

**The Westpac Foundation**

*Supporting our communities*

**Mary Reibey Grant**

**Funding & Application**

**Guidelines**

**2012**

## **The Mary Reibey Grant**

Mary Reibey was a pioneering entrepreneur of colonial Australia whose success in trading and property businesses led to generous donations to the community later in life. In recognition of her achievements and philanthropy, Mary appears on the Australian \$20 note.

Inspired by this spirit, The Westpac Foundation with support from the Ruby Connection, a dedicated online resource providing support for women in business, has created the Mary Reibey Grant. This grant of \$50,000 provides seed funding for a new or relatively new social enterprise established by a woman and currently being led by a woman.

This is a unique grant. It aims to support and encourage a “pioneering” woman entrepreneur who has founded an enterprise, within in the last 15 years, dedicated to improving community wellbeing in Australia. The enterprise must have deductible gift recipient status.

The social enterprise initiative should address one or more of the following areas: support for those Australians who feel socially excluded; support for indigenous Australians; support for the disabled; and the creation of lifelong learning and education leading to employment.

## **About The Westpac Foundation**

### **Our Goal**

To be a catalyst for the improvement of community wellbeing in Australia.

### **Our Objectives**

- To fund not-for-profits that tackle old problems in new ways
- To ensure our grant recipients can be the best that they can be
- To ensure the initiatives we fund continue and grow stronger
- Overall, to build the impact of the not-for-profit sector.

### **Our Values**

- To show integrity
- To value each other
- To achieve
- To delight
- To collaborate

The Westpac Foundation is a charitable trust which makes its funding decisions for the public benefit and independently of the commercial interests of The Westpac Group.

Each year the Foundation invests in not-for-profit organisations with deductible gift recipient (DGR) status throughout Australia. In 2012, it will extend its grant giving to not-for-profit organisations (recognised by AusAID) in PNG and the Pacific.

Our work is separate from activities of The Westpac Group Community and Sustainability division.

Further information is available at [www.westpac.com.au/westpacfoundation](http://www.westpac.com.au/westpacfoundation)

## Funding Priorities

In our grant giving, we fund initiatives which we believe create great outcomes for: those Australians who feel socially excluded; indigenous Australians; the disabled; and the education of the most disadvantaged. These funding areas are outlined in Figure 1.

We like to support new ideas, put to paper by the visionaries in our community who seek to change the status quo. They are agents of change with ideas that drive lasting social impact, that can be sustained, and may be replicated across regions.

The ideas must be enterprising. They must not only improve the community but also have the potential to generate income so that the initiative can fully or partly fund itself in the future. In this way, its impact is sustained. Such a project is commonly called a “social enterprise”.

Our other focus is investing in the “infrastructure” of not-for-profits so that they can actually do what they set out to achieve. For example, in seeking to be more effective in finding long-term income streams, an organization may simply not have the money to invest in restructuring their organization.

Keep in mind that we are strategic in our grant giving. We give large grants, the minimum size is \$50,000, and they may be given once or up to three years in a row.

The Mary Reibey Grant is an annual one-off grant. However, grant recipients may be eligible to apply for other Foundation grant categories in the future.

There is also a “more than dollars” approach to our grant giving. We provide one-on-one guidance, workshops on planning and evaluation, and other resources to help ensure our community leaders realize their vision.

We invest where we see lasting social return on ideas. Success for us is to see an initiative with far-reaching social impact outlive its founder.

In addition to having a social enterprise approach, priority is given to programs that are:

- Innovative and develop new and creative approaches to problems
- Preventative in approach and focus on addressing the causes of problems
- Collaborative with other organisations providing similar services and financial support from other funding sources
- Financially sustainable and viable in the long-term, post funding
- Scalable and replicable so that successful programs will continue to have an impact beyond the term of the grant
- Evaluated – including the measurement of program processes, outcomes and impacts.

**Figure 1 Westpac Foundation Funding Priorities**



## What do we mean by Social Enterprise and Entrepreneurship?

### Introduction

The Westpac Foundation's current funding focus is on establishing or strengthening innovative social enterprise approaches in existing not-for-profit organisations that create community benefits. Although the Foundation may still consider funding organisations that are not operating along social enterprise lines, this overview provides a summary of the concept of social enterprise and its characteristics.

### What is a social enterprise?

What is meant by the term social enterprise? While several definitions and meanings of the term 'social enterprise' have been put forward in the literature and practice of the not-for-profit sector, one definition that best captures the essence of the concept according to The Westpac Foundation is:

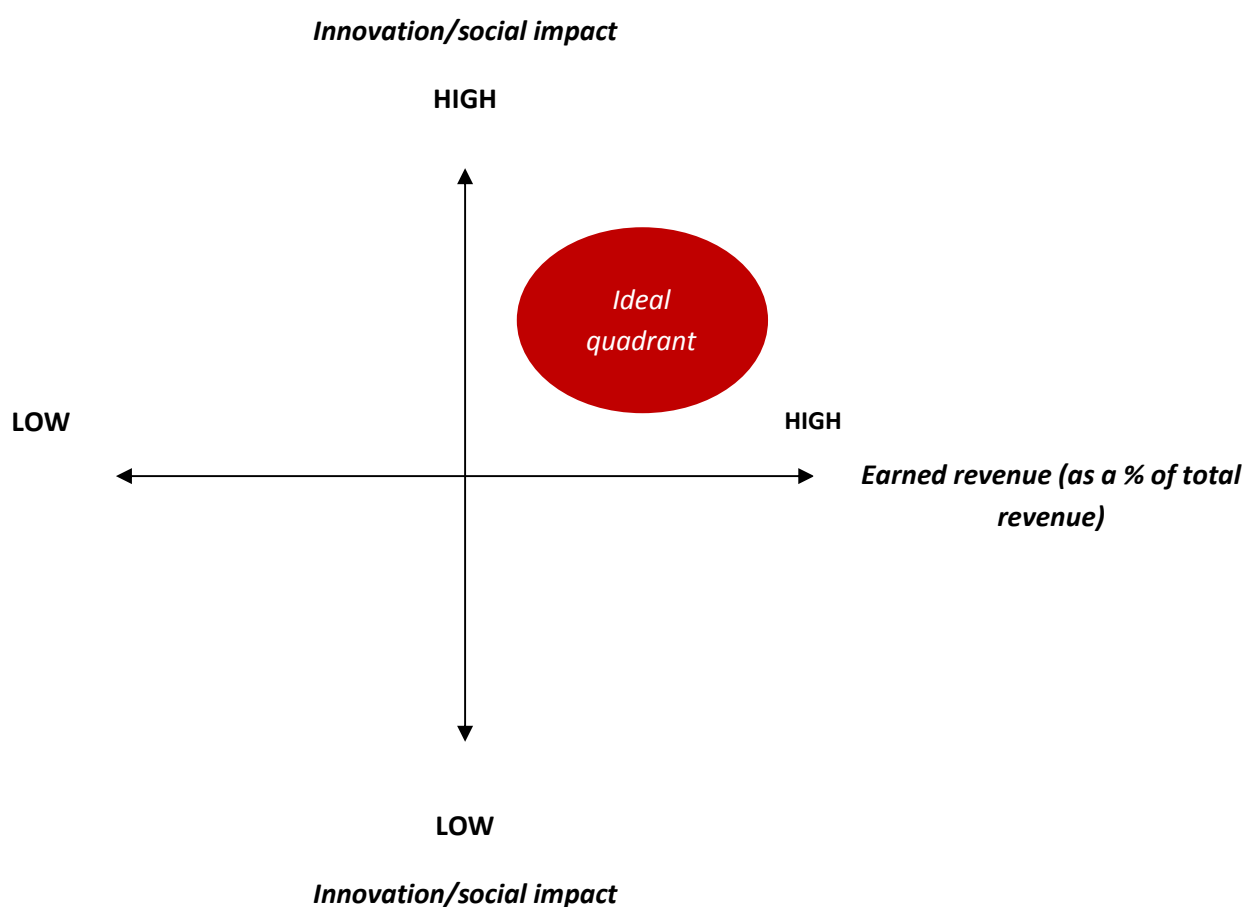
‘A social enterprise is any non profit-owned revenue generating venture created for the purpose of contributing to a social cause while operating with the discipline, innovation and determination of a for-profit business’.<sup>1</sup>

### Dimensions of social enterprise

Two key dimensions of social enterprise emerge from the various definitions. The first relates to revenue generation and the degree to which a trading or commercial operation is required to be a ‘social enterprise’. Whereas most traditional not for profits rely on fundraising, government grants, philanthropic grants or a combination thereof to fund their activities, social enterprises may also generate a significant proportion of their income from running a commercial operation.

The second dimension relates to the entrepreneurial nature of social enterprises and their focus on bringing an innovative and fresh approach to social problems. The emphasis here is on their social impact, even though commercial operations may only contribute a relatively small proportion to the organisation’s overall revenue. Indeed, some argue that the exclusive focus on the revenue generation dimension of social enterprise distracts from the end goal of social impact and gives prominence to only one method of generating revenue (i.e. commercial ventures) rather than highlighting the importance of revenue source diversity for longer term sustainability.<sup>2</sup>

**Figure 2 Social Enterprise Dimensions (Innovation/Social impact & Revenue Generation)**



<sup>1</sup> Kim Alter, *Social Enterprise Typology*, Virtue Ventures, 2004, p.5

<sup>2</sup> J. Gregory Dees, ‘The meaning of Social Entrepreneurship’ 2001 (accessed 27/7/06) <http://www.fuqua.duke.edu/centers/case/leaders/resources.htm>

These two dimensions are represented in Figure 2, where social enterprises can potentially occupy one of four quadrants according to the extent to which their organisation or program is innovative, has the potential to make a social impact and the extent to which the trading enterprise contributes to overall revenue. The ideal space for a not for profit to occupy is that where their program is innovative with a high social impact as well as also generating a significant proportion of their total revenue from the program.

## Social enterprise characteristics

Social enterprises have some or all of the following characteristics:<sup>3</sup>

- Social purpose is the principal driver of activity
- Organisational sustainability is a core objective
- There is non-distribution of profits to individuals
- Any surplus is invested in the enterprise or community
- Stakeholders are democratically involved
- There is clear accountability to a defined community and/or wider community
- They use business tools and approaches to achieve social objectives
- They blend social and commercial capital and methods
- They create social and economic value
- They generate income from commercial activities to fund social programs
- They are market-driven and mission-led
- They measure their financial performance and social impact
- They meet financial goals in a way that contributes to the public good
- They enjoy financial freedom from unrestricted income
- They are run strategically to accomplish their mission.

This last point is important as an income-generating activity only becomes a social enterprise when it is operated as a business. While many not for profits generate income through activities like cost recovery or earning income from an endowment, the following characteristics need to be met to be a social enterprise:

- The activity was established strategically to create social and/or economic value for the organisation
- The organisation/program has a long-term vision
- The venture is managed as a going concern
- Growth and revenue targets are set for the activity in a business plan, and
- Qualified staff manage the activity or provide oversight of the commercial venture.

## Types of social enterprise

Similar to the variety of organisational forms within the not for profit sector, the way social enterprises are structured also varies. An important differentiating dimension is the extent to which the commercial or trading activity is related to the organisation's social programs.

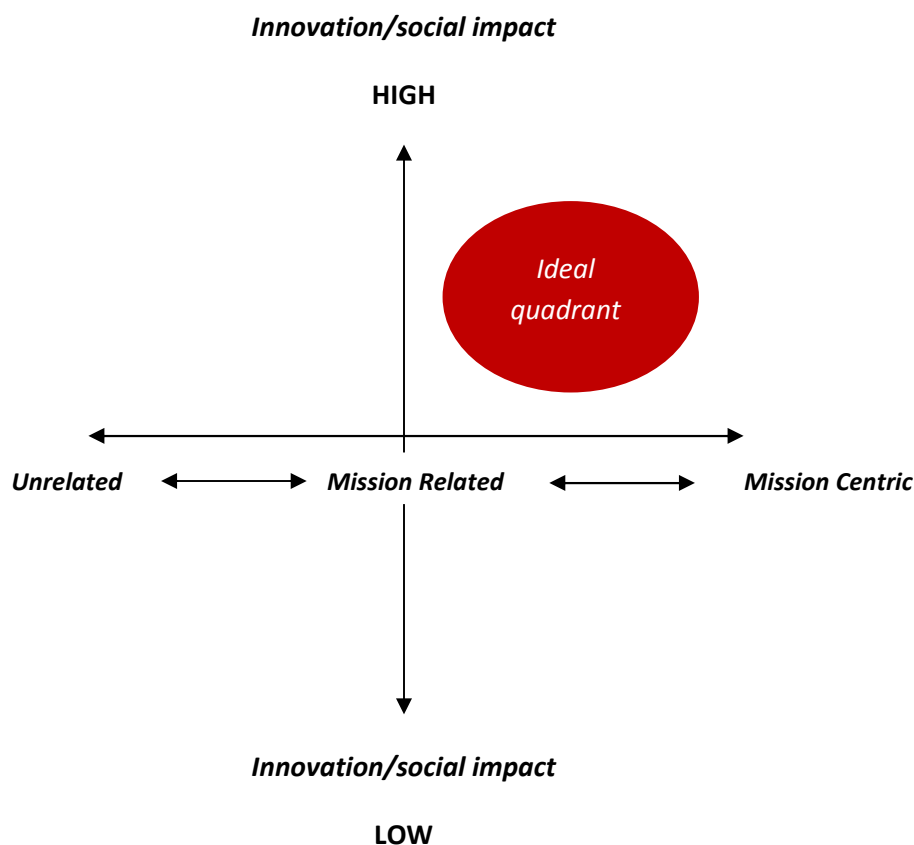
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<sup>3</sup> Taken from Alter op.cit; and Jo Barraket, (no date) 'Community and social enterprise: What role for Government?', Department for Victorian Communities.

Three key types can be identified<sup>4</sup>:

1. *Mission-centric social enterprise*: These are organisations where the commercial operation is central to the organisation’s social mission and are created for the sole purpose of advancing the organisational mission using a business model that is largely self-financing. Mission-centric social enterprises are likely to embed the commercial activities within the organisation’s operations and activities. In other words, the social program and enterprise activity are one and the same.  
An example of a mission-centric social enterprise is a not for profit that runs a building or manufacturing operation that employs at-risk youth and uses the operation to teach life and employment skills to the program participants but achieves sustainability through selling its products and services on the market.
2. *Mission-related social enterprise*: These are organisations where the commercial operation is related to the organisation’s mission or key social services. For example, an organisation that provides financial literacy services at no cost to people recovering from drug addiction may decide to provide the service at low cost to other community services organisations that assist low income families. An ‘integrated social enterprise’ provides a ‘funding mechanism to support the non-profit’s operations and mission activities’.<sup>5</sup>
3. *Unrelated social enterprise*: These are organisations where the commercial operation or activity is not related to the organisation’s mission other than to generate revenue for its operating costs and social programs. In unrelated social enterprises the commercial venture is usually external to the organisation. An example of an unrelated social enterprise may be a not-for-profit organisation that provides educational programs to disadvantaged children also running a used textile recycling business.

**Figure 3 Social enterprise dimensions (Innovation/social impact & type of social enterprise)**



<sup>4</sup> Alter, op.cit.

<sup>5</sup> Alter, op.cit., p.20

The 'types' of social enterprise outlined above can also be seen together with the earlier dimension of innovation and social impact. These two dimensions are represented in Figure 3 where social enterprises can potentially occupy one of four quadrants according to the extent to which their organisation or program is innovative and has the potential to make a social impact and whether the trading enterprise is mission-centric, mission-related or unrelated. The ideal space for not for profits to occupy is that where the innovation/social impact of their program is high and where the social enterprise is closer to the mission-centric model.

## Social Entrepreneurs

Another term often used synonymously with social enterprise is social entrepreneur or social entrepreneurship. Social entrepreneur refers to a person and social entrepreneurship to the state of being and practising in or through a social enterprise.<sup>6</sup>

Social entrepreneurs are those who recognise when a part of society is stuck and provide new ways to get it unstuck. They act as 'change agents in the social sector'. They innovate and act according to the desire to create and sustain social value and consider themselves to be accountable 'to the constituencies they serve for the outcomes they achieve'.<sup>7</sup> According to Bartlett, social entrepreneurs have the following characteristics:

- They are constantly looking for new ways to serve their constituencies and to add value to existing services
- They are willing to take reasonable risk on behalf of the people that their organisation serves
- They understand the difference between needs and wants
- They understand that all resource allocations are really stewardship investments
- They weigh the social and financial return of each of these investments.<sup>8</sup>

Social entrepreneurs play the role of change agents in the social sector by:

- Adopting a mission to create and sustain social value
- Recognising and relentlessly pursuing new opportunities to serve that mission
- Engaging in a process of continuous innovation, adaptation and learning
- Acting boldly without being limited by resources currently in hand, and exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created.<sup>9</sup>

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<sup>6</sup> Leo Bartlett, 'An exploration of contemporary meanings of social enterprise', 2004, p.1

<sup>7</sup> Cited in Rebecca Harding, 'Social enterprise – the new economic engine', *Business Strategy Review*, winter, 2004, pp.40-1.

<sup>8</sup> Bartlett, op.cit

<sup>9</sup> Ibid.

## Social Enterprise and The Westpac Foundation

Social enterprise is about tackling old problems in new ways – through innovation, entrepreneurial flair and financial self-sufficiency. It is about borrowing the best from business and traditional not-for-profit organisations to achieve maximum social impact. It is also an evolving concept – one that needs to be understood in a flexible way to meet the different social, economic and legal contexts within which NFP organisations operate.

The Westpac Foundation does not therefore give primacy to either the revenue generation or the social impact dimension of social enterprises, but recognises that organisations need to be cognisant of the value of both (as in Figures 2 and 3), and that where they sit along either of those dimensions will vary according to factors such as when they were established, their size, their primary field of activity and the nature of their program.

The Westpac Foundation also recognises that diversification of a not-for-profit's funding stream can be just as important for sustainability as adopting a social enterprise approach. It is often not-for-profit organisations that have a mixed revenue stream that are the most effective at achieving their mission and sustainable in the long run.<sup>10</sup>

We believe that social enterprise can be an important component of an overall financial strategy to achieve sustainability, even if it contributes only in a small way to an organisation's total revenue.

Furthermore, profitability is not the only hallmark of whether a social enterprise approach should be considered worthwhile, as it can improve efficiency and effectiveness through:

- Reducing the need for donated funds
- Providing a more reliable diversified funding base, and
- Enhancing the quality of programs by increasing market discipline.<sup>11</sup>

The Foundation's goal is to help build healthier and stronger communities through supporting social enterprise across Australia. To achieve that, we aim to fund not-for-profit organisations that put forward innovative, entrepreneurial solutions to address social change and do so in a sustainable way by having a diverse revenue base that includes a component of earned income.

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<sup>10</sup> Harding, op.cit.

<sup>11</sup> Alter, op.cit.

## Applying for the Mary Reibey Grant

As mentioned earlier, the Mary Reibey Grant is a unique grant. It aims to support and encourage a “pioneering” woman entrepreneur who has founded an enterprise, within in the last 15 years, dedicated to improving community wellbeing in Australia.

### Eligibility & Restrictions

The social enterprise initiative should address one or more of the following areas: support for those Australians who feel socially excluded; support for indigenous Australians; support for the disabled; and the creation of lifelong learning and education leading to employment.

The enterprise must have deductible gift recipient (DGR) status. It must operate or trade in Australia. The Westpac Foundation does not usually fund:

- Projects under \$50,000
- Capital funds and building works
- Emergency requests
- Individuals
- Government entities
- International programs\*
- Retrospective requests
- General fundraising appeals
- Sponsorship requests

\* The Westpac Foundation is prohibited from making grants to overseas-based organisations under the terms of Section 50-60 of *the Income Tax Assessment Act 1997*. It may fund enterprises operating or trading in the PNG and Pacific where the NFP is listed in AusAID’s Overseas Aid Gift Deduction Scheme.

### Application Process

The Mary Reibey Grant application process involves two stages.

1. Letter of Interest, due 1st December 2011: An initial Letter of Interest, of no more than four pages, must be submitted by close of business, 1st December 2011. If you wish to submit a Letter of Interest, please use the format outlined in the following pages.
2. Full Proposal, due 1st February 2012: If your Letter of Interest is successful, you will be contacted by 8 December 2011 and invited to submit a Full Proposal.

A Full Proposal is a document of no more than eight pages. If you are contacted to submit a Full Proposal, you will be given an outline of the information requested by the 8th December 2011. The Full Proposal must be submitted by close of business, 1st February 2012.

The winner of the Mary Reibey Grant will be announced on International Women’s Day on 8 March 2012.

## **Ongoing Requirements of the Successful Applicant**

If your organisation is successful in winning the grant, your organisation will need to:

- enter into a funding agreement with the Westpac Foundation
- provide bi-annual progress reports and a final report to The Westpac Foundation Board and include statements of income and expenditure.

The successful applicant may be invited to attend occasional workshops funded by the Foundation on a range of issues relevant to the not-for-profit sector.

## **Letter of Interest Lodgement**

Your Mary Reibey Grant Letter of Interest must be lodged in the required format as outlined by close of business on 1st December 2011.

Please send your Letter of Interest by email to: [westpacfoundation@westpac.com.au](mailto:westpacfoundation@westpac.com.au)

## Letter of Interest for the Mary Reibey Grant

Before commencing your application, please answer the following eligibility criteria	Yes/No
1. Your organisation was founded by a woman and its current CEO is a woman.	.....
2. Your organisation is a social enterprise or a not for profit with a social enterprise project.	.....
3. Your organisation is relatively new (established less than 15 years ago).	.....
4. Your social enterprise initiative reflects one or more of the following areas: social inclusion, indigenous, education or the disabled.	.....
5. Your enterprise has deductible gift recipient (DGR) status or is auspiced by a DGR.	.....
6. Your enterprise operates/trades in Australia.	.....

If you have answered “Yes” to all six statements, please proceed with your Letter of Interest. If you have answered “No” to any of the above statements, please do not proceed with this application.

Please ensure your letter is no more than four pages in length, provides the following detail, and includes an attachment showing evidence of DGR status.

Date:

Name of organisation:

Postal address:

ABN:

Website:

Contact person, position, telephone and email address:

Name of CEO, telephone and email address (if different to the above):

Please address the following six questions:

1. What social need or problem does your enterprise or project address?
2. How does your enterprise or project address that need?
3. What is the long-term change you are trying to achieve for your target group?
4. How do you measure the social impact you wish to achieve?
5. How do you collaborate with other relevant organisations?
6. What will the grant of \$50,000 be used for? Please tick the relevant area/s (no more than three) listed below and provide brief details on its use.

An existing program

- To pilot a new program
- For the purchase of capital equipment and/or infrastructure
- To employ additional program staff
- To employ additional non-program staff
- To evaluate existing programs
- Other:

Brief details on the grant's use:

7. Please attach evidence of your organisation's DGR status.

Please submit your Letter of Interest to the email address: [westpacfoundation@westpac.com.au](mailto:westpacfoundation@westpac.com.au) by 1 December 2011.