



# Local Aboriginal Land Council

## APPLICATION – BUSINESS ENTERPRISE FUND

### OVERVIEW

#### NSWALC Economic Development Policy

The NSW Aboriginal Land Council (**NSWALC**) Economic Development Policy (**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.

#### LALC Business Enterprise Fund

NSWALC'S LALC Business Enterprise Fund is a competitive, merit based program. LALC applications are measured against the following criteria:

<b>a) Commercial viability &amp; risk</b>	<ul style="list-style-type: none"> <li>Is the business idea going to generate income?</li> <li>Net income projections, industry analysis and success rates</li> </ul>
<b>b) Operational viability &amp; risk</b>	<ul style="list-style-type: none"> <li>Who will run the business?</li> <li>How will the business be run and are there any timeframes involved?</li> <li>Relevant skills and experiences of operator</li> <li>If LALC-owned land is involved, is it subject to Native Title?</li> </ul>
<b>c) Loan funding/assistance</b>	<ul style="list-style-type: none"> <li>Is the funding ask reasonable?</li> <li>Have funding partners been secured?</li> </ul>
<b>d) Vendor/third party engagement</b>	<ul style="list-style-type: none"> <li>How developed is the business enterprise idea?</li> <li>Are these discussions fair and commercial?</li> </ul>
<b>e) Social returns</b>	<ul style="list-style-type: none"> <li>Not a requirement, but part of consideration</li> <li>E.g. employment, training, cultural/social benefits</li> </ul>
<b>f) LALC engagement &amp; acceptance</b>	<ul style="list-style-type: none"> <li>Is the LALC Board supportive of this business idea?</li> <li>Do enterprise goals align with the Community Land and Business Plan (<b>CLBP</b>)?</li> <li>What would the LALC do with the income generated from this business?</li> </ul>
<b>g) LALC risk assessment</b>	<ul style="list-style-type: none"> <li>Strict exclusion of unfunded and high risk LALCs</li> <li>LALCs under External Administration a factor.</li> </ul>

The NSWALC understands that the Aboriginal Land Rights network in NSW needs to be able to be responsive to business opportunities as they arise. Therefore, LALCs are invited to submit applications for funding as required. **There is no deadline for when applications must be submitted.**

Funding is limited and is not guaranteed. Depending on the type of funding applied for the final decision rests with NSWALC. Final decisions of NSWALC are based on the advice of an Independent Assessment Panel (**IAP**) who will assess applications based on their commercial merits and risks, having regard for social outcomes.

**FUNDING AVAILABLE****1. Business Development Funding**

The NSWALC will make available funding for LALC and LALC-related business enterprises to develop and validate business concepts, proposals and strategies through feasibility studies, business planning and other such foundational activities.

<b>Funding stream</b>	<b>Threshold</b>	<b>Conditions</b>
Business development funding	<b>\$50,000</b>	<ul style="list-style-type: none"> <li>• Determined by the NSWALC Manager: Program Implementation in accordance with LALC Business Enterprise Fund criteria</li> <li>• Actively managed by the Program Implementation Unit (<b>PIU</b>) towards industry experts not generic consultants.</li> </ul>

**2. Early Stage Investment**

The NSWALC will make available to LALC and LALC-related business enterprises start-up capital to fund early stage business operations and to attract and leverage additional capital through co-investment from other sources.

This capital will be provided as no interest or low interest loans, structured so that repayments are not due until certain agreed profitability levels are reached, with terms and conditions tailored appropriately to each loan, such as agreed schedules of milestone payments.

<b>Funding stream</b>	<b>Threshold</b>	<b>Conditions</b>
Early stage investment – Tier 1	<b>\$50,000</b>	<ul style="list-style-type: none"> <li>• Determined by the NSWALC Manager: Program Implementation taking into consideration advice of the IAP, in accordance with LALC Business Enterprise Fund criteria</li> <li>• Zero interest loan product</li> <li>• Flexible and patient repayment terms</li> <li>• No partner funders required</li> <li>• 5-10% LALC contribution</li> <li>• Requirement for external accountant/bookkeeper and submission of six-monthly financials if LALC's Risk Assessment Score falls below 70%</li> <li>• LALC to consider establishing separate corporate entity responsible for managing the enterprise</li> <li>• NSWALC to be actively involved in the event of default.</li> </ul>
Early stage investment – Tier 2	<b>\$50,001 - \$150,000</b>	<ul style="list-style-type: none"> <li>• Determined by the NSWALC Executive Director: Network Delivery taking into consideration advice of the IAP, in accordance with LALC Business Enterprise Fund criteria</li> <li>• Low interest loan product</li> </ul>

Funding stream	Threshold	Conditions
		<ul style="list-style-type: none"> <li>• Flexible and patient repayment terms</li> <li>• 50% partner funders desirable</li> <li>• 5-10% LALC contribution</li> <li>• Requirement for external accountant/bookkeeper and submission of six-monthly financials if LALC's Risk Assessment Score falls below 70%</li> <li>• LALC to consider establishing separate corporate entity responsible for managing the enterprise</li> <li>• NSWALC to be actively involved in the event of default.</li> </ul>
Early stage investment – Tier 3	<b>\$150,001 - \$500,000</b>	<ul style="list-style-type: none"> <li>• Determined by the NSWALC Chief Executive Officer taking into consideration advice of the IAP, in accordance with LALC Business Enterprise Fund criteria</li> <li>• Low interest loan product</li> <li>• Flexible and patient repayment terms</li> <li>• 70% partner funders desirable</li> <li>• 5-10% LALC contribution</li> <li>• Requirement for external accountant/bookkeeper and submission of six-monthly financials, LALC's Risk Assessment Score falls below 70%</li> <li>• LALC to consider establishing separate corporate entity responsible for managing the enterprise</li> <li>• NSWALC to be actively involved in the event of default.</li> </ul>

### 3. Equity Investment

The NSWALC will also work to provide creative solutions for capital funding of large and lower-risk LALC and LALC-related business enterprises. Such solutions will be aimed at attracting co-investment from other sources and would involve the NSWALC taking an equity and possible management position in such enterprises.

Funding stream	Threshold	Conditions
Equity investment	<b>\$2 million</b>	<ul style="list-style-type: none"> <li>• Determined by the Council of NSWALC taking into consideration advice of the IAP, in accordance with LALC Business Enterprise Fund criteria</li> <li>• NSWALC taking an equity and management position in the LALC business.</li> </ul>

## **LALC ELIGIBILITY**

### **Unfunded and high risk LALC's**

On 13 August 2014, the then Minister for Aboriginal Affairs, The Hon Victor Dominello MP, provided formal approval of the Policy under Section 114(1)(c) of the ALRA, doing so on the agreed understanding that:

*“the internal procedures and network guidelines relevant to the Policy will specify that funding is only available to LALCs that have established sound governance and management, and that LALCs which are considered ‘unfunded’ or ‘high risk’ will not be eligible for funding...”*

### **LALCs under External Administration**

LALCs under External Administration are considered funded, and are therefore eligible to apply for and receive funding.

However, this will be a consideration factor for the IAP when assessing the operational viability of the opportunity, and capacity of the applicant LALC to undertake and deliver the proposed economic development opportunity.

### **Other**

There is no impediment to the number of Application Forms a LALC can submit.

Further, LALCs are encouraged to submit an Application Form involving two or more LALCs in instances where a pooling of assets or resources may be required. The assessment will then be on the combined merit of the economic development opportunity.

For LALC Business Development Funding requests, NSWALC will accept video applications from a LALC if all questions in the Application Form are considered and the LALC sign off approval page has been submitted to NSWALC.

## **SUBMISSION CHECKLIST**

### **MUST HAVES:**

- Signature approvals from the CEO and Chairperson of your LALC to indicate Board & CEO support for the idea**
- LALC Business Enterprise Fund Application Form completed. Any missed or incomplete information will delay the processing of your application**

### **GOOD TO HAVE:**

- Feasibility studies*
- Business plans*
- Secured customer contracts*
- Net income projections*
- Confirmation of secured funding partners*
- Any other supporting documents.*

Local Aboriginal Land Councils wanting to access LALC Business Enterprise Funds must complete the LALC Business Enterprise Fund Application Form and submit this to the NSW Aboriginal Land Council Program Implementation Unit by post or email:

**By post:**

NSW Aboriginal Land Council  
Program Implementation Unit  
PO Box 1125  
Parramatta NSW 2124

**By email:**     [ecodev@alc.org.au](mailto:ecodev@alc.org.au)

**If you require assistance, please contact the Program Implementation Unit on (02) 9689 4444 or by email.**

**APPLICATION FOR LALC BUSINESS ENTERPRISE FUND**

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

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

<b>2. Business Enterprise Overview</b>	
<b>Business type</b>	<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>
<b>Business enterprise</b>	<p>Please provide a general overview (coffee shop, green-team etc.)</p>

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

<b>3. Commercial Viability &amp; Risk</b>	
<b>Commercial opportunity</b>	<i>Who buys/will be going to buy your products/services? Are there any high-level net income projections available?</i>
<b>Clients overview</b>	<i>Where are your clients? (Local, town, region, national, overseas, online). Please highlight any relevant client discussions to date.</i>
<b>Competitor overview</b>	<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>
<b>Business Plan or feasibility work</b>	<i>Please provide details of any business planning or feasibility work done, including consultant contact details.</i>

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

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

5. Loan Funding/Assistance																							
<b>Business setup costs</b>	<b>Total setup costs required \$.....</b>																						
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<p><b>NSWALC funding request</b></p>	<p><b>Proposed LALC Business Enterprise Fund amount \$.....</b></p> <p>Please tick one of the following:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Business Development Grant – (up to \$50,000)</li> <li><input type="checkbox"/> Early Stage Investment – Tier 1 (up to \$50,000)</li> <li><input type="checkbox"/> Early Stage Investment – Tier 2 (\$50,001 to \$150,000)</li> <li><input type="checkbox"/> Early Stage Investment – Tier 3 (\$150,001 to \$500,000)</li> <li><input type="checkbox"/> Equity Investment – (up to \$2 million)</li> </ul> <table border="1" data-bbox="422 604 1428 1288"> <thead> <tr> <th data-bbox="422 604 1157 638">Funding purpose</th> <th data-bbox="1157 604 1428 638">Amount required (\$)</th> </tr> </thead> <tbody> <tr><td data-bbox="422 638 1157 705">1.</td><td data-bbox="1157 638 1428 705"></td></tr> <tr><td data-bbox="422 705 1157 772">2.</td><td data-bbox="1157 705 1428 772"></td></tr> <tr><td data-bbox="422 772 1157 840">3.</td><td data-bbox="1157 772 1428 840"></td></tr> <tr><td data-bbox="422 840 1157 907">4.</td><td data-bbox="1157 840 1428 907"></td></tr> <tr><td data-bbox="422 907 1157 974">5.</td><td data-bbox="1157 907 1428 974"></td></tr> <tr><td data-bbox="422 974 1157 1041">6.</td><td data-bbox="1157 974 1428 1041"></td></tr> <tr><td data-bbox="422 1041 1157 1108">7.</td><td data-bbox="1157 1041 1428 1108"></td></tr> <tr><td data-bbox="422 1108 1157 1176">8.</td><td data-bbox="1157 1108 1428 1176"></td></tr> <tr><td data-bbox="422 1176 1157 1243">9.</td><td data-bbox="1157 1176 1428 1243"></td></tr> <tr><td data-bbox="422 1243 1157 1299">10.</td><td data-bbox="1157 1243 1428 1299"></td></tr> </tbody> </table>	Funding purpose	Amount required (\$)	1.		2.		3.		4.		5.		6.		7.		8.		9.		10.	
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<p><b>Other assistance required</b></p>	<p><i>Please highlight any other relevant assistance required to develop this business enterprise idea further? (Legal support, Government engagement)</i></p>																						

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

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