



Newsletter 18 - April 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.

- **ACCORD Projects**
 - [UK's Third Sector - Lessons for Australia](#)
 - [Proposed Community Development Finance Institutions](#)
 - [New Co-operatives Research Project Initiated](#)
- **The Co-operative Advantage**
 - [The co-operative advantage](#)
 - [Employee Share Ownership Down-under](#)
 - [Employees share in baby-boomer dilemma](#)
 - [Co-operative Movement Still Alive In Corporatised World](#)
- **Strengthening the social economy**
 - [New Canadian PM boosts social enterprise](#)
 - [Community Strengthening and the role of local government](#)
 - [What will replace GP co-ops?](#)
 - [Variables affecting social enterprise success](#)
- **Education and co-operative development**
 - [Friends from the Philippines visit Australian Co-ops](#)
 - [Young co-operators plan for the future](#)
- **News in brief**
 - [Hive of activity](#)
 - [Standard Life lost to mutual movement](#)
 - [Co-op centenary in India](#)
 - [Uncle Sam Co-op makes cheese for the poor](#)
 - [Fishing co-op lose right to keep it local](#)
 - [Co-op offers woodworkers return to work](#)
- **What's on**
 - [In Australia](#)
 - [Overseas](#)
- **Announcements**

- o [More news from Australia .coop](#)
- o [Co-operative Governance](#)
- o [New 2004 edition of the Co-op Dictionary](#)
- o [auscoopdoc - the Australian Co-operative Documents data base](#)
- o [Co-operative Federation of South Australia Newsletter](#)
- o [International Accounting Standards set to change](#)
- [Print the ACCORD newsletter](#) [PDF]

ACCORD Projects

UK's Third Sector - Lessons for Australia

"Our vision is bold: social enterprises offer radical new ways of operating for public benefit. By combining strong public service with business acumen, we can open up the possibility of entrepreneurial organisations - highly responsive to customers and with the freedom of the private sector - but which are driven by a commitment to public benefit rather than purely maximising profits to shareholders." (**Tony Blair**, Forward to Social Enterprise White Paper, 2002)



"It's clear Australia's third sector development is being hamstrung by its poor relations with state and federal governments, and by the absence of a coherent policy framework."
Mark Lyons
 Professor of Social Economy at UTS

ACCORD's latest seminar, UK Government Embraces Third Sector - Opportunities for Australia? was held, in partnership with the NSW Premier's Department, on Monday 22 March at the Premier's Department, Sydney. Senior government policy makers and third sector professionals came together to discuss what lessons Australia might find in the UK experience.

UK Developments

Since coming to office in 1997, the Blair government has launched a number of important initiatives to facilitate the growth and transformation of the UK third sector. To a significant extent these have been a response to developments within the third sector and to ideas generated by left-leaning think tanks.

Andrew Passey, Senior Research Fellow at ACCORD, and **Mark Lyons**, Professor of Social Economy at UTS have been looking at these developments. At the seminar they outlined their analysis, and discussed the opportunities they see for Australia emerging from the UK experience.

Australia's Experience

While Australia has a large third sector, many believe its development is hamstrung by its poor relations with state and federal governments, and by the absence of a coherent policy framework. In Australia, government policy is piecemeal, with no national or state policies focused on the third sector as a whole.

"The UK Government of Tony Blair has done a lot more than any Australian Government to build a strong social economy", says ACCORD's Senior Research Fellow Andrew Passey

By contrast, in the UK, the Labour government of Tony Blair has been engaged in an unprecedented set of initiatives designed not only to foster 'traditional' activities such as philanthropy, but also to broaden forms of third sector activity, deepen infrastructure support for the sector, and foster new types of third sector organisations. Partly as a result, the UK third sector is playing an ever-larger role in the national economy.

With the recent creation by the ALP of a Shadow Ministry for Community Relations, and its conference resolution to work with the sector and state government to develop a better regulatory framework for the sector, the time seems right for this kind of discussion. The full report including recommendations will be launched shortly by ACCORD.

Download the seminar [powerpoint slides](#) [PPT, 100KB] or [get the PDF](#) [PDF, 54KB].

[Back to Top](#)

Proposed Community Development Finance Institutions

ACCORD's [report number 4](#) launched in December 2003, has generated considerable interest in piloting a number CDFI forms across Australia.

"Over 20 organisations have responded positively to the findings of the report and have suggested that ACCORD partner them in developing a set of practical models for the establishment of such bodies in their local area," says Paul Fitzgerald, ACCORD's Deputy Director. "Not surprisingly the highest levels of interest have come from regional areas that believe there is limited access to funds for small business, community organisations and social infrastructure, he said."

ACCORD will pilot a range of models in a number of areas over the next year. For further information please contact Paul Fitzgerald on 02-95145751, or email:

paul.fitzgerald@uts.edu.au

[Back to Top](#)

The Co-operative Advantage

New Co-operatives Research Project Initiated

As part of ACCORD's commitment to the development of the Co-operative Sector a major new research project will commence in June 2004. Entitled "Critical Success Factors in the Formation of Co-operatives in NSW (2000-2003)", the project will analyse the qualitative reasons and events leading to the development of new co-operatives in NSW over the last 3 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.

The co-operative advantage

Employee ownership is an important tool for economic growth and restructuring business enterprises. An Employee Share Ownership Plan (ESOP) allows employees, who qualify, to purchase shares in their employer's company, with or without the monetary assistance from the company. The key aspect is that employees have an ownership stake in the company they work for, and share in the risks and rewards that

New Generation Co-operatives hold significant research interest, and their journey to incorporation should shed some light as to why the numbers and types of co-ops are changing from a predominantly rural phenomena to an urban and service based creation.

accrue to it.

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

[Back to Top](#)

Employee Share Ownership Down-under

Four Australian companies will trial different employee share ownership (ESO) plans as part of a federal government campaign to promote employee share ownership. [Read the full report from The Age.](#)

The government has set a target of doubling ESO schemes in workplaces from the current 5.5 per cent of employees to 11 per cent by 2009. The government said testing different ESO plans would lead to the development of a set of template plans - which companies could easily adapt for their workplace. The government also noted that it would release the template plans, which would make the start up process for companies easier and cheaper, particularly for small and medium businesses.

According to the government, companies see ESO plans as a way of motivating staff and working more closely with them. They also said they helped with attracting and retaining staff and improving workplace culture.

[Back to Top](#)

Employees share in baby-boomer dilemma

As governments, including our own, turn their attention to problems associated with a rapidly aging population, one issue emerging is the large number of ageing 'baby boomer business owners' - particularly those in Australia's regional areas.

The issue is succession planning. In other words - what needs to be done to ensure that these owners are able to sell their businesses as ongoing concerns, thus retaining jobs, protecting wealth and ensuring the conversion of these assets into retirement savings for the owners to live on? The ESOP or Employee Share Ownership Plan is seen as a useful mechanism for transitioning the business to the employees, while the owners gradually withdraw their stake from the business.

Co-operative Movement Still Alive In Corporatised World

In today's world of corporate culture, economic liberalisation and globalisation of trade, the co-operative movement is still alive in most parts of the globe. But, explains **Ashok B Sharma**, co-operatives have to compete with multinationals which are backed by enough resources, and are in a position to initially accept a lower margin of profit in trade with a view to capture the market from co-operatives. Co-operatives need to develop enough professional and technological skills to out-smart the multinationals.

<http://www.financialexpress.com>

The issue has only just started to come to the attention of Australian politicians (as evidenced in the Federal Treasurer's recent statement on the problems of an aging population) though it is a big issue in North America.

In Canada, half of all business owners are planning to retire in the next ten years and of these, very few actually have "succession plans" for the ongoing ownership and operation of the business. To address the issue, Canada's peak employee ownership association is running a conference on the subject in June 2004. For more info please see: <http://www.esop-canada.com> & <http://www.aeoa.org.au/> (Members only)

[Back to Top](#)

What will replace GP co-ops?

GP co-operatives have inspired the creation of a new service delivery model.

Sarah Louise Taylor reports.

UK think tank *Mutuo* has put together a paper, entitled '*Care on Call: a mutual approach to out-of-hours primary care services*'. The paper was prepared by Mutuo's Director Peter Hunt, Cliff Mills of Cobbetts Solicitors and Rt Hon John Hutton MP who jointly believe that OOH services should be delivered by an organisation that builds on the success of GP co-operatives. It states that the model needs to retain and expand upon the core mutuality of GP co-ops, of which there are over 20,000 members in the UK.

A copy of "*Care on Call: a mutual approach to out-of-hours primary care services*" is available from Mutuo, email e.harrison@mutuo.co.uk.

[Back to Top](#)

Variables affecting social enterprise success - Third Sector research

The status of social enterprise varies widely across Europe. In some countries, the third sector is respected and valued in its own right, with recognition at local, regional and national level and its own tailor-made legislation. Yet in other countries, social enterprises have no official recognition, and must sometimes work very hard to create their own identity and avoid being taken over by welfare institutions or losing out in competition with the private sector. An EU-funded study carried out by umbrella organisations of social enterprises, found five 'critical

Strengthening the social economy

New Canadian PM boosts social enterprise

The ruling Canadian Liberal party recently choose a new Prime Minister following the retirement of Jean Cretien.

At the opening of a new session of parliament, Prime Minister, Paul Martin announced new policy initiatives that may, hopefully, characterise his Prime Minister-ship. Prominent among these, was a renewed commitment to the government's Voluntary Sector Initiative, with a stronger emphasis on social enterprise, or as the Canadians call it, the social economy. As Martin puts it ...

Enhancing the life of our cities is about wanting to help each other. It's about willingness to work together to build great places to live. Today this willingness is everywhere in Canada.

variables' for the success of social enterprises entering into partnerships with the public and private sectors. [Read the full article.](#)

The full report "*Successful Partnerships for Social Enterprise*" will be available in English and other languages from De Verandering/Solidair, Lauwerecht 55, 3515 GN Utrecht, The Netherlands, tel +31 30 272 1660, fax +31 30 272 1532, e-mail eu@solidair.nl. Results will also be posted to <http://www.mple.info>.

We see it in the efforts of a million Canadians working in the voluntary sector...

We see it in the efforts of people who are applying entrepreneurial creativity - not for profit - but rather to pursue environmental and social goals. That's what we call the social economy - and while it may be a less familiar part of our economy, we must not underestimate its importance.

Its contribution to the social fabric and to the economic vitality of our municipalities, urban and rural, is real and growing.

The full [press release](#) is available on the

website.

[Back to Top](#)

Community Strengthening and the role of local government

A discussion paper prepared for Local Government Victoria ignores the cooperation option says David Griffiths.

The discussion paper Community strengthening and the role of local government (February 2004) notes that: "community strengthening involves stronger forms of local connectedness and better linkages between government and other agencies to mobilize local assets. This has come to be viewed as an important means to address the twin priorities of prosperity and social inclusion."

Unfortunately, the paper is incomplete in identifying the range of local collaborations and alternative governance pathways, says Griffiths.

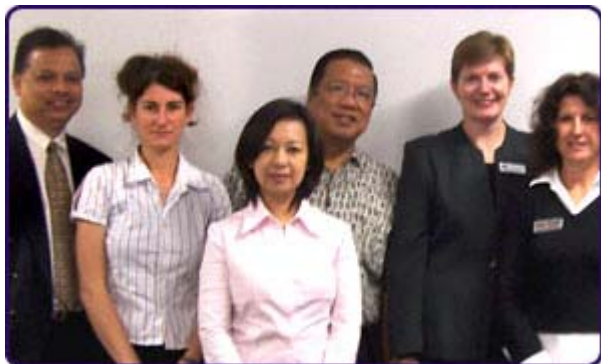
In the UK the Co-op Party has established a Co-operative Councillors' Network that includes best practice files of developing co-operative initiatives through local government. The UK Co-operative Party's Co-operative Agenda for Local Government says; "Co-operatives and mutuals have a role to play in almost every aspect of local government, including community regeneration and economic development, housing, leisure, social services and education. All have the same in common - they provide jobs and create wealth in local communities, and are controlled by the people they serve."

[Back to Top](#)

Education and Co-operative Development

Friends from the Philippines visit Australian Co-ops

Philippine co-operative directors had an opportunity to experience a fresh perspective on co-operative business when they visited Australian



ACCORD with Friends from the Philippines visiting Australia

co-operative businesses in March this year.

The delegates spent several days touring various parts of NSW and Queensland visiting co-operative enterprises, including Dairy Farmers in Sydney. The main objective of the visit was to gather information about how Australian co-operatives conduct business, and to see if they could adapt any of these strategies for the Philippines. They were interested in Australian innovations and developing networks for future collaboration.

Representatives included: Wilfredo C. Saturno, Chairman of the Co-Op Bank of Aurorg, Cristina M. Salvador also of the Co-Op Bank, and Shelia Sorozo from the Ladies Livelihood Co-op.

At a seminar organized and hosted by Business Advisory Services Inc (BASI) on March 10, Suzanne Henderson of ACCORD spoke to the delegation about co-operatives in Australia and ACCORD's research role. Bernadette Denholm from the Registry of Co-operatives and Associations, Department of Fair Trading, gave a presentation on registration requirements for NSW co-operatives.

Delegates were interested in hearing about the logistical characteristics of co-ops as opposed to a party or company limited, the associated fees and auditing procedures.

[Back to Top](#)

News in brief

Australia

Australian Dairy Farmers to get a better deal

The Federal Government is providing up to \$100,000 for workshops on collective bargaining for Australia's dairy farmers. [More info...](#)

The chairmen of Victoria's major dairy co-operatives have met for a second time to discuss how savings can be found to pass on to suppliers and clients. [More info...](#)

Capital required by a co-operative company to operate as a manufacturer and as an brand marketer has traditionally come from the farmer shareholder. However, in this rapidly changing international market scene the availability of capital from the farmer shareholder is becoming more scarce. [More info...](#)

UK

Young co-operators plan for the future

A national seminar organised by the Regional Institute of Co-operative Management, Bangalore, India, in collaboration with the ICA, Regional Office for Asia and the Pacific and other co-operative organisations, attracted students from Japan, Indonesia, Sri Lanka, and across India. Strategies for developing student and youth co-operatives were discussed including opportunities for collaboration between co-operatives and corporates. [Download the PDF](#) [145 KBytes], more info is available [here](#).

Hive of activity

The London Social Enterprise Network newsletter, The Hive, is now available to read [online \[PDF\]](#).

Standard Life lost to mutual movement

The shock news of Standard Life's demutualisation plan means the loss of the sector's largest player in the UK. But many in the co-operative and mutuals' movement argue that far from lacking the financial muscle of their listed counterparts, mutuals retain strong balance sheets. "the ability to retain surpluses rather than distribute them to shareholders means we now offer higher payouts on with-profits products than many firms which have demutualised." (MGM Chief operating officer Neil Walker) [Read the story on the Guardian web site.](#)

India

Co-op centenary in India

This year marks the centenary of the co-operative movement in India. Co-operatives of all sizes have geared themselves up for the big occasion. A people's movement totalling 100 years of success signifies the strength of Indian democracy. [More Info...](#)

USA

Uncle Sam Co-op makes cheese for the poor

Waupun-based Alto Dairy Co-operative will continue its good work making cheese for the needy in Milwaukee County, from surplus dry milk. In February, US Agriculture Department officials said the pilot program must end, a decision now reversed.

The US sits on 961 million pounds of surplus dry milk, doling it out to feed cattle, buffalo, sheep and goats in states hit by drought. The irony of which mouths were being 'fed by the feds' led the task force to adopt the battle cry - "Kids, not cows". [Read more online](#)

Canada

Fishing co-op lose right to keep it local

Members of the Fishing Families Co-op, that placed a bid on the fish processing plant in Souris, are angry the plant went to an outside buyer. Ocean Choice of Newfoundland purchased the assets of Polar Foods.

The island co-op submitted a bid to buy the Souris plant because they wanted it locally owned and operated. "We feel completely and utterly betrayed because our position is that as taxpayers we have all paid for this plant about three times over," says Patrick Dunphy, who worked with the co-op to get the bid together. [Read the online story.](#)

Australia

Co-op offers woodworkers return to work

In Tasmania's Huon Valley, mature-age unemployed residents will be able to use their

woodworking skills to return to the workforce, thanks to a new co-operative. The Huon Valley Woodcraft Co-operative will initially provide employment and training for six people to produce artisan-designed woodcraft products. [Read the online story.](#)

[Back to Top](#)

News from Co-operative Federations

ICA News

[Weekly Digest No. 9, 5 April 2004](#) [pdf]

- .coop - the future of the internet is in sponsored domains like .coop, according to Caroline Hoover of the National Co-operative Business Association (USA), and dotCoop, the sponsor of the .coop domain. "With sponsored domains like .coop, people can see at a glance what kind of business they're dealing with, simply by looking at the domain."
- University programme for co-operators - Americas: Aimed at co-operative leaders and officials with years of experience but no formal certification.
- Nominations for ICA Communications Committee - close 1 May

[Weekly Digest No. 11, 19 April 2004](#) [PDF]

Copies of the Weekly Digest are archived on the ICA's website <http://www.ica.coop/>

[Back to Top](#)

What's On

In Australia

April 21

Co-operative Federation of NSW, One-day basic skills seminar for co-operative directors and staff - Tamworth

Contact: hmccall@onaustralia.com.au.

Registration Form: [Download](#) [PDF]

April 27

Masonic Centre, Surry Hills, NSW

Managing Risk, the Challenges for Non Government Organisations. The Council of Social Service of New South Wales (NCOSS's) first conference in 2004 will look at the risk management challenges facing NGOs and promoting risk management strategies.

May 2-4

Wrestling wicked problems: a new approach - Canberra

Australia's first National Community Development Conference.

[More info...](#)

May 3

[Opera in the Outback - 3 May 2004 - Nyngan](#)

Co-Opera presents Pagliacci by Leoncavallo

Email: louise@boganshire.com

WWW: <http://www.nyngan.com>

Article: [For details of the event](#)

May 5

[Social change on a budget - 5 May 2004](#)

Presented by the Not-For-Profit Communicators NSW - Darlington

[More info...](#)

May 13-14

ARCH Community Housing Conference, [Novatel Hotel](#), Wollongong. Community Housing Conference, hosted by the Association to Resource Co-operative Housing (ARCH). For details please contact karine@arch.asn.au

May 14

Institute of Public Administration Australia (IPPA)

[Citizens + Government: getting results - IPAA State Conference 2004.](#)

Sydney Convention and Exhibition Centre. [More info...](#)

May 21

ACCORD seminar - seminar in partnership with the Council of Social Service of New South Wales (NCOSS) presents How healthy are Associations in NSW?

A total of 2.35 million people are members of Associations in NSW across a wide variety of activities and industries, but just how well are they faring? The Australian Centre for Co-operative Research and Development (ACCORD) will present the findings of the first detailed survey of the NSW sector at a seminar in May. For more information please contact: suzanne.henderson@uts.edu.au

May 28

[Diversity Works Conference - Charlestown NSW](#)

Migrant Resource Centre of Newcastle and the Hunter region - Conference on the economic benefits that skilled and qualified migrants bring to regional NSW.

May 24-28

[Enterprising Communities Study Tour.](#)

Showcasing community economic development in the Hunter and Central Coast Regions.

May 27-28

Empowering Individuals and Families in the Human Services - Melbourne
Assets for all Australians: Ownership and Savings Options for an Independent People.
Contact: Vern Hughes: hotham@sub.net.au.

June 7-8

[Revolution in Community. How? Why? Now!](#)

Keynote speakers: David Henshaw, CEO, City of Liverpool, UK and Shelley Martin, ED, University of California Berkeley's Centre for Community Wellness.

July 14-16

[Australian Universities Community Engagement Alliance \(AUCEA\) National conference 14 - 16 July 2004 - Charles Sturt University, Bathurst campus](#)
Themed 'University Regional & Rural Engagement'.

July 14-17

[Ethics, leadership and corporate governance in a global economy](#) - Melbourne

Centre for Applied Philosophy and Public Ethics - Congress on ethics, justice and human rights in the context of the realities of business practice.

November 29

Cultural Development Network National conference - Melbourne

The conference will explore the potential of cultural development processes in local government community strengthening strategies.

December 6

[Education and Social Action Conference - call for proposals by 31 May 2004](#) - Centre for Popular Education at the University of Technology, Sydney.

[Back to Top](#)

Overseas

26-28 April

ICA Board Meeting, Beijing, China

Further information: Iain Macdonald

26 April

Opening of the International Trade Fair jointly organised by ICA ROAP and ACFSM, Beijing, China

Further information: <http://www.expo.coop>

8 June

ESOP Association Canada's 11th Annual Conference: Letting go - How to Succeed in Succession Planning <http://www.esop-canada.com/>

8-10 July

(IAFEP 2004) International Association For the Economics of Participation Biennial conference: Mending the Global Economy [Read the story online.](#)

19-20 September

ICA Board Meeting, Warsaw Poland

Further information: Iain Macdonald

[Back to Top](#)

Announcements

More news from Australia .coop

Co-operative Governance

Updated co-operative governance links and publications from the Co-operative Federation of Victoria - now 166 online publications and 48 links.

[Co-operative Governance Publications](#)

[Co-operative Governance Links](#)

New 2004 edition of the Co-op Dictionary from the Co-operative Federation of Victoria

The 2004 edition has 441 entries - 125 new and 49 revised Online @

<http://www.australia.coop/>.

auscoopdoc - the Australian Co-operative Documents data base (fp5)

auscoopdoc is a unique database of Australian publications about co-operation and co-operatives. Edition 1 April 2004 has 10,474 separate searchable entries. The database is in Filemaker Pro 5, (file size 7,938 KB). Filemaker Pro software is not required.

[Download the database here](#) (Right click & "Save As" to download).

Co-operative Federation of South Australia Newsletter

[Download their latest newsletter](#)

International Accounting Standards set to change

The Co-operative Federation of South Australia is urging its members to discuss the threat to co-operatives of IAS 32 (Financial Instruments Disclosure and Presentation), with their accountants and local MP's. [Australian Accounting Standards Board](#) for more information.

[Back to Top](#)

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 April. If you have any items of interest please ensure that these are forwarded to suzanne.henderson@uts.edu.au by 20th May 2004.

To refer a friend or to unsubscribe, please e-mail: accord@uts.edu.au. All contact information provided will be kept strictly confidential.

Disclaimer & Confidentiality Notice: The information contained in this newsletter is intended for the named recipients only and may include privileged and confidential information. If you are not the intended recipient, you must not copy, distribute, or take any action in reliance on it. Every care has been taken to ensure that the information contained in the newsletter is accurate but ACCORD, any of its Directors, staff, agents or associates, the University of Technology, Sydney, Charles Sturt University, staff, agents and associates of these universities, shall not be liable for loss or any other consequence, which may arise acting or refraining from acting as a result of material contained in this newsletter.