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A personal reflection on the evolution of ethical investment in Australia

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Investment



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There were no environmentally screened share funds. No access to international ethical equities. No ethical bond funds. For diversification, I even used the Perpetual Industrial Share Fund—specifically because it excluded mining stocks.

My equities mainstays were Cochlear, CSL, and Sims metal. These companies not only met ethical standards but also offered global exposure due to their international operations. Remarkably, I still have clients from that era who hold CSL at its original cost price of \$4.

At that time, only six financial planners across Australia specialised in Responsible Investment. A few of us—founders of Ethinvest, Ethical Investment Services, and Ethical Investment Advisers—joined forces to form the Ethical Investment Association of Australia in 2000. Our goal was simple but ambitious: to collaborate, showcase the positive outcomes of ethical investing, and bring professional credibility to what was then a niche concept.

The association began benchmarking capital flows into ethical investment in 2002, offering for the first time a quantitative insight into this emerging field. Just five years later, the Certification Program was launched to establish clear standards, and by 2010, the Responsible Investment Academy was established. This progression has since evolved into what is now the Responsible Investment Association Australasia (RIAA).

Looking back, it's remarkable to remember that ethically screened investments amounted to just \$217 million in 1996, with a mere \$1 million of that in superannuation. Yet by 2002, we had witnessed a 713% growth.

Today, responsible investments total 1.6 trillion, with over 500 RIAA members—a testament to how far the movement has come.

What makes financial planners in ethical investment unique is the emphasis on investor values. We ask the end investor what they wish to support—and what they want to avoid. These preferences have evolved significantly over time.

In the early years, concerns centred on avoiding harmful industries and practices—animal testing, uranium mining, nuclear energy, armaments, land mines, and deforestation through clear-felling or woodchipping. As time went on, social issues like gambling rose to prominence. The onset of fracking in the mining industry sparked further concerns, as did the emergence of genetically modified crops.

Gradually, the conversation shifted from exclusion to inclusion. Investors wanted to avoid harm, yes—but also to support solutions: renewable energy, equal opportunity, recycling initiatives, and ethical corporate behaviour. Today, a major priority is addressing climate change through fossil fuel divestment and climate-positive investments.

As someone who stood at the frontier of this movement in 1994, it's deeply rewarding to see the transformation—not just in capital flows, but in consciousness. Ethical investment is no longer a niche; it's a global imperative, and its future is brighter than ever.

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