



FEDERATION ENTERPRISES

Introduction

Federation Enterprises Pty Ltd was established in 2013 as a for-profit wholly-owned subsidiary of the Federation of Victorian Traditional Owner Corporations.

The role and function of Federation Enterprises has been to establish joint venture companies with at least 51% ownership, particularly with a view to leveraging government procurement opportunities. The joint venture companies were started with nominal capital from Federations Enterprises by partnering with 'capacity partners'. The active joint venture is currently:

- Barpa Pty Ltd – with ICON Construction (established in June 2014)

Why Federation Enterprises was established

The underpinning vision and values of the Federation, as the sole shareholder, are carried through the appointment of directors and expectations set as part of the group of companies that is ultimately responsible to the Federation's members.

Federation Enterprises has been established among other things as a way to support the Federation by enabling:

- Enhanced income generation and reduced risk profile and mitigation of conflict of interest
- A greater degree of direct control and oversight of investments
- Furthering economic and business opportunities
- Greater focus on managing business interests

Federation Enterprises is intended to maintain an investment perspective, including in relation to:

- Performance and risk management
- Outcomes and effectiveness
- Values and standards
- Benefits from partnerships to the Federation and its members directly or indirectly from industry participation.

Board of Directors

The Federation board, as the parent company, appoints the Federation Enterprises directors, usually for terms of two years. Ideally the Federation Enterprises board would have 4-8 directors, including the CEO of the Federation (ex officio) as the managing director.

Generally there would be 4-6 meetings a year. The Federation Enterprises Board sets its fees, and these would be expected to be in line with the Federation's policy for payments to Directors.

Federation Enterprises has no staff and the Federation, with the Managing Director, maintains the Company Secretary role and services the board.

Key functions

The board of directors as a whole is expected to

- Maintain oversight of and grow the capital and income generated from its investment activity
- Develop new opportunities that enhance and benefit the Federation and its Members, and Traditional Owners more broadly
- Direct, control and manage the interests of the company, particularly through high quality advice, maintaining industry knowledge, capacity to lead and manage risk and investment due diligence
- Build shareholder relationships with joint venture partners and broader business and industry knowledge and experience
- Ensure the interests, integrity and reputation of the parent company and group are maintained including through strong accountability, reporting and communication.

It is also recognised that a key function of Federation Enterprises is to manage interests in joint ventures. Key functions are, as a shareholder or member of joint ventures to:

- Oversee and monitor performance of joint venture companies
- Maintain oversight of shareholder agreements and member
- Appoint directors to joint ventures
- Federation Enterprises directors may also be appointed to joint venture subsidiary boards.

A protocol has been agreed between the Federation and Federation Enterprises to inform planning and reporting processes.

Areas of priority: Our Strategic Plan 2020-23 (summary)

Vision: To establish viable Traditional Owner led enterprises that support self-determination and great economic outcomes for Aboriginal people and communities.

Strategic objectives: The long-term strategic objectives of Federation Enterprises are twofold:

- **Return:** To achieve a return on investment that is greater than passive investment
- **Recognition:** To achieve recognition for all Victorian Traditional Owners and respect for their primacy over Country.

Federation Enterprises does this by *Managing existing enterprises* and *Finding and developing new enterprises*.

Our principles: Our decision making will reflect the broader values of the Federation, by giving effect to:

- **Community:** Enterprises that achieve better outcomes for Victorian Traditional Owner communities
- **Culture:** Enterprises that improve respect for Traditional Owners' cultural values, knowledge and practices
- **Country:** Enterprises that improve Country or recognition and respect for Victorian Traditional Owner primacy over Country
- **Collaboration:** Enterprises that increase Traditional Owners' participation in economic opportunities and decision-making processes.

The following kinds of enterprises or investments would be considered ineligible:

- **Not-competitive:** Enterprises that compete with Traditional Owner Corporations
- **Not-damaging:** Enterprises that will have a negative impact on Aboriginal people or lands and waters.

Strategies: Federation Enterprises has signalled several action areas to lift the potential trajectory.

- Build and maintain an independent, diverse Board
- Develop strong Board decision making and oversight
- Build our business model
- Build networks and reputation