Catalytic Capital Consortium Australia

New consortium aims to build investor confidence and grow catalytic capital in Australia

Four leading Australian philanthropic foundations have united to establish Catalytic Capital Consortium Australia (C3 Australia), a partnership designed to increase the flow of catalytic capital in Australia to unlock positive social and environmental impact that would not otherwise be possible. C3 Australia will work to build the evidence and market infrastructure for this distinctive form of impact investment, as well as to improve investor confidence in the field.

Hand Heart Pocket, Minderoo Foundation, Paul Ramsay Foundation and Snow Foundation announced their collaboration at the Global Impact Investing Network (GIIN) conference today in partnership with the US-based John D. and Catherine T. MacArthur Foundation (MacArthur), one of the original architects of the Catalytic Capital Consortium (C3) - an initiative launched in 2019 to accelerate the flow of this important resource across global sectors and geographies.

Catalytic capital is investment that takes on greater risk, often by accepting lower financial return, than a typical investor would tolerate, to jump-start projects that do social or environmental good. Once those projects prove they can work, they are better placed to draw in other investors who may otherwise have stayed away. Catalytic capital remains underutilised in Australia because investors often lack the evidence, shared language, investable opportunities, and peer examples needed to act with confidence. As social and environmental challenges grow, Australia needs more practical ways to use philanthropic capital to test promising models, share risk and bring other investors to the table.

Through grants, C3 Australia aims to shift traditional investment mindsets by demonstrating how catalytic capital can manage risk, prove new models, and create pathways for mainstream investment. By addressing practical barriers and building confidence among investors, it aims to increase the supply of catalytic capital and help proven impact solutions attract mainstream investment. C3 Australia will not provide catalytic capital directly.

The Australian foundations have approved an initial AUD$10.5 million granting pool to launch C3 Australia, with funds to be managed by Paul Ramsay Foundation. Expressions of Interest for grants for evidence and market-building initiatives will be available for eligible Australian organisations from February 2027, with funding available for an initial 3 years.

C3 Australia is building on the success of the global model – a collaboration initially between MacArthur, The Rockefeller Foundation and the Omidyar Network that has since grown to include ten more leading investors. The initiative also includes a USD$128.5 million portfolio of C3 “Field Partnership” investments made by MacArthur to serve as powerful examples of catalytic capital, which have so far leveraged 23 times its initial investment to successfully mobilise approximately USD$3.1 billion for initiatives that unlock positive social and environmental impact.

Recent research has found that the catalytic capital field in Australia is emergent and immature, with a lack of shared language, market data and coordination to support the growing market readiness. In Australia it is estimated that AUD$100 million of catalytic capital has been deployed in the past three years, which is less than 1% of assets held by Australia’s leading impact investing foundations.

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Quotes from partners:

Hand Heart Pocket CEO Sara Parrott said:
“Australia has both the impact enterprises with the ideas and the impact investors with the appetite to deploy more catalytic capital. What we haven’t had is a shared effort to build the market, provide the tools and generate the data to give investors the confidence to act. Hand Heart Pocket is proud to join this new effort to build the market for catalytic capital, because no single foundation can do it alone.

“If we can help shape new and better ways to deploy catalytic capital, so that more of it reaches impact enterprises, this will be one of the best ways for us to use both our philanthropy and our capital for impact.”

MacArthur Director of Impact Investments John Balbach said:
“We are incredibly excited to support the leadership of these dynamic funders who have developed the Catalytic Capital Consortium Australia. This collaboration at scale reflects a deep level of commitment and ambition to demonstrate the power of catalytic capital in Australia.”

Minderoo Foundation CEO John Hartman said:
"Philanthropy has the unique ability to help unlock new sources of capital for the solutions that can deliver lasting change.

“By joining forces with Hand Heart Pocket, Paul Ramsay Foundation and Snow Foundation, we're helping build the evidence and market infrastructure needed to grow catalytic capital in Australia.

“The success of the original Catalytic Capital Consortium shows what is possible when philanthropy works collectively. We have an opportunity to strengthen Australia's impact investment market and help more social and environmental solutions scale."

Paul Ramsay Foundation CEO Professor Kristy Muir said:
“Through our impact investing work, we have seen first-hand that catalytic capital can play a critical role in filling financing gaps for impact enterprises that conventional capital cannot. Yet we know that identifying and surfacing those opportunities is one of the biggest obstacles, particularly in the for-purpose sector, a market that is already underfunded. We are delighted to help bring philanthropy together to form Catalytic Capital Consortium Australia in response.

“This initiative aims to facilitate the creation of new opportunities for investors who are interested in improving access to catalytic capital for impact. Drawing on the knowledge and leadership of MacArthur as well as our collective Australian experience, this new collaboration will unlock new capital to drive positive impact so communities and families can thrive.”

Snow Foundation CEO Georgina Byron AM said:
“At Snow Foundation, we see grants, investments and partnerships as complementary ways to support lasting social change. Catalytic capital is an important part of that approach because it can take early risk, back promising ideas and initiatives for social and environmental benefit, and help build the confidence needed for other capital to follow.

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"We have joined the Catalytic Capital Consortium Australia to help grow the capability and confidence of Australian investors to make catalytic capital investments. By working with peer foundations and learning from MacArthur's global experience, we can help make catalytic capital easier to understand, easier to use and more effective in supporting communities and organisations creating positive impact."

C3 Australia is inviting foundations, family offices, institutional investors and other capital providers to help build a more confident, connected and practical catalytic capital market in Australia.

Find out more about C3 Australia at www.catalyticcapital.org.au

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