

Joint Ventures



Supply Nation and the IPP

What is a joint venture?

For registration purposes, Supply Nation defines an Indigenous joint venture as being “a commercially independent incorporated entity that is formed through the incorporation of an Indigenous business and a non-Indigenous business”.

Indigenous Procurement Policy and joint venture registration with Supply Nation

The Federal Government has announced changes to the Indigenous Procurement Policy (IPP) to strengthen registration requirements of joint venture arrangements.

From 1 January 2019, to be eligible to bid for Commonwealth contracts under the IPP, incorporated Indigenous joint ventures must:

- Be an incorporated company (registered with ASIC or ORIC as an Aboriginal Corporation) formed through the incorporation of an Indigenous business and a non-Indigenous business
- Be at least cumulatively 50% owned by an Aboriginal and/or Torres Strait Islander person(s)
- Be able to demonstrate at least 50%

Indigenous control (involvement) of the joint venture and Indigenous involvement in the management of the joint venture

- Be for-profit in that the joint venture is able to distribute its equity to its shareholders and not be a registered charity in its own right
- Be able to trade as a business in its own right
- Be registered in Australia
- Demonstrate commercial independence

In addition to the new requirements, the joint venture must also have in place:

- a strategy to build the capability and skills of the Indigenous business partner
- an Indigenous workforce strategy.

We have developed templates for both in partnership with the National Indigenous Australians Agency and these are available through Supply Nation.

Who do these changes apply to?

The changes apply to all incorporated joint ventures who are seeking to bid for Commonwealth contracts under the Indigenous Procurement Policy (IPP).

What constitutes commercial independence of a joint venture?

To be commercially independent, a JV must “reflect a collaboration of the JV parties’ resources, skills and assets and not totally or fundamentally depend on non-commercial relationships and use of resources (e.g. equipment, personnel, facilities, financial or bonding support) with another non-Indigenous enterprise or enterprises to deliver its core service offering(s).” The JV must demonstrate that it has its own commercially incorporated identity with Indigenous management and control (involvement) at the highest level with Indigenous interest being responsible for the provision of clearly defined portions of the work conducted by the JV.

There are also other specific requirements. Contact Supply Nation for details.

What are the documentary proofs required to demonstrate compliance for registration as a joint venture?

To register a joint venture with Supply Nation, the joint venture MUST provide to Supply Nation:

1. a completed registration application
2. confirmation of Aboriginality or Torres Strait Islander heritage documents for its Indigenous owners and executive management in positions of management and control, including board members
3. a copy of the businesses current and up-to-date company constitution
4. a copy of the businesses joint venture agreement or shareholders agreement which clearly outlines profit distribution, delegations of authority and power, clearly defined work portioning levels and the businesses trade/branding and procurement permissions or restrictions
5. a copy of a shared services agreement or commercial agreement with its non-Indigenous partners defining the arrangement for the joint venture accessing the partner's resources
6. a skills and capability transfer plan which should identify what the Indigenous JV partner is hoping to gain from their non-Indigenous business partner and through the JV relationship; including how the joint venture company will demonstrate how the transfer of capability to the Indigenous business will occur, such as the inclusion of milestones, KPIs, annual reporting etc.
7. an Indigenous workforce plan which should include identifying Indigenous employment goals and continued skills training of Indigenous employees

What is the process to register a joint venture with Supply Nation?

From 1 January 2019, to register your joint venture with Supply Nation, newly formed joint ventures should:

1. go to the Supply Nation website and complete the registration process
2. during the process, identify the business ownership structure as an "Incorporated joint venture"
3. answer the specific additional questions relevant to a joint venture structure
4. upload the required documentation
5. complete and submit the application
6. take part in a verification interview/site visit

How will Supply Nation verify the application for registration as a joint venture?

In verifying an application for registration as an incorporated joint venture, Supply Nation will follow its five step verification process, which includes:

1. assessing your online application for accuracy and compliance, including examining the provided supporting documentation
2. verifying the ABN/ASIC for company name and current registration
3. verifying owners Confirmation of Aboriginality documents
4. verifying ownership document to identify owners – ensuring that at least 50% of the business is Aboriginal and/or Torres Strait Islander owned
5. conducting interviews/site visits to verify Indigenous involvement in the management and control of the joint venture

How long will my registration application take to be approved?

From the date the initial application is complete with all of its documentation and meets initial criteria examination, your application will be processed within four weeks of its completed lodgement (dependent on the availability to conduct a site visit/interview).

How will Supply Nation ensure joint ventures continue to meet the new eligibility requirements?

All registered joint ventures will be reviewed annually to confirm that the joint venture is operating in accordance with the plans submitted to Supply Nation. In addition, random spot checks will be conducted.

These reviews will include conducting a follow up site visit/interview and may require the submission of updated governance documents and plans.

How do I keep up to date with any changes or receive any further information?

To keep informed on the new registration process for incorporated Indigenous joint ventures visit, the National Indigenous Australians Agency website – niaa.gov.au.