



BOARD DIRECTOR NOMINEE KIT

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1 INTRODUCTION

Thank you for your interest in becoming a director of the Blue Mountains Food Co-op!

The following information will tell you a little bit more about the Co-op, the key responsibilities of directors and how to go about nominating.

Our annual reports can be accessed on our website <https://bmfoodcoop.org.au/annual-reports/>

1 DIRECTOR PARTICIPATION AND DISCOUNT BENEFIT

The board is comprised of 4-7 voluntary directors who are appointed at election for a 3-year term. A director whose term is expiring is eligible for re-nomination for a further 3-year term. Once a second term has been served, a director cannot nominate for a board position for a period of 2 years.

There are 11 board meetings per year – held at 6:15pm on the third Thursday of each month excluding January. The Board aims for consensus decision making but there will be times when motions are put to the vote. Quorum for meetings is over 50% of directors.

In addition to regular board meetings there may be up to 5 additional 2-hour board workshops or planning meetings per year.

Director roles at the Co-op are voluntary, however directors receive an additional 20% discount (on top of the 10% members discount) on all purchases.

It is expected that directors will contribute a minimum of 8 hours per month to the role including reading board papers, attendance at monthly board meetings and other meetings and correspondence as required.

2 MISSION AND VALUES

Our mission is to provide high quality food and eco-friendly products, and support and inspire members and the local community to make healthy and sustainable living choices.

VALUE STATEMENT

The Blue Mountains Food Co-op is a member-owned not for profit organisation. We value community, respect the environment and promote equality and social responsibility.

We seek to provide an accessible and welcoming shopping environment, and share information to help members and the broader community make informed choices about what they eat and how they live.

Our Commitment

Driven by our values and mission, we commit to:

1. Sustainability

- Selling and promoting high quality organic and sustainably sourced food and other environmentally friendly products that don't cost the earth.
- Dispensing produce in bulk, wherever possible and practical and purchasing Australian goods if these are available at a similar quality and price, in preference to imported goods.
- Encouraging the re-use of bottles, jars, paper and plastic bags
- Encouraging the local production and distribution of organically grown fruit and vegetables.

2. Community Education and Involvement

- Providing educational initiatives to share knowledge in our community about food, wellbeing, environmental sustainability and edible gardening.
- Donating 10% of our annual net surplus to food related and social justice projects.
- Being community owned and managed and encouraging active community and membership participation in the running of the shop.

3. Fairness

- Pursuing worker satisfaction, initiative, collaboration and growth
- Keeping prices as low as possible whilst ensuring that the Co-op can adequately pay fair wages to its staff and to allow funds for future improvements and growth.

3 7 INTERNATIONAL CO-OPERATIVE PRINCIPLES

Cooperative businesses are special because they are guided by a set of seven principles that reflect the best interests of their member-owners. Internationally, all cooperative businesses adhere to these seven guiding principles:

- 1. Voluntary and Open Membership** — Cooperatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
- 2. Democratic Member Control** — Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. The elected representatives are accountable to the membership. At the Blue Mountains Food Co-op, members have equal voting rights (one member, one vote).
- 3. Members' Economic Participation** — Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities

approved by the membership.

4. Autonomy and Independence — Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

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. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperation.

6. Cooperation Among Cooperatives — Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

7. Concern for Community — While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

4 HISTORY OF THE CO-OP

In March 1981, a founding member, after moving up from Sydney with her family found it was difficult to find affordable wholefoods. So when she spotted an advert in the Gazette seeking a new home for a wholefoods buying group, she offered her garage. A working bee quickly transformed her rented garage into the buying group's new home.

A management team involving some of the members oversaw the general decisions of the group. Food was freighted to the train station at Katoomba and picked up by members on a roster system. Originally there were around 20 households involved, staffing the Co-op for a half-day opening on Saturday mornings. After about 18 months the group amalgamated with another buying group from Wentworth Falls, and gradually the opening hours included Thursdays as well. By this stage there were around 60 families involved.

As time passed, more tools of the trade were slowly accumulated, including big bins with lids, better scales and a troublesome food grinder. In May of 1986 Tara and her family moved, and so did the Co-op: into its first independently rented premises in Megalong St Katoomba. The organization was known as Blue Mountains Community Enterprises Ltd, trading as Community Supplies Natural Food Co-op. At this time the business was still very much dependent on volunteers and word-of-mouth.

In July 1992 the Co-op purchased property at 49 Wilson Street Katoomba which was unsuccessful financially. In 1994 the Co-op moved to Katoomba Plaza, the site of the current Aldi supermarket and with the move to town, sales rapidly increased. In 1997 the business officially became a Co-operative and in 1998 the shop was moved to the current premises in Ha' Penny Lane.

The Co-op has come a long way since these early days, but the directions and visions of this initial buying group still influence who we are and what we do. We now have about 2200 members, 20 to 25 passionate paid staff working around 430 hours per week and an annual turnover of 4 million.

5 STRUCTURE OF THE CO-OP

Board of Directors

Management Team

- Finance and Administration Manager
- Store Manager
- Administration Assistant
- Assistant Store Manager

Coordinators

- Stock Coordinator Bulk/Fridge/Grocery
- Stock Coordinator/s Fresh Produce
- Stock Coordinator Big Little Shop
- Marketing and Community Engagement Coordinator
- Volunteer Coordinator

General Shop Staff

- Permanent Shop Staff
- Relief Staff
- Juniors

Total paid staff (including casuals) 20 to 25

6 DIRECTOR ROLES AND ACCOUNTABILITIES

The key accountabilities of the Co-op board are to develop strategy, assess risk, and to monitor and review policy, legal requirements and our financial position.

The governance structure of a co-operative is based on the same principles as a governance structure for a company. Generally, responsibility for overseeing the management of the co-operative is placed in the hands of a board of directors. However, legislation and the co-operative's own rules require the board to defer certain important decisions to members at a general meeting. Decisions such as changes to the rules, acquiring or selling certain co-operative assets, changing the co-operative's structure or winding up, are all examples of matters the board must take to a general meeting.

7 PERSONAL RESPONSIBILITIES OF DIRECTORS

Director duties, whether fiduciary, statutory or contractual, are imposed upon directors as individuals. Therefore, each director bears personal responsibility for decisions and actions taken in their capacity as director. As these duties stem from different sources of law, enforcing them has different consequences.

Fiduciary duties are owed to the co-operative. Therefore, if a director breaches a duty, the co-operative (sometimes members on behalf of the co-operative) has the right to sue and enforce that duty by seeking compensation or injunctions against individual director(s).

Statutory duties are enforceable by the Registrar and penalties for breaching them can involve compensation orders, fines and, in some cases, terms of imprisonment. Statutory duties apply usually to 'officers' of a co-operative which will include directors and persons engaged in the management of the co-operative and, in some cases, employees.

Contractual duties that arise under the rules are duties owed to the co-operative or its members. Directors breaching these duties may be subject to legal action from the co-operative or its members.

There are five major categories of director duties:

1. The duty to act in good faith (honestly) in the interests of the co-operative

The director must take into account the interests of the co-operative and act in those interests rather than for any other motive.

2. The duty to act with reasonable care

Directors are required to act with reasonable care and diligence in all aspects of their activities for the co-operative. Delegating duties is permitted only in circumstances where the person to whom the task is delegated is reliable and skilled to perform the task. However, directors are not automatically freed from responsibility for the consequences of delegated tasks. For example, delegated financial decisions to unqualified or inexperienced persons could leave directors responsible for unsound decisions or acts. Courts have identified the following as minimum standards of care, skill and diligence expected of directors:

- A director must acquire a basic understanding of the business of the co-operative and must be familiar with the fundamentals of the co-operative's business.
- Directors are under a continuing obligation to keep informed about the activities of the co-operative.
- Detailed inspection of day-to-day activities is not required, however, general monitoring of the co-operative's business affairs such as regular attendance at board meetings is necessary.
- Directors should maintain familiarity with the financial status of the co-operative by a regular review of the financial statements. This duty is vital to maintain the statutory duty to prevent insolvent trading.

3. The duty to act for a proper purpose

This duty is connected with the duty to act honestly in the interests of the co-operative. Directors are given powers and discretions to make decisions. If that power is abused or used for an improper purpose, then the director will have breached his or her duty. For example, a decision to schedule a general meeting at an inconvenient time or place in order to limit member participation may amount to an improper use of a director's power.

4. The duty to retain discretions

This duty is designed to ensure that directors do not abdicate responsibility for decision making by simply fitting in with other persons or the majority. A director has a variety of discretions or powers to make decisions

and the co-operative is entitled to have the benefit of each director's personal effort in making that decision. This duty is closely related to the duty to act with reasonable care especially in delegating.

5. The duty to avoid conflicts of interest

This duty requires the director not to place themselves in a position where there is an actual or substantial possibility of a conflict between personal interests and their duty to act in the interests of the co-operative. There may be circumstances where a co-operative may allow a director to proceed with a transaction or activity, however, proper disclosure and express permission must be obtained.

STATUTORY DUTIES

The Co-operatives Act 1992 imposes statutory duties on officers (including directors) of co-operatives which mirror the fiduciary duties. A breach of a statutory duty will expose directors to a range of civil and criminal penalties.

INSOLVENT TRADING

The most important statutory duty in addition to the duties just mentioned is the duty to prevent the co-operative from trading whilst it is insolvent. This duty carries the risk for directors that they may bear personal responsibility for the debts of the co-operative that were entered into whilst insolvent. The elements of this duty are set out in the *Corporations Act 2001 (Cth)* and are applied by the *Co-operatives Act 1992 (NSW)*.

Briefly, the duty requires that a director must ensure that the co-operative does not incur a debt in circumstances where:

- the co-operative is insolvent at the time, or
- the co-operative becomes insolvent by incurring the debt, or
- there are reasonable grounds for suspecting that the co-operative is insolvent or would become insolvent.

There are defenses available to directors under this duty based upon what constitutes reasonable grounds and other matters.

8 DIRECTOR AND MANAGEMENT LIABILITY

Directors and Officers of a co-operative are bound by the corporate governance standards under the Corporations Act 2001. A Director or Officer faces liability where there is a clear link between the Director's or Officer's responsibility and action or inaction, and an alleged breach.

In essence directors and officers of the Co-op including the manager, finance and admin manager and assistant manager must ensure that the Co-op:

- Does not trade while insolvent
- Complies with all WHS obligations
- Complies with Fair Work obligations
- Complies with privacy obligations

The Co-op has management liability insurance to cover directors and officers of the Co-op.

9 HOW TO NOMINATE

Please return the following to the Co-op:

- ☐ Your completed and correct nomination form
- ☐ Your completed personal information form (attached)
- ☐ A short statement explaining why you would like to join the board
- ☐ A short bio about yourself (include relevant qualifications and experience if you have any)
- ☐ Details of any previous service in a Co-op
- ☐ A clear head shot of yourself

Your personal information will only be stored if you are successfully appointed.

Please email the above to secretary@bmfoodcoop.org.au to apply.

Once we have received your nomination the board will be in contact.

If you have any further questions about the Co-op or about nominating, please call the Co-op office on 02 4782 5890 or email secretary@bmfoodcoop.org.au

Wishing you all the best with your nomination.



Director Nomination Form

Nomination for election of members to The Blue Mountains Food Co-operative Ltd. board of directors

Nominee:		
Name	Signature	Member #

Proposed by: (you can propose yourself)		
Name	Signature	Member #

Seconded by:		
Name	Signature	Member #



Director nominee personal information

Full Legal Name:

Any Previous Names.....

Date of Birth...../...../.....

Place of Birth.....

Director ID (if you have one):

Address:

.....Post Code

Phone Nos: Home: Mobile:.....

Email address: