



## INFORMATION HANDBOOK

# DIRECTORS GUIDE

A guide to the role and responsibilities of a  
housing co-operative director

ISSUE ONE  
MARCH 2023



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## Welcome to the Director's Guide

This guide has been developed by Common Equity Housing Limited (CEHL) in consultation with the Training Advisory Committee (TAC) to provide information for co-operatives and individual members about the role of directors in a housing co-op.

It covers the roles and general responsibilities of directors of all co-operatives in the CEHL Co-operative Housing Program.

The information provided in this guide is not to be considered as legal advice. Any co-operative needing legal advice should contact Consumer Affairs Victoria.

### The objectives of this guide are to

- Describe the sector that Housing Co-operatives operate in
- Describe director's role, responsibilities, obligations, and conduct
- Provide guidance for how a co-operative can manage succession planning
- Introduce the characteristics of 'good governance' and demonstrate how co-operatives can use them to improve their effectiveness.
- Provide a practical tool that can be used by co-operatives and members.

## HOW TO USE THIS GUIDE

It is recommended that the Director's Guide is used as a resource for:

- All co-op members wondering about director roles
- All directors
- Understanding directors' roles, responsibilities, obligations, and conduct

This guide includes tasks that can be completed at any time and in any order, according to what an individual or group wants to learn about. The following ways are suggested for groups and individuals to use this guide:

### AS A GROUP

- Use the Guide at co-operative meetings as an 'icebreaking' activity; or plan to look at a section at a time at each co-operative meeting
- Schedule a training meeting for your co-operative and work through the whole Guide together or ask the CEHL CDC for your Co-op to lead you through it.
- Ask a small group to read through the Guide and find questions, examples, and activities that might be particularly relevant to your Co-operative
- Ask everyone in the co-operative to read the Guide individually and schedule time at a meeting to compare everyone's responses
- Members read different sections and then report back to a co-operative meeting to explain their section to everyone else.



### AS AN INDIVIDUAL

- Ask new directors to read the Guide and the Quickguide for their role as an induction activity
- New members can read the Guide as part of their active membership commitments along with mentoring from an experienced director.

### Use the sections at the end of this guide that provides:

- Terms, definitions and acronym explanations
- Organisations and websites for resources

## INTRODUCTION: Legal Responsibilities of Housing Co-ops

A Co-operative in the CEHL Co-operative Housing Program is a business and has responsibilities of:

1. Compliance with Regulators and the Law
2. Governance of your Co-op by your Board of Directors







CEHL can work with co-ops to assist you in those responsibilities.

Each co-op has a Co-op Company Agreement (CCA) with CEHL on working together in the highly regulated and changing sector of housing co-ops.

### Why do things change?

A frequently asked question by co-op members is “Why do the goal posts move”?

Regular changes occur in the co-operative and housing sectors, including from:

External Influences Affecting Co-ops					
 Legislation	 Local Communities	 Government	 Housing Market	 Finance	 Housing Registrar
<p><b>Regulators</b></p> <p>Co-ops and CEHL are accountable to the following regulators. Reporting requirements can change and are beyond the control of co-ops or CEHL:</p> <ul style="list-style-type: none"> <li>• Housing Registrar – regulating the Victorian community housing sector</li> <li>• Consumer Affairs Victoria (CAV)</li> <li>• Australian Charities and Not-for-Profits Commission (ACNC) which works with CAV on not-for-profit co-op regulation.</li> <li>• Australian Tax Office – Your co-op business has an Australian Business Number (ABN)</li> </ul>	<p><b>Legislation</b></p> <p>The Law is not negotiable, and we must adapt to changes that are brought in such as the Residential Tenancies Act changes from 2021.</p> <p>Different legislation that both CEHL and Co-operatives are required to comply with include:</p> <ul style="list-style-type: none"> <li>• Residential Tenancies Act 1997 (and Regulations 2021)</li> <li>• Co-operatives National Law Application Act 2013</li> <li>• Housing Act 1983</li> <li>• Equal Opportunity Act 2010</li> <li>• Victorian Charter of Human Rights and Responsibilities Act 2006</li> <li>• Privacy and Data Protection Act 2014</li> </ul>	<p><b>Your Co-op Board of Directors</b></p> <p>Every year there is a change to your board of directors – it can bring new ideas and different styles of working but must always comply with the law and meet regulatory requirements.</p> <p>The rest of this Guide covers director’s responsibilities and what “good governance” means in more detail.</p>			

## PART ONE: Roles and Responsibilities of a Co-Operative Director

### International Co-operative Principles

Just like co-ops all over the world, CEHL work is informed and guided by the international co-operative principles.

The Core Values of all Co-operatives Worldwide are:

- Voluntary and open membership
- Democratic member control
- Member economic participation
- Autonomy and independence
- Education, Training and information
- Co-operation among co-operatives
- Concern for the community..

Directors and co-operative members should endeavour to work with the International Co-operative Principles in mind.

#### Activity idea:

Discuss with your members, how your co-op embraces the International Co-operative Principles and find ways you could work achieve more within their framework.



Just like co-ops all over the world, our work is informed and guided by the international co-operative principles.

- Voluntary and open membership
- Democratic member control
- Members’ economic participation
- Autonomy and independence
- Education, training and information
- Co-operation among co-operatives
- Concern for community

Co-op Housing, it’s more than just housing.

cehl.com.au  
1800 353 669



## Eligibility to be a Director

A director is a member of the co-operative's Board that manages or oversees the affairs of the co-operative. The Board is a group of directors entrusted with the overall direction of the co-operative and are accountable to all members of the co-operative.

### Who Can Be a Director?

- Any current eligible co-operative member may nominate to be a director
- Co-operative members are nominated to be a director as per your Co-operative's registered rules
- Some CEHL housing co-operatives have an 'all directors model' with their registered rules stating that every member is automatically a director (so they are not nominated to become a director).

### Who Cannot Be a Director?

- A member who is a current bankrupt or director of a company that has been declared insolvent, or those convicted of fraud cannot nominate as a director and must stand down if on the Board as specified by Co-operatives National Application Act (2013) (known as the Co-operatives National Law)
- This includes any member of an 'all directors' co-operative, please refer to your co-operative's registered rules for how to resolve what role such a member would hold.

## Director's General Responsibilities

### What are the Overall Responsibilities of Directors?

- Be responsible for the functioning of the board and ensure that decisions are made in accordance with the co-operative's own rules and policies
- Be accountable to co-operative members and act in the best interests of the co-operative as a whole
- Ensure the co-operative operates according to relevant laws, regulations and Program requirements including:
  - The Co-operatives National Law Application Act
  - The Residential Tenancies Act (when acting as a landlord/ rental provider)
  - Housing Registrar Performance Standards
  - CEHL Program Policy
  - The Co-operative/CEHL Agreement (CCA)
- Ensure the operational responsibilities of the co-operative are well managed including: financial management; member selection; active membership (and tenancy management and property maintenance for CERC model co-ops as a landlord/ rental provider)
- Conduct long term, strategic planning for the co-operative
- Keep informed about Program developments and maintain regular communication with CEHL, working in partnership with CEHL to plan for the co-operative and the CEHL Program overall
- Report about their activities to the co-operative and provide written reports and copies of meeting minutes to all members
- Consult with members to review or update co-op procedures as needed.
- Be responsive to member questions or matters they request to draw director attention to.

## Director's General Responsibilities Continued

### Financial Responsibilities of a Director

- Ensure the co-operative remains financially viable and financial plans and practices are in accordance with the co-operative's policies and goals
- Regularly monitor all income and expenditure and investigate any unexpected changes to the amounts budgeted and that two or more directors approve expenditure in accordance with the approved budget
- Maintain a cash reserve that is enough to cover the usual monthly bills and ensure the co-operative does not operate as insolvent
- Ensure financial records are true, accurate and kept up to date (with all monies accounted for) and tax and auditing requirements are met
- Develop procedures to prevent theft or misuse of co-operative funds and to ensure that financial decisions are made in the best interests of the co-operative
- Issue financial reports regularly to all members.

### What Records are Directors Required to Keep?

- All records of a co-operative are owned by the co-operative and (except where confidential) should be available to all members. Delegated directors are responsible for managing co-op records during their term. The following records are required to be present at every co-op meeting:
  - The members register and share register (can be a combined register)
  - Minutes of the previous meeting
  - Attendance records
  - An agenda for the current meeting
  - A current cashbook statement as part of the treasurer's report
- When a director retires from their role they are responsible for ensuring all the co-op records and equipment are handed over to the new directors
- True and accurate record keeping must always occur, including all registers, correspondence, and meeting minutes.

### Active Membership Director Responsibilities

- Directors are to encourage all members to be active in the Co-op – be creative about what members can do.
- Following up with members when they are not active, is a director responsibility and there are specific legal requirements to meet in that process.

**Contact CEHL for advice if inactive membership is ever an issue.**



## WHAT ARE THE DIFFERENT ROLES FOR DIRECTORS?

Co-operatives will appoint office bearers to manage tasks relating to the responsibilities of the board or the co-operative.

The board of directors are responsible for all functions and may choose to also appoint assistant office bearers to the role or subcommittees to share the workload.

### Office Bearers

The board of directors appoints office bearer roles – usually a director, but your co-op rules may allow someone with suitable skills other than a director to fill a role.

Office bearer roles include:

- Chairperson
- Secretary (every co-op is required have one)
- Treasurer
- Directors may also appoint an office bearer to oversee co-op work of:
  - Member Selection
  - Maintenance (CERCs with landlord/ rental provider responsibilities)
  - Rents and Arrears follow up (CERCs with landlord/ rental provider responsibilities)
- An overview of what is involved in these roles can be found in Section 2 of this guide – the 4 co-op director quick guides.
- Office bearers report on their activities to the board so that the board can make informed decisions
- Office bearers cannot make decisions on behalf of the board unless given proper delegation by the board to do so

### Assistant Roles and Sub-Committees

- Assistant director roles or sub-committees may be put in place to assist with the workload of office bearers and promote opportunities for skill sharing and succession planning
- The co-operative's registered rules will determine how directors are elected and if assistants or sub-committees have been appointed.
- Assistant directors or sub-committees may make recommendations to the board but only board members may vote to make a final decision unless the board has given a specific written delegation



## How Can General Members Support Co-operative Directors?

- Attend meetings and participate in discussions so that directors are aware of your priorities
- Try to find solutions that will bring about the best outcomes for the whole co-operative
- Learn more about the director roles and your co-operative's processes so that you can be clear about how decisions are made
- Attend training and CEHL Program events to bring information back to the directors if needed
- Offer to help as an assistant director or sub-committee member, or simply by chipping in with tasks such as mail-outs when needed. Be an active co-op member.
- Plan when you can take your turn as director and help current directors to make succession plans.

### TIPS:

- Get a copy of the CCA for your Co-operative. Research the different responsibilities for your Co-operative and for CEHL
- Look at the active membership requirements outlined in your Co-op rules and be creative for what members can do to be active.
- Read your Co-operative's most recent financial report and talk to your treasurer about how it compares to the co-operative budget



## GOOD GOVERNANCE

The word 'governance' describes the systems and processes put in place that steer an organisation's direction in being legally compliant in their operations.

These systems and processes also support how an organisation makes and implements decisions.

### What Are the Eight Characteristics of Good Governance?

#### 1. Accountability

Co-operatives have an obligation to report, explain and be answerable for the consequences of decisions it has made.

#### 2. Transparency

People should be able clearly see how and why a decision was made - what information, advice, and consultation the co-operative has considered, and which regulatory and legislative requirements (when relevant) have been followed.

#### 3. Rule of law followed

This means that decisions are consistent with relevant legislation or common law and are within the powers of the co-operative.

#### 4. Obligations met

Co-operatives need to meet the requirements of the contracts, policies and regulations related to the services that they provide.

#### 5. Responsive

Co-operatives should always try to serve the needs of the entire membership while balancing competing interests in a timely, appropriate, and responsive manner.

#### 6. Equitable and inclusive

A co-operative needs to ensure that all its member's interests have been considered fairly in the decision-making process, particularly the most vulnerable. Decisions balance the need for consistency with the ability to respond to exceptional circumstances.

#### 7. Effective and efficient

Co-operatives should implement decisions and follow processes that make the best use of the available people, resources, and time to ensure the best possible results for their members.

#### 8. Participatory

Anyone affected by or interested in a decision, should have the opportunity to participate in the process for making that decision. This can happen in several ways - members may be provided with information, asked for their opinion or given the opportunity to make recommendations.

NB: These eight good governance characteristics have been adapted from materials prepared by the Local Government Association.



## What Is “Conflict of Interest”?

A conflict of interest is a situation where someone is supposed to act one way but has incentive to act in another way. For a director, a conflict of interest is about removing any possible misunderstanding of favouritism and may include:

- Making decisions regarding members or applicants who are family or friends
- Making maintenance decisions involving their own or a friend or relative's home
- Making decisions on co-op actions on member rent arrears when the director is behind in rent themselves.
- Receiving a direct financial advantage (i.e., cash) or indirect benefit (i.e., free goods), or causing another member to experience a financial disadvantage.

### How To Manage a Possible Conflict of Interest:

- Directors are required declare any conflict of interest (or potential conflict of interest) as soon as they are aware of it
- A declaration of a conflict of interest needs to be recorded in the minutes
- Once a declaration is made the relevant director is unable to be present at any discussion and/or co-operative meeting or take part in any decision made in relation to their stated conflict of interest.

### How Else Can Directors Do their Job Well?

- Create an atmosphere that encourages positive discussions, teamwork, and member participation
- Listen and remain willing to learn
- Set an example to all members of effective communication and clear leadership
- Offer information and assistance to members and remain approachable
- Help members to understand the co-operative's registered rules and resolve disputes fairly and immediately address any anti-social or disruptive behaviour
- Use transparent processes when making decisions and inform members of outcomes
- Never use the position or any information acquired while conducting the role for personal and/or financial gain.

### TIPS:

- Find the directors code of conduct under director resources on the CEHL website <https://www.cehl.com.au/CoopGovernance> Check how your co-op follow the advice.
- Make sure you follow current processes when selecting new members and what a conflict of interest may look like when interviewing.
- If your co-op is a CERC model, check with your Maintenance Director about how you follow the current advice about not using family members as paid contractors <https://www.cehl.com.au/Property>



## SUCCESSION PLANNING

### What is Succession Planning?

A succession plan maps out how a co-operative will enable 'passing the baton' of leadership within the co-operative.

Effective succession planning encourages, identifies, and develops new leaders within the co-operative and helps a co-operative to manage changes when directors retire or leave the co-operative. It can prevent a co-operative from losing skills and knowledge during times of change.

A succession plan supports members to learn new roles and ensures the operational practices of the co-operative are maintained.

### How Can Directors Manage Succession Planning?

- Every director has a role in succession planning
- Directors should encourage members to think about and discuss succession planning and participate in the workload of their co-operative to gain relevant skills, knowledge, and confidence
- During the member selection process, current directors need to think about who might be willing to become a director in the future and how the co-operative can assist the applicant to build relevant skills and knowledge
- Establish assistant director or office bearer roles and subcommittees to share workloads and build skills and confidence
- Implement 'Active Membership Agreements' (AMAs) that include learning new skills and taking turns acting on committees or in assistant roles.
- Develop and implement a rotation process for the office bearing roles to avoid a small group of members undertaking the roles for lengthy periods of time
- Organise social events that build on relationships and make director roles more appealing
- Encourage new directors and members to attend training and events that will assist them to learn different roles and be confident with managing their co-operative's tasks
- Introduce a "buddy" role that allows members to gain 'on the job' experience

### TIPS:

- Has your co-operative considered assistant director roles or subcommittees? Discuss if they might manage your Co-op's workload
- Does your Co-operative have a succession plan? If yes, research how you can assist with implementing the plan. If no, talk with a director about how the co-operative could start succession planning.
- For tips on succession planning and practical planning tools go to the website <https://www.ourcommunity.com.au/leadership>



## PART TWO: QUICK GUIDES FOR DIRECTOR ROLES

The following 4 Quick Guides are summaries of each of the key office bearer roles that directors are responsible for. They are two pages each.

The co-operative board of directors appoints office bearer roles – usually a director, but your co-op rules may allow someone with suitable skills other than a director to fill a role.

### The Quick Guides cover the following director roles:

- Co-op Chairperson Quick Guide
- Co-op Secretary Quick Guide
- Co-op Treasurer Quick Guide
- Co-op Director Quick Guide which includes:
  1. General information for all directors and
  2. Office bearer roles your Co-op may appoint on behalf of your Board of:
    - Member Selection,
    - Maintenance (for CERCs with landlord/ rental provider responsibilities),
    - Rents and Arrears follow up (CERCs with landlord/ rental provider responsibilities).

### TIPS:

Each 2 page Quick Guide for a specific director role can be used when:

- Handing over a role to a new office bearer
- Sharing a role with a 2nd person
- Succession planning – explaining what is involved in a role





## What is the Chairperson's Role?

- Chair the general and directors' meetings.
- Have a working knowledge of the rules of your Co-operative.
- Keep meetings and members 'on track' with agenda and timelines.
- Work closely with directors and when planning.
- Keep members informed and induct new members to your Co-op.
- Be a good representative of your Co-op at CEHL and other events.
- Train other members to do the role - succession planning.

## The Responsibilities of the Chairperson

### Chair Meetings

**Directors' meetings** - usually monthly. General Meetings and **AGM** - for all members.

### Before meetings:

- Consult with the Secretary to set the agenda and allocate time for each item.
- Be clear on the purpose of the meeting- does a decision need to be made, or is it information sharing?
- Ensure reports from each office bearer are ready to present

### During meetings:

- Ensure there is a quorum. Read your co-op rules to know what your quorum is (generally, this is 50%+1)
- Start when the Secretary is ready.
- Ensure the agenda is followed and time is used well.
- Keep discussions focussed and allow all members to have input.
- Close each agenda item noting actions agreed upon and a timeframe. Move and second any decision.
- Ensure members comply with the code of conduct and that conflict of interest is recognised if it occurs.
- Use standing orders from your Co-op rules if chairing a challenging meeting.

### After meetings:

- Check that the minutes are a true record of the meeting before they are adopted (moved and seconded at the next meeting).
- Follow up that tasks agreed in meetings are actioned.

### Your Co-op Rules

Your Co-op has its own set of rules endorsed by CAV (Consumer Affairs Victoria).

Your rules set out details that the chairperson needs to know:

- How often you are required to hold meetings.
- Specifics about:
  - Directors' meetings.
  - Special general meetings.
- Annual General Meeting.
- If there are standing orders (formal chairing for keeping a difficult meeting on track).
- A dispute resolution clause.

The rules need to be available for any member who requests them.

### Changes to your Co-op Rules

If your Co-op is considering rule changes:

- Check your CC Agreement with CEHL, and
- Seek info from CEHL about the CAV required processes.

### More information:

<https://www.consumer.vic.gov.au/licensing-and-registration/Co-operatives>

## The Responsibilities of the Chairperson continued

### Keeping Members Informed

- Inform all members of any end or start of membership.
- Lead the induction of new Co-op members and introduction to the group.
- Advise members of (major) decisions from directors' meetings.
- Request reports from each office bearer summarising activities since the last meeting.
- Share news that may affect members, including:
  - Updates on new policies or changes.
  - Training opportunities.
  - Upcoming events from CEHL or the local community.
- Manage any member responses in meetings to either:
  - Close it off with a clear answer, or
  - Allow a limited timeframe for discussion in the meeting, or
  - Schedule a discussion at another time.
- The chair summarises any action/ decision by putting forward a motion to be moved and seconded.

### Work Closely with Directors

- To ensure your Co-op's best interests are front of mind, directors plan together for
  - Meetings and follow-up.
  - Budget planning.
  - Active membership and succession planning.
  - New membership induction.
- Alert directors if a conflict of interest arises. The member must excuse themselves from discussion and decision on a matter that is a conflict. This is noted in the meeting minutes.
- Alert directors to specific process for special resolutions (such as changes to Co-op Rules or a proposed expulsion of a member).
- Seek an agreed Co-op position on matters where the Chairperson may be representing your Co-op .

## Further Information

The following is available on the CEHL website at [www.cehl.com.au/CoopGovernance](http://www.cehl.com.au/CoopGovernance)

- Template Codes of Conduct for Directors and Members
- Conflict of interest information
- Meeting Procedures Guide

### Need Assistance?

Please contact your CEHL Co-operative Development Co-ordinator (CDC):

Phone: **9208 0800** or Freecall **1800 353 669**







## What is the Secretary's Role?

- Deal with all correspondence (letters & emails) that have been sent to the Co-op.
- Make sure all Co-op records (paper and electronic) are kept securely.
- Make sure minutes are taken in meetings.
- Prepare and send out agendas and minutes for meetings.
- Keep copies of the Co-op rules, CCA and relevant legislation for reference.
- Help to induct new members, including updating the membership register.
- Train other members to do the role so that you can hand it over smoothly.

## The Responsibilities of the Secretary

Most tasks of the Secretary can be delegated to other co-op members. However, it's the secretary's responsibility to ensure these tasks are completed. Any delegated tasks should be agreed and documented by both the secretary and the member before the responsibility is delegated.

### Dealing with Correspondence

- Make sure mail is collected regularly
- Record all correspondence, including emails, in the Co-op's inwards/outwards correspondence register
- Forward correspondence to the appropriate director (e.g. bank statements to the Treasurer)
- Talk to Chairperson if there is something urgent so they can decide if a meeting is necessary
- Report on correspondence at meetings
- Send minutes of directors' meeting to the Co-op board
- Send minutes of the general meetings to all members and reports from the office bearers
- Write and send any outward mail on behalf of the Co-op, as agreed in directors' and general meetings
- File all correspondence
- Maintain a supply of stationery



### Maintain the Co-op Office

If the co-op are in a physical office with other people or organisations, then ensure a notice is on front of the office, stating, "This is the Registered Office of (name) Co-op".

Keep all Co-op records including:

- Registers of members and directors and keep them updated
- Your current Co-op rules and the Co-operatives National Law Applic. Act
- A copy of the CEHL Co-op Agreement (your Co-op's CCA)
- All minutes of directors' meetings
- All minutes of general meetings
- A copy of all reports, including Auditor, CAV/ACNC, BAS reports, and other business records
- Keep the Co-op Common Seal (if one exists for your Co-op)

If you are a **CERC model of Co-op**:

Keep a copy of every member's rental agreement (lease), condition report and disclosure declaration.  
Have access to the latest version of the Residential Tenancies Act (Vic).

## The Responsibilities of the Secretary continued

### Manage the Paperwork

- Arrange taking minutes for each meeting of the Co-op – using a computer or hardcopy book.
- Send draft minutes to members for acceptance motion at the next meeting.
- File minutes as draft version and then a final version once accepted (tip: save final version as a pdf).
- If hardcopy minutes, co-sign each page with the chairperson after accepted or amended.

File documents so that all Co-op records are accurate and available:

- Update registers as changes occur.
- Lodge, record and file any changes to your Co-op's rules as per CAV requirements.

### Work Closely with Directors

- Organise suitable venues or set up Zoom meetings.
- Prepare agenda with Chairperson for general and directors' meetings two weeks beforehand.
- Send agenda and minutes before each meeting, and have copies available at the meeting.
- Arrange minute-taking at general and directors' meetings.
- Check Minimum Notice is given for different types of meetings:
  - Directors' meeting
  - General meeting
  - Annual General Meeting
  - Special resolution
- Check your Co-op rules, and Consumer Affairs (CAV).

### Help Induct New Members

Provide new members with a copy of the Co-op's rules.

Work with the director leading member selection to make sure that:

- Co-op membership and induction are only offered after eligibility is confirmed by CEHL.
- A new member information pack with required documents is ready for tenancy signup.
- Secretary role is explained to new members as part of their induction.

**Knowledge sharing! Train other members to assist you in the role.**

## Every Co-op must have a secretary

S190 of Co-operatives National Law Application Act states every Co-op must have a secretary.

### Key references are the CAV and CEHL websites:

<https://www.consumer.vic.gov.au/licensing-and-registration/Co-operatives/responsibilities-of-a-Co-operative>

<https://www.cehl.com.au/CoopGovernance> – ask CEHL for coaching for your Co-op.

## Need Assistance?

Please contact your CEHL Co-operative Development Co-ordinator (CDC):

Phone: **9208 0800** or  
Freecall **1800 353 669**



## What is the Treasurer's Role?

- Manage Co-op funds and financial records.
- Administer Co-op bank account/s with up-to-date signatories.
- Ensure invoices are paid correctly and as due.
- Prepare an annual budget and liaise with directors to plan expenditure.
- Ensure a process for rent collection and actioning rent arrears are in place.
- Prepare records and documents for annual audit.
- Report to your Board of Directors & General Members.
- Report to CEHL using the required software (Circuit).
- Report to Australian Tax Office (ATO), Consumer Affairs Victoria (CAV), and Australian Charities & Not for Profit Commission (ACNC).

## The Responsibilities of the Treasurer

### Manage Co-op Funds

- Manage cash flow.
- Record all receipts and payments.
- Reconcile Circuit software monthly.
- Invest agreed sums into higher interest account.

### Administer Co-op Bank Account/s

- Ensure bank account/s have current authorised signatories at the bank.
- Safekeep passwords to access accounts and debit cards.
- Receive regular bank statements.
- Record authorisation from two directors for every payment.

### Pay Invoices Correctly

- Pay only on a tax invoice, not on a quote or a statement.
- Check a job is completed before payment.
- Two signatories must authorise each payment.
- If unclear evidence of an expense, take the matter to a directors' meeting.
- Check any supplier is registered for GST and has an ABN. Use this site to check [www.abr.business.gov.au](http://www.abr.business.gov.au)
- Record GST and required details in *Circuit*.

### Prepare an Annual Budget

- Plan with directors, the expected Co-op income and expenditure for the year.
- Maintain cash balance.
- Review budget with directors throughout the year.



## The Responsibilities of the Treasurer continued

### Rent Collection

Rent is the main income for Co-ops.

If your Co-op is a CERC model, you oversee the collection of rent, including:

- Ensure members/renters know how much and how to pay.
- Record every payment to the correct renter and provide receipts as required.
- Follow CEHL Program policy on rent calculations and notifications.
- Follow CEHL Program policy on rent arrears action.
- Work closely with a rent officer if your Co-op has appointed someone to action arrears management.
- Find available resources here: [www.cehl.com.au/Finance](http://www.cehl.com.au/Finance)

### Reports to Directors and Members

Report at monthly Directors' meeting:

- Bank account statements.
- Bank reconciliation and financial reports.
- Budget update.
- Rental Report (if a CERC model).

Report to Members at general meetings:

- Financial reports.
- Bank reconciliation.

At your Annual General Meeting AGM:

- Present the audited financial reports for the financial year.

### Reports for Regulation

- Quarterly reporting to CEHL - email your reconciled circuit file to [finserv@cehl.com.au](mailto:finserv@cehl.com.au) every quarter.
- Lodge BAS (Business Activity Statement) with Tax Office quarterly [www.ato.gov.au/business](http://www.ato.gov.au/business).
- Lodge annual report & pay Consumer Affairs(CAV) fee after your coop AGM.

### If your Co-op is a registered Charity with the ACNC (Australian Charities & Not for Profit Commission)

- CEHL will lodge your Co-op's AIS (Annual Information Statement).
- The Co-op Treasurer is responsible for updating the Director information via the ACNC portal.

### Annual Audit Preparation

Co-op finances are required to be audited each year.

- Prepare documents for your auditor. See the audit checklist on the CEHL website: <https://www.cehl.com.au/Finance>
- Follow CEHL audit advice each year.
- Advise your Co-op secretary when the audit report is received.

## Further Information

The following can be found on the CEHL website here - [www.cehl.com.au/Finance](http://www.cehl.com.au/Finance)

- [Treasurers Tool Kit.](#)
- [Audit Checklist.](#)
- [Household Rent Guide.](#)
- [Circuit Users Guide.](#)

## Need Assistance?

Please contact your CEHL Co-operative Development Co-ordinator (CDC):

Phone: **9208 0800** or  
Freecall **1800 353 669**



## What is the Director's Role?

- Be responsible for the good functioning of your Co-op Board.
- Ensure that all Co-op responsibilities are well-managed.
- Be accountable to your Co-op's members.
- Enable active membership of all members.
- Respond to issues affecting your Co-op.
- Be a positive influence and always act in the best interests of your Co-op.

## Who can be a Co-op Director?

Any current eligible member can be nominated to be a director as per your Co-op rules.

There is an exception which states current bankrupts or directors of a company declared insolvent or those convicted of fraud, as specified by the Co-operatives National Law Application Act 2013 can not be a Director.

## The Responsibilities of the Director

### General Responsibilities

- Attend meetings and be constructive.
  - Have the Co-op's best interests in mind when making decisions.
  - Prepare fully for meetings.
  - Ensure proper records are kept.
  - Ensure members are informed of Co-op board decisions.
  - Encourage active membership and train others to help out.
  - Work with other directors on Co-op planning.
  - Set an annual budget and track it for the year.
  - Communicate with CEHL, by providing reports as requested and fulfill all other obligations under the CCA.
  - Report to members about your area of responsibility.
- Oversee any roles or subcommittees that directors are responsible for. You may be appointed director for:
- **New member selection.**
  - **Maintenance (if a CERC).**
  - **Rents officer (if a CERC).**

### Handy Tips to Help with the Director Role

- Anti-social or disruptive behaviour from member can be very unsettling for your Co-op. CEHL has access to courses on how to handle Challenging Situations, please check in with your CDC about what is available.
- Signing blank cheques is a fraud risk. Only authorise payments when you have an invoice.



## The Responsibilities of the Director continued

### Help Meeting Run Smoothly

- Stay focused on agenda topics.
- Listen without interrupting or talking over other speakers.
- Ask questions for understanding, not to find fault.
- Avoid being defensive if challenged.
- Do not revisit decisions after voting and accept decisions of the democratic Co-op.



### Follow the Director's Code of Conduct

Being familiar with and keeping to the code of conduct for Directors, which addresses the following, will ensure the smooth running of your Co-op:

#### Confidentiality

- Directors and members are required to follow confidentiality and privacy legislation.
- All issues discussed at board meetings are confidential unless otherwise specified.
- Unauthorised disclosure of personal information about a Co-op member, their family, an applicant or a CEHL staff member is a breach of confidentiality. It may constitute an action to expel a membership.

#### Conflict of Interest

- A conflict of interest must be declared by a Co-op director at the time it occurs.
- Conflicts of interest may include:
  - Decisions regarding members or applicants who are family or friends (for example maintenance on their property, new member selection, transfers within the Co-op, appointment of a tradesperson with links to a Co-op member or their family).
  - Rent arrears action decisions - any director currently in arrears is not to participate in these discussions or decisions until their own arrears are paid.
  - A personal bonus or favour being offered from a business used by the Co-op. A director cannot receive a direct or indirect financial advantage from the operations of the Co-op.
- A declaration of a conflict of interest will be minuted, and that director/ member is unable to be present at any deliberation or decision related to the matter.

## Further Information

### CEHL website:

- Director's Guide and governance information
- Quick Guides for Secretary, Chairperson and Treasurer
- Guide on member selection
- Maintenance responsibilities for CERCs
- Property and Guide for CERCs

### Rent Officers of CERCs

- Work with your Treasurer to cover the "Rent Collection and Arrears" actions as outlined in the Treasurer Quick Guide.

## Need Assistance?

Please contact your CEHL Co-operative Development Co-ordinator (CDC):

Phone: **9208 0800** or  
Freecall **1800 353 669**

## PART THREE: TERMS AND DEFINITIONS

Below are definitions for key terms, which directors need to be familiar with:

### Active Membership

A requirement under the Co-operatives National Law that all members participate in their co-operative.

### Active Membership Agreement

A document which describes what activities a member will undertake to assist the Co-operative, usually signed by the member and co-operative each year immediately after the Annual General Meeting.

### CEHL Co-operative Housing Program

A general term for the Program auspiced by CEHL that supports the operations of the participating housing co-operatives. Current Co-op models are:

- CERCs – Common Equity Rental Housing Co-ops and
- CMCs – Community Managed Co-ops.

### Co-operative/CEHL Agreement (CCA)

This is the legal agreement that each co-operative has with Common Equity Housing. It defines the roles and responsibilities of both parties; and lists the properties assigned to the co-operative.

### Director

A member of the co-operative's board that manages or oversees the affairs of the co-operative. The board is a group of persons entrusted with the overall direction of the co-operative and is accountable to all members of the board and the co-operative.

### Solvency

Solvency means an individual or group, which includes a co-op, can afford to pay its debts.

It is illegal for a co-operative to 'trade as insolvent.' This means the co-operative would know they have bills/ debts to pay in the future (next few months), that they are unable to pay.

### Quorum

This is the minimum number of members of a co-operative that is required attend a meeting, so that decisions can be made. It needs to be an uneven number, to ensure there is a majority vote for a decision. The specific number differs between co-operatives as defined in the registered rules of a co-operative.

### Rule of Law

The rule of law is an overarching principle which ensures that Australians are governed by laws which their elected representatives make, and which reflect the rule of law. It requires that the laws be administered justly and fairly. Relevant key legislation for Housing Co-ops, are:

- CNL = Co-operatives National Law Application Act 2013
- RTA = Residential Tenancies Act 1997 <https://www.legislation.vic.gov.au/in-force/acts/residential-tenancies-act-1997/101> and in addition,

The Regulations 2021 [www.legislation.vic.gov.au/in-force/statutory-rules/residential-tenancies-regulations-2021/001](http://www.legislation.vic.gov.au/in-force/statutory-rules/residential-tenancies-regulations-2021/001)

## PART FOUR: FURTHER INFORMATION

These organisations provide useful resources for co-operative directors:

### CEHL = Common Equity Housing Limited

<https://www.cehl.com.au/CoopGovernance>

### CAV = Consumer Affairs

Victoria is a business unit of the Department of Justice & Regulation, within the Victorian government, which regulates Victoria's consumer affairs including co-operatives

<https://www.consumer.vic.gov.au/licensing-and-registration/co-operatives>

### ACNC = Australian Charities and Not-for-Profit Commission

is the national regulator for charities including co-ops that are registered as such. Annual reporting requirements to ACNC can be shared with CAV, including director updates <https://www.acnc.gov.au/>

### ATO = Australian Tax Office

is the Commonwealth Government body that small businesses such as co-ops are required to lodge their quarterly business activity statements (BAS) in order to claim back GST = Goods and Services Tax

<https://www.ato.gov.au/Business/>

**Housing Registrar** is the regulatory authority within Victorian Government that regulates the community housing sector under the Housing Act 1983. CEHL and Co-ops of the Program are regulated by the Housing Registrar.

<http://www.housingregistrar.vic.gov.au>

**Housing Vic** is a Victorian Government program of DFFH = Department of Families, Fairness and Housing, the department that supports provision of services to Victorians, including Social Housing.

<https://www.housing.vic.gov.au/>

**Homes Victoria** is the government agency that manages the social housing system and the VHR = Victorian Housing Register which is where to apply for co-op housing

<https://www.homes.vic.gov.au/applications-victorian-housing-register-vhr>

### BCCM = Business Council of Co-operatives and Mutuals

The Business Council of Co-operatives and Mutuals is the Australian national peak body representing co-operative and mutual enterprises

<http://bccm.coop/>

### Not for profit Law: Information Hub

This hub 'helps the helpers' by providing tailored legal information, advice, and training to not-for-profit community organisations <https://www.nfplaw.org.au/co-operatives-national-law>

### Australian Co-operative Links

A directory of website links to over 780 Australian and international co-operatives and related organisations around the world <https://www.coopdevelopment.org.au/cooplincs.html>

### Our Community

This group offers advice, connections, training, and tools for organisations working to build stronger communities

[https://www.ourcommunity.com.au/leadership/leadership\\_main.jsp](https://www.ourcommunity.com.au/leadership/leadership_main.jsp)



# DIRECTOR'S GUIDE COMPLETED

MEMBER NAME:.....

CO-OPERATIVE:.....

DATE:.....



You have now completed the Director's Guide.

When you have completed this guide tell the Chair or Secretary of your Co-operative so it can be noted as an activity of your active membership.

## TIP:

Take some time to write out the three most valuable things you or your Co-op have learnt about the roles and responsibilities of being a director :

1.....  
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2.....  
.....

3.....  
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