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**DOWN TO EARTH (VICTORIA) CO-OPERATIVE SOCIETY LTD**

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**(ADMINISTRATOR APPOINTED)**

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**ANNUAL GENERAL MEETING OF MEMBERS**

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**HELD AT CERES, 6 LEE STREET, BRUNSWICK, VICTORIA**

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**ON SUNDAY 25<sup>TH</sup> NOVEMBER, 2001 AT 2:15 PM**

**PRESENT:**

GARY S. FETTES	Chairperson
PAULINE SPITALERI	Pattisons
SHAUN ROWLAND	Pattisons
PETER ELFKLIDIES	GWP Aarons
FRED GREEN	Department of Justice
MARI ANILE	Stenographer
DTE ACTIVE MEMBERS	See Attached List
DTE NON ACTIVE MEMBER	See Attached List

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CHAIRPERSON: I formally would like to open the Annual General Meeting of the Down To Earth (Victoria) Co-operative Society Ltd (Administrator Appointed). This meeting has been called pursuant to Section 204(2)(a) of the Co-Operatives Act, and I will now stand the meeting down until such time as we complete the signing in.

**(Meeting stood down 2:15 pm)**

## **RESUMING AT 2:45pm:**

**CHAIRPERSON:** This is the reconvened Annual General Meeting of Down to Earth (Victoria) Co-operative Society Limited (Administrator Appointed). Is there anyone in the room who has not signed the register? Would you please hurry up and do so so we can proceed with the meeting. As there is only one person waiting to sign in, I will proceed with the meeting.

My name is Gary Fettes, I was appointed Administrator of the Down to Earth (Victoria) Co-operative Society Limited on 6 April 2001 pursuant to Section 324 of the Co-operatives Act 1996 by the Registrar of Co-operatives. I hereby table a Notice of my Appointment for members to inspect if they require.

By way of initial introduction, I would like to introduce on my right, Mr Peter Efkilides of the law firm GWP Aarons, and on my left Mr Fred Green of the Department of Justice. I have with me from my staff Pauline Spitaleri and Shaun Rowland who have been helping with the signing in, and we also have Mari Anile who is my stenographer to take a record of the meeting for my purposes.

Before I proceed, there are a number of preliminary matters I need to address before we move onto the formal agenda of the meeting. One of those matters is the reason for my appointment. As set out in the Notice of Appointment, the Registrar appointed me Administrator on the basis that for a period of one month before the appointment there were insufficient Directors of the co-operative to constitute a quorum as provided by the Rules. And also that it was in the interests of the members or the public that an Administrator be appointed.

Those Directors who resigned causing the appointment were as follows: Mr Max Pascoe, who resigned in October last year, Mr Tony Gill who resigned in November last year, Mr Richard Martin who resigned in November last year and Mr David Lilja who also resigned in November last year. The effect of my appointment is that any Directors remaining in the co-operative ceased to hold office and effectively I take the position of the Board. Accordingly, pursuant to Section 33 of the Co-operative Rules I will preside over this meeting as Chairman.

As for formalities, I also declare that pursuant to Rule 27 that this meeting is being held at a date, time and place which in my opinion is convenient to the majority of persons

entitled to receive Notice of Meeting. Reviewing the Attendance Register, I also declare that pursuant to Rule 32(2) that a quorum comprising of at least nine persons present and entitled to vote at the meeting is present.

The Attendance Register has now been signed and I advise that pursuant to that Attendance Register we have present at the meeting today 38 active members; those active members are entitled to vote at this meeting. When I ask for a vote on any issue during this meeting I will ask those active members to, given that the soccer is on tomorrow, hold up their yellow and pink cards.

There are three non active members. I advise those three non active members that pursuant to Section 184 of the Co-operatives Act 1996 these members are not entitled to vote. In respect to those non active members I also wish to point out that in all other respects their entitlements as members remain intact. We have today, as I have mentioned before, one observer, Mr Fred Green from the Department of Justice.

Prior to the meeting I received written apologies from Mr John Connelly, an active member; and Mr Russell Freeman, a non active member. Are there any other apologies?

**APOLOGIES:**

Tarma Green. Anna Tucker. Don Royal. Byron Porter. Trevor Hamer. John O'Neill. Mira Halpen.

CHAIRPERSON: Is there anyone here that considers the apologies should not be accepted? In that case I would ask for someone to move a motion that the apologies be accepted.

**MOVED: BRYCE PYATT**

**SECONDED: MARY CRUISE**

RICHARD MARTIN: Just as a point of clarity, these Minutes that have been approved are they for the Special General Meeting or the - - -

CHAIRPERSON: We are doing apologies, not Minutes. Again, before I move onto the formal agenda I just want to say some issues about the Notice of the Meeting and formally table my Notice of Meeting dated 8th November 2001. This Notice was sent out in accordance with Rule 30(1) of the Co-operatives Rules being sent out to members not less than 15 days before the date of the meeting and otherwise complied with the Notice provisions required under Section 460 of the Co-operatives Act.

As there is some 1,616 members on the membership list given to me at the date of my appointment, and that I determine that a number of these members could not be located,

I also placed advertisements appearing in the daily newspaper, The Age newspaper in Melbourne and the Sydney newspaper, being the Sydney Morning Herald dated 9th November. A written text of the advertisement that was placed is also tabled here at the meeting.

To ensure that all members' rights are observed in relation to this meeting, I have undertaken the following steps since my appointment. As indicated, I have written to 1,616 individuals, who were on the membership list as it was given to me. The purpose of writing to these members was to pursue complaints given to me that the membership list wasn't accurate and accordingly I invited members to check the membership list and those members who thought it was inaccurate to check it to see if they could assist me with the accuracy.

I advise that one member bothered to inspect the list as a result of my mail out. Further as a result of my mail out, there with 598 notices returned and marked "Not known at this address." 19 individuals contacted my office to advise that they no longer wished to be involved in the co-operative, and seven members had unfortunately passed away.

On 10th October 2001, I forward a further Notice to members which detailed, amongst other things, that the consequences of the new Co-operative Rules, which I have indicated were imposed by the Register of Co-operatives on 16th October 2000, that for those people to be entitled to vote you must be an active member of the Co-operative.

In accordance with the imposed rules, and in particular Appendix 2 Part 3 and Appendix 3 Part 2, to be an active member a member must either pay an annual subscription of \$50 by 31st August each year, or perform 24 hours voluntary work for the Co-operative per annum.

I also agreed to allow members who were unaware of the requirements to be classified as an active member the opportunity to either pay the \$50 subscription or perform the 24 hours voluntary work not later than 1st November 2001 provided that they executed an appropriate Statutory Declaration. I hereby table my letter dated 10th October 2001 for the meeting. As a consequence of the second mail out, ie 2nd October letter, some 67 further notices were returned to my office marked "Not known at this address". A further eighteen members advised my office that they no longer wished to be members and one other member had passed away, or notification received by us.

The upshot of this long-winded process was that today we have 74 active members,

those members are entitled to vote at this meeting. Those members comprise people who have done voluntary work, some of whom have signed statutory declarations prior to this meeting, which I have accepted. A further 59 people qualified by doing active work, which was recorded on a Register maintained by the Co-operative, and within the Register there was an additional four people who in addition to doing their 24 hours voluntary work paid their \$50 subscription.

**(John O'Neil arrives)**

CHAIRPERSON: There is a total of 836 non active members of the Co-operative as of today. I repeat, those active members have all the rights of membership except the right to nominate as a Director and to vote at this meeting.

Before I proceed with the agenda items I must point out the voting position in respect to Down to Earth (Victoria) Co-Operative Society Ltd (Administrator Appointed) ("DTE") which incorporates aspects of the Co-operatives Act and the DTE Rules. Section 180 of the Co-operatives Act gives the right to vote to membership, and not to ones shareholding. Further, Section 184, as I have mentioned earlier, which is taken up by Rule 36(2) of the Co-operatives Rules states: A member is not entitled to vote unless that person is an active member of the Co-operative.

The voting procedure that will be followed today is as follows, and adopting Rule 36(6). That is, I will be asking for a motion to be passed, if that motion isn't passed unanimously the motion will be put again and either passed or rejected on a show of hands.

QUESTION: Can a motion be amended from the floor?

CHAIRPERSON: A motion can be amended from the floor. I'm about to move on to the agenda items and there is one question and I will take that now.

KURT SVENDSEN: If anyone speaks, do you want them to identify their name first for the record?

CHAIRPERSON: Yes, if anyone does speak I would like them to identify their name, indicate whether you are active or inactive by holding up your soccer yellow card.

KURT SVENDSEN: There was one point of clarification I wanted to make in your earlier speech and that is when you said there was only one person bothered to read or review the members' Register. That's in fact a valued judgment and in light of the context of the DTE - - -

CHAIRPERSON: I will accept what Mr Svendsen said. It may have been a valued judgment.

QUESTION: Sorry, we can't hear what he is saying.

CHAIRPERSON: There was an issue that my comment that only one member

bothered to inspect the membership list was a valued judgment, I accept that. Thank you, I will move on to the Agenda.

MR SILVERMAN: I would like to examine the voting list and the documents that you have tabled. Do you want us to examine them now or prior to the first vote?

CHAIRPERSON: You wanted to examine what list, sorry?

MR SILVERMAN: I want to examine the voting list and the Statutory Declarations.

CHAIRPERSON: They can be available for inspection. As far as my decision, it is now final as to who is active and who may vote. Anyone who is aggrieved by my decision has appropriate recourse, which is embodied in the DTE Rules, ie the Grievance Provisions, or alternatively the ability through the Act to make application to the court of any decision that any member may be aggrieved of at this meeting.

I will now move on to the Agenda Items.

MR SILVERMAN: Gary, I would like to move a motion that this meeting be adjourned in so far as the voting records can be examined. Is there a seconder?

**SECONDED: DAVID CRUISE**

CHAIRPERSON: The issue is whether I decide to adjourn the meeting. There has been a motion that an adjournment be made, I'm prepared to allow that motion to be put to the members.

KURT SVENDSEN: Point of order.

JENNIFER EDGE: Active member. Can I speak to the motion?

CHAIRPERSON: You can speak to the motion.

JENNIFER EDGE: I seem to recall receiving a document from you giving me a certain amount of time to avail myself of that opportunity in the past; was that correct? You sent a letter to me inviting me to have a look at the list.

CHAIRPERSON: Yes, I did. I missed the question?

JENNIFER EDGE: The point being, the opportunity was made available and that time has now passed and I think this meeting should therefore go ahead unhindered.

RICHARD MARTIN: Point of order. With regard to receiving motions off the floor, what is the procedural - - -

CHAIRPERSON: I will accept motions off the floor which are procedural in nature.

KURT SVENDSEN: Point of clarification. What are your ultimate powers as Chairman? Do you have to accept motions or can you reject, in your wisdom?

CHAIRPERSON: I can accept procedural motions.

KURT SVENDSEN: What is your power of rejection, just to ignore noise or spurious motions, just to get on with the meeting?

CHAIRPERSON: I will just move on with the meeting. The motion has been put. Any further discussion?

MARY CRUISE (Active Member):

I would like to speak to the motion. Could we put a time on how long you will adjourn if anyone wants to adjourn.

CHAIRPERSON: Mr Silverman, do you want to speak to your own motion?

MR SILVERMAN: Yes, I would like to speak to this motion and just point out to the people here who are a bit surprised why I'm asking this motion. On behalf of nine of the members who are standing for Directors, who are active members, I wrote to Mr Fettes Friday week ago, which would have been 2nd November, requesting certain information. That information has not been formally given to me and part of the information that was requested was a list of those people who are active members entitled to vote.

I should point out also that those members that did join with a Statutory Declaration received a letter in October which has been table given until November the 1st to hand in a Statutory Declaration and \$50. It has been noticed today that there are several members that after that date have today given a Statutory Declaration and presumably the \$50. We would like to see what was actually said, who are the members entitled to vote, which we normally would have had, as you said - - -

I believe that although this will not take an hour, I would like up to an hour to examine the documents. I could point out that I did request this information prior to the meeting so that procedural matters such as this could have been avoided. Unfortunately, it appears that we will have to take these procedural matters as and they arise.

CHAIRPERSON: I will respond to Mr Silverman's address there. There has been no one signing a Statutory Declaration in relation to the fact that they did not receive Notice of Rules, or the requirement to pay their annual subscription and I have not received \$50 subscription from anyone at this meeting. The Statutory Declarations that I have received today relate to Statutory Declarations in respect to voluntary work, not in respect of the Rules and the \$50 subscription.

PAUL GRANT: If the AGM is to be adjourned, will that allow for more nominations so that we will get more decent Directors nominating?

CHAIRPERSON: There won't be any more nominations; the nomination period has well and truly expired.

SONIA POPP: I'm Sonia and I'm an active member and I did it by service and I think that this gentleman's request in regard to putting subscriptions still applies is valid given the date of 1st November to Stat Decs coming in later regarding work that still applies given a date issue, that needs to be cleared up.

I also like to put that the time limit be shorter than an hour because unfortunately there is limited parking around here and the carpark up there closes at 4.30, some people will -

such as myself - will leave at that point or earlier if my car is threatened to be locked in and I have to walk two blocks or five blocks. I only got one Notice in the mail, and that was the first one saying there will be a meeting, I didn't get the one dated 10th October at all.

CHAIRPERSON: Thank you. I will take two more questions then I will put the motion to a vote.

DAVID CRUISE: In your reading out of your correspondence you said the Statutory Declaration gave people the option of 24 hours or \$50. I beg to disagree, it didn't; it merely said 24 hours. At Thursday's meeting when you addressed us you said there would be no more additions to the Register of active members, that was closed, now you appear to have changed your mind, I wonder why. I really feel that there is a process here that is not on the table, it is Down to Earth's process to have things on the table. I would ask members to support the adjournment for these things to be resolved.

CHAIRPERSON: Thank you, Mr Cruise. I will now put the motion. All in favour of the motion?

RICHARD MARTIN: Can the motion be read?

SONIA POPP: Is there a time limit on it?

CHAIRPERSON: Yes, there is an issue of the time limit that's on the adjournment so if you would like to put your hands down while I ask Mr Silverman a further question. Mr Silverman, I would propose, in the absence of a motion, if that's convenient for you, to stand the meeting down for a period of ten minutes.

MR SILVERMAN: I believe that it would be 15 minutes and if we are not finished that people can come back, we will just take it as it comes.

CHAIRPERSON: Rather than putting the motion, if that's all right with the proposer of the motion, I propose to stand the meeting down for a period of 15 minutes. I hereby stand the meeting down. The meeting will resume at 20 past 3.

**(Meeting stood down at 3:05 pm)**



**RESUMING AT 3.30 PM:**

CHAIRPERSON: We have had our adjournment. We have had an inspection of the Registers. There is no issues that I'm aware of that need to be addressed and I intend to proceed with the Agenda. Is there any reason why I shouldn't?

GRAHAM MENDERS (ACTIVE MEMBER):

May I speak on another issue? You said earlier that you have provided your own stenographer to take Minutes for your purpose. That means they're your possession. Will you be sharing a copy of that?

CHAIRPERSON: Yes, I will. I won't take any more questions at this moment; I want to proceed with the Agenda items. The agenda items, as indicated in the Notice of the Meeting were to confirm the Minutes of the last meeting. To receive a Report of accounts from the Administrator for the financial year 1 July 2000 to 30 June 2001. To accept the accounts for the financial year ended 30 June 2001. To appoint a new Board of Directors and discuss any other members. Those items of the Agenda are on the board behind me.

They are the only items of business that we will be discussing at this meeting, on the basis that I haven't received notice of member resolutions pursuant to Rule 30(5) within the required time, nor have I received any notice of any special resolution proposed by members so they will be the only Agenda items.

KURT SVENDSEN: Just a point of clarification. There was an outstanding motion that was lodged 17th June 1999 for the RGM pertaining to an independent five year audit motion but since that motion does not amend constitution of standing orders of bylaws or has any particular relationship to the old .. Act 58 or the new one of 96, with the changing of the rules of DTE, previous Board made a unilateral decision to wipe off all RGM motions regardless of nature which was an invalid thing to do, so this is an outstanding motion which I have brought to your attention.

CHAIRPERSON: I will note it as being brought to my attention, it is not a matter that I intend to put at this meeting; it was apparently at an RGM, not an AGM. As far as I'm concerned, there is no outstanding issues in respect to the AGM. Thank you.

In accordance with Rule 31 of the Co-operatives Rules, which is business at Annual General Meetings, this meeting is to confirm the Minutes of the last General Meeting held on 4th February 2001 and subsequently adjourned to a meeting on 11th February 2001. I have made available copies of those Minutes to the members as they arrived and I now table those Minutes formally.

- KURT SVENDSEN: Point of order.
- CHAIRPERSON: I will hear your point of order quickly.
- KURT SVENDSEN: The point of order is are we actually about to examine the correct AGM Minutes because the last - - -
- CHAIRPERSON: No, we are not.
- KURT SVENDSEN: Last advertised AGM was in fact 7th May 2000, which was for the financial year 1999. The one that was advertised for February of this year was in fact advertised by the (indistinct) November and therefore was illegal to be advertised as it was illegal to be held.
- QUESTION: Can you repeat the question?
- CHAIRPERSON: The issue raised by Mr Svendsen was that there wasn't a quorum of Directors at the time the AGM was called. The issue of that meeting is not something that I'm concerned about. All this meeting today is doing is confirming the record of that meeting, irrespective of whether that meeting was correctly called. That is not an issue for this meeting to determine.
- RICHARD MARTIN: Could I seek the advice of Chair, if you are of the opinion, which I am of the opinion that that was an illegal meeting, should I be voting?
- SPEAKER: It's only an opinion, Mr Chairperson.
- CHAIRPERSON: It's only a confirmation of the facts of a record of that meeting, nothing more; not whether or not it was accurate or valid.
- RICHARD MARTIN: Should only people that were present at that meeting be voting?
- CHAIRPERSON: No, that's not necessary; anyone can move the motion that I will ask for shortly.
- QUESTION: Mr Chairperson, can I move that we stop wasting time and just move on with the meeting?
- CHAIRPERSON: Thank you, I will handle the meeting.
- DAVID CRUISE: Relative to the Minutes, there would be a small error in the members present. Brian Hall was at that meeting and is mentioned later in the Minutes as being there but not in the list of members present.
- SPEAKER: Listed as Tony Hall.
- CHAIRPERSON: I will ask that that be minuted but it won't change my motion.
- RICHARD MARTIN: Can I move an amendment to the motion, which is just to confirm the possibly illegal - - -
- CHAIRPERSON: No, it's not an issue. Whether it is legal or not legal, I now intend to put the motion and ask for someone to move this motion that the Minutes as circulated of the Annual General Meeting held at CERES, 6 Lee Street Brunswick, on 4th February 2001 and the Minutes of the adjourned Annual General Meeting held at CERES, 6 Lee Street Brunswick on 11th February 2001 be taken as read and confirmed.

Do I have someone to move that motion, please?

**MOVED:** **BRIAN HALL**

**SECONDED:** **ERIC HYLAND**

CHAIRPERSON: Is there anyone against the motion? As the motion cannot be carried unanimously, I will now put the motion again, in which case the motion will be carried or lost on a show of cards. I will put the motion again:

That the Minutes as circulated of the Annual General Meeting held at CERES, 6 Lee Street, Brunswick on 4th February 2001 and the Minutes of the adjourned Annual General Meeting held at CERES 6 Lee Street, Brunswick on 11th February 2001 be taken as read and confirmed. All those in favour? Against? I declare the motion as carried.

RICHARD MARTIN: Mr Chair, can I just have my abstention noted and a comment that I believe that that meeting was illegal.

PAUL GRANT: Mr Chairman, I wish to speak on that matter because I never received that Notice of that Annual General Meeting.

CHAIRPERSON: Thank you. That's not an issue that you received notice; we are just confirming that those Minutes are correct today. I will move onto the next Agenda item, which is to receive a Report of Accounts from the Administrator for the financial year 1 July 2000 to 30 June 2001. A copy of those accounts have been made available to people when they arrived. I now tender those accounts.

In respect to the Administrator's Report, I won't bother reading the Administrator's Report, that is there for you to read.

JENNIFER EDGE: Can I ask for a clarification on that, please?

CHAIRPERSON: I will just finish, please. The main issues there are matters subsequent to the end of the financial year. These include the fact that there was a change of Rules requiring an annual subscription and 24 hours volunteer work. I advised that as a result of my mail out, it has become apparent to me that there are in excess of some 600 members who cannot be located and pursuant to the Co-operatives Act any future incumbent Board may be liable to repay the shareholdings that those people have paid, so the accounts do include a provision for that potential liability, which is an issue that I understand previous Boards have sought legal advice on. My opinion is that it is potentially a real liability and I have included provision, after discussions with the auditors, for the potential liability of that refund.

Are there any questions in relation to the account? In that regard, I will ask Mr Max Pascoe, who has access to all of the records, to come forward. Are there any

questions?

JENNIFER EDGE: Active Member. I just wanted a clarification or further details. In your matter subsequent to the end of the financial year under Section B, which we have just received today, you say something about a rejection of an insurance claim by the Co-operative's insurers in respect of an accident by one of the members at the last Summer ConFest. Who was that?

CHAIRPERSON: That was Bryce Pyatt.

JENNIFER EDGE: Is that right that DTE subsequently paid for medical fees for Bryce?

CHAIRPERSON: Some medical fees have been paid. The issue of the rejection of the insurance policy is a matter that I'm currently investigating.

QUESTION: Are you also investigating the payments?

CHAIRPERSON: At the time the payments were made I was advised that the Board at the time considered the policy would respond to the accident. In light of what has happened recently I would recommend to the incoming Board that they review that situation.

PAUL GRANT: I have another question. On the last page of the auditor's report it states (indistinct). If we don't know where the money went, how can this Report be accurate and legal?

CHAIRPERSON: It doesn't detract from the truth and fairness of the accounts that there is a problem. I have looked at the ticketing issues in particular, if that's what you are referring to.

PAUL GRANT: Yes.

CHAIRPERSON: My review of the Summer and Easter ticketing has revealed that adequate steps were taken to correct the accounts for the income, gate income was an issue that I was concerned about, and the potential issue of tickets for no money. However, I was unable to ascertain if that was correct or not and in which case I was prepared to accept the accounts as accurate.

PAUL GRANT: Even though they were not complete?

CHAIRPERSON: The accounts are completed as far as I'm concerned.

PAUL GRANT: The record of ticket sales, especially in respect to mail order, received the tickets prior.

CHAIRPERSON: That's a matter that's been investigated as best that I can and I'm satisfied the accounts represent a true and fair account of the financial position of the co-operative at the time. Next question.

KURT SVENDSEN: One brief observation on your analysis of investigation of the ticketing. I'm just wondering whether you found it anomalous that there was no external independent measure of ticket sales employed, particularly when in this current day and

age there are effortless and elegant systems by which to independently extend the order, such as Ticketek?

CHAIRPERSON: I looked at all of that and I've discussed various issues and I am available to discuss that but I might just bring the meeting back to the point of this is, which is to confirm these accounts.

JENNIFER EDGE: When somebody speaks to you, can you repeat what they are saying because I can't hear it. I can hear you because you have got a microphone.

SPEAKER: Why don't you sit up the front?

JENNIFER EDGE: No, he's up there, he is facing that way.

CHAIRPERSON: I will take a couple more questions from some different people this time, please.

KURT SVENDSEN: One point directly relating to this. Could you instruct Mr Pascoe when he talks about these accounts to give a detailed break down on the separation and receipts and payments for ConFest and ConFab because when the DOJ imposed their new constitution for DTE complying with the Act of 96 from 16th October 2000, there was a change to the primary activity of ConFest - this is an important point - to be both the running the ConFest event itself and the running of ConFab. There was also an investigation by the DHA of the books (indistinct) from 10th July 2000. The point about ConFest and ConFab is there is in the Co-operative Regulations 97, a clause that says any activity of a co-operative that is less than 10 per cent of the turnover of the organisation cannot be regarded as a primary activity. It is of very much interests of the members that there is a very clear demarcation between ConFest and ConFab.

CHAIRPERSON: That matter will be take on board and noted. I don't intend to respond. I will take one or two more questions.

PETER MILLS: ACTIVE MEMBER:

I would like to reply to ConFab that it's minuted in the Regular General Meeting Minutes, which the Administrator gets a copy of every week.

CHERYL BOSTON: Can I just remind the room that the Department of Justice has twice looked at our books in the last couple of years and have made a couple of suggestions but have found no problems with the accounting or the book work or the receipts.

CHAIRPERSON: I will interrupt you because it's not an issue that is relevant to the acceptance of the accounts. I would like someone to move the motion that the financial accounts for the financial year 1 July 2000 to 30 June 2001 be adopted.

**MOVED: RODNEY GREG**

**SECONDED: JOHN DICKSON**

CHAIRPERSON: Is there anyone against the motion? As the motion cannot be carried unanimously, I will now put the motion again: that the financial accounts of the

financial year 1 July 2000 to 30 June 2001 be adopted. All those in favour? Against?

Motion carried.

RICHARD MARTIN: Can I have my abstention noted again.

CHAIRPERSON: I will now move onto the appointment of the new Board. I advise that pursuant to Rule 40(1), the Board of the Co-operative shall comprise seven directors. I propose to conduct an election for the seven directors by means of a ballot.

BRYCE PYATT: I will have to withdraw my nomination.

CHAIRPERSON: I was just about to ask if all the nominees are still standing. Mr Bryce Pyatt.

BRYCE PYATT: I can't stand.

PETER CRUISE: I am withdrawing my nomination.

CHAIRPERSON: There were 12 original nominees, we have two withdrawals so we now have 10 people standing for election. On the election papers that you have, I will ask you to remove the names of Mr Bryce Pyatt and Peter Cruise. If you chose to vote for them your vote will not be counted.

QUESTION: Mr Chairman, which ballot are we using?

CHAIRPERSON: Thank you; I will address that in one second. I will just put the names of the current nominees up on the board just for convenience.

KURT SVENDSEN: Perhaps everyone should check their papers because I have got two position one papers and so maybe everyone should check that they have got one to seven.

CHAIRPERSON: Thank you. Could everyone do that before we proceed so Pauline can rectify the situation? The issue was raised that someone has got two position one papers.

QUESTION: I was originally issued only six, you have actually got seven.

CHAIRPERSON: Anyone in the room that hasn't got the right ballot papers? Whilst people are checking their voting papers I determine the voting process will be done by position so it is my intention to ask you to fill out seven separate voting papers but not until the first position is filled so I will call for a vote for position one, we will then determine position one and we will then move onto position two, position three and so forth.

QUESTION: Looking through the list of nominees, I find it impossible to find more than one or two who are worthy of a vote.

CHAIRPERSON: I really can't entertain that. It's not my position. We won't record that comment. I don't intend to discuss the attributes of the directors, it is not a matter for this meeting.

QUESTION: What are we meant to do with all these bits of paper?

QUESTION: Do you have to fill in all seven to have a valid vote?

CHAIRPERSON: Just wait until everyone has got their correct one to seven ballot papers.

QUESTION: Then what?

CHAIRPERSON: I'm still waiting for the names to be written up behind me. Position number one will be the first position that I will ask you to vote. It will be done by ballot so I want you to fill out on the position number one ballot paper, ignore the large white paper, on the position number one ballot paper I want you to put the name of the person you wish to nominate for that first position.

QUESTION: How does this work?

CHAIRPERSON: If I may, what will then happen is you will be asked to put that ballot paper in the ballot box which is behind me, which will be put over there shortly. It will then be counted and I will adjourn the meeting while the counting is happening. I intend for the purpose of counting to have my own scrutineers, my own staff, Shaun and Pauline. If someone wants to observe that process, please indicate if they want to.

RHONDA JNKOVIC: I would.

CHAIRPERSON: I will have two people only observing.

RICHARD MARTIN: I have got a question.

CHAIRPERSON: Just one moment. Is there someone else who wants to observe the counting? Don't fill in any papers, we are doing it position by position, because you won't know who is standing for position number two until position number one has been finalised; there will only be nine people after position number one has been filled.

QUESTION: Can people cross them out if they have written it?

CHAIRPERSON: Yes, we will accept that.

SONIA POPP: Before you go any further, can you clarify the voting procedure, it is very muddy. My understanding is that we fill out one piece of paper, put it in, it gets counted, that person gets crossed off, then we fill out each subsequent piece of paper, taking another four hours out of our day, to count and check every one of these; is that correct?

CHAIRPERSON: The Chairman has the opportunity to select the way the ballot will progress, I've chosen to do it position by position.

SONIA POPP: What the hell is this piece of paper then?

CHAIRPERSON: That was the alternative piece of paper. You can ignore the large piece of paper. Sorry for the confusion; that decision was made this morning about 9 o'clock.

SONIA POPP: Mr Chairman, isn't it your job to make this very clear?

CHAIRPERSON: I'm trying to make it clear. I will accept questions.

QUESTION: Mr Chairman, aren't we voting for one person at a time or any name off that list?

CHAIRPERSON: No, the ballot paper for position number one, you just fill in one name.

QUESTION: Any name off that list?

CHAIRPERSON: Any name off that list.

DAVID CRUISE: Mr Chairman, I would like the right to address the meeting as a candidate.

MR SILVERMAN: David, not yet. This is a slightly new development which was not given and known to the members. I presume that you are going to ask everybody to speak prior to them making the decision or not? Can I just find out whether there is going to be speeches or not?

CHAIRPERSON: No, I don't propose to have anyone speak beforehand.

MR SILVERMAN: Can I also say in terms of the situation the way that you are doing, if everybody would vote for one person, the counting will be much quicker. I realise that there are certain people that are standing together, it would be advantageous for these people to run a ticket and for the other members to be advised of that ticket and I would like, therefore, to have a short adjournment until ticket numbers can be provided to you and the other people known. A five minute adjournment would be sufficient for that.

CHAIRPERSON: I'm not sure if we understand the question.

MR SILVERMAN: As I understand it - say, for example, we have 39 people, we have four John McCallums, four Cheryl Bostons, four Laurie Campbells and so forth, position number one will be - - -

CHAIRPERSON: Determined by who got the most votes.

MR SILVERMAN: Excuse me; can I just finish. Whereas if there is a ticket of John, Cheryl, Laurie, David, Mary Brian and Richard and they come in and say if you are on our ticket we want John to be number one, you will get 20 people voting number one, you will then have a quick and efficient and one which will represent more clearly the wishes of the members here because this way you are going to have number one can be elected by just five people.

SPEAKER: And a whole lot of people have the same number of votes.

MR SILVERMAN: Whereas if you are wanting to have the way you want, no problems, but let us at least be advised of a ticket.

SONIA POPP: I would be interested to see which candidates want to run for which ticket number one, maybe John wants to run for number one and Cheryl number two.

CHAIRPERSON: Just one moment, David Cruise wanted to say something.

DAVID CRUISE: With respect to you, Mr Chairman, it is your prerogative to set the voting process but you have also sprung it on us with no absolute knowledge of how you are going to do it.



- MR SILVERMAN: It is irrelevant, David.
- DAVID CRUISE: Would you allow me to speak?
- CHAIRPERSON: Just stay to the point, Mr Cruise.
- DAVID CRUISE: You have got two choices. I believe that there are two factions, as you are well aware, and I believe that those factions should have the right to be able to nominate. You have now given positions, not just a position on the Board, to be able to nominate who they want for the individual positions you have allocated and I believe we need a five minute adjournment so we can prepare a ticket; I think that would only be fair.
- CHAIRPERSON: I'm not prepared to adjourn it. The only alternative is to do it in one ballot.
- SPEAKER: Can I move a motion?
- CHAIRPERSON: No, I won't have a motion at the moment. What I will do is advise you of a situation if we want to do it by one ballot. There is obviously some concern that people want to do this in one ballot. I'm quite happy for that to be done so in that regard I would ask if there is somebody to move that the members approve the appointment of seven vacant new directors to the Board by one single ballot.
- BRYCE PYATT: I move that we conduct the ballot in one single vote to use the white form.
- SECONDED: JOHN O'BRIEN**
- KURT SVENDSEN: I want to make an amendment to that motion.
- CHAIRPERSON: Firstly, before I consider any amendment, is there anybody against that motion? In that case we can't do it by single ballot. Rule 36(6) of the Co-operative Rules say that unless all members unanimously agree to a single ballot, it must be conducted by position. Mr Svendsen wanted to move an amendment to the original motion. If that amendment was to move towards a single ballot I would be prepared to listen to the amendment. If your amendment is relevant to moving towards a single ballot, I will certainly hear it.
- KURT SVENDSEN: My amendment to the motion is replace the full text of the original motion with the sentiment that we go with your original scheme.
- CHAIRPERSON: That means we go by position.
- DAVID CRUISE: That is irrelevant because an amendment can't negate a motion.
- CHAIRPERSON: Irrespective of that, we have people against a single ballot, which means unfortunately, pursuant to the Rules this Co-operative has, that we have to do it by individual position; there is no alternative.
- SONIA POPP: But there is an alternative way to run it than the way you are doing it.
- CHAIRPERSON: No, there is not.

**SPEAKER:** If you fill out this respectively with the seven members, you are going to get a situation where the most person with the most votes is going to get number one position, is going to get number two position.

**CHAIRPERSON:** That is a determination of the ballot which has been adopted by a single resolution which unfortunately we can't now do. I now ask you to fill out your nomination for position number one, that is out of the 10 candidates. Would you please write the name of the person. Position number one, fill that one in first. If anyone has filled in position number paper already, just put in position number one first and if that person happens to get elected to position number one and you have got him to position number two to seven, just cross him out and initial it in front of my staff. Those of you who have understood position number one voting process and have written the name of the nominee on position number one paper, would like to put it into the box up here alongside Mr Green. I will have a two minute adjournment while people put their votes in.

**ADJOURNED AT 4:05PM**

**RESUMED AT 4:12PM**

CHAIRPERSON: Ladies and gentlemen, I will now resume the AGM and announce the results of the Directors. I only intend to announce the person who has been successful, and that is Peter Mills.

(Applause)

CHAIRPERSON: I formally declare:

*That the vacant Director position number one has been filled by Peter Mills who is hereby appointed as a Director of Down to Earth (Victoria) Co-operative Society Limited to take office on the revocation of the Administrator appointed by the Registrar of Co-operatives and to hold office until the next Annual General Meeting of the Co-operative after the revocation of that appointment in accordance with Section 326(7) of the Co-operatives Act 1996.*

I will now ask you to fill in those who want to vote for position number two, the yellow paper, and place that into the ballot box. Thank you. Ladies and gentlemen, if I could just have your attention for the announcement of the position number two. I would like to announce Cheryl Boston has filled position number two, and for formalities I will just read out the declaration:

*That the vacant Director position number two has been filled by Cheryl Boston who is hereby appointed as a Director of Down to Earth (Victoria) Co-operative Society Limited to take office on the revocation of the Administrator appointed by the Registrar of Co-operatives and to hold office until the next Annual General Meeting of the Co-operative after the revocation of that appointment in accordance with Section 326(7) of the Co-operatives Act 1996.*

Ladies and gentlemen, I will now ask to you fill in your papers for position number three. I propose at this stage to take a short adjournment while you do that to allow people to also move their cars and I propose just reconvening in, say, 10 minutes' time at 4:34, at which time I will announce the results of the ballot for position number three.

**ADJOURNED AT 4:22PM**

**RESUMED AT 4:39 PM**

CHAIRPERSON: I will resume the Annual General Meeting of Down to Earth and if I could have a little bit of quiet I will announce the results of the ballot for position number

three. John McCallum has been appointed. For the purposes of the meeting I declare:

*That the vacant Director position number three has been filled by John McCallum who is hereby appointed as a Director of Down to Earth (Victoria) Co-operative Society Limited to take office on the revocation of the Administrator appointed by the Registrar of Co-operatives and to hold office until the next Annual General Meeting of the Co-operative after the revocation of that appointment in accordance with Section 326(7) of the Co-operatives Act 1996.*

Thank you. Could you now fill in your ballot papers for position number four. I will give you five minutes to do that. It is now 4:40 so by 4:45 the ballot will be closed.

The ballot for position number four has now closed. It is now 4.45 pm and no more ballot papers will be accepted for position number four. Ladies and gentlemen, I have now got the results of the ballot for position number four. David Cruise has been elected to position number four and for the purposes of the record I formally declare:

*That the vacant Director position number four has been filled by David Cruise who is hereby appointed as a Director of Down to Earth (Victoria) Co-operative Society Limited to take office on the revocation of the Administrator appointed by the Registrar of Co-operatives and to hold office until the next Annual General Meeting of the Co-operative after the revocation of that appointment in accordance with Section 326(7) of the Co-operatives Act 1996.*

Position number five, can you fill in the ballot paper and again, five minutes to fill in those papers. It is now 4.50. You have until 4.55.

I hereby declare position number five ballot is now closed. Ladies and gentlemen, I will now announce the result of the ballot for Director number five and that is Matti Hanane. I formally declare:

*That the vacant Director position number five has been filled by Matti Hanane who is hereby appointed as a Director of Down to Earth (Victoria) Co-operative Society Limited to take office on the revocation of the Administrator appointed by the Registrar of Co-operatives and to hold office until the next Annual General Meeting of the*

*Co-operative after the revocation of that appointment in accordance with Section 326(7) of the Co-operatives Act 1996.*

Position number six is now open, and that's the pink paper. Position number six will close at five minutes past five. The ballot for position number six is now closed. I formally declare that the vacant position for position number six is filled by Mary Cruise and formally declare:

*That the vacant Director position number six has been filled by Mary Cruise who is hereby appointed as a Director of Down to Earth (Victoria) Co-operative Society Limited to take office on the revocation of the Administrator appointed by the Registrar of Co-operatives and to hold office until the next Annual General Meeting of the Co-operative after the revocation of that appointment in accordance with Section 326(7) of the Co-operatives Act 1996.*

If you could put in your ballot for position number seven. Position number seven is now closed. I have now got the ballot results for position number seven and I announce that that position has been filled by Brian Hall. I formally declare that:

*That the vacant Director position number seven has been filled by Brian Hall who is hereby appointed as a Director of Down to Earth (Victoria) Co-operative Society Limited to take office on the revocation of the Administrator appointed by the Registrar of Co-operatives and to hold office until the next Annual General Meeting of the Co-operative after the revocation of that appointment in accordance with Section 326(7) of the Co-operatives Act 1996.*

Thank you very much for your patience in getting through the director nomination process.

RICHARD MARTIN: Just on a procedure with the ballot, could I ask that you take on as Chair and overseeing this election process the destroying of the ballot papers?

SPEAKER: We have a tradition of always keeping them sealed.

CHAIRPERSON: Thank you, Mr Martin. I will take that under consideration in terms of my obligations as Administrator in conducting this vote.

PAUL GRANT: Mr Chairman, normally this time I rise to congratulate Down to Earth; unfortunately I wish to be excused.

CHAIRPERSON: Thank you, Mr Grant. Paul Grant is leaving. Ladies and gentlemen, I will now move onto the last item of business, which is any other business that may be lawfully brought before the meeting. I advised that I have received no notification of any other resolutions that the members wish to put at this meeting. I declare that there is no further business and hereby declare that the Annual Meeting of the Down to Earth (Victoria) Co-operative Society Limited is now closed.

(Applause)

**MEETING CLOSED AT 5:25 PM**

**Signed by the Chairperson: Gary S Fettes**

**Date: 9 December 2001**