

Victorian Co-operative News

From Liaison and Communication to Understanding and Compliance

The Investigations Services team within the **Office of Fair Trading and Business Affairs** (names and contact numbers listed below) are the central compliance and liaison group for co-operatives and incorporated associations in Victoria.

The new *Co-operatives Act 1996* contains enhanced powers for the inspection of co-operatives.

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Investigations services team

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Stephen Parsons Inspector	9627 6500
Joe Gunaratnam Inspector	9627 6502
Sue Barnes Inspector	9627 6509
David Plumridge Inspector	9627 6534
Robin Lied Function support	
Peek Ling Financial analyst	

States move on consistent laws

The new national scheme for co-operative law is progressively being implemented around Australia, with all states except Western Australia, Tasmania and ACT having proclaimed new co-operative laws.

The Commonwealth Government has not yet drawn up amendments to the Corporations Law to enable to the national scheme to work.

Key features of the national scheme

- Incorporation of the latest International Co-operative Alliance (ICA) co-operative principles in all state acts.
- Interpretation of the acts to take into account the co-operative principles.
- Easier interstate trading and mergers of co-operatives.
- Includes Corporation Law interface which will allow co-operatives to recruit members from other states and fund raise nationally.
- New general accounts and audit regulations will apply.
- New model rules produced.
- New schedule of fees and charges for registration of a co-operative and other services/ compliance requirements (eg rule changes) will apply.

Rule changes

Victorian co-operatives have until 30 September 1999 to update their rules to comply with the Act.

The procedure for amending rules has been changed under the new act. Draft rules are required to be submitted to the Registrar of Co-operatives for approval 28 days prior to notice being sent to members.

After approval, a further 21 days notice is required to be given to members, as rule changes still require a special resolution to be passed at a general meeting.

Co-operatives should consider establishing a rules committee at least 6 months before putting changes to a general meeting to allow sufficient time to review their existing rules. •

Information Sheets

Information sheets on a number of the requirements of the new *Co-operatives Act 1996* are now available from the Co-operative Federation of Victoria.

To obtain order form:

Telephone: 5345 7466

Fax: 5348 3253

E-mail: coopvic@netconnect.com.au

Victorian co-operatives in action

Directory

Members on the 'net'

Web sites: <http://www>.

Bonlac Foods Limited
bonlac.com.au

Ballarat Community Ed Centre Co-op
bcec.org.au

Down To Earth (Vic) Co-operative Ltd
dte.org.au

Purchasing Victoria Co-operative Ltd
vicnet.net.au/~pvnm/

Urban Camp Melbourne Co-op Ltd
citysearch.com.au/mel/urbancampmelb

E-mail addresses:

Ballarat Community Ed Centre Co-op
webmaster@bcec.org.au

Bonlac Foods Limited
webmaster@bonlac.com.au

Community Enterprise Network Co-op
cennet@vicnet.net.au

Consolidated HI Service Co-operative
chis@s150.focaltech.com.au

Co-operative Energy Ltd
davidg@fox.net.au

Co-operative Federation of Victoria Ltd
coopvic@netconnect.com.au

Frankston Rental Housing Co-op Ltd
frhc@infoexchange.net.au

Purchasing Victoria Co-operative Ltd
cops@vicnet.net.au

Rupnorh Co-operative Ltd
rupnorh@mail.netconnect.com.au

Southern Energy Co-operative Ltd
davidg@fox.net.au

Urban Camp Melbourne Co-op Ltd
urbancamp@vicnet.net.au

Ed centre expands job programs

Through the Commonwealth Government's recently announced employment initiatives, Ballarat Employment Services and Training (BEST) has received a massive boost to its employment programs.

BEST, the employment arm of the Ballarat Community Education Centre Co-operative Society Ltd (BCEC), has been granted a Flex 3 Intensive Assistance case management load of 300 clients through the Job Network.

This will provide individually tailored help for the long term unemployed and other disadvantaged job seekers to address employment barriers and place those people in jobs.

In addition, BEST has been granted 420 Flex 1 places for job matching, which gathers employers' vacancies and matches unemployed people to those jobs.

These services complement BEST's Job Placement Employment and Training (JPET) program which assists students and young unemployed people who are homeless or at risk of being homeless.

This program has involved 45 clients, successfully encouraging many to stay at school, bringing others back to full time education, placing 10 in employment and five into pre-apprentice courses, and finding stable accommodation for those who are homeless.

Executive Director of BCEC, Ron Stone, said that BEST's successes in delivering quality services in previous employment programs, and this latest winning tender to provide the Commonwealth Government's new employment services as a Job Network member, clearly reflects the high quality of the BEST staff and their delivery to employers and job seekers in the Ballarat District. •

Members are invited to fax or e-mail news to the editor for publication in the Victorian Co-operative News.

Fax: 5348 3253

E-mail: coopvic@netconnect.com.au

Do you find it hard to make the time to maintain the Co-op's financial records?

Are the financial reports to your Board inadequate or HARD to understand?

it is time that you contacted

Community Enterprise Network Co-operative Ltd

for all your accounting and planning needs.

Telephone: 9372 1897

PV LOGO Purchasing Victoria Co-operative Ltd

Purchasing Victoria the co-operative advantage

Purchasing Victoria's comprehensive range of contracted suppliers can provide your co-operative with a vast range of products and services, at rates which may not be available through your existing arrangements. By using PV, you will:

- Save on tendering costs.
- Gain from bulk purchasing power.
- Assist benchmarking.
- Share in any cash rebates resulting from yearly operations.

Contact Max Fonovic on 9822 4395 for more details.

Important notice

Registering a motor vehicle

When registering a motor vehicle with VicRoads or a car dealer, co-operatives are advised to take a copy of the certificate of registration (or incorporation) and the registration number to verify its corporate status.

If an Australian Company Number (ACN) is requested, you will need to explain that the co-operative is registered under state law and is not required to have an ACN number.

If a co-operative has a problem registering a motor vehicle, contact the Federation on 5345 7466.

Information sheets/model rules

Fifteen information sheets on the new Co-operatives Act 1996, and model rules are now available from the Federation. The sheets and rules are free to members.

Co-operative awards

The Federation has instituted a series of annual awards starting in 1998. The awards are:

- 1 Co-operative of the year;
- 2 Co-operator (person) of the year;
- 3 Co-operative distinguished service;
- 4 Co-operator (person) distinguished service.

There will be a maximum of 4 awards per year. Awards will not necessarily be made in each category every year.

Nomination forms will be sent to Victorian co-operatives in June.

The awards committee comprises:

- John Gill (chair)
- Brian Macintosh
- Owen Slattery
- Daniel McMullan

Health co-operative workshop

The Federation will be holding a Co-operatives and Health Care workshop on 27 May 1998. Contact Vern Hughes on 9314 7235 for details.

Member survey

The Federation received a good response to its member survey, with 30% being returned. All 20 respondents rated the Federation's overall performance average to very good. The results of the survey will assist the Federation establish priorities over coming years.

Office of Housing

The chairman, David Griffiths and secretary, Tony Gill met with Tony Nippard of the Office of Housing on 10 February 1998 to discuss the Office's preference for companies to manage public housing stock.

Member Services

Before your insurances fall due, talk to

**Bruce Wickett of
Wickett Insurance Broking**

the Federation's approved insurance broker

Catering for all your insurance needs at competitive prices

Specialising in:

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- **Public liability**
- **Business and domestic**

Suite 3/1051 High Street, Armadale, Victoria
Tele: 9822 8688 Mobile: 018 058416

Books for sale

(all prices include postage)

From the UK Plunkett Foundation:

- Outside Non-Executive Directors**
Their role and functions in agricultural co-operatives. isbn 0 85042 140 3 **\$10**
- Developing Directors of Co-operatives**
An action report. isbn 0 85042 160 8 **\$24**
- Farmer Centred Enterprise for Agricultural Development**
Co-operative action in credit, supply and marketing. isbn 0 85042 092 X **\$25**

From Lone Oak Press, US:

- Co-operation Works**
How people are using co-operative action to rebuild communities and revitalise the economy. isbn 1-883477-13-1 **\$28**
- Seizing control**
The international market power of co-operatives. isbn 1-883477-14-X **\$40**

TO ORDER

**Telephone: (03) 5345 7466 or
Email: coopvic@netconnect.com.au**

In brief

New member

The Board of Directors welcomes the following new member of the Federation:

New Market Co-operative Ltd

New director

The Federation board has pleasure in announcing that Niel Black, a former chairman of the Federation, has been appointed to fill a vacancy on the board. Mr Black brings a wealth of experience to the board. He is delegate and a director of The Western Victorian Dairy Research & Demonstration Farm Co-operative Ltd (Demodairy) and a previous director of Bonlac Foods Limited.

1998 National Conference

The 1998 National Co-operatives Conference, originally planned to be held in Canberra in 1st, April, has been put back to later in the year.

Building Rural Futures Through Co-operation

The first stage of the project has been completed with the production of the Study Circle Kit. The kit provides practical strategies to assist new partnerships and skill development in rural communities. The kit is available from the Centre For Rural Communities Inc, Monash University, Churchill 3842, telephone 5122 6755.

Grant from Foundation

The Federation has received a \$3,000 grant from the Lance Reichstein Foundation to produce 1000 copies each of the Electric Co-operative discussion paper and the CoopEnergy kit.

Protecting ex-directors

The risk of action hangs over an ex-director's head for up to 7 years after their retirement from a board. The Federation has access to a legal package that provides the necessary documents to extend the benefit of the indemnities under the rules, the co-operative's Directors and Officers' Insurance Policy and access to co-operative documents to ex-directors. For further information on the package, contact the Federation on 5345 7466.

Developing directors of co-operatives

The Plunkett Foundation, with the financial assistance from the U.K. Department of Trade and Industry, has undertaken a study on developing directors of co-operatives. Part of the study focused on investigating competency based standards for directors. Outlined below are the conclusions of the study on minimum competencies for directors of co-operatives.

The directors of co-operatives are usually non-executive and elected, or at least selected, from among the membership. In this sense they may be described as amateurs, although they are required to act in a professional capacity, and they are often volunteers who may have accepted the post of director reluctantly.

Co-operative directors carry all the same legal responsibilities and risks shouldered by the directors of any other business.

As with other types of business, the scale of operations of a co-operative ranges from the very small to the large enterprise. This variation in size influences the way in which systems of corporate governance operate, as well as the way in which the director carries out his/her functions.

Many of the competencies necessary to successfully direct the affairs of any type of business are equally required to function effectively within a co-operative. However, for the co-operative director the presence of more traditional business skills is not in itself enough.

Without the additional competencies required, in terms of understanding the co-operative business model and possessing the related complementary skills, it is very unlikely that they will be able to function successfully. •

Basic Competencies

Required of All Co-operative Directors

All directors should be able demonstrate:

- an unequivocal understanding of the purpose and prime objectives of the co-operative which they serve as a director;
- an understanding of the structure of the market in which the co-operative operates, as well as the key factors which are critical to its survival;
- an awareness of their legal and functional responsibilities as a director of the co-operative;
- the personal skills required to function effectively in the board-room;
- the ability to comprehend the financial and control information necessary for the management of their co-operative including the key result areas and key result indicators for that business;
- the ability to take an active role in the business planning process and in monitoring progress against such plans.

Additional Competencies

Which Improve the Effectiveness of Co-operative Directors

- leadership and communication skills;
- an appreciation of the background and setting for the co-operative business activity; and
- an awareness of the latest developments and trends within the relevant business area.

Source: Developing Directors of Co-operatives, Plunkett Foundation, 1994

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Inspector powers

Previously, inspectors did not have the power to seize documents, enter and search premises, require persons to appear/answer questions and produce documents.

Inspectors now perform routine yearly inspections of co-operatives, with 80 - 85 full inspections being undertaken per annum. Inspections can also be initiated following a complaint.

Services

The Investigation Services section also provides a range of services to the co-operative movement:

- Registration of co-operatives.
- Liaison and information service to assist co-operatives in complying with the *Co-operatives Act 1996*.
- Assist in the development of policies and procedures relevant to the Co-operatives Act and Associations Incorporation Act.
- Assist the Co-operative Federation of Victoria in the delivery of information to its members on co-operative compliance issues, new legislation and general information on co-operatives.
- Assist new co-operatives with formation process, disclosure statements, model rules, registration, processes and costs.
- Assist in the development of specific Model Rules for aboriginal co-operatives in consultation with ATSIC. •

Victorian Co-operative News

Opinions expressed in the Victorian Co-operative News do not necessarily reflect those of the Co-operative Federation of Victoria Ltd.

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