>	<p><b>ELIGIBILITY</b></p> <ul style="list-style-type: none"> <li>Be aligned to ILSC's Agribusiness Sector Principles for Investment.</li> <li>Be interested in supporting an Indigenous agribusiness.</li> <li>Be willing to share your knowledge and learnings to support the enhancement of Indigenous capability.</li> <li>Demonstrate the ability to generate and achieve economic, environmental, social and/or cultural benefits for Indigenous Australians.</li> </ul>

# Applying to be a Partner

## HOW TO APPLY

1. Read the eligibility criteria.
2. Contact ILSC Agribusiness to obtain an EOI application form.
3. Submit the EOI form via email at [aginvest@ilsc.gov.au](mailto:aginvest@ilsc.gov.au)

## PROCESS

1. Read the eligibility criteria.
2. Request and submit an EOI application form.
3. ILSC will review the application to determine if the opportunity fits the initial criteria. ILSC will notify applicants of the outcome of this assessment.
4. ILSC will work with initial successful applicants to develop investment application proposals for assessment. ILSC will notify applicants of the outcome of this assessment.
5. ILSC will work with relevant parties to develop customised investment agreements.
6. ILSC will work with relevant parties to support the monitoring and reporting of the agribusiness opportunity.

## HELP WITH APPLYING?

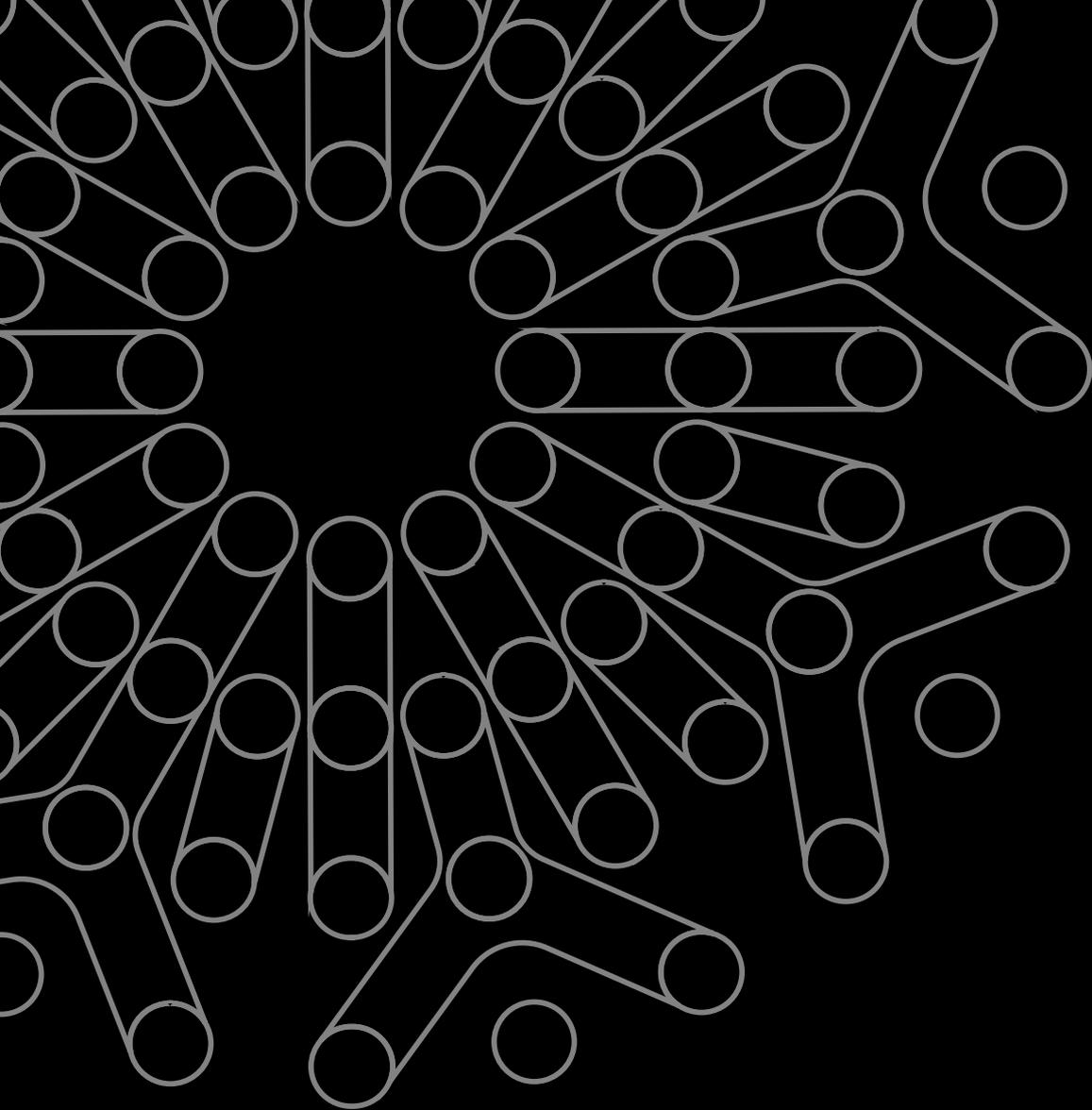
If you require additional information about the Agribusiness Investment Program or still have questions, please email [aginvest@ilsc.gov.au](mailto:aginvest@ilsc.gov.au) or call 1800 818 490.

## CONTACT US

If you have an agribusiness idea or have any questions regarding the Agribusiness Investment Program, then please contact a member of the ILSC Agribusiness team.

**Website:** [ilsc.gov.au/agribusinessinvestment](http://ilsc.gov.au/agribusinessinvestment)  
**Email:** [aginvest@ilsc.gov.au](mailto:aginvest@ilsc.gov.au)  
**Telephone:** 1800 818 490





**Australian Government**

**Indigenous Land and Sea Corporation**



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**FRECALL** 1800 818 490

[www.ilsc.gov.au](http://www.ilsc.gov.au)