



MANY RIVERS MICROFINANCE NATIONAL PROGRAM

About Us

Many Rivers Microfinance Limited (Many Rivers) is a not-for-profit microenterprise development organisation that exists to help Indigenous and other Australians to establish and develop micro and small businesses through business support and small loans.

Our vision is for an Australia where all people have access to support and finance for commercial activities. The people we work with typically possess the ideas and skills to establish sustainable businesses but, for various reasons, have lacked the necessary financial support to do so.

Initially developed through a series of pilot programs by global microfinance leader Opportunity International, Many Rivers Opportunities (as it was originally known) was established in 2007 and began operating from Grafton NSW.

We currently have six operational offices in the following regions:

- Northern NSW - Grafton
- Hunter Valley, NSW - Kurri Kurri
- Pilbara, WA - South Hedland and Karratha
- Northern Goldfields (to Wiluna), WA - Kalgoorlie
- East Kimberley, WA - Kununurra
- Our head office is in Sydney, NSW and we also have a State Office in Western Australia.

In NSW, we are also establishing offices in Moree and Western Sydney by July 2011. Our work is made possible by the financial support of philanthropic donors and foundations, along with corporates, Indigenous corporations and government partners.

Our clients that require microfinance to establish and develop their businesses are provided with a business loan from Westpac. This gives clients "a real loan with a real bank".

Many Rivers' is responsible for providing people with the initial and ongoing business support and for making the microfinance lending decision. Many Rivers guarantees repayment of microfinance loans to Westpac. If people have difficulty making consistent repayments, Westpac may assign responsibility for these loans to Many Rivers. We then continue to work with these clients to support them in repaying their loans.

In its first three years of operation, Many Rivers provided 98 microfinance loans. As we continue to roll out our program nationally, we will have the opportunity to serve many more clients.

Microfinance and its Benefits

Microfinance provides entrepreneurial people who cannot access traditional financial support with small repeat loans that enable them to establish a small business - or microenterprise. These loans benefit individuals, families and the wider community by:

- increasing household income and assets and providing greater stability for families
- enabling increased availability of locally provided goods and services
- helping to build sustainable local economies and reduce welfare dependence
- contributing towards social outcomes, including improving health and education

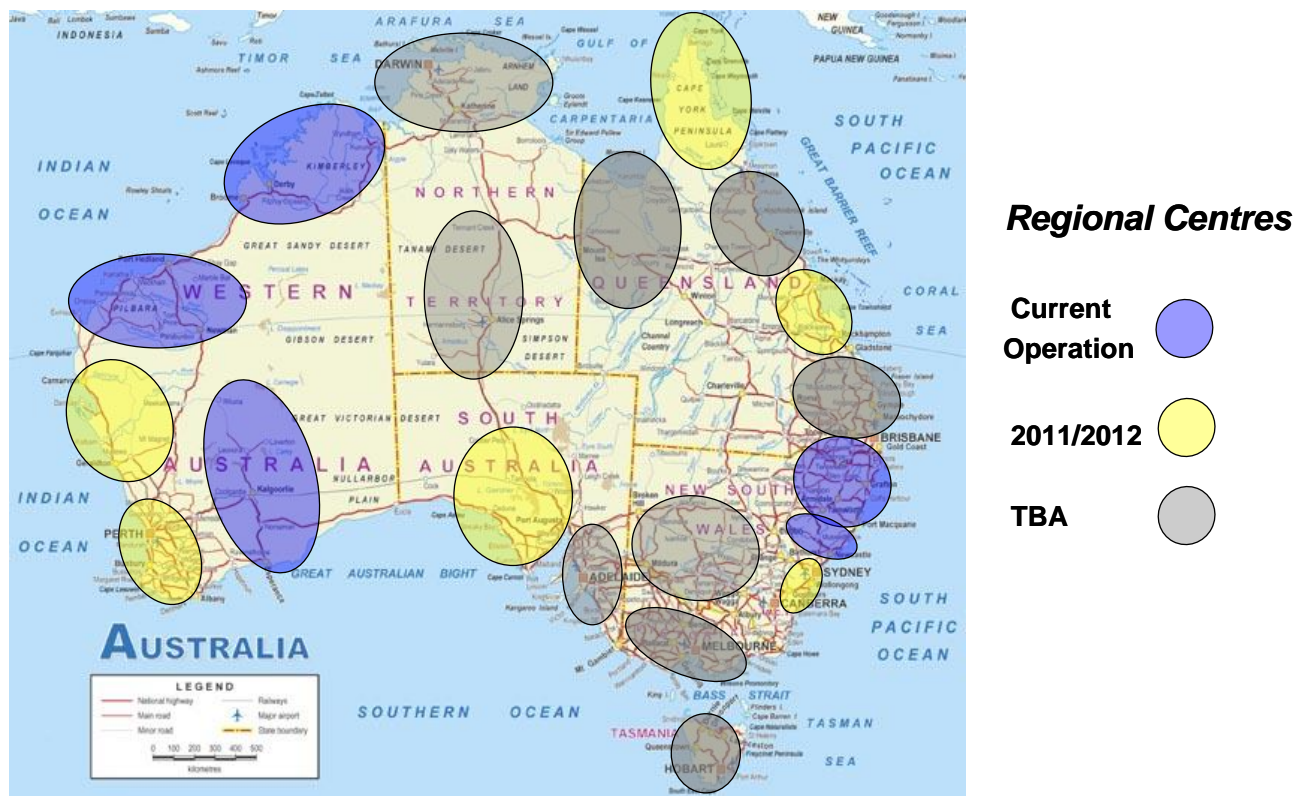
Our Approach

- Local Enterprise Development - we live and work in the communities we operate.
- Practical Business Support - we focus on what needs to get done to get the business started.
- Access to Finance - we provide business loans based on mutual trust, no security is required.
- Journey with People - we walk alongside our clients, providing support and encouragement.

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Our Program

Many Rivers has developed a National Program to establish offices in 20 regions across Australia operated by 40 Field Officers by June 2015.



Many Rivers' Field Officers live and work in the region that they serve. Field Officers are responsible for providing micro and small business development support to people wanting to establish and develop their own businesses.

Field Officers are able to recommend the approval of micro and small business loans to provide a capital injection, if this is required, to enable clients to establish and grow their businesses. Loans are provided following a successful evidence-based assessment, taking into account the individual's character, capacity and cashflow. Collateral, as loan security, is not required. Loans require the support of two Many Rivers' Field Officers and approval by our Chief Operating Officer.

Many Rivers will seek to support any person who has a "real" business idea and is "fair dinkum" in their desire to make this idea real. We do not differentiate by race, gender or creed.

We offer micro and small business loans, ranging from \$500 to \$20,000, over periods of six months to three years. The maximum first loan amount is \$5,000 for a 12-month period. Our clients can progressively move from smaller to larger loans as their capacity and business experience develops.

We believe Many Rivers' approach is unique because:

- We go where we are invited - by the community and funding organisations;
- We are very practical - focusing on how to get the business activity going, addressing personal and business readiness;
- Our approach is personalised - driven by the individual's needs and goals;
- We spend time - to "unlock" client's concerns and establish confidence and trust;
- We can provide access to finance - trust-based lending, no collateral;
- We provide fast loan disbursement - when the person is ready to start;
- We provide a "real loan with a real bank" - through our strategic alliance with Westpac;
- We "ride the bumps" - as the person's business starts and develops;
- We live and work in the region - providing business development support in the community;
- We collaborate and work in partnership - with good existing service providers.

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Our goals towards 2015

Many Rivers has set the following goals, to be achieved by June 2015:

- Be operating nationally on 20 regions, supported by 40 Field Officers;
- Support the establishment of 1,900 micro and small business enterprises, with a total of 2,500 full and part-time workers;
- Maintain 50% sustainability of the businesses supported;
- Maintain a loan repayment rate of at least 80% for microfinance loans; and
- Demonstrate evidence of families and communities being positively impacted by the financial and social benefits from local, grass-roots economic development.

Working with Westpac

Westpac has given Many Rivers the capacity to originate and approve the provision of Westpac microfinance loans to individual business borrowers. As such, Many Rivers remains solely responsible for loan decisions based on their assessment of client's capital need, character and repayment capacity. Lending criteria has been agreed between Westpac and Many Rivers.

Westpac is providing Many Rivers' clients with access to loan funds through a 'real' Westpac business loan - helping build a credit history with a major bank. Many Rivers' clients are typically unable to meet the credit requirements of mainstream banking and often experience financial exclusion.

Westpac microfinance loans are interest bearing (at a subsidised interest rate) and are offered on an unsecured basis. Westpac operates its microfinance loans on a non-profit basis.

Through our strategic alliance with Westpac, our Indigenous clients are also able to apply for the Commonwealth's Indigenous Capital Assistance Scheme (ICAS), which provides interest subsidies on Westpac business loans of \$20,000 to \$500,000 to Indigenous business owners, and access to up to \$23,000 of professional advice. Westpac is the sole provider of the ICAS program. ICAS loans are subject to Westpac's standard lending criteria.

Measuring Success

We measure success by comparing our client's situation before and after a loan considering four factors:

- Income is being generated by the business
- An income-generating asset is owned by the business
- The business is continuing after the loan is repaid
- The client regards the business as their job

Our goal is that at least half of our clients positively achieve all four measures. This is currently being achieved.

Our Funding

Our work is made possible by the financial support of philanthropic donors and foundations, along with corporates, Indigenous corporations and government partners.

Many Rivers' funding is derived from the following streams (based on current received and committed funding for 2010/11, as of May 2011):

- 22% - philanthropic donors and foundations
- 38% - corporate partners
- 13% - Indigenous corporations
- 27% - government partners

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Our Structure

How We Operate

Many Rivers is a company limited by guarantee and regulated by the Australian Securities and Investment Commission (ASIC) and the Corporations Act 2001. Although a controlled entity of Mission Australia for financial reporting purposes, Many Rivers' strategic and business decisions are taken by its own Board of Directors.

Mission Australia also provides Many Rivers with access to its support services and infrastructure, including finance, HR, legal, property, IT, telephony and procurement services.

As a company limited by guarantee, Many Rivers does not have any share capital or shareholders, just members. Any funds raised by Many Rivers cannot be shared amongst members, but only to further the company's charitable purposes for the benefit of the communities we serve.

Our members include one corporate member - Mission Australia - and five individuals who sit on the Board of Directors: Mr Peter Colin Cadwallader, Mr David Thomas Bussau, Mr Ronald Leigh Coleman (CEO) and Mr Ross Granville Hawkey.

Governance and Legislation

Many Rivers has its own Constitution. The Board of Directors adopt the principles, procedures and practices from the Board Governance Charter that include mechanisms to deal with real or perceived conflicts of interests and establish the governance oversight relationship between the Board and Management.

Many Rivers has a Conflict of Interests Policy, Code of Conduct, Risk Management Policy and framework, Whistle blowing Policy and Delegation levels, fraud control and corruption prevention strategies along with administrative policies and practices.

Tax Status

Many Rivers Microfinance Limited is a Public Benevolent Institution. This means that it is a non-profit institution organised for the direct relief of poverty, which carries out services for the public benefit. Because of its charitable status, Many Rivers is endorsed to access tax concessions such as exemption from paying income tax and some Fringe Benefits Tax (FBT) relief.

Deductible Gift Recipient (DGR) Status

Many Rivers Microfinance Limited is endorsed as a deductible gift recipient, so any donations made to it will entitle the donor to a tax deduction.

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