HESTA commits additional $40 million to Australian impact investments

HESTA has reaffirmed its commitment to growing the Australian impact investment market, allocating a further $40 million to fund investments that generate both a measurable social impact and a market-based financial return.

This is the second commitment made through HESTA’s Social Impact Investment Trust (SIIT), which is managed by Social Ventures Australia (SVA).

The SIIT was launched in 2015 with an initial commitment of $30 million, making it at the time one of Australia’s largest dedicated impact investment funds.

Through the Trust, HESTA and SVA have built a pipeline of investments designed to grow Australia’s impact investing market by attracting other institutional investors.

HESTA CEO, Debby Blakey said the partnership with SVA has aided the development of the impact investment market in Australia.

Since HESTA’s initial commitment, the Impact Investing and Community Investing market in Australia has nearly doubled in size growing from $2.1bn in December 2014 to $4.1bn in December 2017*.

“Our successful partnership with SVA provides a blueprint for institutional investors,” Ms Blakey said.

“Our ongoing collaboration combines SVA’s expertise in impact investment with HESTA’s investment experience and discipline, and our deep knowledge of the health and community services sector.”

Ms Blakey said HESTA has a specific focus on identifying impact investments in the health and community service (HACS) sector, where the majority of HESTA members work.

“Through our actions, we want to help drive long-term meaningful change. By committing to invest in projects in the health and community services sector, we’re helping address social issues impacting not only the community but also our members,” Ms Blakey said.

“Through supporting the growth of the impact investment market, we’re also helping to develop alternative, stable sources of funding to the HACS sector that can create jobs and opportunities for our members.”

Ms Blakey said the impact investment program forms part of its broader long-term commitment to responsible investment across its $44 billion portfolio.

“We understand that the positive impact we can have goes much further than our impact investment program. As a fiduciary we understand that we need to achieve strong financial returns for members. But it’s much bigger than that. We also need to ensure we’re having a positive impact on the world our members will retire into.”

The Trust’s largest commitment to date is $19 million to help finance the development of Australia’s first dementia village in Glenorchy Tasmania. The development is a partnership between HESTA, SVA, Glenview – a not-for-profit aged care provider, and the Commonwealth Government.

Other SVA investments include Horizon Housing, a community housing provider in Queensland that aims to increase the supply of affordable housing.
SVA’s Chief Executive Officer Rob Koczkar said the partnership between SVA and HESTA is a sign that the social impact investment market in Australia is continuing to mature.

“SVA is delighted to be deepening our partnership with HESTA through this new commitment to the Social Impact Investment Trust. It is a sign that the social impact investment market in Australia is continuing to mature, with increasing opportunities to invest for both social and financial return.”

“We are pleased that our investments, in social and affordable housing and state of the art aged care, are helping to build an Australia where all people and communities can thrive; and we look forward to working closely with the social purpose sector to support more projects like these.”

Ends.


HESTA

HESTA is an industry superannuation fund that for more than 30 years has been dedicated to those working in the Health and Community Services sector. HESTA has over 850,000 members and manages more than $44 billion of members’ assets. Please note HESTA is an acronym and should be capitalised.