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HESTA invests in Australia-first dementia village offering innovative model of care

HESTA has invested \$19 million to finance a cutting edge Australia-first suburban village designed to recreate real life experiences for those living with dementia.

The investment was made through HESTA's \$30 million Social Impact Investment Trust, which is managed by Social Ventures Australia (SVA) and aims to invest in opportunities that deliver both an appropriate financial return and a measurable social impact.

The development of the Korongee village is a partnership between HESTA, Glenview – a not-for-profit aged care provider, SVA and the Commonwealth Government.

The greenfield site in the Tasmanian suburb of Glenorchy will have 15 demographically tailored homes set within a small town context complete with streets, a supermarket, cinema, café, beauty salon and gardens.

The design of the facility is based on a typical Tasmanian cul de sac streetscape that allows residents to feel at home and wander freely within a safe and supported environment.

HESTA CEO Debby Blakey said that, through its impact investment program, HESTA was making a positive social impact in areas such as the lack of social and affordable housing and homelessness, and now the pressing need for high-quality dementia care.

Dementia is the second leading cause of death in the nation. Without a medical breakthrough, it's expected that by 2056 the number of people living with dementia will increase to over 1.1 million Australians.

"The demand for dementia care across Australia is outstripping the available supply of services and facilities," Ms Blakey said.

"This investment will help provide a world-class facility for the local community and benefits our members by earning a return, while also piloting a model for investing in Aged Care that could attract other large investors to this space."

The investment in Korongee represents the single biggest investment to date from the Social Impact Investment Trust, which is Australia's largest dedicated social impact investment fund.

Ms Blakey said that the investment represents a fantastic example of the exciting collaboration between the \$40 billion industry super fund and the sector it's dedicated to, health and community services.

"We heard about the great work Glenview was doing and, because HESTA has a specific focus on identifying investment opportunities in our sector, we were able to explore how we could support this fantastic project," Ms Blakey said.

Glenview CEO Lucy O'Flaherty said the Korongee village concept draws on a range of international best practice models, particularly the dementia village of De Hogeweyk in the Netherlands, while contextualising this into a uniquely Tasmanian experience.

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"It has been shown that residents at the De Hogeweyk dementia village live longer, eat better and take fewer medications and we hope to see similar transformative health benefits at Korongee," Ms O'Flaherty said.

"Korongee's design will make it possible for residents living with dementia to walk around the village and participate in everyday life decisions, which are presently not available to those in dementia care, activities such as going to the café to buy a coffee or simply heading to the supermarket to buy groceries for dinner.

Korongee's 15 houses, each with six bedrooms, will be staffed by health professionals who dress casually and will act as 'home makers' to provide an authentic home-like environment.

Residents within each house will be matched by their similar backgrounds, experiences, interests and skills.

"A person who has worked as a tradesman all their life will most likely have a routine involving an early start and knocking off at 3pm. Alternatively, at the other end of the spectrum artists or creative folk who may rise later and have later evenings and weekends that are highly social – two lifestyles not necessarily conducive to each other," Ms O'Flaherty explained.

"At Korongee we won't have any institutional routines – residents will be allowed to wake up and move about their day in their own time and in freedom. If they want to make themselves a piece of toast in the middle of the night, they can do that."

SVA CEO, Rob Koczkar, said that innovative partnerships like Korongee show what can be achieved when the skills and experience of different sectors are brought together.

"We are delighted to be working with Glenview on this project; the first of its kind in Australia," Mr Koczkar said.

"It is a great example of how SVA's partnership with HESTA to establish Australia's largest dedicated social impact investing fund provides an opportunity to create positive social impact in communities like Glenorchy."

"A transaction of this scale is exciting for the impact investment market in Australia. It shows that there are significant opportunities to deploy institutional capital towards social sector projects that create both a social and financial return."

Construction is planned to commence in in early 2018, with the site to be complete by mid to late 2019.

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HESTA

HESTA is an industry superannuation fund dedicated to those working in the health and community services sector. HESTA has over 820,000 members and manages more than \$40 billion of members' assets.

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