

Newsletter 19 - June 2004

We always appreciate your comments and contributions. Please email any suggestions or news items to the editor of ACCORD NEWS, Suzanne Henderson at suzanne.henderson@uts.edu.au.

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How healthy are our associations?

A report from the latest ACCORD seminar held in association with the Council of Social Service of New South Wales (NCOSS)

ACCORD recently completed the first survey of the 33,000 incorporated associations registered with the NSW Registry of Co-operatives and Associations. Andrew Passey, a Senior Research Fellow at ACCORD, presented the findings of this latest research to a gathering of government, industry and non-profit organisations at a seminar on 21 May in Sydney.

"Our findings show the smallest associations spent more in 2002/3 than they raised, provoking concerns about their sustainability",
Andrew Passey, Senior Research Fellow at ACCORD.

In NSW alone, 33,000 incorporated associations deliver essential community services on behalf of government to their members and the wider community. These organisations have 2.35 million members and rely almost solely on a volunteer workforce to conduct their activities. While under the NSW legislation they have a minimum of regulatory responsibilities, they face a multitude of other agency requirements at state and commonwealth levels for the purposes of fundraising, tax exemption and GST.

'There must be compliance and opportunity costs associated with this, and we would argue that a more streamlined set of processes would be of benefit to the association sector' (Andrew Passey)

[Full report](#) and [PowerPoint Presentation](#) (320KB)

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ACCORD Projects

ACCORD Membership Project

The ACCORD membership project, titled - *The Challenge to Member Based Organisations and Their Responses*, is in its final stage after findings were presented to industry partners on the 24th May 2004 at Clubs NSW head office.

The project has examined how the leaders of clubs and associations are responding to the decline in membership, and how the members think about and value their membership. It examined success stories of clubs or associations that have grown their membership and where members clearly value them.

Helping us in the study are five industry partners: **the Australian Friendly Societies Pharmacies Association, Clubs NSW, the National Roads and Motorists' Association (NRMA Motoring and Services), NSW Department of Infrastructure, Planning and Natural Resources (providing access to Landcare groups) and Sport Industry Australia.**

Initial findings suggest that clubs and associations operate in complex and unique environments which affect membership trends and that these trends are not simply the product of a distinct type of recruitment and retention strategy. Findings strongly indicate that the reasons a person may join a club or association, often differ from the reasons they attribute to staying a member. These reasons can be categorised into four orientations - material, self-improvement, relational-mutualism and relational-altruism. A final report will be given to partners in early August 2004.

[Full report](#)

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Co-operative Equity Concerns

Australian entities must prepare financial reports for financial years beginning on or after 1 January 2005



Alan Grieg, Principal, Social Enterprise Technologies and ACCORD Associate, Susan Hocking at the ACCORD Seminar



Industry partners from the membership project met at Clubs NSW head office, where ACCORD presented some of its project findings

"Will you be reporting equity in your balance sheet in 2005?" asks ACCORD Associate, Jenny Kent at a recent conference in Sydney.

(90KB PPT)

Jenny Kent is a lecturer in accounting and finance, in the Faculty of Commerce, Charles Sturt University, Wagga Wagga.

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using Australian Equivalents to International Financial Reporting Standards.

ACCORD Associate, Jenny Kent, presented an overview of what's happening to accounting standards in Australia and the urgent issues to consider at the recent NSW Co-operative Federation's annual conference in Sydney. A copy of Jenny's PowerPoint presentation is available from the [ACCORD website](#)



Jenny Kent

Employee Share Ownership

"Co-operative and employee ownership could slow economic crisis for small businesses
*by Alan Grieg,
Principal, Social Enterprise Technologies
(SENTECH)*

Since the article "Employees share in baby-boomer dilemma" appeared in the last ACCORD newsletter, research by CPA Australia released in their [report](#) - Future bleak for small business owners set to retire, confirms that Australia is facing a major economic development issue in this area.

As CPA Australia points out, the large number of retiring business owners coming onto 'the market' in the next few years will face the problem of not being able to realise the true value of their asset. Without informed 'succession planning' in the small business sector, the problem may escalate into major "wealth creation" problems for local economies which will be faced with falling asset values, loss of retirement savings and incomes and inability to retain employment for many employees of small, locally owned businesses.

The answer seems to lie in the ability to transfer the ownership of these businesses to their employees over time using an Employee Share Ownership Plan (ESOP). Research in Canada is showing that companies that are sold to employees succeed 80% of the time versus only 30% to 50% when sold to family and/or third parties. Many opportunities now exist here for co-operative and employee ownership specialists.

To find out more about the ESOP process, you can go the [website](#) of the ESO Unit in the Department of Workplace Relations and check out the Q & A section. There is also a Consultants List on the website of the Australian Employee Ownership Association at www.aeoa.org.au.

More on Employee Share Ownership:

- [Employee Buyouts Handbook](#)
- [Succession Planning](#)

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Field day creates interest in co-operative businesses

The 2004 Tocal Field Days, held 30 April - 2 May 2004 at the Tocal Agriculture Centre near Paterson in the NSW Hunter region, marked the 21st year of the event. A total of 382 exhibitors and 29,000 visitors attended over the three days, confirming it as one of the largest agricultural shows on the NSW calendar.

Following a suggestion by members of the Co-operatives Council (an advisory council to the Minister for Fair Trading, established under the Co-operatives Act) the Registry of Co-operatives and Associations

New Co-operatives Research Project

As part of ACCORD's commitment to the development of the co-operative sector, a new research project commenced in June 2004. The project - Critical Success Factors in the Formation of Co-operatives in NSW (2000-2003), will analyse the qualitative reasons and events leading to the development of new co-operatives in NSW over the last three years. The research aims to identify why individuals and groups chose the co-ops form and what obstacles were dealt with in the developmental phases of the co-op.

For further information regarding this research please contact Dr Branka Krivokapic at ACCORD, Charles Sturt University Bathurst on 02-63384428, or email bkrivokapic@csu.edu.au

organised a stand at this year's event to disseminate information about co ops, associations and the services provided by the Registry. The Newcastle Fair Trading Centre also participated, answering inquiries in relation to general consumer and trader issues.

Hundreds of people visited the stand seeking information on co-ops and associations. The greatest number of inquiries were in relation to the structure of co-operatives. Visitors included a group interested in forming a co-operative of wine makers, another seeking to set up a combined trade services organisation and one inquiring about forming a co-operative to grow and market snails for culinary purposes.

The Registry has earmarked the event for next year.

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The co-operative advantage

Don't quit the farm!

Farming and Agriculture have been crucial to Australia's economy and identity. 'Working the land' has been seen as symbolic and representative of Australian employment, business and lifestyle.

Increasingly this sector is 'under threat'. Drought, market shifts, political decisions (such as the Fair Trade Agreement with the United States), higher running costs and decreased productivity, are all factors which have conspired to force some producers off the land.

But an alternative to quitting the farm does exist. Taking the lead from existing partnerships currently formed overseas, especially in Canada, farmers have been successfully cutting the costs associated with farming and land maintenance by forming co-operatives. Co-operatives are an excellent structure to provide financial, communal and information support to agricultural workers. Co-operatives can assist farmers to produce in a more financially and environmentally efficient ways. [Ideas for Farmer Co-operatives](#) - Commentary by Lee Wilson, ACCORD Research Assistant.

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Scotland recognises the co-operative advantage

'Co-operatives are important' says Scottish Parliament. The rhetoric has been backed up with solid support for a Scottish Co-operative Development Agency (CDA), reports Martin Meteyard, Chair of Co-operation & Mutuality Scotland.

"Co-operatives add value not just in purely economic terms, but in the way they promote democratic ownership and empower ordinary people to achieve common aims. That role is important to the fabric of our society - any society - and it should not be overlooked." (Jack McConnell MSP)

Hopes are high for a Co-operative Development Agency in Scotland, following recent publication of a public consultation document on the issue. To underline its importance, the document was launched by the First Minister of Scotland, Jack McConnell MSP. "We can do more to realise the potential co-ops have to contribute to our economic, social and community well-being. That is why I am committed to working with the

co-operative movement to help release that potential for the benefit to our social well-being and to

Social Enterprise - Definitions, Examples, Links and Readings

Social enterprises are part of the growing 'social economy' and are committed to commercial viability, but their prime motivation is not money; it is building a better society. Ros McDonald, [communitybuilders.nsw](#), has compiled information on social enterprises, which includes website links, case studies and related reading. Download this [paper](#).

UK Farmers' co-ops reduce risk

Around the globe, farming co-operatives are being recognised as the best structure to cope with the vagaries of agricultural production. The volatility of the global currency and commodity markets, the potential unravelling of the Common Agricultural Policy, relationships with suppliers and customers as well as other naturally occurring risks such as flooding and animal welfare all pose a threat to agricultural businesses to a lesser or larger extent. A recent conference in the UK on 'Financial Risk Management and Farmer Co-operatives' addressed the potential for greater use by farmers of appropriate risk management financial instruments to hedge against currency movements and the wider risks unique to farming. [Read the Full Article](#).

Scotland as a whole," he said. "I am determined that co-operatives should get the encouragement they need to play a bigger role in modern Scotland.

"Co-operatives add value not just in purely economic terms, but in the way they promote democratic ownership and empower ordinary people to achieve common aims. That role is important to the fabric of our society - any society - and it should not be overlooked." (Jack McConnell MSP)

Full article: <http://www.newsector.co.uk/articles/62cdascot.htm>

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Co-operative Development Services Ltd fulfilling a need

Co-operative Development Services Ltd (CDS) is a not-for-profit co-operative that specialises in the development and formation of co-operatives in Victoria.

CDS is a network of consultants and professional advisors, selected for their co-operative and business development experience across a broad range of industry and community activities.

Since it was formed in April 1999, CDS has assisted in the formation of a number of coops in Victoria including:

Corrong Development Co-operative Ltd, formed in 2001 to acquire land from the Yarriambiack Shire Council to build and lease industrial premises to agricultural related businesses, who service grain growers and other primary producers in the Hopetoun district in western Victoria.

National Agricultural Data Co-operative Ltd, formed in 2002 to provide data management services to Australian primary producers and other agricultural chemical users to assist them meet the requirements of government regulations.

Avenel. Co-op Ltd, formed in 2004 to provide broadband Internet services to a small rural community north of Melbourne.

CDS Director, and ACCORD Associate, Tony Gill is enthusiastic about the role the co-operative is playing. "We are delighted to have been able to fulfill a real need in the community." he said. Over the past 25 years, Tony has assisted over [60 co-operatives](#) to form in Victoria alone.



*CDS Director, and
ACCORD
Associate, Tony
Gill*

CDS also conducts co-operative related projects, director training, and produces publications on co-operative issues. In 2000, they conducted a feasibility study into a rural fuel co-operative for the Ararat Rural City Council. This was followed by a report on fuel co-operatives in Victoria prepared for the Department of State and Regional Development.

In 2002, CDS initiated [Australian Co-operative Links](#), a directory of website links to over 280 Australian co-operatives. ACL has proved to be very popular within Australia and abroad, with the number of visits averaging over 1,000 per month.

For all enquiries please contact Tony Gill, Director, CDS.

Email: [cgs@netconnect.com.au](mailto:cds@netconnect.com.au)

Website: www.coopdevelopment.org.au

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Third sector under the spotlight

[Australia New Zealand Third Sector Research Conference](#)

Building bridges and strengthening bonds: Broadening our understanding of Third Sector across regions and diversity.

Call for papers. Abstract submission deadline - 12 July 2004

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Wealth creation and social enterprises in the UK

A new initiative in the UK will help link social enterprises to public sector contracts and other local enterprises with the aim of generating wealth in the sector.

[Nearbuyou.co.uk](#) is a unique online trading exchange, developed and managed by The Guild, a specialist provider of expertise to the social economy.

[Weekly Digest No. 16, 31 May 2004](#) (pdf)

International Co-operatives day

Co-operatives for Fair Globalization: Creating Opportunities for All

[10th UN International Day of Cooperatives, 3 July 2004](#)

This year the theme links to the recent report of the [World Commission on the Social Dimension of Globalization](#) and its reference to the critically important role that co-operatives can play in shaping the evolution of globalization alongside other actors of civil society.

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News in Brief

Australia

Co-op opts for the market

Warrnambool Cheese and Butter Factory, started by a few farmers in 1888, has listed on the Australian Stock Exchange. "We are the only dairy company of our type to be listed," said the chairman, David Karpin.

Warrnambool Cheese and Butter Factory was previously a company that effectively functioned like a co-operative, owned by its farmer members. Mr Karpin said the co-operative dairy processors, such as Murray-Goulburn, Tatura and Dairy Farmers, "will all be looking closely at what happens to us".

[The Age, Melbourne, Australia 5/28/04](#)

UK

[Co-ops lead in shift to broadband](#) - Co-operatives are leading the way in introducing communities to advanced broadband technology. Community providers in the UK are showing people the potential of this technology.

[Co-op Reaps the dividend as Profits Surge 38%](#)

[Co-op Governance Code on its way](#)

[Co-op Group welcomes obesity report](#)

[Dairy firms hit as Asda picks Arla as sole milk supplier](#)

[Wiseman questions Asda's decision](#)

Kenya

[Co-ops to get debt waiver](#)

Canada

[Doctor proposes medical co-op](#)

India

[GCMMF To Set Up 12 New Dairy Plants, Eyes Acquisitions](#)

USA

[Bill moves to expand credit union membership](#)

[Ocean Spray gets new Pepsi offer, vote extended](#)

[Co-op provides students alternative living](#)

[Co-op fired up about methane project](#)

Middle East

[Co-Op Islami shares 'Best Practices' with fellow Dubai Quality Award winners](#)

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What's On

In Australia

June

[Housing Australians: challenges for the next federal government](#) - 23 June 2004

A one-day seminar on key issues for housing affordability for low-moderate income Australians.

[The housing crisis Assets for All Australians Conference](#) - 23 June, Melbourne

Third in the series, Growing Old in the New Millennium

July

[Regional Achiever and Community of the Year Awards](#), NSW/ACT nominations close 2 July 2004

The purpose of these awards is to acknowledge, encourage and reward those individuals, organisations and community groups displaying exceptional achievement and who have made a contribution to their local community, town, city or region.

[From welfare state to social investment state?](#) - 5 July, Melbourne

Half-day symposium

[Australia New Zealand Third Sector Research Conference](#) - Call for papers. Abstract submission deadline - 12 July 2004

Building bridges and strengthening bonds: Broadening our understanding of Third Sector across regions and diversity.

[Capacity building and community strengthening: the role of government](#) - 13 July, Melbourne

Second in a series of Centre for Public Policy seminars

[Social Ventures Australia Essentials Series 2004](#) - 16 July & October 2004

Social Ventures Australia brings you the SVA Essentials Series 2004: two one day programs highlighting the most important issues facing the not for profit sector today, giving participants the opportunity to learn about best practice models, share ideas and knowledge, engage in fierce conversations and be supported by "how to" processes to apply new concepts.

[Assets For All Australians: Ownership and Savings Options For a New Century](#)

Organised by Social Enterprise Partnerships, 19 - 21 July 2004

This series of four events over three days explores policy and entrepreneurial initiatives for making Australia a nation of owners and savers.

[Capacity building and community strengthening: the role of government](#) - 20 July, Melbourne

Third in a series of Centre for Public Policy seminars

[Community economic development and public housing estates](#) - 20 July 2004

Workshop on employment and business opportunities deployed for regeneration of public housing estates, run by Shelter NSW

December

[Social Capital: Past, Present and Future Symposium](#) - 7 December 2004.

Abstracts by 30 June 2004.

One-day symposium on Social Capital, bringing together researchers, practitioners and interested parties. Focusing on past, present and future conceptual and practical issues concerning social capital.

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Overseas

July

ICA-Legacoop Conference: The Culture of Development, Globalisation, Co-operative Enterprise, Genoa, Italy

Further information: ain.macdonald@ica.coop or s.marcone@legacoop.coop

Date: 2nd - 3rd July

[International Association For the Economics of Participation Biennial conference](#) (IAFEP 2004): Mending the Global Economy - 8-10 July

Economics and Management of Co-operative Enterprises University of Bologna

Place: Vancouver, BC and Bologna, Italy [BC Co-operative Association](#)

Date: 3rd - 24th July

International Association For the Economics of Participation Biennial conference (IAFEP 2004): Mending the Global Economy

More information: [Read the story online](#)

Date: 8-10 July

Leadership Tour: Co-operative Strategies for Economic Growth

Place: Bologna, Italy

Sponsor: [BC Co-operative Association](#)

Date: 16th - 24th July

September

The Co-operative College 2004 International Programme: "Retailing Today for Consumer & Worker Co-operatives" – modern retailing techniques in a competitive world

Place: Manchester, United Kingdom

Website: [Co-operative College](#)

Date: 6th - 11th September

International Cooperatives Forum 2004 (ICF 2004)

Place: Muenster, Germany

Contact: Information included on [conference website](#)

Date: 7th - 9th September

ICA Board Meeting, Warsaw Poland - 19-20 September

Further information: [Iain Macdonald](#)

ICA Regional Assembly for Europe, Poland

Further information: [ICA Europe](#)

Date: 23-24th September

November

Asia-Pacific Women's Forum, Bangkok, Thailand

Asia-Pacific Research Forum, Bangkok, Thailand

Further information: [ICA Regional Office for Asia and the Pacific](#)

Date: 29th November

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News from Co-operative Federation

The **Co-operatives Futures and Choices Conference** was held on the 10th and 11th June at the Mercure Hotel in Sydney.

Delegates were invited by the Co-operative Federation of NSW to a full program of presentations from

representatives of large and small co-operatives, research centres, legal firms, insurance companies, consultants and interstate co operative federations.

The attendance list exceeded 100 and delegates came from a variety of co-operatives including the Wine Society, Dairy Farmers, Crossroads Medieval Village, Bankstown Community Services Co operative and Taxi co ops. The NSW Registry of Co operatives and Associations, co-operative federations from interstate and New Zealand also attended.

Presentations and discussions centred on challenges facing co operatives in accounting, legal and insurance areas. Restructuring of Co ops and understanding the health of the co-operative sector were also raised.

The NSW Co-operative Federation initiated a working party with representatives of co-operatives and other state federations to consider further action in relation to the accounting transition reform.

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About this Newsletter

We welcome your comments on our newsletter and any suggested topics or items for inclusion in the next issue, due for publication in early August. If you have any items of interest please ensure that these are forwarded to suzanne.henderson@uts.edu.au by 20 July 2004.

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