

Impact Investment: WA's Sleeping Giant?

May 2025



1. Spend it!

\$10m

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**2. Perpetual
Endowment**

\$10m

\$10m

**Corpus
invested to
maximise
\$\$\$**

**Annual
Grants**

1. Spend it!

2. Perpetual
Endowment

3. Impact Proceeds



Annual
Grants

Corpus
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maximise
\$\$\$

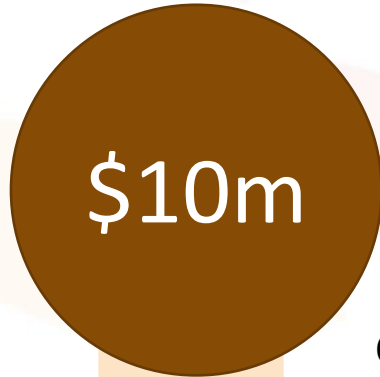


Annual
Grants
& Impact
Investments

1. Spend it!



2. Perpetual Endowment



Corpus invested to maximise \$\$\$

Annual Grants



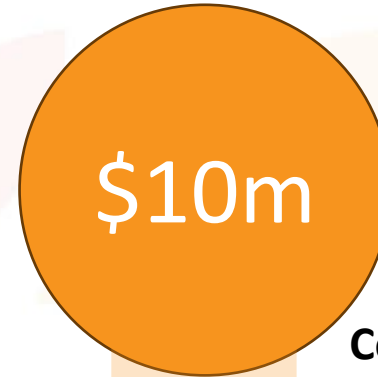
3. Impact Proceeds



Annual Grants & Impact Investments



4. Total Impact Approach

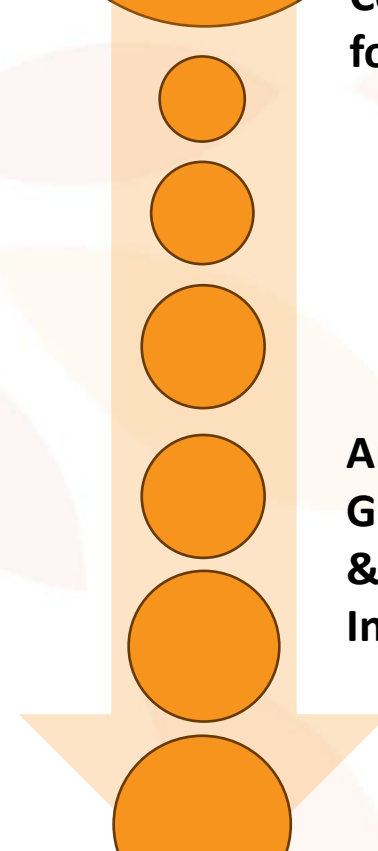
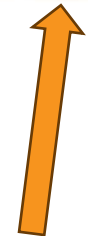


Corpus invested for \$\$\$ and impact

Grants can leverage corpus impact investment

Annual Grants & Impact Investments

Government Contribution



impact investments

Noun: Impact investments are investments made with the intention to generate positive, measurable social or environmental impact alongside a financial return.

The Investment Spectrum (CA. 1970)

APPROACH	TRADITIONAL INVESTMENTS
FOCUS	FINANCIAL ONLY
FINANCIAL GOALS	
FEATURES	
IMP INTENTIONS	MAY OR DO CAUSE HARM

PHILANTHROPY
IMPACT ONLY
Accept partial/ full capital loss
ng assets/investments
ported

The Investment Spectrum (2025)

APPROACH	TRADITIONAL INVESTMENTS	RESPONSIBLE INVESTMENTS				PHILANTHROPY
FOCUS	FINANCIAL ONLY	NEGATIVE SCREENING	ESG INTEGRATION	IMPACT INVESTMENTS		IMPACT ONLY
				FINANCIAL-FIRST	IMPACT-FIRST	
FINANCIAL GOALS	Target competitive risk-adjusted financial returns				Accept low risk-adjusted returns	Accept partial/full capital loss
FEATURES				Manage ESG risks		
				Pursue ESG opportunities		
				Intentionality: delivering impact is central to underlying assets/investments		
				Impact investment is measured and reported		
IMP INTENTIONS	MAY OR DO CAUSE HARM	ACT TO AVOID HARM				
		BENEFIT ALL STAKEHOLDERS				
		CONTRIBUTE TO SOLUTIONS				

Source: Adapted from Bridges Fund Management (2014), PRI (2013), RIAA (2019), UK NAB (2017), Impact Management Project (IMP) (2018)

Seeks financial returns regardless of ESG factors

Negative screen examples: tobacco, weapons, gambling

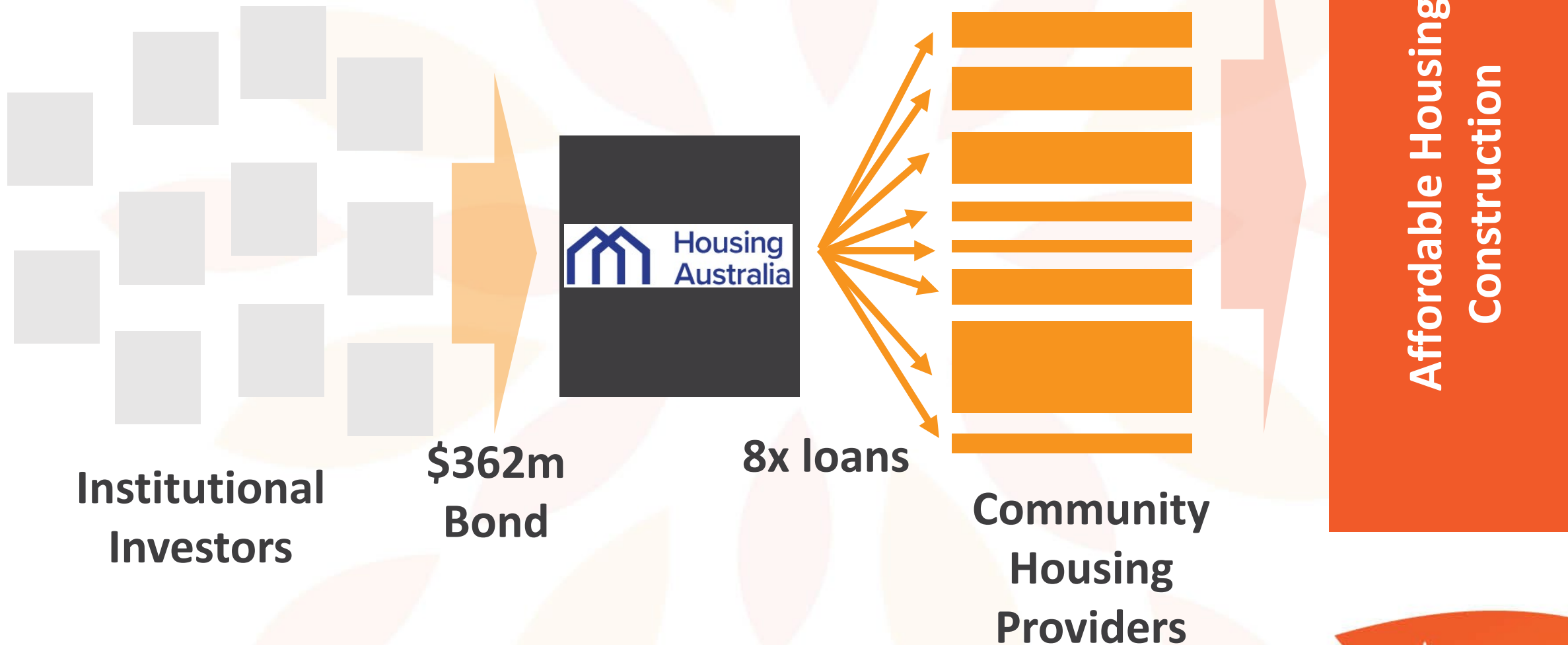
Factors considered: carbon footprint, gender equality

Impact and financial returns drive investment

Impact takes precedence over financial return

Financial returns disregarded in favour of impact

Ex. 1: Social Bond to aggregate impact capital for affordable housing
Housing Australia social bond #5 (issued 2021)



Ex. 2: Total impact approach by major philanthropic foundation



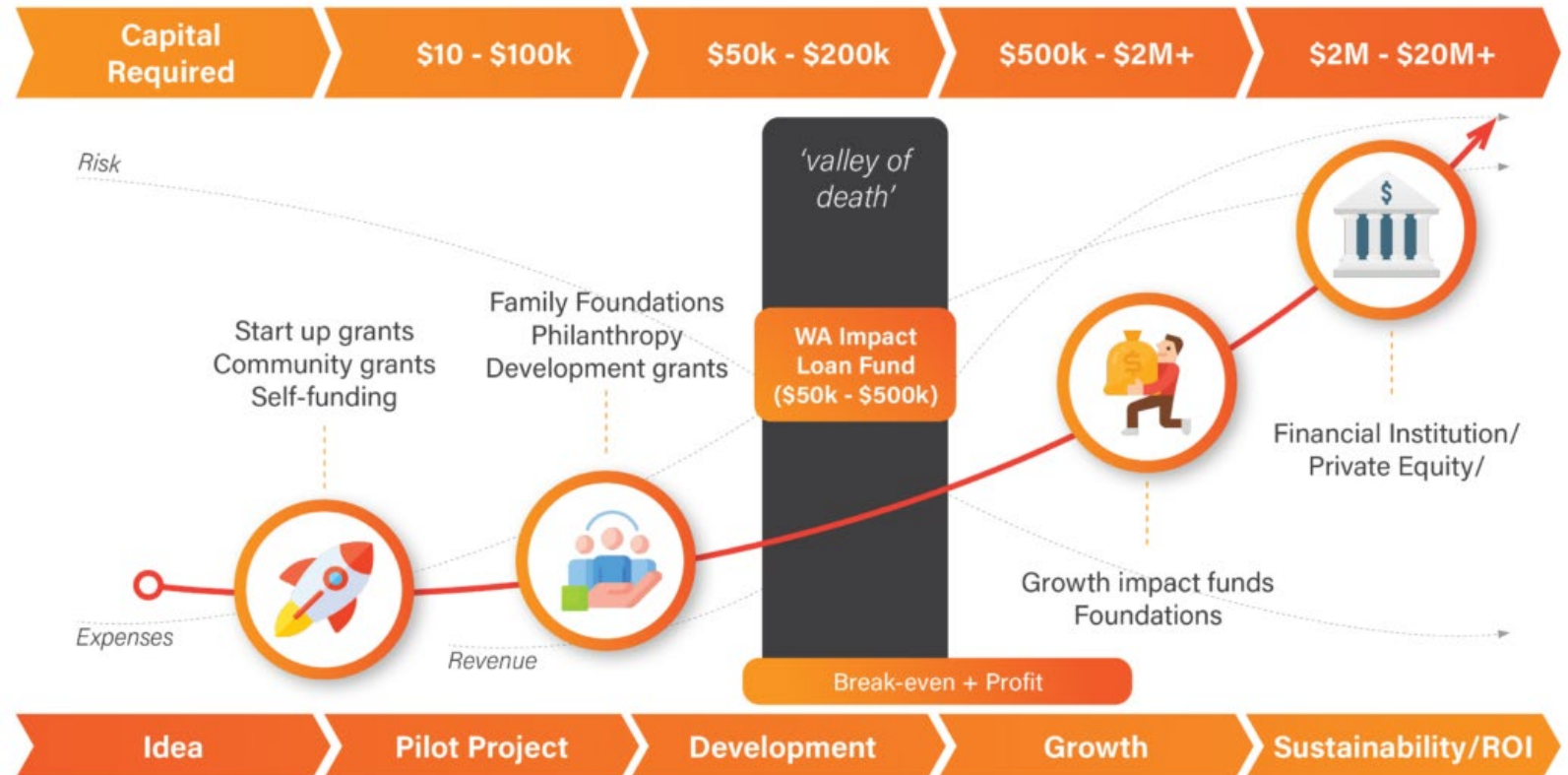
“We believe that by considering the impact of the way in which our whole Balance Sheet is invested (rather than a pure focus on impact through our grant making and impact investing) PRF will have greater success in the pursuit of its Charitable Purpose: to break cycles of disadvantage..”

— Paul Ramsay Foundation, Total Impact Approach, Dec 2023

- \$60m Impact-first allocation: non-inflationary break-even return
- 10% of portfolio in Mission fund – CPI+3.5%, and demonstrable positive social impact
- Responsible investment approach to rest of portfolio

Ex. 3: Private market debt finance to social enterprises - WA Impact Loan Fund

- Patient debt capital (3-7+ years)
- Concessionary terms
- Loan sizes of \$50-500k
- Criteria:
 - Enterprise and impact grounded in WA
 - Impact enterprises at the Development Stage (working towards financial sustainability)
 - Committed and capable leadership
 - High social impact in the area of breaking cycles of disadvantage (e.g. job creation, health, education)



Ex. 4: Aboriginal Trust portfolio allocation to local enterprise development

MG Charitable Trust



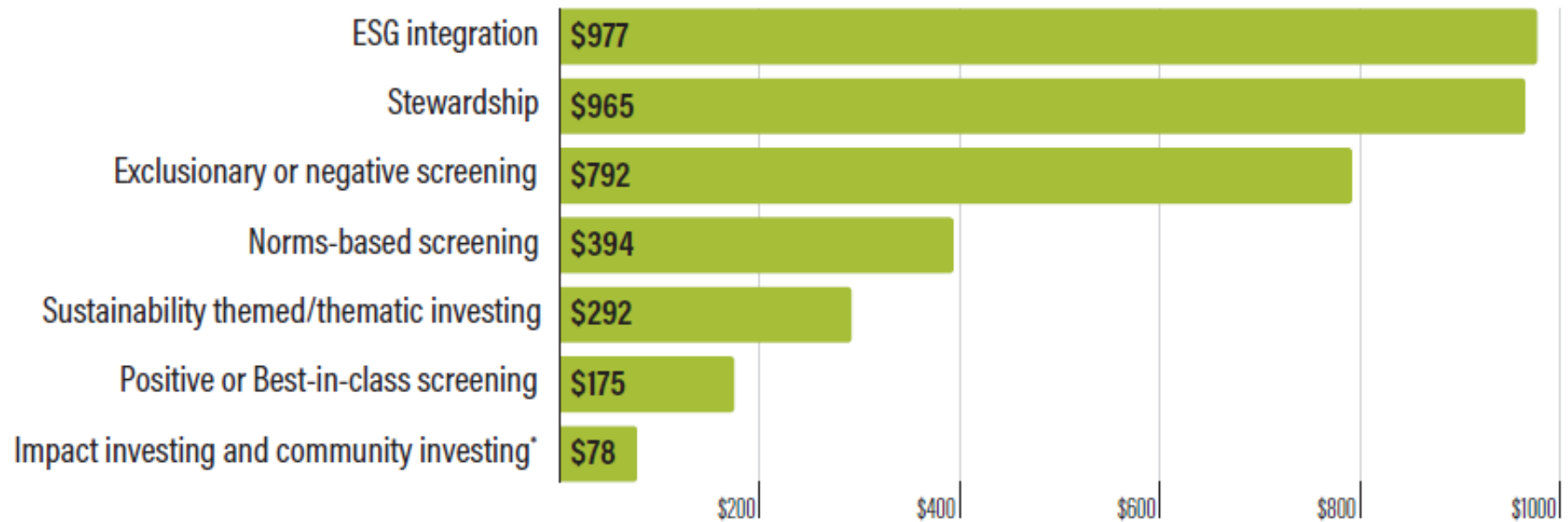
Yawoorroong Miriuwung
Gajerrong Yirrgeb Noong Dawang
MG CORPORATION

- \$14m corpus over 10-year State Contribution Period
- Corpus and 50% of returns in “traditional low to medium risk investments”
- 50% of returns applied for benefit of Miriwoong-Gadjerrong people – eg, education, funerals, community events
- After the 10-year contribution period, up to 25% in “high risk” investments, including lending to “local business ventures” with a projected return at least equal to CPI.

\$78b Impact Investments in Australia

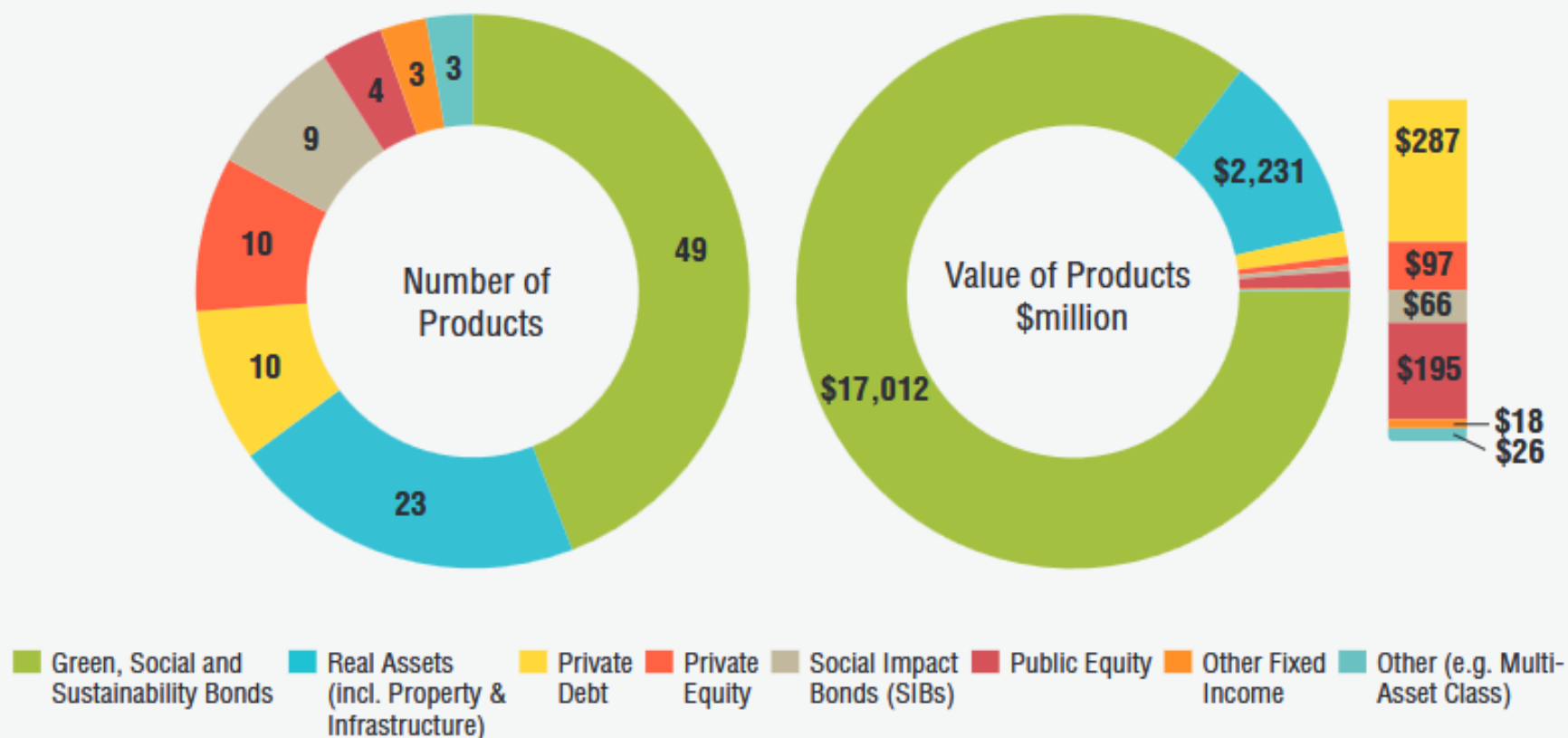
(excluding private market activity)

FIGURE 10a | AUM covered by the seven RI approaches of survey respondents (\$ billions)



Source: RIAA 2024 Benchmark Report

FIGURE 46 Number and value of impact investment products by asset class as at 31 December 2019 (n=111)



Source: RIAA 2020 Impact Investment Benchmark Report

\$2 billion



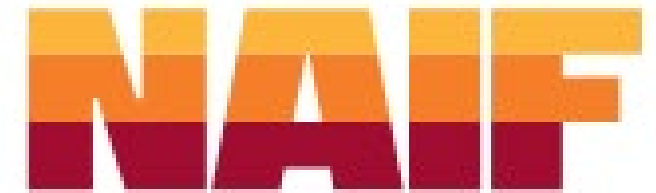
\$5.6 billion
Keystart.

\$30 billion



**Governments are
natural
impact investors!**

\$7 billion



Northern Australia Infrastructure Facility

\$8 billion



\$40m p.a.



WA's Latent Impact Capital

\$30.5b

WA Treasury
Corporation

\$1.5b

Aboriginal
Trusts in WA

\$45b

WA Charities
financial assets

\$500b

Superannuation
Assets of WA
residents

WA's Latent Impact Capital

\$31b

WA Treasury
Corporation

1%

\$2b+

Aboriginal
Trusts in WA

25%

\$45b

Financial assets
of WA charities

10%

\$500b

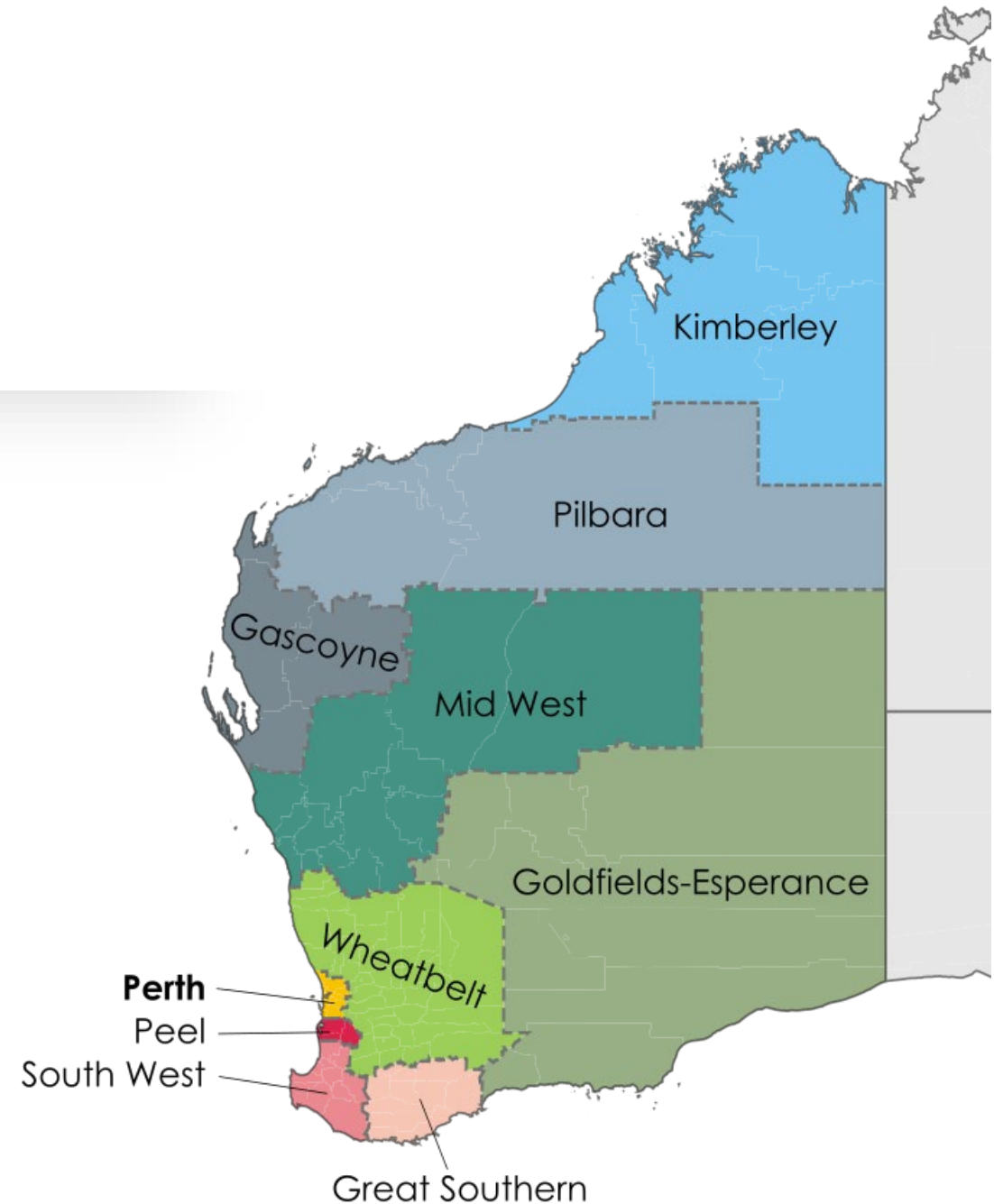
Superannuation
Assets of WA
residents

1%

**= \$10 billion low hanging fruit
Impact Investment in WA**

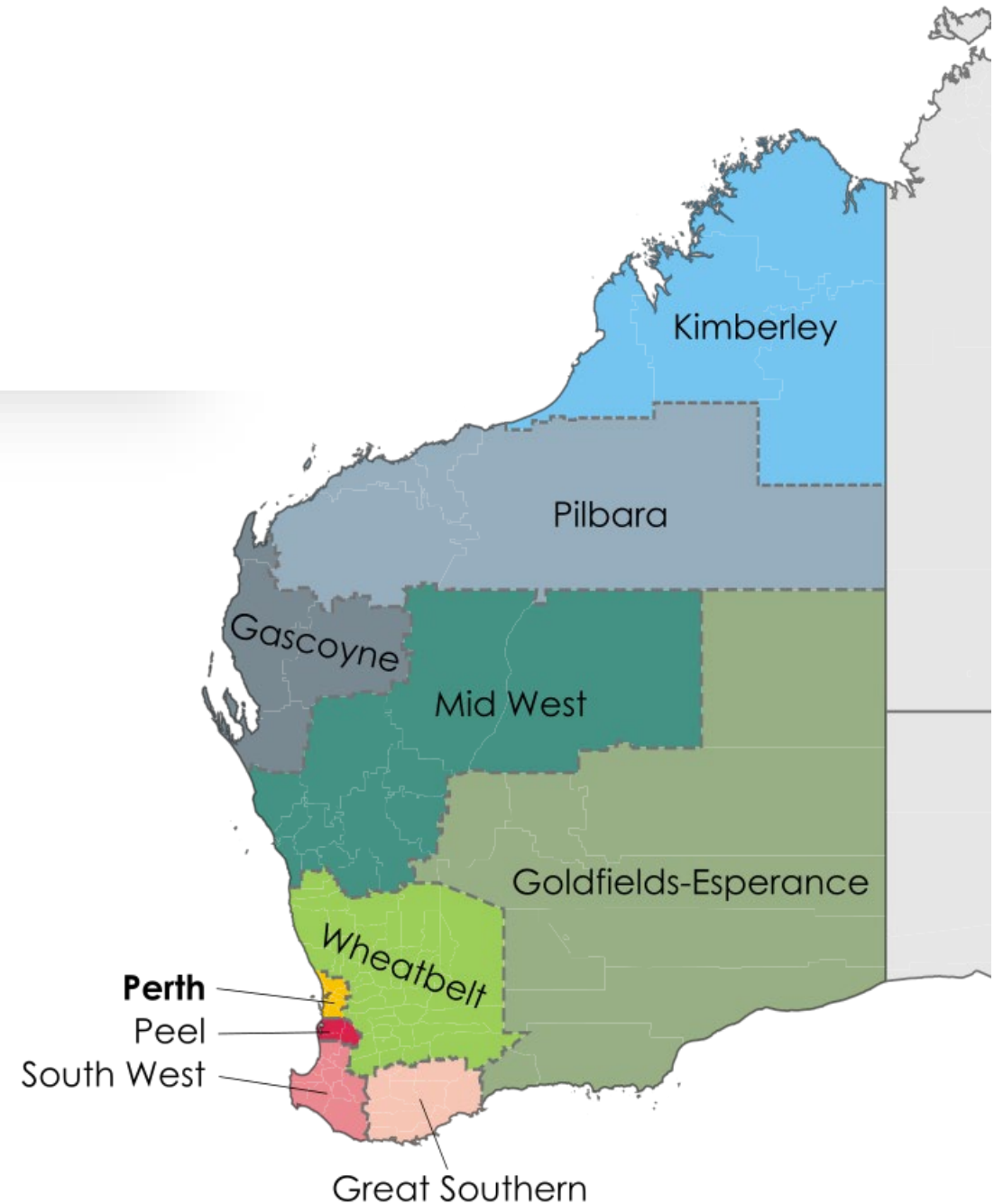
Unique features of WA Impact Capital Ecosystem

- Perth NOT a finance hub
- New money, mining industry dominance
- Focus on First Nations capital, empowerment and outcomes
- Land mass and dispersed remote population = difficulty with aggregation
- Government emphasis on regional development and procurement lens, rather than impact investment generally
- Scepticism of policy innovation
- Bad luck



Our strengths

- WASEC established as peak body for WA social enterprise = demand-side flourishing
- Increasing investor interest, from family offices to institutional investors to intermediaries
- CSI Network – community of practice growing by the day in number and influence
- Gov't priorities can't be delivered without leveraged impact finance (esp. Closing the Gap, housing, climate)
- Sound precedents for action in Qld, NSW, Vic



Thank you and questions!

