



Expression of Interest Guidelines and Application Form

Social Impact Investment for Sustainability Program



1 Funding overview

The Social Impact Investment for Sustainability program provides financial assistance to existing, investment-ready social enterprises and is designed to create new jobs and training opportunities, deliver social benefits, respond to climate change, avoid and recover waste, and improve resource efficiency in the Victorian community.

This innovative program provides funds as a combination of grant and low interest loan. Funds returned through repaid loans will be reinvested in the program to support other social enterprises. The program will continue until the funding is fully subscribed.

The program is an initiative of the Victorian Government through Sustainability Victoria and has been developed in collaboration with Foresters Group, a financial services company which specialises in providing innovative loans to individuals, social enterprises and non-profit organisations to improve their financial capability and resilience.

Investment-ready social enterprises can apply for up to \$200,000 as a combination grant and low interest (2.5%) loan to scale up (expand) their operations.

The Social Impact Investment for Sustainability program is, merit-based and involves two stages – an Expression of Interest (EOI), followed by a comprehensive financial assessment to be conducted by Foresters Group. The amount of funding allocated may be negotiated with successful applicants based on the applicant's capacity to repay the loan.

Sustainability Victoria reserves the right to implement a competitive process if the program is oversubscribed.

EOI applications will be collated by Sustainability Victoria for assessment at regular intervals. We expect this will be every three to four months, however, applications may be assessed sooner at the discretion of Sustainability Victoria.

2 Why is the Victorian Government providing this funding?

The Victorian Government is committed to helping the Victorian community respond to climate change. Through the Social Impact Investment for Sustainability program the Victorian Government is helping communities develop practical, local action on climate change, resource efficiency and waste.

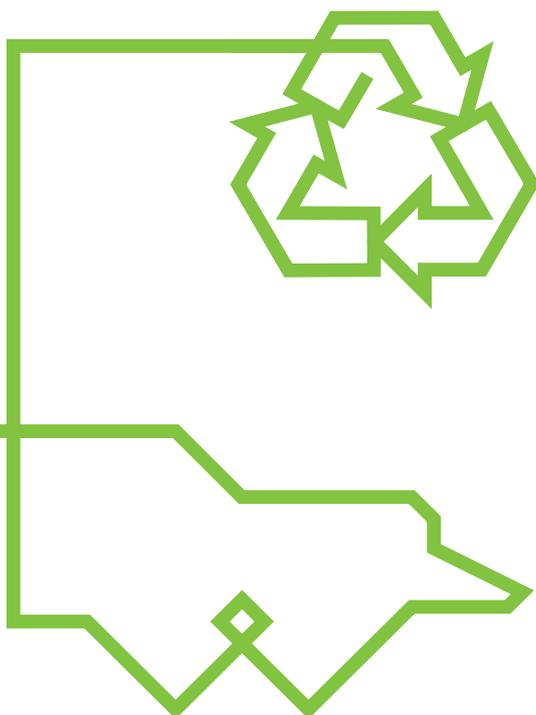
The program will help create local jobs and training opportunities, consistent with the Government's Back to Work Plan, while delivering social and environmental benefits for the Victorian community.

3 Who can apply?

The program is targeted at investment-ready social enterprises wanting to scale-up (expand) their operations.

To be eligible for funding, applicants must:

- › be a social enterprise as defined by Sustainability Victoria (refer to Section 3.3 Definitions **page 3**)
- › have a current Australian Business Number (ABN)
- › have been operating for at least one year
- › create new jobs and/or training opportunities in Victoria
- › provide social benefits within Victoria (refer to Section 3.3 Definitions **page 3**)
- › deliver on one or more of the following environmental outcomes of an ongoing nature across part of the Victorian community or economy (not a one-off activity or project for one organisation, small group or individual):
 - a new product or service to assist communities to respond to climate change
 - improved resource efficiency (energy or materials)
 - reduced priority waste to landfill – by recovering resources or avoiding waste (refer to Section 3.3 Definitions **page 3**)
 - increased use of renewable energy
- › have not had any Environment Protection Authority (EPA) or Victorian WorkCover Authority violations in the past five years, or any such breaches deemed acceptable by Sustainability Victoria (refer to Section 4 of the EOI application form)
- › complete the grant funded initiative within 12 months of signing a funding agreement
- › repay the loan component within three to five years
- › implement the funded activities in Victoria
- › agree to comply with the Terms and Conditions of funding.



3.1 Who won't be considered for funding?

- › organisations that do not meet the definition of a social enterprise (refer to Section 3 Who can apply? **page 2**)
- › organisations that have failed to satisfactorily complete previous projects funded by Sustainability Victoria without sufficient reason
- › organisations whose primary purpose or trading activity is:
 - land care or natural resource management
 - education or awareness raising
- › organisations who apply for the grant component only.

3.2 What will be funded?

The total combined grant/loan will not exceed \$200,000.

Grant

The grant will be provided to purchase and install, commission or upgrade infrastructure or equipment which must be completed within 12 months of signing the funding agreement. The grant amount will not exceed 50% of the total amount of funding provided to the social enterprise. Matched funding of 1:1 is required for the grant component (refer to 3.4 Matched Contribution by your organisation **page 4**)

Loan

The low interest (2.5%) loan will have a repayment period of three to five years. The loan can be used to purchase and install, commission or upgrade infrastructure or equipment that meet the criteria of the program or be used for operating costs (refer to 3.3 Definitions **page 3**) with some exceptions (refer to 3.6 What won't be funded **page 4**).

3.3 Definitions for the purposes of this program

Social enterprises¹ – are organisations that:

- › are led by an economic, social, cultural, or environmental mission consistent with a public or community benefit
- › trade to fulfil their mission
- › derive a substantial portion of their income from trade, and
- › reinvest the majority of their profit/surplus in the fulfilment of their mission.

Priority materials² for waste recovery or avoidance:

- › e-waste
- › tyres
- › organics – including timber, food and green waste
- › glass fines
- › flexible plastics
- › concrete and brick.

Investment-ready

A social enterprise is investment-ready if its financial, strategic and governance arrangements and circumstances and its business case are sufficiently mature and robust to provide confidence to Sustainability Victoria and Foresters Group that it has the financial capability to successfully implement its business case, repay the requested loan within three to five years and achieve its specified outcomes.

Operating costs

Expenses which are related to the operation of a business, or to the operation of a component, piece of equipment or facility. Examples of operating costs include: salaries, rent, utilities, office supplies, leasing of equipment, printing costs, legal advice, accounting expenditure and insurances.

Social Benefits

Support to target beneficiaries:

- › Youth (up to 21 years of age)
- › Women
- › Carers
- › People of culturally and linguistically diverse (CALD) communities
- › People with disabilities
- › Aged
- › Aboriginal and Torres Strait Islander peoples
- › Long term unemployed (more than 12 months)
- › Low income people (concession card holders)
- › Geographically isolated people
- › People with low literacy and numeracy skills
- › Refugees and recent migrants
- › Homeless
- › Regional, rural and metropolitan locations in very low SEIFA³ index areas
- › Other at risk or marginalised groups.

Benefits include:

- › Health, social or other services
- › Health benefits
- › Education
- › Housing
- › Other benefits that can be measured.

1 Finding Australia's Social Enterprise Sector, Australian Centre for Philanthropy and Nonprofit Studies, June 2010

2 The priority materials are those identified in the Victorian Market Development Strategy for Recovered Resources and Victorian Organics Resource Recovery Strategy.

3 Social-Economic Indexes for Areas (Australian Bureau of Statistics (ABS))

The Victorian Industry Participation Policy (VIPP)

- › The **Victorian Industry Participation Policy (VIPP)** seeks to maximise opportunities for Australian, New Zealand and Victorian suppliers to compete for government business on the basis of best value for money over the life of the goods or services. The VIPP is implemented by Victorian Government departments and agencies to help drive local industry development.

When does the VIPP Apply?

- › The **Victorian Industry Participation Policy (VIPP)** will apply if the total cost of the project meets or exceeds either:
 - › \$1 million in regional Victoria/statewide; or
 - › \$3 million in metropolitan Melbourne.

What if VIPP does apply?

Sustainability Victoria will register the grant with ICN (Industry Capability Network). The grant recipient will then be required to prepare a VIPP Plan and provide annual project reports.

3.4 Matched Contribution by your organisation

Applicants are required to provide 1:1 matched funding for the grant component. The contribution must be cash. In kind contributions are not accepted. The following sources will be accepted as co-contribution:

- › Philanthropy – from donations from individuals and foundations
- › Balance Sheet – applicants can use their own retained earnings to match the grant funding
- › Partnership capital – partnership funding and financing
- › Other government funding – support from Commonwealth or Victorian government
- › Any other reasonable source of investment – this must be outside of or in addition to the projected revenue anticipated from the funded activity/initiative.

Note: Matched funding is identified to demonstrate viability and commitment, and therefore must not include the grant or loan funding anticipated from the Social Impact Investment for Sustainability program.

3.5 Grant and loan conditions

Successful applicants must:

- › deliver the initiative and activities as outlined in their application
- › complete the grant funded initiative within 12 months of signing the funding agreement
- › monitor and evaluate the grant and loan funded initiative and activities as agreed by the applicant, Sustainability Victoria and Foresters Group
- › report on the economic, social, environmental and financial outcomes as agreed by the applicant, Sustainability Victoria and Foresters Group
- › provide suitable training for staff (as required) where new equipment is installed
- › provide evidence that Occupational Health and Safety (OH&S) issues are managed appropriately

- › meet all legal and regulatory requirements for the funded initiative and their business
- › participate in case studies that may be published about the funded social enterprises and the initiatives
- › provide security for the loan component in the form of either a General Security Agreement over the assets of the business or a Specific Security Agreement over a specific piece of equipment being purchased or both a General and Specific Agreement depending on the application and activity proposed. (Documentation and registration costs of approx. \$240 (excl. GST) to \$460 (excl. GST) are to be borne by the applicant).

3.6 What types of activities won't be funded?

The grant funding will not be provided for:

- › feasibility studies
- › business case development
- › projects outside of Victoria
- › pre-construction activities such as site clearing, earthworks or site accessibility works
- › applicants that have failed to satisfactorily address a breach of the Occupational Health and Safety Act 2004 or Environment Protection Act 1970 (as amended)
- › environmental outcomes that are a one-off activity
- › project or one-off activity for one organisation, small group or individual
- › activities which have already commenced before a funding agreement is signed i.e. no retrospective funding
- › purchase of land
- › projects that focus on routine or cyclical maintenance works
- › repairing damaged facilities or equipment where the damage should be covered by insurance
- › ongoing operational costs such as, but not limited to, salaries, electricity, water and other utilities
- › equipment/infrastructure that cannot be installed, commissioned or constructed within 12 months of signing the funding agreement.

The loan will not be provided for:

- › environmental outcomes that are a one-off activity
- › project or one-off activity for one organisation, small group or individual
- › relocation costs (unless this demonstrates expansion or growth with a significant increase in the social and environmental outcomes from the existing location)
- › refinancing of an existing loan with other lenders (including Foresters Group)
- › tax payments
- › operating costs not associated with the funded organisation
- › equipment or infrastructure not associated with the funded organisation
- › purchase of land.

4 Assessment Criteria

The Social Impact Investment for Sustainability program is a rolling fund that will continue until fully subscribed. EOI applications will be collated by Sustainability Victoria for assessment at regular intervals. We expect this will be every three to four months, however, applications may be assessed sooner at the discretion of Sustainability Victoria.

Applicants will be assessed against the eligibility (refer to Section 3) and merit criteria Who (20%), What (20%) and Why (60%). Other criteria may also be considered such as geographical spread and diversity of initiatives. Priority will be given to applicants that strongly align with the merit criteria.

How will applications be assessed?

The program involves a two stage application process. Stage 1 EOI applications that meet the eligibility criteria will be assessed against the following merit criteria and how closely they match the intent of the fund.

Who? (20%)

- › Describe your organisation – its vision, mission and purpose
- › Describe the core activity/activities of your organisation
- › How long has your organisation been operating?
- › Describe your organisation's capability to deliver the initiative.

What? (20%)

- › Describe what you are going to do
- › What is the purpose of the loan?
- › What is the purpose of the grant (describe the equipment/infrastructure to be purchased)?
- › How will the economic, environmental and social benefits be measured?
- › What will you need to do to complete the grant funded initiative? e.g. plans, permits, OH&S?

Why? (60%)

- › What environmental outcome/s will your organisation deliver, in what geographical area and within what timeframes?
- › Who are the target beneficiaries?
- › What social benefit/s will you deliver with the funding, in what geographical area and within what timeframes?
- › What new jobs or training opportunities will your organisation deliver, in what geographical area and within what timeframes?

Financial capability (Pass/Fail)

- › Provide a costing (income and expenditure) for both the grant and loan components of the funding
- › Provide evidence of matched contribution (1:1) for the grant component of the funding
- › Provide your organisation's most recent profit and loss statement and balance sheet (*will be used at a high level to determine financial capability and viability*).

Other criteria which may be considered:

- › geographic spread of initiatives to ensure initiatives are supported across regional and metropolitan locations
- › diversity of initiatives

Stage 2 will involve a comprehensive financial assessment and capability building to be conducted by Foresters Group in consultation with Sustainability Victoria to determine the organisation's investment readiness.

5 TAKE2 – Victoria's Climate Change Pledge Program

The Victorian Government has committed to reaching net zero emissions by 2050 to help keep the global temperature rise under two degrees by the middle of this century and it needs businesses to help by pledging to TAKE2.

TAKE2 is the government's voluntary pledge initiative on climate change. It is open for all Victorians – businesses, local governments, educational institutions, community organisations and individuals – to pledge action on climate change.

Organisations can show their commitment to taking action by signing up on the TAKE2 **website** and selecting the activities they have, or will, make.



6 Application Process

The application process is in two stages:

Stage 1 – Expression of Interest

Stage 2 – Financial Assessment

Stage 1 – Expression of Interest (EOI)

Eligible applicants are invited to submit an Expression of Interest (EOI) that will be assessed against merit criteria by a panel.

Applicants assessed as having best met the merit criteria will be recommended to progress to Stage 2.

Stage 2 – Financial Assessment

Recommended Stage 2 applicants must submit a financial application including all required documentation to Foresters Group within six months of formal notification from Sustainability Victoria /Foresters Group. Please note: progression to Stage 2 does not guarantee funding.

Documentation required for Stage 2 (financial assessment)

1. Quote/s for infrastructure/equipment expenditure

2. Current Strategic Plan

3. Governance

- a. Governance structure of the organisation
- b. skills of the Board
- c. Board confirmation – Letter/email from the organisation’s Chairperson as endorsement of the initiative and copy of the Board meeting minutes approving the organisation’s submission of an application.

4. Detailed Business Case

- a. rationale for the initiative
- b. value statement: internal and external impact the initiative will have on the organisation, community and sector
- c. implementation strategy including timeframes
- d. relevant skills of staff
- e. marketing and distribution plan
- f. research including market and competitor analysis, technical information, intellectual property
- g. resource and skills analysis
- h. risk analysis.

5. Financial Documentation

- a. up to three years of audited accounts
- b. organisational budget/costing for the current year
- c. Profit and Loss (P&L) and cashflow forecast (include all years of the loan, plus the year that follows)
- d. matched funding for grant component – evidence the matched funding has been identified and secured.

Note: Applicants may be requested to provide additional information at any stage of the application process.

Applicants should:

- › follow the steps on the checklist on page 13 of the EOI application form, and
- › complete the application form attached to these guidelines.

If you have any problems using the interactive PDF application form, please contact Sustainability Victoria at grants.enquiries@sustainability.vic.gov.au or 1300 363 744.

How to submit your application:

- › Applications can only be submitted by email unless previously discussed with Sustainability Victoria.
- › Email your application to grants.applications@sustainability.vic.gov.au.
- › The email subject line should read ‘Social Impact Investment for Sustainability’.
- › The application form is a PDF document but any other supporting documents may be submitted in Word, PDF or Excel. You may attach the Declaration signature page as a scanned PDF.
- › Emails must not be greater than 10MB in size or they will not be accepted by our email server.
- › Sustainability Victoria will acknowledge receipt of all applications by return email within 48 hours.
- › If you experience difficulties emailing your application, please contact Sustainability Victoria. Phone 1300 363 744 and ask to speak to a grants support representative.

7 Key Dates

Activity	Date
Applications open	28 October 2016
Applications close	When funds are fully subscribed or advised by Sustainability Victoria
Notification of outcome	Sustainability Victoria expects to assess applications every three to four months and will provide applicants with updates about the progress of their applications as much as possible, but is unable to provide a definite approval /announcement date. We thank you for your co-operation and understanding on this and will endeavour to advise you if we expect any unforeseen delays.

8 For more information

If you have any queries regarding this program please contact Sustainability Victoria:

Email: grants.enquiries@sustainability.vic.gov.au and quote “Social Impact Investment for Sustainability” in the subject line.

Phone: 1300 363 744 and ask to speak to a grants support representative

Refer to: Frequently Asked Questions on the Sustainability Victoria website: www.sustainability.vic.gov.au/socialimpactinvestment

EOI Application

Application form

Section 1: Contact information

All fields must be completed.

Part A: Applicant details

1.1 Name of organisation

Name of legal entity

Trading name (if different to legal entity name)

Legal structure

(Please attach evidence that your organisation meets the definition of social enterprise in Section 3.3 of the guidelines such as your organisation's constituent documents)

Incorporated Association Partnership

Company Cooperative

Other (please specify):

Applicant Organisation's Australian Business Number (ABN) and Australian Company Number (ACN) or Incorporation number

ABN:

ACN (for companies):

Incorporation number (for incorporated associations):

Is your organisation registered for GST? Yes No

1.2 Address

Street address

Town / Suburb

Postcode State

Postal address (if different from above)

Town / Suburb:

Postcode: State:

1.3 Initiative Address (if different from above)

Street address

Town / Suburb

Postcode State

1.4 Authorised person

(Authorised person with delegated authority to make the application on behalf of the organisation and execute the Declaration (i.e. Chairperson, Chief Executive Officer, Secretary, Public Officer, Treasurer or Chief Financial Officer)

Title: First name:

Last name:

Position:

Telephone: Mobile:

Email

1.5 Contact details for Project manager

(This person will be the primary contact for the funded initiative)

Title: First name:

Last name:

Position:

Telephone: Mobile:

Email

Section 2: Overview

2.1 Who (20%)

Describe your organisation – its vision, mission and purpose

How long has your organisation been operating?

Describe your organisation's capability to deliver

Describe the core activity/activities of your organisation

2.2 What (20%)

Initiative name

We will use this name on all correspondence.
Please use 10 words or less.

What is the purpose of the grant (describe the equipment/
infrastructure to be purchased)?

Describe what you are going to do:

How will the economic, environmental and social benefits
be measured?

What is the purpose of the loan?

What will you need to do to complete the grant funded initiative?
e.g. plans, permits, OH&S?

2.3 Why (60%)

What environmental outcome/s will your organisation deliver, in what geographical area and within what timeframes?

Select one or more of the following:

A new product or service to assist communities to respond to climate change

Improved resource efficiency (energy or materials)

Reduced priority waste to landfill – by recovering resources or avoiding waste

Increased use of renewable energy

Please provide details:

What social benefit/s will your organisation deliver with the funding, in what geographical area and within what timeframes?

Refer to the list in Section 3.3, you can select as many as are applicable

What new jobs or training opportunities will your organisation deliver, in what geographical area and within what timeframes?

Who are the target beneficiaries?

Refer to the list in Section 3.3, you can select as many as are applicable

Section 3: High Level Costing

- Provide evidence of matched contribution (1:1) for the grant component of the funding
- Provide the most recent profit and loss statement and balance sheet (this will be used at a high level to determine financial capability and viability)

The grant funding must be matched 1:1 (refer to Section 3.4 Matched Contribution by your organisation **page 4**)

The Victorian Industry Participation Policy (VIPP) will apply if the total cost of the project meets or exceeds either:

- \$1 million in regional Victoria/statewide; or
- \$3 million in metropolitan Melbourne.

Income	
Amount requested from Sustainability Victoria Grant	\$
Amount requested from Sustainability Victoria Loan	\$
Your cash contribution	\$
Contributions from other funding sources	\$
Please specify:	
Other income (e.g. trading income)	\$
TOTAL INCOME (must equal total expenditure)	\$

Expenditure	
Item 1 (insert description of item being purchased)	\$
Item 2	\$
Item 3	\$
Item 4	\$
Item 5	\$
Item 6	\$
Loan repayments	\$
Project management incl. salaries	\$
Other associated costs: (specify)	\$
TOTAL EXPENDITURE (must be at least equal to total income)	\$

Section 4: Compliance and Legal

All applicants must answer section 4.

4.1 Victorian WorkCover Authority and EPA Compliance

- | | | | |
|--|--|-----|----|
| 1 | Has your organisation received a penalty, notice, prosecution or regulatory intervention from the Environment Protection Authority or Victorian WorkCover Authority or been in breach of any other environmental, OH&S, safety or other legislation or regulations in the last five years? | Yes | No |
| If yes provide details and attach relevant notice/s: | | | |

4.2 Conflict of Interest

Conflict of Interest means any matter, circumstance, interest or activity affecting the applicant or its Related Persons which may or may appear to impair the ability of the applicant to undertake the initiative diligently and independently, or perform its obligations under any funding agreement with Sustainability Victoria or Foresters Group in relation to the funded activity.

No current or potential conflict of interest exists

We disclose the following conflict/s of interest and indicate below how we propose to manage it/them.

Details:

- | | | | |
|--|---|-----|----|
| 2 | Does your organisation have any current investigations, notices, prosecutions, regulatory intervention or enforcement action arising out of a possible breach of any environmental, OH&S, safety or other legislation or regulations? | Yes | No |
| If yes provide details and attach relevant notice/s: | | | |

- | | | | |
|---|---|-----|----|
| 3 | Do you acknowledge that Sustainability Victoria may undertake checks with EPA, Victorian WorkCover Authority or other regulators about your organisation's environmental, OH&S, safety or other regulatory performance? | Yes | No |
|---|---|-----|----|

- | | | | |
|---|---|-----|----|
| 4 | Do you agree to provide information to the Victorian Recycling Industry Annual Survey (mandatory requirement). If applicable. | Yes | No |
|---|---|-----|----|

Checklist

Please ensure all boxes are checked and relevant information is attached before sending your EOI application.

My organisation is eligible to submit an EOI application.

I have read the guidelines carefully and my organisation and initiative addresses the priorities established in the guidelines.

I have read, understand and agree to the Terms of Participation in Grant Programs at

www.sustainability.vic.gov.au/socialimpactinvestment

I have read, understand and agree to the Foresters Community Finance Limited Funding Agreement terms and conditions at

www.sustainability.vic.gov.au/socialimpactinvestment

I have read, understand and agree to the conditions of the Victorian Industry Participation Policy (VIPP)

I have completed all EOI questions and addressed all criteria set out in the questions.

The Declaration is signed by an authorised person with delegated authority to make this EOI application on behalf of my organisation and execute the Declaration (i.e. Chairperson, Chief Executive Officer, Secretary, Public Officer, Treasurer or Chief Financial Officer).



Declaration

(This page is to be printed, signed, scanned and returned with the email submission)

I state that:

The information in this EOI application and attachments is to the best of my knowledge true and correct. I will notify Sustainability Victoria of any changes to this information and any circumstances that may affect this application.

I acknowledge that I have read, understand and agree to the Terms of Participation in Grant Programs on the Sustainability Victoria Website www.sustainability.vic.gov.au/socialimpactinvestment

I have read, understand and agree to the Foresters Community Finance Limited Funding Agreement terms and conditions on the Sustainability Victoria Website www.sustainability.vic.gov.au/socialimpactinvestment

I acknowledge that Sustainability Victoria will share this EOI application with Foresters Group and may refer it to external experts or other Government Departments for assessment, reporting, advice, comment or for discussions.

I understand that Sustainability Victoria is subject to the *Freedom of Information Act 1982* and that if a Freedom of Information request is made, Sustainability Victoria will consult with the EOI applicant before any decision is made to release the EOI application or supporting documentation.

I agree to provide Sustainability Victoria and Foresters Group all such information as reasonably required to assess our financial viability and also agree to undertake an independent third party financial viability check if deemed necessary by Sustainability Victoria.

Signature: _____

Print name: _____

Date: _____

Position: _____

(To be signed by a person with delegated authority to make the application on behalf of the organisation and execute the Declaration - i.e. Chairperson, Chief Executive Officer, Secretary, Public Officer, Treasurer or Chief Financial Officer)

Privacy Statement

Sustainability Victoria collects uses and discloses your personal information for the purposes of this grants program and in accordance with our Privacy Statement. Sustainability Victoria's Privacy Statement is available from <http://www.sustainability.vic.gov.au/privacy>

If you wish to be removed from our mailing list, have any questions relating to the Privacy Statement or wish to seek access to the personal information which Sustainability Victoria holds about you, please contact us in writing addressed to: privacy@sustainability.vic.gov.au



Disclaimer

Information in this document is current as at July 2016. While all professional care has been taken in preparing this document, Sustainability Victoria accepts no liability for loss or damages incurred as a result of reliance placed upon its content.

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Published by Sustainability Victoria.
Social Impact Investment for Sustainability Program – Expression of Interest
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