

# Cooperatives NEWS

a two-monthly newsletter  
focussing on New Zealand  
cooperative enterprise

[www.nz.coop](http://www.nz.coop)

APRIL / MAY 2010

## ALSO IN THIS ISSUE

- 2 **LOBBYING** As old as politics itself
- 3 **GOVERNANCE ISSUES** The LEADing Board
- 3 **ROBB ON COOPERATION** Co-op leadership – the critical factor
- 5 **GUEST EDITORIAL** Fruitpackers (HB) Cooperative Ltd
- 6 **CELEBRATING CO-OPS** Co-ops need a higher profile, says Dame Pauline
- 6 **CODE COMPANIES** Co-ops and the Takeover Code
- 7 **EUROPE** Finnish co-op project nominated for European Enterprise Award
- 7 Tampere Region Co-op Centre
- 7 **PRINCIPLES** What cooperation is
- 9 **TRADE FAIR** ICAExpo 2010 in Bangalore, India
- 9 **AROUND THE CO-OPS**
- 12 **CO-OPS ON THE WEB** Does your coop have one?
- 12 **EQUITY FOR CO-OPS** NCBA to create a co-op equity fund

## LEGISLATION WATCH

### Don't hit co-ops if they're not what you're aiming for!

by Ramsey Margolis

Executive Director, New Zealand Cooperatives Association

The New Zealand Cooperatives Association gave the Commerce Select Committee this very strong message in our written submission on the Financial Service Providers (Pre-Implementation Adjustments) Bill.

Our argument, in brief, is that cooperative shares are *not* investments – they are the price of membership which enables individuals and businesses to transact with a cooperative.

While they're not aimed at cooperative and mutual business as such, when the Financial Advisers Act 2008 and the Financial Service Providers (Registration and Dispute Resolution) Act 2008 come into force, they have the potential of hitting co-ops really hard.

It's clear that if the provisions of these Acts go into law as they stand, it would be a nightmare for a co-op or mutual which has people in the field talking with non-members, encouraging them to

buy from or sell to the cooperative, when this means purchasing member shares to do so.

#### NO MISCHIEF

The Association considers it inappropriate that cooperative and mutual businesses which are not involved in financial products should be subject to the requirements of this legislation as:

- cooperatives cannot cause the sort of “mischief” these Acts are designed to address
- cooperatives are disproportionately affected compared with investor-owned businesses in the same field, and
- the requirements of the Acts will result in significant compliance costs to cooperatives, and as no benefits will flow from the requirements, the compliance costs are totally unjustified.

The Cooperatives Association is continuing to examine the best ways that we and our members can let the Commerce Select Committee, and MPs in general, know in no uncertain terms that cooperatives and mutuals which are *not* involved in financial products should not have unnecessary compliance routines imposed on them, and so avoid the costs and considerable management aggravation that goes with them.

A copy of the NZCA's submission is to be found online at [www.nz.coop/news](http://www.nz.coop/news).

If you would like to discuss this issue, phone the Association office on 04 384 4595 or send an email to [nzca@nz.coop](mailto:nzca@nz.coop).

**YOU ARE INVITED TO THE ASHBURTON  
CO-OP NETWORKING LUNCH MEETING**  
Friday 21 May 2010 • 12–3pm • Braided Rivers, Burnett St, Ashburton

Speaker : To be announced shortly  
**Topic: to be announced shortly**

Open to directors, executives and members of all NZCA member businesses  
To book seats at the table phone Kate Letham 03 307 5109 or email [kate@ats.co.nz](mailto:kate@ats.co.nz)

Sponsored by Ashburton Trading Society Ltd – [www.ats.co.nz](http://www.ats.co.nz)

#### PUBLISHED BY

the New Zealand  
Cooperatives  
Association Inc.  
Level 3  
75 Ghuznee Street  
Te Aro  
Wellington 6011  
P 04 384 4595  
F 04 801 6966  
[nzca@nz.coop](mailto:nzca@nz.coop)  
No. 70  
ISSN 1175-3293 digital  
1175-3285 print

FIRST PLACE  
Improved Publication



Encouraging, promoting and  
advancing cooperative business

**nz.coop**  
NEW ZEALAND COOPERATIVES ASSOCIATION

## LOBBYING

### As old as politics itself

by Doug Woolerton

In New Zealand, most independent lobbyists call themselves government relations experts or public relations advisors, or they invent another, similar, pseudonym.

Lobbying though is as old as politics itself. Most lobbyists are in fact representatives of a specific industry or interest group, such as Ramsey Margolis who fulfils this role for the New Zealand Cooperatives Association.

Federated Farmers is another widely recognised and very vocal lobby group, and there are many others, such as the New Zealand Food and Grocery Council, which has Katherine Rich as its CEO.

The expectations of an industry representative are many. They will be required to monitor legislation and, should proposed legislation be contrary to the interests they represent, make representations to government by way of select committee submissions or personal contact with MPs and ministers.

Add to this a list of tasks such as training and public awareness, and theirs is an interesting and challenging role – one incidentally, which is neither understood nor recognised by most citizens who just expect somebody to be there to take care of it.

I often refer to the lobbyist's task as one of "industry good" because they have the responsibility of looking after and promoting a whole industry, not just one firm or entity within it.

Industry good solutions, it should be noted, are not designed to address all the many and varied problems which afflict individual businesses, and nor should they be.

This means that a business needs to look elsewhere for help when one of these types of problems rears its ugly head.

#### POLITICAL SOLUTIONS

It is not that smart to get into suing the government for real or perceived injustices inflicted upon one's business, but it does happen and, as a course of action, it will always be an option. However it is

rarely successful, and always very expensive.

Political solutions are far and away the best options for solving political problems, and this is what I provide. An independent lobbyist, I am hired to perform a specific task for a specific entity or person.

When working for a client, I have no responsibility to any other body, industry or otherwise – my responsibility is solely with my client. My services are therefore personalised, discreet and totally goal oriented.

This is about solving your political problems. Fixing a problem can sometimes be as simple as suggesting a few people for you to talk to, or as complex as a full strategy involving MPs, ministers and the media.

Very often my role can be one of providing information to our MPs which they would not receive by way of advice from their officials.

Here, I am talking about information which is specific to you, where it is my job to brief MPs on how an impending law change might affect you in a unique and detrimental way.

It is often the case that if our law makers are aware

of a problem they can make adjustments to a law at the draft stage, and avoid the potential harm.

Ramsey Margolis does this job for you from the viewpoint of being a cooperative, a mutually-owned business, but he is not able to intervene where a solution for one entity creates a problem for another.

#### SAYING YES ... MEANING NO

Most importantly, I am aware of how our political system works from many years of personal experience. Like any other line of work, there are unwritten protocols and ways of doing things that can make life easier, or serve to frustrate even the most dedicated.

Our Westminster style parliamentary system is more adept at keeping people out rather than letting them in. Usually this is done by saying "yes", when in fact all efforts to advance your cause are being thwarted, meaning that the real answer is "no".

I understand the difference and can therefore save you time and money by advocating for you.

Lobbying is my business. ●



Lobbyist and former Member of Parliament  
**Doug Woolerton**

PHOTO:  
COOPERATIVES NEWS



At the Beehive for 12 years, information on Doug Woolerton and lobbying can be found at [www.thelobbyist.co.nz](http://www.thelobbyist.co.nz)

## GOVERNANCE ISSUES

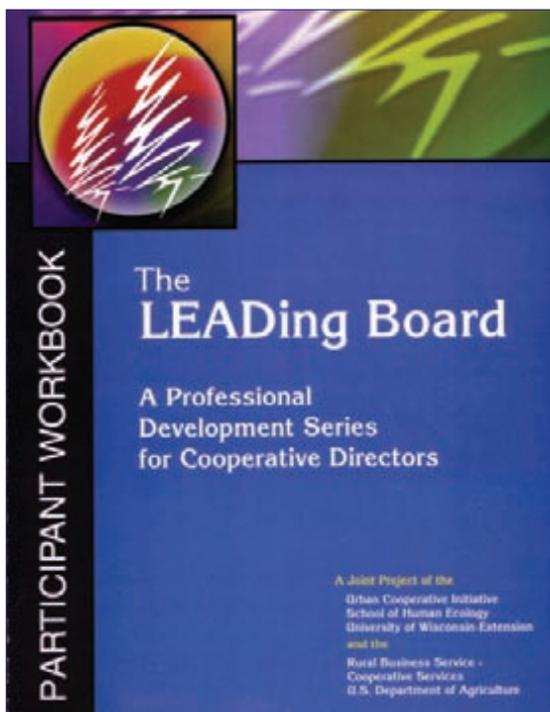
### The LEADing Board

by Ramsey Margolis

Executive Director, New Zealand Cooperatives Association

Developed at the University of Wisconsin in 2000, The LEADing Board is an innovative director training tool which has been designed to provide a high quality user-friendly professional development package for directors of cooperative and mutual businesses.

Produced with US cooperatives in mind, the material has been reviewed locally, and has proven



to be very relevant in the NZ context. The fundamental principles of a cooperative, we concluded, are the same in whatever country a co-op operates.

The New Zealand Cooperatives Association is very pleased indeed to be able to offer seminars for directors of member businesses in this country using this programme.

Describing participant response to The LEADing Board, principal author Professor Ann Hoyt said, "I'm especially pleased at the high level of interaction and discussion that grows out of the many interactive exercises in the series. Directors have been very complimentary about the series and the workshops we've held using these materials."

With nine modules run over two days, this course is ideal for:

- newly elected directors with little or no board experience;

- newly appointed directors with little or no experience of being on the board of a cooperative or mutual business.

#### MODULES

Lasting around an hour each, the modules are:

- **The cooperative: a special kind of business** (module 1);
- **What do directors do? Duties and responsibilities** (modules 2 & 3);
- **The big picture: providing leadership** (modules 4 & 5);
- **Directing management for desired results: board management relations** (modules 6 & 7);
- **Getting control over the present financial matters** (modules 8 & 9).

Workshop length can vary by the number of exercises included and the length of time spent on discussion questions.

Your co-op might be able to take advantage of this course by:

- sending individual directors to a course in a regional centre such as Auckland, Wellington or Christchurch where they will go through it with other co-op directors;
- organising a seminar for a board to go through together, on either two consecutive days or two days, and no more than three months apart.

Organised by the Cooperatives Association, these seminars will be facilitated by Alan Robb. The first two day course using The LEADing Board will be offered to members in July or August.

To find out more about The LEADing Board, contact the Association office. ●

## ROBB ON COOPERATION

### Cooperative leadership – the critical factor

by Alan Robb

Adjunct Professor, St. Mary's University, Canada

“The quality of leadership determines the success of all forms of organisation, and none more so than cooperatives. The skills of leadership can be learned and steps need to be taken to develop leaders at all levels.”



These are the views of Edgar Parnell who has had a lifetime of experience working with and for cooperatives around the world.

Parnell's wisdom and experience permeate his 1999

#### STOP PRESS

The first training session using The LEADing Board is to be for directors of rural vet clubs on 15 June, following the annual meeting of the Association of Rural Veterinary Practices

Background material on The LEADing Board can be downloaded from [www.usaskstudies.coop/pdf-files/Upacreek.pdf](http://www.usaskstudies.coop/pdf-files/Upacreek.pdf)

Alan Robb can be contacted at: [alan@alanrobb.coop](mailto:alan@alanrobb.coop) and on 021 061 6867

book *Reinventing Cooperation*, copies of which are available from the Cooperatives Association.

Why should the quality of leadership be more important in cooperatives than elsewhere?

The answer is that the values and principles of cooperatives differ from those of investor-owned companies and this needs to be recognised by the leaders of cooperatives.

- Cooperatives exist to serve their members whereas investor-owned companies exist to maximize the return on financial capital.

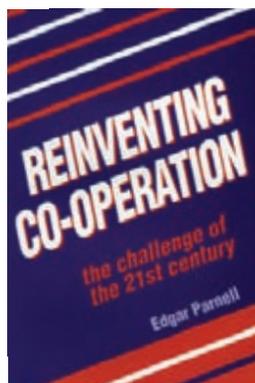
- Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity.

Cooperators believe in the ethical values of honesty, openness, social responsibility and caring for others.

By contrast, investor-owned companies exist to maximize profits and this depends on minimizing labour costs, externalising costs wherever possible, and seeking private gains in the market place irrespective of the social consequences.

- Cooperatives recognize a moral or ethical dimension in their activities while investor-owned companies have an amoral attitude to business.

For example, when asked about the havoc his currency speculation caused to Far Eastern economies in the crash of 1997, George Soros was quoted in the *New Statesman* as replying, "As a market participant, I don't need to be concerned with the consequences of my actions."



**A must read for cooperative directors and senior executives – for anyone hoping to run a successful cooperative business**

This book dispels the myths and misunderstandings that surround the cooperative business model, and sets out – in straightforward language – the essentials of understanding and organising a cooperative

paperback ■ 300 pages ■ ISBN 0-85042-136-5  
\$80 inc. post & GST from the Association office

## DIFFERENCE

Because cooperatives are different from investor-owned companies it is important that the education and training of leaders – whether executives or directors – is well grounded in cooperative principles and values.

When executives or directors join a cooperative for the first time it is unlikely that they will have much appreciation of how different the co-op model is.

Our business schools and universities rarely mention co-ops or mutuals. The continuing education programmes of professional bodies are likewise devoid of anything designed for the sector.

Directors and executives need an initial introduction to cooperative principles and values. Do they get this in your co-op?

Parnell comments that many newcomers to the job of a cooperative director are not provided with any induction training or proper preparation for the role.

"They are left instead to pick up the bad habits of existing board members or, if they are lucky, they will find out how a good board works in practice. All too often they are well into their term of office by the time they have plucked up the courage to ask questions."

## TRAINING

Director training needs to be ongoing. Again from Parnell: "In fact, the ultimate development of directors only takes place within the boardroom, as directors gain practical experience."

Similar comments apply to executives, especially those whose prior experience is limited to investor-owned companies.

All the more reason for supporting those programmes which are available for New Zealand cooperators:

- the Saint Mary's University masters programme on cooperatives and credit unions (taught over the web),
- the annual Monash University Agribusiness Cooperative Leadership & Governance Forum,
- the 2011 Massey University module on cooperative and mutual business and, right here,
- Cooperatives Association seminars and programmes for directors and executives.

Cooperative executives and directors can be sure of gaining skills that will be relevant in the competitive markets that lie ahead.

In Edgar Parnell's words: "Competition is the fuel of human progress, but it is cooperation that makes the journey worthwhile." ●

Each Robb on Cooperation column is now posted on [www.nz.coop](http://www.nz.coop) as a blog, where your comments are most welcome

Other writings can be found on the internet at [www.alanrobb.coop](http://www.alanrobb.coop)

Alan Robb is an independent consultant and commentator on financial accounting, cooperatives, corporate governance and business ethics

## GUEST EDITORIAL

### Some things change in 39 years, but some remain the same

by Jonathan Moffett

Chairman, Fruitpackers (HB) Cooperative Ltd

Fruitpackers (HB) Cooperative was founded 39 years ago to pack apples. Today we have 15 shareholding supplier members and handle some 20,000 tonnes of fruit, of which 70% goes for export, 15% for domestic and 15% for processing.



The turnover of the co-op is over \$10m and the FOB value of grower produce handled is more than \$20m.

In agribusiness terms, this is a very small cooperative, and the only apple packing co-op in New Zealand.

Statistics for the NZ apple industry for the past ten years are depressing: total planted area has reduced by 40% and export volume by 25% with the number of growing entities down from 2,000 in 1996 to around 450 today. This is partly due to consolidation and partly to tree removal.

#### CONTINUED SUCCESS

Despite this, our co-op continues to be profitable, albeit marginally, and has never posted a loss. Investment in technology has continued with, for example, colour sorting, an automatic pallet strapper, and automatic weighing and bagging machines.

Our biggest recent success has come from the Recognised Seasonal Employer (RSE) scheme, now in its third season. We are blessed with 60 Ni-Vanuatuans grading, packing and stacking for the five month export packing season.

Their enthusiasm and dedication to the job, punctuality and good nature is great to witness and with most returning, after two years, experience and skill levels are high. It is good to see them taking much needed hard-earned money back to Vanuatu.

With seasonal workers in mind, Fruitpackers purchased a former Watties family home with 1.5 hectares. On this property we built accommodation, kitchen and recreational facilities, and provide pastoral care. A major investment, Frupak Lodge is working well, with the Vanuatuans seen as a key part of our co-op.

The packing operation is now smoothly efficient compared with previous inconsistencies in season-

al labour from short period backpackers or local casual labour.

#### PRINCIPLES

I last wrote a guest editorial in 2002. Above are some of the changes within Fruitpackers, however our co-op principles don't change.

- Reason for a cooperative: better use of capital in a shared facility, with state of the art technology on an economically viable basis.

- Directorate: eight elected grower members, all with apple growing as their main or only business.

- Strategic plan set out and reviewed annually with the CEO in a six to eight hour isolated session. Policies are recorded on one page and become gospel for twelve months minimum.

Brilliant ideas or change in direction cannot be pursued if they are not line with the plan.

- Policy of members' share in the equity of the business is 60% minimum, which has been adhered to and, despite stress in the industry, is well above minimum.



- Directors meet monthly with preliminary meetings two days prior to allow consideration of proposals and crystallisation before decision time. Sub committee meetings are held prior to these.

#### CONSENSUS

There is a consensus approach to all board decisions, with no contrary votes recorded in twenty years of minutes.

All proposals for major capital expenditure and/or additional share capital requirements are put to a special general meeting of members for approval before the decision time.

We have the benefit of being able to call member meetings at short notice on account of the close geographic range.

Yes, we are a small co-op. But a combination of 39 years experience, long term resilient shareholding member suppliers and a very experienced, compatible permanent staff of 35 has made us truly cooperative. ●

Jonathan Moffett,  
Chairman, Fruitpackers  
(HB) Cooperative Ltd

The co-op's packing plant  
in Hawkes Bay

PHOTO: FRUITPACKERS (HB)  
COOPERATIVE



Fruit Packers (HB)  
Cooperative Ltd can be  
found online at  
[www.frupak.co.nz](http://www.frupak.co.nz)

## CELEBRATING CO-OPS

### Co-ops need a higher profile, says Dame Pauline

**D**ame Pauline Green, President of the International Cooperative Alliance, has called on cooperators to give the movement a higher profile.

Speaking in the UK at a recent meeting of the National Federation of Progressive Cooperators, she said that if cooperation is to make a decisive breakthrough, we must promote not only the cooperative idea but also the cooperative brand and cooperative achievements.

“We must persuade, we must lobby and we must find our way into the corridors of power,” she insisted.



Dame Pauline Green, speaking at the 2009 ICA conference in Geneva  
PHOTO: INTERNATIONAL COOPERATIVE ALLIANCE

Great progress has already been made, she pointed out. When Dame Pauline became ICA Europe President in 2002, it was based in Geneva, represented mainly the retail sector, had only one part-time worker, suffered poor relations with the cooperative business sectors that were based in Brussels and together employed about 70 people, and had no relationship with the European Union.

Today, membership of Cooperatives Europe, as ICA Europe is now known, comes from all sectors of the movement and is continuing to grow. When it decided to purchase premises in Brussels, ICA Europe received investments of more than a million Euros from member businesses across the continent.

It now has six full time staff and a new constitution, is an incorporated body in its own right and the European Commission frequently asks for its opinion and advice. It has also developed links with government and voluntary organisations in EU member states.

The organisation is engaged in a range of positive business activities in Europe, and in policy development in the poorer regions of Europe

and Africa.

ICA Europe operated in a way that was slow, bureaucratic, outdated and ineffective when Dame Pauline first took charge. She was not impressed.

She said it has learned that initiative, imagination and drive are crucial to maximising influence. It has developed links with governments and government organisations in all parts of the world and is beginning to work as a global body, bigger than the sum of its parts.

Dame Pauline added that it must now devote time and resources to reach the decision makers in the UN, the World Bank and other centres of political and economic power, particularly as 2012 has been declared the International Year of Cooperatives by the UN.

“Now is the time to make a global difference,” said Dame Pauline. “Think what we can achieve if we make our strength and our numbers matter. Think of the families across the world we can pull out of poverty; the villages we can supply with fresh water and electricity; the people whose health, housing, food, jobs and education we can assure.

“Now is the time to make the cooperative movement visible.” ●

## CODE COMPANIES

### Co-ops and the Takeover Code

by Ramsey Margolis

**D**oes your cooperative have more than 50 members? Interestingly, this number is to be determined by adding up not just the total number of shares issued but also by looking at how many people together own each individual share.

If you find you do have more than 50 people owning your shares, then your co-op is then a “code company” as defined in the Takeover Code.

If so, there’s an issue if your co-op has one member or investor shareholder with more than 20% of the voting rights: that shareholder is in breach of the takeover code, unless the shareholder has made a full or partial takeover offer or obtained the approval of the other shareholders in accordance with the procedures set out in the code.

This is, of course, a bit tricky if your business is a cooperative and that person actually isn’t interested in taking over the whole business!

It’s possible that the best thing they could do is sell some shares to get back to 20% of the voting rights, but you should make a call to your legal advisors reasonably swiftly. ●

#### THE INTERNATIONAL COOPERATIVE ALLIANCE PRINCIPLES

- voluntary and open membership
- democratic member control
- member economic participation
  - autonomy and independence
- education, training and information
- cooperation among cooperatives
  - concern for community



Tampere Region Cooperative Centre promotes cooperatives as a modern and flexible form of entrepreneurship

**THE NEW ZEALAND COOPERATIVES ASSOCIATION AIMS TO:**

- encourage, promote and advance New Zealand cooperatives
- act as a representative association for those engaged as cooperatives
- promote discussion and cooperation with decision-makers at all levels of government, designed to further the interests of the cooperative movement
- provide services and expertise to those engaged in the cooperative movement and to carry out research into all aspects of the movement
- collect, verify and publish information relating to the cooperative movement

## EUROPE

### Finnish cooperative project nominated for European Enterprise Award

The Tampere Region Cooperative Centre, a project in Finland for the promotion of cooperatives, is in the top 12 projects nominated for an award in the 2010 European Enterprise Awards – Rewarding Excellence in the Promotion of Entrepreneurship.

Offering new cooperative entrepreneurs free counselling and education services, the Tampere Region Cooperative Centre also makes its expertise available to professional business counsellors and develops new operational cooperative models.

Thanks to the centre, the number of cooperatives has risen by 500% in the past ten years, and in 2008, there were 180 new cooperatives with an aggregate turnover of Euro 37.7 million.

This is a clear recognition from the European Commission of the importance of cooperatives

and their economic and social role.

More than 330 projects competed in national competitions in 28 European countries for the European Enterprise Awards 2010. Participating countries – EU member states and Norway – could select up to two candidates for the European competition.

The 53 selected entries were reviewed by a high-level jury representing business, government and academia which drew up a shortlist of 12 nominees.

The winners will be announced on 31 May 2010 in a special ceremony during the Small Business Act conference in Madrid. ●

### Tampere Region Cooperative Centre

Since 1998, the Tampere Region Cooperative Centre in Finland has been promoting cooperative entrepreneurship, offering advice, education and providing information.

Anyone considering setting up a cooperative can

## What cooperation is

by Matt O'Regan, Chairman, Westland Cooperative Dairy Company Ltd

### OUR PRINCIPLES

This description of cooperative principles appears on the back cover of the Westland Cooperative Dairy Company's 1948 annual report. These were the principles that a good cooperatives then would have considered useful. While they are probably not the words we would use now, they still encompass principles that are part of Westland today.

#### ● BROAD IN CONCEPTION

Take on a large range of entities, large and small, close and distant.

#### ● EQUITABLE IN PRINCIPLE

This is fair but not necessarily equal. Using Westland's transport charge as an example, it's the same whether a member is close to or far from the factory.

#### ● HIGH IN IDEALS

The co-op's values: in Westland we have loyalty, respect, unity, and dedication.

#### ● PEACEABLE IN ASPIRATIONS

The things the cooperative wants to achieve should not cause major disharmony with its shareholding members.

#### ● DEMOCRATIC IN CONSTITUTION

The rules of the company treat members fairly.

#### ● HONEST IN ADMINISTRATION

Being honest, open and fair with members.

#### ● MODEST IN AIMS

Be realistic in what you do, and in fact be slightly conservative.

#### ● NEIGHBOURLY IN DEMEANOUR

This is probably a hard one in today's business world, but well worth remembering when dealing with the company's members.

#### ● PROGRESSIVE IN PRACTICE

Grow the business, look for new options, always improve.

#### ● ECONOMIC IN OPERATION

Be frugal, do not become a fat cat.

#### ● COMPETITIVE IN RESULTS

If you are not, then you will not survive.

#### ● PREGNANT WITH POSSIBILITIES

Cooperatives need to be open to options, and look outside the square. The board and management should always be exploring new ideas.

This was part of Matt O'Reegan's presentation to the Federated Farmers Dairy Council meeting in Wellington in February.

For more information on  
Tampere Region  
Cooperative Centre's  
recent work visit  
[www.yhteistoiminta.fi/  
taustaa/inenglish](http://www.yhteistoiminta.fi/taustaa/inenglish)

Cooks from school  
restaurant co-op Thyme

PHOTO: TAMPERE REGION  
COOPERATIVE CENTRE

Thyme, the school  
restaurant in Tampere's  
Waldorf School, is a  
model of cooperative self-  
sufficiency, with the  
members of the  
cooperative comprised of  
the restaurant's staff,  
school teachers and the  
parents of students

PHOTO: TAMPERE REGION  
COOPERATIVE CENTRE

Pellervo, the  
Confederation of Finnish  
Cooperatives can be  
found online at  
[www.pellervo.fi/finncoop  
/index.html](http://www.pellervo.fi/finncoop/index.html)

obtain practical advice from the very first steps of the establishment process. New cooperatives are offered a wide range of expertise which takes into account the needs of those forming the cooperative.

The Cooperative Centre has increased the number of the co-ops in the region over the last five years by more than 300 per cent, with co-ops set up with their help having over 700 members.

Their work is considered important in the region as new cooperatives not only create jobs, but those entrepreneurs already working in those fields strengthen their position through involvement with the cooperative.

New cooperatives channel both financial and social welfare to members, so there are positive multiplier effects all around.

#### WHAT'S ON OFFER

##### Cooperative counselling and education

- Information on cooperatives
- Information on joining together in a cooperative
- Advice on the process of cooperative establishment
- Administration and management of the cooperative
- Tailored education



##### Cooperative development

- Putting out information
- Social economy research
- Development projects
- National and international cooperation

Counselling services are free of charge to all of the citizens of the Tampere region. Other services (research, education, development) and services to those outside the region are charged.

Advice services to regional business consulting organisations are also free of charge.

#### DIFFERENT TYPES OF COOPERATIVES

Marketing cooperatives act as a channel for people or other entrepreneurs to market their products and/or services through mutual brand or trade name. A marketing cooperative offers its members economies of scale.

Purchasing cooperatives are like marketing



cooperatives but the benefit comes the other way round. The members of purchasing cooperatives benefit from the collective purchasing power it creates, allowing them to buy services and/or products in larger amounts for lower prices.

Worker cooperatives are established to create or maintain employment for their members. Through worker cooperatives, members sell their expertise and skills by services and/or the products they make.

The amount of cooperatives in social and welfare sectors is increasing as the public sector cannot meet the requirements and continually increasing costs of the society.

Those services offered in social and welfare sectors by cooperatives include household services, home nursing and hospice services.●

**2012**  
is going to be  
**United Nations**  
**International Year of the**  
**Cooperative.**  
**How will *your* co-op be**  
**making the most of this?**

## TRADE FAIR

### ICAExpo 2010 in Bangalore, India

by Ana Branco

ICA Expo staff

Launched at the Singapore International Cooperative Alliance (ICA) Congress in 2007, the ICAExpo World Cooperative Exhibition is growing into a very successful event.

The second ICAExpo will be held at Bangalore, India's renowned Karnataka Trade Promotion Organization Centre from 8–10 December, 2010.

The ICA intends ICAExpo 2010 to be a showcase for the cooperative model of enterprise with its equal emphasis on commercial success and social responsibility.

Offering an abundance of trading opportunities for the cooperative movement among cooperatives, the fair will also attract considerable attention from non-cooperative buyers and suppliers. It is also, however, a superb platform on which to assert the cooperative difference.

Exhibitors from different parts of the world have already signed up for a stand. To date, these include India, Brazil, Japan, Canada, Poland, Bulgaria, China and South Africa.

It's my view that this will provide them with a unique opportunity to get more visibility, update on the developments in their sectors, network with visitors and – most of all – conduct business!

Exhibition space is still available and I can offer a discount for registrations until the end of April.

For a copy of our promotional folder, costs and a reservation form send me an email. My email address is [anabranco@icaexpo.coop](mailto:anabranco@icaexpo.coop).

We're looking forward to a great expo and hoping for strong participation from New Zealand cooperatives. ●

## AROUND THE CO-OPS

### Ballance's new director brings fresh thinking to the table

Ballance Agri-Nutrients has brought a new independent non-elected director from outside the rural sector to give a new dimension to its board.

The fertiliser cooperative's chairman David Graham invited Tony McNeil, who recently stepped down as managing director of Foodstuffs (Wellington) Cooperative Society, to bring his forty years of retailing experience to the board.

"We are looking forward to Tony's contribution at board level," David Graham said. "He has exceptional marketing and strategic experience and has overseen some innovative service offerings at Foodstuffs Wellington, such as the fuel discounts, the construction of a fresh milk factory, and the move into standalone liquor outlets.

"I am sure the Ballance board will benefit from his entrepreneurial approach to business and his wealth of experience working for a cooperative."

Tony McNeil replaces Graeme Hawkins, who elected to stand down at the end of his term after

### NEW ZEALAND COOPERATIVES ASSOCIATION

#### COUNCILLORS ELECTED NOVEMBER 2009

**Chairperson**  
Peter Macdougall  
Millers Flat  
Roxburgh

**Arable & Horticulture**  
Adrian Gault  
Eastpack  
Opotiki

**Dairy**  
Christine Burr  
Fonterra Cooperative Group  
Auckland

**Fertiliser & Top Dressing**  
Tony Reilly  
Ravensdown Fertiliser Cooperative  
Takaka

**Financial Services**  
Girol Karacaoğlu  
PSIS  
Wellington

**Grocery Wholesale**  
Chris Knowles  
Foodstuffs South Island  
Christchurch

**Meat & Fibre**  
Herstall Ulrich  
Silver Fern Farms  
Pleasant Point

**Trading Societies**  
Lachie Johnstone  
Farmlands Trading Society  
Pukekohe

**Trades & Retail Services**  
Russell Green  
Capricorn Society  
Puhoi

**Other Members**  
John Timoti-Hohaia  
Hato Paora Cooperative  
Auckland

**EXECUTIVE DIRECTOR**  
Ramsey Margolis  
Wellington

Councillors can be contacted through the Association

**A 3.9 billion consumer market is waiting for your co-operative products.**

ICA Expo 2010 India, the largest global co-operative trade, will create business opportunities for co-operatives and contribute to making co-operatives increasingly significant actors on the commercial scene. More than 6,000 m2 are available exclusively for co-operatives to introduce their products; services and activities. Reserve your exhibition space and take advantage of the opportunities offered by ICA Expo 2010.

**ICA EXPO 2010**  
WORLD CO-OPERATIVE EXHIBITION

8 - 10 December, 2010  
Bangalore Trade Centre  
Bangalore - India  
Reservation:  
**+351 214 827 503**

[www.icaexpo.coop](http://www.icaexpo.coop)

**ASIA**

- A continent with 3.95 billion inhabitants
- A 7.8% annual economic growth
- The third biggest market in the world
- The fourth biggest economy in terms of purchasing power parity (PPP)

Worldwide Fair & Congress  
Av. da República, 63, República, Esp. G  
2000-143 - Alameda - Portugal  
Tel: +351 21 482 7500  
Fax: +351 21 992 3381

International Cooperative Alliance  
15, rue de Wolfara, 1218  
Grand-Sarrazin, Geneva, Switzerland  
Tel: +41 22 320 88 28  
Fax: +41 22 798 41 22

Indian Farmers Fertiliser Cooperative  
IFFCO Bafra, C-1, D. C. Bafra Place  
New Delhi - 110017, India  
Tel: +91 11 42920026  
Fax: +91 11 42920020

13 years on the Ballance board.

Ballance Agri-Nutrients has eight directors elected by its former shareholders regionally and two non-elected directors, the other one being David Pilkington, also from Wellington. ●

---

## New co-op in retail travel market set to shake up the industry

Newly formed travel retailer World Travellers Ltd has launched to the New Zealand travel market promising a new direction and fresh thinking which is set to shake up the traditional travel industry model.

World Travellers chairman Graeme Moore believes the new cooperative that brings together a group of highly successful and experienced travel agencies has the ability to not just fight the increase in online bookings, but use it to their advantage.

“Many kiwis are turning to the internet to book domestic or trans-Tasman flights. However when they start to look at a more complex long-haul itinerary the confusion often starts,” said founding retailer Craig Corbett. “Having an agent who not only knows their travel needs, but also has the experience and know-how to construct complex bookings is invaluable and people are definitely starting to realise this.”

While many travel retailer groups offer a verti-

cally integrated travel distribution model through their own wholesale divisions, World Travellers have set out in a new direction with a decision to choose Flight Centre as their product supplier for this new venture.

“Choosing Flight Centre means we source the best product in the market at extremely competitive prices, leaving us to focus solely on our retail sales and marketing while providing the best deals for our clients,” said World Travellers chairman Graeme Moore.

“This new cooperative model has allowed us to have a virtual head office, low overheads and we believe is the future for independent travel agencies.” ●

---

## Eastpack signals expansion

The largest onshore grower-owned kiwifruit co-op and biggest handler of gold kiwifruit, EastPack reported a solid financial and operational result for the year ended 31 December 2009.

“We are dedicated to working in the best interest of our growers at all times. As such, we are an attractive proposition to our suppliers who resoundingly support the premise of grower ownership and control, not just of their postharvest service provider but of our industry,” said EastPack chairman Ray Sharp.

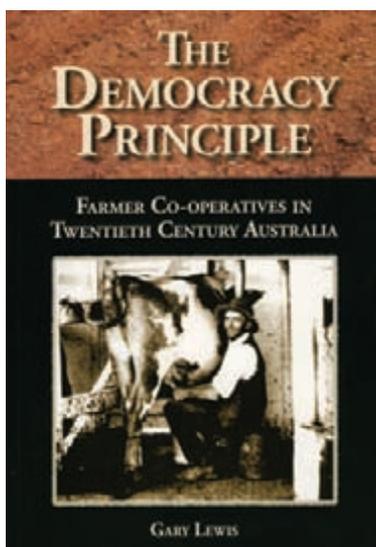
“While much of EastPack’s growth will come from our own competitive best value proposition, there may be other opportunities we will look at. This we see as necessary to ensure that no single entity outgrows other entities to the extent that it can control or dictate industry policy. There needs to be a balance and at present EastPack is the most appropriately positioned to ensure balance is maintained.”

The vertically integrated Bay of Plenty postharvest supplier recorded significant growth in the 2009 financial year in revenue, earnings and profitability and gains in operational efficiencies from upgrading infrastructure, processes and capabilities to deliver higher than average industry orchard gate returns to its grower members.

### HYBRID

A hybrid cooperative, directors increased the member rebate from 20¢ to 25¢ per class I tray of kiwifruit supplied and lifted the dividend on investor shares from 13¢ to 14¢ per share.

EastPack handled 16 million export tray equivalents of kiwifruit in 2009, is targeting in 2010 18.25 million trays, up 14% and another 10% volume



- How Australian farmer cooperatives originated
- How they came to occupy a unique position in the Australian economy
- The challenges they met – and failed to meet
  - Prospects for their future development

paperback ■ 440 pages ■ ISBN 0-64646-587-2  
\$35 inc. post & GST from the Association office

increase in 2011. Retained earnings of \$1.6 million will part fund with depreciation and a small amount of bank debt another \$9.0 million budgeted in 2010 for capital improvements at Edgecumbe, Opotiki and Te Puke to handle the increased volumes.

“Arguably we have the most modern and sophisticated fruit processing plant and technology in New Zealand, particularly for gold kiwifruit, and we believe this gives us a competitive advantage,” Ray Sharp said.

“We are strongly positioned to continue to grow to support the ambitions and emerging opportuni-

**The  
Cooperative  
Advisory Group**

*Need help setting up a cooperative?  
Perhaps you want to discuss issues in  
your co-op?*

**Phone the NZCA office on 04 384 4595**

ties for our grower members in the face of ongoing industry rationalisation, the need for some serious investment in plant by many competitors and the forecast for huge growth in New Zealand volumes from new varieties coming on stream.”

He said EastPack had an important role in influencing the future direction of the industry to ensure all growers benefited from an anticipated doubling in export volumes and trebling in export receipts in the next 15 years as Zespri commercialises new varieties.

“The industry’s single point of entry structure provided an essential stable environment to support investment, innovation and expansion,” said Ray Sharp. “Our collaborative and cooperative way of working together means New Zealand will continue to lead the category worldwide and our country will earn more from exporting a unique portfolio of quality kiwifruit.” ●

.....

### **Fibre Spectrum – an artists’ co-op**

**R**eal souvenirs are not “Made in China”, and when someone visits a place like Nelson, they want to take home something special. That’s a lesson learned over the past twenty years by a cooperative of artists who own and operate Fibre

Spectrum, a shop in the heart of Nelson.

This group of local craftswomen transform the fleeces of New Zealand sheep and alpaca as well as silk and even possum fibre into works of art.

Most of the Fibre Spectrum artists are mothers and grandmothers creating their work around busy careers and families, and their shop feels like a cross between a boutique and a home.

Racks of handcrafted sweaters, shawls and scarves, bins of handspun yarn and artful tableaux of hats and slippers are inviting to the touch.

And with no-one between artist and customer, members agree that everyone benefits – the artist members of the co-op receive more for their work and customers get a better bargain.

### **COMMITMENT**

In the 1980s, a weaving supply shop occupied 280 Trafalgar Street near the steps of the cathedral. Several local weavers sold their creations there, including Jackie Archer. “In 1987, we learned the owner was giving up and we thought that was a shame,” said Jackie.

“We could run a shop, we thought, but then we wondered if we could find enough people. We thought we’d need at least ten.”

They found that, and more, and after a few meetings a dozen weavers committed to the new fibre artists cooperative, each working in the shop for a half-day each week. Twenty-three years later, three of the original members are still guiding the co-op.

Each member contributes also their own business talent. It could be keeping the accounts, purchasing supplies, designing displays, and they attend a monthly co-op meeting where they talk business ... and socialise.

“We began the business during an economic downturn,” said Jackie, “and wondered if we’d still be here in three months, let alone twenty years.”

It looks like the co-op is here to stay. ●

.....

### **Mitre 10’s three point plan**

**H**ardware store cooperative Mitre 10 recently announced that it was entering a new phase of development, having acquired full ownership of its brand names, appointed a new chief executive and launched aggressive plans for growth.

The cooperative has acquired full ownership of the Mitre 10 brands for New Zealand following the sale of Mitre 10 Australia to Metcash.

Started in 1974, Mitre 10 New Zealand is completely separate from Mitre 10 Australia and, as a

Our thanks to the *Nelson Leader* for their kind permission to reprint this article on Fibre Spectrum Cooperative

Our thanks to the *Nelson Leader* for their kind permission to reprint this article on Fibre Spectrum Cooperative

cooperative, is wholly owned and operated by New Zealand families with 110 stores nationwide, 3,500 staff and sales approaching \$1bn a year.

Chairman Martin Dippie announced the appointment of John Hartmann as the co-op's new chief executive. "John is a former chief operating officer of HD Supply, a leading American wholesale distribution company, and prior to that worked for Home Depot, the world's largest home improvement retailer.

"His expertise will be invaluable in leading Mitre 10 New Zealand as we enter our next major growth phase," Martin said. He went on to state that the co-op's expansion plans included a major roll out of new Mitre 10 Mega stores across the country.●

## CO-OPS ON THE WEB

### Does your co-op have one?

With the first year free, in the first three months of 2010, five NZCA member businesses have signed up for a free .coop domain. They are:

- **Composite Retail Society**, which currently uses [compositeretail.co.nz](http://compositeretail.co.nz) but intends to switch completely to [compositeretail.coop](http://compositeretail.coop) in due course
- **The New Zealand Honey Cooperative**, which has [nzhoney.coop](http://nzhoney.coop) as well as [nzhoney.co.nz](http://nzhoney.co.nz)
- **Plumbers' co-op NZPM Group** now has [nzpm.coop](http://nzpm.coop) as well as [nzpm.co.nz](http://nzpm.co.nz)
- **Financial services cooperative PSIS** has [psis.coop](http://psis.coop) as well as [psis.co.nz](http://psis.co.nz), and
- **Velexco Cooperative Group** has [velexco.coop](http://velexco.coop) as well as [velexco.co.nz](http://velexco.co.nz)

Other members with a .coop domain include:

- **Canterbury Education Services Society**, which has [ces.coop](http://ces.coop) and [nzeducationsservices.coop](http://nzeducationsservices.coop) as well as [cessl.org.nz](http://cessl.org.nz)
- With members in three countries, **Capricorn Society** made the switch from .com.au to .coop last year. Capricorn now has [capricorn.coop](http://capricorn.coop), [capricorn-mutual.coop](http://capricorn-mutual.coop), [capsoc.coop](http://capsoc.coop), [capcoop.coop](http://capcoop.coop), and [capricornrewards.coop](http://capricornrewards.coop)
- **South Island trading society CRT** has [crt.coop](http://crt.coop) as well as [crt.co.nz](http://crt.co.nz)

- In the North Island, **Farmlands Trading Society** has [farmlands.coop](http://farmlands.coop) as well as [farmlands.co.nz](http://farmlands.co.nz)

- **Hato Paora Cooperative Co** has the domain [hatopaora.coop](http://hatopaora.coop), which it uses just for email

- **Interflora Pacific Unit** uses [interflora.coop](http://interflora.coop) as well as [interflora.co.nz](http://interflora.co.nz)

Of course, the **Cooperatives Association** uses [nz.coop](http://nz.coop) and finally the cooperative commentator **Alan Robb** has the domain [alanrobb.coop](http://alanrobb.coop) which he uses for both his website and mail.

How could your business benefit from a .coop domain? Phone the association office if you'd like to discuss this, visit [www.pacific.domains.coop](http://www.pacific.domains.coop) to sign up for one and check [www.nz.coop/switching-to-coop/](http://www.nz.coop/switching-to-coop/) for information on how to get the best out of your .coop domain.●

## EQUITY FOR CO-OPS

### NCBA to create a co-op equity fund

The board of the Washington-based National Cooperative Business Association voted recently to create a \$6m cooperative equity fund.

A feasibility report produced by the Calvert Foundation showed there is sufficient demand for a fund that would allow private investors with "patient capital" to invest in developing or expanding cooperative businesses.

The fund will focus initially on businesses that are mature enough to pay a current return on the fund's investments, with funds for start-ups later.

For a copy of the report write to the NZCA office at [nzca@nz.coop](mailto:nzca@nz.coop) or phone 04 384 4595.●

## DATES FOR YOUR DIARY

- **Tuesday 20 April**  
Council Meeting – Wellington

- **Friday 21 May**  
Co-op Networking Lunch Meeting – Ashburton

- **Thursday 19 & Friday 20 August**  
Cooperative Education Seminar – Wellington

- **Friday 26 November**  
Annual General Meeting – Christchurch



THE FIRST YEAR IS FREE –  
NOW'S A GREAT TIME TO  
GET ONE FOR YOUR CO-OP  
→ [WWW.PACIFIC.DOMAINS.COOP](http://WWW.PACIFIC.DOMAINS.COOP)

A summary of the NCBA's report is available at [www.ncba.coop/pdf/PublicPolicy/091221ExecSummaryFINAL.pdf](http://www.ncba.coop/pdf/PublicPolicy/091221ExecSummaryFINAL.pdf).

### DISCLAIMER

While all care has been taken in compiling information for the Association newsletter and it is provided in good faith, it is not to be relied on as a substitute for professional advice.

This Association accepts no responsibility for the accuracy, completeness or timeliness of information.

The views expressed within the newsletter may be those of the authors and not necessarily those of the New Zealand Cooperatives Association.

If you wish to reproduce any information please check first with the Association in case there are any limitations on the availability of the information to be used.