

The Food Co-operative Shop Discounts & Rewards (Honoraria) Policy



Policy number	4	Version	1
Drafted by	Directors	Approved by Board on	18/06/2025
Responsible person	Directors	Scheduled review date	18/06/2026

This policy outlines the rules of our discounts and rewards system, where Co-op Members are rewarded for their contributions, whether through membership or through volunteering. It contains rules relating to discounts, free/discounted drinks and meals, and store credit.

1. Rationale

- 1.1. The Food Co-operative Shop (henceforth 'the Co-op') aims to ensure all volunteer shifts are filled to ensure the Co-op functions smoothly and all who need can access it during opening hours.
- 1.2. The Co-op wishes, in line with the Rules of the Co-op, to reward Working Members whose Working Member roles help contribute in a meaningful way to the running of the Co-op through an honorarium; whereby honorarium refers to an honorary reward for voluntary services.
- 1.3. The Co-op aims to ensure that it meets its legal obligations concerning rewards for voluntary services, and abide by the Rochdale Principles of Co-operatives.
- 1.4. We want to recognise the contributions made by Working Members of the Co-op.

2. Scope

- 2.1. This policy sits in conjunction with the Co-op Constitution.
- 2.2. This policy covers all forms of rewards offered to Members at the Co-op, including:
 - 2.2.1. discounts
 - 2.2.2. free drinks and meals
 - 2.2.3. store credit
- 2.3. This policy covers rewards accrued both in the past and present.
- 2.4. This policy does not apply to formal wages, earnings, or superannuation.
- 2.5. The policy applies to all Members of the Co-op (including former Members, current and former staff and any other entity which accrues/ed rewards with the Co-op)
- 2.6. External service providers will be covered by independent agreements

- between the Co-op and that provider
- 2.7. This policy is effective from **18/06/2025** as per the policy's approval by the Board

3. Definitions

- 3.1. **The Co-op:** refers to The Food Co-operative Shop (ABN 76 699 195 984, 3 Kingsley St Acton 2601).
- 3.2. **General public:** non-Members of the Co-op.
- 3.3. **Members:** active Members of the Co-op in line with the Co-op Constitution.
- 3.4. **Working Members:** a Member who contributes at least one hour of volunteering per week.
- 3.5. **Non-Working Members:** a member as defined in 3.3, but who does not meet the definition of a Working Member in 3.4.
- 3.6. **Board:** the Board of the Co-op.
- 3.7. **Board Director:** includes a member who has been elected at the Annual General Meeting or Special General Meeting to be a member of the Board of the Co-op or has been validly appointed or duly authorised to act in this position thereafter.
- 3.8. **Co-managers:** employees of the Co-op who have managerial responsibilities. Co-managers are also Members of the Co-op.
- 3.9. **Working Member roles:** volunteer undertakings by Working Members of the Co-op.
- 3.10. **Working Members roster:** the roster or other system which is used to sign up or volunteer for shifts at the Co-op.
- 3.11. **Co-ordinator:** a Shop or Cafe Co-ordinator who is responsible for running the shop and/or cafe during their shift at the Co-op.
- 3.12. **Employment relationship:** see [FairWork's definition](#).

4. Discounts Procedures and Rules

- 4.1. **Definition of the discount**
 - 4.1.1. For every one hour worked by a working member, the working member is entitled to the current rate of discount for a period of two weeks.
 - 4.1.2. According to the Rules of the Food Co-op, all discounts can be added, amended or abolished by the Board at an Annual General Meeting or a Special General Meeting.
 - 4.1.2.1. As at the date of this policy, the current rate of discount offered to Working Members is 20%.
- 4.2. **Discount procedure**
 - 4.2.1. Shop Co-ordinators are responsible for entering discounts into the Co-op's Membership Database
 - 4.2.2. Upon finishing a shift, Working Members are responsible for informing a Shop Co-ordinator of their volunteering role and the amount of hours

5. Free Drinks and Meals Procedures and Rules

5.1. Eligibility for a free drink

- 5.1.1. In addition to discount or store credit (where eligible), Working Members and employees will also be eligible to receive a hot beverage (e.g. tea, coffee, chai) in return for each shift of two hours' volunteering or more.

5.2. Eligibility for a free meal

- 5.2.1. Free meals offered at the Co-op are either hot (fresh, served on the day of volunteering) or frozen (in lieu of a fresh meal to have on-site or takeaway)
- 5.2.2. Working Members will be eligible to receive a free meal if they satisfy the following:
 - 5.2.2.1. Volunteered (or will volunteer) at the Co-op premises for 3+ hours consecutively
 - 5.2.2.2. Are not receiving store-credit for their contribution

5.3. Eligibility for a half-price meal

- 5.3.1. Working Members will be eligible to receive one half-price hot or frozen meal if they have:
 - 5.3.1.1. Volunteered (or will volunteer) at the Co-op premises for 3+ hours consecutively
 - 5.3.1.2. Are receiving store-credit for their contribution
- 5.3.2. Staff members who have completed a shift of 3+ hours or longer are entitled to a half-price meal

5.4. Free drink and meal procedure

- 5.4.1. All free or half-price items must be recorded in Lightspeed when redeemed by:
 - 5.4.1.1. the Cafe Co-ordinator on shift if a hot meal
 - 5.4.1.2. The Shop Co-ordinator on shift if a frozen meal

6. Store Credit Procedures and Rules

6.1. Defining store credit

- 6.1.1. Formerly known as 'vouchers', store credit refers to the in-store credit rewarded to Working Members of the Co-op for their contributions in particular volunteer roles.
- 6.1.2. The amount of store credit rewarded per role is decided by the Board (e.g., \$30 credit per role shift, unless otherwise specified).
- 6.1.3. This policy defines store credit as an honorarium, under the definition provided by the ATO (see *Appendix A*).
- 6.1.4. Store credit is *not* a wage. Receiving store credit for volunteering at the Co-op does not constitute paid employment nor an 'employment relationship' as per FairWork's definition

- 6.1.5. Store credit is *not* a share.
- 6.1.6. Store credit is *not* owned or property of the store credit holder that accrues it.
- 6.1.7. Store credit is *not* redeemable for cash.

6.2. Roles receiving store credit

- 6.2.1. Working Member roles which receive store credit as an honorarium (store-credited roles) remain at the discretion of the Board.
- 6.2.2. Members may put forth proposals for a certain Working Member role to receive store credit for consideration by the Board.
- 6.2.3. The Board must consider all proposals for Working Member roles receiving store credit within 2 months of receipt, but ideally at the next Board meeting (providing that the proposal was circulated to the Board with a week's notice).
- 6.2.4. A list of all store-credited roles that currently have approval can be found in *Appendix C*. Co-managers are responsible for keeping this list up-to-date.

6.3. Eligibility to receive store credit

- 6.3.1. Store credit can be received by any Working Member of the Co-op provided they satisfactorily fulfil the obligations of a store-credited role and the Board has approved the allocation of store credit for their role.
- 6.3.2. Store credit can be awarded for ad-hoc tasks as decided by the Board. Co-managers will be responsible for escalating any instances where appropriate.
- 6.3.3. Store credit can be awarded to entities other than individuals (such as other co-operatives on an organisational basis providing they are members of the Co-op).
 - 6.3.3.1. Organisations and other entities that wish to receive store credit should raise this with a Co-manager who should in turn raise the issue with the Board.
- 6.3.4. General public (non-Members) and non-Working Members are not eligible to receive store credit as a reward.

6.4. Receiving store credit

- 6.4.1. Store credit will be rewarded to the name of the Working Member assigned to each store-credited role shift in the Co-op's Working Members roster, Co-ordinator calendar or similar rostering system.
 - 6.4.1.1. Note: Working Members must sign up to a store-credited role shift with their full name as per their membership
 - 6.4.1.2. Note: some roles may only require one shift per day (i.e. dishwashing). Additional sign-ups to a store-credited role may not be eligible to receive store-credit.
- 6.4.2. A store credit role shift may be split by a maximum of two individuals, and store credit will only be rewarded at a minimum amount of \$5.
 - 6.4.2.1. *For example: Olive can only complete 2.5hrs of a 3hr*

store-credit role shift. Chai can cover the remaining 30 mins. If the reward for that shift is \$30, Olive is eligible to receive \$25 in store credit and Chai is eligible to receive \$5 in store credit as a reward for their contributions.

6.5. Distribution of store credit

- 6.5.1. Store credit is distributed to members by Co-managers or delegate. If delegated, the Co-managers are responsible for communicating this with Working Members undertaking store-credited roles.
- 6.5.2. Upon completion of the obligations of the store-credited volunteer role, store credit will be rewarded within a minimum of 2 weeks, unless otherwise advertised by Co-managers or delegate.
- 6.5.3. Members can elect whether or not to receive credit by making a note on the roster or using a designated symbol (for example, signing up for a shift and putting 'not credited' next to their name).

6.6. Expiry of store credit

- 6.6.1. Store credit expires in the following instances:
 - 6.6.1.1. A store-credit holder's membership expires for longer than 6 months
 - 6.6.1.2. Death of the store credit holder
 - 6.6.1.3. Dissolution of the organisation (i.e. the Canberra Student Housing Co-operative has historically received store credit) receiving store Credit
 - 6.6.1.4. Dissolution of the Co-operative
 - 6.6.1.5. If the Board chooses to discontinue the store credit system (see point 5)

6.7. Dissolution/discontinuance of the store credit system

- 6.7.1. The Board may choose to dissolve or discontinue the store credit system by a vote of the Board.
- 6.7.2. In the instance that the Board is considering discontinuing the store credit system, the Board must first consult the Co-operative's membership with reasonable notice.
- 6.7.3. In the instance that the Board discontinues the store credit system, the Board must grandfather any existing credit.
- 6.7.4. From the date indicated by the Board that the system will discontinue, store credit holders will have three years to spend the remaining store credit.
- 6.7.5. The above points do not apply should the Board discontinue the store credit system as a direct result of bankruptcy, liquidation or any other form of dissolution of the Co-operative (see 4 a iii and 7).

6.8. Bankruptcy or dissolution of the Co-op

- 6.8.1. In the event of bankruptcy, or another event leading to the dissolution of the Co-op, the Co-op is not obliged to reimburse store credit in cash, goods or assets of any other kind.
- 6.8.2. In the event of bankruptcy, or another event leading to the dissolution of the Co-op, all store credit lapses.
- 6.8.3. Store credit will only be honoured as long as the Co-op is solvent.

6.9. Transferability of store credit

- 6.9.1. Store credit is not transferable between members or any entity which accrues store credit (for example, store credit cannot be transferred from one member's account to another member's account).
- 6.9.2. Store credit cannot be incurred as reimbursement for expenses on behalf of the Co-op.

6.10. Purchase limitations with store credit

- 6.10.1. A limit of \$250 worth of stock can be bought using store credit in a 24 hour period.
- 6.10.2. Three transactions of \$250 or over using store credit may not be made within one week (7 days).
 - 6.10.2.1. This amount can be negotiated through discussions with a Co-manager who may determine that the purchase is acceptable due to its circumstances.
- 6.10.3. Shop and Cafe Co-ordinators have the responsibility for enforcing the \$250 purchase limit.
- 6.10.4. In the event of multiple purchases in the remit of \$250, the store credit holder should be reminded of the policy as a courtesy and the Co-ordinator on duty should alert the Co-managers, who may wish to flag this with the Board.

6.11. Caps on store credit accrual

- 6.11.1. Store credit can only be accrued to a maximum of \$1000.
- 6.11.2. After this point, store credit cannot be accrued until the amount of store credit held drops below \$1000:
 - 6.11.2.1. For example, if a member has \$990 of store credit, and they do a two-hour shift to accrue \$20 of store credit, they can **only** accrue \$10.
 - 6.11.2.1.1. They can accrue store credit again once their store credit balance has dropped below \$1000.
- 6.11.3. It is the responsibility of the person who distributes store credit to monitor the cap.
 - 6.11.3.1. It is best practice to inform members nearing the \$1000 cap as a courtesy.
- 6.11.4. *Note: aside from existing members who have over \$1000 in store credit at the time of this policy's commencement, other members will not be able to accrue store credit above \$1000.*

6.12. Questions or disputes about store credit

- 6.12.1. Co-managers should ensure all who receive store credit have read this policy and raise any questions prior to receiving store credit.
- 6.12.2. Following this, questions about the administration of store credit should be directed first to Shop and Cafe Co-ordinators who may escalate the inquiry to the Co-managers, who shall raise with the Board where necessary.
- 6.12.3. Disputes regarding store credit should be handled in line with the Co-op's [Grievance Policy](#).

6.13. Responsibilities of Co-managers

- 6.13.1. It is the responsibility of Co-managers to ensure that:

- 6.13.1.1. Staff and Working Members are aware of this policy
 - 6.13.1.2. Any breaches of this policy brought to co-managers attention are dealt with appropriately (this may include escalation to the Board).
 - 6.13.2. It is the responsibility of all employees and board members to ensure that their applications for store credit conform to this policy.
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Appendix A

6.14. Regarding store credit:

- 6.14.1. The policy refers to store credit as an honorarium as per the Australian Tax Organisation's (ATO) definition of payments to volunteers providing services for not-for-profit organisations. Source ([ATO](#)). The Canberra Food Cooperative is a non-distributing co-operative as per the Co-op's Constitution. *"For taxation purposes, non-distributing co-operatives meet the 'not for profit' definition"* (Source: [business.gov.au](#)).
- 6.14.2. Note: Store credit holders should be aware that if you have been rewarded store credit, that reward may be considered assessable income for tax purposes if:
 - 6.14.2.1. Monetary rewards are issued for professional services: *"Fees for professional services voluntarily provided are assessable income of the volunteer. In this situation, they may be entitled to a deduction for expenses incurred in performing these professional services."* Source ([ATO](#))

This policy had previously been prepared in line with the legal advice from John Wilson (BAL Lawyers) obtained on 14 February 2018 regarding volunteers not be paid staff (See Appendix B)

Appendix B

Legal advice obtained 14 February 2018 3:02 pm

Dear Ryan,

You have asked me to consider whether the Food Co-op's vouchering arrangement with its members creates, in addition to the Food Co-op's general obligations to its volunteer members, an employment relationship between the member and the Food Co-op.

In summary:

- Generally, it is likely that the Food Co-op's voucher arrangement with members is that of *volunteer* in nature. Consequently, it is unlikely that the law would consider the relationship to be an employment relationship.

- Australian law recognises that work may be performed on a volunteer basis without the arrangement necessarily creating an employment relationship (*Teen Ranch Pty Ltd v Brown* (1995) 87 IR 308).
- The fact that an organisation gives its volunteers gifts does not necessarily create an employment relationship – even in instances where the nature of the gift is agreed on prior to the volunteer undertaking the work (*Dickinson v Tropical Fruits Inc* [2006] NSW WCCPD 331).
- However, the courts will analyse specific circumstances surrounding a purport volunteer to determine whether an employment relationship does, in fact, exist and there are cases where the courts have found that a volunteer was, in fact, an employee (e.g. *Morris v Anglican Community Services* [2000] SAIRC 6).
- Nevertheless, it is likely, that the Food Co-op owes obligations to its members that are also associated with employment relationships. For example, under anti-discrimination and workplace bullying and harassment legislation, work health and obligations and the general law of negligence.

However, although it does appear from the material that has been provided to me that it is unlikely that an employment relationship exists between the Food Co-op and its members, I cannot exclude the possibility that in specific instances an employment relationship has developed between the Food Co-op and that specific member. determining whether an employment relationship has developed in cases of individual volunteers, the courts have previously consider matters including the intentions of the parties concerned, the mutuality of obligations between the parties (eg: whether it can be said that the volunteer is obliged to work at specific times), the specificity of the role volunteer undertakes and the duration of time the purported volunteer has been working (again see e.g. *Morris v Anglican Community Services* [2000] SAIRC 6).

Even though it is unlikely an employment relationship has arisen under the Food Co-op voucher arrangement, it is nevertheless highly likely that the Food Co-op owes obligations to its volunteer members under (amongst others) work health and safety law, anti-discrimination and sexual harassment legislation and under the general law of negligence (e.g. occupier's liability). For example, section 7(1)(h) of the *Work Health and Safety Act 2001* (ACT) specifically includes volunteers in the definition of "worker", the extending the obligations typically owed to employees under the legislation to volunteer workers. By contrast, volunteers are generally excluded from coverage as "workers" under the *Workers Compensation Act 1951* (ACT). There is an exception in the case of "commercial voluntary workers", but I cannot see how your members would be classified such because one of the criteria under the definition of "commercial voluntary workers" that the principal carries on its enterprise for the financial benefit of its members and far as I can see, the Food Co-op does not do that. However, for abundance of caution, you might run this past your workers compensation insurers. Returning to the issue of the rights of and obligations towards volunteers, such exist in anti-discrimination and sexual harassment legislation. The Food Co-op is also likely to owe a duty of care to its members performing volunteer work under the general law of negligence. The Food Co-op should ensure it is adequate and up-to-date policies in place to ensure its compliance with these obligations.

Should you have any questions about the above material, do not hesitate to contact

me. Yours sincerely

John Wilson (BAL Lawyers)

Appendix C

List of roles that receive store credit and their respective rewards, as at June 2025:

Store Credited Role	Store Credit Reward
Shop Co-ordinator	Morning & Afternoon (\$30) Evening (\$40) Weekend Morning (\$30) Weekend Afternoon (\$40)
Cafe Co-ordinator	\$40
Dishwashers	\$20
Online Order Delivery driving	\$20
Volunteer Bakers* <i>*Those baking on a consignment basis are ineligible to receive store credit</i>	\$20