

Goolawah Co-operative Rules – 2018 Revision

Background

In NSW co-operatives are primarily governed by the Co-operatives National Law (CNL), the Co-operatives National Regulations (CNR), and the Co-operatives (NSW) Regulation 2014.

A co-operative is required to have a set of rules which address each of the topics set out in Schedule 1 to the Co-operatives National Law (CNL). Other provisions of the Law or the Co-operatives National Regulations may also specify that particular matters may or must be set out in the rules.

The Co-operatives National Regulations contain a set of rules that may be used by a general co-operative. These rules are called “model rules” because they are drafted to ensure that they include all matters that are required to be included in a co-operative’s rules. A co-operative is not required to use the model rules, but instead it may prepare its own rules or it may use some of the model rules and draft others to complete its rules so that they comply with the Co-operatives National Law.

It is important to note that a co-operative’s rules must be approved by the Registrar. If a co-operative chooses to prepare its own rules and the rules do not make provision for a matter set out in Schedule 1 to the Co-operatives National Law, then the Registrar may insert the relevant model rule to complete the co-operative’s rules.

The Policy and Guidelines Committee have revised and prepared a draft set of rules by cross-referencing Goolawah’s current rules with Bundagen’s Rules (updated 2014/15), the Model Rules for a non-distributing co-operative with share capital, and the CNL. Many of Bundagen’s rules are the same or similar to Goolawah’s rules. All references to the old ‘Act’ have been replaced with the relevant new ‘CNL’.

The following table provides a reference for the revision of the co-operatives rules.

GR – Goolawah rule

BR – Bundagen rule

MR – Model rule

TABLE OF CONTENTS	Goolawah’s previous rule number	Model Rule Number	Revision
PART 1 - PRELIMINARIES			
1. DEFINITIONS	1 a	2	GR - no changes
2. DEFINITIONS - INTERPRETATION PROVISIONS	1 b,c,d,e		GR - no changes
3. NAME	4	3	GR - no changes
4. NON-DISTRIBUTING CO-OPERATIVE	2B		GR - no changes
5. OBJECTS	6	3A	GR - no changes
6. LEGAL CAPACITY & POWERS OF THE CO-OPERATIVE POWERS	7		GR - no changes
7. POWER TO FORM COMPANIES, ENTER JOINT VENTURES, ETC	8		GR - no changes
PART 2 - RULES			
8. RULES	2	58	GR - copy of rules from \$5 to \$10
9. RULE ALTERATIONS	3		GR - no changes
10. BY-LAWS	10A		GR - a. ii) deleted words internal and administration e. ii) (D) used BR wording
PART 3 - MEMBERSHIP			
Section 1 – Membership General Rules			

11.	ACTIVE MEMBERSHIP PROVISION	14	4	MR format, changed 'housing' to 'land sharing'
12.	QUALIFICATIONS FOR MEMBERSHIP	16	5	Added BR - 3 points
13.	APPLICANTS FOR MEMBERSHIP TO BE GIVEN NOTICE OF ENTRY AND PERIODIC FEES	17		GR - no changes
14.	APPLICATION FOR MEMBERSHIP AND SHARES	18	7	d and e - used BR
15.	MEMBERS OF THE CO-OPERATIVE	19		GR - no changes
Section 2 – Shares				
16.	CAPITAL AND SHARES	20	16	GR - c. changed to fully paid (not 10%). d. changed to 2 shares (pending DFT approval)
17.	MINIMUM SHAREHOLDING	22		GR - no changes
18.	CERTIFICATE OF SHARES	35		GR – added 'or as joint members'
19.	TRANSFER AND TRANSMISSION OF SHARES	41	19	GR - deleted Share Transfer form, f. i) deleted \$5 fee
20.	EFFECT OF SALE, TRANSFER OR DISPOSAL OF SHARES	42	20	GR - no changes
21.	NOTICE TO BE GIVEN OF SUBSTANTIAL SHARE INTEREST AND SUBSTANTIAL CHANGE OF SHARE INTEREST	24		need legal advice (we think not applicable to share structure – see rule 16).
22.	REGISTER OF NOTIFIABLE INTERESTS	25		need legal advice (we think not applicable to share structure – see rule 16).
23.	PURCHASE OF MEMBERS' SHARES	26		BR – board approval is replaced by general meeting approval.
Section 3 – Members' liability				
24.	FEES AND LEVIES	17A,B,D	6	GR - Deleted 17A a) iv) – \$500 cap not appropriate over time, changed title Annual levy, Road levy, Work Levy (added per share). Deleted 17C Resident Levy – doesn't apply to G
25.	LIABILITY OF MEMBERS TO THE CO-OPERATIVE	27	15	GR - no changes
26.	FINES PAYABLE BY MEMBERS	99	14	GR - a. added 'by-laws or general meeting agreements'
Section 4 – Dispute Resolution				
27.	DISPUTES and MEDIATION	96	13	MR (pending DFT approval)
Section 5 – Expulsion of Members				
28.	EXPULSION OF MEMBERS	47	9	MR
29.	MONETARY CONSEQUENCES OF EXPULSION	48	11	MR, changed the title, deleted resignation (doesn't apply)
Section 6 – Member Cancellations				
30.	FORFEITURES AND CANCELLATIONS RELATING TO INACTIVE MEMBERS	15	21	GR – (d) increase from \$50 to \$100
31.	FORFEITED SHARES	39	23	GR - no changes
32.	SALE OF SHARES BY THE CO-OPERATIVE TO RECOUP DEBTS OWED TO THE CO-OPERATIVE BY A MEMBER	40		GR - no changes
33.	CEASING MEMBERSHIP	49	8	GR – deleted (c)
Section 7 – Deceased, Bankrupt or Incapacitated Members				
34.	DEATH OF MEMBER	43	24	MR – added NOTE: The beneficiary shall satisfy the co-operative's

			membership requirements.
35. RIGHTS AND LIABILITIES UNDER BANKRUPTCY OR MENTAL INCAPACITY	44	25	MR Included title
REGISTRATION AS ADMINISTRATOR OF ESTATE ON INCAPACITY OF MEMBER	45	25	Included in 36.
36. ENTITLEMENTS AND LIABILITIES OF PERSON REGISTERED AS TRUSTEE, ADMINISTRATOR, ETC	46	26	MR
PART 4 – LICENCES TO OCCUPY			
37. LICENCES GRANTED BY THE CO-OPERATIVE TO OCCUPY LAND	2A		Re-wrote rule to reflect Goolawah’s practices.
PART 5 - BOARD OF DIRECTORS, SECRETARY AND EMPLOYEES			
38. BOARD OF DIRECTORS AND THEIR QUALIFICATIONS	63	44	MR (minor re-wording) Combined with qualifications of directors.
39. RETIREMENT AND ELECTION OF DIRECTORS	67,68,69	47	GR – some changes to reflect current practice.
40. APPOINTMENT OF SECRETARY	86		BR
41. DIRECTORS’ REMUNERATION	70	51	Deleted GR b. ii. and subsidiary
42. REMOVAL OF DIRECTOR FROM OFFICE	79	48	GR - changed from simple to 2/3 majority
43. VACATION OF OFFICE OF DIRECTOR	80	49	BR
44. FILLING OF CASUAL DIRECTOR VACANCIES	81	50	GR – some re-wording to reflect current practice
45. DEPUTY DIRECTORS	82	50	GR - deleted g. include in Proceedings of the board
46. EMPLOYEES (INCLUDING AGENTS & CONTRACTORS)	85		Changed title from Officers to Employees, removed servants.
PART 6 – VOTING, GENERAL MEETINGS & RESOLUTIONS, AND BOARD MEETINGS			
Section 1 – Voting			
47. VOTING RIGHTS	28		GR plus added CNL 228 (6). Vote may be exercised by either member on share certificate.
48. RESTRICTION ON VOTING ENTITLEMENT UNDER POWER OF ATTORNEY	34		GR - unchanged
49. ATTENDANCE AND VOTING AT GENERAL MEETINGS	60	36	MR 36 – some changes to reflect G practice i.e. 2/3 majority rule.
50. VOTING ON A SHOW OF HANDS	60	37	MR 37
51. VOTING ON A POLL	60	38	MR 38
52. PROXY VOTES	31	40	MR GR 31. d) Change from 10 to 3 persons
POSTAL BALLOTS	61	41	Deleted – not in our practice
EFFECT OF RELEVANT SHARE AND VOTING INTEREST ON VOTING RIGHTS	29		Deleted – not in our practice
NOTICE TO BE GIVEN OF VOTING INTEREST	30		Deleted – not in our practice
Section 2 – General Meetings & Resolutions			
53. ANNUAL GENERAL MEETING	50	30	MR 30
CONVENING GENERAL MEETINGS	51	31 (1)	Moved Convening general meetings moved into Requisition of general meetings
54. REQUISITION OF GENERAL MEETINGS	52	31 (2)	Shortened contents and referenced Section 257 of the Law.

REQUISITIONED GENERAL MEETING MUST BE CONVENED AS SOON AS PRACTICAL	53		Deleted GR 53 - Referenced in Section 257 of the Law in Requisition of General Meetings
55. NOTICE OF GENERAL MEETINGS	54	32	GR c. added BR rule 35 day notice for Special Resolutions and minimum of 5 members to propose (see MR 32 "last Note" Deleted e (iii) – no requirement for auditors.
56. NOTICE OF SPECIAL RESOLUTIONS	55		BR rule – clearer language
57. SPECIAL RESOLUTION	62	43	BR rule, deleted references to Postal Ballots.
58. BUSINESS OF GENERAL MEETINGS	56	33	Added (d) BR rule
59. QUORUM AT GENERAL MEETINGS	57	34	Added (d) BR rule
60. STANDING ORDERS AT GENERAL MEETINGS	59		Shortened introduction. Added (x) – reference to Code of Conduct
61. CHAIRPERSON AT GENERAL MEETINGS	58	35	Added d. BR rule
Section 3 – Board Meetings			
62. REQUISITION AND NOTICE OF BOARD MEETINGS	71		Added secretary and additional director to GR, changed b. from chairperson to 2 directors.
63. PROCEEDINGS OF THE BOARD	72	52	MR, kept 2/3 majority and b. Includes Transaction of business outside board meetings (GR 73 deleted)
64. QUORUM FOR BOARD MEETINGS	74	53	GR - unchanged
65. APPOINTMENT OF DIRECTORS TO CONSTITUTE A QUORUM	75	53A	Gr - removed annual
66. CHAIRPERSON OF BOARD MEETINGS	76	54	MR 54 (2) – changed from 15 to 5 minutes
67. MINUTES	84	57	GR - changed from 28 to 14 days
68. DELEGATION AND BOARD COMMITTEES	77	55	MR (includes GR 78 with (b) deleted)
69. OTHER COMMITTEES	83	56	MR
PART 7 – ADMINISTRATIVE MATTERS			
70. REGISTERED OFFICE	5		GR - added address a.
71. NOTIFICATION OF OFFICE ADDRESS AT WHICH REGISTERS ARE KEPT	5A		GR - unchanged
72. INSPECTION OF RECORDS AND REGISTERS	13	60	MR 60 – deleted Note 1 and (2) GR – Deleted Custody from title.
73. SEAL	11	59	MR (deleted 3) REGISTRATION NUMBER omitted from SEAL
74. NOTICES	97	62	MR – added SMS, web posting as examples.
75. DEALINGS OF MEMBERS WITH THE CO-OPERATIVE	10		GR - added services to b. i)
76. CO-OPERATIVE MAY AUTHORISE AGENT OR ATTORNEY TO EXECUTE DEEDS	12		GR - deleted d.
77. INSURANCE	87		GR – a. added BR 84 – b. check if this refers ASSOCIATION LIABILITY INSURANCE
PART 8 – ACCOUNTING AND FINANCIAL MATTERS			
78. FINANCIAL YEAR	88	63	GR - unchanged

79. ACCOUNTS	89	64	GR. Deleted b. - “together with the auditor’s report’ d) BR rule, added other means
80. BANKING	90		GR - Deleted “and all drafts, bills of exchange, promissory notes”
81. APPOINTMENT, DUTIES AND RESPONSIBILITIES OF AUDITORS	91	65	BR rule –reporting for small co-ops has changed.
82. REMOVAL OF AUDITORS	92		BR rule –reporting for small co-ops has changed.
83. RESIGNATION OF AUDITOR	93		BR rule –reporting for small co-ops has changed.
84. PROVISION FOR LOSS	95	68	MR
85. LOANS BY MEMBERS TO THE CO-OPERATIVE	9		BR rule
SCHEDULE OF MISCELLANEOUS CHARGES	100		Deleted – each charge incorporated into relevant rule
PART 9 – WINDING UP			
86. WINDING UP	98	70	BR rule
87. NO DISTRIBUTION OF SURPLUS	94	67	GR - unchanged

NOTE: GR 36, 37 and 38 relate to CALLS ON SHARES (B doesn’t have these rules). Goolawah revised rule 20 (now 16) allowing 10% of share be paid is not practiced (G requires 100%). Hence, Calls on Shares are not possible – rules deleted.

GR 23 SHARES TO BE FORFEITED TO REMEDY CONTRAVENTION OF MAXIMUM LEVEL OF SHARE INTEREST – Delete (not applicable) as 16 d. states maximum of 2 shares allowed.