

PROPOSAL FOR GENERAL MEETING TO BE HELD ON 3 AUGUST 2019

That the annual levy remains at its current level of \$500 per year per share for at least the next 12 months.

Proposer: Greg Ryan

Seconder: Petra Kusseler

Rationale

- 1) The analysis undertaken by the Finance Committee on its meeting on 8 July 2019, leading to the Committee's proposal to increase the annual levy, is inadequate and wrong.

Most importantly, no attempt has been made to reduce expenditure. Ways in which expenditure can and should be reduced include:

- ❑ Abolishing payments made by the Co-op to Directors. These appear to be illegal (under Co-Op law Directors are not to receive remuneration for services), and this could void our insurance policies.
- ❑ Cease payments made to outside contractors to maintain Goolawah internal roads. The alternative approach of hiring equipment and using member's skills would save around \$18,000 per year. Members with the skill and interest to take this on have been identified.
- ❑ There were items of expenditure made last financial year which do not need to be repeated in the next financial year (eg, professional fees \$15k, Ironstone Dam \$4.6k, mulching on Frog Hollow Road, \$2.2k).

- 1) Our analysis indicates that by reducing expenditure in the ways suggested above, while placing a hold on major new items of expenditure and keeping the work levy at \$180 per year, the Co-op will be able to live within its means, and will not need to increase members' annual levies.

In this scenario, the annual income is estimated to be around \$57k and expenditure estimated to be around \$56k.

It is important to note this analysis involves not touching the road levies DA fund, and does not include any income from joining fees. The argument that the Co-op needs to increase members' levies because it is losing income from joining fees is spurious.

- 1) Goolawah was established under legislation specifically for low-income people. It has always been a place where poor people can build a house, while living in proximity with nature. There are many low-income people living here for whom any increase, even small, is a big financial burden. Increasing the annual levy in a situation when it is not absolutely necessary actively discriminates against these members, and undermines the very purpose of Goolawah.

