Responsible Investment Association Australasia

Submission – Implementing Australia's Strategy for Nature 2024-2030

15 October 2025

Overview

RIAA thanks the Department of Climate Change, Energy, the Environment and Water (DCCEEW) for the opportunity to respond to *Implementing Australia's Strategy for Nature 2024-2030* (discussion paper; implementation plan).

As nature conservation gains prominence among commercial stakeholders, it will simultaneously present both risks and opportunities for investors. Given the significant dependence that companies, industries and economies have on the services nature provides, the degradation of nature will prompt structural shifts in economies, compelling governments to heighten measures for managing increasingly scarce resources. These developments will have ripple effects across investment portfolios, influencing access to resources and associated costs, that can ultimately impact economic development. There is a growing trend towards nature-friendly business models among both corporate and retail consumers, a trend likely to intensify in the face of climate change, given the importance of healthy and thriving ecosystems to mitigating climate change. It creates an opportunity for investments in restoration, conservation, and sustainable solutions to enhance natural areas and increase biodiversity.

RIAA supports the strategy's ambition but notes that its current form lacks the specificity needed for effective execution. To ensure meaningful outcomes, RIAA recommends clearer mechanisms, defined timelines, and actionable steps, alongside stronger coordination across government levels and inclusive stakeholder engagement.

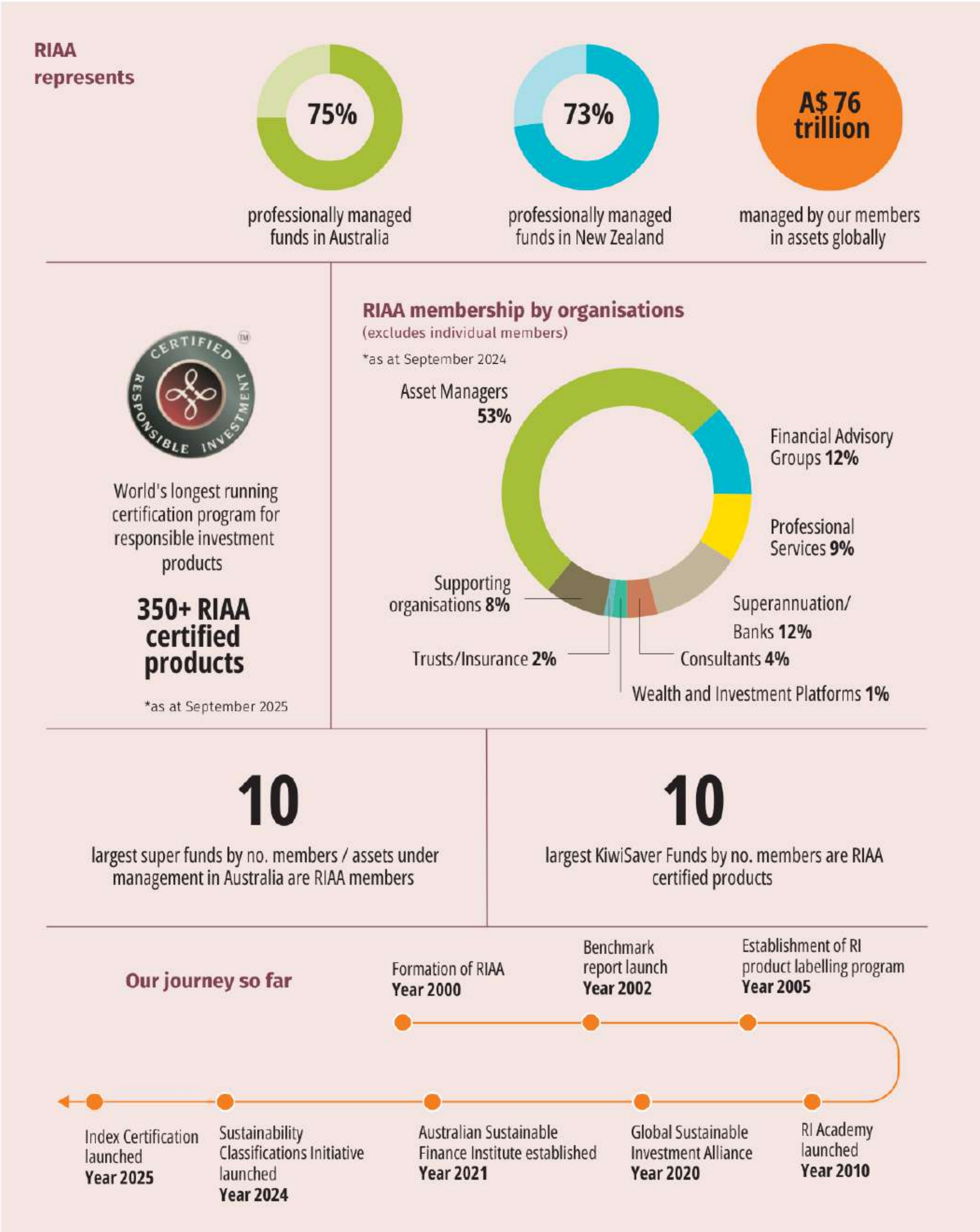
RIAA's submission provides overall comments on the implementation plan and has been informed by its Nature Working Group, the Working Group's External Reference Group as well as its by its previous submissions to:

- DCCEEW - Australia's new Nature Positive laws (June 2024)
- DCCEEW - First Nations Clean Energy Strategy (February 2024)
- DCCEEW - National Adaptation Plan (April 2024)
- AU Treasury - Draft Sustainable Finance Strategy (December 2023).

RIAA thanks the members of RIAA's Nature Working Group who contributed to this submission.

About RIAA

The Responsible Investment Association Australasia champions responsible investing and a sustainable financial system in Australia and Aotearoa New Zealand. It is dedicated to ensuring capital is aligned with achieving a healthy society, environment and economy.



General comments

Strengthen implementation and accountability mechanisms

RIAA welcomes the ambition and intent of the strategy and recognises its potential to guide national efforts in nature protection and restoration. However, the current draft remains overly aspirational and lacks the specificity required to be a true implementation plan for the strategy. The absence of clearly defined mechanisms, timelines, and actionable steps limits the strategy's ability to drive meaningful outcomes. While we appreciate the consultation process as a valuable starting point, we encourage further clarity on how the proposed outcomes will be operationalised and measured in practice. This includes better explaining how restoration efforts and progress will be measured, particularly in alignment with frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD) and broader biodiversity market, and developing nature-positive sector pathways with clear timelines, ideally by 2028, to provide greater certainty and direction for investors.

We see value in incorporating structured planning, clearly defined targets, and cost estimation to better understand the scale of investment required. Ensuring that the implementation team is adequately resourced will be essential to delivering the strategy effectively and maintaining momentum over time.

Greater governance and policy coherence

RIAA recognises the importance of strong coordination between all levels of government to ensure the effective implementation of the Strategy. Greater clarity around the respective roles and responsibilities of Federal and State Governments would enhance policy coherence and delivery. There is also value in strengthening communication and transparency in stakeholder engagement, particularly in how governments engage with civil society and the investment sectors. RIAA supports a co-design approach that meaningfully involves these stakeholders from the outset, helping to build a more inclusive and effective governance framework.

Unlocking the role of finance in nature-positive outcomes

RIAA submits that the implementation plan needs to more strongly reflect the critical role that investors and financial institutions play in enabling outcomes that support the protection and restoration of nature. At present, the role of investors is limited to referencing other Government initiatives on page 13 of the discussion paper. Investors will be a key stakeholder in the implementation of the Strategy.

Investors are increasingly understanding the significance, urgency and materiality of nature risk to their portfolio companies. RIAA's 2024 Australian Responsible Investment Benchmark Report found that natural capital is emerging as an increasingly popular positive screening theme for Australian investors, with 34% of survey respondents screening for biodiversity preservation and conservation, while climate change-related issues continue to be a priority. Investors are increasingly engaging with investee companies on nature-related issues, with 62% of investors engaging with companies on biodiversity/nature conservation and 48% on natural capital issues. This indicates that investors would welcome a regulatory environment that better protects companies and the economy against nature risk.

In addition to clarifying the role of the private sector, RIAA encourages the Government considers expanding the mandates of institutions such as the Clean Energy Finance Corporation (CEFC) and the Australian Renewable Energy Agency (ARENA) to include nature-related investments. This would constitute an efficient and effective lever which the Government has control. Reviewing policy settings that affect broader investment structures – such as philanthropic trusts and private ancillary funds – could help unlock more diverse forms of capital.

Embedding First Nations leadership in nature-positive action

RIAA strongly supports the principle of First Nations self-determination and the central role of community-led approaches in caring for Country and advancing nature repair. Wherever possible, First Nations communities should be empowered to lead and own projects, ensuring that their knowledge systems, priorities, and rights are embedded in the design and delivery of nature-related initiatives.

We also see an opportunity to enhance existing frameworks to better support First Nations participation, particularly in relation to funding access and the co-design of investment mechanisms. Recognising the scale of capital required for nature-positive transitions is essential, as is building the capacity of both investors and First Nations communities to engage meaningfully. Noting that nature markets follow the development of carbon markets, more explicit integration of lessons learned from the work undertaken in relation to carbon markets[1] and existing First Nations-led mechanisms would strengthen the implementation of the Strategy. There is also a clear need for more accessible and culturally appropriate forums to enable meaningful engagement of First Nations communities in nature markets.

See below the work related to the Dhawura Ngilan Business and Investor Initiative as an example of a First Nations led initiative.

Recommendations

To support the successful implementation of the Strategy, RIAA recommends the following actions:

- **Establish clear timelines** for mandatory nature-related disclosures by 2028, aligned with the International Sustainability Standards Board (ISSB)
- **Undertake economy-wide nature risk assessments** in accordance with the Network for Greening the Financial System (NGFS) guidelines to better understand systemic risks and opportunities.
- **Expand the mandates of public finance institutions** such as the Clean Energy Finance Corporation (CEFC) and the Australian Renewable Energy Agency (ARENA) to explicitly include nature-related investments.
- **Create inclusive and culturally appropriate forums** to enable meaningful participation of First Nations communities, civil society and investors in the development and implementation of the Strategy.
- **Leverage existing mechanisms and insights** from carbon markets and First Nations-led initiatives to inform the design of effective and equitable nature markets.[2]
- **Enhance transparency and consistency** in government engagement and decision-making processes to build trust and ensure accountability.

[1] See for example: https://www.icin.org.au/indigenous_carbon_projects_guide_downloads; 13._Indigenous_Carbon_Project_Guide_-_May_2025.pdf

[2] See for example: https://www.icin.org.au/indigenous_carbon_projects_guide_downloads; 13._Indigenous_Carbon_Project_Guide_-_May_2025.pdf

Consultation questions

Targets and Enablers

1) Do the 'outcomes' in the discussion paper represent the main areas where action should be focused to achieve this target or enabler of change?

a. If not, what additional outcomes will support us to achieve this target or enabler of change?

No. See general comments above.

2) Are there any barriers to achieving this target or enabler of change?

a. If yes, what solutions do you suggest for overcoming these barriers?

Yes. See general comments above.

3) Are you or your organisation already taking action to contribute to achieving this target or enabler of change?

a. If yes, please provide further information on the action you are taking.

Yes. RIAA actively contributes to outcomes that support the protection and restoration of nature through a range of strategic initiatives across Australia and Aotearoa New Zealand. Our efforts include:

- **Convening the official TNFD Consultation Group** for Australia and Aotearoa New Zealand, supporting market-wide capability building and awareness of nature-related financial disclosures.
- **Partnering in the Dhawura Ngilan Business and Investor Initiative (DNBII)** to embed First Nations cultural heritage protection into private sector practices, including investment decision-making.
- **Running a Nature Working Group** that enable collaboration among investors to identify and address nature-related risks and opportunities, integrate stewardship practices, and share leading research and regulatory developments.
- **Developing investor toolkits,** such as the *Nature Investor Toolkit* and *Investor Toolkit on Indigenous Peoples' Rights and Cultural Heritage Protection*, which provide practical guidance for assessing, engaging, and taking action on nature and human rights issues.
- **Conducting research and benchmarking,** including the *Responsible Investment Benchmark Report*, which tracks investor engagement on biodiversity, Indigenous rights, and natural capital.

Through these initiatives, RIAA is helping to mobilise capital towards nature-positive outcomes, build investor capability, and promote inclusive, culturally respectful approaches to nature stewardship.

RIAA Nature Working Group

RIAA's Nature Working Group is an initiative to support members to consider and respond to nature-related risks and opportunities in their responsible investment programs (investors) and business operations (companies).

The Nature Working Group has a three-fold purpose:

1. Supporting members to identify and address nature-related investment risks and opportunities including impacts and dependencies;
2. Supporting members to consider nature in the stewardship of their assets; and
3. Finding and sharing the most impactful local and international research and regulatory developments on nature for responsible investors.

The above purpose should be fulfilled with the understanding of the connectedness of this work with Indigenous People and Local Communities, Human Rights and Climate.

NWG External Reference Group

RIAA's Nature Working Group established the External Reference Group to help RIAA and its members direct finance to nature by:

1. Sharing technical knowledge and expertise: in nature and finance and the integration of the two.
2. Providing a platform for communication and connection: share updates from nature and finance sectors (e.g., activities, research, policy, advocacy) and understand key actors.
3. Identifying opportunities for collaboration: may include mutual education and capacity-building, demonstration of good case studies, testing and piloting frameworks, technical review of working group resources and toolkits, joint events, policy and advocacy.

The External Reference Group includes environmental civil society organisations, member of TNFD Forum, NWG Co-Chairs and the RIAA Nature Leaders Group.

Taskforce for Nature-related Financial Disclosures (TNFD)

The Taskforce on Nature-related Financial Disclosures (TNFD) provides guidance and recommendations for businesses and finance to assess, report, and act on their nature-related dependencies, impacts, risks and opportunities.

In mid-2022, RIAA was appointed by TNFD as the Convenor of the official TNFD Consultation Group for Australia and Aotearoa New Zealand.

The TNFD framework aims to provide decision makers in business and capital markets with better quality information through corporate reporting on nature that improves enterprise and portfolio risk management. Robust information on nature-related issues allows business to incorporate nature-related risks and opportunities into their strategic planning, risk management and asset allocation decisions. Better information in the hands of investors and other capital providers can help shift the flow of global capital to more positive outcomes for nature and society.

The TNFD Recommendations and Additional Guidance are designed to help organisations to report and act on evolving nature-related issues with the ultimate aim of supporting a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes.

These Consultation Groups are designed to support awareness of the TNFD recommendations and additional guidance, identify current knowledge and understanding gaps on nature-related issues, and build capacity for nature-related reporting across markets.

Dhawura Ngilan Business and Investor Initiative (DNBII or the Initiative)

In October 2021, the DNBII was established to bring together First Nations, business and investor communities to focus on strengthening Australia's First Nations Peoples' heritage laws and standards for the private sector to uphold the human rights of First Nations Peoples. Led by the First Nations Heritage Protection Alliance in partnership with the Global Compact Network Australia (GCNA) and RIAA, this Initiative sees protecting cultural heritage as the responsibility of all Australians, including the finance and business sectors.

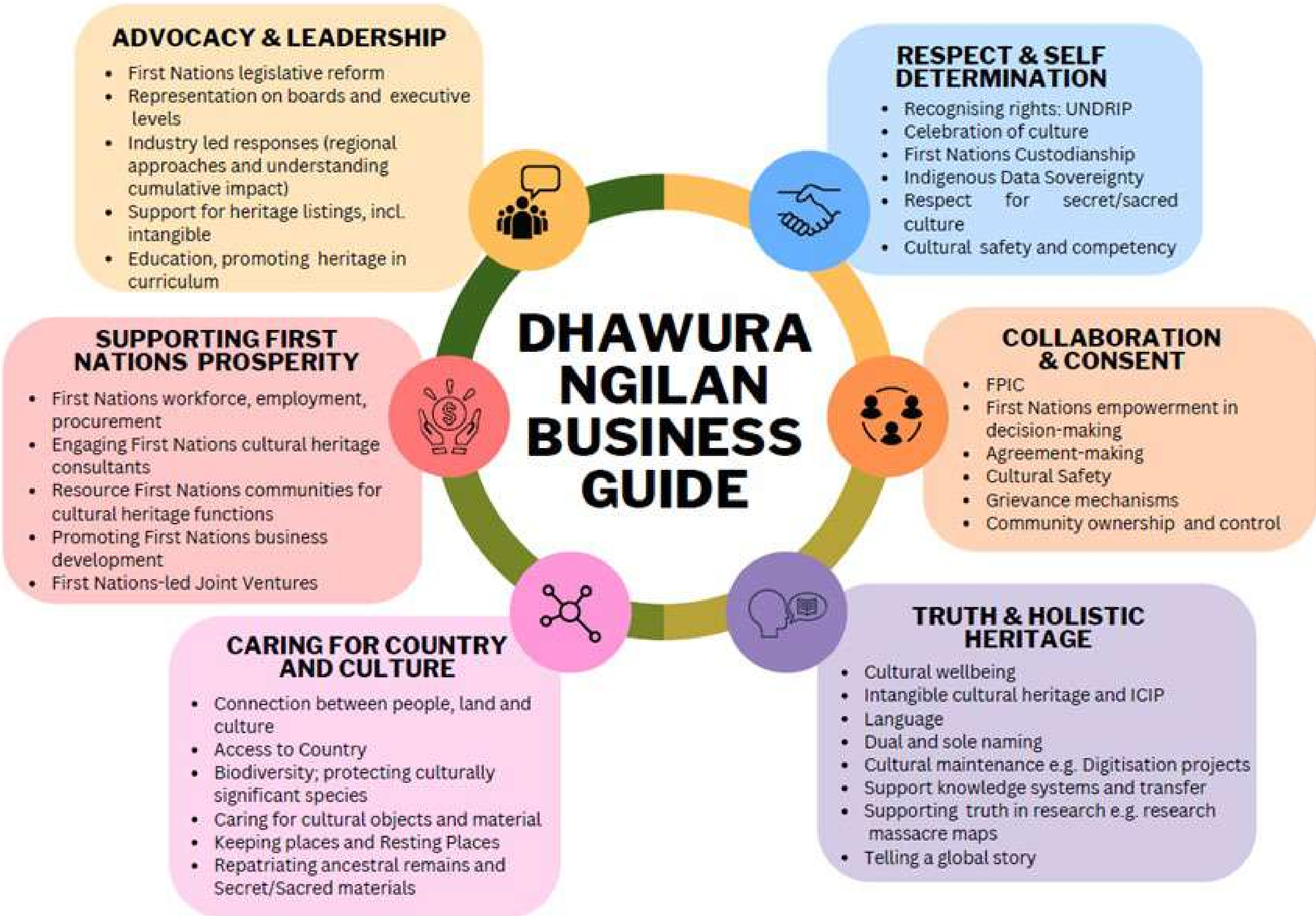
The DNBII launched two documents in March 2024 with then-Minister for the Environment and Water Tanya Plibersek in Canberra:

- Principles for Businesses and Investors; and
- Business and Investor Guide.

These guides provide:

- a set of twenty standards which collectively illustrate the expectations of First Nations peoples for how the private sector will interact with First Nations cultural heritage;
- how to operationalise the Dhawura Ngilan Principles;
- six sections outlining a series of Key Actions associated with each Dhawura Ngilan Principle for different types of businesses; and
- tailored guidance to assist investors to integrate cultural heritage considerations into decision making, including during due diligence, assessing disclosures, corporate engagement, and stewardship.

The Dhawura Ngilan principles for the private sector are as follows:



RIAA Working Group toolkits

RIAA hosts several members-only working groups as important communities of practice for members to collaborate and share leading practices and knowledge and as a means of building the capacity of members to be more effective in their work. One of the objectives of the working groups is to involve the industry in addressing sustainability challenges and working to achieve a constructive pathway forward. RIAA's working groups have produced toolkits to assist investors in navigating complex areas in responsible investment and effectively engaging with investees and/or project proponents. These toolkits contain or refer to practical guidance on leading investor practice in areas such as First Nations cultural heritage protection, human rights and nature.

Nature Investor Toolkit: Understanding nature-related risks and opportunities and supporting investors to assess, engage and take action

Published in September 2024, this toolkit was prepared by the RIAA Nature Working Group, which is a collective of representatives from the Australian and Aotearoa New Zealand investment community. The Nature Investor Toolkit serves as a primer for understanding nature-related risks and opportunities and supporting investors to assess, engage and take action. The objective of the toolkit is to:

- help investors identify nature-related risks and opportunities in their portfolios (assess);
- help investors simplify this complex area, informing constructive conversations with stakeholders and companies about impacts and dependencies on nature (engage); and
- unpack the suite of current and emerging tools and products to identify new investment opportunities (take action).

The topic of investing in nature is fast-evolving with a diverse, growing suite of resources becoming available. This toolkit focuses on highlighting key concepts and directing the user to current market-leading industry resources.

Investor Toolkit: An Investor Focus on Indigenous Peoples' Rights and Cultural Heritage Protection

Published in October 2021, the Investor Toolkit was developed by RIAA's Human Rights Working Group (Corporate Engagement subgroup) and the First Nations Peoples' Rights Working Group in response to the tragic and avoidable destruction of cultural heritage at Juukan Gorge in the Pilbara in Western Australia. While undertaken by institutional investors, the toolkit was endorsed by Indigenous groups such as the First Nations Heritage Protection Alliance and National Native Title Council. Noting that the Juukan Gorge incident was entirely legal, it put a spotlight on the cumulative failures at the company and legislative level to uphold the rights of Indigenous Peoples, as well as highlighting risks in the broader industry.

The Investor Toolkit outlines 'red flags' investors should look out for in companies' disclosure and engagement practices on First Nations Peoples' rights and describes what good looks like. It also suggests detailed questions which investors can ask in their engagement with companies and explains the importance of fundamental concepts such as FPIC and self-determination.