

Local Buying Foundation CHARTER

Version 1.3

Released January 2023

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Overview

[Local Buying Foundations](#) (LBF) can operate in each state the [Local Buying Program](#) (LBP) operates and includes key relationships including BHP, the Board of C-Res (LBF Trustees), C-Res personnel and stakeholders in each community.

BHP provides funding for each LBF through the delivery of the Local Buying Program as a variable percentage of each transaction. As the success of the program is important to BHP and C-Res, the role of Chair of each Local Buying Foundation Advisory Committee (LBFAC) resides with the Trustee of each Foundation.

The funding criteria is applied in a manner that ensures no direct business benefit is derived or appears to be derived for BHP or its subsidiaries other than that which can be deemed as a simple by-product of fulfilling the goals of the program. This condition applies also to C-Res as the administrator in the arrangement.

C-Res is responsible for holding in trust the Foundation funds, reporting to ACNC, and providing all administrative support required to meet the program's intent efficiently and effectively. The costs associated with providing this administration support will be determined annually and approved by the Trustee.

This LBF Charter provides the intent, guidance and overarching governance requirements for an effective and compliant delivery of each LBF. The Charter is reviewed and updated annually to inform continuous improvements in the delivery of LBF to meet the defined intent.

Intent

Building on local capabilities and opportunities for growth in current and emerging industries, the Local Buying Foundation will support projects and programs which facilitate workforce development, innovation, and the productive capacity of business and industry to grow the potential of their regional economies.

To realise this objective, each LBF will focus funding on project and program opportunities which enable existing and new business and industry to capitalise on local comparative and competitive advantages, and to help transition the regional economies where the LBF operates towards the next phase in their economic development. In assessing and awarding funding for projects and programs seeking LBF support, decision-making will be guided by the statement of intent and the economic development planning principles which underpin it (refer to section 4).

Glossary of Terms

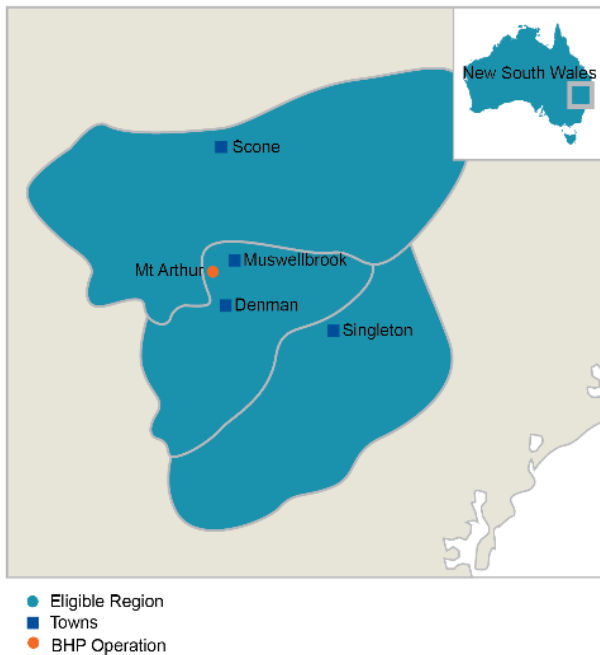
- ACNC Australian Charities and Not-for-profits Commission
- BHP BHP
- BMA BHP Mitsubishi Alliance
- C-Res C-Res (Qld) Pty Ltd

- Foundation Local Buying Foundation
- LBF Local Buying Foundation
- LBFAC Local Buying Foundation Advisory Committee
- LBFPO Local Buying Foundation Project Officer
- LBP Local Buying Program
- LOA Letter of Agreement
- MOU Memorandum of Understanding
- NiW BHP Nickel West
- NSWEC BHP New South Wales Energy Coal
- OD BHP Olympic Dam
- WAIO BHP Western Australia Iron Ore

Local Buying Foundation Footprints

- QLD: Central Highlands, Isaac, Mackay Region (may include Woorabinda Aboriginal Shire)
- NSW: Muswellbrook, Singleton, Upper Hunter Shire
- SA: District of Mount Remarkable, Port Augusta City Council, Port Pirie Regional Council, Roxby Downs Council, Whyalla City Council, Outback Communities Authority
- WA: Pilbara - Town of Port Hedland, Shire of East Pilbara and may include Shire of Ashburton. *Goldfields – to be confirmed.*

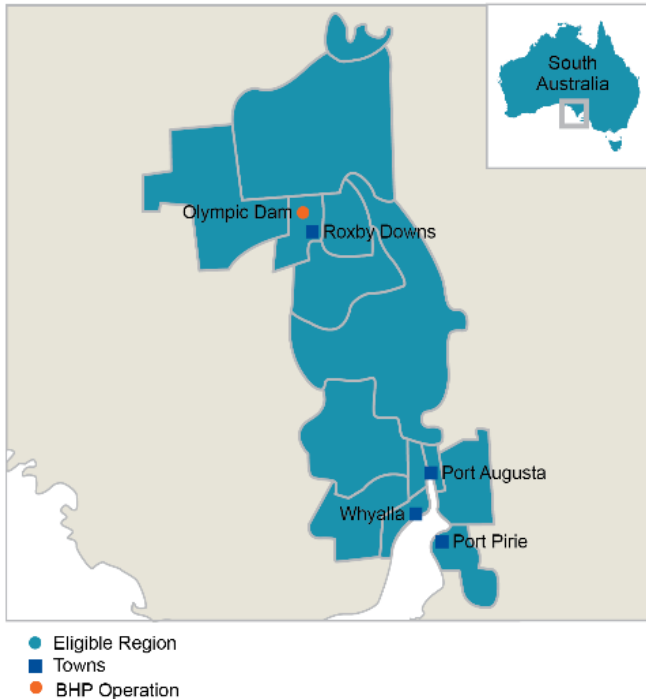
Local Buying Foundation New South Wales



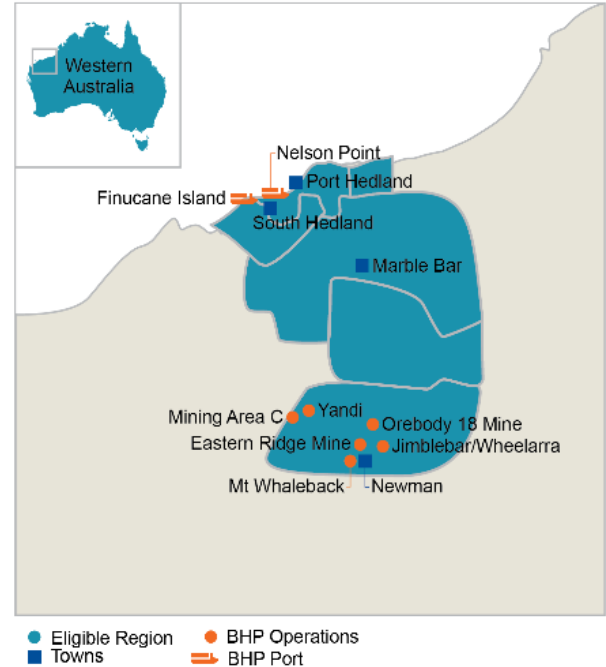
Local Buying Foundation Queensland



Local Buying Foundation South Australia



Local Buying Foundation Western Australia



1. Governance

Roles and Responsibilities

1.1 The Role of C-Res

C-Res will provide, along with the LBF Chair position, dedicated management of all LBFs (LBF Manager), resources to each LBF for secretarial support, financial and operations administration, marketing and communications, project facilitation, and project management of LBF led initiatives.

1.2 The Role of LBF Trustees

The Directors of C-Res act as Trustees for each Local Buying Foundation. C-Res Directors offer final approval for all funding decision supported by the LBFACs. They also decide the role of Chair for each LBFAC and are involved in any moves to approve/appoint members, discipline members or veto membership.

1.3 Role of Foundation's Chair

The role of Chair will be decided by the Trustees of each Foundation with the Trustees having the

final decision over Chair appointments. The Chair is required to be a serving Director on the Board of C-Res.

The Chair will serve as a member of the LBFAC and in addition, will have the following added powers:

- Exercising a casting vote in the event of a deadlock.
- In the event that a meeting is one member short of a quorum utilise the casting vote as a manner of meeting quorum requirements.
- Having the power to veto an application for membership to the LBFAC and final decision as to make up of LBFAC to best represent the principles of the LBF in consultation with the LBF Trustees.
- Having the power of veto in the event of a majority decision if said decision contradicts or contravenes the principles of the Foundation or objectives of same.
- Ensure the LBFAC exercises effective and ethical stewardship over all or any funds attributed to the Foundation.
- To approve a project variation that does not materially impact the overall agreed outcomes and approved funds.

The Chair will also-

- Provide leadership and strategic direction to the LBFAC and LBF Manager.
- Serve as the spokesperson for the LBFAC in the communities in which LBFs operate.
- Chair all meetings and provide guidance to any committees.
- Exercise necessary management of discipline regarding the representation of the LBFAC by members including the right to terminate membership.
- Advise the committees on good practice in corporate governance, e.g. providing guidance on the legal implications of the way it discharges its duties, runs meetings, and makes decisions, providing inductions to new LBFAC members.
- Be advised by the LBF Manager pre-screening recommendations for LBF funding applications to ensure governance of all applications has been met before being tabled at a LBFAC meeting.

Should the Chair be unavailable to undertake duties assigned to them then an alternative Director from the C-Res Board may assume the duties for that occasion or appoint an Acting Chair from the LBFAC until a LBF Chair is available or a new Chair from the C-Res Board is appointed

1.4 Role of the Local Buying Foundation Advisory Committee (LBFAC)

The primary role of each LBFAC is to provide the LBF Trustees with guidance and regional market/environment intelligence to inform, identify and support the investment and disbursement of the Foundations funds while overseeing the effective governance of the Foundation. The LBFAC

will ensure that projects, programs and initiatives align with the Foundations objectives and meet specified criteria as outlined with due care and diligence.

1.5 Local Buying Foundation Advisory Committee Responsibilities

The LBFAC will:

- Meet a minimum of twice per year, or no less than once every six calendar months to ensure the objectives, deliverables and program governance requirements are satisfied.
- Provide information and intel on current and emerging issues and trends associated with the LBF locus of influence.
- Represent the broad range of needs and interests, now and in the future, of the business community and other stakeholders as appropriate within the LBF locus of influence.
- Assess and recommend for approval any projects, programs and initiatives that meet the specified criteria for LBF funding.
- Maintain transparency of decision making at all times particularly in relation to funding approvals to ensure that perceived or real conflicts of interest are managed and/or negated.
- Respond in a timely manner for any requests by LBF within three business days of request. If the Flying Minute for an emergency funding there may be a requirement to respond in 24 hours, LBFPO will ensure to use both email and phone to contact if urgent response is required.
- Represent the LBFAC at business, economic and industry events relevant to the objectives of the LBF in particular where the LBF has provided funding to that event.
- Actively promote and advocate for the LBF in communities and networks.

Membership

1.6 Local Buying Foundation Advisory Committee Membership

Members will be drawn from regionally representative bodies that have a direct or indirect interest or investment in the betterment that the LBF projects, programs and initiatives bring to the areas that the LBF has the locus of operation within. Members will bring a diversity of representation regionally and by area of interest, skill and experience to the LBF and will be invited from a predetermined set of groupings.

Membership will be merit-based primarily with geographical representation consideration equally important where possible.

The LBFAC may from time to time increase its membership on a part or full-time basis dependent on regional need and if a suitable candidate organisation becomes available.

Membership is on a voluntary basis and neither the LBF, C-Res or any other member of the LBFAC can be held liable for any incidents arising from attendance at meetings or events.

Membership of the LBFAC is made up of permanent members including: Chairman, BHP Founding Member, representatives of the Local Government Councils where the LBF operates; and elected members – including at least 3-5 representatives from Regional Economic Bodies, Cross-Industry Organisations/Sectors and Independent Representation.

1.7 Independence and Composition

| Organisation or Body | Number of Positions | Representation* <i>* See terms of appointment</i> |
|--|--|--|
| LBF Permanent Membership | | |
| C-Res | 1 | Chair |
| BHP | 1 | Founding member. The representative is in a position of enough seniority within BHP to truly represent their interests in all decision making in this forum. |
| Representative from Local Government Councils for LBF operational area | 1/Council or group of Councils | Mayor or nominated representative of each Local Government Councils or group of Councils within the operational area who are in a position of enough seniority within the Council to truly represent their economic interests in all decision making in this forum. Council representatives are reviewed each election cycle in line with Local Government Council protocol. |
| LBF Elected Members | | |
| Incorporated/Registered Regional Economic development or Business Groups | 1/Local Government Area or group of LGAs covered by the LBF | Chair/CEO/President or equivalent executive position of the relevant organisation who is in a position of enough seniority within the organisation to truly represent the economic or business of their regions interests in all decision making in this forum. |
| Cross-Regional Industry Organisation or Sector | 3 | Representation from non-resource industries or sectors that can represent multiple regions by nature of operation including but not limited to- <ul style="list-style-type: none"> • Agriculture • Construction • Diversity • Education • Regional Development Australia • Tourism • Indigenous Representative • Not for Profit Nominated representative from organisations within each industry is in a position of enough seniority to truly represent the interests of the organisation in all decision making in this forum. |

| Organisation or Body | Number of Positions | Representation* <i>* See terms of appointment</i> |
|----------------------------|---------------------|--|
| Independent Representation | 1-3 | Representation from Independent individuals not directly aligned with any organisations that will directly apply for funding but represent a broad range of interests, industries, sectors or regions across the footprint of the LBF. |

1.8 Terms of Appointment

Membership shall be established utilising expression of interest process for terms of two years from date of appointment with a possible one-year extension at end of the two years if it is deemed beneficial to the LBFAC with a continuity of representation. Consideration will always be given to LBF and LBFAC continuity when rotating or changing membership therefore staggered terms of appointment for members will be sought in the initial formulation of the committee while considering the skills and knowledge matrix of all applicants. Further to this, there is the ability to apply a plus or minus six months to any individual term whilst rotation is being accommodated. Each new member will undergo an induction / onboarding process prior to attending the first LBFAC meeting.

For Membership of Incorporated/Registered Regional Economic development or Business Groups and Cross-Regional Industry Organisation membership will be awarded to an organisation, not an individual, which means that if the individual no longer holds the position for which they were accepted as a member through election or change of role then they are no longer entitled to hold that role on LBFAC. Individuals that do not represent an organisation but have regional significance or offering may be considered as an Independent Representation.

BHP's nominated representative/s will hold the position of Founding Member and must be holding a position within BHP that accommodates relevant decision making as well as affording representation of the interests of BHP in this forum. If the nominated representative no longer holds that position and is therefore required to resign from the LBFAC, they are to notify the LBF Chair as soon as possible to allow a replacement to be nominated and adequate handover provided.

All LBFAC members must advise on appointment all or any conflict-of-interest current or potential conflict that may affect decision making.

1.9 Meetings and Sub-Committees

Meetings will be held on the basis of at least one every four- six calendar months with, on occasion, the formation of sub-committees based on expertise, knowledge and lack of perceived bias to primarily assess applications for funding to be decided upon by the LBFAC at said meetings. Sub-committees may meet more regularly to allow reporting to the main LBFAC.

1.10 Quorum

A quorum shall be half of the LBFAC members being present with the consideration that the Chair by nature of the role may exercise their casting vote to ensure quorum requirements are met.

1.11 Retirement or Resignation of Members

A person will cease to be a member and therefore cease to represent the Foundation in any manner when they-

- Resign in writing to the Chair providing adequate notice to ensure continuity where appropriate of decision making.
- No longer hold the position or are employed by the representative organisation as originally nominated.
- No longer resides within the operational area and/or no longer able to fulfil the original reasons for membership acceptance.
- Absents themselves without justification from two consecutive meetings and/or fails to complete required duties pertaining to the membership during a continuous six-month period thus affording the Chair the consideration of the seat being vacated.
- Becomes incapable due to injury; illness or mental health reasons of managing their own affairs.
- Is prohibited by law from being a director or disqualified from acting as a Trustee by virtue of Section 72 of the Charities Act 1993 (or any statutory re-enactment or modification of that provision) albeit that membership does not indicate that a person is a Director or Trustee for the purposes of membership.
- Mis-represent, defame, or publicly question the decisions, actions and principles of the LBF and/or LBFAC or its representatives.

1.12 Conflicts of Interest

A conflict of interest is deemed as a situation in which an LBFAC member or C-Res Director has competing interests or loyalties and/or a member whose personal interests' conflict with his/her position on the LBFAC. The conflict may be actual or perceived and regardless the management will be the same.

These may arise when-

- A member has an interest either personal or business-related to a decision being considered by the LBFAC or its distribution of funding.

Management of conflict of interest-

- Any interests of the LBFAC members in proposals or transactions relating to the Foundations operations be declared in advance.

- Upon declaration, consideration be given by the Chair as to the level of conflict and whether abstaining from discussion/decision process is required and/or removal from proceedings during that consideration; and
 - A register of interests and conflicts of interests be maintained and regularly updated.
- Examples of Conflicts of Interest:

| Example of COI: | COI Management: |
|---|---|
| LBFAC member is the applicant, or worked directly on the application | COI noted on project register, member to remove themselves from all discussions regarding the project, note COI in the minutes including time in and out of the meeting |
| Letter of support provided from a member of the LBFAC to the applicant as a direct Stakeholder engaged in the application | If Letter of Support is based on organisation/individual being a direct stakeholder - COI noted on project register, member to remove themselves from all discussions regarding the project, note COI in the minutes including time in and out of the meeting |
| | If Letter of Support is based on organisation/individual providing general support to the application - consideration be given by the Chair as to the level of conflict and whether abstaining from discussion/decision process is required and/or removal from proceedings during that consideration |
| Letter of support provided from the organisation that a member is apart of, but not directly from the member themselves | COI noted on the project register, LBF Chair and LBFAC to discuss level of COI and decide as to whether they can partake in the discussion. Discussion to be noted in the minutes. |
| LBFAC member organisation a sponsor or partner in the event | COI noted on the project register, LBF Chair and LBFAC to discuss level of COI and decide as to whether they can partake in the discussion. Discussion to be noted in the minutes. |
| LBFAC member has worked with applicant on other projects but is not involved with application project being reviewed. | No COI – if raised in the meeting, declaration to be added to minutes. |

1.13 Conflicts Management

Whilst robust discussion and representation of opinions are welcomed, the value of respect for individual difference is required by all members.

All conflicts will be managed under the principles of natural justice and where appropriate and applicable to decision making will be managed under majority rule.

All disputes will be managed by the trustees of the LBF, the C-Res Board.

1.14 Access to Independent Advice

The Chair may provide or have provided access to independent advice regarding any matter as they see appropriate and cannot refuse a reasonable request for said independent advice.

1.15 Induction and Continuous Training

New members will be inducted into their roles as Members and will sign acceptance of the Charter as a requisite document for compliance and membership.

Existing and or continuing members will be refreshed and/or updated on the membership requirements at each LBFAC meeting.

1.16 Media Representation and Liaison

In relation to a liaison at any level with media including social media, all LBFAC Members will agree that no member can speak to the media or represent the views of any member, the LBFAC, BHP or C-Res in any form of media that can be directly or indirectly accessed by fair means or foul without prior approval from the Chair or C-Res CEO. In relation to BHP, approval is required from the Founding member.

1.17 Annual Review

An annual review will be undertaken utilising the previous financial years' activities and deliverables, and a subsequent priority list will be formulated to drive decisions in the coming year. This review will be undertaken by C-Res and presented for consideration by the LBFAC. In addition, the LBFAC may determine additional programs/projects/initiatives that are to be considered. A public summary will be made available.

2. Funding and Decision Making

2.1 LBF Funding Categories

The following categories will be used for funding considerations that are in alignment with the LBF Statement of Intent and Economic Planning Principles. The categories reflect the intent of the LBF whilst aligning with the priorities of the regions where the LBF operates.

The ability to adapt the set categories to respond to Regional and Industry needs is possible, with additional categories to be presented to the LBFAC and LBF Trustees for endorsement prior to approval with applicants.



2.1.1 Business and Industry Innovation

This category focuses on funding proposals which seek to deliver ‘innovation infrastructure and services’, including facilities, resources and services used by researchers, educators, business and industry to conduct research and foster innovation. This includes facilities such as shared workspaces, ‘maker spaces’ and business incubators, accelerators and programs where research, knowledge and data can be connected with entrepreneurial ideas to grow high-value and innovative businesses. This also includes investigation, development and delivery of programs aimed at reducing carbon emissions and increasing cybersecurity.

2.1.2 Workforce Development

Businesses need access to workers with appropriate skills, and human capital is one of the most important inputs to economic activity. Australia’s economy is becoming increasingly reliant on knowledge-intensive jobs focused on ideas and problem-solving. At the same time,

the nature of employment is changing, with many jobs relying on both manual and cognitive skills which complement automated, technology-driven production processes. This category is focused on funding applications for proposals which are aimed at helping regional economies to equip themselves with the skills, knowledge and capabilities required to adapt to new economic opportunities as they arise and to thrive in a constantly changing environment. It is focused on workforce planning and development programs and education and training initiatives which will build workforce capacity by addressing the skills needed to equip the workforce of the future.

2.1.3 Indigenous Economic Development

This category is focused on funding proposals which seek to promote economic development by facilitating the involvement of Indigenous people in employment, business, asset and wealth creation in the communities and regions where they live. This includes initiatives which seek to provide opportunities for Indigenous people to access business and workforce development.

2.1.4 Micro-business and SME Capacity-building

This category is focused on initiatives that will serve to facilitate the development of basic business knowledge and business capabilities and enhance the innovative and productive capacity of local industry. It is focused on the delivery of programs which provide information on and access to business support services; basic business training and business planning; or information on programs that facilitate access to finance to help establish and grow commercially-viable small and medium-sized businesses.

2.1.5 Industry Promotion and Economic Development

This category is focused on funding proposals which seek to build on the local region's comparative and competitive advantages, to help emerging and expanding industries to develop and grow. It includes, for example, the preparation of local / regional economic development strategies, industry- specific planning studies and strategies, regional industry marketing plans and industry investment prospectus materials or investment attraction strategies.

2.1.6 Sponsorship

This category is focused on continuing the Local Buying Foundation's support for local business events, awards and conferences which occur on an annual basis and which do not need to complete the full application /approval process. Sponsorship applications must include a sponsorship prospectus showing event details and the expected event outcomes. Sponsorship applications are reviewed with consideration taken on the length of the event, the number of people and the relevance to the LBF. If events are successful, the LBFAC may agree to sponsor the event for a number of years depending on an updated prospectus being submitted each year.

Funding limits can be applied for each category which is dependent on each LBF financial capacity and project needs in the regions the LBF operates.

2.1.7 B.I.G. Futures Fund

The B.I.G Futures fund is to provide financial assistance for business, economic development and industry groups to continue delivering services to their membership/business base during **key times of economic change**. Originally created in response to the rapid needs of business groups during COVID-19, the B.I.G. Futures Fund was created as an opportunity for business, economic and industry groups to easily access funding with a quicker turnaround time during times of significant change to communities due to economic up and downswings, industry change and other impacts.

LBF will remain accessible for funding requests outside of the set funding rounds for projects that align with the LBF categories and the need for funding is either caused from an emergency or opportunities have come about that would not want to be missed.

Applications for this funding are submitted through the [Big Futures Fund Application Form](#) located on the LBF website and are reviewed by the LBF Project Officers in consultation with the LBF Manager with a recommendation provided to the LBF Chair. If the application is recommended, it will be sent to the LBFAC via Flying Minute for review and response. Once response received the application will go to the LBF Trustees for final approval.

Examples of when B.I.G Futures Funding may be applied for are:

- Community Disaster/Pandemic Business Support Programs (eg Covid-19, Cyclone etc)
- New government funding opportunities which require other funding contributions or matched contribution to access the funding.
- Last minute opportunities – if organisation is able to secure opportunities that require quick action and offer benefits to members and business communities.

To support all targeted categories -

- A. Funds will be allocated to grantees via competitive funding rounds whereby an application for funding is submitted utilising information as provided on the LBF website which includes eligibility criteria. The allocation of funding will be endorsed for approval by a majority vote of the LBFAC with consideration for alignment to the Foundation's principles, objectives and criteria.
- B. Funds will also be allocated based on the LBFAC recommendations that identify strategic projects and programs aligned with the statement of intent and the economic development planning principles which underpin it. These may be competitive or non-competitive, depending on whether the LBFAC decides to grant an exemption for organisations that are a clear or logical choice to deliver a particular project or program. Members may submit proposals for consideration in line with the decision-making framework however in line with their membership responsibilities are not allowed to participate in, lobby or coerce other members regarding the decision-making process.

The LBFAC and the Foundation will operate on a minimum six-monthly funding review cycle. As appropriate the LBFAC may remove funding rounds or add additional funding opportunities. It has the flexibility of decision making to fund projects of any scale. C-Res will

provide a summary of eligible funding applications for each LBFAC meeting within the LBFAC meeting material.

2.2 Project Assessment

All projects to be considered must meet the minimum specified criteria (see section 2.3).

The LBFAC will ensure, by whatever means deemed required, that all recipient organisations or individuals meet the following criteria. If an organisation is not eligible for LBF funding and intends to be auspiced by an eligible organisation, the auspicing organisation must meet the criteria.-

- The organisation has demonstrated capacity, financial stability and leadership to support this project.
- The organisation must have a formal governance structure and/or registered with the appropriate government bodies. Have a proven track record of achievement and project management capability to deliver the proposed project/program.
- The organisation must provide accurate and satisfactory information initially and subsequently if required in relation to the proposed project/program outcomes or delivery of same.
- The organisation can demonstrate support by, or considerable benefit for, the community in which they intend to deliver.
- The application is not from a Government Entity, School or Commercial Business.

2.2.1 Pre-Qualified Organisations

An annually reviewed database of pre-qualified organisations in each region covered by the LBFAC will be compiled in order to streamline the application process for organisations that have delivered an event or service previously. This list does not guarantee funding to said organisation.

2.2.2 Selection Criteria

Project Definition

Every project will be supported by evidence that shows that is viable from both a financial and deliverable basis. The complexity of documentation will vary according to the complexity of the project however must at the very least include all elements in line with the National Funding Application Form, including-

- Applicant Information including governance documents
- Summary of project, project objectives and overall aim
- Financials, including budget showing LBF funding and other funding sources including in kind.
- Project Impact information including expected outcomes and how the project will

be monitored and evaluated.

- Marketing Information/Comms Plans
- Details on project sustainability
- Project timelines
- Support from other organisations
- Risk Mitigations Strategy

Project Readiness

Projects that are ready to proceed within the timeframes of funding approval will have preference over projects that require further approvals or design and capability assessment. Therefore, documentation should include-

1. Documentation of partnerships or collaborations that support the success of the project.
2. All requisite approvals as appropriate.
3. A firm commencement and completion date including factors that may affect this such as weather, pandemic.
4. Project dependence on other projects or activities.
5. Project dependence on delivery of goods and services by third parties; and
6. General risk mitigation strategy.

Regional Support

LBF seeks to support projects that have strong regional impacts for local business communities and industries. All applications should be able to clearly articulate sectoral benefit as well as detail regional benefit.

Additional Funding Sources In addition to the LBF, there can be a range of other funding sources or bodies depending on the project, region and funding initiatives. The LBF encourages joint or collaborative funding applications. Therefore, project applicants are encouraged to:

1. Where possible, provide any evidence or information that no other funding opportunities exist or if they exist, they do not meet the requirements or timelines of the project. An example might be an excerpt from Grant Guru or similar comprehensive grant listing.
2. Clearly outline any on-going funding requirements that may affect the results of the project.
3. Demonstration of value for money and clear total cost.
4. Value of contribution by status partners whether a direct or in-kind contribution.

Minimum application requirements

Applications must also meet the minimum standard for consideration of-

- The need/opportunity that the project seeks to address.
- The goals and specific outcomes and objectives of the arrangement.
- A project plan including timelines.
- A marketing and communications plan including how the LBF is to be acknowledged.
- Budget and key performance indicators.
- Evaluation methodology.

If the project application includes funding for personnel to deliver the project, the applicant may be requested to also provide-

- a breakdown of all salary, superannuation, and any on costs for the position (the relevant Award to be included)
 - position descriptions with alignment to required qualifications and skills, project deliverables and proposed salaries
 - organisational structure that shows where the position/s sit within the organisation and clear lines of supervision and support
 - if the positions are to be direct employees of the applicant or contracted positions
- If the application includes funding for consultants, the applicant may be requested to provide-
- information on process to select the consultant/s
 - quotes from the consultant with clear breakdown of deliverables and costs

It is acknowledged that the above may not be available at the time of application as seeking a suitable consultant depends on securing funding. If this is the case, the LBF may pre-approve funding, but provision of quotes will be required before any funds can be released. This ensures the LBF can undertake the appropriate due diligence on the consultant that will be receiving LBF funds.

In addition to alignment with the Foundations strategic intent and the underpinning economic development planning principles, proposals will be assessed according to the following-

1. **Impact** - number of people and/or size of the area directly impacted/affected/benefitted by the proposal whether that be immediate or through scalability in consideration of a pilot.
2. **Sustainability** - the ability for the results to be sustained or be self-sustaining; be replicable or have long term impact on the community as a whole.
3. **Cost-Effectiveness** - pass a cost-benefit analysis type of scrutiny particularly in relation to outcomes versus administration and the leveraging of other funding sources.
4. **Alignment and Practicality** - programs are aligned with the principles and key result areas of the LBF.

5. **Project Agility/Flexibility** - ability to respond to changing needs, strategies, and risk mitigation.
6. **Reputational Advantage and Exposure** - the initiative builds a positive reputation and gives good exposure and recognition to LBF.
7. **Indigenous Business Engagement** – the program or project can demonstrate how it will engage Indigenous business, raise awareness of First Nations people, or contribute to positive outcomes for Indigenous businesses

In general, the LBF does not fund an organisations core business-as-usual activities and ensures, where possible, the organisation is not reliant on LBF funds to remain solvent.

3. Application Review, Reporting, Monitoring and Evaluation

3.1 Application Review

Applications submitted through the Local Buying Foundation are reviewed by the Project Officers in the first instance to ensure compliance. Project Officers (under LBF Manager supervision) are to complete the pre-review prior to providing a recommendation to the LBF Chair for approval to proceed to the respective LBFAC. Where applications have had input or significant support from the Project Officer in preparing the application, the LBF Manager will ensure the final application is free from conflict from the LBFPO. Some projects may require a more detailed review process and involve more due-diligence, processing and or guidance from the LBF Trustees before submitting to the LBFAC due to a potential high risk (financial, reputational, governance).

3.1.1 Application Review Documentation

Only applications that are received through the LBF website and are considered complete through that process will be processed. A preliminary assessment by the LBFPO against process and selection criteria will be conducted to ensure that LBFAC meeting time is maximised for productivity.

Pre-assessment is performed by the LBFPO for that LBF (or another LBFPO if the state based LBFPO was supporting the application process) and following consultation with the LBF Manager is then presented to the Chair prior to the scheduled meeting* dependent on nature and complexity of the application for a recommendation to proceed to the LBFAC.

Assessment of the application is then performed by the LBFAC members prior to the LBFAC meeting using the provided assessment checklist against LBF criteria to reach a recommendation. All applications for review are provided to the LBFAC members one week prior to the scheduled meeting.

**Note that the meeting is for funding decision making, not individual assessment purposes.*

If a project has been recommended by the LBFAC, advice will be provided to the LBF Trustees for endorsement at the next scheduled C-Res Board meeting, prior to notifying the applicant.

Flying Minute Process

Any out of cycle funding decisions may be determined by Flying Minute if the Chair makes a recommendation that the application meets all criteria and cannot wait for the next funding round LBFAC meeting adhering to the following process.

- LBFPO: Email to LBFAC members with link to application overview, and Project Register to access full application documents (requesting a confirmed response date).
- LBFPO: Email to LBF Manager a completed table in the body of the email using the email template listing; Project ID, Application Name, Applicant, LBFAC Amount Recommended, Conflict of Interest, Link to Project Register
- LBF Manager: If the project is to be approved in a scheduled C-Res Board Meeting, the information is to be included in the LBF Report. If the project is to be approved by the C-Res Board via Flying Minute, the information is to be provided by the CEO to undertake the C-Res Board Flying Minute process
- CEO: Provides the C-Res Board outcome to the LBF Manager for usual processing.

3.1.2 Approved Project Documentation

Once projects are approved by the LBF Trustees (C-Res Board), the LBFPO develops a Memorandum of Understanding (MOU), Memorandum of Agreement (MOA) or a Letter of Agreement (LOA) outlining the requirements of the partnership between the LBF and the applicant.

A LOA is put in place when there is a HR component with set KPIs for the role or the project is of significant value and high risk and or complexity and specific KPIs and deliverables must be met. An MOU, MOA or LOA must be completed and signed by a person in authority from the organisation (President, Chief Executive Officer, General Manager or Board Chairman) and the LBF Chair prior to the commencement of the project. The MOU, MOA and LOA are then used to report against for the project, along with the project application.

An MOU, MOA or LOA is not required for approved sponsorship prospectus funding.

3.1.3 Project Reporting

It will be a condition of funding that all approved programs, projects and initiatives report on their outcomes and results and acquit all funds. Project deliverables may be highlighted in the Annual LBF Report prepared by C- Res and captured through regular surveys and data collection to ensure LBF is meeting its objectives.

If throughout the project, there are any significant changes to deliverables, timeline or funding amounts, the applicant must complete a project variation through the online form.

Project variations are reviewed internally with the LBF Chair, LBFPO and LBF Manager and the LBF Chair is to decide whether the variation requires input and approval from the LBFAC and LBF trustees. If there is a request for additional funding, the variation must go to the LBFAC for recommendation and then to the LBF Trustees for final approval.

3.1.4 Management Reporting

A Project report summary will be provided to members at each LBFAC meeting to ensure that previously approved projects are progressing as per agreed timeframes, KPIs and outcomes.

3.2 Monitoring and Evaluation

3.2.1 Post Project Evaluation

Funding recipients are required to complete a post-program evaluation form which is available on the website and is collated and used by C-Res to assess program effectiveness. Additional post project evaluation may be required and will be outlined and attached to MOUs or LOAs.

3.2.2 Financial Evaluation and Audit

It is a condition of the LBF grant funding that the funded organisation fully acquit the funds received against the approved budget. The only exception to this could be for general event sponsorship. If it is a multi-year project, there may be a requirement for funds to be reconciled annually and then acquitting at project completion.

Grant monies should be acquitted within 28 days of the completion of the project (or reconciled within 28 days of end of each project year if a multi-year project) through the submission of an Expenditure Declaration including a financial statement of expenditure. All unspent funds must be returned to the Local Buying Foundation. Templates are attached to the MOU, MOA or LOA pre-filled with the approved funding against line items to be reconciled or acquitted.

Approved funding programs less than \$100,000 must have their Expenditure Declaration certified by a person in authority (Chief Executive Officer, General Manager or Board Chairman) from the funded organisation.

Funding greater than \$100,000, must have their Expenditure Declaration certified by a person in authority (Chief Executive Officer, General Manager or Board Chairman) from the funded organisation, and if requested by the LBF, an accountant to sign the Acquittal declaration.

Funding greater than \$250,000, must have their Expenditure Declaration certified by a person in authority (Chief Executive Officer, General Manager or Board Chairman) from the

funded organisation, and if requested by the LBF, an accountant to sign the Acquittal declaration. The LBF may request a full audit from an independent qualified accountant which will be at the expense of the LBF.

The LBF reserves the right to request individual budget line-item acquittals or a full audit acquittal for any program funding amount and implement a spot audit at any time throughout the project. Provision for an external audit can be included in project applications.

Financial reconciliation and acquittal templates will be provided to the funded organisation and all acquittal requirements will be outlined and agreed to in the MOU or LOA.

4. First Nations Requirements

The LBF recognises the Traditional Custodians of all the lands on which we work and live and extends this to all organisations that receive LBF funding.

Acknowledging and respecting this, through arranging a Welcome to Country ceremony or delivering an Acknowledgement of Country, and through using respectful and inclusive language and terminology when speaking to, and referring to in speech or writing, Aboriginal and Torres Strait Islander peoples, are important steps in this recognition.

The LBF encourages funded organisations to pay their respects to the Traditional Owner/s of the land on which any LBF funded activity is being held, and strongly recommends the inclusion of a Welcome to Country or Acknowledgement of Country wherever possible.

Below is guidance on protocols used for respectful and appropriate language when performing the following acknowledgements.

Welcome to Country

A Welcome to Country* is an important ceremony conducted by a Traditional Owner, Custodian or Elder for a particular region or “country” of First Nations peoples. It is an accepted and established protocol when entering onto “country”. Who and how the Welcome to Country is conducted is dependent upon the location of the event and the practice of the community. Steps should be taken to ensure that the appropriate Aboriginal representative is invited to undertake the ceremony. It is very important that the Aboriginal representative has been involved in and is comfortable with the arrangements.

**Note – some Traditional Owners may prefer for this protocol of respect to be delivered in other ways or accompanied with other actions, such as traditional smoking ceremonies or taking a minute of silence for elders past. Traditional Owners may request that you do not say the name of a person who has recently passed.*

Acknowledgement of Country

An Acknowledgement of Country is usually delivered as part of Welcome and Housekeeping at meetings and events.

Acknowledgements are often made at the commencement of an event or meeting and can be made by anybody, Indigenous or non-Indigenous. An Acknowledgement of Country can be made following a Welcome to Country, or when a Welcome to Country is not possible e.g. commencement of a meeting and the Traditional Owners are not in attendance.

Generic — this should be used if you don't know the name of the people on whose land you are gathered, or if there are disputes about the land (multiple Aboriginal peoples identify as Traditional Custodians for that area). The words are:

'We acknowledge and pay respect to the First Nation's people who are the traditional custodians of the land and waterways on which we meet today. We pay respect to the Elders both past and present, and emerging leaders and recognise their continuing connection to the land, waters and culture. We extend that respect to all other Aboriginal and Torres Strait Islander persons present today. We acknowledge that Aboriginal and Torres Strait Islander people continue to live in spiritual and sacred relationships with this country'

Specific — this should be used where there are no disputes and you know the name of the people on whose land you are gathered:

'We acknowledge and pay respect to the First Nation's people from <insert name> who are the traditional custodians of the land and waterways on which we meet today. We pay respect to the Elders both past and present, and emerging leaders and recognise their continuing connection to the land, waters and culture. We extend that respect to all other Aboriginal and Torres Strait Islander persons present today. We acknowledge that Aboriginal and Torres Strait Islander people continue to live in spiritual and sacred relationships with this country'

General (Australia wide – webinar / website / printed material):

'In the spirit of reconciliation the <organisation> acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.'

5. Supporting Information

5.1 Economic Development Planning Principles

The Local Buying Foundation's Economic Development Planning Principles:

In encouraging business innovation, the development of workforce skills, industry diversification and new investment in the regions where it operates, the Local Buying Foundation supports initiatives and proposals which:

- Support entrepreneurship and innovation in current and emerging industries including, but not limited to food and agri-business, advanced manufacturing, professional services, the creative industries, education, health and tourism.
- Facilitate or promote opportunities for value-added economic activities which target existing, new and emerging markets.
- Support industry adaptation and the capacity of businesses to respond to issues and opportunities concerning climate change and water security.
- Support economic diversification and the growth of 'knowledge-intensive' industry activities.
- Support micro and small-to-medium sized enterprises (SMEs) to build their productive capacity through business training, workforce development, research and innovation.
- Address local workforce capacity through the development of skills to serve the workforce of the future in line with the requirements of existing and emerging industries.
- Encourage Indigenous economic development through initiatives which provide opportunities for Indigenous people to access education, training and employment in the communities where they live.