

# How the Trust works and operates

## How is the Trust managed?

The Trust is administered by a Committee of Management (Committee, also called the Board). The Committee can appoint an executive officer who is responsible for day-to-day operations of the Trust.

## Who can be on the Committee?

- Shareholders and non-shareholders can be on the Committee
- All Committee members must declare if they have any conflicts of interest in any matters considered by the Committee.

## How do you get elected and how many people can serve?

- The Committee is made up of **7 people** elected by the Trust's shareholders at a general meeting or the Annual General Meeting (AGM).
- **Committee members serve staggered terms. For consistency of Committee knowledge, this involves:**
  - **2 members** serving until the second AGM
  - **2 members** serving until the third AGM
  - **3 members** serving until the fourth AGM
- Committee members can be re-elected after their term ends.
- The Act does not include information on how a person is nominated to be on the Committee. This is up to each Trust to determine.

## Do Committee members get paid?

Committee members can receive fees and travel expenses, as decided by the Trust at a general meeting.



## What if the Committee is not operating as it should?

The Minister for Treaty and First Peoples (Minister) can decide on the management of the Trust if the Committee is not meeting its obligations under the Act.

**The Minister has discretionary powers to:**

- issue compliance notices
- put the Trust into administration
- grant or deny requests from the Trust for exemptions from or extensions to certain requirements under the Act.

The Minister also has the power to appoint an independent auditor to investigate a Trust's management and determine if there have been breaches of the Act or any laws, or if there are grounds to appoint an administrator.

If the Minister believes that the Trust is not complying with the Act, the Minister can appoint an Administrator to replace the Committee for a certain time.

## What happens when a Committee position becomes vacant?

**A Committee position becomes vacant if a member:**

- becomes mentally incapable or otherwise incapable of acting in the position, bankrupt, or resigns
- is disqualified from managing a corporation under the *Corporations Act 2001*
- is convicted or found guilty of certain criminal offences involving dishonesty and is punishable by imprisonment for at least three months
- is removed by a special resolution at a general meeting.

## Filling vacancies during existing terms

- If one vacancy occurs, shareholders can elect a Committee member at the next general meeting.
- If several vacancies occur and there are less than 4 members left, a general meeting must be held within 28 days to fill vacancies.
- Any new Committee member who filled a vacant position can only serve until the end of the original term of that position.



## What do Committee member responsibilities include?

### Committee meetings

Committee members attend meetings called by the Committee. This allows the business of the Committee to proceed.

- The Committee must meet at least 6 times per year.
- At least 4 members must be present for the meeting to proceed and decisions to be valid (this is called a quorum).
- At the first meeting after the AGM, the Committee must elect a Chair and appoint a Secretary.

### Declaring interests

- Committee members must declare any personal interest in matters discussed in meetings. This is known as a conflict of interest and must be declared as soon as possible.
- The Committee member cannot vote on or discuss these matters, unless approved by the other Committee members.



### Strategic planning

Each Trust must prepare a strategic plan every three years. The Minister reviews the draft and can approve the plan as is or request changes.

#### The plan must include:

- vision statement – expected to set out the long-term goal(s) of the Trust
- mission statement – expected to outline the Trust's purpose and key focus
- statement of values – expected to set out the principles guiding the Trust's decisions
- objectives to be met while the strategic plan is in effect – expected to outline the Trust's key goals to be achieved over the plan's period
- any strategic initiatives that will enable the Trust to achieve its objectives.

The Trusts must follow the approved strategic plan. A new strategic plan is required every three years after the previous plan's approval.



## Reporting

Each Trust's Committee is required to prepare reporting documents at the end of each financial year and a strategic plan every three years.

To ensure the Committee of Management is operating within the rules and responsibilities given to it, they must prepare several documents at the end of each financial year. These documents are sent to shareholders at least 14 days before an AGM.

### 1. Audited balance sheet

A statement showing the Trust's financial position, including assets and liabilities.

This information is included in the state of affair's report.

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### 2. Audited profit and loss account

A report outlining the Trust's income, expenses, and financial performance.

This information is included in the state of affair's report.

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### 3. State of affairs' report

This report provides an overview of the Trust's financial state.

It must include:

- audited balance sheet
  - audited profit and loss account
  - any amount available for dividends
  - the estimated market value of the Trust's assets and any related liabilities.
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### 4. Auditor's report

An independent auditor appointed at an AGM reviews the balance sheet, profit and loss account and the state of affairs report and provides their findings on whether the Trusts' records:

- have been properly maintained
- provide accurate information on the Trust's financial position and activities
- complied with providing all necessary information to complete the audit.

**We acknowledge the Traditional Owners of Country throughout Victoria and pay our respect to them, their culture, and their Elders past and present.**

This factsheet provides information about how the Framlingham and Lake Tyers Aboriginal Trusts work and operate under the *Aboriginal Lands Act 1970* (Act). It has been developed for the Framlingham and Lake Tyers Aboriginal Trusts. This factsheet is part of a broader series of education materials. To find out more, see **Aboriginal Lands Act 1970 | [firstpeoplesrelations.vic.gov.au](http://firstpeoplesrelations.vic.gov.au)**

This factsheet does not constitute legal advice, should not be relied upon, and is intended only to assist with a general understanding of the operation of the Act.

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