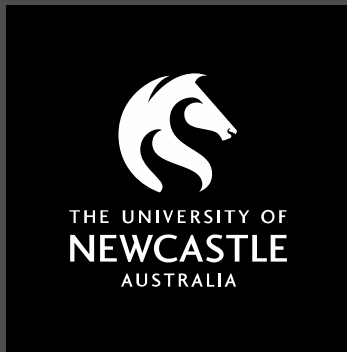


The Co-op Builder: An online tool assisting new Australian co-ops



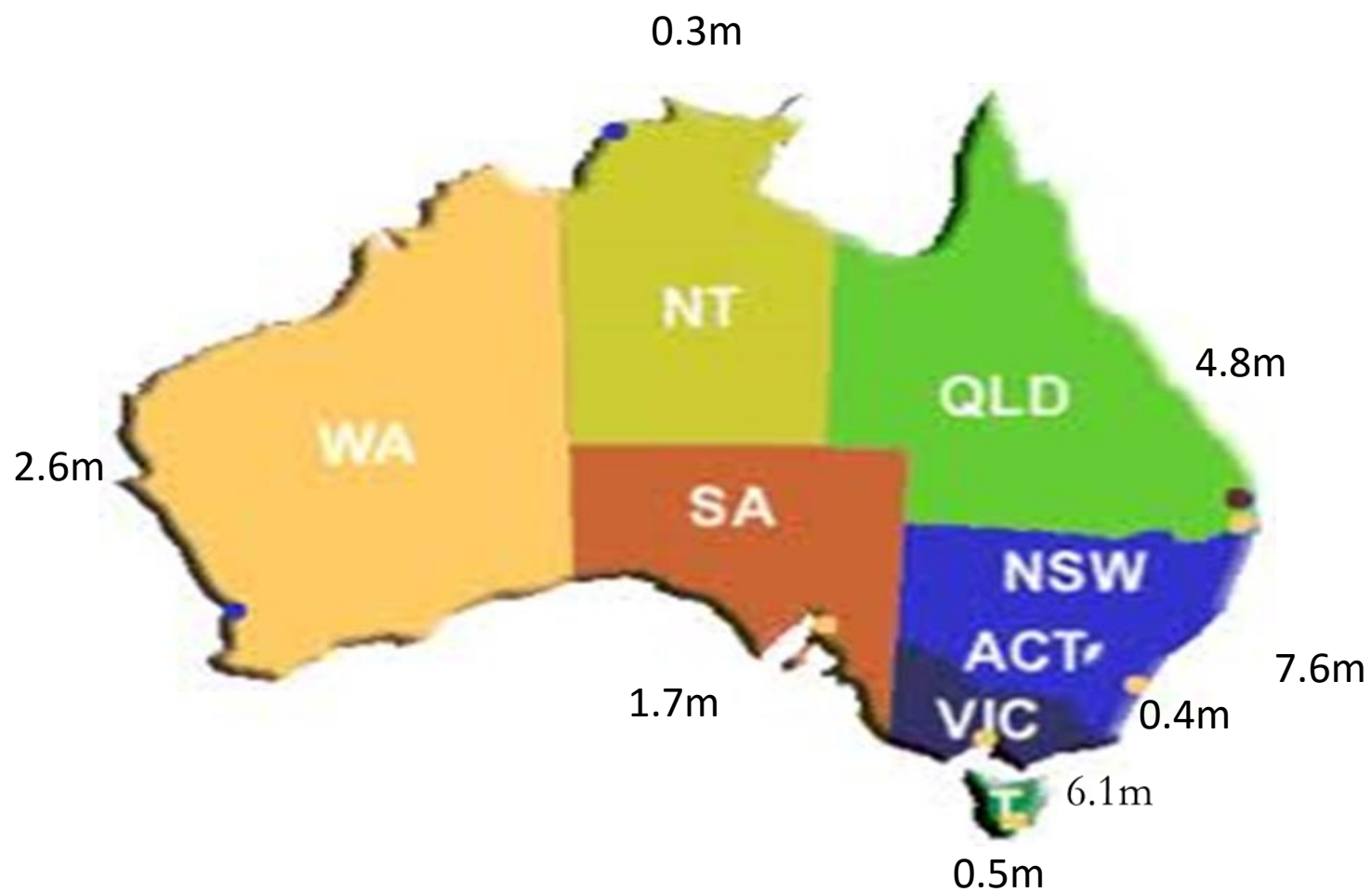
Ann Apps

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University of Newcastle, Australia

Overview: The national/state divide:



The problem:

- Regulatory and legal barriers to co-op establishment in Australia
 - High costs of establishment (including legal fees for preparing rules)
 - Lack of guidance around the preparation of key rules (e.g. active membership rule)
 - Lengthy & burdensome approval processes

One part of the solution

- Development of the Co-op Builder by a team of lawyers working through the Business Council of Co-operatives and Mutuals (BCCM)
 - Robyn Donnelly, Ann Apps and Elizabeth Makin
 - Make the process easier
 - Keep the documents as simple as possible
 - Provide some confidence that they will meet with approval by registries
 - Teach people about their co-operative
 - Develop an open source precedent bank
 - See <https://co-opbuilder.farmingtogether.com.au/>



Build your Co-op

The Farming Together Co-op Builder is a FREE step-by-step tool to help farming groups prepare and understand the legal documents required to form a co-operative in Australia. Simply [register](#) to start using the Co-op Builder.

Before you start

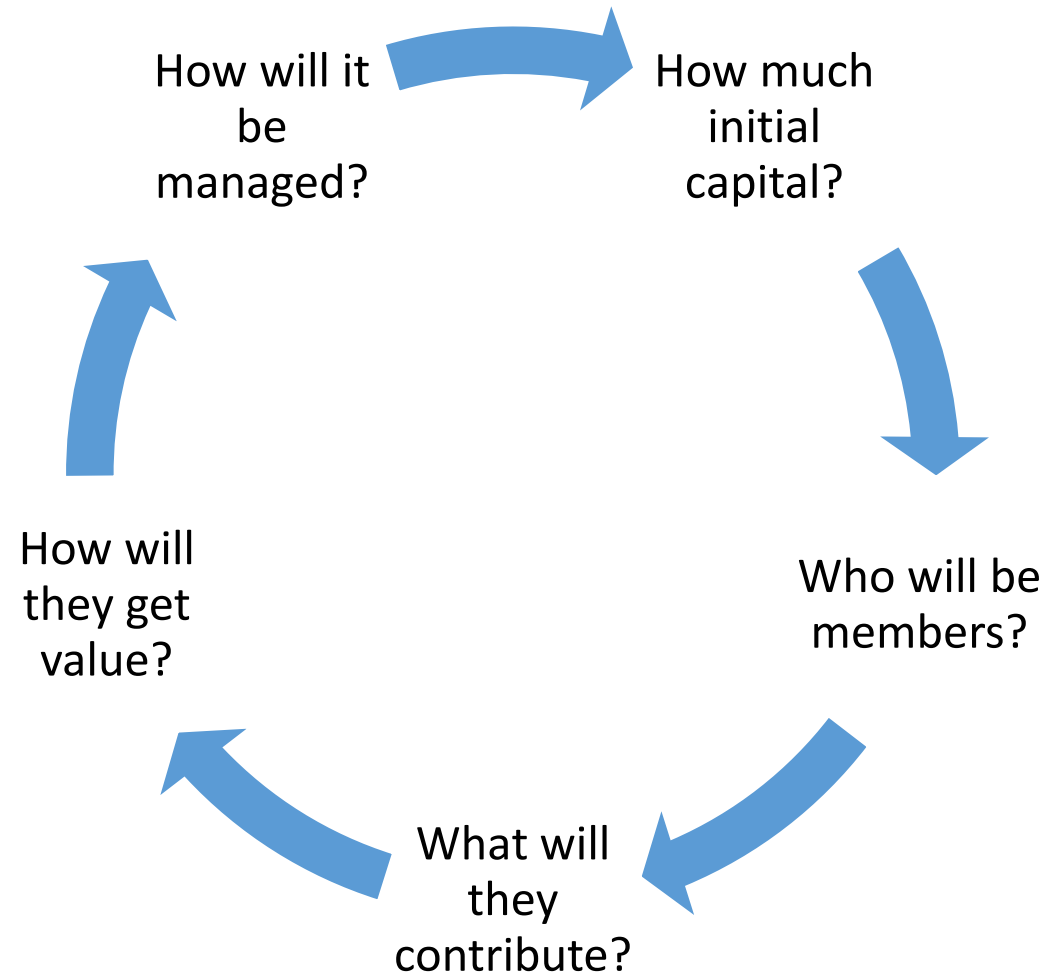
- Choose which of the three types of co-op best suits your purpose. Not sure? Download [How to choose your co-op type](#).
- Develop a basic business plan. Don't have one or not sure? Download [Business planning for co-ops](#).
- Learn more about the co-operative business model with [Farming Together's Understanding Co-ops Online Course](#).

[Login](#)[Register](#)

Ready to start now?

Choose your Co-op Builder

Putting it all together





[Home](#) > [About the Program](#) > [News & Stories](#) > [Learn](#) > [Co-op Builder](#) > [Get In Touch](#)



Distributing Co-operative

The Co-op Builder guides you to customise both a constitution and a disclosure statement.

[Select Co-op Type](#)



Non-distributing Co-operative with Shares

The Co-op Builder guides you to customise a constitution with rules for share capital.

[Select Co-op Type](#)



Non-distributing Co-operative without Shares

The Co-op Builder guides you to customise a constitution for this simple not for profit.

[Select Co-op Type](#)

Distributing and Non-distributing Co-ops

- Under CNL only two types of co-ops – ‘distributing’ and ‘non-distributing’, the latter can have shares or no shares.
- How do you choose?
 - Primary activities
 - Member participation
 - Raising capital
 - Distributing surplus
 - Asset lock





STEP 1

Constitution Builder

The Constitution Builder is an online template for a set of governance rules for a co-operative, with guidance for drafting minimum share and active member obligations.

[Read More](#)

STEP 2

Disclosure Statement Builder

The Disclosure Statement Builder is an online template that contains standardised information about the nature of a co-operative and its shares.

[Read More](#)

Constitution Builder

Category	Rules	User input required
1. About the Co-op	5	<ul style="list-style-type: none">• 4 of the 5 rules require input, particularly co-op name, primary activities and active membership rules.
2. Membership	13	<ul style="list-style-type: none">• 12 rules – standardised• 1 requires a choice from options
3. Member shares and rights	9	<ul style="list-style-type: none">• 7 rules – standardised• 1 requires a choice from options• 1 requires input (share capital rule)
4. Board of directors & governance	12	<ul style="list-style-type: none">• 10 rules – standardised• 2 require a choice from options
5. AGM, voting and meeting procedures	12	<ul style="list-style-type: none">• 11 rules – standardised• 1 requires a choice from options
6. Accounts and administration	10	<ul style="list-style-type: none">• 8 rules – standardised• 2 require choices from options





Disclosure Statement Builder

Section	User input required
1. Background & demand for co-op services	<ul style="list-style-type: none">• Potential member needs & co-op purpose
2. Membership	<ul style="list-style-type: none">• Mostly standardised content
3. Share capital	<ul style="list-style-type: none">• Standardised content only
4. Benefits of membership	<ul style="list-style-type: none">• Member benefits
5. Management	<ul style="list-style-type: none">• Mostly standardised content• Information about inaugural board members
6. Business Plan & Financials	<ul style="list-style-type: none">• Insert Business & Operations Plan• Insert forecast Profit & Loss Statement
7. Certifications	<ul style="list-style-type: none">• Insert certificate after formation
8. Member application form	<ul style="list-style-type: none">• Mostly standardised content• Insert application fee into form



Category 1: Co-operative's Name, Primary Activities & Active Membership

This is the most important category of rules you need to consider. Each rule, except rule 1.2 (definitions), requires customising to suit the purpose of your co-operative and its enterprise.

- 1.1A Co-operative Name** 
- 1.1B State or Territory of registration** 
- 1.2 Definitions**
- 1.3A Primary activities** 
- 1.3B Active membership** 

Primary activities, rule 1.3A

- The co-op must have at least one 'primary activity'
- This will be the core reason for the co-ops existence and will often be its main income producing activity
- A multi stakeholder co-op will have more than one 'primary activity'



Active membership, rule 1.3B

- The CNL mandates member economic participation by requiring that a person only qualifies for membership of a co-op if they will be an 'active member' (s112 CNL). This rule will determine the membership base.



Member's share capital, rule 3.1

- A co-operative should primarily look to its members to raise capital, too much external debt or non-member investors will compromise its autonomy and legal identity.



Plans for the future...

- Ongoing refinement and development of the 3 versions of the Co-op Builder
- Two way process with user contribution to build a precedent bank for new co-ops.
- Ongoing policy work and research to promote regulatory reform