

Federation of Victorian Traditional Owner Corporations

Board Meeting 2023-3

Thursday 31 August 9:30am-12:30pm

Agenda

In person/Video Conference

Item		Who: Presenter	Board action: Note/ Resolution/Discussion	Page
1.0	WELCOME AND APOLOGIES			
1.1	Acknowledgment/Welcome to Country	Chair		
1.2	Introductory Remarks and Sorry Business	Chair		
1.3	Apologies	Chair/Directors	Note	
2.0	DIRECTORS			
2.1	Other Business for Agenda	Chair		
2.2	Declarations of Interest	Chair/Directors	Note	2
3.0	MINUTES AND ACTIONS			
3.1	Minutes of Board Meeting 2023-2	Chair	Accept the Minutes	3
3.2	Actions Arising	Chair	Note	10
4.0	CEO, SUBSIDIARIES AND SUB-COMMITTEES			
4.1	CEO Report	CEO	Note	11
4.2	Finance Dashboard	Dilruk Taylor	Accept the Report	15
4.3	Federation Enterprises Report	CEO	Note	20
4.4	Governance Alignment Committee – FE appointments	Secretary	Agree	22
4.5	FARM Committee – Report (late paper to be circulated)	Chair of FARM	Resolution	
5.0	DIRECTION AND STRATEGY			
5.1	Strategic Plan 2024-27 – strategic focus areas	CEO	Resolution	29
6.0	OTHER BUSINESS			
6.1	Other business	Chair		

Agenda	Directors
Item	2.2 – Declarations of Interest
Presenter	Chairperson
Action	Note

Member	Name	Interest	Date Commenced
BLCAC	Shane Clarke	Nil Interests Declared	
BLCAC			
DDW	Rodney Carter	Member of Victorian Aboriginal Heritage Council Member of Loddon Campaspe Stronger Regions Com Member of Com LLBG BHCE Park	6/11/18 7/11/18 29/11/19
DDW	Cassandra Lewis	Nil Interests Declared	
EMAC	Marcus Clarke	Nil Interests Declared	
EMAC	Vacant		
FPMMAC	Norman Wilson	Claimant on the First People of River Murray, South Australia.	5/2/20
FPMMAC	Vacant		
GLAWAC	Dan Miller	Alpine Resort Board Member One Gippsland Board Member	
GLAWAC	Lois Whelan		
WWWCAC	Perry Wandin	Nil Interests Declared	
WWWCAC	Vacant		
Management	Paul Paton	Director Federation Enterprises Director Nindi Ngujarn Ngariro Monaro Aboriginal Corporation Member Geographic Names Committee	
	Ben Gordon (Comp Sec)	Nil Declared	

Agenda	Minutes and Actions
Item	3.1 – Minutes
Presenter	Chair
Action	Accept the Minutes

See attached Minutes, below:

- Of Board meeting 2023-2, held on 1 June 2023

Recommendation

It is recommended that the Board:

Accept the Minutes of Meeting 2023-2 held on 1 June 2023.

FVTOC Board Meeting 2023-2

MINUTES

Thursday 1 June 2023

Teams Teleconference Meeting

9.30 — 12:30pm

Meeting start time: 9:30am

Present:

Cassandra Lewis (Chair)	DDWCAC
Shane Clarke	BLCAC
Dan Miller	GLAWAC
Lois Whelan	GLAWAC
Norm Wilson	FPMMAC
Marcus Clarke	EMAC
Rodney Carter	DDWCAC

Management and Attendees:

Paul Paton	Chief Executive Officer
Ben Gordon	Operations Mgr/Comp Secretary
Dilruk Taylor	CFO

Apologies:

Perry Wandin	WWCHAC
Di Kerr (Observer)	WWCHAC

A quorum was present and the meeting commenced at 9:42 am

1.0 WELCOME AND APOLOGIES

1.1 Acknowledgement/ Welcome to Country

Cassandra opened the meeting with an Acknowledgement of Country and the role of elders and responsibilities carried for Country.

1.2 Introductory Remarks and Sorry Business

Cassandra noted the key business to be dealt with having a strategic importance.

Sorry Business was acknowledged, particularly paying respect to five people in the North West and two staff members from GLAWAC, and a minutes' silence was held.

1.3 Apologies

Apologies were noted Perry Wandin, Di Kerr (Observer), and noting Dan leaving the meeting for a short while, and the expected arrival of Rodney and Marcus.

2.0 DIRECTORS

2.1 Other Business

No other business was requested. Ben noted that a letter was being prepared for the purposes of changing the auditor for ASIC referencing that there had been no issue arising with PwC.

2.2 Declarations of Interest

Directors were given the opportunity to note any changes to the register. No changes were noted.

3.0 MINUTES AND ACTIONS

3.1 Approve Minutes of previous meetings 2023-1

Ben noted the Minutes covered the inquorate meeting held over on 7 March 2023 and the resolutions that were subsequently carried by circular resolution on 16 March 2023. There were no comments on the previous minutes.

Resolution:

The Board resolved to accept the minutes of meeting 2023-1 and the resulting resolutions carried by circular resolution on 16 March 2023.

Moved: Lois W

Seconded: Cassandra L

Carried

3.2 Actions Arising

The Board noted that the action with regard to negotiation of the CEO contract had been completed.

4.0 CEO, SUBSIDIARIES AND SUB-COMMITTEES

4.1 CEO Report

The Board noted the report and Paul highlighted key points of update:

- Communications activity through 'Traditionally speaking' podcasts bringing stories from the TOCs and the '10 years stronger' campaign about the Federation's value.
- Collaboration workshops to better align and collaborate with the TOCs are underway with EMAC and FPMMAC completed, and Djaara, GLAWAC and BLCAC planned over the coming months.
- The development of service offerings around planning support being outlined.

Paul also spoke to:

- the 3 areas of management emphasis indicating the development of services; communications and campaigns work; and the work being undertaken at a national level.
- key areas of risk, and highlighting the treatment of the risk through:
 - service delivery to TOCs
 - TOC support for government funding
 - Connecting to the FPAV work in relation to: interim treaty outcomes, nation building and treaty readiness

The Board noted the Nation Building Resource Pool funding and looking at alternative funding through the Self-determination fund.

The Board noted the report

Action: Circulate information on Growing Regions grants

4.2 Finance Dashboard

Dilruk Taylor attended the meeting for this item and provided an explanation, including that the working capital ratio was quite high and noting that the organisation is solvent.

Dilruk in particular noted that the forecast for the year end surplus of \$7k, was largely as a result of carry forward of jobs into FY24 of around \$2m, and with this based on the current costs the cashflow out to June 24 looks healthy.

Resolution:

The Board resolved to accept the financial report as at 23 May 2023

Moved: Marcus C

Seconded: Norm W

Carried

Action: Offer workshop on financial understanding

4.3 Federation Enterprises Report

Paul spoke to the report indicating in particular

- the Federation Enterprises decision in relation to the payment of \$450k dividend to Federation for the year
- the positive indications on an increasing dividend in future years, based on the growth of Barpa
- the need in the latter half of the year to consider the appointment of directors for the Federation Board.

The Board noted the report.

4.4 Finance, Audit and Risk Management Subcommittee: Risk Management

Rodney spoke to the boards role in risk management and the considerations of risk. Ben provided information on the details of the revised risk matrix categorisations, and in particular the focus on the 'extreme risk' in relation to the funding, and management and treatment actions through diversification of income, increased focus on the dividend from Federation Enterprises and services offering approach.

Marcus sought further information on the mitigation and the identification of residual risk and assignment.

Resolution:

The Board resolved to

- ***Approve the revised Risk Matrix (attached A3) as at May 2023***
- ***Accept the report to the Board including the information***

Moved: Marcus C

Seconded: Norm W

Carried

Action: revise the table to include further information for consideration by the FARM Subcommittee.

4.5 Finance, Audit and Risk Management Subcommittee: FVTOC Budget 2023-24

Dilruk spoke to the paper outlining the revised budget for 2023-24, based on the May figures and projections until end of the financial year. This included a carry forward of approximately \$2m, funds already secured and expected to be achieved.

It was noted that while this would leave an income deficit of \$400k, this remained in line with previous years budgets and pattern of income over the year. However, it was noted that management would continue to work on generating income, and that further information would be brought back in the August Board meeting.

Resolution:

The Board resolved to approve the Budget for 2023-24, noting management will continue to work on generating income.

Moved: Norm W

Seconded: Marcus C

Carried

5.0 DIRECTION AND STRATEGY

5.1 Strategic Plan 2024-27

Cassandra spoke briefly to the agenda item indicating the agreed process at the last meeting to develop the strategic plan for the period 2024-27 by the end of the year. It was noted that over the last year the Board had checked in on the current strategy, considered the changing landscape and the growing capacity of TOCs and direct relationships with the State.

Paul noted that this strategy in building on this was looking forward and positioning to remain relevant and to add value to members, and the sector more broadly. In speaking to the five options he outlined the comparative assessment detailed in the matrix of five options. The options being: current (status quo); refresh (minor change) refocus (a shift in focus) positional change (consultancy approach) and institutional change (a new body, changed objectives).

The Board considered and discussed the models, and in particular noted that the Federation has a unique offering and still space for advocacy outside of the treaty and First Peoples' Assembly structures, but that it lacks secure funding and as such the refocus model seeks a balanced approach to change, to create a more with a services oriented approach as a pathway to broad income streams.

Paul indicated that the recommended approach was for an in principle agreement, enabling management to undertake further work and make adjustments as the strategy development unfolds and considerations of risks, opportunities and strategies develop.

The Board noted that it would be possible to reach out beyond the preferred model to adjust as the landscape changes.

The Board also noted that there would need to be consideration of how to operationalise the model, and what this would mean, including in relation to more individualised services to TOCs operating at different levels.

There was also an indication that the member boards may wish to have further input and discussion.

Resolution

The Board resolved to agree in principle to the Refocus model, vision, objectives and purpose as the basis for developing the Federation's strategic plan 2024-27.

Moved: Norm W

Seconded: Cassandra L

Carried

Action: Management to provide the opportunity for broader view of Member corporations to be incorporated into the process

5.2 Membership of NNTC

The Board in considering the proposal for Federation to be a member, noted the strong alignment in purpose and opportunities for national level influence.

Resolution

The Board resolved to apply for membership of the NNTC on the basis of the fees being waived.

Moved: Dan M

Seconded: Norm W

Carried

The meeting closed at 11.55 am

Signed _____





Cassandra Lewis

Chair

Next Meeting 31 August

Agenda	Minutes and Actions
Item	3.2 – Action Items Arising from FVTOC Board Meetings
Presenter	Chair
Action	Note

Note the Actions Arising from previous meetings

Item Reference	Action	Due Date	Assigned	Actions Taken	Status
2023-2 item 4.1	<i>Circulate information on Growing Regions grants</i>	13 Jun	BG	Completed – sent with minutes and communique	
2023-2 item 4.2	<i>Offer workshop on financial understanding</i>	30 Nov	BG	Incomplete – will offer with draft audited FY23	
2023-2 item 4.4	<i>Revise the table to include further information for consideration by the FARM Sub-committee.</i>	30 Nov	BG	Underway see item 4.5	
2023-2 item 5.1	<i>Management to provide the opportunity for broader view of Member corporations to be incorporated into the process</i>	8 Sep	BG	Revised version based on Board outcomes from meeting 2023-3 item 5.1	

Agenda	CEO, Corporate, Subsidiaries and Subcommittees
Agenda Item	4.1 – CEO Report
Presenter	Paul Paton
Action	Noting

Purpose

This paper provides an update on key work areas.

Corporate, Staffing & HR

FNLRS have advised us that they do not intend to renew their lease at Leveson which expires in March 2024.

As a result, FVTOC Management has initiated a process to investigate potential future accommodation options which considers budget, location and our hybrid model of working from home and in the office.

The new FVTOC website was launched on 25th July to provide a more streamlined experience for visitors and with the added functionality of a member portal for FVTOC Board and CEO Forum.

10 Years Stronger

FVTOC is celebrating 10 years as an organisation in 2023 and we have established a campaign to celebrate that milestone which maps our journey and achievements. The campaign demonstrates the value and contributions FVTOC has made and the need for future work. We are planning to hold an event (dinner) in conjunction with our AGM later this year. <https://fvtoc.com.au/about/10-year-anniversary/>

TOC Collaboration Workshops

FVTOC has continued to renew and strengthen its relationships with Traditional Owner Corporations in 2023 through 'On-Country' collaboration workshops.

The objectives of the workshops are;

- Understanding each other's organisations and greater familiarity of staff and their roles;
- TOC staff to learn more about the Federation's role and its current and upcoming work programs;
- FVTOC staff to gain a better understanding of the current and emerging priorities for TOC's;
- Discussion of opportunities for collaboration and how the Federation can best support their interests;
- An opportunity for informal discussion on-Country to build personal relationships between staff.

So far, we have met with EMAC & FPMMAC, Djaara & Bunurong with a GLAWAC & TLAWAC scheduled over the coming days & weeks.

Management Areas of Focus & Risk

Core funding from DPC for FVTOC has ceased as of 30th June 2023. There is an urgent need to secure an alternate source of base funding for our work. This is part of the overall objective which is to continue to enable the work of TOC's, continue and further FVTOC's contribution to reforming the State and National political landscape. Several possible alternate sources have been identified and management is seeking to access these. Possible options include; ILSC, NIAA, FPAV and SD Fund.

At this critical time, it is imperative that the FVTOC Board are fully cognisant to the breadth of actions being undertaken and seek to identify potential pathways to enable the actions to be achieved.

Areas of Management Emphasis	Purpose	Practical application
1. greater focus on 'services orientation'	<u>Sustainability</u> through greater focus on delivery and with fees or funding of outputs to recognise the value of the work	<ul style="list-style-type: none"> • Directly providing services to TOCs • Planning services • Policy/regulatory advisory services
2. communications, campaigns, engagement	<u>Adding and showing value</u> strengthen Traditional Owner interests, profile and connection to the Federation's work through communications, campaigns, relationships and information	<ul style="list-style-type: none"> • don't stop now, 10 years strong, get to know your TO • forums/workshops • media and communications • further stories/podcasts
3. advocating in a national context	<u>Positioning</u> and broadening the potential opportunities and reach of our advocacy	<ul style="list-style-type: none"> • TONFABS • ICIP • Cultural Heritage • Voice • Renewable Energy

NNTC Membership

FVTOC was recently accepted as a member of the NNTC. As a member we will be working alongside Native Title Representative Bodies and Service Providers as well as other PBCs, we'll have the power to help influence and shape national Indigenous issues. We will be able to influence the national agenda and advocate for positive changes on behalf of all PBCs and TOCs Australia-wide.

Victorian Closing the Gap Partnership Forum & Aboriginal Executive Council

Federation of Victorian Traditional Owner Corporations has been elected as the member to represent both Economic development/employment and the Land and Water sectors on the Closing the Gap Partnership Forum.

The forum is focussed on establishment with an Aboriginal Caucus and Secretariat. Victoria's Implementation Plan is being extended to 30th June 2025 alongside funding to support FVTOC participation and sector engagement. The Forum has now officially become a member of the Coalition of Peaks taking over from the Aboriginal Executive Council.

UPDATE ON KEY OUTPUT AREAS

Cultural Landscapes Strategy (CLS)

With 2 years funding from DEECA, FVTOC convenes and facilitates the CLS Implementation Program and Knowledge Forum. The most recent Cultural Landscapes Strategy knowledge forum was held in Colac and Dreeite, hosted by EMAC, on 10 August 2023.

Kowa Consulting attended the on-Country visit and introduced themselves to the group. Kowa has been engaged to develop a monitoring and evaluation framework for the CLS implementation. Following the walk around Dreeite, Kowa spoke about the truth telling indicators and rubrics they are developing to track implementation and monitor action in the Cultural Landscapes Strategy.

The future of forests has been a focus for the Knowledge Forum due the end of Native Forest logging in Victoria. I met with Minister Stitt to assert the need for partnership with Traditional in this space. Minister Stitt supports the need for partnership and directed the department to establish the partnership with TO's.

A very good outcome.

The next date for CLS knowledge forum members to put in their calendar is Wednesday 11 October. There will be an in-person workshop in Melbourne to develop the monitoring and evaluation framework, led by Kowa consultants.

Native Foods and Botanicals

Implementation is continuing with particular focus on building an effective ICIP protection framework and the establishment of the TO led co-governance environment that will drive implementation into the future.

- *A critical part of the 2022-23 Work Program has been to work more closely with TOCs to help support their communities to engage with the TONFABS and develop leadership within their mobs around native foods and botanicals.*
- *The TONFABS Co-Governance Group has finalised the TONFABS Cultural Protocol and template Access and Benefit Sharing Agreement. The Cultural Protocol will be launched in the coming months and the template ABSA made available to TOCs. Funding is available for TOCs to tailor each of these documents to their particular needs.*
- *Saatchi & Saatchi have been engaged to design a marketing campaign to highlight Traditional Owners' expectations around best practice (as laid out in the Protocol) in the native food and botanicals industry. Funding will need to be secured to roll-out the campaign.*

Nation Building Resource Pool

The Nation Building Team is continuing to support corporations with their submissions, project plans and contract arrangements. All TOC's but one have now submitted and/or received resource pool funds. The Nation Building Program was presented at the AIATSIS Conference in Perth on 4th June alongside Djaara, GLaWAC.

The Resource Pool funding will cease this year as the Self Determination fund is established and will support Treaty readiness and capacity building activities. FVTOC is funded to administer the Resource Pool funds until 2024. We currently exploring if/how FVTOC can support Treaty readiness for TOC's through research and other activities.

ERV Flood Recovery Fund Administration

FVTOC was engaged by ERV to administer funds on behalf of ERV to support groups to heal Country after the 2022 floods. This funding has been allocated for 12 months.

Meetings attended

<i>5-8 June 2023</i>	<i>AIATSIS Conference (Perth)</i>
<i>13th June 2023</i>	<i>Djaara Collaboration Workshop</i>
<i>14th June 2023</i>	<i>VFA CEO</i>
<i>15th June 2023</i>	<i>CtG Caucus</i>
<i>22nd June 2023</i>	<i>CEO Forum</i>
<i>29th June 2023</i>	<i>Yoorrook Commissioners</i>
<i>30th June 2023</i>	<i>Minister Stitt</i>
<i>10th July 2023</i>	<i>AEC Workshop</i>
<i>11th July 2023</i>	<i>Resource Pool Steering Committee</i>
<i>12th July 2023</i>	<i>Yuma Yiramboi Koorie Caucus</i>
<i>26th July 2023</i>	<i>Tom Bell DEECA</i>
<i>27th July 2023</i>	<i>NNTC Cultural Heritage Alliance</i>
<i>31st July 2023</i>	<i>NNTC Cultural Heritage Alliance LWG</i>
<i>4th August 2023</i>	<i>Victorian Greenhouse Alliance</i>
<i>9th August 2023</i>	<i>Yuma Yiramboi Koori Caucus</i>
<i>11th August 2023</i>	<i>FNCEN Steering Group</i>
<i>14/15th August 2023</i>	<i>CtG Koorie Caucus Workshop</i>
<i>16th August 2023</i>	<i>David Lindenmayer</i>
<i>17th August 2023</i>	<i>CEO Forum</i>
<i>17th August 2023</i>	<i>NIAA – Vic State Manager</i>
<i>18th August 2023</i>	<i>OVGA Indigenous Design Roundtable</i>
<i>21st August 2023</i>	<i>Bunurong Collab Workshop</i>
<i>22nd August 2023</i>	<i>Wadawurrung Interim CEO</i>
<i>22nd August 2023</i>	<i>Trust for Nature CEO</i>

Agenda	CEO, Corporate, Subsidiaries and Subcommittees
Item	4.2 – Finance Report/Dashboard
Presenter	Dilruk Taylor
Action	Accept

This paper provides

- Finance Board Report as at 30 June 2023

The following Federation Finance Dashboard and indication of position as at 30 June.

It also provides a Consolidated Profit and Loss and Balance Sheet, and provides a current balance of the funds held on behalf of others – grant funding.

The working capital ratio indicates that the Federation is able to meet current liabilities as the fall due.

Recommendation

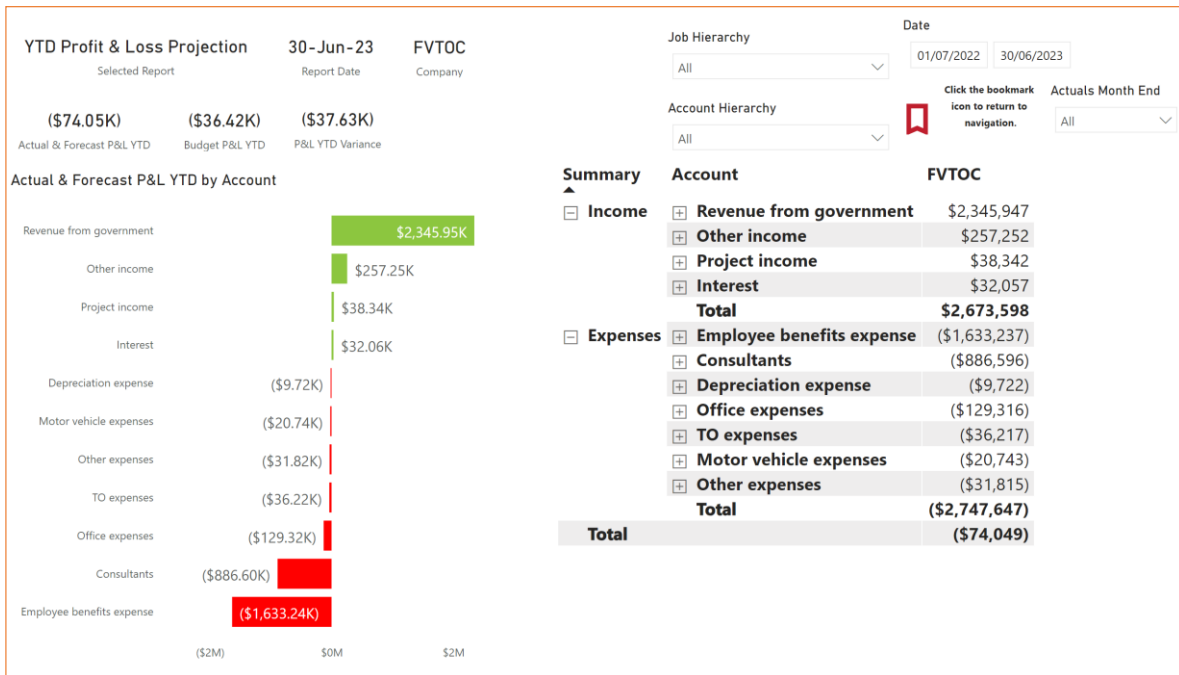
It is recommended that the Board

- **Accept** the finance report as at 30 June 2023

FINANCIAL SNAPSHOT

1.DRAFT Profit & Loss July 2022 to June 2023

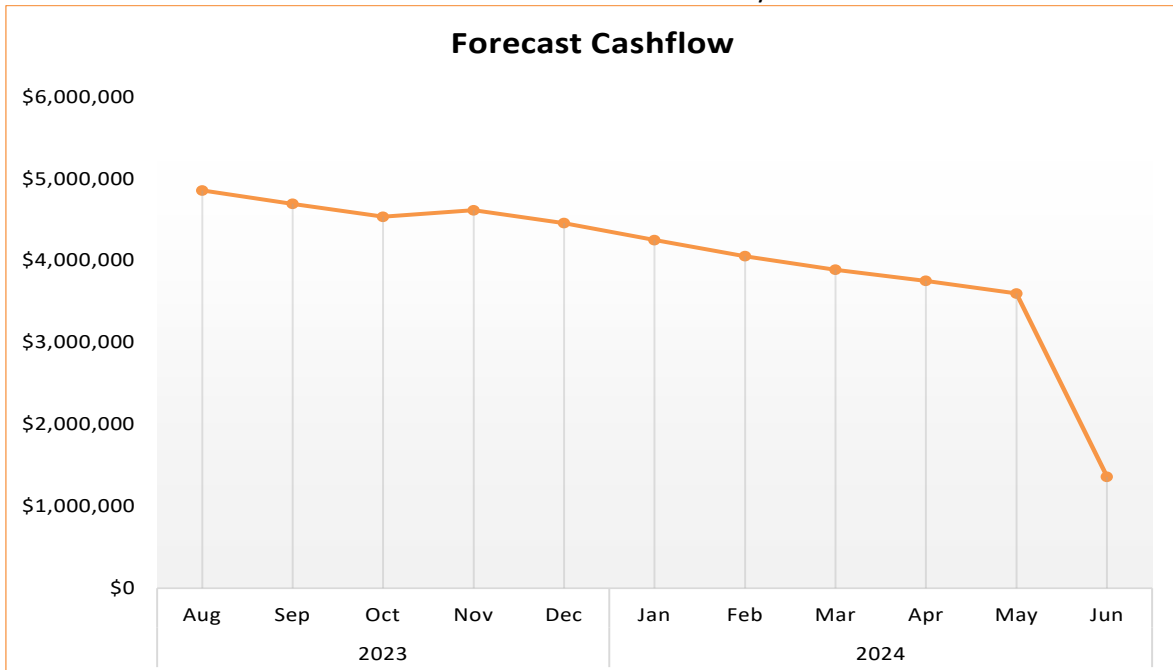
FVTOC has recorded a deficit of \$74,049 for the financial year ended 30 June 2023 (subject to any audit adjustments).



2.Forecast Cashflow to June 2024

The Cashflow forecast is based on budgets prepared until June 24 and estimates cash that will move in (Income) and cash that will move out (Expenses).

The net effect is the Total Cash available to FVTOC on a monthly basis.



3. Ratios

3.1 Working Capital – 1.35

Will current assets (assets that can be converted to cash easily) cover current liabilities (what FVTOC owes others)?

Rule of thumb: > 2

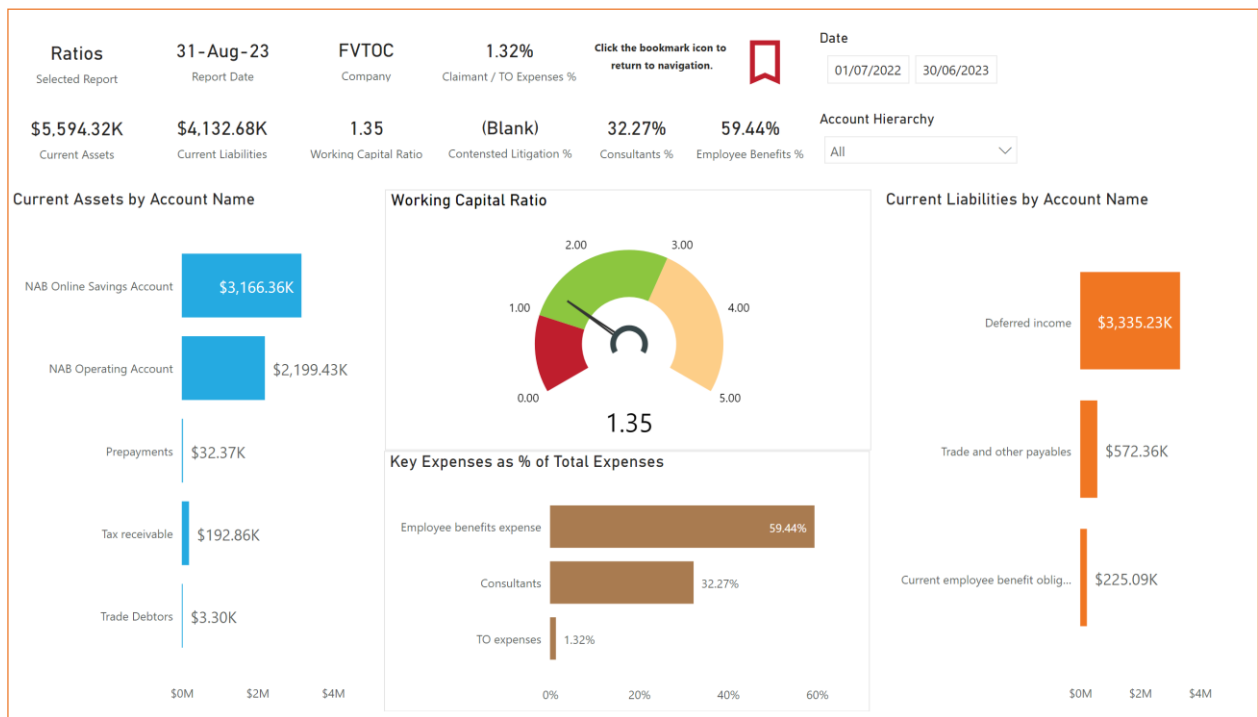
Needs attention: < 1

The Working Capital Ratio of 1.35 shows that FVTOC has sufficient current assets to meet its current liabilities – ie -payment obligations as they fall due as of 30 June 2023. Although the generally accepted ratio is 2:1, since FVTOC current assets are predominantly made up of cash it can operate at a lower ratio. If the ratio falls to below 1:1 it could indicate insolvency issues.

Funds unspent (Deferred Income) of \$3,355,229 for ongoing projects have been carried forward to the financial year ending 30 June 2024.

3.2 Expenses as % of Total Expenses

Key expense	%
Employee benefits expense	59.44
Consultants	32.27
Claimant – TO meeting expenses	1.32



4.Consolidated Profit & Loss (Statement of Comprehensive Income) June 23

FVTOC & FE Profit & Loss		30-Jun-23	Multiple	\$0	Company	Date	NIAA Account
Selected Report		Report Date	Company	NIAA P&L	All	01/07/2022 30/06/2023	All
\$2,676,119	\$2,804,113	(\$127,994)	\$0	\$0	Account Hierarchy		Project Account
Actual Income	Actual Expenses	Actual Profit & Loss	State P&L	Project P&L	All		All
Summary	Account	FE	FVTOC				
<input type="checkbox"/> Income	<input type="checkbox"/> Revenue from government		\$2,345,947				
	<input type="checkbox"/> Other income		\$257,252				
	<input type="checkbox"/> Project income		\$38,342				
	<input type="checkbox"/> Interest	\$2,521	\$32,057				
	Total	\$2,521	\$2,673,598				
<input type="checkbox"/> Expenses	<input type="checkbox"/> Employee benefits expense		(\$1,633,237)				
	<input type="checkbox"/> Consultants	(\$380)	(\$886,596)				
	<input type="checkbox"/> Depreciation expense		(\$9,722)				
	<input type="checkbox"/> Audit and professional services	(\$42,504)					
	<input type="checkbox"/> Office expenses	(\$3,137)	(\$129,316)				
	<input type="checkbox"/> TO expenses		(\$36,217)				
	<input type="checkbox"/> Motor vehicle expenses		(\$20,743)				
	<input type="checkbox"/> Other expenses	(\$10,445)	(\$31,815)				
	Total	(\$56,466)	(\$2,747,647)				
Total		(\$53,945)	(\$74,049)				

5.Consolidated Balance Sheet as at 30 June 2023

The Balance Sheet shows the company's consolidated assets (what it owns), liabilities (what it owes) and equity (assets less liabilities) which is the net worth of each organisation as at 30 June 2023.

The FE Balance Sheet shows the value of the (Non-current assets) investment in Barpa (\$2,947,557) as at 30 June 2023.

Balance Sheet		30-Jun-23	Multiple	Company	Date
Selected Report		Report Date	Company	Multiple selections	01/07/2022 30/06/2023
\$8,363,789	(\$4,196,264)	\$4,167,525	Account Hierarchy		
Assets	Liabilities	Equity	All		
Overview	Summary	Account	FE	FVTOC	Total
<input type="checkbox"/> Net Assets	<input type="checkbox"/> Asset	<input type="checkbox"/> Current assets	\$71,525	\$5,594,318	\$5,665,842
		<input type="checkbox"/> Non-current assets	\$2,947,557	\$0	\$2,947,557
		<input type="checkbox"/> 3rd party assets/(liabilities)		(\$249,610)	(\$249,610)
		Total	\$3,019,082	\$5,344,708	\$8,363,789
	<input type="checkbox"/> Liability	<input type="checkbox"/> Current liabilities	(\$35,145)	(\$4,132,680)	(\$4,167,824)
		<input type="checkbox"/> Non-current liabilities		(\$28,440)	(\$28,440)
		Total	(\$35,145)	(\$4,161,119)	(\$4,196,264)
	Total		\$2,983,937	\$1,183,588	\$4,167,525
<input type="checkbox"/> Equity	<input type="checkbox"/> Equity	<input type="checkbox"/> Accumulated surplus	\$2,983,937	\$1,183,588	\$4,167,525
		Total	\$2,983,937	\$1,183,588	\$4,167,525
	Total		\$2,983,937	\$1,183,588	\$4,167,525

6.Third Party assets/liabilities as at 30 June 2023

Funds held for 3rd parties are held in a interest bearing Online Savings accounts and not included in estimating forecast cashflow. The amount of \$249,610 in the 3rd Party assets/(liabilites) account is:

Interest on Nation Building funding		\$29,610.66
Nation Building funding received on 30 June 23		\$220,000.00
Total		\$249,610.66

The above amount has now been transferred to Funds on Behalf bank account.

Account	Native Foods	Nation Building	BGLC	VAECC	Total
Carry forward FY22	\$ 204,249.02	\$ 4,035,000.00	\$ 61,465.14	\$ 1,000,000.00	\$ 5,300,714.16
Income		\$ 220,000.00	\$ 80,406.84	\$ 9,362.00	\$ 309,768.84
Interest earned		\$ 29,610.66			\$ 29,610.66
Expenses	\$209,655.00	\$ 2,607,500.00	\$ 131,916.98	\$ 107,374.62	\$ 3,056,446.60
GL Transfer to Income	\$ (5,405.98)		\$ 9,955.00		\$ 4,549.02
Balance c/fd FY23	\$ (0.00)	\$ 1,677,110.66	\$ -	\$ 901,987.38	\$ 2,579,098.04

Agenda	CEO, Corporate, Subsidiaries and Subcommittees
Agenda Item	4.3 – Federation Enterprises Report
Presenter	Paul Paton
Action	Note

Purpose

This paper provides an update on Federation Enterprises for your information.

Key Issues and key decisions

Investment

With the increasing investment funds being available, there is now a renewed push to actively seek potential business investment opportunities and Federation Enterprises has actively been seeking investment opportunities. At this time no options have been investigated.

Strategy

Federation Enterprises is undertaking a review of its strategic plan. This has provided an opportunity to revisit the strategies and give more focus towards identifying investment opportunities, noting that many of the strategies and actions had previously focused on establishment of policies and processes.

Emerging focus – Board Director renewals

In the second half of this year, and in time for the November Board Meeting, the Federation Enterprises Directors will need to be considered. Given the increasing investment funds, and the potential for strategic alignment to key sectors, it is proposed that a focus on the skills, knowledge and relationships critical to the next step in the evolution of Federation Enterprises be considered through the Governance Alignment Committee (see separate Board paper, Item 4.4)

KPI reporting (as at 30 June 2023)

KPI Financial	Progress summary notes	
<ul style="list-style-type: none"> ROA – 5% annual rate of growth Dividend payments 50% of income minimum \$300k 	<ul style="list-style-type: none"> Assets increasing – (subject finalised FY23 financials) The assets (the value of the shares in Barpa) have decreased (from \$3.5m to \$2.9m) However the ROA was around 17% in FY23, up from 6% in FY22. 2023 – dividend payment to FVTOC was \$450k 	●
KPI Business growth		
<ul style="list-style-type: none"> 3 new investments in businesses over 5 years Asset growth \$2m over 5 years 	<ul style="list-style-type: none"> By 2025 this remains possible, but is more likely 1 or 2. By 2025 this remains very likely. Since 2020 assets have grown by \$1.8m. 	●
KPI Compliance		
<ul style="list-style-type: none"> Financial and Performance reporting met Governance to optimise oversight (skills and knowledge on boards) 	<ul style="list-style-type: none"> On track Board is giving closer focus to the Barpa shareholder agreement and business planning and expectations 	●
KPI Leadership and brand		
<ul style="list-style-type: none"> Key network representation and event sponsorship Governance providing investor comfort/interest Value communicated to stakeholders 	<ul style="list-style-type: none"> One sponsorship was held year Increasing focus on collateral, website and networks 	●

Federation Enterprises Financial Update YTD

Profit and Loss Statement		30-Jun-23	Balance Sheet		30-Jun-23
Income		\$	Asset		\$
	Interest	2,521		current assests	71,525
	Total	2,521		Non-current assets	2,947,557
				Total	3,019,082
Expenses			Liability		
	Consultants	(380)		Current liabilities	(35,145)
	Office expenses	(3,137)			
	Audit and prof services	(42,504)			
	other expenses	(10,445)			
	Total	(56,466)		Total	(35,145)
Total		(53,945)	Equity	Accumulated surplus	2,983,937

JV Subsidiary reporting - Barpa

The Board has continued to press forward on issues relating to the financial strategy of Barpa, and critically on developing the position on the dividend policy.

In May the Barpa Board was provided information based on the work of Federation Enterprises (provided in January) to consider lifting the dividend to 30% of NPAT. We understand this policy was approved and based on the forecasted budgets, this would translate to dividends to Federation of around \$580k in FY24, growing to around \$700k in FY26.

Recommendation

Note the report on Federation Enterprises

Agenda	CEO, Corporate, Subsidiaries and Subcommittees
Agenda Item	4.4 – Governance Alignment Committee
Presenter	Secretary
Action	Agree to appointments process

Purpose

This paper seeks your agreement to the appointment of members to the Governance Alignment Subcommittee (GAS) to enable the recruitment and appointment of Federation Enterprises Directors in November 2023.

Background

The term of all Federation Enterprises Directors (except the Managing Director) conclude in November 2023.¹ As such over the coming months an appointments process is required.

The current Directors and terms are:

Director	Date appointed from	Term end
Graham Atkinson	29/11/21 (Director and Chair since 2013)	November 2023
Rod Jackson	10/7/20	November 2023
Vicki Clark	7/5/20	November 2023
Casey Majchrzak	29/11/21	November 2023
Paul Paton	ex officio as CEO of the Federation (Managing Director)	n/a

Process requirements

The Federation’s Constitution (clause 36) and Nominations and Appointments Policy as well as the Terms of Reference for the GAS set out the the principles, procedures and the minimum requirements for appointments, including to Federation Enterprises. This, along with the Guidance for the 2023 process has been summarised in **Attachment 1**.

We are therefore seeking to stand up the GAS to lead the appointment process. It is envisaged that this would require only about one day of time (approval of process and timing, interviews) with the logistical and secretarial support provided.

Governance Alignment Committee

The Terms of Reference for the GAS provides among other things that:

- The Federation Board approves the GAS member appointments and any remuneration
- The committee will comprise at least 2 members, up to 50% who are not Federation Directors.
- The GAS may co-opt advisors
- The GAS only has powers to make recommendations to the Federation Board for approval.

¹ In November 2021 (Meeting 2021-4) appointments to the Federation Enterprises Board were made for terms of 2 years. A ‘tidy-up’ in May 2022 (Meeting 2022-2) extended the timeframes for two Directors to align with the November 2023 timing for appointments. Since 2021 two Directors have stepped down, being Nicole Cassar and Alex Burns.

Proposed process appointment to the GAS

There are currently no members on the GAS. It is proposed therefore that the Federation Board:

- seek nominations from Board members for the GAS (noting the time commitments are no more than 1-2 days)
- appoint two Directors, or one Director and another person (potentially the MD for Federation Enterprises) to form the GAS at the Board meeting
- approve the Guidance set out in **Attachment 1** – Appointments for Federation Enterprises 2023
- agree that the GAS, with any co-opted advisors will oversee the process, approving documents and advertising, shortlisting and interviews and the final recommendations to be made to the Federation Board for up to 7 Directors (new appointment or reappointments) for the Federation Enterprises Board

Recommendations

It is recommended that the Board:

Agree to appoint _____ and _____ as the GAS for the purposes of overseeing the process and making recommendations on the appointment of Federation Enterprises Board Directors in November 2023

Approve Attachment 1 – Appointments for Federation Enterprises 2023 as the basis for the GAS process and recommendations.

Appointments for Federation Enterprises Board 2023

Guidance and background information for nominations and appointments to the Board of Federation Enterprises

Requirements under the Federation Constitution

The Federation Constitution provides among other things that:

- **Appointments to boards of subsidiary companies** The [Federation] Board must consider and resolve appointments of Directors to subsidiary boards, including any consideration of the terms of appointments, the mix of roles, skills and other such factors as required for the purposes of the subsidiary company (clause 37)

As outlined in the Nominations and Appointments Policy, the Board will look to nominate or appoint based on:

- need (of the body)
- merit (of the nominee)
- fit (strategic and representative)

Furthermore, in order to apply processes that are, and seen to be, reasonable and sound, namely to be:

- Fair
- Transparent
- Balanced in terms of process efficiency relative to the nature of the role
- Strengthening participation of women
- Recognising the nature of the Federation as a representative body.

Nomination and Appointment of Directors to Federation Enterprises

Further details on the selection criteria, background information and process for appointment are provided in below, including the checklist for the in the procedure.

In order to give effect to the Nominations and Appointments Policy, this would:

- Be by expression of interest, which may include current directors of Federation or Federation Enterprises, and would specifically encourage Traditional Owners and Women to apply.
- following the timeline for an open and fair process, in time for the November Federation Board meeting on 30 November 2023
- Base any decisions for the individual nominees and for the board profile as a whole, on:
 - The Core principles in the Nominations and Appointments Policy; and
 - Key selection criteria for the board as a whole and individual directors
 - Including advice which includes at least one panel member being a Traditional Owner woman.

Federation Enterprises

Federation Enterprises Pty Ltd is a wholly-owned subsidiary of the Federation of Victorian Traditional Owner Corporations. Federation Enterprises is a for-profit company, which has been established among other things as a way to support the Federation by enabling:

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

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

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 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.

The board as a whole would be expected to have a balance of capacity and personal qualities, bringing:

- different skills and knowledge and experience
- interests and perspectives particularly including women, Traditional Owners
- behavioural attributes such as strategic thinking, interpersonal, team and leadership , curiosity and courage, acumen and integrity,
- relationships across government, business, community and other sectors.

Director composition mix of skill sets, knowledge and qualities

It is recognised that the Board will require a mix of skills, knowledge and expertise, and bring a diversity of perspectives and experience to meet the evolving needs of the company.

Key areas of skills and knowledge include:

- Corporate law
- Entrepreneurship
- Investment governance expertise
- Finance and accounting
- Specific industry knowledge (eg construction, agriculture)
- Understanding of Traditional Owner and Aboriginal community economic development

Areas of personal experience and perspectives and qualities

- Networks and knowledge of small business sector
- Experience in senior management of commercial enterprise,
- Experience in corporate governance
- Bring independent analysis and thought, while being a team member for collective benefit
- Understanding and management of conflicts of interest, particularly in membership driven organisations
- Understanding and knowledge of sector, industry and investment trends
- Risk check and due diligence processes
- Relationships and understanding of government, business and finance sectors

Directors may be expected to:

- Be directors on subsidiary boards
- Support and promote of leadership and opportunity, particularly to:
 - strengthen participation of women
 - enable succession planning
 - recognise emerging knowledge and skills where appropriate
- ensure interests that are likely, or have the potential, to raise a conflict of interest will be noted in the expression of interest, and in any on-going fulfilment of the role.

Number and Representation of Board Members

It is expected that the Board will comprise between 4 – 8 Directors, including the Chair and Managing Director. It may be expected that the Board will have a mix of Directors including:

- The Federation Board
- Women members
- Traditional Owner Corporations or associated membership
- Non-Aboriginal backgrounds if required

Tenure

It is expected that the tenure for Board members will be two years, but may be for differing periods, to enable continuity over a longer period of time and balancing the skills and knowledge required to shift in response to the needs of the organisation.

Sitting fees

The Federation Enterprises Board is responsible for setting the rates for Board sitting fees.

Indicatively, these are expected to be based on the Federation's Policy on Payments for Board, Representative and Committee Membership for Directors and Consultants.

Process for Federation Enterprises Board

In order to meet the Nominations and Appointments Policy for an open, transparent and fair process, a process and indicative timeframes is set out below:

By 20 September 2023	GAS approvals of information
By 30 September 2023	Expressions of Interest open Letters to each Member and other TOCs or key stakeholders, we, seek etc
20 October 2023	Expressions of Interest close
30 October 2023	Interviews
10 November	GAS Recommendations for Board
30 November	Board approval
Inform parties	

The checklist below outlines the key information and process checklist from the Nominations and Appointments Policy.

Checklist: Federation Enterprises Board of Directors

Steps	How and who
Position name and description	<i>Director</i>
Entity name and description	<i>Federation Enterprises</i>
Appointer or decision-maker	<i>FVTOC Board</i>
Selection criteria, weightings, specific requirements	<i>Separate document sets out key experience, skills, knowledge and competencies across industry, technical, governance and behavioural requirements</i>
Promotion of leadership and opportunities: <ul style="list-style-type: none"> • participation of women 	<i>Targeted in calling for expressions of interest, interview panel</i>
Role/Purpose of organisation	<i>Federation Enterprises as Subsidiary Company undertaking commercial activity and investment for Federation</i>
Role and Purpose of the position(s)	<i>Separate Document (ie FE collateral) and Charter</i>
Terms of reference or position description	<i>Separate Document</i>
Other relevant documentation (eg strategy)	<i>Federation Strategy and Constitutions, Charter</i>
Specific requirements (eg skills or knowledge required)	<i>Separate document – seeking a mix of skills knowledge and experience</i>
Authority Given	<i>Director duties, powers and functions per the Federation Enterprises constitution</i>
Seeking applications/nominations	
<ul style="list-style-type: none"> • Process to promote leadership opportunity 	<i>Included</i>
<ul style="list-style-type: none"> • advertising 	<i>Advertising, direct approach, networks</i>
<ul style="list-style-type: none"> • nominating 	<i>Expression of Interest</i>
<ul style="list-style-type: none"> • endorsement requirements (ie if nominations) 	<i>N/A</i>
<ul style="list-style-type: none"> • check: 	<i>Core principles</i>
Application process	
<ul style="list-style-type: none"> • Application requirements 	<i>EOI – letter and CV</i>
<ul style="list-style-type: none"> • Documentation 	<i>Questions according to skills and knowledge and experience</i>
<ul style="list-style-type: none"> • Presentation or interview 	<i>Shortlisting by Governance Alignment Subcommittee</i>
<ul style="list-style-type: none"> • Panel support 	<i>Secretariat</i>
Check of conflict of interest or other threshold matters	
Recommendations/Reasoning	<i>GAS Paper to Board</i>
Decision	<i>FVTOC board</i>
Minutes	<i>Secretariat</i>
Follow up process for successful	<i>Management / Board</i>
Follow up for not successful	<i>Management / Board</i>

Agenda	Strategy
Item	5.1 – Strategy Plan 2024-27 – Service and Strategy focus areas
Presenter	Paul Paton
Action	Agree in principle

Purpose

This paper seeks in principle agreement to the proposed strategies, services and areas of focus for the Federation’s strategic plan 2024-27, building on the ‘refocus model’ previously discussed.

Background

At the March 2023 Board Meeting it was agreed that the Federation’s strategy for 2024-27 would be considered in stages:

- June: a brief analysis of issues and options for key elements of a strategy, building on the previous work of the Board
- August: a draft revised approach for discussion and approval
- November: a revised strategy 2024-27 for finalisation and approval.

At the Board meeting held in June 2023 (2023-2) there was agreement in principle to revise the Federation’s strategic plan in preparation for 2024 based on:

Vision

TOCs strong on Country leading social, political, economic and cultural landscape

Objective

To embed recognition, empower self -determination, enable capacity through services that support and inform TOCs and strengthen collective advocacy

Purpose

To provide and facilitate services and support to enable the self-determining direction of TOCs to activate interests and opportunities

The Refocus model largely continues to reflect the current Vision, Objectives and Purpose of the Federation, but with some changes to reflect a greater focus on:

- a services-orientation to give more focus on financially viable and sustainable operations
- continuing to leverage and develop areas where there has been sound achievements and experience gained over the last several years.
- broadening the areas of work but also the partners, funders, and client base.

The summary table of options considered with the Refocus option highlighted is attached (Attachment 1).

Discussion

The 2024-27 strategic plan, places a stronger emphasis on the long term objectives and the strategies to achieve those outcomes through the refocused model.

Objectives – ‘why’

The vision, objectives and purpose help to show why we do our work and what in the long term we would like to see. In this strategic plan (as an outward facing document) helping to identify and articulate the objectives is intended to assist in ‘selling’ the role of the Federation and the work it does to TOCs, government and to broader stakeholders.

Table 1 – strategic objectives

Objectives	Success can be identified when
Embed Recognition	<ul style="list-style-type: none"> • TOCs are recognised within relevant regulatory environments as having specific roles, control and authority over Country (eg by incorporating values, strategies, statements)
	<ul style="list-style-type: none"> • TOCs are (across government) recognised systemically and consistently within frameworks and institutions for planning, decision-making and funding
	<ul style="list-style-type: none"> • Implementation accountabilities and commitments give effect to partnership principles, bi-cultural pathways and free prior and informed consent
Empower Self-determination	<ul style="list-style-type: none"> • TOCs are enabled to set out and implement their values, strategies and statements impacting Country and Community
	<ul style="list-style-type: none"> • TOC’s exercise authority and control, whether solely or jointly giving effect to cultural expertise and value (in processes to plan, prioritise, define, design/co-design, deliver, monitor)
	<ul style="list-style-type: none"> • Decision-making is agreed and clear and barriers are reduced or removed (including having appropriate resources, funding and information, mandate for decision-making)
Enable Capacity	<ul style="list-style-type: none"> • TOCs have adequate resources (including staff, information and expertise, infrastructure and community engagement) to lead, respond to and manage community aspirations and representative functions (eg to government and other stakeholders)
	<ul style="list-style-type: none"> • TOCs have the financial independence and certainty to plan, activate and implement strategies and opportunities
	<ul style="list-style-type: none"> • Governance and management processes along with leadership and representation functions are fulfilled and incorporate community and cultural authority

The objectives and success identifiers will help guide decision-making (ie why and what will lead to achieving those objectives) and will help ensure there is a connection to the Members and wider TOC sector interests.

While the Success measures are not comprehensive, they help define the objectives and provide an initial point to develop measures or indicators of progress.

Strategy refocus - ‘how’ will drive the business

In keeping with the previous strategic discussions, our strategic intent is to refocus the Federation’s strategy to emphasise strategies for:

- Sustainability
- Adding (and showing) value
- Positioning to strengthen alliances and connections

In order to achieve these, the following table summarises what we will focus on in terms of service delivery. These strategies are broad brush and are intended to help direct the way in which the Federation articulates what it does, and guide how it can continue to attract work, TOC support and broader funding and client partners, and ultimately what resources and capabilities will be required.

Table 2 – strategy refocus

Strategic intent	Strategic focus on	Strategies – service delivery focus areas
Sustainability	Services	<ul style="list-style-type: none"> • Direct services to TOCs <ul style="list-style-type: none"> ○ Capacity support ○ Project design, funding search, planning and facilitation, report writing • Collective services <ul style="list-style-type: none"> ○ Specific projects or research ○ Government funded
Adding and showing value	Communications and engagement	<ul style="list-style-type: none"> • Sharing and promoting success stories to demonstrate outcomes and value (including social media presence) • Strengthen publication and dissemination of research, submissions, reports etc demonstrating expertise, and leveraging collective views and wisdom • Direct engagement <ul style="list-style-type: none"> ○ Support and develop knowledge sharing • Collective engagement <ul style="list-style-type: none"> ○ Convene and facilitate workshops, yarning circles etc to develop and leverage ○ Brokerage and enable 2-way engagement with stakeholders and government through forums
Positioning to strengthen alliances and connections	Linking to National agenda and Treaty	<ul style="list-style-type: none"> • Strengthen Victorian TOCs role and voice in national issues and leveraging opportunities to influence including state policy <ul style="list-style-type: none"> ○ Focus on selected topics leveraging NNTC, NIAA, ILSC, departments etc and political influences • Link to Treaty readiness, preparations and negotiations <ul style="list-style-type: none"> ○ Developing information and research ○ Supporting collective and direct TOC

Service Delivery – ‘what’ we will do

Building on the core capabilities and unique position, knowledge and capacities of the Federation, the core offerings will continue to evolve, shaped by the continuing changes in the operating context, priorities and opportunities.

The core services or activities

- Advisory and advocacy
- Convening and coordinating collective forums for proactive (eg strategy development) and reactive (eg consultation) programs
- Sharing and promoting success stories
- Information and expertise sharing
- TOC direct support – capacity support and connecting to opportunities
- TOC direct support – project support design, funding, planning and facilitation, report writing
- Research and information development
- Facilitation and support for collective and co-governance arrangements
- Program and grant funding management

Next steps

If the Board endorses the elements set out in the Table 1 and Table 2, further details will be developed that support the connections to the service delivery aspects.

However, we also recognise that Board members may wish to seek endorsement or further discussion on the content of the strategy.

Management with a view to preparing a final version for the November Board meeting will:

- circulate a document to enable those discussions
- meet with directors (and their boards or key people) as required/invited.

Recommendation

It is recommended that the Board

Agree in principle to the Refocus model, vision, objectives and purpose and the refocused areas of strategic intent and service delivery strategies as the basis for developing the Federation’s strategic plan 2024-27.

ATTACHMENT 1 - Summary table of options

	Status quo (current)	Refresh (broaden current activity)	Refocus (strengthened service model)	Positional change (consultancy approach)	Institutional change (a new body)
Description	Keep the current high level vision, objective and purpose	Keep the current high level vision, objective and purpose	Largely the high level drivers remain similar, but some emphasis on more service model	TOCs remain central focus, but our role defined as service provider and enabler	The focus becomes a preferred provider of research and advisory services
	Keep the current range of services and focus areas	Relatively minor amendments – add to the services offered	Similar sorts of services, but emphasising fees for tailored services,	The services model becomes focused largely on fee for service, acting for clients	Services likely to focus on alignment with on-going government programs or on fees for specific services
	Retains the collective state-wide approach	Collective approach, but attracting new areas of work, and some services – essentially similar – but wider funding opportunities	A mix of collective advocacy and new services (research) to TOCs, FPAV, less collective work	Focus is on attracting income generating grants or services delivered –collective advocacy only as a service	Focus is on attracting income generating grants or services delivered – supporting collective advocacy through research/positions
Assessment	Advantages – no similar orgs in Vic	Adv – no similar orgs in Vic	Adv – no similar orgs in Vic – can develop complementary services to TOCs	Adv – build on relationships and understanding potential to ‘stitch’ opportunities together	Adv - Point of difference in knowledge, relationships, consulting is internalised to other outputs
	Disadvantages – Lack of secure funding	Disadv – Lack of secure funding, but contributory funds sought from other sources	Disadv – Lack of secure funding, but more potential to broaden scope	Disadv – would need to buy in technical skills – competition with organisations with specific skills and knowledge	Disadv – no specific TOC funding focus (except for FPAV) to align with – would need to buy in technical skills Significant competition in other areas -
	S – known brand W – low TOC buy-in O – T - funding	S - known brand W - low TOC buy-in O – dev services T - funding	S - known brand W - O – increase services T - other org’s	S – different services W – limited services O – new funding T - competition	S – focused services W - O – funding streams T - competition
Scale of change	Retain current people, resources,	Retain current + new specialist people, resources	Some shift in current skills to adjust over time, with focus on the services	Significant change (less policy/advocacy)	Complete change
	Continue to use Federation brand, build on its strengths	Retain Federation brand, but potential to add	Adjust branding (eg add ‘trading as’ or additional elements) for some services	New brand New ownership model	New brand New ownership model
examples		NNTC	Municipal Association of Victoria (MAV)	services partially akin to Cape York Partnership, Kimberly Land Council	Kaiela Institute, Lowitja Institute