

CO-OPERATIVES WA NEWS

Dec / Jan 2009

Co-operatives Bill to go to Parliament

The legislative change agenda has been re-started with Cabinet approving presentation of a Co-operatives Bill for Parliamentary debate. The Hon Troy Buswell MLA, Treasurer and Minister for Commerce has carriage of the Bill. A Bill to replace the Companies (Co-operative) Act 1943 had passed the Lower House in 2008 but came to

a sudden end in August when the 2008 State election was called. Council is quietly confident that when the Bill is represented to Parliament it will be given a priority that will allow a quick passage through both Houses with much of the hard work already done.

Appointments to Committees

At the Co-operatives WA Council meeting held on Friday 5th December the following Committee positions were filled for 2009 -

Governance Committee – Bruce Ede (WAMMCO)(Chairman), Trent Bartlett (Capricorn Society) and Robin Judd (Geraldton Fishermen's)

Membership and Education Committee – Rhys Turton (Ravensdown)(Chairman), Vern Dempster (CBH), Garry Jacobs (CPS) and Debbie Merritt (Gascoyne Water)

Industry Reference Group – Chris Enright (Mt Barker), Trent Bartlett, Bruce Ede

Council and 2009 Meeting Calendar

At the 2008 AGM, Capricorn Society Ltd and Ravensdown Fertiliser Co-operative Ltd were elected to Council for a further term.

Council has also set the following meeting dates for 2009.

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|-------------------|-----------------|-------------------|---------------------|
| Wed 11 March 2009 | Fri 5 June 2009 | Fri 7 August 2009 | Fri 4 December 2009 |
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If you have agenda topics you believe Council should address on behalf of Members email details to info@cooperativeswa.org.au or speak with a Councillor.

Australia's Top 100

Co-operatives WA is liaising with our interstate sister Federations on publishing a Top 100 list of Australian entities that operate as a Co-operative or Mutual.

The Australia-wide "league" table will be published in early 2009. We expect there will be at least 14 Western Australian co-operatives listed. There could be even more who qualify and we are keen not to overlook anyone. To be

considered for the Australia's Top 100 list, email your latest annual sales turnover figure to info@cooperativeswa.org.au.

The list will become an important benchmark for Australia's co-operatives and mutuals sector and will be based along similar lines to the intentional Global 300 list which can be viewed at www.global300.coop/sites/global300.coop/files/08/G300_08.pdf

ANNUAL CONFERENCE

This year's Annual Conference, held at Tompkins on Swan, was a small but successful event with very positive delegate feed-back. Delegates learnt from our dynamic guest speaker Peter Tinley AM, retired SAS Squadron Leader, how to improve their management and leadership skills.

Included in Peter's presentation was a take-out message that elite meant -

"Being better today than you were yesterday, but not as good as you will be tomorrow."

Peter also referred to the following George Bernard Shaw quote in support of his proposition that it was essential to push the boundaries and not simply accept the status quo or what has gone before -

"A reasonable man adapts himself to his environment. An unreasonable man persists in attempting to adapt his environment to suit himself. Therefore, all progress depends on the unreasonable man."

Tony Addison of Addisons Solicitors, Sydney, also proved a popular presenter, speaking on the use of Co-operative Capital Units. Tony's presentation was directed at the WA legislation as it will be under the new Act. Professor Tim Mazzarol made an impression on delegates in his paper on what drives the co-operative business model and current day issues in getting the co-operative message across. John Le Cras from the health fund mutual HBF WA provided an insight into modern and easily applied techniques associated with the critical issue of member communications.

We thank the following Sponsors for their ongoing generous support of Co-operatives WA events such as the annual conference -

- Capricorn Society
- Co-operative Bulk Handling
- Co-operative Purchasing Services

Foot Note:

Peter Tinley donated his speaker's fee to the Special Air Service Resources Trust, a perpetual trust fund which provides relief to current and former members of the SAS Regiment and their dependants, who become deceased or permanently disabled in or as a result of active service or operational training.

Planning is underway for our 2009 Conference which will be held at the popular Technology Park venue in Bentley.

Enter
Thursday September 10th 2009
in your diary as the
2009 Annual Conference date

New WAMMCO Chief Executive Officer

WA's producer lamb co-operative, and Co-operatives WA member, WAMMCO has appointed one of New Zealand's most accomplished meat processing executives to take over from retiring Chief Executive Officer Des Griffiths.

Mr Coll MacRury, who has managed plants for both major New Zealand processor AFFCO NZ Ltd and Universal Beef Packers Ltd will commence with WAMMCO in April 2009.

In announcing Coll MacRury's appointment WAMMCO cited his involvement in cutting edge meat processing technology and achievements in delivering productivity improvements and value adding marketing alliances as fitting well with the Co-operative's objectives as it worked to keep its Katanning processing facility and export lamb business tuned to a rapidly changing global market.

Co-operatives WA extends to Des Griffiths our appreciation of his support over the years and we wish him a long and enjoyable retirement.

We look forward to welcoming Coll to Western Australia in the New Year. We believe the international experience he will bring to WA will strengthen WAMMCO and the State's co-operative sector.

Co-operative Health Check

Essentials for a co-operative to thrive

- providing only the goods and services members use
- financed by the members. The greater the financing (risk capital) supplied by the members, the more efficient the co-operative.
- using all major fixed assets at the 75 percent level, or more
- members who do the majority of their business with the co-operative
- low administrative and overhead costs
- more individualized and specialized services, particularly in the marketing area
- maintaining an open line of communication with members. Individual members will then become more influential
- selecting and developing a quality management team
- placing more emphasis on electing business-oriented directors
- developing and implementing a systematic method of co-operative education for members, employees, directors and paid management
- aggressively positioning for changes in operations, markets and member needs

How does your Co-operative measure up?

Does your board and management think seriously about maximising your *Co-operative Advantage*?

The health check has been adapted from overseas material and is a simple aid to get directors and management to focus on their co-operative.

Why not turn it into a board and senior management survey as part of your own health check?

*Make no little plans.
They have not the power to stir the
human soul.*

*Howard Cowden Founder, Farmland
(USA)*

Early warning signals that require attention

- poor selection of directors, especially those who fail to support their co-operative
- members who join but never use their co-operative and bypass it for a small gain elsewhere
- members who use co-operatives but fail to take responsibility. Each member must be ready to accept responsibility when asked, or as the need arises. Every member should have an equal opportunity to be on the board of the co-operative.
- members who never ask questions and who let a few persons make policy
- members who don't attend annual meetings and directors who fail to attend board meetings
- lack of consistent membership education about the problems co-operatives face and the challenges they must meet
- not supporting the co-operative with enough money (risk capital) to get the job done
- low-cost management - it's the most expensive item for a cooperative. High-priced management is usually the least expensive item.
- not closely watching the formation of cliques and special interest groups within the co-operative
- concealing facts about a co-operative. All facts, both good and bad, should be placed on - not under - the table.
- errors in financial policy, such as over-extension of credit, too little capital, poor accounting records, lack of a financially sound, systematic program for reimbursement of equity
- errors in educational and social work. This begins by failing to teach co-operative ideals to members unfamiliar with how co-operatives function, neglecting general educational programs, failure to develop member loyalty or countering the development of factions within the association.
- management errors, such as inadequate inventory, poor location, improper equipment, neglected appearance of physical facilities, employee dishonesty, ineffective management, incompetent directors, nepotism, poorly conducted meetings, admittance of disloyal and dissatisfied members.

Co-operative College UK

Chris Cooper, Vice-Principal and Director of Learning and Development of the Co-operative College Manchester UK, visited Perth during August 2008 and presented Co-operative Identity workshops for a number of members of Co-operatives WA.

Working with board members and senior executives, the workshops addressed strategies of how to achieve the best outcome for members of a co-operative business.

The College is profiling WA co-operatives on its web site with the following quote from Chris Cooper.

"It has been an exciting time working here (in WA) this year. The backgrounds and experience of the people we have worked with has been a fascinating part of each workshop and the College has already been invited back in 2009 by several of the co-ops we have worked with."

The Identity program reinforces the need for Members to be aware of what makes their co-operative special, and how they can gain maximum advantage from their membership.

Explaining the benefits of membership is important, particularly where a co-operative has a changing customer base. For front line management and staff to explain to customers the benefits of being a member they must have a clear understanding of what makes their co-operative business different to an investor driven entity. With the culture of an organisation influenced greatly by directors, Boards need to ensure they set and demand high standards of all concerned.

Chatham House Rule

The Chatham House Rule reads as follows:

"When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed".

The world-famous Chatham House Rule is aimed at encouraging openness and the sharing of information at meetings. However, in most cases the Rule relies on the ethical standards of those in attendance to respect the anonymity that the Rule is meant to provide to the speaker.

Whistleblower

The term "whistleblower" is usually used to refer to -

"someone who discloses conduct that is illegal, unacceptable or undesirable, or concealment of such conduct, to people that have the power or perceived willingness to take corrective action".

As member owned and operated businesses, co-operatives need to actively promote strong ethics and a commitment to doing the right thing by their member/customer.

Whilst people might hear the right "corporate speak", is your Board truly committed to good governance and doing the right thing?

Has your Board put in place an appropriate whistleblower policy and framework?

Would people speak up with confidence if there was need, or would they fear condemnation and possible loss of employment for being "treasonous" or "disloyal"?

**IF YOU WANT TO BE
INCREMENTALLY BETTER:
BE COMPETITIVE.**

**IF YOU WANT TO BE
EXPONENTIALLY BETTER:
BE COOPERATIVE.**

**Councillors and staff of
Co-operatives WA
wish all members and their
families a healthy and
fulfilling 2009**

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, which may not necessarily reflect those of Co-operatives WA.