

## Sector Readiness Fund – Fund Administrator Grant Opportunity Guidelines

Opening date:	3 May 2018
Closing date and time:	2:00pm AEST on 12 June 2018
Commonwealth policy entity:	Department of Social Services
Enquiries:	If you have any questions, please contact Phone: 1800 020 283 Email: <a href="mailto:support@communitygrants.gov.au">support@communitygrants.gov.au</a> Questions should be sent no later than 5 June 2018.
Date guidelines released:	3 May 2018
Type of grant opportunity:	Open competitive

# Contents

<b>1. Sector Readiness Fund – Fund Administrator Grant Opportunity Processes</b>	<b>4</b>
1.1 Role of the Community Grants Hub	5
1.2 About the Sector Readiness Fund	5
1.3 About the Grant Opportunity	8
1.4 The Sector Readiness Fund outcomes	8
<b>2. Grant amount</b>	<b>8</b>
<b>3. Grant eligibility criteria</b>	<b>9</b>
3.1 Legal entities	9
3.2 Who is not eligible to apply for a grant?	9
3.3 Additional eligibility requirements	10
<b>4. Eligible grant activities</b>	<b>10</b>
4.1 What can the grant money be used for?	10
4.1.1 Administration funding: for the fund administrator to cover management and overhead costs	10
4.1.2 Sector Readiness Fund: for distribution by the fund administrator	11
4.2 What the grant money cannot be used for?	12
4.2.1 Administration funding: for fund administrator to cover management costs	12
4.2.2 Sector Readiness Fund: for distribution by the fund administrator	12
<b>5. The grant selection process</b>	<b>13</b>
5.1 Financial Viability	13
<b>6. The assessment criteria</b>	<b>13</b>
<b>7. The grant application process</b>	<b>14</b>
7.1 Overview of application process	14
7.2 Application process timing	15
7.3 Completing the grant application	15
7.4 Attachments to the application	16
7.5 Applications from consortia	16
7.6 Questions during the application process	17
<b>8. Assessment of grant applications</b>	<b>17</b>

8.1 Who will assess applications?	17
8.2 Who will approve grants?	18
<b>9. Notification of application outcomes</b>	<b>18</b>
9.1 Feedback on your application	18
<b>10. Successful grant applications</b>	<b>18</b>
10.1 The grant agreement	18
10.2 How the grant will be paid	19
10.3 Grant agreement variations	19
<b>11. Announcement of grants</b>	<b>20</b>
<b>12. Delivery of grant activities</b>	<b>20</b>
12.1 Your responsibilities	20
12.2 The Department of Social Services' responsibilities	20
12.3 Grant payments and GST	20
12.4 Reporting	21
12.5 Evaluation	21
12.6 Acknowledgement	21
12.7 Multicultural Access and Equity	21
<b>13. Probity</b>	<b>21</b>
13.1 Complaints process	22
13.2 Conflict of interest	22
13.3 Privacy: confidentiality and protection of personal information	23
13.4 Freedom of information	24
<b>14. Glossary</b>	<b>26</b>
Appendix A: Outcome areas supported by the Sector Readiness Fund	28

# 1. Sector Readiness Fund – Fund Administrator Grant Opportunity Processes

## **The Program is designed to achieve Australian Government objectives**

This grant opportunity is part of the above Grant Program which contributes to Department of Social Services Outcome 1: Social Security. The Department of Social Services works with stakeholders to plan and design the grant program according to the *Commonwealth Grants Rules and Guidelines*.



## **The grant opportunity opens**

We publish the grant guidelines and advertise on the [GrantConnect](#) and [Community Grants Hub](#) websites.



## **You complete and submit a grant application**

You must read these grant guidelines before you submit your application. These guidelines can be found on [GrantConnect](#), the Australian Government's whole-of-government grants information system. Note: Any addenda for this grant opportunity will be published on GrantConnect, and by registering on this website you will be automatically notified on any changes.



## **We assess all grant applications**

We assess the applications against eligibility criteria and notify you if you are not eligible. We then assess your application against the assessment criteria including an overall consideration of value for money and compare it to other applications.



## **We make grant recommendations**

We provide advice to the decision maker on the merits of each application.



## **Grant Decisions are made**

The decision maker decides which grant application is successful.



## **We notify you of the outcome**

We advise you of the outcome of your application. We may not notify unsuccessful applicants until a grant agreement has been executed with the successful applicant.



### **We enter into a grant agreement**

We will enter into a grant agreement with the successful applicant. The type of grant agreement is based on the nature of the grant and proportional to the risks involved.



### **Delivery of grant**

You undertake the grant activity as set out in your grant agreement. We manage the grant by working with you, monitoring your progress and making payments.



### **Evaluation of the Sector Readiness Fund – Fund Administrator**

We evaluate the specific grant activity and Sector Readiness Fund – Fund Administrator Grant Opportunity as a whole. We base this on information you provide to us and that we collect from various sources.

## 1.1 Role of the Community Grants Hub

This grant opportunity will be administered by the Community Grants Hub on behalf of the Department of Social Services under a Whole of Australian Government initiative to streamline grant processes across agencies.

## 1.2 About the Sector Readiness Fund

A Social Impact Investing package was announced in the 2017-18 Budget, which included \$30 million over 10 years to support social impact investments and grow the social impact investing market. Around \$22 million will be used to support Commonwealth-state social impact investments and up to \$7.48 million is for a Sector Readiness Fund to support capability building for non-government organisations to bring new social impact investments to market.

These measures respond to submissions to the Treasury's Social Impact Investing Discussion Paper, released in January 2017. The 89 Discussion Paper submissions identified the need for capability building within the Australian social impact investing market, which is consistent with findings from research and consultations on social impact investing undertaken by the Prime Minister's Community Business Partnership. Many submissions also called for the Commonwealth Government to participate in the development of the social impact investing market.

Social impact investing is an innovative method of financing interventions to address complex social or environmental problems. Social impact investing uses private capital to deliver improved social or environmental outcomes, often paying a financial return when successful.

Measurement and evaluation is critical for investors to rigorously assess risk and financial returns, and for service providers and governments to assess outcomes and effectiveness. This provides an opportunity to build a stronger culture of robust evaluation and evidence-based decision making in service delivery by learning 'what works'.

There are various forms of social impact investing which use different mechanisms to suit different services and social problems. An example model could be a not-for-profit business which employs staff with disabilities and generates income through providing a service. Investors could support this business model through either debt or equity investments<sup>1</sup> and gain a financial return as the business succeeds while helping to support a social good. Other forms of social impact investing include outcomes-focused grants, payment-by-results contracts, social impact bonds, and social impact investment funds.

In Australia, the social impact investing market is still developing. While there are some examples of social impact investing in the market, there are significant barriers preventing further investment opportunities from coming to market. These include, but are not limited to:

- the significant cost and complexity of structuring a social enterprise
- the lack of expertise in how to create formal business and strategic plans and to attract and engage investors
- a need for data modelling capacity that supports business models
- insufficient information available to assist with negotiating complex contracts often associated with social impact investing
- shortage of relevant expertise to provide legal and financial advice.

As a result, there is a gap between investor demand for impact investment products and current supply. Enhancing sector capability to overcome barriers through the Sector Readiness Fund (the Fund) will unlock social impact investment opportunities and stimulate growth of the Australian market.

The Fund will require interaction between three distinct stakeholders:

- The **fund administrator**, responsible for delivering the Fund and implementing their own selection processes to distribute grants from the Fund

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<sup>1</sup> A debt investment is a loan of funds to a person, business or organisation which is not directly related to the performance of the borrower. Debt investment is usually a lower risk, however, usually earn a lower rate of return. Examples include: loans paid into bank accounts or bonds/annuities.

An equity investment generally refers to buying and holding shares in a company. Equity investment is related to the profit of the activity investing in and attracts a higher risk, however generally earns a higher rate of return. Examples include: real estate, stocks and business.

- Grant applicants of the Fund, who will apply to/receive grants from the fund administrator in order to build the capability of their organisation to bring an idea to the impact investment market
- Specialist advisors, who will partner with grant recipients and deliver specified capability building activities to support the grant recipient to bring an idea to the impact investment market.

This grant opportunity is for the selection of a fund administrator with expertise in the Australian social impact investing market. As discussed above, the successful fund administrator will be responsible for delivering the Fund and independently implementing their own selection processes to distribute grants from the Fund. This role will involve administering small grants for capability building activities to be undertaken by relevant external specialist advisors with the capacity to provide these services.<sup>2</sup> Specialist advisors providing support to organisations who are receiving grants from the Fund must be external to the fund administrator's organisation.

The fund administrator will be expected to implement an independent grants process with rigorous selection processes to ensure grant recipients have clear and measurable social outcomes and well-developed, investable ideas.

External capability building activities funded by grants made from the Fund may include, but are not limited to:

- Business planning
- Financial modelling
- Financial structuring
- Capital raising and advisory services
- Contract negotiation and tendering support
- Legal support
- Other specialist advice including support with outcome measurement and evaluation, development of governance structures.

The specific capability building activities supported by the Fund will be at the discretion of the fund administrator and/or grant recipients, depending on how the fund administrator chooses to administer the Fund. However, it is expected that each grant will be tailored to, and as such vary depending on, the needs of individual grant recipients.

The fund administrator will also be required to enter into and manage contracts with grant recipients of the Fund to ensure organisations meet Commonwealth requirements. An outline of current requirements is in Section 4 of this grant opportunity.

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<sup>2</sup> A specialist advisor can be an organisation or individual who provides specialist services such as legal, financial or intermediary services which can help grant recipients build their capability to bring an idea to the social impact investing market.

The Program will be undertaken according to the [Commonwealth Grants Rules and Guidelines 2017 \(CGRGs\)](#).

## 1.3 About the Grant Opportunity

These guidelines contain information for the fund administrator grant opportunity.

This document sets out:

- the purpose of the grant opportunity
- the eligibility and assessment criteria
- how grant applications are monitored and evaluated
- responsibilities and expectations in relation to the opportunity.

You must read this document before filling out an application.

## 1.4 The Sector Readiness Fund outcomes

The Fund aims to grow the Australian social impact investing market by providing capability building grants to organisations looking to enter this market and become investment-ready. This will address the gap between the demand for, and supply of, investments in the Australian social impact investing market. The Fund will provide opportunities for organisations to develop their capability to bring more ideas to market.

Short and medium-term goals of the Fund are:

- Growth in the Australian social impact investing market, indicated by an increase in the number and variety of ideas and initiatives coming to market and greater capitalisation of activities
- Better social outcomes for the cohorts supported by social impact investing initiatives
- Greater public interest in social impact investing including more investment from an expanded variety of sources
- Lessons learned from the Fund, which can inform possible future Government involvement in social impact investing.

In the long-term, the project aims to allow the social impact investing market to obtain a greater equilibrium between demand for, and the supply of, opportunities for investment.

In order to determine the effectiveness of the project in achieving its short, medium and long-term goals for participants, outcomes of the participants will be measured by a robust monitoring and evaluation system, tracking essential program information and participant outcomes, including formative and comprehensive evaluation processes.

## 2. Grant amount

The Australian Government has announced a total of up to \$7 million for the fund administrator to distribute as grants through the Fund. The quantum of each grant distributed

from the Fund will be determined by the fund administrator with regard to the activity being funded. It is expected that between 50 to 100 grants will be issued from the Fund, depending on the quantum and demand.

An additional amount of up to \$480,000 is allocated for the fund administrator to pay for the overhead costs of managing the Fund and the related selection process.

The funding will be available from upon execution of the Grant Agreement (grant agreement) to 30 June 2021.

### 3. Grant eligibility criteria

We cannot consider your application if it does not satisfy all the eligibility criteria.

#### 3.1 Legal entities

To be eligible to apply for the fund administrator grant opportunity, you must be one of the following entity types:

- Indigenous Corporation
- Company<sup>3</sup>
- Cooperative
- Incorporated Association
- Sole Trader
- Statutory Entity
- Partnership<sup>4</sup>
- Trustee on behalf of a Trust<sup>5</sup>.

#### 3.2 Who is not eligible to apply for a grant?

You are not eligible to apply if you are:

- a State or Territory Government
- Person<sup>6</sup>
- International Entity
- an unincorporated association
- an overseas resident.

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<sup>3</sup>Company types include a company incorporated under the Corporations Act 2001 (Cth) or suitably registered as a Private Company or Public Company or a not-for-profit company limited by guarantee

<sup>4</sup>Partnership – must be an arrangement where a binding Partnership Agreement can be provided with the Application Form or the Delegate approves the inclusion of Partnerships for this grant opportunity

<sup>5</sup>Trusts are not legal entities in their own right – to be eligible, only the Trustee for the Trust can apply with providing the signed Trust Deed and any subsequent variations with the Application Form (refer Attachments Section)

<sup>6</sup>Previously referred to as an Individual. A person for the purpose of eligibility status is an entity that is legally responsible for all aspects of the business and is personally responsible for debts and losses incurred in carrying out this business.

### 3.3 Additional eligibility requirements

You must have the following additional eligibility requirements in place before you apply to this grant opportunity, or be willing to register prior to the execution of the grant agreement:

- if applying as a consortium, the lead organisation must be an eligible entity type<sup>7</sup>
- have an Australian Business Number (ABN) (you can register for an ABN)
- be registered for the purposes of GST (you can register for GST at the same time you apply for an ABN)<sup>7</sup>
- be a permanent resident of Australia
- have an account with an Australian financial institution.

Applicants who do not meet these additional requirements will not be eligible and will not progress to assessment.

Applications from consortia are acceptable, as long as you have a lead applicant who is the main driver of the project and is eligible as listed at Sections 3.1 and 3.3 above.

## 4. Eligible grant activities

### 4.1 What can the grant money be used for?

There are two separate allocations of funding in this grant opportunity (refer to section 2). The Fund will be managed and distributed independently in the form of small grants disbursed by the fund administrator. The remaining allocation will go to the fund administrator directly, to manage the costs of administering the Fund. Both of these allocations have distinct eligible activities and must be spent separately, as specified in section 4.1.1 and 4.1.2 below.

#### 4.1.1 Administration funding: for the fund administrator to cover management and overhead costs

To cover ongoing costs incurred while managing the Fund, the fund administrator will receive an amount of funding (specified in section two) which must be spent on the following activities. This includes:

- staff salaries and on-costs which can be directly attributed to the provision of the grant activity in the identified service area or areas as per the grant agreement
- operating and administration expenses directly related to the project as per the grant agreement, such as:

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<sup>7</sup>The Australian Government recognises that some organisations may seek to form consortia in order to apply for a grant under the Program. Consortia are eligible to apply and the relevant conditions applicable to consortia are at 7.5 'Grant Applications from Consortia'. The lead applicant must have legal entity status.

- costs related to the process of selecting grant recipients
  - telephones
  - computer/ IT/website/software
  - insurance
  - utilities
  - postage
  - stationery and printing
  - accounting and auditing
  - travel/accommodation costs
  - assets as defined in the Terms and Conditions of the grant agreement that can be reasonably attributed to meeting agreement deliverables.
- employee training for paid and unpaid staff including Committee and Board members that is relevant, appropriate and in line with the grant activity
  - promotion of the Fund to potential applicants and investors
  - evaluation of the funded project and/or to explore options for future sustainability and ongoing viability of the funded project.

#### 4.1.2 Sector Readiness Fund: for distribution by the fund administrator

- The fund administrator will: promote, assess and allocate grants to successful organisations for external capability building support. The fund administrator must ensure grant recipients of the Fund meet Commonwealth requirements. These requirements are as follows:
  - deliver projects with one or more clear and measurable social outcomes, aligned to the activity areas outlined in Appendix A
  - use the grant funds to pay for capability building support that assists grant recipients to bring an investable product to market
  - have well-developed projects that are highly likely to come to the social impact investing market<sup>8</sup>
  - be based in Australia and deliver the supported program solely in Australia
  - have a core commitment to solve social problems
  - have sustainable and proven business models and experience with the product/service they propose to deliver.
- The fund administrator has discretion to determine which capability building projects and services should be supported through the Fund and the opportunity to determine how these are identified for or by grant applicants. These services must be delivered by a

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<sup>8</sup>Organisations receiving grants from the Fund are expected to be at the later stages of the social impact investing pipeline. These organisations should have a clear, tested business model and capacity to demonstrate how additional capability building support would result in a successful capital raise to further expand their business.

specialist advisor operating outside of the fund administrator's organisation with capacity to provide this support. This may include, but is not limited to:

- Business planning
- Financial modelling
- Financial structuring
- Capital raising and advisory services
- Contract negotiation support
- Legal support
- Other specialist advice including support with outcome measurement and evaluation, development of governance structures.

The fund administrator can only spend grant funds on eligible grant activities as defined in their grant agreement.

## 4.2 What the grant money cannot be used for?

Please note, the administration funding grant cannot be used for costs incurred in the preparation of your grant application or related documentation.

### 4.2.1 Administration funding: for fund administrator to cover management costs

You cannot use the administration funding grant for the following activities:

- purchase of land
- major capital expenditure
- the covering of retrospective costs
- subsidy of general ongoing administration of an organisation such as electricity, phone and rent
- overseas travel.

### 4.2.2 Sector Readiness Fund: for distribution by the fund administrator

The funding allocated for the Fund cannot be used for any cost related to the fund administrator's organisation. These funds are strictly to be managed by the fund administrator only and granted to organisations for capability building services provided by a specialist advisor operating outside the fund administrator's organisation. This funding allocated for the Fund must be on-funded to other organisations and cannot be retained by the fund administrator.

## 5. The grant selection process

First we will assess your application against the eligibility criteria. Only eligible applications will move to the next stage. Eligible applications will be considered through an open competitive grant process.

We will then assess your application against the criteria set out below and against other applications. Your application will be considered on its merits, based on:

- how well it meets the criteria
- how it compares to other applications and
- whether it provides value for money.

### 5.1 Financial Viability

Grant applicants may be subject to a financial viability assessment. The financial viability assessment is a risk mitigation process that takes into account the financial position of an applicant and other risk factors related to the quality and reliability of the applicant's financial information.

## 6. The assessment criteria

You will need to address all of the following assessment criteria in your application. We will judge your application based on the weighting given to each criterion. The amount of detail and supporting evidence you provide in your application should be relative to the project size, complexity and grant amount requested.

### **Criterion 1: Demonstrate your organisation's expert knowledge of and experience in the social impact investing market in Australia.**

In providing a response to this criterion you must demonstrate:

- your understanding of the social impact investing market in Australia and need for the Fund in this context
- your experience managing an investment readiness fund, or similar service, in the Australian social impact investment market
- your organisation's ability to identify organisations who are towards the end of the investment pipeline but still need capability building support to bring their idea to market.

### **Criterion 2: Demonstrate your organisation's strong market presence and connections with stakeholders in the Australian social impact investing sector.**

In providing a response to this criterion you must demonstrate:

- how your organisation engages and maintains relationships with key stakeholders within the Australian social impact investing market
- how your organisation will use these connections to support grant recipients for the Fund
- your organisation's existing relationships with investors in the social impact investing market and how you will leverage these relationships to support grant recipients.

**Criterion 3: Demonstrate how your organisation will deliver the Fund effectively and efficiently and meet the Government’s objectives.**

In responding to this criterion you must demonstrate:

- how your organisation will assess grant applications for the Fund in regard to the principles of the Commonwealth Grant Rules and Guidelines (CGRGs), with reference to the Activity, Appendix A and your proposed selection process
- how your organisation’s existing infrastructure will allow for efficient implementation with low-establishment time and value for money.

**Criterion 4: Demonstrate your organisation’s governance structures and capability to comply with necessary reporting requirements of the Fund.**

In responding to this criterion you must demonstrate:

- your organisation’s proposed governance structure for managing the Fund
- your organisation’s capability to meet the reporting and performance requirements necessary to ensure compliance with the administration of this Fund, including evidence of existing reporting and monitoring activities for similar services
- how your organisation will mitigate and manage risks associated with fraud and conflict of interest, including relationship management with grant recipients and expert advisors.

**Criterion 5: Demonstration of your organisation’s capacity to contribute to the delivery of the Fund through leveraging external capital and resources in addition to the Government’s commitment.**

In providing a response to this criterion, you must demonstrate:

- your organisation’s capacity to raise additional external capital to contribute to the Fund, including capital to support ideas from organisations at earlier stages of the investment pipeline or in sectors outside the Fund’s defined scope,
- your organisation’s capacity to contribute or leverage external in-kind resources in addition to funding provided in the Readiness Fund grant.

Criteria 1 - 4 are weighted at 22.5 per cent of the total score, while the Criterion 5 is weighted at 10 per cent of the total score.

The application form includes word limits.

## 7. The grant application process

### 7.1 Overview of application process

You must read these grant guidelines, the application form, the Questions and Answers and the draft grant agreement before you submit an application.

You are responsible for ensuring that your application is complete and accurate. Giving false or misleading information will exclude your application from further consideration.

You must address all of the eligibility and assessment criteria to be considered for a grant. Please complete each section of the application form and make sure you provide the information we have requested.

Please keep a copy of your application and any supporting papers.

## 7.2 Application process timing

Submit your application by the closing time and date below. Late applications will not be accepted. If an application is late or the Community Grants Hub is requested to approve a lodgement after the closing date, the Community Grants Hub may determine that there were exceptional circumstances beyond the applicant’s control that meant they could not meet the deadline. Examples of exceptional circumstances could include, but may not be limited to:

- Community Grants Hub infrastructure failures
- natural disasters
- power outages affecting the ability of the applicant to submit their application by the deadline
- death or disability of key personnel.

Information on the Community Grants Hub [late application policy](#) is available on the [Community Grants Hub website](#).

The expected commencement date for the granting activities is November 2018 and the expected completion date is 30 June 2021. You must spend the grant by the end date.

**Table 1: Expected timing for this grant opportunity**

Activity	Timeframe
Application period	Open: 3 May 2018 Close: 2:00pm AEST 12 June 2018
Assessment of applications	6 weeks
Approval of outcomes of selection process	6 weeks
Negotiations and award of grant agreement	4 weeks
Notification to unsuccessful applicant	2 weeks
Activity commences	November 2018
End date	30 June 2021

## 7.3 Completing the grant application

You must submit your grant application using the application form, which is available on the [GrantConnect](#) and [Community Grants Hub](#) websites. The application form includes help information.

This is an online application form that you must submit electronically. If you have any technical difficulties please contact 1800 020 283 or email [support@communitygrants.gov.au](mailto:support@communitygrants.gov.au).

The Community Grants Hub will not provide application forms or accept applications for this grant opportunity by fax or mail.

You must make sure that your application is complete and accurate and submitted in accordance with these Guidelines.

If you find a mistake in your application after it has been submitted, you should contact the Community Grants Hub by phone on 1800 020 283 or by email at [support@communitygrants.gov.au](mailto:support@communitygrants.gov.au) straight away.

The Community Grants Hub may ask you for more information, as long as it does not change the substance of your application. The Community Grants Hub does not have to accept any additional information, nor requests from applicants to correct applications after the closing time.

## 7.4 Attachments to the application

The following documents must be included with your application:

- proposed process for selecting grant applicants for Fund grants, this must include:
  - details of how you will identify organisations who are towards the end of the investment pipeline but still require capability building support to bring their idea to market
  - details of how you will ensure funded organisations deliver projects focused only within the defined outcome areas at Appendix A
- two most recent sets of year-end financial statements, inclusive of Profit and Loss Statements and Balance Sheets (preferably audited).

Your supporting documentation should be attached to the application form. There will be instructions in the application form to help you. Only attach the documents you have been asked to include.

**Please note:** There is a 2mb limit for each attachment.

## 7.5 Applications from consortia

Some organisations may apply as a consortium to deliver grant activities. A consortium is two or more businesses who are working together to combine their capabilities when developing and delivering a grant activity.

If you are submitting a grant application on behalf of a consortium, a member organisation or a newly created organisation must be appointed as the 'lead organisation'. Only the lead organisation will enter into a grant agreement with the Commonwealth and will be

responsible for the grant. The lead organisation must complete the application form and identify all other members of the proposed consortium in the application.

## 7.6 Questions during the application process

If you have any questions during the application period, please contact the Community Grants Hub on 1800 020 283 or email to [support@communitygrants.gov.au](mailto:support@communitygrants.gov.au). The Community Grants Hub will respond to emailed questions within five working days.

Answers to questions may be posted on the [GrantConnect](#) and [Community Grants Hub](#) websites.

The question period will close on 5.00pm AEST 5 June 2018. Following this time, only questions relating to using and/or submitting the application form will be answered.

## 8. Assessment of grant applications

### 8.1 Who will assess applications?

An assessment team will assess all eligible and compliant applications based on their merits. The assessment team will be comprised of departmental staff. The assessment team will undertake training to ensure consistent assessment of all applications.

If the selection process identifies unintentional errors in your application, you may be contacted to correct or explain the information.

An Expert Panel comprised of Department of Social Services staff will be convened to allow a panel of experts to provide strategic oversight, advice and recommendations to the delegate on assessed applications from the 'program specific' perspective.

The Expert Panel will make recommendations having regards to:

- how the applicant aims to achieve the objectives of the Fund
- conformance with eligibility criteria
- specialist knowledge of the applicant pertaining to the Australian Social Impact Investing market
- proposed delivery of the Fund including proposed selection process
- existing and/or potential market failure
- value for money.

The expert panel may seek information about you or your application. They may do this from within the Commonwealth, even if the sources are not nominated by you as referees. The expert panel may also consider information about you or your application that is available through the normal course of business.

## 8.2 Who will approve grants?

The Expert Panel will make recommendations to the Deputy Secretary, Social Security, Department of Social Services who will make the final decision to approve the grant.

The decision of the Deputy Secretary, Social Security, Department of Social Services is final in all matters, including:

- the approval of the grant
- the grant funding amount to be awarded
- the terms and conditions of the grant.

The Deputy Secretary, Social Security, Department of Social Services must not approve funding if they reasonably consider the program funding available across financial years will not accommodate the funding offer, and/or the application does not represent value for money.

There is no appeal mechanism for decisions to approve or not approve a grant.

## 9. Notification of application outcomes

You will be advised of the outcomes of your application in writing, following a decision by the Deputy Secretary, Social Security, Department of Social Services. If you are successful, you will also be advised about any specific conditions attached to the grant.

### 9.1 Feedback on your application

The Feedback Summary will be published on the Community Grants Hub website to provide general round-specific information and will include main strengths and areas of improvement for the applications received in this round.

## 10. Successful grant applications

### 10.1 The grant agreement

If you are successful, you must enter into a legally binding grant agreement with the Commonwealth represented by the Department of Social Services. A schedule may be used to outline the specific grant requirements. Any additional conditions attached to the grant will be identified in the grant offer or during the grant agreement negotiations.

As part of your role as a fund administrator, you will have specific reporting requirements which will be outlined in the grant agreement.

The Department of Social Services will negotiate agreements with the successful applicant by November 2018. **If there are unreasonable delays in finalising** a grant agreement, the grant offer may be withdrawn and the grant may be awarded to a different applicant.

Where a grantee fails to meet the obligations of the grant agreement, the Department of Social Services may take action to recover funds.

You should not make financial commitments until a grant agreement has been executed by the Commonwealth.

The grant agreement will only be entered into once there is legislative authority in place for the program.

## 10.2 How the grant will be paid

The grant agreement will state the:

- maximum grant amount to be paid

We will not exceed the maximum grant amount under any circumstances. If you incur extra eligible expenditure, you must pay it yourself.

We will make an initial payment on execution of the grant agreement. We will make subsequent payments progressively based on your progress reports.

## 10.3 Grant agreement variations

We recognise that unexpected events may affect the progress of a project. In these circumstances, you can request a project variation, including:

- changing project milestones
- extending the timeframe for completing the project but within the maximum time period allowed in program guidelines.

The program does not allow for:

- an increase to the agreed amount of grant funds.

If you want to propose changes to the grant agreement, you must put them in writing before the grant agreement end date. We will not consider changes after the grant agreement end date.

You should not assume that a variation request will be successful. We will consider your request based on factors such as:

- how it affects the project outcome
- consistency with the program policy objective and any relevant policies of the department
- changes to the timing of grant payments
- availability of program funds.

## 11. Announcement of grants

If successful, your grant will be listed on [GrantConnect](#) 21 days after the date of effect as required by Section 5.3 of the *CGRGs*

## 12. Delivery of grant activities

### 12.1 Your responsibilities

You must submit reports in line with the timeframes in the grant agreement. You will be expected to report on your compliance with the requirements set out in the grant agreement, including compliance with the Commonwealth Fraud Control Framework, the Commonwealth Grant Rules and Guidelines and other specified requirements.

### 12.2 The Department of Social Services' responsibilities

The Department of Social Services will:

- meet the terms and conditions set out in the grant agreement
- provide timely administration of the grant
- evaluate the grantee's performance.

We will monitor the progress of your project by assessing reports you submit. Occasionally we may need to re-examine claims, seek further information or request an independent audit of claims and payments.

### 12.3 Grant payments and GST

Payments will be made as set out in the grant agreement. Payments will be GST Exclusive.

Before any payments are made, you must provide:

- a tax invoice for the amount of the payment (the Australian Government's default invoice process is Recipient Created Tax Invoices)
- evidence that you have achieved the associated milestone
- any other conditions of payment (e.g. evidence of purchase of equipment, satisfactory progress report, approvals, and any other documentation).

If you receive a grant, you should consider speaking to a tax advisor about the effect of receiving a grant before you enter into a grant agreement. You can also visit the [Australian Taxation Office website](#) for more information.

## 12.4 Reporting

Readiness Fund grant recipients must have systems in place to allow them to meet their data collection and reporting obligations outlined in their grant agreement.

## 12.5 Evaluation

The Department of Social Services will evaluate the grant opportunity to measure how well the outcomes and objectives have been achieved. Your grant agreement requires you to provide information to help with this evaluation.

Evaluation will measure a range of indicators which help inform the contribution of the Fund to the social impact investing market as well as the effectiveness of delivery through a fund administrator.

## 12.6 Acknowledgement

The Program logo is designed to be used on all materials related to grants under the Program. Whenever the logo is used the publication must also acknowledge the Commonwealth as follows:

‘The Social Impact Investing Sector Readiness Fund – an Australian Government initiative’.

## 12.7 Multicultural Access and Equity

Australia’s *Multicultural Access and Equity Policy* obliges Australian government agencies to ensure their policies, programs and services (including those conducted by contractors and service delivery partners) are accessible to, and deliver equitable outcomes for, people from culturally and linguistically diverse (CALD) backgrounds. Grant applicants should consider how they will ensure their services will be accessible to people from CALD backgrounds. For example, service delivery partners may require cultural competency skills in order to engage with CALD clients. Services, projects, activities or events may require the use of professional translating or interpreting services in order to communicate with non-English speakers. If required, based on an assessment of the target group, costs for translating and interpreting services (and other requirements for ensuring accessibility) should be factored into grant applications. For further information on the Multicultural Access and Equity Policy please refer to the [Home Affairs](#) website.

## 13. Probity

The Australian Government will make sure that the program process is fair, according to the published guidelines, incorporates appropriate safeguards against fraud, unlawful activities and other inappropriate conduct and is consistent with the CGRGs.

**Note:** These guidelines may be changed from time-to-time by the Department of Social Services. When this happens the revised guidelines will be published on the [GrantConnect](#) and [Community Grants Hub](#) websites.

## 13.1 Complaints process

### Complaints about the Program

The Department of Social Services [Complaints Procedures](#) apply to complaints about the Sector Readiness Fund grant program. All complaints about a grant process must be lodged in writing.

Any questions that you have about grant decisions for the grant program should be sent to [support@communitygrants.gov.au](mailto:support@communitygrants.gov.au).

### Complaints about the Process

Applicants can contact the complaints service with complaints about Community Grants Hub's service(s) or the application process.

Details of what constitutes an eligible complaint can be provided upon request by the Community Grants Hub. Applicants can lodge complaints using the [complaints form](#) on the Department's website or by phone or mail.

Phone: 1800 634 035  
Mail: Complaints  
GPO Box 9820  
Canberra ACT 2601

### Complaints to the Ombudsman

If you do not agree with the way the relevant Commonwealth entity has handled your complaint, you may complain to the Commonwealth Ombudsman. The Ombudsman will not usually look into a complaint unless the matter has first been raised directly with the relevant Commonwealth entity.

The Commonwealth Ombudsman can be contacted on:

Phone (Toll free): 1300 362 072  
Email: [ombudsman@ombudsman.gov.au](mailto:ombudsman@ombudsman.gov.au)  
Website: [www.ombudsman.gov.au](http://www.ombudsman.gov.au)

## 13.2 Conflict of interest

Any conflicts of interest could affect the performance of the grant. There may be a conflict of interest, or perceived conflict of interest, if the Department of Social Services and the Community Grants Hub staff, any member of a committee or advisor and/or you or any of your personnel:

- has a professional, commercial or personal relationship with a party who is able to influence the application selection process, such as an Australian Government officer

- has a relationship with an organisation, or in an organisation, which is likely to interfere with or restrict the applicants from carrying out the proposed activities fairly and independently or
- has a relationship with, or interest in, an organisation from which they will receive personal gain because the organisation receives funding under the Program.

You will be asked to declare, as part of your application, any perceived or existing conflicts of interests or that, to the best of your knowledge, there is no conflict of interest.

If you later identify that there is an actual, apparent, or potential conflict of interest or that one might arise in relation to a grant application, you must inform the Department of Social Services and the Community Grants Hub in writing immediately. Committee members and other officials including the decision maker must also declare any conflicts of interest.

The chair of the Expert Panel will be made aware of any conflicts of interest and will handle them as set out in Australian Government policies and procedures. Conflicts of interest for Australian Government staff will be handled as set out in the Australian Public Service Code of Conduct (Section 13(7)) of the *Public Service Act 1999*. We publish our conflict of interest policy available on the [Community Grant Hub](#) website.

### 13.3 Privacy: confidentiality and protection of personal information

We treat your personal information according to the 13 Australian Privacy Principles and the *Privacy Act 1988*. This includes letting you know:

- what personal information we collect
- why we collect your personal information
- who we give your personal information to.

You are required, as part of your application, to declare your ability to comply with the *Privacy Act 1988*, including the Australian Privacy Principles and impose the same privacy obligations on any subcontractors you engage to assist with the activity. You must ask for the Australian Government's consent in writing before disclosing confidential information.

Your personal information can only be disclosed to someone else if you are given reasonable notice of the disclosure; where disclosure is authorised or required by law or is reasonably necessary for the enforcement of the criminal law; if it will prevent or lessen a serious and imminent threat to a person's life or health; or if you have consented to the disclosure.

The Australian Government may also use and disclose information about grant applicants and grant recipients under the Program in any other Australian Government business or function. This includes giving information to the Australian Taxation Office for compliance purposes.

We may reveal confidential information to:

- employees and contractors of our department so we can research, assess, monitor and analyse our programs and activities
- employees and contractors of other Commonwealth agencies for any purposes, including government administration, research or service delivery
- other Commonwealth, State, Territory or local government agencies in program reports and consultations
- the Auditor-General, Ombudsman or Privacy Commissioner
- the responsible Minister or Parliamentary Secretary
- a House or a Committee of the Australian Parliament.

We may share the information you give us with other Commonwealth agencies for any purposes including government administration, research or service delivery and according to Australian laws, including the:

- *Public Service Act 1999*
- *Public Service Regulations 1999*
- *Public Governance, Performance and Accountability Act*
- *Privacy Act 1988*
- *Crimes Act 1914*
- *Criminal Code Act 1995*

We'll treat the information you give us as sensitive and therefore confidential if it meets all of the four conditions below:

1. you clearly identify the information as confidential and explain why we should treat it as confidential
2. the information is commercially sensitive
3. revealing the information would cause unreasonable harm to you or someone else
4. you provide the information with an understanding that it will stay confidential.

The grant agreement will include any specific requirements about special categories of information collected, created or held under the grant agreement.

## 13.4 Freedom of information

All documents in the possession of the Australian Government, including those about the Program, are subject to the *Freedom of Information Act 1982 (FOI Act)*.

The purpose of the FOI Act is to give members of the public rights of access to information held by the Australian Government and its entities. Under the FOI Act, members of the public can seek access to documents held by the Australian Government. This right of access is

limited only by the exceptions and exemptions necessary to protect essential public interests and private and business affairs of persons in respect of whom the information relates.

All Freedom of Information requests must be referred to the Freedom of Information Coordinator in writing.

By mail:           Freedom of Information Coordinator  
                      The Department of Social Services  
                      Government and Executive Services Branch  
                      GPO Box 9820  
                      Canberra ACT 2601

By email:         [foi@dss.gov.au](mailto:foi@dss.gov.au)

## 14. Glossary

<b>Term</b>	<b>Definition</b>
assessment criteria	The specified principles or standards against which applications will be judged. These criteria are also used to assess the merits of proposals and, in the case of a competitive granting activity, to determine applicant rankings.
commencement date	The expected start date for the grant activity.
completion date	The expected date that the grant activity must be completed and the grant spent by.
date of effect	This will depend on the particular grant. It can be the date in which a grant agreement is signed or a specified starting date. Where there is no grant agreement, entities must publish information on individual grants as soon as practicable.
decision maker	The person who makes a decision to award a grant.
eligibility criteria	The principles, standards or rules that a grant applicant must meet to qualify for consideration of a grant. Eligibility criteria may apply in addition to assessment criteria.
Commonwealth entity	A Department of State, or a Parliamentary Department, or a listed entity or a body corporate established by a law of the Commonwealth. See subsections 10(1) and (2) of the PGPA Act.
grant	A grant is an arrangement for the provision of financial assistance by the Commonwealth or on behalf of the Commonwealth: <ul style="list-style-type: none"> <li>a) under which relevant money or other CRF money, is to be paid to a grantee other than the Commonwealth</li> <li>b) which is intended to help address one or more of the Australian Government's policy outcomes while assisting the grantee achieve its objectives.</li> </ul>
grant activity	Is the project /tasks /services that the Grantee is required to undertake with the grant money. It is described in the Grant Agreement. (Proposed definition in the grants taxonomy)
grant agreement	Sets out the relationship between the parties to the agreement, and specifies the details of the grant.

<b>Term</b>	<b>Definition</b>
grant opportunity	A notice published on GrantConnect advertising the availability of Commonwealth grants.
grant program	May be advertised within the 'Forecast Opportunity' (FO) section of GrantConnect to provide a consolidated view of associated grant opportunities and provide strategic context for specific grant opportunities.
grantee	An individual/organisation that has been awarded a grant.
Intermediary	An organisation that raises funds from investors and re-lends to other organisations or offers intermediation services between other parties.
PBS Program	Described within the entity's Portfolio Budget Statement, PBS programs each link to a single outcome and provide transparency for funding decisions. These high level PBS programs often comprise a number of lower level, more publicly recognised programs, some of which will be Grant Programs. A PBS Program may have more than one Grant Program associated with it, and each of these may have one or more grant opportunities.
selection criteria	Comprise eligibility criteria and assessment criteria.
selection process	The method used to select potential grantees. This process may involve comparative assessment of applications or the assessment of applications against the eligibility criteria and/or the assessment criteria. (CGRGs)
Social Impact Investing/investment	Social impact investing is an innovative method of financing interventions to address intractable social or environmental problems. Social impact investing uses private capital to create measurable improvements in social or environmental outcomes, often paying a financial return when successful.

## Appendix A: Outcome areas supported by the Sector Readiness Fund

Outcome Area	Activity
<b>1. Communities &amp; Inclusion</b>	<p>Projects directed at preventing or addressing issues of discrimination and violence against women. This could include, but is not limited to:</p> <ul style="list-style-type: none"> <li>• support for women in exercising their rights and freedoms on an equal basis with men</li> <li>• support for women and children to escape situations of domestic and family violence, or</li> <li>• work to change social and cultural patterns based on the idea of inferiority or the superiority of any sex, or on stereotyped roles for genders.</li> </ul>
<b>2. Communities &amp; Inclusion</b>	<p>Projects directed at supporting victims of human trafficking, slavery and forced labour in Australia who are non-citizens to meet their safety, security, health and well-being needs, and to develop options for their future. This could include, but is not limited to, the provision of:</p> <ul style="list-style-type: none"> <li>• Adequate housing</li> <li>• Medical, psychological and material assistance</li> <li>• Employment, educational and training opportunities.</li> </ul>
<b>3. Employment, Training &amp; Participation</b>	<p>Projects directed at supporting people into employment by providing unemployed and underemployed people with educational and training programs and necessary support which is directly related to improving a person's opportunity to find paid employment. This includes opportunities which will provide individuals with a pathway to paid employment and improve work skills. This could include, but is not limited to:</p> <ul style="list-style-type: none"> <li>• the provision of training and necessary support , such as housing assistance and counselling, for disadvantaged youth with the objective of improving their opportunity to find paid employment</li> <li>• support for carers who are not in paid employment to identify opportunities, manage their care load and utilise skills to find paid employment while in their caring role, or to prepare for when their caring role ends</li> <li>• support and training for youth and adults leaving the justice system to find employment</li> <li>• support for people experiencing long-term unemployment over the age of 55.</li> </ul>
<b>4. Health &amp; Disability</b>	<p>Projects directed at the provision of affordable, adequate and nutritious food for low-income individuals and families.</p>
<b>5. Communities &amp; Inclusion</b>	<p>Projects directed at reducing homelessness by:</p> <ul style="list-style-type: none"> <li>• providing people experiencing homelessness access to adequate accommodation or supporting people's access to adequate accommodation</li> <li>• reducing the impact of homelessness</li> <li>• preventing homelessness, or</li> </ul>

Outcome Area	Activity
	<ul style="list-style-type: none"> <li>providing housing or accommodation for families or children at risk of homelessness including children who have been in out of home care.</li> </ul>
<b>6. Education &amp; Child Development</b>	<p>Projects directed at supporting or improving the development and wellbeing of children, including initiatives that:</p> <ul style="list-style-type: none"> <li>support the development of vulnerable children and youth through prevention and early intervention activities</li> <li>support the effective development of children's physical, emotional, mental, and social wellbeing</li> <li>provide education and early intervention programs targeting children at risk of violence</li> <li>improve educational outcomes for: <ul style="list-style-type: none"> <li>disadvantaged children</li> <li>children living in remote and regional communities</li> <li>children who are or have been in out of home care</li> </ul> </li> </ul> <p>outside the formal education system.</p>
<b>7. Education &amp; Child Development</b>	<p>Initiatives directed at strengthening the family unit by:</p> <ul style="list-style-type: none"> <li>building the skills of parents or guardians to support the development of the child or children in their care</li> <li>supporting positive relationships between children and their parents or guardians.</li> </ul>
<b>8. Health &amp; Disability</b>	<p>Projects targeted at people with disability which promote, protect and secure their rights as well as ensuring their full and equal participation in society. These could include but are not limited to projects that:</p> <ul style="list-style-type: none"> <li>enable people with disability to become and remain independent</li> <li>support for people with disability to prepare for employment, gain employment, and achieve lasting employment</li> <li>support for employers to employ people with disability</li> <li>promote and raise awareness of people with disability and reduce stigma</li> <li>prevent violence or abuse of people with disability including early intervention</li> <li>provide resources to people with disability to support them to become independent, or</li> <li>awareness and promotional activities relating to people with disabilities.</li> </ul> <p>People with disabilities also include people with long term mental impairments which may hinder their full and effective participation in society on an equal basis with others.</p>
<b>9. Communities &amp; Inclusion</b>	<p>Projects which seek to eliminate racial, cultural and religious intolerance and promote inclusion, harmony and understanding between cultures. This could include but is not limited to projects to:</p> <ul style="list-style-type: none"> <li>educate people about cultural understanding</li> </ul>

Outcome Area	Activity
	<ul style="list-style-type: none"> <li>• promote friendship between cultures through holding public or community events, or</li> <li>• promote harmony in culturally diverse communities.</li> </ul> <p>Projects which seek to build strong, resilient, cohesive and harmonious communities to ensure that individuals, families and communities have the opportunity to thrive, be free from intolerance and discrimination, and have the capacity to respond to emerging needs and challenges through projects that:</p> <ul style="list-style-type: none"> <li>• deal with conflict and difference and work towards common community goals</li> <li>• increase opportunities by building strong and inclusive communities, or</li> <li>• increase social integration of diverse groups in the community such as different social, cultural and religious groups.</li> </ul>
<b>10. Indigenous people</b>	<p>Projects directed at addressing specific needs of Indigenous Australians to support better outcomes. This could include but is not limited to:</p> <ul style="list-style-type: none"> <li>• development of entrepreneurial opportunities for Indigenous businesses</li> <li>• supporting Indigenous community health initiatives</li> <li>• supporting the provision of appropriate housing in Indigenous communities</li> <li>• cultural heritage and biodiversity outcomes in Indigenous communities</li> <li>• development of activities in Indigenous communities to build self-confidence, skills and capabilities which have specific cultural heritage and biodiversity outcomes</li> <li>• support for improved education outcomes and development of Indigenous people, without limitation to age.</li> </ul>
<b>11. Communities &amp; Inclusion</b>	<p>Projects directed at non-Australian citizens, to improve their wellbeing and encourage their independence and participation in Australian society, which would generally include humanitarian entrants or newly arrived migrants from culturally diverse backgrounds. This could include but is not limited to:</p> <ul style="list-style-type: none"> <li>• provision of services for newly arrived migrant youth</li> <li>• provision of English language training to newly arrived migrants, or</li> <li>• supporting newly arrived migrants into employment.</li> </ul>
<b>12. Online Services</b>	<p>Projects delivered online to support better outcomes for vulnerable people. This could include but is not limited to:</p> <ul style="list-style-type: none"> <li>• financial support services for individuals and families in financial crisis</li> <li>• support services for youth and adults in contact with or leaving the justice system</li> <li>• programs directed at community inclusion across age, culture and economic position</li> <li>• Delivering electronic media to raise awareness of people with disability.</li> </ul>
<b>13. Microenterprise development</b>	<p>Projects supporting the development of microenterprises and creating opportunities for people who are unemployed or underemployed by:</p> <ul style="list-style-type: none"> <li>• providing mentoring and business support and affordable business loans for low income earners, or</li> </ul>

Outcome Area	Activity
	<ul style="list-style-type: none"> <li>• assisting people seeking to enhance their workforce participation through increased business planning and workforce skills, development of sustainable microenterprises and creating opportunities for employment including self employment.</li> </ul>
<b>14. Health &amp; Disability</b>	<p>Projects with the objective of reducing the impact of substance misuse on individuals, families, carers and communities, by:</p> <ul style="list-style-type: none"> <li>• the provision of drug and alcohol treatment services, including through prevention, diagnosis and early intervention activities</li> <li>• treating health conditions arising from drug or alcohol misuse, or</li> <li>• providing evidence based information on drug and alcohol misuse through telephone or online channels.</li> </ul>