



## **Weston District Workers' Co-operative Club Limited Fact Sheet for Members**

### **Special Resolution 2025**

#### **What is being proposed?**

- The Club is proposing to convert from a co-operative with share capital to a co-operative without share capital, and the draft new rules be adopted by the members.
- If approved:
  - The Club will no longer issue or hold \$1 shares for members.
  - All existing share capital will become part of the Club's general reserves.
  - The Club will adopt a new, modernised set of rules.

#### **Why is this change being proposed to take away the \$1 share?**

- The current \$1 shareholding no longer serves a useful purpose.
- Maintaining the share register is an administrative burden.
- The \$1 per member is small, but combined it is currently shown as a liability on the books. Moving it to reserves frees it up for the benefit of members and the community.
- The new rules are simpler, up-to-date, and reflect best practice governance.

#### **What stays the same if this is approved?**

- The Club will remain a non-distributing co-operative (not-for-profit).
- Members' rights to attend meetings, vote, and nominate for the Board will not change.
- The services of the Club will not change.

#### **What are the benefits of taking away the \$1 share capital?**

- Reduced administrative costs (no share register).
- More funds available for club improvements and community benefit.
- Updated rules in line with current law.

#### **Are there any disadvantages?**

- Members will no longer be entitled to have their \$1 share returned if their membership ends.
- The process of conversion costs the Club around \$4,000 in legal, advertising, and regulatory fees.

## **Why are the rules changing?**

- To bring the Club into line with the Co-operatives National Law (NSW).
- To modernise our rules so they are simpler, clearer, and best practice.
- To reduce unnecessary administration and improve governance.

## **What are the key rule changes**

### **1. Share Capital**

- Old: Members had to hold a \$1 share.
- New: The Club will be a non-distributing co-operative without share capital.
- What it means:
  - No more \$1 shares.
  - All existing share capital goes into the Club's reserves for the benefit of members and community.

### **2. Mission Statement**

- Old: Long and detailed "objects" of the Club.
- New: A short Mission Statement –  
*"The provision of any community service or benefit to the Weston community and the Cessnock Local Government Area."*

### **3. Membership**

- Annual Subscriptions:
  - Old: Minimum of \$6 per year.
  - New: No minimum – Board sets subscription, capped at \$100 maximum. This is a significant jump, however it would allow future boards to consider perpetual membership if it wanted to. The current Board sees that fees will remain the same into the foreseeable future.
- Inactive Membership:
  - Old: Cancelled after 3 years inactivity.
  - New: Cancelled after 2 years inactivity.
- Fines:
  - Old: Maximum fine \$20.
  - New: Maximum fine \$1,000.

### **4. Board of Directors**

- Number of Directors:
  - Old: Fixed at 8.
  - New: Between 5 and 8 directors.
- Election of President:
  - Old: Members elected the President at AGM.
  - New: Board elects the President from among themselves.

- Election Period:
  - Old: Director elections held 7 days before AGM.
  - New: Director elections held 14 days before AGM.

## **5. General Meetings**

- Members can attend in person or via technology (e.g. video link)
- Proxy voting is not permitted.

## **6. Financial Rules**

- The Board may apply up to 50% of surplus funds to charitable purposes (previously unclear)
- Rules clearly state the Club must appoint a reviewer of accounts at each AGM

## **7. Other Modernisations**

- Clearer dispute resolution and mediation process.
- Updated process for suspensions, expulsions, and resignations.
- Clarification on notices to members – may now be sent electronically (with member consent).
- Updated winding-up provisions: surplus property must go to another not-for-profit with a similar mission.

## **What does not change?**

- The Club remains a not-for-profit, non-distributing co-operative.
- Members still elect directors and have a say at AGMs.
- The Club continues to serve the community, just with simpler rules and improved governance.

Full copies of the New Rules and Disclosure Statement are available at [www.westonworkers.com.au](http://www.westonworkers.com.au) or inside the Club.