

# Local Buying Foundation

## CHARTER

Version 2

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## Table of Contents

1. Overview.....	3
2. Intent	3
3. Glossary of Terms.....	3
4. Governance .....	4
4.1 Roles and Responsibilities.....	4
4.2 Local Buying Foundation Advisory Committee Membership .....	4
4.3 Independence and Composition .....	5
4.4 Terms of Appointment .....	6
4.5 Meetings and Sub-Committees .....	6
4.6 Quorum .....	6
4.7 Retirement or Resignation of Members.....	6
4.8 Conflicts of Interest.....	6
4.9 Conflicts Management .....	7
4.10 Access to Independent Advice .....	8
4.11 Media Representation and Liaison .....	8
4.12 Annual Review .....	8
5. Funding and Decision Making .....	8
5.1 The Local Buying Foundation’s Economic Development Planning Principles .....	8
5.2 LBF Funding Categories .....	8
5.2.1 B.I.G. Futures Fund.....	9
6. First Nations Requirements .....	10
7. Charter Review .....	10

## 1. 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 / LBF 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 the LBF Chair and LBF Advisory Committee (LBFAC) Chair resides with the Trustees.

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 and should be on average, be no more than 15% of the total annual income received.

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.

## 2. Intent

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

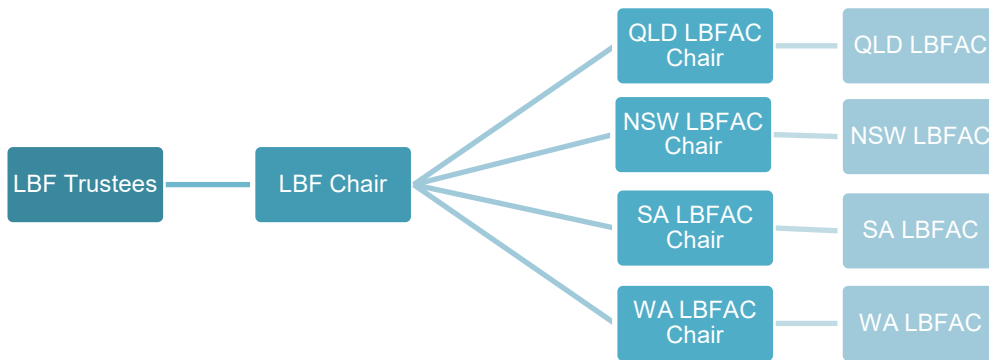
## 3. Glossary of Terms

- ACNC Australian Charities and Not-for-profits Commission
- BHP BHP
- C-Res C-Res (Qld) Pty Ltd
- CuSA BHP Copper SA (formerly OD – Olympic Dam)
- Foundation Local Buying Foundation
- LBF Local Buying Foundation
- LBFAC Local Buying Foundation Advisory Committee
- LBP Local Buying Program
- LOA Letter of Agreement
- MOA Memorandum of Agreement

## 4. Governance

### 4.1 Roles and Responsibilities

Role	Responsibility
<b>LBF Trustee</b>	Approval of LBF Advisory Committee Membership Approval of funding recommended by LBF Advisory Committees Approval of strategic documents and compliance requirements
<b>LBF Chair</b>	Overarching responsibility for all Local Buying Foundations including: <ul style="list-style-type: none"> <li>• Strategic Leadership: Provide vision and strategy</li> <li>• Coordination and oversight: Oversee state Chairs responsibilities</li> <li>• Governance and compliance: LBF Charters, Trust Deeds, ACNC, Financials</li> <li>• Stakeholder Engagement</li> <li>• Decision-Making &amp; Conflict Resolution</li> <li>• Monitoring and evaluation</li> <li>• Reports to LBF Trustees (and is a member of the Trustees)</li> <li>• May also be a LBFAC Chair</li> </ul> <i>Refer to LBF Chair Position Description.</i>
<b>LBFAC Chair</b>	As per LBF Chair but applicable to their assigned state LBFAC and includes accountability for governance and compliance of project administration and LBF Advisory Committee relationships. LBFAC Chair reports to LBF Chair. <i>Refer to LBFAC Chair Position Description.</i>
<b>LBF Advisory Committee (LBFAC)</b>	Provides the LBFAC Chair with guidance and regional market/environment intelligence to inform, identify and support the investment and disbursement of the Foundations funds. 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. Reports to LBFAC Chair. <i>Refer to LBFAC Induction Manual.</i>



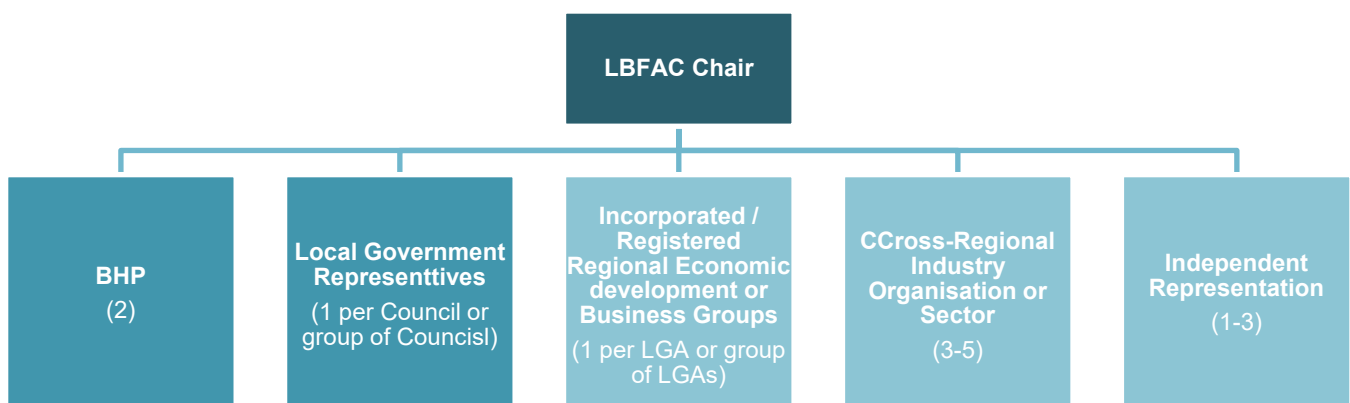
### 4.2 Local Buying Foundation Advisory Committee Membership

- **Membership Selection:**
  - Drawn from regional representative bodies with a direct or indirect interest in LBF projects, programs, and initiatives with a diverse range of skills and experience.
- **Membership Dynamics:**
  - Membership may increase based on regional needs and availability of suitable candidate organisations.
  - Membership is on a voluntary basis
  - Members are responsible for their own travel; LBF may cover accommodation costs when appropriate.
  - Online meeting options available for those unable to travel.

- **Composition of LBFAC:**
  - **Permanent members:** LBFAC Chair, two BHP representatives, and representatives from Local Government Councils.
  - **Elected members:** Representatives from regional economic bodies, cross-regional industry organisations, and independent representatives.

### 4.3 Independence and Composition

Organisation or Body	Number of Positions	Representation* * See terms of appointment
<b>LBF Permanent Membership</b>		
LBF Trustee	<b>1</b>	<b>LBFAC Chair</b>
BHP	<b>1-2</b> (limited to 1 voting seat)	The representatives are 1 person from BHP Procurement Teams and 1 person from BHP Communities and/or Social Values Teams who represent the regional economic interests of BHP in all decision making in this forum.
Representative from Local Government Councils for LBF operational area	<b>1 per Council or group of Councils</b>	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.
<b>LBF Elected Members</b>		
Incorporated/ Registered Regional Economic development or Business Groups	<b>1 per LGA or group of LGAs</b>	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 / LGA (Local Government Area) interests in all decision making in this forum.
Cross-Regional Industry Organisation or Sector	<b>3-5</b>	Representation from industries or sectors that can represent multiple regions by nature of operation including but not limited to: Agriculture; Construction; Diversity; Education; METS; Regional Development Australia; Resources; Tourism; Indigenous Representative; Community Organisation. 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.
Independent Representation	<b>1-3</b>	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.



## 4.4 Terms of Appointment

- **Membership Terms and Process:**
  - Established using an expression of interest process.
  - Terms of two years with a possible one-year extension.
  - Terms are staggered to ensure continuity and consider skills and knowledge.
- **Organisational Membership:**
  - Membership for regional economic development or business groups awarded to organisations, not individuals.
  - Individuals no longer holding their position must resign from LBFAC.
- **BHP Representatives:**
  - Must hold relevant decision-making positions within BHP.
  - Required to notify the LBF Chair if they resign or change roles.
- **Conflict of Interest:**
  - All members must declare any conflicts of interest upon appointment.

## 4.5 Meetings and Sub-Committees

Meetings will be held 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.

## 4.6 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.

## 4.7 Retirement or Resignation of Members

A person will cease to be a member and represent the Foundation when they:

- Resign in writing to the LBFAC Chair with adequate notice.
- No longer hold the position or employment with the representative organization.
- No longer reside within the operational area or cannot fulfill membership reasons.
- Miss two consecutive meetings without justification or fail to complete duties for six months.
- Become incapable of managing their affairs due to injury, illness, or mental health reasons.
- Are legally prohibited from being a director or disqualified from acting as a Trustee.
- Misrepresent, defame, or publicly question the decisions, actions, and principles of the LBF and/or LBFAC.

## 4.8 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-

- If quorum cannot be met due to COI's recommendations from the LBF Chair will be provided to LBF Trustees for approval.
- Any interests of the LBFAC members in proposals or transactions relating to the Foundations operations must be declared as soon as identified to the Chair
- 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.
- In the event the Chair has a conflict of interest the Chair can appoint a Proxy Chair (either LBFAC Member or Trustee) to address the matter.

Example of COI:	COI Management:
<b>LBFAC member is the applicant, or worked directly on the application</b>	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
<b>Letter of support provided from a member of the LBFAC to the applicant as a direct Stakeholder engaged in the application</b>	<p>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</p> <p>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</p>
<b>Letter of support provided from the organisation that a member is a part of, but not directly from the member themselves</b>	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.
<b>LBFAC member organisation a sponsor or partner in the event</b>	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.
<b>LBFAC member has worked with applicant on other projects but is not involved with application project being reviewed.</b>	No COI – if raised in the meeting, declaration to be added to minutes.

**4.9 Conflicts Management**

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.

## 4.10 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.

## 4.11 Media Representation and Liaison

In relation to liaising with media at any level, including social media, all LBFAC Members must agree that no member may speak to the media or represent the views of any individual member, the LBAFC, BHP or C-Res in any form of media, whether directly or indirectly accessed by fair means or foul, without prior approval from the Chair or C-Res CEO. Additionally, any media content related to BHP must be pre-approved by BHP prior to its release.

## 4.12 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 through a rolling 2-3 year funding output strategy.

# 5. Funding and Decision Making

## 5.1 The Local Buying Foundation's Economic Development Planning Principles

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

1. Support innovation and entrepreneurship in current and emerging industries including, but not limited to food and agri-business, METS, bio-futures, renewables, advanced manufacturing, health and medical research, education and tourism.
2. Support industry adaptation and the capacity of businesses to respond to issues and opportunities concerning climate change, energy transition, the circular economy and sustainability.
3. Support micro and small-to-medium sized enterprises (SMEs) to build their productive capacity through business training, workforce planning & development, research & innovation, networking and collaboration.
4. Support workforce capacity and capability-building through the development of skills that serve the workforce of the future in line with the requirements of existing and emerging industries.
5. Encourage Indigenous economic development through initiatives which provide opportunities for Indigenous people to access business and workforce development in the communities where they live.

## 5.2 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.



Category	Focus	Includes
<b>Business and Industry Innovation</b>	Funding for innovation infrastructure and services	Shared workspaces, maker spaces, business incubators, accelerators, and programs for reducing carbon emissions and increasing cybersecurity
<b>Workforce Development</b>	Equipping regional economies with necessary skills and knowledge	Workforce planning, development programs, and education/training initiatives to build future workforce capacity
<b>Indigenous Economic Development</b>	Promoting economic development for Indigenous communities	Employment, business, asset, and wealth creation opportunities for Indigenous people
<b>Micro-business and SME Capacity-building</b>	Enhancing business knowledge and capabilities of local industries	Business support services, basic business training, business planning, and access to finance for small and medium-sized businesses
<b>Industry Promotion and Economic Development</b>	Leveraging local region's advantages to grow industries	Economic development strategies, industry-specific planning, marketing plans, and investment attraction strategies
<b>Sponsorship</b>	Supporting local business events, awards, and conferences	Sponsorship applications reviewed against guidelines, considering broader economic impacts and strategic opportunities

### 5.2.1 B.I.G. Futures Fund

The B.I.G. (Business & Industry Groups) Futures Fund provides financial assistance to business, economic development, and industry groups during key times of critical economic change, offering faster access to funding. Funding requests can be made outside of set funding rounds for projects aligning with Local Buying Foundation (LBF) categories, especially in emergencies or unexpected opportunities.

#### Application Process:

- Applications are submitted through the Big Futures Fund Application Form on the LBF website.
- Reviewed by LBF Project Officers and Manager, then recommended to the LBF Chair.
- If recommended, sent to LBFAC via Flying Minute for review and response, then to LBF Trustees for final approval.

#### Examples of Funding Applications:

- Community Disaster/Pandemic Business Support Programs (e.g., COVID-19, cyclones).
- New government funding opportunities requiring matched contributions.
- Last-minute opportunities benefiting members and business communities.

#### Funding Allocation:

- Competitive funding rounds based on eligibility criteria on the LBF website.
- Endorsed by a majority vote of the LBFAC, considering alignment with the Foundation's principles and objectives.
- Strategic projects and programs identified by LBFAC recommendations, which may be competitive or non-competitive.
- LBFAC and Foundation operate on a minimum six-monthly funding review cycle, with flexibility to add or remove funding rounds as needed.

## **6. 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.

## **7. Charter Review**

To ensure the Local Buying Foundation Charter remains relevant and effective, an annual review process will commence in November each year for release in January the following year. This review will incorporate feedback from stakeholders and reflect any changes in the LBF, ensuring continuous improvement and alignment with the Foundation's intent and objectives are met.