

New alliance to help drive more impact investing in Australia

An alliance of some of Australia's largest philanthropic foundations has launched to grow impact investing in Australia, enable partnerships, and unlock its potential to help tackle social and environmental challenges.

The founding group – which includes the Paul Ramsay Foundation, the Macquarie Group Foundation, the Westpac Foundation, UBS Optimus Foundation Australia, the Minderoo Foundation, Hand Heart Pocket, Lord Mayor's Charitable Foundation, the English Family Foundation and the Snow Foundation – has come together to establish a new partnership to support foundations interested in starting or currently undertaking impact investing.

The Foundations Impact Investors Group (FIIG) – which is benefiting from Philanthropy Australia's experience as the group's independent secretariat – will help bring foundations together to share practice while also streamlining the process for social enterprises seeking investment finance. The group is open, with founding members encouraging other foundations to join.

Impact investing seeks to create commercial financial returns along with measurable positive social or environmental impacts. Modelled on the UK's [Social Impact Investors Group](#) and the US's [Mission Investors Exchange](#), the FIIG will focus on driving catalytic, concessionary, and often early stage impact investing to support emerging social enterprises meet their potential.

PRF's Head of Impact Investing, Ben Smith, who will initially chair the FIIG, said the collaborative model was an exciting initiative to share philanthropic learning on impact investing and ultimately enhance one another's work to support greater social and environmental impact.

"There are excellent pockets of impact investing practice undertaken by foundations in Australia, and many others who are at the start of their journeys. We want to enable and build upon this work, and support social enterprises who are becoming a growing force in Australia," Mr Smith said.

"By working in partnership, foundations can reduce the barriers to impact investing, including transaction costs.

"Social enterprises will have a more accessible route to philanthropic funding through events in which they can present to the FIIG and receive feedback. Group members can then independently pursue the investment opportunities, while sharing the resource of due diligence and learning from each other."

As part of this initiative, a new group comprising the chairs and CEOs of key impact investing networks is forming. This will support cooperation among groups as they work towards the common goal of growing impact investing in Australia. The FIIG will complement the work of existing impact investing networks and organisations, signposting the way to existing education resources, and collaborating to strengthen the impact investing market in Australia.

Impact Investing Australia CEO David Hetherington said it was wonderful to see philanthropy in Australia leaning in to support impact investing.

“Australia can do so much more to unlock finance as a tool for good,” he said. “This is a great initiative to help us catch up with countries which are sprinting ahead in driving change through impact investing.”

Danny Almagor, chair of Impact Club, said many investors were passionate about using their capital in a purposeful way that reflected their own values, but needed guidance and support on the most effective ways to do that.

“Leveraging our collective capital and expertise, we can work together with philanthropy to underpin the innovative responses Australia needs to tackle today’s social and environmental challenges.”

A recent report commissioned by Social Enterprise Australia found that although social enterprises contribute \$21.3 billion (around 1% of GDP) to the economy each year, Australia is well behind other countries in maximising this channel for change. There is an average of 466 social enterprises in Australia per 1 million people, compared to 1,102 per million people in Scotland, 571 per million in Hong Kong and 528 per million in New Zealand.

Foundations wishing to join the Foundations Impact Investors Group should complete an EOI. Membership – which carries no fee – is open to any Australian foundation and other charitable funder with their own investible assets.

For more information, visit <https://www.philanthropy.org.au/news-and-stories/media-release-new-alliance-to-help-drive-more-impact-investing-in-australia/>