

ACCORD

Annual Report
2002 – 2003



The Australian Centre for Co-operative Research and Development (ACCORD), a joint venture between the University of Technology, Sydney (UTS) and Charles Sturt University (CSU) with support from the New South Wales Government, is dedicated to research and development of co-operatives, mutuels and the broader social economy.

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Charter

Mission

To build, apply and disseminate knowledge about member based democratic organisations that increases Australia's capacity for finding collective solutions to achieve sustainable social and economic outcomes.

Objectives

Our objectives are:

- To increase and publicise knowledge of the dimensions, strengths and potential of Australia's co-operatives and other social enterprise organisations.
- With innovative leaders of co-operatives and other social enterprise organisations, identify and implement strategies to develop co-operatives, the co-operative movement and social enterprise more generally.
- To monitor, interpret and publicise international trends in the research and practice of co-operation and social enterprise and to interpret Australia's experience to the world.
- To assist in the understanding and development of co-operatives and social enterprise organisations in our Asia/Pacific region.
- To advise governments about ways to strengthen co-operatives and the wider social economy.

Chairman's Report



The year just completed is our fourth since we were established in mid 1999. It has been a good year.

ACCORD started the year on a high note. Our principal funders decided to renew their commitment for another 3 years, until the end of June 2005.

The results of our foundation work in establishing ACCORD were beginning to take shape. We operated for most of the year at or close to our full staff component. We also operated to budget finishing the year with a small surplus.

A number of key studies commenced in the first years of ACCORD were completed. These reports will add considerably to the public knowledge about co-operatives and more broadly the social economy in Australia. We also expanded our client base and laid the groundwork for several new commissioned research projects, which will commence in the year 2003 –2004.

These are the signs of a healthy maturing organisation, with an increasing public research profile and capacity.

It is not, however, a time to become complacent.

Co-operatives, mutuals and the broader social economy remain relatively unknown or ignored in Australia. This 'knowledge-gap' is also evident in a number of comparable countries. Our challenge is to reflect on the experience in these countries and to learn the lessons for Australia. The social economy has a key role in the age of globalisation. But, any promotion of it needs to be grounded in an understanding of its strengths and weaknesses.

In future, ACCORD will be seeking to play a larger public role. It will be drawing on our increasingly wide-ranging research to contribute to the public debate about social and economic issues in this country. To find a space in the public discourse for the social economy. To take the theory and help put it into practice. We will be seeking to expand our engagement with government and the social economy generally. That is our task over the next few years.

This will only happen if the organisation itself is financially secure, confident and proficient. I am sure that after four years we are well down the road to becoming an accepted part of the research and intellectual landscape in Australia. I look forward to the future with confidence.

This Annual Report would be incomplete without acknowledging the contribution of Kay Plummer and Associate Professor Jenny Onyx.

Kay Plummer was CSU's Co-Director and generated considerable interest in the Co-operative movement in the balanced score card methodology. Associate Professor Jenny Onyx was the UTS, Dean of Business Faculty's nominee to the Board of ACCORD. In that capacity she assisted in developing ACCORD's strategy and maintained an academic's watching brief on its publications and research.

We owe them our gratitude.

A handwritten signature in black ink, appearing to read 'Uri Windt', with a long horizontal flourish extending to the right.

Uri Windt
Chair

Co-Directors' Report



Eddie Oczkowski



Judy Johnston



Kay Plummer



Mark Lyons

The year 2002 –2003 has been a busy one for the staff and management of ACCORD.

The new funding agreement we signed at the beginning of the year spelt out our agreed work program. It also included a number of commitments. Principally, we are required to secure at least 30% of our funding from other than core sources. Consequently, we have had to balance the delivery of basic agreed research and development tasks with a capacity to attract commissioned projects. Progress has been made on this during the year. We are on schedule to meet our 30% commitment and to deliver our core work program by June 2005.

Our work plan includes a commitment to basic research through the preparation of Australian Research Council applications. We submitted an ARC Discovery application in early 2003. On the basis of preliminary work and research partnerships established during the year we are hopeful of at least a further two ARC Linkage applications going forward in early 2004. Work is also proceeding on producing up to nine papers for refereed publications during our current three-year funding period. Two were produced during the year, with a number of others well advanced.

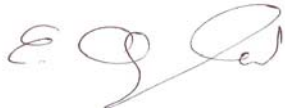
As this report notes elsewhere, we have finalised a number of our foundation studies and started the next round of research in these areas. The benefits of this longitudinal approach will become apparent over the next couple of years. It will, for the first time, provide regular trend data on co-operatives and the broader social economy.

ACCORD has a commitment to disseminating the results of its research and other related developments in the social economy. Our new expanded website came on-line in late 2002 and we continued to produce our well-received electronic newsletter. We have conducted a number of very successful seminars during the year, including our first at the Wagga campus of CSU. ACCORD is also now being featured more regularly in the media.

As in previous years considerable resources were committed to serving the Board and other management and advisory structures in ACCORD. During the year we farewelled two staff members who have made an important contribution to ACCORD. Jayo Wickremarachchi returned to the Registry of Co-operatives in Bathurst. Jayo had been with ACCORD since its very beginning. He helped establish its IT and research focus. Dr Jo Barraket accepted a tenured position with the University of Melbourne. In her comparatively short time with ACCORD Jo has made

an important contribution to its intellectual and research development. We wish both Jayo and Jo all the best.

To replace Jo we were fortunate to secure Andrew Passey from the United Kingdom. Andrew has considerable experience researching the social economy, as Manager of Research of National Council of Voluntary Organisations, and, more recently, with the UK Office of National Statistics.



Eddie Oczkowski

Co-Director (CSU)
(20 Sept 2002 – 30 June 2003)



Mark Lyons

Co-Director (UTS)
(on leave 1 Jan – 30 June
2003)



Kay Plummer

Co-Director (CSU)
(1 July – 20 Sept 2002)



Judy Johnston

Acting Co-Director (UTS)
(1 Jan - 30 June 2003)

Overview

Our Fourth Year

Achievements for 2002-2003 include:

- Two foundation research studies, *State of the Sector* and *New Cooperatives*, that commenced during our first funding round, were completed – the second stage of this research also commenced in 2002 -2003
- ACCORD expanded its client list for commissioned research during the year with the prospect of several major projects in 2003 -2004
- Four ACCORD Papers and Reports produced and/or released
- One ARC Discovery Grant Application submitted in first round 2003
- New ACCORD website launched with expanded range of reference material on co-operatives and the broader social economy
- Presentation at major international co-operative research conference in Canada
- Presentations made to a range of national and NSW co-operative, academic and government conferences
- Regular liaison activities undertaken with relevant government, sector and academic organisations
- Three written submissions prepared for various Government Inquiries
- Six issues of ACCORD's on-line E-Newsletter dispatched during the year
- Seminars held on *Revitalising Membership*, *CDFI's* and *Water Reform and Co-operation*
- ACCORD hosted a series of international co-operative visitors to Australia
- Our research and development activities attracted increasing media interest
- Meetings of our Advisory and Associates Networks organised during the year
- Operated on budget delivering a small surplus for the year's operations

Governance

Board of Management

The Board of Management sets the strategic direction for the centre and monitors its performance. The board comprises an independent chair, agreed by the three principal funders of the centre, (OFT, UTS and CSU) the two Co-Directors and representatives of the Vice Chancellors from the two universities.

The Current Board comprises:

Chairperson: **Uri Windt**

Co-Directors: **Judy Johnston** (Associate Professor, School of Management, Faculty of Business, UTS)

Eddie Oczkowski (Assoc Professor, School of Management, Charles Sturt University)

Other Members: **Jock Collins**, (Professor, School of Finance and Economics, Faculty of Business, UTS)

Brian Given, (Assistant Commissioner, NSW Office of Fair Trading - OFT) Department of Commerce

Denise Jarratt, (Professor of Marketing and Sub-Dean, Research, Faculty of Commerce, CSU)



Uri Windt



Brian Given



Jock Collins



Denise Jarratt



**Eddie
Oczkowski**



**Judy
Johnston**



Jenny Onyx



Kay Plummer



Mark Lyons

Board Changes in 2002-2003

- Professor Jock Collins replaced Associate Professor Jenny Onyx on the Board in September 2002.
- Associate Professor Eddie Oczkowski replaced Kay Plummer as CSU Co-Director and Board member in July 2002.
- Dr Judy Johnston replaced Professor Mark Lyons for the period of his sabbatical 1 January – 30 June 2003.

Board Meetings

The Board met five times during the year, on 29 October 2002, 6 December 2002, 7 March 2003, 28 March 2003 and 23 June 2003. All the meetings with the exception of 28 March, which was conducted by phone, were held at UTS.

Advisory Committee

ACCORD's Advisory Committee met for the third time in December 2002.

The role of the Advisory Committee is to provide advice to the directors and staff of ACCORD on current issues and future directions for the centre. It is made up of representatives from the major stakeholder groups with an interest in the work of ACCORD. The current composition of the Committee is as follows.

Chair: Uri Windt

- Narelle Kennedy, Chief Executive, Australian Business Foundation Ltd and a member of the Co-operatives Council
- Helen McCall, Consultant and Secretary, Co-operatives Federation of NSW, also a member of the Co-operatives Council
- Race Mathews, Senior Research Fellow, International Centre for Management in Government, Monash University
- Gary Moore, Director NCOSS
- Jack Ball, former President, Clubs NSW
- Alison Peters, NSW Labour Council
- Kevin Foley, Standards Australia
- Jane Singleton, Public Relations Consultant
- Adrian Lovney, General Manager, Industry Association, CUSCAL
- Deborah Perkins, Rabo Bank Australia

- John Birch, formerly FTAC Chair, Chair Community Aid Aboard
- Vern Hughes, Social Entrepreneurs Network
- Richard De Simone, Foresters ANA Friendly Society
- Mike Chasling, CEO Netco

Associates Network

The Associates Network serves two purposes

- a) provide a national forum for the development of the sector for policy makers, regulators and advocates of the sector
- b) provide an avenue for increasing information flows to and from ACCORD

During the year the Associates Network was expanded to 29 members. Planning has commenced for a more comprehensive series of activities including the creation of an executive to oversee the network's further development. The network met in early July 2003.

The current members of the network are:

- Rick Ada Economist with QLD Dept of Primary Industries
- Dr Jo Barraket University of Melbourne
- Peter Boland Senior Legal Officer, Legal Services, Office of Industrial Relations
- John Booth CEO, Co-operative Federation of Western Australia
- Pat Bradbury CSU
- Graeme Charles Former Secretary of Co-operative Federation of Victoria
- Bob Corben Accountant
- Robyn Donnelly NSW Registry of Co-operatives and Associations
- Anthony Esposito Secretary of Co-operative Community Council, QLD
- Peter Gates CEO of Mercury Centre
- Tony Gill CEO, Co-operative Development Services, Victoria
- Chris Greenwood Editor and founder of National Co-op Update
- David Griffiths Secretary Co-operative Federation of Victoria
- Suzanne Haydon Co-operative and Community Development Consultant
- Susan Hocking Economist, researcher into Australia's third (non-profit) sector
- Jim Howard Accountant and consultant to Co-operative Federation of Queensland
- Dr Subra Jayathanan Manager, Migrant Career Development Program, NSW Office of Employment Equity and Diversity
- Jill Jordon Co-operative and community consultant. Driving force behind creation of Maleny as centre of co-operative development.
- Peter Kaye Larkin & Kaye Consulting Services. Community and Credit Union Development specialist
- Paul Kerr Registrar QLD Registry of Co-operatives
- Dr Wally Lalich UTS
- Dr Gary Lewis Freelance co-operative historian
- Helen McCall Executive Officer Co-operative Federation of NSW
- Grahame Mehrtens Manager, International Development, Credit Union Foundation of Australia

- Brad Plunkett Western Australian Department of Agriculture
- Dr Bill Pritchard Geographer, University of Sydney
- Jon Robinson NSW Registry of Co-operatives and Associations
- Prof John Spriggs University of Canberra
- Jayo Wickremarachchi NSW Registry of Co-operatives and Associations

The Staff 2002 -2003

Prof Mark Lyons – Co-Director: UTS (July – December 2002)



Mark Lyons, Professor of Social Economy with the School of Management at UTS, has extensive experience in research in the fields of Australian History, social policy and nonprofit organisations and civil society. He is recognised internationally as a leading expert on the Australian third sector, or social economy. His work has explored the relationships of non-profit organisations with both government and business. His most recent publication is "Third Sector - The Contribution of Nonprofit and Co-operative Enterprise to Australia". Mark has a Ph.D from the Australian National University.

Kay Plummer – Co-Director: CSU (July – September 2002)



Kay Plummer is a Senior Lecturer in Accounting at Charles Sturt University, where she teaches auditing, accounting theory and business ethics. Her current research themes include the exploration of the use of the balanced scorecard.

Kay is a member of the Institute of Chartered Accountants in Australia. She has worked at ASIC, the Department of Technical and Further Education as Head of Division, and at UTS. Kay was Director and Honorary Treasurer of the Arthritis Foundation of NSW and has undertaken two volunteer assignments for the Australian Executive Service Overseas Program. One of her recent publications is: Plummer, K. & Rolfe, D. 2002 'A Balanced Scorecard for Agricultural Co-operatives'.

Kay holds a BA MA M Ec (Macq), Grad Dip Ed (STC)

Eddie Oczkowski – Co-Director: CSU (20 Sep 2002 – 30 June 2003)



Eddie is an Associate Professor in economics and quantitative methods in the School of Management at Charles Sturt University, Wagga Wagga. His expertise is applied econometrics and his previous research interests have included Australia's bilateral aid allocation and marketing. He has published numerous papers in journals such as the *Economic Record*, *Economic Letters*, *Journal of Agricultural Economics*, *Journal of Development Economics* and *Structural Equation Modelling*. Eddie gained a Ph.D from La Trobe University focusing on disequilibrium economics and econometrics.

Dr Judy Johnston – Co-Director: UTS (January – June 2003)



Judy Johnston is Senior Lecturer in Public Sector Management in the School of Management at UTS and has extensive research experience and interests in the areas of public policy and management. A member of several international research and practitioner networks, Judy is widely published internationally. In a previous career she was a Senior Executive in the NSW Office of Public Management, where she established and led an internal consultancy division directed towards enhancing strategic management, performance monitoring and evaluation capacity across the NSW public sector. She also has had extensive direct experience in the social economy and non-profit sectors, especially enterprises that support the criminal justice system and related health care sectors. She was a field practitioner and senior manager in the Probation and Parole Service, managed the western region of prisons and was a board member of a drug- rehabilitation co-operative.

Garry Cronan – General Manager and Senior Research Fellow



Garry Cronan has over 20 years experience working with co-operatives. He has managed co-operative development and policy programs for the NSW government and acted as advisor to the Minister responsible for co-operatives in New South Wales. His current research interests include co-operative public policy and legislation, demutualisation, globalisation, and online co-operative activity. Garry is a frequent speaker at national and international conferences and contributor to co-operative journals and publications. Garry holds a Bachelors degree in Accounting.

Andrew Passey - Senior Research Fellow (joined April 2003)



Andrew has previously held a senior research position in the UK Office for National Statistics, where he worked on the development of standardised questions to measure social capital across government surveys. He also headed-up the research team at the National Council for Voluntary Organisations (NCVO), the peak body for the third sector in the UK. His work has included quantitative research into the economics of the UK third sector; the contributions of time and money by the British public; and public attitudes towards the sector.

Andrew co-edited *Trust and Civil Society* with Fran Tonkiss, which was published by Palgrave in 2000. He holds a Masters Degree in Social Research Methods and Statistics from City University, London.

Jayo Wickremarachchi – Research Fellow (left November 2002)



The NSW Department of Fair Trading seconded Jayo to ACCORD for the initial three years. He has engaged in co-operative development work over the past 10 years. His work covered researching and collecting information and analysing data for development of policy options. He has undertaken research work aimed at development of policy in the agriculture, trade and commerce sectors in his previous positions. He jointly established and maintained the NSW Co-operatives website, which was one of the first NSW government sites in 1995.

Jayo holds a Bachelor's Degree in Natural Sciences, specialising in Mathematics, from the University of Ceylon, Sri Lanka and a Post-Graduate Diploma in Policy Studies from University of NSW, Sydney in 1997.

Dr Jo Barraket - Research Fellow (left January 2003)



Jo is a sociologist and completed her PhD on the socio-political aspects of co-operatives at UNSW in 1999. She has been actively involved in the Australian co-operative movement - particularly consumer co-operatives - since 1993. Jo joined ACCORD in February 2001.

Jo's research interests include the history of modern co-operation, co-operation and social change, and the role of co-operatives in supporting economically and socially sustainable communities. She is also interested in the development of research methods appropriate to the study of community-based organisations.

Suzanne Henderson – Communications & Marketing Manager



Suzanne joined ACCORD in October 2001. She is a public relations and marketing consultant specialising in services to the tertiary education, environment and arts sectors. Her clients have included state and local government, industry, universities and national industry training bodies. Suzanne has made significant contributions to cooperative ventures, which support and enhance our lives through the arts and environment. She has managed a number of high profile programs including: Recycle Tasmania for the Tasmanian Government, RiverCare 2000 for the State Government of NSW, and 2001 ShowCasing Nationally Recognised Training, for Community Services and Health Training Australia. Suzanne has a Bachelor of Education and is a member of the Public Relations Institute of Australia.

Kathryn Parker – Research Fellow



Prior to joining ACCORD in February 2002, Kathryn was Executive Officer at the Northern Sydney Regional Development Organisation (NSRDO). NSRDO had a research and practical focus on projects to assist employment, business and industry growth, in northern Sydney. Previously she was the Economist with the Australian Business Group in North Sydney (formerly the Chamber of Manufacturers of NSW). From 1988-91, Kathryn was a tax and economics consultant with Coopers & Lybrand and Price Waterhouse.

Kathryn has a Bachelor of Economics and Diploma of Education and is undertaking a Masters of Economics at Macquarie University.

Jodie Matheson - Research Fellow (joined October 2002)



Prior to joining ACCORD, Jodie Matheson was a development officer for the NSW Registry of Co-operatives and Associations. As part of this role she assisted groups to explore the option of forming co-operatives. Jodie was also involved in the production of the video 'Co-operatives: a flexible alternative' and was responsible for producing a number of publications aimed at assisting groups through the formation process.

Jodie has completed a Certificate and Advanced Certificate in Agriculture and has a Bachelor of Business (Agricultural Commerce) degree

Paul Simpson – Associate Research Fellow



Paul joined ACCORD in April 2002. Previously he worked as a research officer in the mental health field, as well as in health promotion helping enable local communities mobilise around key health issues such as the prevention of HIV/AIDS and substance abuse. Paul's research interests include the historical, cultural and social aspects of community, as well as the development and application of culturally appropriate research methods.

Paul completed his Bachelor of Science (Psychology) Degree in 1996 with particular interest in cross-cultural and social psychology.

Branka Krivokapic-Skoko – Research Fellow



Branka joined ACCORD in March 2001 to work on research projects that explore different aspects of agricultural co-operatives. From 1982-1994 she was employed as a senior researcher with the Institute of Agricultural Economics, Belgrade, Yugoslavia, where she carried out various research projects on socio-economic aspects of rural development. During the last few years, Branka's research activities have focused on ethnic business communities and informal, ethnically based business networks in agriculture.

Branka holds a B.Sc. (Hons); M.Sc. (Econ); and Ph.D. from Lincoln University, New Zealand.

Walter Lalich – Research Fellow (March – June 2003)



Walter recently completed his PhD thesis on *Ethnic Community Capital: The Development of Ethnic Social Infrastructure in Sydney*, at the University of Technology, Sydney. The study examines the development of various religious and secular buildings by ethnic communities in Sydney since 1948. His current interests are in various aspects of migrant and ethnic social economy.

Walter was educated in Croatia and Australia. He has a Bachelor of Economics degree from the University of Zagreb, and a Master of Economics degree from the University of Western Australia.

Administration

Administrative assistance has been provided to ACCORD during the year by:

At UTS

Carolyn Smeaton - Executive Assistant



Carolyn holds a Bachelor of Arts in languages and has worked in both the corporate and community sectors. After a period working in Japan, Carolyn spent a number of years in the insurance industry as operations manager of a Japanese insurance company in Sydney and as a commercial insurance underwriter with a large Australian company. A move to the community sector saw Carolyn as co-ordinator of a disability advocacy organisation and administrator for the Evening and Community Colleges Association.

Prior to joining ACCORD, Carolyn was manager/partner in a consultancy firm.

Wendy Smee - Administrative Assistant



Wendy has been employed by ACCORD in a part-time capacity since April 2002, as Administrative Assistant for the CSU office. She also undertakes relief work in administrative positions around the University. From 1995 to 2001, Wendy and her husband operated their own computer software company. Wendy has been a manager of a suburban insurance office, a small business underwriter, and a workers compensation claims officer.

Staff movements

This year saw a number of staff changes.

Dr Jo Barrakett, who had joined ACCORD in February 2001, left in January 2003. Andrew Passey was recruited from the UK and joined ACCORD in late April 2003. In November 2002, Jayo Wickremarachi returned to the Registry of Co-operatives from where he was seconded. Jayo was replaced by Jodie Matheson, who is based at our Bathurst CSU office. Associate Professor Eddie Oczkowski replaced Kay Plummer as Co-Director in September 2002. Eddie is based at the Wagga Wagga campus of CSU. Dr Judy Johnston acted as UTS Co-Director during Professor Mark Lyons' absence on sabbatical leave from January to June 2003.

Major projects, programs and activities during the year

The current funding agreement between UTS, CSU and the NSW Office of Fair Trading includes a detailed work plan for ACCORD. It includes core research and development programs, communication and marketing activities and governance of the centre. The current funding agreement also includes a firm commitment by ACCORD to raise at least 30% of its total revenue from other than core funding sources. This means that we must compete and win external research and development funds to achieve this target.

Reports on our various activities for the year are set out below under the following headings.

- Core Research
- Commissioned Research
- Other Research
- ACCORD Papers and Reports
- ACCORD Seminars
- Conferences Presentations
- Attendance and Participation at Conferences
- Parliamentary Inquiries and Submissions
- Liaison and Networking
- International Visitors and Delegations
- Clients/Collaborators/Industry Partners
- ACCORD Website and Newsletter
- ACCORD in the News

Core research

The work plan sets out four priorities.

- Foundation work – understanding the nature and dimension of Australian co-operation
- Policy – developing appropriate regulatory, policy and development frameworks to encourage co-operative formation and growth
- Community economic development – generating sustainable co-operative strategies for rural regeneration and for addressing social exclusion
- Capacity building

Our core research projects are grouped under each of these four headings. Some projects were completed during the year; some will be commenced over the course of the next two years, while others are work in progress.

Foundation work

State of the Sector report (SOS)

ACCORD's first SOS Report was completed during the current year; it was released in early August 2003. The report mapped the size, geographic and industry spread,

and performance of the co-operative sector in New South Wales for the period 1990 – 2000 with particular focus on the years 1998 – 2000.

Following the success of the first SOS Report ACCORD will be negotiating with interstate Registries of Co-operatives to extend this research to other Australian states.

New co-operatives

Through this project ACCORD collects information about the aspirations, the successes and failures of people using the co-operative form. This work helps us uncover innovative co-operatives and keep in touch with the challenges faced by co-operatives in their early years.

ACCORD's first New Co-operatives report was completed during the year and released in early July 2003.

Work has commenced on the second New Co-operatives project, which is due for completion in mid 2004.

Community attitudes towards co-operatives

Our three-year work plan noted that we would also attempt to understand the set of community attitudes that impact on the success or failure of current attempts at mutuality, co-operation and membership.

To achieve this objective ACCORD is participating in the Australian National University's Social Attitudes Survey. We have negotiated with ANU to include a number of questions on co-operatives and membership in the survey. A question on community attitudes towards demutualisation has also been included. Work is currently proceeding on this project.

Co-operative opportunities

Apart from our mapping and attitudes projects, the third arm of our foundation work focuses on co-operative opportunities.

During the first year of the current three-year funding period we identified water reform and the role of co-operation as the area we would focus on. A report on this topic was released in February 2003.

Policy

The second priority area identified in our core work plan is public policy. This includes developing appropriate regulatory and development frameworks to encourage co-operative and social economy formation and growth.

During the year discussions were held with representatives of a range of government departments including the New South Wales Premier's Department. The focus of these discussions was on public policy issues affecting co-operatives and the broader social economy.

ACCORD also continued its ongoing monitoring and dissemination of international co-operative and social economy developments relevant to the development of more supportive public policy in Australia.

Community Economic Development

CDFIs

The third priority for ACCORD is projects on the financing of third sector organisations. Through these projects, ACCORD is exploring how social investment is happening, identifying barriers to supply of specialised finance, and the extent to which the lack of availability of finance limits opportunities for community economic development initiatives. We will look at the experience of other countries in development of institutions, policy frameworks and financial instruments that support social investment.

Our first project in this area is a major background report on Community Development Financial Institutions (CDFI's). The majority of the work on this project was completed during the year. It is due for release in late November 2003.

Organisational sustainability

The second designated project under the heading of community economic development focuses on organisational sustainability. Some towns are able to sustain, adapt and renew their co-operative endeavours, but there are also many examples where co-operative initiatives have not led to new growth.

A paper drawing on this research has recently been submitted to an Australian refereed journal.

Capacity building

This is the fourth priority area included in the 2002 –2005 work plan.

Hasting Valley social economy audit

The key project in this area involves an audit of the role and size of social economy organisations in a specified region. The Hasting Valley has been chosen because it contains many well-established co-operatives and social economy organisations. The objective of this project, which will commence in July 2003, is to identify these organisations and understanding the role they play in local economies and then help facilitate greater co-operation between them. Preliminary work was commenced on this project during the year.

Commissioned research

Strengthening community finance in the Hunter

The NSW Premier's Department commissioned ACCORD to undertake the preparation of a business case for the possible establishment of a CDFI in the Hunter region. An interim report was completed during the year. The final report is expected by late 2003.

Additional projects

Discussions were held during the year with a range of other organisations, including government, the credit union movement and the national agricultural co-operative NETCO on possible research projects. In-principle agreement has been reached with several of these organisations and work is expected to commence in late 2003.

Other research work

Ethnic Community Capital

ACCORD Associate Walter Lalich was engaged from March to June 2003 to further develop his work on ethnic community capital. It is expected that a number of papers, seminars and commissioned research projects will flow from this work.

ARC membership project

In 2001 ACCORD won ARC Linkage funding to conduct research into the changing nature of membership in membership based organisations in Australia. Work has continued on this project during 2002 –2003.

ACCORD papers and reports

The following papers and reports were completed during 2002 -2003.

- ACCORD Paper No. 8 – The Concept and Classifications of Agricultural Co-operatives by Branka Krivokapic-Skoko, published November 2002.

This paper attempts to provide a comprehensive overview of the concepts of agricultural co-operatives. After confirming the empirical relevance of the co-operative principles within the modern agricultural sector, and outlining economic, social and psychological aspects of the roles and benefits of agricultural co-operatives, the paper focuses on different classifications of the agricultural co-operatives as identified in the literature. Fourteen classifications of agricultural co-operatives are outlined, with more or less developed criteria by which the different types of co-operatives can be classified and subsequently examined.

- ACCORD Paper No. 9 – Water Reform and Co-operation by Kathryn Parker and Edward Oczkowski, published February 2003.

This paper examines the of water reforms on agricultural water users. Within this context the role of co-operation and the use of the co-operative organisational structure is documented. The paper also examines the potential for further co-operation and the use of co-operatives in water markets and raises a series of policy issues

- ACCORD Paper No. 10 - New Co-operatives: Motivations and Barriers by Jayo Wickremarachchi, published June 2003.

This paper reviews co-operative formations in NSW during the 1990s. It gives particular emphasis to the years 1998 – 1999. The motivations and barriers faced by groups forming co-operatives are explored. Recommendations are made on how to increase the number and variety of organisations using the co-operative form.



Gabriella Sozanski, ICA's European Director with ACCORD staff at the launch of ACCORD's report 'New co-operatives: Motivations and Barriers'.

- ACCORD Report No. 3 - State of the Sector: New South Wales Co-operatives 1990-2000 by Jayo Wickremarachchi and Andrew Passey, published June 2003

This major report, a first for Australia draws on financial data held by the NSW Registry of Co-operatives. It analyses the performance and operation of NSW co-operatives over the period 1990 – 2000. It profiles the formation of co-operative businesses and highlights trends and issues affecting their performance.

ACCORD Seminars

Our series of seminars were continued during the year.

Revitalising Membership Seminar 7 Nov 2002 at UTS Haymarket

Professor Daniel Côté, from the University of Montreal, Canada was the main speaker at this seminar on the changing nature of membership.



Professor Côté focussed on loyalty as a key competitive advantage for co-operatives. He stressed that loyalty arose out of the principles of co-ops; how they support and nurture a collective approach to decision-making and sharing of common goals. However, he stressed that the principles are not enough in themselves to sustain loyalty, but that loyalty must be earned. Once it becomes strongly embedded in the organisation's culture, loyalty helps ensure the success of the co-op, not only as a commercial undertaking, but also as a member-owned organisation.

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CDFI Seminar "Funding Community Enterprise" 10 December 2002 at UTS Haymarket

Research by ACCORD has found that Community Development Financial Institutions (CDFIs) are emerging worldwide in response to community finance and enterprise needs that are not being served by conventional financial institutions.



Vern Hughes, Social Entrepreneurs Network

A draft report on the research findings was presented at a seminar hosted by ACCORD in Sydney. ACCORD Research Fellow, Kathryn Parker said that "Australia lacks the supportive regulatory and tax regimes that have fostered the growth of CDFIs elsewhere."

A panel including some of Australia's most experienced social policy makers, social entrepreneurs, community enterprise developers, and financial managers outlined examples of community capital raising in their own areas, emphasising the need for a more concerted effort in Australia to establish CDFIs.

The panel, chaired by Mark Lyons, Professor of Social Economy at UTS and Co-director of ACCORD, included: Dr Tony Morris, Mission Australia; Duncan Power, Charities Aid Foundation Australia; Elizabeth Cham, Philanthropy Australia; Richard de Simone, Foresters ANA Friendly Society and ANA Ethical Superannuation Fund; Vern Hughes, Social Entrepreneurs Network; Steve Lawrence, Work Ventures Australia; Paul Fitzgerald, Grow and Ted Smeaton, The Benevolent Society.

“Water Reform, Co-operation and the Role of Co-operatives” Seminar 21 February 2003 at CSU Wagga Wagga

ACCORD's hosted a seminar held on 21 February 2003 titled, 'Water Reform, Co-operation and the Role of Co-operatives'.

Associate Professor Eddie Oczkowski, Co-Director, ACCORD, said the objective of the seminar was to put a positive light on the water reform process. He said, "the angle we are trying to put forward is that of co-operation, and the greater use of the co-operative form may enhance community benefits and also improve the water situation in the long term."

Speakers at the ACCORD Water Seminar in Wagga, from left to right, Joe Jones, John Francis, Dr .Gamini Herath, Professor Eddie Oczkowski, Kathryn Parker



A joint presentation was made on the ACCORD paper "Water reform and co-operation" by Professor Oczkowski, and Kathryn Parker, one of ACCORD's Research Fellows. In summing up, Professor Oczkowski acknowledged that the paper raised a series of questions and hoped that with its launch, more debate would be generated on the issues and that ACCORD may have the opportunity to contribute to better policy and more co-operatives in the water market.

Presentations were also given by Joe Jones, Deputy Chairman, Hunter Wine Country, Private Irrigation District. Geoff Hopkins spoke about co-operation amongst irrigators from the perspective of Murrumbidgee Irrigation. John Francis, Department of Land and Water Conservation talked about water sharing plans in NSW and co-operation amongst the various stakeholders. Dr Gamini Herath, Senior Lecturer, LaTrobe University, Wodonga Campus, highlighted co-operation in overseas markets and the lessons that could be learned from an international perspective.

Community, business, government representatives, fellow researchers and others with an interest in irrigation and the effects of water reform in NSW, attended the seminar.

Conference presentations

During our first three years, ACCORD staff made over 36 conference presentations. This included 19 to international and national conferences.

This practice continued during 2002 –2003 with a further seven presentations/papers being presented.

- *Co-operative Change and Evolution – Managing your Structure*, Garry Cronan, Co-operative Federation of Queensland Annual Conference, Brisbane, July 2002
- *Implications for the Use of a Co-operative Structure for Business Activity in NSW*, Tracie Arkley-Smith, NSW Registry of Co-operatives seminar, Bathurst, July 2002
- *Community Development Finance Institutions – Australia and Overseas*, Kathryn Parker, NSW Premier's Department People, Place and Partnership Conference, Sydney, April 2003
- *How can Co-operation and Co-operatives help Strengthen Communities?* Garry Cronan, NSW Premier's Department People, Place and Partnership Conference, Sydney, April 2003
- *ACCORD's State of Sector Research*, Andrew Passey, joint meeting of the National Working Party on Co-operative Legislation and the Co-operatives Council of Australia, Sydney, May 2003
- *Community Development Finance Institutions – Australia and Overseas*, Kathryn Parker, SEN's People Before Bureaucracy: Civic Entrepreneurship Joined-Up Solutions Social Renewal Conference, Canberra, May 2003
- *Does Co-operative Studies have a Future: An Australian Case Study*, Garry Cronan, BCICS's Mapping Co-operatives Studies in the New Millennium Conference, Victoria, Canada, May 2003.
- *What's New about Social Enterprise*; Professor Mark Lyons, Sixth ANZTSR Conference, Auckland, November 2002
- *Institutional Prerequisites For Successful Compacts Between Governments And The Third Sector Or, Why A Compact Is Not Yet Possible In Australia*; Professor Mark Lyons. Sixth ANZTSR Conference, Auckland, November 2002
- *Modelling Membership: renewal of member-based organisations in Australia*; Professor Mark Lyons, Centre for Civil Society, London School of Economics seminar, May 2003 and the Stockholm School of Economics seminar, June 2003
- *Why the Third Sector should interest (Australian) Political Scientists*, Professor Mark Lyons, Political Science Program Seminar, RSSH, ANU, Canberra, May 2003
- *The Impact of Globalisation on the Third Sector: Is Australia an Exception?*; Professor Mark Lyons, with Sue Kenny, The Institute for Citizenship and Globalisation Seminar, Deakin University, Victoria, July 2003
- *The Legal Environment for the Third Sector*, Professor Mark Lyons, Seminar at the University of Mysore, India, April 2003
- *Foundations of Information Economics Research*; Branka Krivokapic-Skoko, First International Conference on Information Technology and Applications, Charles Sturt University, November 2002

- *Qualitative Comparative Analysis (QCA) And Its Formal Instrument – Boolean Algebra: ‘A Middle Road’ Between Qualitative And Quantitative Comparative Research Strategies?*; Branka Krivokapic-Skoko, Australian Association of Social Research, October 2002
- *Boolean Algebra And The Comparative Method: Feature And Applications To Social Sciences*; Research Methodology Branka Krivokapic-Skoko, Royal Netherlands Academy of Art and Science, June 2003

Attendance and participation at conferences

ACCORD staff were involved in the following external conferences and events during the year.

- Participated in QLD Government’s Annual Co-operative Expo in Brisbane to celebrate International Co-operatives Day, July 2002
- Monash University Agribusiness Co-operative Leadership and Governance Forum, Melbourne, November 2002
- Co-operative Federation of NSW Annual Conference, Sydney, November 2002
- Measuring Social Capital Seminar, Australian Bureau of Statistics, Canberra
- Partnerships, public and private, ANZRSAL Conference, Brisbane

Parliamentary inquiries and submissions

During the year ACCORD prepared three written submissions to the following inquiries. We also met with or appeared before representatives of the first two listed below.

- The Commonwealth Department of Transport and Regional Services Regional Business Inquiry.
- Commonwealth Parliament’s Joint Committee on Corporations and Financial Services Inquiry into the level of banking and financial services in rural, regional and remote areas of Australia
- Submission to the NSW Review of the Associations Incorporations Act 1984

Liaison and networking

During the year, ACCORD worked closely with a number of co-operatives and government organisations, including the NSW Premier’s Department, NSW Office of Fair Trading, Department of Local Government, CUSCAL, Clubs NSW, NRMA and state co-operative federations.

NSW Registry of Co-operatives

The Registry of Co-operatives and Associations is the administrative unit within the NSW Office of Fair Trading responsible for the regulation and development of co-operatives. ACCORD has continued to build on the close relationship, which has existed between the two organisations since its formation. This is our most important external relationship.

Regular monthly meetings between ACCORD staff based at the Bathurst campus of Charles Sturt University and Registry of Co-operatives, also located at Bathurst, help facilitate this exchange of information.

Co-operative Council

The Co-operative Council is an advisory council established pursuant to the NSW Co-operatives Act. Its role includes providing advice on co-operative development to the Minister for Fair Trading. In particular it has sought, during the year, to examine strategies for advancing co-operatives especially in rural and regional areas of NSW.

ACCORD regularly provides reports on its activities to the Council and has worked closely with a number of Council members on particular projects.

International Co-operative Alliance

Towards the end of its first year ACCORD joined the International Co-operative Alliance (ICA) as an associate member. ACCORD's General Manager Garry Cronan is a member of the ICA's Global Legislative Advisory Group.

ICA is the apex body of the international co-operative movement. Established in 1895, the ICA works closely with the United Nations and bodies such as ILO, WTO and FAO. ICA facilitates, undertakes and contracts co-operative development work in all areas of the world through five regional offices. The Regional Office for Asia and the Pacific (ROAP) has commissioned many development projects in the region.

ROAP regularly organises international meetings between co-operative ministers, policy makers, co-operative representatives and other stakeholders from different countries. Key issues related to the development of co-operatives, co-operative legislation and education are discussed and resolutions made at these meetings, with some of the recommendations being adopted by governments.

Co-operative federations

Co-operative federations operate in most Australian states. Their primary function is to represent the interests of their members to government and the wider community.

Since its formation, ACCORD has sought to work closely with these organisations. The centre has collaborated on a number of occasions with the Co-operative Federation of NSW. During 2002 –2003 we worked closely with the Co-operative Federations in the other states. Representatives from some of these organisations are expected to be very active in the Associates Network, serving in an official capacity on the newly created executive of the network.

International visitors and delegations

ACCORD hosts or meets international co-operative delegations, which may be visiting Australia on study tours. During the year we hosted or met with the following organisations.

- In July 2002 a presentation was made by ACCORD to a visiting Chinese delegation lead by representatives from the All China Federation of Supply and Marketing Co-operatives.
- In September 2002 ACCORD was invited to make a presentation to a large visiting delegation of representatives from agricultural co-operatives in Brazil.
- Accord hosted the visit to Sydney of Donal Walshe the Secretary General of Euro Coop in early January 2003.
- ACCORD met in Sydney in February 2003 with Mr Mu Li, Vice President of the International Co-operative Alliance (Asia Pacific).
- In late June, early July 2003 ACCORD had the pleasure of hosting the visit to Sydney of Gabriella Sozanski, Director of Member and Sectoral Services/Regional Director for Europe. Our ACCORD Newsletter No 13 carried the following report of the visit.



ICA Director Gabriella Sozanski launches ACCORD report & meets author Jayo Wickremarachchi.

New Cooperatives: Motivations and Barriers

The recent visit to Sydney, of Gabriella Sozanski, European Director of the International Co-operatives Alliance was a highlight of International Co-operatives day, which is celebrated worldwide on 4 July each year. During her visit, Gabriella launched the latest ACCORD report, *New Co-operatives: Motivations and Barriers*, which profiles the formation of co-operative businesses in Australia over the past ten years - around 300 in NSW alone. Figures show that globally co-operatives provide more than 100 million jobs. Collectively the sector is bigger than the multi-national corporations, but it doesn't have the same prominence because it is made up of many small organisations working at a local level.

Clients/collaborators/industry partners

After three years of operation, ACCORD has developed a range of clients, collaborators and industry partners. These include government, research, co-operative and broader social economy organisations.

- *Canadian Co-operatives' Secretariat, (CCS)*
- *Centre for the Study of Co-operatives, University of Saskatchewan, Canada.*
- *Credit Union Services Corporation of Australia*
- *Credit Union Foundation of Australia (CUFA)*
- *Hunter Region Organisation of Councils, (HROC)*
- *NSW Office of Fair Trading (including the Registry of Co-operatives and Associations)*
- *Walgett Special No 1 Co-operative*
- *International Co-operative Alliance, Regional Office Asia Pacific, (ICA ROAP)*
- *Institute for Sustainable Futures, (ISF)*
- *NSW Office of Community Housing, (OCH)*
- *Association to Resource Co-operative Housing, (ARCH)*
- *NRMA*
- *LandCare NSW*
- *Clubs NSW*
- *Friendly Societies Pharmacies*
- *Western Research Institute, (WRI)*
- *Canadian Co-operative Association, (CCA)*
- *Comboyne Rural Co-operative Society*
- *British Columbia Institute for Co-operative Studies, (BCICS) University of Victoria, Canada*
- *United Nations, Department of Economic and Social Affairs/Committee for the Promotion and Advancement of Co-operatives (COPAC)*

During the year we have worked with the following organisations:

- *NSW Premier's Department on the Hunter CDFI project*
- *NSW Registry of Co-operatives and Associations on a new associations project*
- *CUSCAL on possible research in respect to credit union structure and membership*
- *NETCO co-operative on possible research into capital options and second tier structures*
- *BCICS on a research application on Co-operatives and the New Economy*

ACCORD website and newsletter

Website

ACCORD's first website was launched on International Co-operatives Day in July 2000. As part of the launch of the centre's e-newsletter, *ACCORD News*, it was decided to revamp the website and adopt a common corporate image for our new user-friendly online communications.

Our new website <http://www.accord.org.au/> was launched in late 2002. It includes an expanded range of reference material on co-operatives and the wider social economy.

ACCORD Newsletter

The centre's newsletter was launched in November 2001. Six editions of ACCORD's bi-monthly electronic newsletter *ACCORD News* were issued during the year. A reader survey was also conducted. The newsletter is ACCORD's main communication channel.

ACCORD in the News

ACCORD's activities have attracted strong media attention during the year and media relationships have been strengthened and extended.

November 2002

Loyalty - a key competitive advantage

ACCORD's General Manager, Garry Cronan and visiting guest lecturer, Professor Daniel Côté, from the University of Montreal, were interviewed by Julie McCrossin on *ABC Life Matters*, about the value of loyalty in co-operatives.

February 2003

\$\$\$ for community enterprise

Australia lacks specialised financial institutions to support community enterprises, said Professor Mark Lyons of the Australian Centre for Co-operative Research and Development (ACCORD), in *UTS News Online* No. 1, 24 Feb-9 Mar 2003. An article on *Funding Community Enterprise* appeared in the December/January edition of the *Ethical Investor*.

Talking water reform, ACCORD Seminar, Wagga Wagga

Interviews were conducted with Professor Eddie Oczkowski, Co-Director ACCORD, on Radio 2BS (Bathurst); 2PK (Parkes); 2WG (Wagga) and ABC Riverina. Highlights of the seminar were also broadcast on the evening news on Prime TV, Wagga Wagga, and a mention was also made on Win TV, Wagga Wagga.

May 2003

Bargaining collectively easier, Professor Eddie Oczkowski discussed the implications and benefits for small businesses and co-operatives in an interview on ABC Radio's "Bush Telegraph".

Financial Report

Statement of Income/Expenditure - 2002 –2003

	Budget	Actual/Accruals
Receipts		
Government Cash Grant	140,000	140,000
Government Salary Support	160,000	176,150
UTS Grant	75,000	75,000
CSU Grant	25,000	25,000
University Research Grant		
External Project Income (Gross)	100,000	61,635
Seminar Income	1,000	210
Sale of Publications	1,000	
Other Income		
Total Income	502,000	477,995
Expenditure		
Salaries DFT	160,000	176,150
Uni Loaned Staff		319
Staff Research and Support	179,530	182,466
Editing	10,000	3,000
Website Development		28,500
Website Maintenance and Hosting	2,000	1,039
Equipment	5,000	5,377
General Marketing	5,000	1039
Staff Advertising	10,000	
Membership Sub	8,000	5,094
Publications (printing)	3,000	
Printing and Stationary	10,000	4,765
Conf Attendance plus travel	10,000	10,597
Staff Travel	5,000	2,768
Staff Development	5,000	
Communication Charges	10,000	5,360
Books, Mags etc	3,000	1,273
Corporate Governance	3,000	4,287
Miscellaneous	4,000	1,293
University Tax	8,000	4,930
External Project Expenses	50,000	11,955
Seminar Expenses		1,780
ANU Survey		17,000
Contingency	9,100	
Provision for Doubtful Debts		6,000
Total Expenditure	499,630	474,992
Excess of receipts over payments	2400	4,305
Surplus from previous year	103,530	90,574
Cumulative excess carried forward	105,930	94,879

NOTE:

This financial report is prepared mainly on a cash basis, extracted from the monthly transaction details reports for ACCORD accounts maintained by the University of Technology, Sydney and Charles Sturt University. It reports receipts in and payments out processed during 1 July 2002 to 30 June 2003.

The receipts and payments recorded against any line item may not be the total of receipts or payments actually incurred for that item or project.