



Wednesday, 26 August 2020

Dear member

Last week the DTE Board of Directors resolved the following:

“that in accordance with DTE Rule 35 clause (2)(d) the Board hereby requires that all resolutions presented at General Meetings must be decided by electronic postal ballot using ElectionBuddy or similar software.”

Here is the relevant DTE rule referenced:

<p>35. Postal ballot</p> <ul style="list-style-type: none">(1) The manner of voting shall be in accordance with the regulations.(2) A special postal ballot or a postal ballot must be held:<ul style="list-style-type: none">(a) when required by the Act, or;(b) in accordance with section 202 of the Act, on the written requisition of the number of active members of the Co-operative who together are able to cast at least 10% of the total number of votes able to be cast at a meeting of the Co-operative, or;(c) if approved by the members by ordinary resolution, or;(d) as decided by the Board of Directors.
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This Board resolution aims to increase member's active involvement in cooperative decisions by making it easier for members to participate, without having to attend all General Meetings.

Attached to this correspondence are a series of questions and answers to help members understand key elements of electronic postal ballots, supporting regulatory information and how this decision will be implemented by the cooperative.

Kind Regards,
DTE Board of Directors

What is an electronic postal ballot?

Decisions made by members in a General Meeting are called resolutions. Resolutions come in two forms: Ordinary Resolutions and Special Resolutions. According to DTE rules and state regulations like the Cooperatives National Law (CNL), certain decisions must be made by Special Resolution and Special Postal Ballot which have a longer period of notice and higher threshold of passing than an Ordinary Resolution.

Resolutions can be decided by two methods:

- (1) either as a motion presented in a General Meeting and voted on by those members present in the meeting, or;
- (2) by postal ballot to be decided by all active members.

Here is a table that describes the differences:

Resolution Type (defined by DTE Rule 37)	Ordinary Resolution	Special Resolution
Decided by Motion <i>in a General Meeting</i>	Ordinary Motion decided by simple majority (greater than 50%) of members present in a General Meeting	Special Motion decided by two-thirds majority of members present in a General Meeting
Decided by Postal Ballot	Postal Ballot decided by simple majority (greater than 50%) of all active members	Postal Ballot decided by two-thirds majority of all active members
Decided by Special Postal Ballot	<i>Not Applicable</i>	Special Postal Ballot decided by three-quarters majority of all active members

In particular, DTE Rule 37 (4) provides that an ordinary resolution may be decided by postal ballot:

An ordinary resolution is a resolution passed by a simple majority at a general meeting or in a postal ballot of members.

The CNL also defines resolution types and how they may be determined by members. For further information please refer to:

[CNL Section 238 Ordinary resolutions](#)

[CNL Section 239 Special resolutions](#)

[CNL Section 240 How majority is ascertained](#)

[CNL Section 247 Postal ballots](#)

[CNL Section 248 Special postal ballots](#)

[CNL Section 249 When special postal ballot is required](#)

[CNL Section 250 Holding of postal ballot on requisition](#)

Special Resolutions are specifically required for acquisition and disposal of major assets (evaluated as a proportion of the cooperative's net worth), changing of rules, removal of officeholders, expulsion of members, mergers or winding up of the cooperative.

An electronic postal ballot is a form provided over the internet to record a member's vote on a proposition which becomes a resolution if passed according to the thresholds stated above.

Does this mean a General Meeting resolution will now be decided by both a motion at the General Meeting and an electronic Postal Ballot?

No, a General Meeting resolution can only be resolved by one method not a combination of both.

What about DTE rules that allow motions to be amended and require voting members to be present in the room of a General Meetings to demonstrate ‘a show of hands’, etc?

These rules apply only to motions decided by General Meeting. These rules do not apply to postal ballots. This means a proposition presented to members by postal ballot must be well written and worded unambiguously otherwise members may fail to support it.

What about a Poll at General Meetings?

A poll is different from a postal ballot. A poll applies to how a vote is recorded within a General Meeting only. When we call out an active member’s name during a vote in a General Meeting to record how they vote on a matter, this is called a poll. We already conduct polls routinely in General Meetings.

If General Meeting resolutions are now decided by postal ballot how do members discuss propositions?

Similar to last year’s director election forum we encourage members to discuss important propositions using web conferencing, email and other online forums before they cast their vote in a postal ballot.

Does this mean we will no longer have General Meetings?

General Meetings such as the Annual General Meeting and Special General Meetings are still required to transact the following ordinary business:

General Meeting Type	Annual General Meeting	Special General Meeting
Ordinary Business	(a) to read the minutes of the last Annual General meeting; (b) to confirm minutes of the last preceding general meeting (whether annual or special); (c) to receive from the Board, the Organising Committee of the Board, auditors, or any officers of the Co-operative reports upon the transactions of the Co-operative during the financial year, including the audited financial accounts and other financial reports as requested, and the state of affairs at the end of that year; (d) to elect Directors as per Rule 41.	(a) to confirm minutes of the last preceding general meeting (whether annual or special); (b) At each Special General Meeting the following reports are to be tabled: (i) Financial reports on the transactions of the Co-operative during the period. (ii) Directors reports either as a group or individually. (iii) Organising Committee of the Board reports. (iv) ConFest report. (v) ConFab report. (vi) Other committee/work group reports.

Why has the Board of Directors made this decision?

In 2015, the cooperative had approximately 65 active members, the minimum quorum for General Meetings was 10 active members and director elections were decided by less than 50% of the cooperative's active members. Contrast that with today where we now have 151 active members, a minimum quorum for General Meetings of 19 active members and at the last director election held in February an active member participation rate of 84%.

Here is a table of member participation of recent elections using ElectionBuddy:

2019 Director Elections	84% of 147 eligible voters
2018 Director Elections	80% of 140 eligible voters
2017 Director Elections	69% of 117 eligible voters

It is clear from these statistics that the introduction of ElectionBuddy for director elections enabled a significant increase in member participation.

The Board believes that during this pandemic and now more than ever, the cooperative needs to continue to embrace eDemocracy tools to increase member participation in other important decision making of the cooperative and use a system that will scale as the cooperative continues to grow into the future.

Why are we spending money using a system like ElectionBuddy?

ElectionBuddy for a General Meeting is cost effective (US\$48 for up to 350 voters with SMS notifications¹). The Board believes this is a small cost to pay for increased democratic participation.

Who will run the voting software?

Consistent with previous director election processes using ElectionBuddy, the Board requires independent administration of the voting software and at least three active members as scrutineers to ensure integrity of the voting process and results.

How long will a postal ballot be open for?

Consistent with previous director election processes using ElectionBuddy, the Board requires that a ballot be open for a minimum period of 5 days, with the ballot closing scheduled for 8PM on the date of the General Meeting where ballot results are announced in the meeting, recorded in the minutes and published to members.

¹ <https://electionbuddy.com/pricing>