



Local Aboriginal Land Council APPLICATION – EARLY STAGE INVESTMENT LOAN

OVERVIEW

- The NSW Aboriginal Land Council is now accepting applications for Business Enterprise Early Stage Investment Loans
- The NSW Aboriginal Land Council is offering loans of up to \$500k for the commencement and growth of business enterprises
- Loans are only available to Local Aboriginal Land Councils and their business related entities – individuals are not eligible to apply
- NSWALC will contribute up to 50% of the total value of the loan, with the LALC contribution being no less than 5-10%
- ‘Gap funding’ will help to attract additional capital through co-investment from other funding sources
- Applicants must be ‘investment ready’ – meaning the LALC has completed its own business planning/feasibility work, and has identified other investment sources from other sources if needed
- All applications will be assessed by an Independent Assessment Panel based on their commercial merits and risks, having regard for social outcomes.

NSWALC Economic Development Policy

The NSW Aboriginal Land Council (“**NSWALC**”) Economic Development Policy (“**the Policy**”) outlines the broad strategies and initiatives that NSWALC is pursuing to drive economic development towards wealth creation and wellbeing for Aboriginal people in NSW. NSWALC has committed up to \$16 million over a five year period to support these initiatives.

Early Stage Investment Loans

Applications for ‘gap funding’ in the form of Early Stage Investment (“**ESI**”) loans is now available through the NSWALC Economic Development Unit (“**EDU**”).

A key barrier for Local Aboriginal Land Councils (“**LALCs**”) starting or growing a business is a lack of start-up capital. By funding early-stage business operations NSWALC is helping LALCs to attract and leverage additional capital through co-investment from other sources, such as banks.

NSWALC’s ESI loan contribution is capped at \$500,000 for each business idea. The ESI loan will contribute up to a maximum of 50% of the overall value of the loan, with the LALC contribution being no less than 5-10%.

NSWALC’s ESI loans offer:

- Low interest rates,
- Agreements that are structured so that repayments are not due until certain agreed trigger points are reached, and with terms and conditions tailored appropriately to each loan, such as agreed schedules of milestone payments, and

- Repayment schedules that are fixed and agreed upfront, with flexibility to adjust if needed, according to the circumstances of the LALC.

NSWALC ESI loans are only available to LALCs and LALC-related business enterprises, not individuals.

Application Process

NSWALC is calling for applications from LALCs for ESI loans to support the start-up and growth of business enterprise.

NSWALC understands that the Aboriginal Land Rights network in NSW needs to be able to be responsive to business opportunities as they arise. There is no deadline for when applications must be submitted. NSWALC will provide further advice with sufficient notice if and when this changes.

Applications **MUST BE INVESTMENT READY** – NSWALC will only consider applications which as a minimum:

- Are supported by a business plan, with sufficient thinking into the commercial and operational viability of the opportunity, and
- Have secured funding partners where necessary (for the percentage of capital not covered by the NSWALC loan and the LALC's own contribution).

ESI loan applications will be reviewed by an Independent Assessment Panel (“**IAP**”) in accordance with specific selection criteria followed by Council approval. All applications will be assessed based on their commercial merits and risks, having regard for social outcomes.

Local Aboriginal Land Councils wanting to access Early Stage Investment loans must complete the ESI loan application and submit this to the NSW Aboriginal Land Council Economic Development Unit by post or email:

By post:

NSW Aboriginal Land Council
Economic Development Unit
PO Box 1125
Parramatta NSW 2124

By email: ecodev@alc.org.au

If you require assistance please contact the Economic Development Unit on (02) 9689 4444 or by email.

Independent Assessment Panel criteria for short-listing

1. Commercial viability & risk	<ul style="list-style-type: none"> • Is the business idea going to generate income? • Net income projections, industry analysis and success rates
2. Operational viability & risk	<ul style="list-style-type: none"> • Who will run the business? • How will the business be run and are there any timeframes involved? • Relevant skills and experiences of operator
3. Loan funding/assistance	<ul style="list-style-type: none"> • Is the funding ask reasonable? • Have funding partners been secured?
4. Vendor/third party engagement	<ul style="list-style-type: none"> • How developed is the business enterprise idea? • Are these discussions fair and commercial?
5. Social returns	<ul style="list-style-type: none"> • Not a requirement, but part of consideration • E.g. employment, training, cultural/social benefits
6. LALC engagement & acceptance	<ul style="list-style-type: none"> • Is the LALC Board supportive of this business idea? • Do enterprise goals align with the CLBP? • What would the LALC do with the income generated from this business?
7. LALC risk assessment	<ul style="list-style-type: none"> • Strict exclusion of “unfunded” LALCs • “High risk” rating a factor

Submission checklist

MUST HAVES:

- Signature approvals from the CEO and Chairperson of your LALC to indicate Board & CEO support for the idea
- Early Stage Investment Loan Application form completed. Any missed or incomplete information will delay the processing of your application

GOOD TO HAVE:

- Supporting documents e.g. feasibility studies, business plans, secured customer contracts, net income projections, confirmation of secured funding partners

APPLICATION FOR EARLY STAGE INVESTMENT LOAN

To assess your loan application we need to understand your business or business proposal. That is why it is important to collect all of the necessary information at the start. Please take the time to answer the following questions.

1. Approvals & Contact Details	
LALC Name	
CEO approval	<p>I confirm that this business enterprise idea is fully supported by the LALC and provide consent to the Economic Development Unit and Independent Assessment Panel to contact all relevant parties, if required.</p> <p>.....</p> <p>Name</p> <p>.....</p> <p>Signature</p> <p>.....</p> <p>Date</p>
Chairperson approval	<p>.....</p> <p>Name</p> <p>.....</p> <p>Signature</p> <p>.....</p> <p>Date</p>
Contact details	<p>Please provide the main contact person for the loan application including email and phone details.</p>

2. Business Enterprise Overview	
Business type	<p>Please tick one of the following:</p> <p><input type="checkbox"/> Start a business from scratch</p> <p><input type="checkbox"/> Purchase an existing business. If so, please provide the asking price \$.....</p> <p><input type="checkbox"/> Are already in business</p>
Business enterprise	<p>Please provide a general overview (coffee shop, green-team etc.)</p>

Background	<i>When was this business enterprise idea originally conceived? How long has it been in the works?</i>
Location	<i>Where will the business be located?</i>
LALC goals from enterprise	<i>Why does the LALC want to pursue this? What does being/going into business mean to you?</i>

3. Commercial Viability & Risk	
Commercial opportunity	<i>Who buys/will be going to buy your products/services? Are there any high-level net income projections available?</i>
Clients overview	<i>Where are your clients? (Local, town, region, national, overseas, online). Please highlight any relevant client discussions to date.</i>
Competitor overview	<i>Who are your competitors? (Local, national, large, small, scope and nature of the industry) Why do/are customers going to choose your product over other competitors?</i>
Business Plan or feasibility work	<i>Please provide details of any business planning or feasibility work done, including consultant contact details.</i>

4. Operational Viability & Risk	
Operating design overview	<i>Who will run the business? How will you manage the day to day activities of the business?</i>

Timeframe	<i>When did/do you plant to start your business? How long do you want to stay in business?</i>
Other business establishment requirements	<i>What has to be done before the business can be started? (Licences, equipment, training)</i>
Partner discussions	<i>Please highlight any relevant partner discussions.</i>

5. Loan Funding/Assistance																							
Business setup costs	Total setup costs required \$.....																						
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Funding partners	Funding partners confirmed (include LALC contribution) \$.....																						
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NSWALC funding request	Proposed NSWALC loan amount \$.....	
	Loan purpose	Amount required (\$)
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	2.	
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Other assistance required	<i>Please highlight any other relevant assistance required to develop this business enterprise idea further? (Legal support, Government engagement)</i>	

6. LALC Engagement & Acceptance	
Board support & CLBP alignment	<i>Is the LALC Board supportive of this idea? CLBP alignment?</i>
Community acceptance & buy-in	<i>What would help community acceptance & buy-in? What will the LALC do with the income generated from this business?</i>

7. Other	
Supporting documents	<i>Please list and attach any supporting documents that could provide additional information to this idea.</i>