



Western Australian Co-operative News

Newsletter of the Co-operative Federation of Western Australia Inc.
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CO-OPERATING IN THE 21ST CENTURY

A new format was introduced this year with the annual conference being held on one day instead of the usual two days. The result was that conference delegate numbers were up slightly (6 per cent) but co-operatives represented were down (10 per cent).

The topics were varied and provided delegates with challenges to make co-operatives more relevant in today's commercial and community environments.

Jill Jordan, reviewed the Maleny co-operative experience in her presentation entitled 'Co-operatives and the Triple bottom Line'. It was interesting to note the material increase of part- and full-time jobs created by the operation of the 21 co-operatives formed during the period 1979 to 2003. Nearly 50 per cent of the non trading (community type) co-operatives formed listed economic benefits as their prime goal for formation.

Jill left the delegates with the following challenge for co-operatives in the 21st century:
'to become entities that are known for their relevance. How can they do this? By becoming leading edge organizations in adopting triple line accounting principles and practices'.

Allyn Wasley, Acting Chief Executive Officer, Co-operative Bulk Handling Ltd., provided the conference with insight into how CBH functions in a global market, their current challenges and strategies for the future. The address gave the rural delegates in particular considerable confidence in the sustainability of the Western Australian grain industry and the relevance of CBH to that sustainability.

Jim Howard, Executive Director, Queensland Co-operative Federation, returned again this year to provide additional information and answer questions on potential problems resulting from the introduction of the new CCP Co-operative legislation.

Chris Turnbull, Australian Tax Office, made the very complex issue of franking co-operative dividends understandable in an overview that was well received.

(Cont. next page)

CO-OPERATING IN THE 21ST CENTURY

Rod Madden, former Chairman and currently a Director, United Farmers Co-operative Company Ltd., gave a most interesting presentation entitled 'The Fundamentals of a Successful Co-operative'. Rod listed the following factors as being crucial to the development and success of UFCC.

- There must be a need for the co-operative.
- The economic environment must be right
- Passionate people must drive the co-operative.
- There must be clear plans and direction, achievable targets and goals, and strategy should match structure.
- Key performance indicators must be established to monitor performance and trends of the co-operative.
- Contact with members must be continuous to communicate the co-operative story and seek opinion: what do they want, where

do they want the co-operative to go, what are the dangers and opportunities?

- Director and member education is essential.
- Capital raising issues must be addressed and sufficient funds kept within the organization for growth and tough years.

Garry Cronan, General Manager and Senior Research Officer, Australian Centre for Co-operative Research and Development, created probably the most discussion by delegates, by challenging them to 'rediscover the co-operative advantage'. Speaking in direct and challenging terms, he used the global and national approach to this topic by covering research, communication and trends in co-operative development.

He emphasized that, owing to the lack of co-operative activity within Australia, we must have access to the latest and most innovative developments by being part of the co-operative global network.

CCP LEGISLATION UPDATE

Brian Given, of the NSW Office of Fair Trading, convened a meeting of the Co-operative Council of Australia and the National Co-operative Working Party of government during May 2003. The following is a summary of his comments.

'One of the items on the Working Party's agenda was to finalize its submission to the Ministerial Council on Consumer Affairs, recommending approval of template legislation to replace the Core Consistent Provisions Legislation. If the template legislation proposal is adopted, a model act will be passed in the parliament of one jurisdiction (probably Queensland) and be applied in all other states and territories by each of them passing 'Application of Laws' Acts in their respective parliaments. This procedure will result in future agreed amendments being applied throughout Australia at the same time and through a much quicker process.

Currently the Working Party's priority has been to agree on fundraising provisions in all jurisdictions, allowing co-operatives to issue Co-operative Capital Units (based on existing NSW legislation) and to replace foreign registration provisions with a mutual recognition system that will remove the current expensive and complex formalities for co-operatives operating interstate.'

Executive Officer's comment

Western Australia has promoted and supported amendments to the fundraising and foreign registration provisions, but has reserved its position on template legislation pending further information. It is hoped that the Gallop Government will not use the possibility of template legislation and a model Act to delay introduction of the CCP legislation, which is currently scheduled for 2004.

FEDERATION COUNCIL NEWS

Following elections at the recent AGM and the November Council meeting, councillors, the Executive and the committees are as follows:

| Council member | Member representative | Telephone |
|--|------------------------------|------------------|
| Capricorn Society Ltd. | Trent Bartlett | 6250 6500 |
| Community Co-operative Travel Ltd. | Gary Allomes | 9321 2233 |
| Co-operative Bulk Handling Ltd. | John Carstairs | 9389 6402 |
| Co-operative Purchasing Services Ltd. | Noel Higgins | 9352 4777 |
| Geraldton Fishermens Co-operative Ltd. | Robin Judd | 9921 1022 |
| Mt. Barker Co-operative Ltd. | Chris Enright | 9854 1046 |
| United Farmers Co-operative Company Ltd. | Tony Edwards | 9430 2222 |
| Western Australian Meat Marketing Co-operative Ltd. | Bruce Ede | 9262 0999 |

Executive

| | |
|-----------------|----------------|
| Chairman | John Carstairs |
| Deputy Chairman | Trent Bartlett |

Governance Committee

| | |
|----------------|----------|
| Tony Edwards | Chairman |
| Trent Bartlett | |

Membership Committee

| | |
|---------------|----------|
| Gary Allomes | Chairman |
| Chris Enright | |

Changes to Council Members and their Representatives

MBL Food services Co-operative Ltd. has resigned as a Council Member bringing to an end a 17-year term as councillor by Mr A Wray. A luncheon was held to acknowledge Mr Wray's contribution to the Federation and the co-operative sector in general.

Associated Newsagents (WA) Co-operative Ltd has resigned as a Council Member.

Mt. Barker Co-operative Ltd. nominated Mr Chris Enright, Chairman of the Board, as their representative, replacing Mr Warren York, who had resigned as General manager of the co-operative.

West Australian Meat Marketing Co-operative Ltd. Mr Bruce Ede, company Secretary, has been appointed as the co-operative's representative, replacing Mr Des Griffiths, company CEO.

FIRST IMPRESSIONS

Following is a précis of Garry Cronan's first impressions of his new position with the ICA as published in the November issue of ACCORD Newsletter.

Firstly, I have joined an organization that is over 100 years old... but it is the current activities of the ICA and that of its members which is most surprising... In spite of having been involved in the Australian co-operative movement for over 25 years I am suddenly aware of how little direct experience I have of this vast international movement. There is virtually no country in the world where co-operatives do not exist... understanding and communicating the results of their endeavours is part of my new job.

One of my first surprises was finding out the crucial role the ICA is playing in global development. Through its regional offices in Africa, the Americas, Asia and Europe the ICA is

a major deliverer of development programs. These programs total many millions of dollars annually... receiving funding from not only international agencies like ILO and ADB but also from national co-operative movements.

... the ICA has an important role to play representing the interests of co-operatives globally... what comes as a surprise is how connected the ICA is to key decision makers in these organizations... In what is probably a typical week, the Director General and other ICA staff members met with senior representatives from the UN, World Bank, European Commission and national governments...

The current issue of possible changes to international accounting standards is only one of many such matters that benefit from access to such networks. With access comes influence and the ability to put the co-operative case at an international level.

FROM THE EXECUTIVE OFFICER

FEDERATION RECEIVES GOVERNMENT GRANT

It is with much pleasure I acknowledge the Department of Consumer and Employment Protection for its assistance of a grant from the Gallop Government of \$15,394. This grant is for the upgrading of computer hardware and software and provides for IT development of, and maintenance training for, the web site. The Department and Minister Kobelky and his advisors have always been accessible and supportive of the Federation's activities and this is a very much appreciated practical example of that support.

NEW DOMAIN NAME FOR THE FEDERATION

The Federation has relinquished the .org domain in favour of a .coop domain, resulting in our e-mail address changing to and the web site changing to www.cfwacoop. Each site can continue to be accessed by using the old address of cfwacoop@cfwacoop.org.au.

Executive Officer's comment: In previous newsletters I have promoted the advantages of having a .coop domain and again recommend that co-operatives which believe in the co-operative difference and want to market our co-operative advantage should consider the .coop domain option.

FEDERATION TO RELOCATE

The Federation will be relocating its office in the New Year as the continuous and rapid expansion of our landlord, Capricorn Society Ltd., requires total use of the building. Members will be advised as soon as new arrangements have been finalised.

NEW STRATEGIC PLAN ADOPTED BY THE FEDERATION

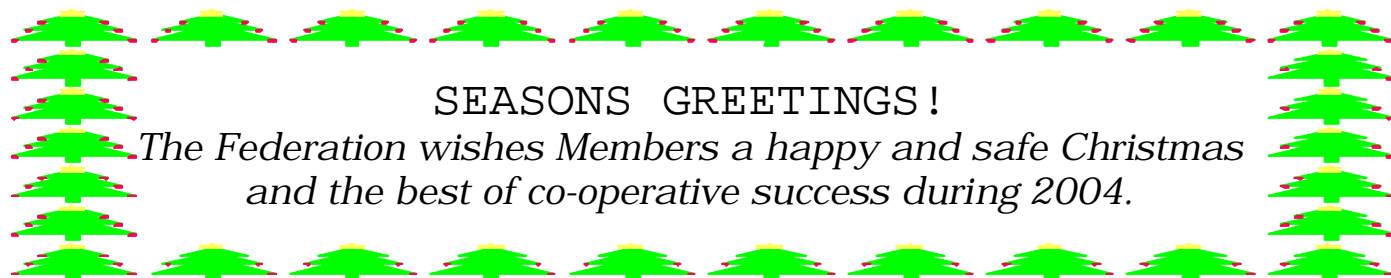
The strategic plan, which had been circulated to all members, was adopted at the AGM and at the November meeting of council some administrative changes were made to implement the plan. These included the formation of two committees and the outsourcing of the Executive Officer role.

CO-OPERATIVES ECONOMIC CONTRIBUTION

It is interesting to compare the contribution by turnover of co-operatives to the economies of New Zealand and WA. New Zealand has approximately twice the population of WA.

New Zealand – the top 6 co-operatives contribute some A\$32 billion with Fonterra Co-operative Group, the largest business by turnover in NZ, contributing some A\$12.5 billion

Western Australia – the top seven co-operatives contribute some A\$2.75 billion of a total of some A\$2.8 billion, contributed by all WA co-operatives, with the top co-operative contributing some A\$2 billion.



WA INDUCTEE IN AUSTRALASIAN CO-OPERATIVES HALL OF HONOUR

At the 2002 Seminar the Australian Agribusiness Co-operative Hall of Honour was created and an Australasian judging panel selected eight inductees. Mr T. H. (THOMAS) BATH is Western Australia's first inductee into the Hall of Honour and we thank Dr Gary Lewis, co-operative historian, who researched, wrote and submitted the nomination:

T H (Thomas) Bath (d 1956): Tammin Farmers' Co-operative, Co-operative Federation of Western Australia CFWA, Trustee of the Wheat Pool of Western Australia, CBH, and the Co-operative Federation of Australia.

Bath came from the east to Western Australia seeking gold. In 1902 he won the seat of Hanan for Labor, succeeding as chairman of Committees Charles Harper, a pioneer of Westralian Farmers Co-operative Limited. In 1905, Bath briefly led Labor in opposition. After holding ministerial portfolios for Lands, Education and Agriculture, Bath lost his parliamentary seat and retired from politics, studying accountancy, taking up farming and operating a wool store. A quiet, some said 'stodgy' man, Bath was 'converted' to co-operative ideas with a passion.

Becoming secretary of the CFWA, which was formed in 1919, Bath set about democratizing that State's co-operative movement, transforming it into the best organized and most effective of the State's movements in the inter-war period. For decades he performed an 'honest broker' role, seeking improved co-operation in the, sometimes, strained relationships between farmers, Westralian Farmers Co-operative Company Ltd, the CFWA, the Western Australian Wheat Pool, CBH and the consumer movement.

To this end Bath drove a bold modernization agenda through the CFWA, which included improved efficiency for co-operatives, central auditing, rationalizing resources and the education of managers and directors in modern business practice and co-operative principles. As long as a long-serving editor of the Westralian Farmers' Gazette, Bath educated farmers and the broader community in co-operative movement from investors to producers. He nourished a mutual advantageous trading relationship between producers and the giant English consumer co-operative movement through the painstaking compilation of vital trade information.

In a popular move, Bath was appointed CFWA delegate to the Board of Westralian Farmers' Co-operative and a trustee of the Wheat Pool, a forerunner of CBH, which he saw as a 'voluntary co-operative middle path between the anarchist individualism of private capital and state dependences'.

While Bath espoused Rochdale co-operative rhetoric and principles, he drew a firm line between what he called co-operative 'wealth creators' and 'divvy (dividend) hunters', loathing doctrinal purists and the demagogic claptrap of fanatics who pin their faith to a dogma. 'Although they have grandiose plans for building fancy schemes for social organisation you will find them incapable of starting a pie stall successfully,' he would say. 'Primary producer and consumer co-operatives are brothers rightly born as true heirs of Rochdale. What I resent is an attempt to put co-operation in bonds with the dogmatic pronouncement that to be genuine it must move along certain preconceived lines.'

Bath was strongly opposed to government intervention in the co-operative movement. From 1947 to 1952 he served as Honorary Secretary of the Co-operative Federation of Australia (CFA, formed in 1943), based in the Perth headquarters of the CFWA.

CO-OPERATIVE SCUTTLEBUTT

Capricorn Society Ltd

Mr Brian McGill, NSW, has been appointed Chairman of the Board and Mr Russell Green, NZ, Vice Chairman. The retiring Chairman, Mr. Wayne Negus, remains on the Board and is the inaugural Chairman of Capricorn Mutual Ltd. and Capricorn Insurance New Zealand. In the recent BRW Top 500 Private Companies listing, Capricorn was placed at 87: up 20 places from 2002.

United Farmers Co-operative Company Ltd.

The company's new 80,000 cubic metre bulk fertiliser facility at Kwinana was opened in August. This joint project between UFCC and Fremantle Ports creates a new benchmark for fertiliser bulk handling in WA both for efficiency and environmental standards. In September, founding Chairman Rod Madden announced his retirement as Chairman and Mr Max Johnson, an inaugural Director and Deputy Chairman, was elected to the vacancy. Mr Madden remains a Director.

Co-operative Purchasing Services Ltd. (CPS)

CPS and the largest independently owned hardware chain in Australia, Mitre 10 Australia Ltd., have established a joint venture wholesale operation in WA at Canning Vale. CPS Chairman, Davis Somerville, said 'some of the benefits to emerge from the joint venture include improved logistics and access to in excess of 22,000 line items; the winners will be our customers and our members'.

Mt Barker Co-operative Ltd.

Mr Norm Mills, former General Manager of the Kellerberrin Co-operative Ltd., has been appointed General Manager following the retirement of Mr Warren York.

Challenge Dairy Co-operative Ltd.

Mr Don Geare resigned as CEO and Mr David McIntyre has been appointed to fill the vacancy, pending the appointment of a new CEO.

Australian Centre for Co-operative Research & Development

Garry Cronin has resigned as General Manager and Senior Research Officer to take up the position of Communications Manager with the International Co-operative Alliance in Geneva. (See 'First Impressions' on page 3 for excerpts from an article on his new role.)



The Co-operative Federation of Western Australia is grateful to CBH for their continuing sponsorship and financial support.

NOTICE TO READERS

Every effort is made to ensure the accuracy of information presented in this newsletter. However, no responsibility is accepted for any errors, or for views expressed that might not necessarily reflect those of the Co-operative Federation of Western Australia Inc.