



## **MEDIA RELEASE**

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### **GOVERNMENT RESPONSE RAISES OPPORTUNITY FOR ETHICAL INVESTMENT**

The Government's response to the Financial System Inquiry has put the spotlight on ethical investment according to the Institute of Public Accountants (IPA).

In its response, *Improving Australia's financial system*, the Government has stated that they 'will examine how best to foster growth of impact investment in Australia to support private and for-profit investment funds being directed to projects with a social or environmental purpose'.

"The concept of social conscience investment is an area that we should all be making an effort to embrace; it creates win-win opportunities for investors and society," said IPA chief executive officer, Andrew Conway.

"If investors can attain a relatively healthy return on their investments, why not do so in projects that deliver greater social outcomes.

"The Government's announcement to develop legislative amendments to provide greater certainty for private ancillary funds wishing to invest in social impact bonds is to be commended.

"Consumer demand and superior financial performance have driven a huge growth in ethical investment around the world, including Australia," said Mr Conway.

Also known as responsible investment and by other names, this sector is experiencing rapid growth around the world. In the US, for example, there was a 76% growth rate between 2012 and 2014, which means that 18% of the US\$36.8 trillion in total assets under management is involved in 'Sustainable and Responsible Investment'.

Polling released by the Responsible Investment Association Australasia 2015 benchmark report found that 69% of Australians believe it is important that super funds make responsible investments and avoid harmful investments.

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#### **About the Institute of Public Accountants**

The IPA, formed in 1923, is one of Australia's three legally recognised professional accounting bodies. In late 2014, the IPA acquired the Institute of Financial Accountants in the UK and formed the IPA Group, with more than with more than 35,000 members and students in over 65 countries. The IPA is a member of the International Federation of Accountants, the Accounting Professional and Ethical Standards Board and the Confederation of Asian and Pacific Accountants. The IPA was recognised in 2012 as Australia's most innovative accounting organisation and listed in the top 20 in the 2012 *BRW* Most Innovative Companies List.