



FEDERATION ENTERPRISES

Strategic Plan 2020-23



Chair's foreword



As current Chair of the Federation Enterprises Board and one of its founding members, I am pleased to provide the Strategic Plan for 2020-23. The Strategic Plan has been developed to provide a clear line of sight on emerging development pathways including joint venture companies that Federation Enterprises oversees.

Barpa, Federation Enterprises' first joint venture with Cockram Construction and now with ICON SI, is successfully growing as a business operating Australia-wide. Many lessons have been learnt along the way with other ventures and we believe this plan will guide the Company's economic development activities going forward into the future.

Importantly, under this Strategic Plan Federation Enterprises seeks to support self-determination and economic outcomes for Aboriginal people and communities, with long term objectives of achieving returns and recognition for Victorian Traditional Owners and respecting primacy over Country.

I thank the board for their contribution to this plan and acknowledge the consideration from our parent entity the Federation of Victorian Traditional Owner Corporations in its development.

Graham Atkinson
Chairperson

About us

Federation Enterprises is a fully owned subsidiary of the Federation of Victorian Traditional Owner Corporations (the Federation). The Federation was established in 2013 by Traditional Owner Corporations who recognised that by working together, Traditional Owner Groups could be stronger and could advance their shared interests in policy engagement, and in creating economic opportunities and caring for Country.

Federation Enterprises was established by the Federation in September 2013 as a for-profit company, particularly with a view to holding interests in and providing oversight of joint ventures, including a joint venture construction company, Barpa.

We establish joint venture companies with leading businesses to empower and promote opportunity for our people. Federation Enterprises ventures have a non-compete protocol to ensure that it does not take business away from Traditional Owner Corporations.

BARPA

Majority-owned by the Federation of Victorian Traditional Owner Corporations, Barpa is the Federation's first joint venture with the award-winning multi-national construction company Icon. Established in 2014, and Certified by Supply Nation the partnership builds on the strengths of the two entities to offer an Indigenous solution for capital works projects across Australia.

Our purpose

As the economic development arm of the Federation, the purpose of Federation Enterprises is:

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

Federation Enterprises does this in two ways, by:

- Managing existing enterprises
- Finding and developing new enterprises.

Our 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.

Our principles

All enterprises or investments entered into by Federation Enterprises must contribute to our strategic objectives. In addition, enterprises or investments must meet at least one of the following four principles, which are based on the Federation values:

- **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.

Strategic outcomes

This Strategy has been developed to give direction about where to place our effort over the short term, in order to create long term value. This strategy sets the conditions for our long term success by creating the foundations that will allow us to grow. We will focus on four strategies: Building and maintaining an independent diverse Board, developing strong Board decision making and oversight, and building our business model and building our connections and reputation.

Three Strategic Outcomes for the next 2 years have been identified as priorities in order to achieve the Strategic objectives of Return and Recognition.

Four Strategies have been identified that are required to achieve the Outcomes

Strategic Outcomes		Strategies
More connections	Make new and existing connections that could lead to new enterprises	<ol style="list-style-type: none"> 1 Build and maintain independent, diverse Board 3 Build our business model 4 Build networks and reputation
Mature governance:	Make sure we have the oversight and decision making policies and processes needed to enter new enterprises confidently, give partners confidence and be accountable to our shareholder	<ol style="list-style-type: none"> 1 Build and maintain independent, diverse Board 2 Develop strong Board decision making and oversight 4 Build networks and reputation
Clear business model:	Have clarity about what kind of business we are and the best model to achieve our purpose.	<ol style="list-style-type: none"> 2 Develop strong Board decision making and oversight 3 Build our business model

Strategic Plan

Strategy	Action	Lead	Indicator
1. Build and maintain independent, diverse Board	1.1 Appoint new Board members or trusted advisors to the Board who have high level business skills and / or connections in sectors with opportunity for Federation Enterprises.	Board	Two new independent Board members or trusted advisors by March 2021
	1.2 Make appointments to enterprise Boards Make appointments to enterprise Boards who have the governance and business skills needs to ensure enterprises thrive and make returns.	Board	
2. Develop strong Board decision making and oversight	2.1 Develop decision making guide	Management	Decision making guide by February 2021
	2.2 Develop conflict of interest guide	Management	Conflict of interest guide by February 2021
	2.3 Identify gaps, address with policy & process Identify any other governance gaps and address with appropriate policies and processes.	Board	Reporting framework by May 2021
3. Build our business model	3.1 Develop business model options Develop a clear a set of investment scenarios and models to illustrated possible approaches that Federation Enterprises can take, including: <ul style="list-style-type: none"> ▪ A passive investor: A business that invests passively and pays dividends to the Federation ▪ A proactive business: A business that actively develops enterprises in partnership with other entities ▪ A broker: A vehicle to support TO Corporations and their communities to collaborate on enterprises 	Management	Business model clarified by June 2021
	3.2 Develop and test models and scenarios with the Federation Board and other stakeholders	Board	Business model and opportunity testing undertaken by December 2021
4. Build networks and reputation	4.1 Actively build networks Discuss opportunities with new and existing connections in promising industries (renewables, foods, construction, care).	Board	Two new connections by June 2021, 5 new connections by June 2022
	4.2 Develop online presence and engagement Set up an active online presence to engage with stakeholders, including update of website and scheduled social media.	Management	One new enterprise by 2022 Website and engagement undertaken by April 2021