

**Management report to Council**

Agenda item 6.5

**Small Business Grants and Social Enterprise Grants recommendations 2019-20**

Council

Presenter: Katrina McKenzie, General Manager City Economy and Activation

26 November 2019

**Purpose and background**

1. The purpose of this report is to seek endorsement for the second round of Small Business Grants (SBG) and Social Enterprise Grants (SEG) 2019-20.
2. These programs provide financial assistance to innovative small business and social enterprises to start-up, expand and engage in export activities as part of Annual Plan Initiative 4.4. The program guidelines are noted in Attachment 2.
3. The 2019-20 budget for these programs is \$700,000 including \$500,000 for SBG, \$100,000 for SEG and \$100,000 from the Waste Minimisation and Innovation Fund (WMIF) to support both SBG and SE proposals aligned with the Waste and Resource Recovery Strategy 2030. The first round allocated \$200,000 to nine SBG recipients in July 2019. This report presents recommendations for the second funding round of the program and the remaining \$500,000 for 2019-20.

**Key issues**

4. The second funding round opened on 5 August 2019 and closed on 9 September 2019. Six public information sessions and workshops were held throughout August 2019 to support potential applicants. A total of 274 applications were received across both programs with a funding request of \$7.4 million.
5. All applications were assessed by independent external panel members and internal staff. The details of external assessors are noted in Attachment 3.
6. The panel recommend 22 applications for funding, with seven applications considered to have strongly addressed the WMIF criteria. The following table provides an overview of both programs and applications. A summary of the recommended applications is contained in Attachment 4 and the key findings and analysis are in Attachment 5, with highlights noted in Attachment 6.

Overview	Small Business Grants	Social Enterprise Grants
Total number of applications	224	50
Number of recommended applications	14	8
Number of reserve applications	6	4

7. The current funding guidelines state applications will not be disclosed to any other external party without the applicant's consent, unless required or authorised by law. Therefore information regarding applications is presented in summary form to ensure full details of business concepts remain commercial in confidence. Details of the communications strategy are noted in Attachment 7.

**Recommendation from management**

8. That Council:
  - 8.1. Approves the second round of the 2019-20 Small Business Grants and Social Enterprise Grants as detailed in Attachment 4.
  - 8.2. Authorises the General Manager City Economy and Activation to approve funding for all reserve applications to a total value of \$165,000 in the event one or more of the recommended businesses cannot proceed or declines funding.

**Attachments:**

1. Supporting attachment (Page 2 of 32)
2. Program guidelines (Page 3 of 32)
3. External assessors (Page 22 of 32)
4. Recommended applicants (Page 24 of 32)
5. Key findings and analysis (Page 28 of 32)
6. Highlights (Page 30 of 32)
7. Communication strategy (Page 32 of 32)

**Supporting Attachment****Legal**

1. There are no direct legal issues arising from the recommendations from management.
2. Successful applicants to the second round of 2019-20 SBG and SEG programs will be required to enter into a funding agreement with Council and complete an acquittal report.

**Finance**

3. If Council approves the recommendations as listed in this report the effect on these program budgets for 2019-20 would be as follows:

<b>Program</b>	<b>2019-20 Annual Budget</b>	<b>Year to Date Committed Expenditure</b>	<b>Recommended funding in this report</b>	<b>Remaining funds if recommendations approved</b>
SBG	\$ 500,000	\$ 200,000	\$ 300,000	\$ -
SEG	\$ 100,000	\$ -	\$ 100,000	\$ -
WMIF	\$ 100,000	\$ -	\$ 100,000	\$ -
<b>Total from 2019-20 Budget</b>	<b>\$ 700,000</b>	<b>\$ 200,000</b>	<b>\$ 500,000</b>	<b>\$ -</b>

4. Should any of the recommended applicants decline their grant offer, and the funding be offered instead to one or more of the recommended alternative applicants, the total amount of recommended funding will not exceed the amount included in the budget, and will not exceed \$165,000.

**Conflict of interest**

5. All applications were assessed by external panel members endorsed by Council's Future Melbourne Committee on 26 April 2016. Two additional members were also invited to participate in this funding due to a number of approved members being unavailable and the large number of applications received. Information regarding assessors is contained in Attachment 3.
6. All Council staff and external assessment panel members were required to declare any direct or indirect interests they may have in relation to the applications.
7. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

**Health and Safety**

8. As part of Council's funding agreements, all successful applicants will have to have insurance relevant to their business, comply with all legislative requirements and meet occupational health and safety standards when delivering their outcomes.
9. All grant recipients will carry out obligations under the agreement and include providing and maintaining a safe working environment.

**Stakeholder consultation**

10. A targeted communications plan was delivered using a mix of paid and unpaid, digital and non-digital channels to promote the round. The campaign aimed to attract a diverse range of applicants and increase the number of new applicants.

11. The website received a total of 7,663 page views while the combined social media sites including Facebook, LinkedIn, WeChat and Twitter attracted significant impressions.
12. Six information sessions and workshops were held during the application period with a total of more than 200 attendees.

**Relation to Council policy**

13. The recommendations are consistent with the Council Plan 2017-21 goal of a Prosperous City with the priority to provide 'support to Melbourne's start-ups and innovative businesses' and related Future Melbourne 2026 priority to be 'attractive and supportive for new and existing businesses'.
14. A number of recommended businesses support additional Council goals, including A City with an Aboriginal Focus, A Knowledge City, A City That Cares for its Environment, A Connected City, A Deliberative City and A City Planning for Growth.

**Environmental sustainability**

15. As part of the application process, applicants are required to address sustainability and environmental considerations, many of the recommended applicants address these themes effectively and most engage well with this requirement.



# Business Funding Program

## 2019-20 Guidelines

### Timeline

	<b>ROUND ONE</b>	<b>ROUND TWO</b>
	<ul style="list-style-type: none"> <li>• Business Event Sponsorship</li> <li>• Small Business Grants</li> <li>• Social Enterprise Grants</li> </ul>	<ul style="list-style-type: none"> <li>• Small Business Grants</li> <li>• Social Enterprise Grants</li> </ul>
Applications open	Monday 25 March 2019, 9am	Monday 5 August 2019, 9am
Information and workshop sessions	<a href="#">See website for details</a>	<a href="#">See website for details</a>
Applications close	Tuesday 30 April 2019, 11:59pm	Monday 9 September 2019, 11:59pm
Assessment period	May to June 2019	October to November 2019
Council meeting	End June 2019 - Business Event Sponsorship  End July 2019 - Small Business Grants - Social Enterprise Grants	End November 2019
Notification to applicants	July 2019 - Business Event Sponsorship  August 2019 - Small Business Grants - Social Enterprise Grants	December 2019

**Council Contact Officer: 03 9658 8710**

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## Introduction

The City of Melbourne acknowledges and embraces the transformative role that business plays in building all aspects of a bold, innovative and sustainable city.

An estimated 14,000 small businesses currently operate in the City of Melbourne, representing over 80 per cent of all businesses within the municipality. While our business event delegates stimulate the visitor economy and delegates experience all the city has to offer.

Council's vision is to consolidate Melbourne's strengths as a 'prosperous city': a place that is regarded as the destination of choice amongst international and local business and enterprise by excelling in its ability to nurture a vibrant economy for those who work, live, study, visit and invest.

The City of Melbourne [Council Plan 2017-21](#) establishes a framework for this vision through commitments including:

- Support to Melbourne's start-ups and innovative businesses.
- Opportunities for increased economic participation through social enterprise.
- Support to local, national and global events that stimulate the economy and contribute to a vibrant city life.
- Attraction of conferences and conventions to Melbourne.
- Affordable business accommodation.

The key objective of the Business funding programs is to support small businesses and business events that will enhance the City of Melbourne's reputation for innovation, and contribute to a thriving, sustainable business culture.

Through a range of funding opportunities, the annual Business funding program contributes to Melbourne's reputation as a city which can support existing and emerging businesses to thrive as an anchor for Melbourne's continued prosperity. The program also assists in raising Melbourne's reputation as a 'knowledge city', promoting Council's role in key industry sectors through sponsorship of business events.

## Funding categories and key dates

The following grants and sponsorships are available in 2019:

Program   Category	Grants	Key information	Key dates
Small Business Grant	Start-up	Up to \$30,000	Open to new small businesses that will increase the diversity of the city's business community and boost Melbourne's capability in diverse business sectors.
	Expansion	Up to \$30,000	Open to existing small businesses that are introducing a new, innovative activity, product or service as part of their expansion phase, <u>or</u> Open to existing innovative small businesses relocating to/within the municipality as part of their business expansion process
	Export	Up to \$10,000 Offered on a dollar for dollar basis	Open to existing small businesses wishing to enter into overseas markets for the first time, or Businesses with demonstrated export experience to explore export opportunities in a new market or launch a new product/service in an existing market.
Social Enterprise Grant	Start-up	Up to \$30,000	Open to existing social enterprises to assist in accelerating the establishment of their business
	Expansion	Up to \$30,000	Open to existing social enterprises to assist with growth of their business
Business Event Sponsorship	Up to \$10,000	Open to business events held in the City of Melbourne municipality that promote Melbourne as a destination and align with <a href="#">council goals</a> .	



## General eligibility

The applicant must:

- locate within the City of Melbourne [municipality](#) (for Small Business Grants and Social Enterprise Grants)
- be a business event to occur within the City of Melbourne municipality (for Business Event Sponsorship)
- have a valid Australian Business Number (ABN).
- have documented evidence of an appropriate legal structure, such as a sole trader, an Australian registered company, business cooperative or partnership.
- demonstrate how the City of Melbourne will benefit from its proposal (please refer to the City of Melbourne [Council Plan 2017–21](#)).
- demonstrate sustainable business practices in line with the [Australian ethical charter](#)
- provide evidence of current public liability and professional indemnity insurance policies when requested
- have no outstanding acquittals or debts to the City of Melbourne.

Applicants must meet the above eligibility plus all category eligibility specific to the grant they are applying for.

Applicants who do not meet these eligibility requirements or do not provide the relevant documentation will not be considered.

## General ineligibility

The program will not support applicants:

- located outside the City of Melbourne municipality (Small Business Grants and Social Enterprise Grants)
- that are requesting funding for a business event that occur outside the City of Melbourne municipality (for Business Event Sponsorship)
- already funded by another City of Melbourne grant, sponsorship or expression of interest program
- that are political organisations or that have a political purpose
- that are is government departments of agencies, foundations or grant making bodies
- that have a primary focus on fundraising
- that are in contract or other formal agreement with another City of Melbourne business program for the same project
- that are current City of Melbourne employees, immediate families and contractors
- that denigrate, exclude or offend parts of the community.

## Application process

1. Read the guidelines.



2. Attend an [information session](#).
3. Plan, research and gather information required for your application.
4. Complete and submit an online [application](#) (with required attachments) through SmartyGrants.
  - allow ample time to complete and submit your application before the closing date and time (note: late applications will not be accepted)
  - submit only one application in each funding round.
5. Receive a confirmation email from City of Melbourne.

## Funding

Requested funding must be directly related to the set-up/presentation costs of the proposal. Please note only expenditure items that have been incurred from the day after lodging your application will be eligible.

Operational expenses that are considered as ongoing costs to run the business or event, such as rent, utilities, wages and personal expenses are not funded.

Export grants are offered on a dollar-for-dollar basis and claimed after the event or visit has occurred.

Business Event Sponsorship must contribute directly to delegate boosting initiatives, program enhancement, public programming, marketing and additional event enhancing activities that are additional to the core program.

## Environmental sustainability

Applicants are encouraged to use resources wisely in the creation and delivery of their business or event. Applicants will be required to describe their environmental sustainability practices in their application. Further information and ideas can be found in the environmental sustainability practices [fact sheet](#).

## Support material

Support material is a critical part of your application and reviewed as part of the assessment process.

Support material requirements will vary depending on which grant you are applying for. Applicants should consider quality of support material over quantity, only including material that is relevant and strengthens their proposal.

### Support material may include:

- proof of the business or event being located in City of Melbourne municipality
- certificates of currency
- certificate of incorporation or registration of business name
- skills and qualifications of key business personnel
- marketing strategy and SWOT analysis
- financial statements (including P&L, Cash Flow and Balance sheets)

- examples of marketing, PR or other evidence to support your application
- evidence of diversity of participants

## **Assessment process**

- Applications are assessed against the criteria in each grant category in a competitive process.
- Staff from City of Melbourne check applications to establish that all eligibility criteria are met.
- Applications are evaluated by an assessment panel consisting of external peers and senior staff from City of Melbourne. The full list of current assessment panel members is published online.
- Applications are confidential. The contents will not be disclosed to any person outside the application and assessment process. A short summary of the project concept will be utilised in reports to Council.
- The City of Melbourne does not seek to correct errors in applications or supporting material. Applications are assessed as they have been submitted.
- The City of Melbourne reserves the right to request further information in considering any application, as well as the right to reject any application that is ineligible or does not meet the grant category criteria.
- Assessment panels may recommend part funding.
- Assessment panels make recommendations to Council who approve final funding.
- All funding decisions are final. Unsuccessful applicants are eligible to re-apply in future funding rounds in accordance with the grant guidelines.
- All applicants will be notified of the result of their application.
- The applicant names, project names and funding amounts of recommended/ successful applicants will be made publicly available, including publication on Council's website and in Council media releases.

## **Lobbying**

Canvassing or lobbying of Councillors, employees of the City of Melbourne or assessment panel members in relation to any grant application is prohibited. No further consideration will be given to an application submitted by an applicant who has canvassed or lobbied City of Melbourne staff, Councillors or assessors in relation to their application.

## **Terms and conditions**

Applicants are required to comply with the following terms and conditions:

- Applicants must comply with any additional conditions associated with the grant category for which they are applying.
- Eligible applicants for Small Business and Social Enterprise grants can only receive one grant per calendar year.
- Successful applicants must sign a funding agreement or letter of agreement detailing the funding obligations.

- Payment terms are 30 days from the date of invoice, subject to the receipt of a signed funding agreement, tax invoice and other requested information. This may include revised budgets, project details, venue confirmation and auspice details where relevant.
- The City of Melbourne will not be responsible for shortfalls in project budgets if the grant recipient is unable to meet project costs.
- Successful applicants must provide a final acquittal. For Small Business and Social Enterprise grants recipients, they will be required to provide 6 and 12-month progress reports.

## Assistance available

### Telephone and email enquiries

Businesses are encouraged to contact a Council Officer to discuss any specific needs or additional support that may be required to complete and submit an application.

Call 03 9658 8710 or email [businessfunding@melbourne.vic.gov.au](mailto:businessfunding@melbourne.vic.gov.au).

### Information sessions

New applicants are encouraged to attend an information session prior to submitting their application. A number of sessions are available to applicants in each grant category. Visit [website](#) for details and bookings.

Please contact us if a language or Auslan interpreter is required.

### Technical assistance

Refer to the [SmartyGrants help guide](#) for technical assistance related to submitting your application.

The [SmartyGrants](#) support desk is open 9am – 5pm Monday to Friday on 03 9320 6888 or by email [service@smartygrants.com.au](mailto:service@smartygrants.com.au).

### Interpreter and translation services

If you need an interpreter when calling the City of Melbourne, please call the following relevant translation services:

If you are deaf, hearing-impaired, or speech-impaired, please call us via the [National Relay Service](#):

Teletypewriter (TTY) users phone 133 677 then ask for 03 9658 8710 or 03 9658 8874  
Speak & Listen users phone 1300 555 727 then ask for 03 9658 8710 or 03 9658 8874

Our multilingual information telephone service offers assistance to people from a non-English speaking background. Visit [Translation services](#).



## Small Business Grants

### Overview

The Small Business Grants program provides financial assistance to support market-ready products and services that enhance the City of Melbourne's reputation for innovation and creativity, and contribute to a thriving, sustainable business culture.

Grants are open to forward-thinking small businesses currently located or intending to locate within the City of Melbourne.

Start-ups and established businesses from any sector are welcome to apply as long as you have a great idea and a sound business proposal that will proceed **regardless** of grant funding.

### Grant Objectives

- Encourage and support new, creative and diverse business activities that will contribute to a thriving and competitive business environment within the city.
- Create employment opportunities and increase the level of business investment in the municipality.
- Support businesses that demonstrate solid market potential and a sound business model, including financial viability.
- Increase the overall value and volume of exports from the City of Melbourne municipality.

### Grant categories and funding available

Small Business Grant category	Funding available
Business Start-up	Up to \$30,000
Business Expansion	
Business Export – new exporter	Up to \$10,000
Business Export – current export	

### Additional eligibility

**Applicants must meet the Business Funding Program general eligibility.**

**in addition, they must:**

1. have 20 or fewer employees
2. create employment opportunities and increase the level of business investment in the City of Melbourne
3. demonstrate solid market potential and ready to launch
4. be prepared to relocate to the City of Melbourne within three months of receiving a grant (if not already in the municipality)
5. introduce a completely new product/service into their company portfolio (**business expansion only**)

6. Increase the overall value and volume of exports from the City of Melbourne (**export only**).

### **Additional ineligibility**

The program will not support:

1. franchisees
2. subsidiaries of larger companies
3. unincorporated associations
4. branches of foreign companies that are not registered as an Australian company
5. individuals or organisations providing trade facilitation services to businesses.

### **Assessment criteria – Small Business Start-Up and Business Expansion**

Applicants will be assessed against the following:

<b>1. Innovation and Creativity</b>
<ul style="list-style-type: none"><li>• Clearly demonstrate a strong and original business proposition via market analysis and market strategy.</li><li>• Confirm that the proposition has a strong point of difference and does not duplicate existing products or services available in the City of Melbourne.</li><li>• Demonstrate intellectual property through a unique and hard to copy idea or have extensive intellectual capital.</li><li>• Business Expansion applicants must demonstrate that the proposed business expansion activity is a new product or service, not just organic growth of the existing suite of products or services.</li></ul>
<b>2. Business Readiness</b>
<ul style="list-style-type: none"><li>• Demonstrate that the product or service is well-researched, that there is a viable business plan and able to proceed without the grant.</li></ul>
<b>3. Financial Viability</b>
<ul style="list-style-type: none"><li>• Demonstrate financial viability and sound management.</li></ul>
<b>4. Benefits to the City of Melbourne</b>
<ul style="list-style-type: none"><li>• Deliver measurable economic benefits to the City of Melbourne in areas such as job creation, investment, revenue generation and capability building.</li></ul>
<b>5. Ethical and other considerations</b>
<ul style="list-style-type: none"><li>• Demonstrate sustainable business practices and alignment with Council's policies.</li></ul>

## Assessment criteria – Small Business Export

Applicants will be assessed against the following:

<b>1. Export Potential</b>
<ul style="list-style-type: none"><li>• Demonstrate the potential demand for the product or service in an overseas market and deliver direct export outcomes.</li><li>• Demonstrate the products or services for export are manufactured or produced in Australia.</li></ul>
<b>2. Export Readiness</b>
<ul style="list-style-type: none"><li>• Demonstrate 'export readiness' in that the proposed export product or service is well-researched, planned and financially viable.</li></ul>
<b>3. Financial Viability</b>
<ul style="list-style-type: none"><li>• Demonstrate financial viability and sound management.</li><li>• Ability to match approved funding on a dollar-for-dollar basis.</li><li>• Export expansion applicants must also demonstrate a level of existing business success, supported by financial documentation.</li></ul>
<b>4. Benefits to the City of Melbourne</b>
<ul style="list-style-type: none"><li>• Deliver measurable economic benefits to the City of Melbourne in areas of export earnings, investment and job creation.</li></ul>
<b>5. Ethical and other considerations</b>
<ul style="list-style-type: none"><li>• Demonstrate sustainable business practices and alignment with Council's policies.</li></ul>



## Social Enterprise Grants

### Overview

The Social Enterprise Grants program provides financial assistance to support the establishment and expansion of businesses and organisations with a distinctly social purpose. It aims to enhance the City of Melbourne's reputation for business vitality, diversity and inclusiveness and contribute further to the city's thriving economy and community.

For the purpose of these grants, a 'social enterprise' is defined as an organisation that combines trade with a social purpose where this purpose is a defining part of the business. Applicants may include a social enterprise, charities and other philanthropic organisations. Applications will be accepted from both not-for-profit and for profit businesses.

### Grant Objectives

- Encourage the establishment and expansion of sustainable social enterprises that enhance the City of Melbourne's reputation for business vitality, diversity and inclusiveness.
- Support social enterprises that demonstrate a point-of-difference, solid market potential and a sound business model, including long-term financial viability.
- Increase the level of business and social investment in the City of Melbourne, which will contribute to a thriving economic and community environment.

### Grant categories and funding available

Social Enterprise Grant category	Description	Funding available
Start-up	To assist social enterprises in accelerating the establishment of their business.  Applicants will be expected to have the majority of their funding from other sources, in addition to the social enterprise grant.	Grants of up to \$30,000.
Expansion	To assist an existing social enterprise operating in the City of Melbourne municipality that: <ul style="list-style-type: none"> <li>• will introduce a new or additional activity, product or service or;</li> <li>• intends to relocate to or within the municipality as part of its expansion</li> </ul>	

**Additional eligibility**

**Applicants must meet the Business Funding Program general eligibility.**

**In addition, they must:**

1. have 20 or fewer employees
2. be prepared to relocate to the City of Melbourne within 3 months of receiving the grants (if not already in the municipality)
3. be able to commence the proposed activity promptly upon receiving the grant
4. be able to demonstrate financial viability as evidenced by a basic business plan including projected financial statements.

**Assessment criteria – Social Enterprise Start Up and Expansion**

Applicants will be assessed against the following:

<b>1. Social purpose</b>
<ul style="list-style-type: none"> <li>• Clearly demonstrate the social purpose of the enterprise, how it will be achieved and reported.</li> </ul>
<b>2. Business viability and readiness</b>
<ul style="list-style-type: none"> <li>• Demonstrate 'business readiness' that the social enterprise is well researched, planned and financially viable.</li> </ul>
<b>3. Financial viability</b>
<ul style="list-style-type: none"> <li>• Demonstrate financial viability and sound management.</li> </ul>
<b>4. Benefits to the City of Melbourne</b>
<ul style="list-style-type: none"> <li>• Deliver measurable strong economic, social and/or environmental benefits to the City of Melbourne.</li> </ul>
<b>5. Ethical and other considerations</b>
<ul style="list-style-type: none"> <li>• Demonstrate sustainable business practices and alignment with Council's policies. Priority will also be given to applications helping to address Council's social priorities.</li> </ul>

## **Business Event Sponsorship**

### **Overview**

The Business Event Sponsorship program provides funding to support businesses hosting conferences, conventions, exhibitions and other business events.

Funding is open to businesses and organisations planning to hold business events within the City of Melbourne municipality. One funding round is available for business events sponsorship per financial year.

As well as helping to facilitate business networking opportunities and assisting delegates to experience all that the city has to offer, the program aims to attract visitors to the city and enhance Melbourne's reputation as a 'knowledge city' and an international destination.

### **Key Objectives**

The program provides support to organisations delivering business events in line with the City of Melbourne's objectives. The business event must:

- Increase economic impact for the city by attracting more visitors to Melbourne and promoting the city as a destination
- Foster a cohesive, smart community through events that encourage knowledge exchange, education and diversity
- Enhance the profile and reputation of Melbourne as a 'knowledge city' through media exposure and strategic association with excellent and innovative events
- Support businesses within the municipality through financial and in-kind investment in events that enhance their networks, income and profile

### **Funding available**

Up to \$10,000 is available.

### **Additional eligibility**

**Applicants must meet the Business Funding Program general eligibility.**

**In addition, they must:**

- be a business event (conference, convention, exhibition or meeting).

### **Additional ineligibility**

The program will not support:

- individuals
- religious organisations (charities run by religious groups are eligible)
- international aid appeals
- foundations that are themselves grant making bodies.
- Events that are already receiving financial support from Melbourne Convention Bureau (MCB)



## Additional Information

The City of Melbourne owns a variety of venues that may be of interest for your business event. More information on the City of Melbourne owned venues can be found [here](#).

## Additional benefits (non-funding)

Subject to agreement, successful applicants may use the following materials and services from the City of Melbourne at their event:

- welcome letter from the Lord Mayor
- maps and brochures, including multilingual information
- Lord Mayor or Councillor speech
- City of Melbourne staff involvement with workshops or panels
- [WhatsOn](#) and other marketing materials.

## Assessment criteria – Business Event Sponsorship

Applicants will be assessed against the following:

<b>1. Quality of the event</b>
<ul style="list-style-type: none"> <li>• Demonstrate the merit of the event by describing the concept, rationale and benefits.</li> <li>• Demonstrate how the event will activate the city in interesting and engaging ways and contribute something different to Melbourne’s business event calendar.</li> <li>• Ability to meet City of Melbourne’s objectives and align with Council Goals.</li> </ul>
<b>2. Access and participation</b>
<ul style="list-style-type: none"> <li>• Outline the opportunities delegates/attendees will have to explore the city and surrounds in free time or planned activities.</li> <li>• Outline the value of event to the community.</li> <li>• Demonstrate the ways in which people can participate in the event through public programming.</li> <li>• Outline opportunities for business networking.</li> </ul>
<b>3. Financial Viability</b>
<ul style="list-style-type: none"> <li>• Provide a realistic budget, timeline and program to deliver the event.</li> </ul>
<b>4. Benefits to the City of Melbourne</b>
<ul style="list-style-type: none"> <li>• Deliver significant visitation and economic outcomes for the City of Melbourne.</li> <li>• Outline the sponsorship benefits the event will provide to the City of Melbourne by promoting Council, for example through speaking opportunities, logo placement and signage.</li> </ul>
<b>5. Ethical and other considerations</b>
<ul style="list-style-type: none"> <li>• Demonstrate sustainable business practices and alignment with Council’s policies.</li> </ul>





# Business Funding Program 2019-20 Guidelines

## ADDENDUM – August 2019 Funding Round

### Small Business and Social Enterprise Grants program

For the August 2019 funding round, there will be additional funding of \$100,000 from the [Waste Minimisation and Innovation Fund](#) (the Fund) to support innovative waste-related applications that help us avoid, reduce or recycle waste.

**(1) Waste Minimisation and Innovation Fund**

The Waste Minimisation and Innovation Fund is a major initiative under the City of Melbourne's [Waste and Resource Recovery 2030 Strategy vision: Towards A Zero Waste City](#). This Fund intends to harness and stimulate creativity and innovation by enabling businesses to propose and implement solutions that ensure our city produces less waste and maximises the life of materials we use through reuse, recycling and recovery.

**(2) New additional eligibility guidelines (for waste-related applications)**

In addition to the general eligibility criteria, waste-related applicants are also eligible to apply to the programs if they are currently not located or intend to locate in the City of Melbourne. However, applicants must be able to demonstrate that their customer base is located within the City of Melbourne.

**(3) New additional assessment criteria (for waste-related applications)**

In addition to the programs' assessment criteria, all waste-related applications will be assessed against the key objectives of the Waste Minimisation and Innovation Fund.





## Round two Small Business and Social Enterprise Grants

### External panel members

The following external panel experts were endorsed by Council's Future Melbourne Committee on 26 April 2016 for a term of four years to April 2020. They represent a wide and diverse range of skills in the local, national and international business community.

	Name	Background, expertise and current position
1	<b>Dr Marcus Powe</b>	<ul style="list-style-type: none"> <li>• Founder and Managing Director of a consulting business with extensive experience in starting and growing small businesses.</li> <li>• Currently owns three small businesses.</li> <li>• Entrepreneur in Residence at RMIT University.</li> <li>• Fellow at Wade Institute of Entrepreneurship, Ormond College, The University of Melbourne.</li> <li>• Co-author of four handbooks.</li> <li>• Associate, Melbourne Business School, The University of Melbourne.</li> <li>• Member, Educator Network, Thunderbird School of Global Management.</li> <li>• Start-up Champion, Start-up Victoria.</li> </ul>
2	<b>Joss Evans</b>	<ul style="list-style-type: none"> <li>• CEO, INNOVIC (Victorian Innovation Centre Ltd).</li> <li>• Runs a small NFP social enterprise, INNOVIC.</li> <li>• Has thorough knowledge and experience of the commercialisation process.</li> <li>• Broad experience in innovation, business development and commercialisation, covering diverse industry sectors, and has worked with entrepreneurs, start-ups, social enterprises and SMEs.</li> <li>• Judge for a number of business awards and an assessor for several tertiary business planning competitions.</li> </ul>
3	<b>Martin Bailey</b>	<ul style="list-style-type: none"> <li>• Founder of a marketing company.</li> <li>• Business mentor with the Small Business Mentoring Service.</li> <li>• Trained more than 1000 business owners and organised over 4500 events helping to generate approximately \$270 million of new business.</li> <li>• Executive Director of Business Network International, a franchised professional business networking organisation.</li> <li>• Trainer and lecturer for delivering the Institute of Management Services Certificate.</li> </ul>
4	<b>Sophie Krantz</b>	<ul style="list-style-type: none"> <li>• Director of Strategy and Internationalisation providing services on international trade and investment to ASX 100 companies.</li> <li>• Director of Global Growth which provides advisory services on social design and innovation, abundance-based internationalisation, and global partnerships, plus start-ups and SMEs.</li> <li>• International Trade Strategy Manager at BlueScope with extensive experience in trade and investment.</li> <li>• Extensive work in the field of growth strategy and international market development and expansion.</li> </ul>

<p><b>5</b></p>	<p><b>Ian Dennis</b></p>	<ul style="list-style-type: none"> <li>• Executive director of Centre for Innovative Industries Economic Research Inc.</li> <li>• Chairman of Pearcey Foundation, which promotes and encourages Australian information and Communication Technology (ICT) achievement and previous chair for Australian Computer Society.</li> <li>• Founder and owner of Whitehorse Strategic Group which provides specialised consulting services to the information and communication technology sector.</li> <li>• Extensive experience and knowledge in the information and communication sector.</li> </ul>
<p><b>6</b></p>	<p><b>Katya Ellis</b></p>	<ul style="list-style-type: none"> <li>• Events director of Novinka International Pty Ltd and business mentor with Small Business Mentoring Service.</li> <li>• Operated three small businesses; a wholesale agency, fashion brand, and a fashion-marketing agency with a retail boutique.</li> <li>• Previous work has included roles as a purchasing analyst for Ford Motor Company, Director of Business Development, Melbourne Textiles Agencies and as an Outreach Manager (Government and Industry liaison) for National Information Communications Technologies Australia.</li> </ul>
<p><b>7</b></p>	<p><b>Madeleine Grummet</b></p>	<ul style="list-style-type: none"> <li>• Co-founder and CEO GirledWorld, an award-winning edtech start-up building the next innovation generation of female leaders, game-changers, entrepreneurs and STEM champions.</li> <li>• An accomplished keynote speaker, MC, panellist and print journalist,</li> <li>• Worked with federal and state governments, universities, McKinsey, Atlassian, Microsoft, Virgin, Telstra, ANZ and many more.</li> <li>• Partnering on strategy, content and program delivery across leadership, entrepreneurship, design thinking, technology, innovation, STEM, lifelong learning and systems design.</li> <li>• Holds multiple board and mentorship positions, an MBS University of Melbourne Master of Entrepreneurship (First Class Honours).</li> </ul>
<p><b>8</b></p>	<p><b>Rod Thomson</b></p>	<ul style="list-style-type: none"> <li>• Student Life CEO Director at Swinburne University.</li> <li>• Graduate member of Australian Institute of Company Directors with comprehensive leadership skills, commercial acumen, relationship building, new business and service development experience and finance expertise.</li> <li>• Experienced business professional and connector of people with proven stakeholder engagement and change lead outcomes.</li> <li>• Victorian Corporate Advisory Panel, The University of Melbourne</li> <li>• Executive Manager, Business Director – Communications Consulting Services</li> <li>• Previous grant recipient.</li> </ul>

## Round two Small Business and Social Enterprise Grants

### Summary of recommended applications

#### 1. Program rationale

##### 1.1 Small Business Grants

The Small Business Grant (SBG) program aims to encourage and support new, creative and diverse business activities that will contribute to a thriving and competitive business environment in Melbourne. The program seeks to create employment opportunities and increase the level of business investment in the municipality.

##### 1.2 Social Enterprise Grants

The Social Enterprise Grant (SEG) program supports the establishment and expansion of businesses and organisations with a distinctly social purpose. Applicants must meet eligibility criteria and indicate how they clearly demonstrate the social purpose of the enterprise, and how it will be achieved.

#### 2. Assessment criteria

Each application is assessed by City of Melbourne officers and by an independent, external panel. Applications are scored against the program criteria. In addition, all waste-related proposals are assessed against the Waste Minimisation and Innovation Fund (WMIF) criteria.

##### 2.1 Small Business Grant assessment criteria:

- Innovation and creativity
- Business readiness
- Financial viability
- Benefits to the City of Melbourne
- Ethical and other considerations

##### 2.2 Social Enterprise Grant assessment criteria:

- Social purpose
- Business readiness
- Financial viability
- Benefits to the City of Melbourne
- Ethical and other considerations

##### 2.3 Waste Minimisation and Innovation Fund criteria:

- Strategic alignment to the Waste and Resource Recovery Strategy 2030
- Environmental benefit

#### 3. Recommended applications

The following 22 applications, including 14 small businesses and eight social enterprises, are recommended for funding due to their strong alignment with the assessment criteria.

Seven applications demonstrated strong alignment with the WMIF criteria.

Collectively, these applications have anticipated outcomes of 71 full-time, 67 part-time and 59 casual positions, a gross turnover of \$16.2 million and an equity investment of \$3.7 million. The waste-related proposals forecast diverting 2751.5 tons of waste from landfill per year.

3.1 Recommended applications: Small Business Grants

The 14 recommended applications represent a diverse range of small innovative businesses from Aboriginal owned business in children's wear, food waste recycling services, new artificial intelligence, locally designed female athlete's footwear, and bespoke medical devices and virtual reality.

*List of recommended applications: Small Business Grants*

No.	Applicant Name	Category	Industry	Location	Amount
1	Advanced Composite Structures	Export	Advanced manufacturing	Melbourne 3000	\$10,000
2	AquaTerra Solutions	Start-up	Technology	Melbourne 3000	\$20,000
3	Aquatic Physio Exercise Aust.	Expansion	Health services	Melbourne 3000	\$20,000
4	D.Baker and Sons (t/a Bakery Hill Distillery)	Expansion	Hospitality	Kensington 3031	\$28,000
5	Rum Diary Spiced Rum (t/a Experimental Kitchen bar and blending space)	Start-up	Hospitality	Melbourne 3000	\$20,000
6	Elixico (t/a Grand Yarra)	Expansion	Creative, Design	Melbourne 3000	\$20,000
7	Hoist AI	Start-up	Technology	To be confirmed	\$25,000
9	Ida Sport	Start-up	Design, Manufacturing	Melbourne 3000	\$28,500
9	Little Lon Distillery	Expansion	Hospitality	Melbourne 3000	\$28,500
10	OMX Solutions	Expansion	Medical	Melbourne 3000	\$30,000
11	Smileyscope	Start-up	Medical	Melbourne 3000	\$30,000
<i>Waste-related applications</i>					
12	Enrich360	Expansion	Waste and recycling	To be confirmed	\$30,000
13	Crema Joe	Expansion	Hospitality	Customer base in City of Melbourne	\$20,000
14	Karma3 Technologies	Expansion	Waste and recycling	Customer base in City of Melbourne	\$20,000
<i>Total funding recommended</i>					<i>\$330,000</i>

### 3.2 Recommended applications: Social Enterprise Grants

The eight recommended applicants range from waste education, empowering women and young girls, free legal advice to vulnerable members of the community and employment opportunities for women from marginalised community.

#### List of recommended applications: Social Enterprise Grants

No.	Applicant Name	Category	Industry	Social purpose	Amount
1	Anika Legal	Start-up	Legal	Legal advice to vulnerable members of community	\$20,000
2	The Big Sister Experience	Start-up	Education	Education and wellbeing programs for young girls	\$15,000
3	First Nations Blockchain	Start-up	Technology	Platform to authenticate Aboriginal artworks	\$15,000
4	Fitted for Work	Expansion	Recruitment	Employment opportunities for women from marginalised community	\$20,000
<i>Waste-related applications</i>					
5	Green Collect	Expansion	Business services	Reduce office waste and provide employment opportunities for marginalised community	\$25,000
6	Kinfolk	Expansion	Hospitality	Reduce food waste and provide employment opportunities for marginalised community	\$25,000
7	Reground	Expansion	Business services	Waste education service for hospitality businesses	\$25,000
8	The Phoenix Program	Expansion	Business services	Recycling program for scientific equipment	\$25,000
<i>Total funding recommended</i>					<i>\$170,000</i>

### 4. Reserve applications

A total of 10 applications, including six small businesses and four social enterprises, have been placed on a reserve list to be offered funding should any of the recommended applicants not proceed or decline their funding offer. These applications were highly supported by panel and were considered worthy of funding if the budget allows. If reserve applications are allocated, Councillors will be notified through a Briefing Paper.

### 5. Non-recommended and ineligible applications

The non-recommended applications generally did not adequately meet all of the assessment criteria or did not strongly address the program's key objectives and guidelines. The most common elements demonstrated in these applications were:

- poor quality and incomplete financials
- no evidence that proposal is market ready
- limited benefits to the City of Melbourne
- no demonstrated strong point of difference



- not strongly aligned with Council's social priorities.

**6. Mentoring applications**

10 applications from both programs are recommended for mentoring from the Small Business Mentoring Service to address the areas of improvement identified in their proposals and to potentially reapply in a future funding round.

## Round two Small Business and Social Enterprise Grants

### Key findings and analysis

#### 1. Small Business Grants

- 224 applications were received, of which 54 were considered to be ineligible for assessment.
- Two applications were subsequently withdrawn.
- 73 waste-related applications were received.
- 168 eligible applications were assessed.
- 14 applications recommended for funding by the panel, of which three were waste-related.
- Six applicants were recommended for the reserve list.
- \$6 million grant funding requested.

#### 2. Social Enterprise Grants

- 50 applications were received, of which nine were considered to be ineligible for assessment.
- 22 waste-related applications were received.
- 41 eligible applications were assessed.
- Eight applications recommended for funding by the panel, four were waste-related.
- Four applicants were recommended for the reserve list.
- \$1.4 million grant funding requested.

**Table 1. Summary of applications**

<i>Small Business Grants (SBG)</i>			
	Applications received	Ineligible applications	Recommended applications
Start-up	158	42	5
Expansion	63	10	8
Export	3	2	1
<i>Total SBG</i>	<i>224</i>	<i>54</i>	<i>14</i>
<i>Social Enterprise Grants (SEG)</i>			
	Applications received	Ineligible applications	Recommended applications
Start-up	26	5	3
Expansion	24	4	5
<i>Total SEG</i>	<i>50</i>	<i>9</i>	<i>8</i>
<i>Waste Minimisation Innovation Fund (WMIF)</i>			
	Applications received	Ineligible applications	Recommended applications
Small business	73	18	3
Social enterprise	22	4	4
<i>Total WMIF</i>	<i>95</i>	<i>22</i>	<i>7</i>

**Table 2. Recommended applications**

	<i>Small Business Grants</i>	<i>Social Enterprise Grants</i>
Anticipated gross turnover	\$13.3 million	\$2.9 million
Anticipated equity investment	\$3.2 million	\$0.5 million
Anticipated export earnings	\$500,000	N/A
Anticipated full time jobs	52	19
Anticipated part-time jobs	37	30
Anticipated casual jobs	34	25
Anticipated waste managed (tons/year)	2400	351.5

**Table 3. Recommended applications by industry**

<i>Industry</i>	<i>Small Business Grants</i>	<i>Social Enterprise Grants</i>
Business Services	0	3
Creative	1	0
Education	0	1
Recruitment	0	1
Health Services	1	0
Hospitality	4	1
Technology	2	1
Legal	0	1
Manufacturing and retail	2	0
Medical	2	0
Waste and recycling	2	0
<i>Total</i>	<i>14</i>	<i>8</i>

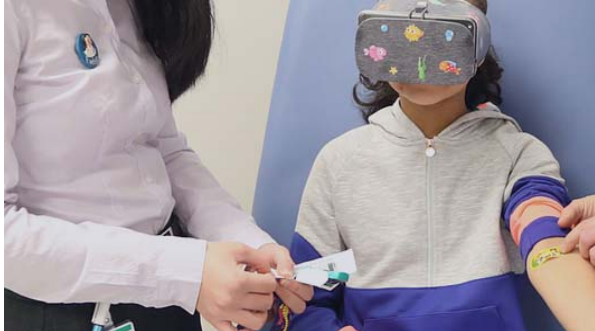
**Table 4. Recommended applications by business location**

<i>Location</i>	<i>Small Business Grants</i>	<i>Social Enterprise Grants</i>
Carlton	2	0
Kensington	1	0
Melbourne CBD	6	3
Port Melbourne	1	0
Prahran	1	0
Richmond	1	0
Location yet to be determined	0	3
Customer base in City of Melbourne	2	2
<i>Total</i>	<i>14</i>	<i>8</i>

**Round two Small Business and Social Enterprise Grants**

**Recommended applications highlights**

**Small Business Grants**



MEDICAL

**Smileyscope**

Virtual Reality (VR) experience that's designed to keep children calm while clinicians perform procedures.

**Recommended funding: \$30,000**



HOSPITALITY

**Little Lon Distilling Co**

Little Lon Distilling is developing a Melbourne-centric gin and whiskey in their CBD Distillery.

**Recommended funding: \$28,500**



DESIGN/ MANUFACTURING

**Ida Sport P/L**

Sports footwear and apparel business that specifically caters to female athletes.

**Recommended funding: \$28,500**



WASTE AND RECYCLING

**Karma3 Technologies**

Business uses black soldier fly larvae to process food waste into insect protein and insect manure.

**Recommended funding: \$20,000**



CREATIVE/ DESIGN

**Elixico P/L, trading as Grand Yarra**

Creative design company offering a niche service, automotive design and styling.

**Recommended funding: \$20,000**

## Social Enterprise Grants



BUSINESS SERVICES / WASTE

### Green Collect

Works with businesses in the CBD to minimise office waste and offers job opportunities for marginalised communities.

**Recommended funding: \$25,000**



BUSINESS SERVICES / WASTE

### Reground

Waste reduction and education service for hospitality businesses.

**Recommended funding: \$25,000**



BUSINESS SERVICES / WASTE

### The Phoenix Program

A service aimed at promoting STEM engagement by supporting schools with donated and surplus lab equipment.

**Recommended funding: \$25,000**



LEGAL

### Anika Legal

Provides free legal advice to vulnerable community members by engaging law students from universities.

**Recommended funding: \$20,000**



EDUCATION

### The Big Sister Experience

A social enterprise that works to empower young women through peer education and support.

**Recommended funding: \$15,000**

## **Round two Small Business and Social Enterprise Grants**

### **Public information sessions and communications plan**

#### **Public information sessions**

1. Round two of the Small Business and Social Enterprise grants opened on 5 August 2019 and closed on 9 September 2019.
2. One public information session was held on 8 August 2019 and was attended by more than 50 people.
3. Five workshops were held throughout August 2019 attended by approximately 160 people.

#### **Communications plan**

4. A targeted communications plan was delivered using a mix of paid and unpaid, digital and non-digital channels. The campaign aimed to attract a diverse range of applicants and increase the number of new applicants.
5. The program was promoted in Melbourne Magazine, three e-newsletters and internal communications including Yammer, with an average open rate of over 45 per cent. Strong awareness was driven through Smart Company and ProBono website advertising.
6. The website received a total of 7,663 page views, while the combined social media sites including Facebook, LinkedIn, WeChat and Twitter attracted significant impressions. Facebook received a click through rate of 3.8 per cent and LinkedIn of 1.3 per cent which is well above City of Melbourne's benchmark.
7. Feedback from applicants indicated the majority heard about the funding programs through City of Melbourne corporate website, social media engagement and internet searches.
8. Overall, the public information session, workshops and communications plan has resulted in a high calibre of applications that have contributed to a very competitive funding round.