



# A guide to the Cooperatives Act 1999

Introductory information on becoming an  
cooperative in Tasmania

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## DISCLAIMER

This document is prepared as a layman's guide to the law relating to incorporation in Tasmania. No responsibility is accepted for any errors or omissions, which it may contain. For precision, reference should be made to the *Cooperatives Act 1999*.

# INTRODUCTION

## ***Cooperatives Act 1999***

These guidelines are for those seeking to become a cooperative under the Act. This booklet details the requirements of this Act and your responsibilities once registered.

## ***Copy of the Act and Regulations***

An organisation wishing to be a cooperative, should obtain a copy of the Cooperatives Act, the Regulations. Copies of the Act and regulations are available from the:

Print Applied Technology Pty Ltd  
123 Collins Street  
Hobart Tasmania 7000  
Telephone: 1800 030 940

The legislation may also be viewed at: [www.thelaw.tas.gov.au](http://www.thelaw.tas.gov.au)

# WHY FORM A COOPERATIVE?

## ***What is a cooperative?***

A cooperative is an entity voluntarily owned and controlled by the people for whom it was established and who use its services. It may be formed for the provision of goods or services to its members or for the supply of goods or services to the general public.

A cooperative is a body corporate. It can be formed by five people or corporations, and must be registered. However, unlike companies in general, its main purpose is not profit for its members, but to advance the cooperative's activities.

**We recommend that persons considering a cooperative structure for their activities consult their solicitor or accountant in the first instance to ensure that such a structure is appropriate to their needs.**

## ***What are the advantages of being a cooperative?***

**Services** - The cooperative form of enterprise is specially suited for meeting the collective needs of members, whether they are producers, consumers or workers.

**Democratic control** - Each member has an equal say in cooperative matters. That is, one member one vote.

**Economies of scale** - A cooperative can mean increased buying/selling power and reduced processing/handling cost.

## ***The cooperative difference***

Generally, seven principles of cooperation apply to the operation and establishment of cooperatives. These are:

- 1. Voluntary and Open Membership**  
Membership is open to anyone willing to accept the responsibilities of membership.
- 2. Democratic Member Control**  
Active cooperative members each have one vote.
- 3. Members' Economic Participation**  
Ensures that the operations of the cooperative are focused on servicing the members' needs. In a trading cooperative, surpluses are normally distributed to members in proportion to business done with the cooperative.
- 4. Autonomy and Independence**  
Cooperatives are autonomous, self-help organisations controlled by their members.
- 5. Education, Training and Information**  
Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives.
- 6. Cooperation between Cooperatives**  
At a local state, national and international level, to enhance the cooperative movement.
- 7. Concern for Community**  
While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

## **REGISTERING A COOPERATIVE**

### ***Types of cooperatives***

There are two types of cooperatives:

**Trading cooperatives** – Must have share capital and at least five active members. The cooperative is one that gives returns or distributions on surplus or share capital. Since the members receive pecuniary benefits from their involvement in the cooperative they are entitled to an adequate disclosure regime. However, while it only deals with its members the level of disclosure is not as onerous as that required of a company, as its members through active membership are perceived to have a high degree of knowledge of the activities of the cooperative.

**Non-trading cooperatives** - Must have at least five active members.

This type of cooperative is a traditional “not-for-profit” organisation which must not give returns or distributions on surplus or share capital to members other than the nominal value of shares if any at winding up. As members of this type of organisation receive no pecuniary benefit from their involvement in the cooperative there is no need for a disclosure regime.

This type of cooperative may engage in trade, but its members receive no pecuniary benefit from this trade and all profits are kept by the cooperative to further its primary activities. A non-trading cooperative may or may not have a share capital.

### **Registering as a trading cooperative**

Prior to reading this information, you should determine that a trading cooperative (with a share capital) structure would suit your needs. Before holding a formation meeting there are several matters that need to be addressed including whether the proposed activity is likely to be financially workable.

Working through the Disclosure Statement may provide a useful method to assist you to clarify your ideas and determine what additional information you may need. In some ways the Disclosure Statement is like a summarised business plan providing information on aims, directors, management, assets, other resources and financing.

### **Forming a trading cooperative**

You should consider the following requirements when forming a trading cooperative:

#### **1. Required Number of Persons**

You will need at least five (5) interested people.

#### **2. Documents to be lodged with Business Affairs**

Prepare the documents (listed below) in draft form and submit them to Business Affairs with the relevant forms, at least 28 days before the scheduled formation meeting.

The required documents are:

- a disclosure statement
- Rules of the proposed cooperative
- related information

#### **3. Submission of Documents**

Complete the approved Submission for Approval of Draft Disclosure Statement and Application for Approval of Proposed Rules for a Cooperative and, together with the respective prescribed fees and the draft documents, mail them to Business Affairs.

#### **4. Reviews by Business Affairs**

Officers of Business Affairs will then review the draft documents.

## **5. The Formation Meeting**

If Business Affairs approves your documents you can hold your formation meeting with as many potential members as possible present. The legal minimum number required is five (5). (See paragraph 15(3)(c) of the Act).

Other requirements relating to the formation meeting, as set out in section 15, are:

- the disclosure statement must be presented to the meeting
- the proposed rules must be passed by two-thirds of the proposed members attending the meeting
- the proposed members must sign the Cooperative's application for membership, which must be in the form approved by Business Affairs
- the proposed members must elect the first Directors of the proposed cooperative in accordance with the proposed rules
- the proposed members must authorise a person to apply to Business Affairs for registration of the proposed cooperative, and to do any act or thing necessary to have the proposed cooperative registered

## **6. After the Formation Meeting**

The Application for Registration accompanied by the Statement Listing Director's Details must be lodged with Business Affairs, with the prescribed fee, within two (2) months after closure of the formation meeting or within the extended period that Business Affairs may allow. (See section 18(2) of the Act).

## **7. Registration**

Once registered, Business Affairs will issue a certificate of registration to the cooperative.

### ***Disclosure statement***

One of the requirements that must be met before an application to register a trading cooperative is made, is to present to the formation meeting a separate, written disclosure statement for the purpose of ensuring the prospective members are adequately informed of the nature and extent of a person's financial involvement or liability as a member of the cooperative.

The disclosure statement contains a number of sections to be completed together with the provision of annexures. When completed, a draft must be submitted to Business Affairs at least 28 days before the formation meeting is held.

Business Affairs may approve the draft statement as submitted or may approve an amended statement or refuse to approve the statement. Approval is given by Business Affairs by notice in writing to the person who submitted the draft statement.

Outlined below are the major areas you need to consider in the disclosure statement.

- The rights and liabilities attaching to shares (including the capital required for the cooperative).
- The nature of the proposed membership of the cooperative including details of active membership requirements and objects.
- Details of how the cooperative will perform its activities.
- Particulars of how the cooperative will be managed, including details of:
  - proposed directors
  - proposed directors' interests in any contract with the cooperative
  - day to day management
  - responsibility for accounting and financial functions of the cooperative
  - name of auditor together with written consent to appointment
- Detailed financial information including details of:
  - start up funding showing internal and external source of funds
  - property and assets
  - trading stock
  - market research
  - estimated costs of formation
  - any contracts required to be entered into by the cooperative
  - proposed contracts which the cooperative will assume once formed
  - projected cash flow budget in the format provided or by annexure
  - projected income and expenditure statement in the format provided or by annexure

***Registering as a non trading cooperative***

Prior to reading this information, you should have determined that a non-trading cooperative structure would suit your needs. You should also have decided whether or not the proposed cooperative would have a share capital.

It should be noted that, pursuant to section 14 of the Act, a non trading cooperative must not give returns or distributions on surplus or share capital to members other than the nominal value of shares (if any) on winding up.

***Forming a non trading cooperative***

You should consider the following requirements when forming a non-trading cooperative:

**1. Required Number of Persons**

You will need at least five (5) interested people.

**2. Documents to be Lodged with Business Affairs**

Prepare a set of draft rules and submit them to Business Affairs at least 28 days before the scheduled formation meeting. Business Affairs has model rules upon which you may base your rules.

### **3. Submission of Documents**

Complete the Application for Approval of Proposed Rules for a Cooperative and, together with the prescribed fee and draft rules, submit to Business Affairs.

### **4. Review by Business Affairs**

Officers of Business Affairs will then review the draft rules.

### **5. The Formation Meeting**

If the rules are approved by Business Affairs you can hold your formation meeting with as many potential members as possible present. The legal minimum number required is five (5). Section 15(3)(c) of (the Act)

Other requirements relating to the formation meeting, as set out in section 16, are:

- the proposed rules must be passed by two-thirds of the proposed members attending the meeting
- the proposed members must sign the Application for Membership of a Proposed Cooperative, which must be in the form approved by Business Affairs
- the proposed members must elect the first directors of the proposed cooperative in accordance with the proposed rules
- the proposed members must authorise a person to apply to Business Affairs for registration of the proposed cooperative, and to do any act or thing necessary to have the proposed cooperative registered

### **6. After the Formation Meeting**

The Application for Registration of a Cooperative, accompanied by the Statement Listing Director's Details must be lodged with Business Affairs, with the prescribed fee, within two (2) months after closure of the formation meeting or within the extended period that Business Affairs may allow. (See section 18(2) of the Act).

### **7. Registration**

Once registered, Business Affairs will issue a certificate of registration to the cooperative.

## **Register of cooperatives**

Business Affairs' functions in relation to cooperatives include maintaining a register of cooperatives and the public file which includes the registered rules and alterations thereto, special resolutions, audited accounts, details of directors and secretary, and charges given over assets of the cooperative.

Business Affairs provides search facilities for people wishing to search and/or obtain copies of documents on the public file.

# RULES

## **General Information**

The rules provide for the internal governance and the way the cooperative organises its activities. They outline the cooperative's primary activity or activities, objects, active membership provisions, qualifications for members and directors, admission of new members, matters relating to shares, charges, meeting procedures, distribution of surplus, accounts and audit requirements, and more.

Pursuant to section 99 of the Act, the rules have the effect of a contract between the cooperative and each member; and between the cooperative and each director, the principal executive officer and the secretary of the cooperative; and between a member and each other member. Under the contract, each of those persons agrees to observe and perform the provisions of the rules as in force for the time being so far as those provisions apply to that person. The rules are the constitution of the organisation.

The rules of a cooperative must be in accordance with section 100 of the Act and Schedule 3 to the Act. Cooperatives may compose their own rules addressing all the requirements of the Act, or they may use model rules that have been developed.

When completed, a draft of the rules of the cooperative must be submitted to Business Affairs, with an Application for Approval of Proposed Rules for a Cooperative, at least 28 days before the formation meeting is held. If, at the time of lodgment, the model rules have been published, and the cooperative's rules contain any alterations to the model rules, the draft must be accompanied by a statement setting out the alterations and the reasons for the alterations. (See section 17(2) of the Act).

Business Affairs may approve the rules as submitted, approve the rules with amendments, or refuse to approve the rules. Approval is given by Business Affairs by notice in writing to the person who submitted the rules.

## **Model rules**

Model rules for the three types of cooperative are available from Business Affairs. If the model rules relating to a cooperative deal with a matter that is not dealt with in the cooperative's rules, then the model rules relating to that matter are deemed to be included in the rules of the cooperative.

The model rules are in pdf format at [www.consumer.tas.gov.au](http://www.consumer.tas.gov.au) or alternatively printed versions can be obtained by contacting Business Affairs.

## **Active membership rules**

Under section 112 of the Act relating to Primary Activity, the rules of a cooperative must specify the primary activity or activities of the cooperative, and specify the manner and extent to which a member is required to actively support the cooperative. This support is measured against the cooperative's primary activity (or a combination of primary activities), and members are obliged to use or support an activity or activities of the cooperative in order to retain the right to be a member, including the right to vote. Such activity level should be stated as a minimum requirement.

Examples of a primary activity of various forms of cooperative are listed below.

The cooperative must determine that the proposed active membership provisions:

- 1) are reasonable when considered in relation to the activities of the proposed cooperative as a whole
- 2) satisfy the requirements that a member must utilise an activity of the cooperative in connection with the carrying on of the cooperative's proposed primary activity and
- 3) are measurable, relatively succinct, and precise enough to enable an objective determination to be made as to whether a particular member is active or inactive.

However, a non-trading cooperative may satisfy the requirements by providing that a member must pay a regular subscription in connection with the cooperative's primary activity.

### **Examples**

**An example of a primary activity of a non-trading cooperative** for artificial stock breeding in the dairy industry would be:

'In accordance with Part 6 of the Act;

1. the acquisition of semen and associated products for retail to members is a primary activity of the cooperative and
2. a member shall pay a yearly subscription payable each year in order to establish active membership of the cooperative.'

**An example of a primary activity of a trading cooperative** for fruit packing could be:

'In accordance with Part 6 of the Act;

1. the acquisition of fruit from its members and the packing of fruit and the manufacture of associated products is a primary activity of the cooperative and
2. a member shall provide a minimum of tonnes of fruit to the cooperative in each financial year in order to establish active membership of the cooperative.'

**An example of a primary activity of a retail-trading cooperative** within the hardware retail industry could be:

'In accordance with Part 6 of the Act;

1. the operation of a trading store providing goods and services to its members is a primary activity of the cooperative and
2. a member shall purchase goods and/or services from the cooperative to the value of a minimum of \$ per month in order to establish active membership of the cooperative.'

# ALTERING RULES

Any alteration to the rules must be considered carefully and properly planned to meet the deadlines under the Act to minimise inconvenience and costs.

## **Special resolution**

Pursuant to section 108 of the Act, the Rules of a cooperative cannot be altered unless the alterations are approved by a special resolution, except where the Act provides otherwise. Section 189 of the Act defines a special resolution (for this purpose) as follows:

'a special resolution is a resolution of a cooperative that is passed by a two-thirds majority of the members who, being entitled to do so, vote in person or (if proxies are allowed) by proxy at a general meeting of members, vote in favour of the resolution.'

## **General meeting of members**

Members in general meeting may undertake alterations to the rules, whether it is at an annual general meeting or special general meeting as long as the requirements of the Act have been met. If there is an inconsistency between a provision of the Act and the rules of the cooperatives about the procedure for altering the cooperatives rules, the provision of the Act prevails to the extent of the inconsistency.

## **Procedure**

A draft of a proposed rule alteration must be submitted to Business Affairs for approval at least 28 days before notice of the proposed special resolution to alter the rules is given to the members. Approval is required before the resolution altering the rules is passed by the cooperative in general meeting.

Application for approval is made using the Application for Approval of Proposed Alterations of Rules form. Included with the application should be:

- A copy of the proposed special resolution, together with:
  - a draft copy of the intention to propose the special resolution (s189(3)(a));
  - a draft copy of the reasons for proposing the special resolution (s189(3)(b)); and
  - a draft copy of the effect of the special resolution being passed (s189(3)(c)).

(Note: this is a copy of the material planned for distribution to members with the notice of meeting and need not be made up of separate documents.)
- If a complete alteration is being made to the rules, include a completed checklist (which is part of the application form).
- A statement stating the reasons for the alteration.

**The prescribed fee must accompany this application for approval of proposed alteration of rules.**

Once Business Affairs approval of the draft proposed alteration of rules has been received, and after the 28 day period referred to above has expired, the cooperative must then give its members 21 days notice stating the intention to propose a special resolution, the reasons for proposing the special resolution and the effect of the special resolution being passed (including the requirements under section 120 of the Act in respect to active membership provisions).

**Filing for registration**

After the special resolution has been passed at the meeting, application for registration of the proposed alterations must be submitted to Business Affairs within 28 days.

The Application for Registration of Alteration of Rules form is used for this application and must be accompanied by the prescribed fee, as well as a printed consolidated copy of the cooperatives rules including the alteration.

**An alteration to the Rules does not take effect unless registered by Business Affairs (s108).**

If the alteration is not contrary to the Act or the Regulations and there is no other reasonable cause to refuse registration, Business Affairs must register the alterations (s108(3)). If the special resolution has been passed by means of a special postal ballot, Business Affairs will need to be satisfied that the rules of the cooperative specifically permit this to occur (s189(2)). Business Affairs will issue a certificate of registration of the alteration, and a copy will be forwarded to the cooperative.

## DIRECTORS

**Who can become a director?**

Some people are not allowed to direct or manage a cooperative including:

- anyone under 18 years of age
- an auditor of a cooperative or a partner, employee or employer of the auditor
- bankrupts
- persons prohibited from being a director or managing a company under the *Corporations Act 2001*
- persons convicted of an offence:
  - involving the promotion, formation or management of a body corporate or
  - involving fraud or dishonesty or
  - offences against the *Corporations Act*.

These persons cannot be a director or be involved in the management of a cooperative within five years of being convicted, or released from prison if given a prison sentence.

## **Responsibilities and duties**

The directors of cooperatives frequently act as the managers as well. A director in a small cooperative often deals with all aspects of the business, such as buying or leasing premises, doing the banking, ordering goods and services, operating retail outlets, preparing proper accounts and tax returns, paying suppliers and organising insurance.

In larger cooperatives, employees usually manage the day to day work while the directors focus on the long-term business and financial planning, assessing the performance aspects of the business, appointing executives, maintaining good employee relations, researching new opportunities and deciding how much of the profit to distribute among shareholders.

Since a cooperative is a legal 'person', it imposes obligations and duties on its directors and officers. The Tasmanian *Cooperatives Act 1999* and the Commonwealth *Corporations Act 2001* regulate these obligations and duties. These duties include:

**Acting honestly** – Theft or misuse of cooperative funds and property is a serious offence, as is taking decisions knowing they could be harmful to the interests of the cooperative.

**Acting with care and diligence** – this includes making sure that you are adequately informed (get professional advice if necessary), are active at Board meetings in response to directors' proposals and the effects on the cooperative, and aware of management direction.

**Not disclosing or misusing inside or confidential information** - Officers and employees (or former officers and employees) must not use their position to harm the cooperative, or to gain advantage for themselves or someone else; a director must also disclose any conflict between personal interest and duty as a director. If such a conflict of interest occurs, unless the Board agrees otherwise, the director must not be present when the matter is discussed and decided by the Board.

**Keeping proper books and records** – Adequate records of accounts must be kept so the business can be properly audited. You must include in your accounts provision for bad and doubtful debts and the valuation of non-current assets. You must also include a director's report containing 'true and fair' and solvency statements attached to all financial statements prepared for members. It is an offence to falsify accounts, accounting records, prescribed documents, or registers.

Directors are also responsible for the following registers:

- Register of members, directors and shares
- Register of loans, securities given by, debentures issued by, and deposits received by a cooperative
- Register of names of persons who have given loans or deposits, or hold securities or debentures
- Register of loans made by or guaranteed by a cooperative and of any securities taken by a cooperative
- Register of memberships cancelled under Part 6 of the Act
- Register of fixed assets and
- Register of subordinated debt.

**Dealing with debt** - leaving debts owing to non-members if a cooperative fails, is viewed as a failure of duty. You should seek professional advice if the cooperative is finding it difficult to pay its way. Further debt must not be incurred if the directors have reason to believe the cooperative is already insolvent. Voluntary administration may allow the cooperative to restructure its affairs and continue trading. Alternatively, it may have to be wound up. The records and accounts of the cooperative and a statement about the cooperative's business must be made available to an external administrator.

## **OTHER SELECTED FEATURES OF THE ACT**

### ***Annual General Meeting***

Cooperatives should hold their Annual General Meetings in accordance with their rules and within 5 months of the end of the cooperatives financial year. For example cooperatives with a 30 June 2000 balance date should hold the Annual General Meeting by 30 November 2000. An extension of time for holding of the Annual General Meeting may be sought under section 203(2) of the Act.

### ***Quorums at general meetings***

Section 206 provides that the quorum for a meeting of a cooperative must be stated in the rules.

### ***Accounts and audit, registers, records and returns***

The accounts and audit provisions are contained in section 12 of the Regulation.

### ***Auditors***

At least once a year a person who is a registered company auditor within the meaning of the Corporations Act must audit the association's affairs. However, section. 239(1) provides that the Commissioner may exempt a person proposed as an auditor from this requirement.

Any exemption-

- (a) may be given subject to conditions and
- (b) may be limited as to time and
- (c) may be varied, suspended or revoked by the Commissioner

The basis upon which exemption is granted is upon a comparison of the expertise of the person to be exempted and the degree of complexity of the financial affairs of the cooperative.

The kinds of persons that might be approved would include qualified accountants who are not registered company auditors that is accounting graduates from a recognised University or College of Advanced Education, members of the Australian Society of Accountants, the Institute of Chartered Accountants, National Institute of Accountants etc.

If you wish to apply for approval of a person who is not a registered company auditor to act as auditor for a cooperative the following details should be submitted:

1. Full name.
2. Date of birth.
3. Educational qualifications.
4. Accounting qualifications and year gained.
5. Accounting experience.
6. Auditing experience.
7. Work experience (positions held, length held).

Approval should be sought before the person is appointed to act as auditor.

**Conversion**

Section 27 of the Act allows for the conversion from a trading cooperative to a non-trading cooperative or vice versa or from a cooperative with share capital to a cooperative without share capital or vice versa. Under section 13(1) a trading cooperative must have a share capital.

**Number of members**

The minimum number of members of a cooperative allowed is 5 under section 67.

**New members**

Persons intending to become a member must be provided with information contained in section 70 of the Act and before shares are issued by a trading cooperative a disclosure statement must be given to the member under section 142. Note this disclosure statement does not have to be approved by the Commissioner.

**Share transfers**

There are requirements for advising the cooperative of beneficial and non-beneficial interests in shares and changes in those interests under section 155 to 167.

**Maximum shareholding**

There is a restriction under section 170 on the sale or transfer of shares if the nominal value of the shares held by the purchaser or transferee would be more than 20% of the nominal value of the share capital of the cooperative or such lower percentage as specified in the rules.

**Effect of relevant share and voting interests on voting rights**

Section 183 provides that a member is not entitled to vote if another person has a relevant interest in any share held by the member or in the right to vote of the member. Relevant interests are explained in Schedule 1.

**Loans to directors, associates, officers and declarations of interests**

Sections 230 to 237 explain the restrictions and procedures in relation to these matters.

**Issue of debentures**

There are different disclosures required under section 264 or 265 depending on whether debentures are issued to members and employees or other persons.

**Acquisition and disposal of property**

Section 277 requires specified major transactions to be approved by special resolution through a special postal ballot.

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| <b>Restrictions on share and voting interests of trading cooperatives</b> | Sections 279 to 291 set out the notice requirements to the cooperative and to the Commissioner in relation to share and voting interests and the requirements to increase the maximum level of share interest.   |
| <b>Appointment of external administrator</b>                              | Sections 326 and 327 enable the appointment of an external administrator to the cooperative by the cooperative and the Commissioner.   |
| <b>Compromises or arrangements</b>  | Under section 342 a compromise or arrangement may be entered into by the cooperative and creditors or members if approved by the Supreme Court   |
| <b>Foreign cooperatives</b>   | <p>The Act will facilitate cooperatives doing business across borders without having to comply with the Corporations Law when amendments to the Corporations Law are finalised.</p> <p>A cooperative registered under the Act may apply to be registered as a foreign cooperative in any participating State or Territory and be allowed to recruit members across borders.</p> <p>The cooperative must obtain a certificate from this office under section 381 of the Act that it is complying with those provisions set out in section 36 of the Regulation.</p>   |
| <b>Voting / Resolutions</b>   | <p>An ordinary resolution (i.e. 50% plus 1) is a resolution passed by a simple majority of members at a meeting of the cooperative, or in a postal ballot of members.</p> <p>A Special resolution is a resolution passed by a two-thirds majority at a meeting</p> <p>A Postal ballot is a resolution passed by a two-thirds majority of members.</p> <p>A Special Postal Ballot is a resolution passed by a three quarters majority of members.</p>   |
| <b>Shares</b>   | <p>Cooperatives may choose to have more than one class of shares but should be aware of cooperative principles and general cooperative philosophy when making the decision to issue different classes of shares to members.</p> <p>The Rules of the cooperative may indicate what percentage of shares can be held by members, however it must not be more than 20% of the total shares of the cooperative.</p> <p>Bonus shares may be issued to members if the rules allow but the total number that can be issued to a member in any 12-month period cannot be more than 20% of the nominal value of issued share capital of the cooperative immediately prior to the issue of the shares to that member.</p> <p>Members must pay at least 10% of the nominal value of each of the shares issued.</p> <p>Members may be the owners of beneficial shares. Non-beneficial shares may be held in trust by someone else.</p> |

Shares cannot be sold or transferred without the consent of the Board of Directors and the cooperative must cancel all shares that it purchases. It cannot re-sell them.

The Commissioner for Corporate Affairs must approve any new rules before they are adopted by a special resolution of the members. The cooperative will have to notify its members of the proposed resolution at least 28 days before notice is sent to them or the resolution will not be registered. The Commissioner may approve a shorter period on application.

## **Management**

Subject to the Cooperatives Act 1999 and rules of a cooperative, the elected Board shall manage the business of a cooperative

Officers and directors shall have substantially the same legal responsibilities as those provided for Officers under the Corporations Act.

The minimum number of directors is two. There is no maximum number requirement.

Non-members may be elected to the Board as independent directors however, for every non-member director elected there must be at least three member directors elected.

Meetings of the Board must be held at least every three months or as often as necessary.

A quorum of the Board must be at least half the total number of directors.

The Board may by resolution of its members and, if the rules so provide, delegate some of its functions to committee.

## **ENQUIRIES**

### **How to obtain the right forms**

Forms can be obtained from the Consumer Affairs & Fair Trading website or by contacting the office.

### **Complaints**

Any complaints about a cooperative that is a possible breach of the Cooperatives Act, should be directed in writing to Consumer Affairs & Fair Trading and include the name of the cooperative and the names of the persons suspected of wrongdoing.

### **Contact details**

Consumer Affairs and Fair Trading  
GPO Box 1244  
Hobart Tasmania 7001

Telephone (03) 6233 2555  
Fax (03) 6233 4882  
E-mail [business.affairs@justice.tas.gov.au](mailto:business.affairs@justice.tas.gov.au)  
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