

# Disclosure Statement

## Footscray Maker Co-operative Limited.

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### Introduction

The Footscray Maker Lab was formed in early 2013 as an experimental co-creation / maker space / social innovation incubator at the Old Cotton Mills in Footscray. A series of monthly meetings were held enabling interested people to share ideas and help co-create the enterprise.

As membership increased, a survey indicated that many required local and affordable workspace. The Lab relocated to the artist space at the Footscray Historical Society on a trial basis, but eventually moved to it's current location in West Footscray.

The co-operative is being established as a business that is owned and operated by it's members. It aims to create and nurture a community of makers, designers, producers and citizens in the Footscray area, providing the following:

1. A social and organisational structure that supports the enterprises and aspirations of members
2. A physical space that allows members to share knowledge, collaborate and co-create
3. Opportunities for co-learning through events, courses and workshops and
4. The development of shared high impact collaborative projects

### Why a co-operative?

Footscray Maker Co-operative will be a community owned enterprise. By using a co-operative model, the business, the spaces, and the associated activities remain under democratic member control. The Co-operative board will govern the policies of the Co-operative and ultimately the operations of the business in accordance with co-operative principles.

For more information about general co-operative principles, see Appendix A.

### The space

Located at 41 Robbs Road in West Footscray, approximately 900m<sup>2</sup> of space is being rented in one of two buildings on the site. The building, kitchen and toilets are shared with other tenants who currently use their spaces for manufacturing and warehousing.

The rented space includes three areas:

- Office - has the potential to be used for a range of purposes including reception, desk-based co-working, a conference venue, or exhibition space.
- Adjoining covered area - suitable for educational events and workshops.
- Warehouse - ideal for light industrial fabrication. It offers high ceilings, ample natural light throughout the day and roller-door access.

The office, covered area, and approximately 100m<sup>2</sup> of the warehouse are treated as “commons areas”, and are generally accessible to all users of the Lab. The commons warehouse area is being developed into a workshop with a number of workbenches and shared tools.

The rest of the warehouse space is offered as dedicated workshop space for those that require a permanent or semi-permanent set up. The site had already been operating as a co-working environment, and many of those makers have remained in residence. A small number of additional users are being invited to use the Lab on a trial basis, to engage in a user-led design process.

## **Membership**

### **Benefits of membership**

The Co-operative aims to nurture a community that support and help promote the businesses, goods and services of members. Members can pool resources (tools, space, financial / legal advice, etc.) to enable greater individual capabilities.

The Co-operative will endeavour to create opportunities for collaboration that harness the skills and the knowledge of members. Space, facilities and support will be provided for members to run workshops and events. The organisation also provides a legal structure by which members can build internal teams to tender for project work.

A member of the Co-operative is entitled to:

- attend and vote at all meetings of the Co-operative
- be a candidate for election to the Board of Directors of the Co-operative
- vote for Board members
- obtain a copy of Co-operative documents upon payment of the nominated fee as set out in the Rules.
- buy and earn Co-operative shares
- trade shares with other Co-operative members
- rent dedicated workshop space
- propose and run workshops and educational courses / classes
- discuss opportunities for collaboration and project ideas between the Co-operative and 3rd parties (councils, government, other businesses, community groups, university)
- tender for projects on behalf of the Co-operative with the approval of the board
- run projects on behalf of the Co-operative

### **Eligibility requirements**

A person qualifies for membership of the co-operative if the person is able to use or contribute to the services of the co-operative. The person must also be:

1. established or in the process of establishing a particular trade or profession in a creative area, which can be:
  - a. practical (eg wood work, metal work, electronics); or
  - b. artistic / conceptual (eg design, graphic arts, film); or

2. suitably skilled in an area that supports:
  - a. other members' enterprises; or
  - b. the co-operative; or
  - c. supporters of the co-operative

To maintain active membership of the co-operative, a person must:

1. pay the regular subscription (currently \$150 per annum); and
2. maintain the minimum shareholding of 50 shares; and
3. contribute at least 8 hours of labour per financial year to the operation of the co-operative, or a contribution with some equivalence as decided by the board; and
4. agree and abide by the co-operative membership expectations and any other policy that supports the running of the co-operative in general; and
5. be in good standing with the community

Failure to maintain active membership may lead to cancellation of membership (see rule 21).

## **Application process**

Applications for membership must be lodged at the registered office in the application form approved by the board, and should be accompanied by:

1. payment for allotment of at least 50 shares (\$50), being the minimum shareholding as specified in rule 16; and
2. payment of the regular subscription which is \$150 per annum at the time of formation.

Please note that no entry fee is required at the time of formation.

Every application must be considered by the board. The board may, at its discretion, refuse an application for membership. The board need not assign reasons for the refusal. On refusal any amounts accompanying the application for membership will be refunded within 28 days without interest.

## **Share details**

Each share in Footscray Maker Co-operative has a nominal value of ten dollars (\$10). A member must hold a minimum of five (5) shares in the co-operative as specified in rule 16. No share is to be allotted unless 100% of the nominal value of the share has been paid.

No member may hold or have a relevant interest in more than 20% of the total issued shares. All members of the Co-operative are entitled to share in dividends paid out of operating profit. These payments will be divided equally based on the total shares on issue.

A share in the Co-operative does not carry a vote. The right to vote in the Co-operative is attached to membership and governed by section 228 of the Law.

## Rights and liabilities

The rights and liabilities attaching to the ownership of shares are detailed in the Co-operative rules. Please note the following:

- If a member is expelled or resigns from the co-operative, all amounts owing by the former member to the co-operative become immediately payable in full. (Rule 11.2)
- The board may impose on a member a maximum fine of \$1000 for a contravention of the rules. (Rule 14.1.)
- A member is liable to the co-operative for the amount, if any, unpaid on the shares held by the member, together with any charges, including entry fees and regular subscriptions, payable by the member to the co-operative under these rules. (Rule 15.1.)
- A share may not be sold or transferred except with the consent of the board, and to a person who is qualified to be admitted to membership of the co-operative (Rule 18.4)
- The board may decline to recognise an instrument of transfer unless a fee of \$5 is paid to the co-operative for the transfer (Rule 18.7.)
- If on the winding up or dissolution of the co-operative there remains any property after the satisfaction of all the co-operative's debts and liabilities (including the refund of the amounts paid up on the shares), this must be paid to, or distributed among, the members of the co-operative in proportion to the member's shareholdings. (67.2.)
- If on the winding up or dissolution of the co-operative there is a deficiency, members are liable to contribute towards the deficiency to the extent of any amount unpaid on the shares held by the member and any charges payable by the member to the co-operative as required by these rules. (67.3.)
- Under section 82 of the Law, the co-operative is authorised to require members of a distributing co-operative to take up or subscribe for additional shares under a proposal approved by special resolution.

## Contracts

### Lease agreements

Two lease agreements currently exist for spaces the co-operative will use at 41 Robbs Road, West Footscray. The agreements are currently held in personal names, but the intention is for these to be transferred into the name of the Co-operative within 12 months of formation.

Details of the agreements are below:

<b>Start Date</b>	<b>Leaseholders</b>	<b>Annual Rent</b>
15 July 2014	Ilija Minic & Jose Ramos	\$14,000 + GST
1 October 2014	Ilija Minic & Felipe Reynolds	\$14,000 + GST

- Rent is payable in equal monthly instalments.
- Each agreement is for a 12 month term.
- One further 12 month term is available, at which point rental will be increased by 4%.

- The landlord is responsible for the following outgoings:
  - Council rates and water/sewerage/drainage rates
  - Building insurance
- The landlord is Gomer Pyle Pty Ltd.
- The managing agents are Fitzroys Pty Ltd. Level 29, 367 Collins Street, Melbourne.

The landlord may terminate either lease at any time by giving no less than six months written notice. Should the Landlord serve notice the tenant will not be required to pay rental during the six month notice period.

## **Insurance**

Cover has been arranged with GIO for the following:

- Fire and Other Damage
- Business Interruption
- Burglary
- Public & Products Liability

The annual premium is \$1,876.92, paid in monthly installments of \$156.41.

GIO requires that all primary users of the spaces managed by the Co-operative be members of the Co-operative.

## **Projects**

The Co-operative may enter into contracts with third parties (eg: government departments, businesses, other individuals) for the provision of goods and/or services as applicable. Co-operative members may engage in discussions with third parties relating to these opportunities, but all contractual agreements must be approved by the board.

Members who elect to provide goods or services as part of a project may be required to enter into a contract with the Co-operative.

## **Proposed office holders**

### **José Ramos**

*28 Fontein Street, West Footscray. Victoria.*

José Ramos is a social change researcher, trans disciplinary collaborator, and advocate for commons oriented social alternatives. Originally from California from Mexican-American heritage, he currently resides in West Footscray Australia with his family, working on both local and international social change projects. He is founder of the consulting network Action Foresight ([www.actionforesight.net](http://www.actionforesight.net)), a group which helps organisations respond creatively to the horizon of changes and challenges they face.

He has held academic teaching and research roles at: the National University of Singapore, Swinburne University of Technology (Melbourne), Queensland University of Technology (Brisbane), Victoria University (Melbourne), Leuphana University (Germany). He is senior consulting editor for the Journal of Futures Studies (jfs.tku.edu.tw), holds a Doctorate from Queensland University of Technology in Global Studies and a Masters in Strategic Foresight from Swinburne University and has published over thirty peer-reviewed journal articles and reports.

## **Ilija Minic**

*36 Hansen Street, West Footscray. Victoria.*

### **Qualifications**

## **Hayden O'Doherty**

*98 Charles St, Seddon. Victoria.*

Hayden O'Doherty is a 27 year old long time resident of the western suburbs of Melbourne, with strong connections to local community, not for profit groups and small businesses that span local food, urban agriculture and timber recycling/furniture production.

His previous tertiary studies of a BA: International community development at Victoria University and two subsequent Permaculture Design certificates with the Centre for Education and Research of Environmental Strategies (CERES) and with HeenenDoherty and their Regrarian platform means that Hayden contributes a particular perspective to the Footscray Maker Cooperative (FMC) board that will greatly support the FMC ambition to be socially and environmentally responsible, as well as providing genuine livelihoods to FMC members.

Furthermore, Hayden's work for the last 6 years in the education sector will be an asset to the FMC when it's education platform and subsequent programs are developed and his extensive interpersonal work with Polykala, an organisation that works to realise the potential of adaptive leadership will serve the FMC as it strives to be a truly democratic organisation with strong bonds between its members and the wider community.

## **Matthew Rowbottom**

*146 Kensington Road, Kensington. Victoria*

Matthew studied music at LaTrobe University and taught in public and private schools for eight years. He was vice president of the Australian Youth Band committee of management for two years, and helped organise a range of performance opportunities both locally and internationally. After living in London for five years where he worked as a project development manager, he returned to Melbourne to focus on his own web-based business.

As a child, Matthew had access to a farm workshop complete with power tools and plenty of materials. He also attended a local technical college with well provisioned trade workshops. In recent years he has come to realise that these were privileges not available to most. He believes that Footscray Maker Co-operative has the potential to provide similar opportunities to members of the local community.

## Cameron Leeson

9 Beith Street, Brunswick, Victoria.

Cameron Leeson is a passionate maker who lives in inner Melbourne. Cameron has been involved with the Footscray Maker Lab for the past 12 months, and has established a maker lab in Brunswick, which has been active for the past 9 months. Cameron holds a Bachelor of Planning and Design (Architecture), and currently operates two businesses in the Marketing arena. Cameron's direct maker lab and business experience will be of great value to the Footscray Maker Co-operative board.

## Financial Projections

### Projected Income and Expenses - Year 1

These figures are based on the co-operative attracting 40 members who use the space on a regular basis.

<b>Income</b>	
Share capital	\$2,000.00
Membership fees	\$6,000.00
Access fees	\$36,000.00
Dedicated space fees	\$36,000.00
Workshops	\$10,000.00
Projects	\$5,000.00
<b>Gross Income</b>	<b>\$95,000.00</b>
<b>Expenses</b>	
Startup expenses (see table below)	\$800.00
Reimbursements	\$340.00
Accountant fees	\$1,000.00
Advertising & marketing:	\$500.00
Bank fees & charges	\$20.00
Utilities (electricity)	\$3,600.00
Internet	\$600.00
Rent & deposits	\$33,370.00
Cleaning	\$1,600.00
Plant & equipment	\$12,000.00
Consumables	\$2,000.00
Repairs & maintenance	\$1,000.00
Furniture	\$2,500.00

Stationery & printing	\$500.00
Training	\$500.00
Insurance	\$1,800.00
Staff	\$15,000.00
<b>Gross Expenses</b>	<b>\$77,130.00</b>
Taxable Income	\$17,870.00
Tax	\$5,361.00
<b>GROSS PROFIT</b>	<b>\$12,509.00</b>

## Estimated cost of formation

Registration with Consumer Affairs Victoria	\$360.00
First aid kit & signage	\$200.00
First aid course	\$90.00
Eye wash & signage	\$100.00
Personal protection equipment	\$50.00
<b>Total Cost</b>	<b>\$800.00</b>

## Appendix A.

### Co-operative Principles

These co-operative principles are those adopted by the International Co-operative Alliance, and have been reproduced from section 10 of the Co-operatives National Law Application Act (Victoria) 2013.

1. **Voluntary and open membership**

Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. **Democratic member control**

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (1 member, 1 vote) and co-operatives at other levels are organised in a democratic way.

3. **Member economic participation**

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of the capital is usually the common property of the co-operative.

They usually receive limited compensation (if any) on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes:

- a. developing the co-operative, possibly by setting up reserves, part of which at least would be indivisible;
- b. benefiting members in proportion to their transactions with the co-operative;
- c. supporting other activities approved by the membership.

**4. Autonomy and independence**

Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

**5. Education, training and information**

Co-operatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their co-operatives. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of co-operation.

**6. Co-operation among co-operatives**

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

**7. Concern for the community**

While focusing on member needs, co-operatives work for the sustainable development of their communities through policies accepted by their members.