

Cooperatives NEWS

*with a focus on New
Zealand cooperative
and mutual enterprise*

www.nz.coop

FEBRUARY – APRIL 2012

ALSO IN THIS ISSUE

- 2 **UN IYC 2012**
Celebrating the
year, kiwi style
- 3 **CO-OP ACCOUNTING**
New journal
publishing this year
- 3 **LEGAL MATTERS**
Effective disclosure
- 4 **INTERVIEW** Paul
Hazen
- 5 **GUEST EDITORIAL**
Ashburton Trading
Society
- 8 **EDUCATION MATTERS**
Co-op researchers
to gather in
Wellington
- 9 **SOCIAL MEDIA**
Communicating
socially
- 10 **MORRISON'S PITCH**
Cooperatives and
politics: a New
Zealand
perspective
- 12 **AROUND THE CO-OPS**
Two NZ co-ops
forge mutually
beneficial
partnership

Hawke's Bay apple
co-op celebrates
40th anniversary



We are pleased to announce that **THE NEW ZEALAND LAUNCH** of the **UN International Year of Cooperatives**

will take place in
The Grand Hall, Parliament Buildings Wellington
on **Tuesday 27 March, 2012**

Hon Craig Foss, Minister of Commerce,
will be hosting the event
and officially launch the Year

by invitation

COOPERATIVE ENTERPRISES BUILD A BETTER WORLD



PUBLISHED BY

New Zealand
Cooperatives
Association Inc.
No. 79
ISSN 1175-3285 print
1175-3293 digital
Level 3, 75 Ghuznee St
Te Aro, Wellington 6011
Phone +64 4 384 4595
Email nzca@nz.coop
Web <http://nz.coop>



**TAKING OUR COOPERATIVES
AND MUTUALS SERIOUSLY**

nz.coop
NEW ZEALAND COOPERATIVES ASSOCIATION

UN IYC 2012

Celebrating the Year, kiwi style

by *Ramsey Margolis*

Executive Director, New Zealand Cooperatives Association

The UN General Assembly has declared 2012 to be the International Year of Cooperatives in recognition of the contribution of cooperatives to global social and economic development.

Unlikely to happen again in our lifetime, this Year offers the Cooperatives Association and our members the opportunity to raise the profile and role of cooperatives, along with their contribution and importance to New Zealand.

Rich in diversity, the cooperative movement is decentralised by nature. Many 2012 activities will have local accents and flavours with co-ops and credit unions celebrating and recognising the year with their members, staff and community

partners in different ways.

For the Association, it's a launch pad to lobby and secure enabling legislation and policy. It's also a year to stimulate thinking, creativity, and leadership on legacy projects that will live beyond 2012. With this in mind, do ensure that people from your business, board members and executives, are at the June cooperative research conference in Wellington.

OPPORTUNITIES

Celebrating this year will only be possible because of the tremendous level of support the Association has received for our programme.

The important question, though, is how can your cooperative best celebrate this international year? For every business there will be a different answer and the National Committee is keen to speak with you about this. If you haven't already got in touch with the IYC National Committee, you are urged to do so as soon as possible.

Unlike any other business sector, cooperatives share a set of international principles and governance practices and structures. 2012 will provide an opportunity to maximise our strength and impact through common messages, with the logo giving a common visual identity around the world and the slogan developed by the International Cooperative Alliance complementing your corporate identities.

Our aim for the UN IYC 2012 is to leave a legacy that enables politicians, policymakers, regulators and the media to have a clear understanding of the significance of cooperatives and mutuals in the New Zealand economy, and a sense of how many hundreds of thousands of New Zealanders interact with co-ops on a daily basis.

We want these groups to have a clear understanding of the cooperative business model and how it differs from the standard business model, that of the investor-owned company.

We want to raise awareness within the tertiary education sector and professional bodies such as the NZ Law Society and the NZ Institute of Chartered Accountants around the cooperative business model, and in so doing persuade them to introduce courses on cooperative and mutual enterprise into their curricula.

LAUNCH

The official New Zealand launch at Parliament by Hon Craig Foss MP, Minister of Commerce will be on Tuesday 27 March. As well as the Minister, speakers include Association Chairperson Blue

To find out more about the UN International Year of Cooperatives go to:

<http://social.un.org/coopsyear>

<http://2012.coop>

<http://nz.coop/iyc>



GOLD PARTNERS

Alliance Group
Capricorn Society
Fonterra Cooperative Group
Foodstuffs New Zealand
Rabobank
The Co-operative Bank

SILVER PARTNERS

NZPM Group
Ravensdown
Silver Fern Farms

BRONZE PARTNERS

Ashburton Trading Society
Ballance Agri-Nutrients
Farmlands Trading Society
Fruit Packers (HB) Cooperative
LIC
New Zealand Association of Credit Unions

DONORS

Coural
CRT
Dairy Goat Cooperative
LBMX Inc (Canada)
Pharmacy Wholesalers (Bay of Plenty)
Pharmacy Wholesalers (Central)
Plus 4 Insurance Solutions
Westland Dairy Cooperative

Read, Rabobank Netherlands Executive Board Chair Piet Moerland and International Cooperative Alliance President Dame Pauline Green. The launch will be followed by a dinner for cooperative CEOs and Chairs.

The Association will be launching a new website at <http://newzealand2012.coop> specifically for this international year, featuring information on co-ops both in this country and overseas.

Advertorials are being prepared for the country's major metro and provincial newspapers, and opinion pieces will be supplied to newspapers throughout the year.

Lapel pins are available from the Association office and a generic Powerpoint presentation that can be modified is being produced, as are information sheets on the international year.

SOCIAL MEDIA

Chris Park, our Communications Officer, has written elsewhere in this newsletter of his work on Facebook, Twitter, YouTube and LinkedIn. We have been speaking with the United Nations Association on getting information on cooperatives to their members and interested parties.

June sees the launch of the New Zealand Association for the Study of Cooperatives and Mutuals with a research conference in Wellington. The list of presenters so far is excellent, and the lineup of the two panel sessions is nothing short of stellar.

The year 2012 offers New Zealand cooperatives a wide range of possibilities. It should be taken advantage of. ●

CO-OP ACCOUNTING

New journal publishing this year

Due to come out in May or June, 2012, the *Journal of Cooperative Accounting and Reporting* is to be an open access, peer-reviewed and refereed international journal.

It will be published by the Centre of Excellence for Accounting and Reporting for Cooperatives at the Sobey School of Business, Saint Mary's University in Canada.

The journal's main objective is to provide an intellectual platform for international scholars of cooperatives and social enterprises.

It aims to promote the study of accountancy and reporting for cooperatives, credit unions, and mutual organisations and will be publishing research papers focused on cooperatives, credit

unions, and mutual organisations in all areas of accounting, including:

- Accounting Theory and Practice
- Accounting Standards
- Accounting Education
- Auditing
- Accounting Information and Systems
- Accounting Systems Management
- Behavioural Accounting
- Cost/Managerial Accounting
- Performance Measurement and Analysis
- Financial Management
- Tax Accounting
- Public Responsibility and Ethics
- Technology Innovation Management, and
- Knowledge Management.

Original papers, review papers, conceptual framework, analytical and simulation models, case studies, empirical research, technical notes, and reviews of books and accounting standards will be published.

The editor is inviting papers for the inaugural issue. For further information email jcar@smu.ca or visit <http://www.coopaccounting.coop>. ●

LEGAL MATTERS

Effective disclosure

by Matthew Farrington

Senior Solicitor, Buddle Findlay

The Financial Markets Authority (FMA) is currently consulting on a guidance note regarding "effective disclosure".



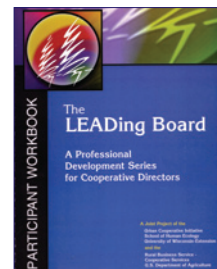
The application of this guidance note to cooperative companies and industrial and provident societies is not entirely clear.

The Association will be approaching the FMA to seek clarification of several

points.

This may proceed in conjunction with the Ministry of Economic Development's current work on the Financial Markets Conduct Bill, and the Association's project to make the requirements for disclosure to prospective cooperative members more relevant.

For further information, see the FMA website (<http://s.coop/816v>) and the Association's previous submissions on the Financial Markets Conduct Bill (<http://s.coop/816w>) and our earlier discussion document (<http://s.coop/816x>). ●



A two day governance course for current and potential directors will be taking place at AgResearch Invermay on 29 & 30 March

For more info and to secure your place write to Robbie Burnside burnside.hart.trust@gmail.com

Costing just \$250 per person, this course is subsidised by the Burnside Hart Cooperative Education Trust

To get in touch with **Matt Farrington** phone 04 462 0926 or email matthew.farrington@buddlefindlay.com

INTERVIEW

Paul Hazen

President and Chief Executive of the National Cooperative Business Association (NCBA), the U.S. equivalent of the New Zealand Cooperatives Association, Paul Hazen, recently stepped down after serving as the organisation's leader for 13 years and a member of staff for 25 years in all. He was interviewed by Steve Dubb, Research Director of The Democracy Collaborative at the University of Maryland, College Park.

STEVE DUBB Could you explain how you came to be involved with cooperatives and what inspired you to focus so much of your life's work on that sector?



Paul Hazen

Photo: National Cooperative Business Association



CBJ Cooperative Business Journal is put out by the National Cooperative Business Association six times a year

For a sample copy write to the NZ Cooperatives Association office

PAUL HAZEN Growing up in Wisconsin, I had been exposed to many cooperatives. My parents were members of the electric co-op, and many agricultural co-ops held their annual meetings as public events - with picnics for the whole community. So even though my parents weren't farmers, I also attended those.

I first became really interested in working for co-ops when I worked in the 1970s for Representative Al Baldus. He was on the House Agriculture Committee and Chair of the Dairy Subcommittee, so I would go to many co-op meetings with him.

Attending these meetings, I began to understand these were economic businesses that were striving for the success of their members, but

that they also had a social purpose.

It was so logical and made so much perfect sense. From then on, I knew I wanted to get involved with co-ops.

SD When you came to work for NCBA in 1987, it was a mature organisation with 71 years of history behind it. Surely the past two dozen years have brought considerable changes? How has NCBA changed over this period and what has stayed constant?

PH What has stayed constant is a commitment to cooperative principles and values. We always keep those out front. We see ourselves as the protectors of those principles and values. While they need to evolve and be flexible, those basic fundamentals stay in place.

A commitment to cooperative development, both domestically and internationally, has been constant. We have added a commitment to being a common table that brings all of the cooperatives together.

We have a real focus on making sure that all co-op sectors are involved. Back in 1987, purchasing, worker and daycare co-ops were not at the table. A concerted effort was made to make sure that everyone has the opportunity to participate. That's a real positive change.

The global view that we have a responsibility to participate with cooperatives in the world, not only in our development work, but engaging with colleagues, that has also been a constant.

SD How has the nature of the co-op movement in the US shifted over the past couple of decades? What sectors or market segments are seeing a growing co-op presence? Are any declining?

PH Overall, I am seeing much more focus on cooperative identity in various sectors. In the electrical sector, they have done a tremendous job. The credit union movement is coming up behind that. Of course there is a strong sense of co-op identity with worker and food co-ops.

Overall, there has been a generally positive shift, with more cooperatives - and larger cooperatives - embracing their co-op identity.

We do see fewer farmer co-ops because we have fewer farmers, but the percentage of the market that cooperatives are engaged in continues to grow.

One area that is going to be really tough is

continued on page 6 »

GUEST EDITORIAL

Punching above our weight

by Phil McKendry

Chairman, Ashburton Trading Society Ltd

Ashburton Trading Society (ATS) is a farm supplies cooperative in Central Canterbury. It began in 1963 when some thirty farmers combined their collective and independent buying



power in what was then a highly regulated market dominated by stock and station firms who often supplied all of a farm's inputs (finance, fuel, fertiliser, rural supplies) as well as receiving and processing the farm's outputs (meat, wool, grain and seed).

ATS grew as a buying group, opening the first retail store in 1976. Next year, ATS's 50th, the cooperative will transact in excess of \$200m with 2,500 members, offerings through its card supplier network, fertiliser, fuel, electricity suppliers, three retail stores, and subsidiary businesses.

Membership of ATS is restricted to those who make their living from the land. This gives a clear strategic focus to the Society, enabling it to achieve an effective market position for its members, and it makes its membership base attractive and efficient for suppliers to access.

A new member contributes \$500 capital on joining, and their equity builds up as they share



in the profits of the business. Currently, the average equity of a member in ATS is around \$4,000.

This capital requirement is both minor and voluntary compared to the capital a farmer invests in their primary business, such as land, machinery, dairy/meat/fertiliser cooperative shares, and irrigation supply.

Low capital exposure by our members means their support, and the ongoing viability of the business, depends on ATS having a very compet-

itive and relevant offering to attract members' business. Many of ATS's farm supplies competitors are easy for farmers to access and have a nil customer capital requirement.

ADVANTAGES

Central Canterbury is a very productive and progressive farming region which continues to have substantial ongoing growth. This is mainly based on irrigated arable and pastoral farming businesses where ATS does have several competitive advantages.

The co-op remains focused on lowering costs to members and has developed an effective busi-



ness model to achieve that with a disciplined adherence to a low expenses to turnover ratio, the proactive management of our card suppliers to ensure genuine discounts (versus the charge card facility offered by some competi-

tors), selective and sometimes exclusive bulk purchasing offers to our members, and the lowest possible pricing for members at our retail stores.

As an independent and regional buying group in an industry dominated by a small number of substantially larger entities with much wider service and product offerings, there is often discussion around the ATS board table regarding the longer term sustainability of the Society.

Much consideration is given to the scale, competitiveness and relevance of the Society. The criteria used in this assessment include member pricing at our retail stores, the return on member capital, the competitiveness of group buying deals, the quality of service ATS can offer, and the ability of ATS to influence both market pricing and dynamics in our members' favour.

While ATS remains a small regional cooperative, it continues to deliver value for members by retaining a strong service culture and clarity on who is the customer. This clarity ensures that the cooperative remains relevant and focussed on delivering the best possible products, pricing and service in a rural supplies market that is continually evolving. ●

Phil McKendry
Chairman, Ashburton
Trading Society
Photo: ATS

The Southern Alps as
seen from Central
Canterbury
Photo: ATS

One of the three ATS
retail stores
Photo: ATS



Ashburton Trading
Society can be found at
www.ats.co.nz

« continued from page 4

telephone cooperatives. It is a very competitive marketplace and the technologies make it difficult to compete. That is an area where we are not seeing growth.

We are seeing growth with electrical co-ops where suburbs expand into what were formerly rural area, bringing new members into the co-op.

Purchasing co-ops - independent businesses competing in a global marketplace - there too we are seeing continuing growth.

SD In recent years, NCBA has placed a greater emphasis on research as to the economic impact of cooperatives. What are some of the findings of this research work and what do you see as research priorities for the field?

PH In the US, there has been a tremendous amount of research on cooperatives in sectors such as agriculture and finance, but little comprehensive research about the sector in general and little hard research about the competitive advantages of cooperatives.

So NCBA a number of years ago initiated a program to get that basic data. We are looking for data regarding such matters as the number of members, the number of cooperatives, economic turnover, job creation.

We hope academics will take this basic data on the impact that co-ops have and apply that data not only nationally but regionally, and then delve deeper into the secondary benefits.

Does a cooperative provide competition to other businesses and drive down prices for people who are not even members? Is there a further economic benefit?

Similarly with the tremendous amount of training and education for members. Are they better citizens? Do they vote in a higher proportion? Are institutions with cooperatively trained leaders more effective?

We see this anecdotally but hope to demonstrate it. That's the real goal and we're part way there. We need research over a period of time, rather than just a snapshot, to demonstrate the real benefits of co-ops.

SD The issue of scale has always been a challenge for co-ops. Scale can boost capacity, but can also mean larger organisations that may become disconnected from the communities they serve. Of course, NCBA itself is made up of a number

of cooperatives, some large, some small. In what ways do NCBA member cooperatives seek to negotiate this balance?

PH Those co-ops with a strong board of directors can instill into their cooperatives the culture that it is their responsibility to be the interface between the members and management.

Where we find disconnect is when management has too much say and doesn't see the involvement and empowerment of the members as part of its business operations.

A key question with any co-op, large or small, is whether the board of directors is creating opportunities for member engagement.

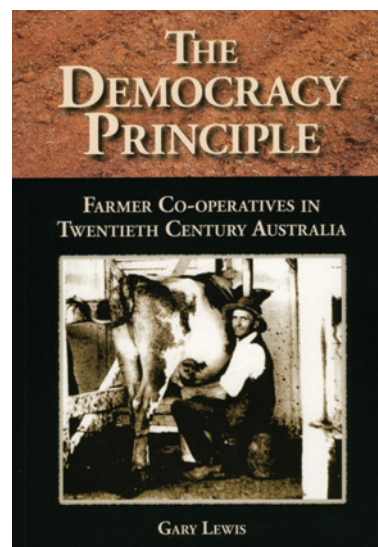
Health Partners, a Twin Cities area consumer health care cooperative, has over 500,000 members, but they work at engaging their members by having open board meetings. They also engage with local councils.

They really have a governance plan to ensure that the members are engaged. To me that is the key: have a governance structure where you don't have a disconnect between the large co-op and the membership.

SD Co-ops are enjoying a new visibility, in part due to growing frustration with what might be called "American business as usual". What do you see as steps that the co-op movement needs to take nationally to build on this new visibility?

**The
International
Cooperative
Alliance's seven
cooperative
principles**

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



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

PH A common theme here is to ensure that there is the infrastructure and tools in place so that when people want to organise themselves into a user-owned business they can accomplish that. Make sure there are good laws, educational materials and technical assistance.

This time, we have a better chance of seizing on the renewed interest in co-ops. We have a network of cooperative development centres, we have the financial institutions that help.

Infrastructure is the key and we just have to keep building on that.

SD What are the co-op movement's primary goals in the areas of legislation and infrastructure?

PH From a public policy standpoint, the action is going to be primarily at the municipal and state level where co-ops can serve as incubators to fulfil the desire that there needs to be a different way to organise businesses that provide services to community.

The federal government can provide regulations and resources that make it easier for states and local municipalities to empower people. That's going to mean money and that's going to be difficult in the current economic situation.

But if we are looking at jobs and economic development, we can demonstrate that co-ops bring long-term community and economic benefits.

SD The UN has declared 2012 to be the International Year of Cooperatives, an effort that NCBA helped promote. What do you see as the importance of these international developments for US cooperatives?

PH The greatest importance is that we have recognition from a global body of the cooperative business model.

The UN has created the tagline "Cooperative enterprises build a better world". Can you imagine if they said "Capitalist enterprises build a better world"? They would be laughed out of New

York City.

This is significant, so to be included as a part of that is very positive.

Many around the world look to the model of US cooperatives and say that it is the model we need. That's also important for US cooperatives.

SD What do you see as the main priorities of the US cooperative movement?

PH One priority is to be willing to cooperate with other cooperatives, and another is to put resources into cooperative development. Members of existing co-ops have many needs beyond those provided by existing co-ops.

Also there needs to be more emphasis on cooperation among cooperatives, more focus on cooperative identity and building that identity with the American public.

Co-ops should not be afraid to use that identity to show that we are different and a better business model for social and economic progress.

SD If you had to choose three accomplishments of NCBA's work to date that you are most proud of, what would they be?

PH Our continued focus on the principles and values, and co-op development, both domestically and internationally. I have worked hard to maintain our focus on that and our leadership in those areas.

The inclusiveness of the organisation in keeping all sectors engaged and participating in the NCBA is key.

It would have been easy to focus on those sectors that have more resources than others but we want to make sure that everyone is around the table.

I have also enjoyed raising NCBA's and US cooperatives' profiles on the international front, mainly in the International Cooperative Alliance but also in other ways by demonstrating our commitment to a global co-op movement.

The NCBA board and membership have supported me in that, and I really appreciate that. ●

This is an abridged version of Paul Hazen's interview with Steve Dobb for community-wealth.org

The complete interview can be found at <http://s.coop/jan12hazeninterview/>

The goal of community-wealth.org, a project of the Democracy Collaborative, is to provide the web's most comprehensive and up-to-date information resource on state-of-the-art strategies for democratic, community-based economic development



*THE FIRST YEAR IS FREE SO
NOW'S THE TIME TO GET
.COOP FOR YOUR CO-OP
→ WWW.PACIFIC.DOMAINS.COOP*

EDUCATION MATTERS

Researchers on co-ops to gather in Wellington

Building a Better World - The Role of Cooperatives and Mutuals in Economy and Society is the title of the cooperative research conference to be held in Wellington from 21-23 June, 2012.

The conference aims to build understanding of the cooperative business model by identifying and promoting ongoing research on cooperatives, serving as an initiative to build a community of experts and interested parties for ongoing collaboration, dialogue and research on cooperative and mutual enterprise.

Michael Cook, Professor of Cooperative Leadership at the University of Missouri, will be the keynote speaker and the conference will have



BUILDING A BETTER WORLD

THE ROLE OF COOPERATIVES & MUTUALS IN ECONOMY & SOCIETY

WELLINGTON NEW ZEALAND 21ST - 23RD JUNE 2012

INTERNATIONAL RESEARCH CONFERENCE

This conference is organised by the New Zealand Association for the Study of Cooperatives and Mutuals in conjunction with Victoria University of Wellington and the New Zealand Cooperatives Association. Anyone is welcome to attend the conference, whether you intend to present a paper or not.

PURPOSE

The United Nations has declared 2012 as the International Year of Cooperatives. This conference is part of a series of activities aimed at understanding and promoting the cooperative business model. In addition, it is intended to identify and promote ongoing research on cooperatives. It will also serve as an initiative to build a community of experts and interested parties for ongoing collaboration, dialogue and research on cooperatives.

VENUE

*Rydges Hotel, 75 Featherston St, Wellington
Located close to the Pipitea Campus of Victoria University of Wellington.
Wellington is the bustling cosmopolitan capital of New Zealand. Located at the southern tip of the North Island, it is the centre of government, business, and the arts, and the home to a vibrant academic community and culture.*

SUBMISSION OF PAPERS

Potential participants are requested to submit a one-page abstract of their conference paper by 15 February 2012 along with a CV through our website at <http://nzascm.coop>. You will be informed by 29 March 2012 if your paper has been accepted.

KEYNOTE SPEAKER

*Michael L. Cook
Robert D. Partridge Professor of Cooperative Leadership
Division of Applied Social Science
University of Missouri, Columbia, Missouri, USA*

PLENARY PANELS

- 1. Cooperative Banking in the Context of the Global Financial Crisis*
- 2. The Sustainability of Producer Cooperatives in New Zealand and Beyond*

FOR FURTHER INFORMATION: [HTTP://NZASCM.COOP/](http://nzascm.coop/)

For further information, go to <http://nzascm.coop>, phone Parley Reynolds on 021 047 7153 or send an email to conference@nzascm.coop

two plenary panels.

The first plenary panel, on **Cooperative Banking in the Context of the Global Finance Crisis**, will consist of:

- **Hervé Guider**, General Manager, European Association of Cooperative Banks (Belgium).

- **Jonathan Logan**, Senior Vice President, Corporate AgriBusiness Banking Group, CoBank (USA)

- **Peter Sakora** from Standard & Poors (Australia)

- **Grant Spencer**, Deputy Governor of the Reserve Bank of New Zealand.

The second plenary panel will focus on **The Sustainability of Producer Cooperatives in New Zealand and Beyond**, and will consist of:

- **Prof. Michael Cook** (USA)

- **Prof. Nicola Shadbolt**, Massey University and a director of Fonterra Cooperative Group

- **Onno van Bekkum** of Cooperative Champions (The Netherlands)

- **Jack Wilkinson**, grain farmer and former President of the International Federation of Agricultural Producers (Canada).

OPPORTUNITIES

An excellent professional development opportunity for co-op directors and executives, anyone is welcome to attend the conference whether you intend to present a paper or not.

Potential participants are asked to upload a one-page abstract of their conference paper along with a CV through the new Association's website at <http://nzascm.coop>. Submissions from graduate students are welcome.

This conference is being organised by the New Zealand Association for the Study of Cooperatives and Mutuals in conjunction with the School of Economics and Finance at Victoria University of Wellington and the New Zealand Cooperatives Association. ●

SOCIAL MEDIA

Communicating socially

by Chris Park

Social Media Communications Officer

Social media. It's not a meaningless business catchphrase - although given its overuse you'd be forgiven for thinking so.

What is its importance to the Cooperatives Association and, more importantly, what is its importance to your cooperative?

The essence of social media lies in the interactive flow of information. No longer is all information exclusively generated, controlled and distributed from a central point and handed down to people as consumers.

With the advent of social media, the flow and the creation of information is dictated by users, people.

People choose to write, disseminate or reply to information. They influence the spread of information, no longer merely receiving it.

If information flow is dictated by large numbers of people, your message has to be communicated in a way that is accessible if you want to get your message across.

Want feedback on a new product range? Pose the question to your customers on your Facebook page, or through Twitter. What better way is there to get free market research.

Perhaps you're trying to connect with a younger market. Have you seen how many hours an average student spends on Facebook? A well-managed presence on Facebook can be akin to having a prominent billboard on a university campus.

With this in mind, let's explore some of the ways your cooperative can leverage both the IYC and simply having an internet connection.

SELF-AUDIT

You want to find out more about an organisation or business what do you do? You google them. If an external person or organisation wants to find out more about your cooperative, they are going to do the same.

Have you tried googling yourself and seeing what comes up? First impressions don't just apply to face-to-face meetings. People will form an impression about your cooperative after opening the first few listed web pages, or even just from scrolling through the search results.

This is also a good way of finding out what information is available, and what is missing online (contact details, information about your branches, for instance).

Why not ask someone from another member co-op to do an online audit for you, in the spirit of cooperation of course?

Was this helpful? Did the results surprise you? Let us know what you found out.

NEWZEALAND2012.COOP – WHY?

Our biggest task in communications this year has been developing a brand new website at



Here are the latest tweets from the Association's twitter account

Even if you don't have a twitter account yourself you can view our tweets by going to twitter.com/NZdotCoop

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

An Associate Member of the Cooperatives Association, **Dr James Morrison** is a regular presenter at Association seminars
Photo: James Morrison Consulting

<http://newzealand2012.coop> in preparation for the UN IYC launch.

Why, you may ask, create another website when we already have nz.coop?

nz.coop is the official website of the New Zealand Cooperatives Association containing comprehensive information on cooperatives, news feeds and more, dedicated to explaining the work of the association.

A professional website, it is designed to provide information to interested readers and resources for members.

UN IYC is an opportunity to raise awareness about cooperatives, and will undoubtedly put cooperatives in the minds of a new generation of New Zealanders.

Conceptually, newzealand2012.coop will do exactly that: act as a platform from which to engage newcomers to cooperatives, and to reinforce the emotional appeal of cooperatives as a social concept through an emotive, but professional website.

Practically speaking, expect bold colours, stories, opportunities to interact with the content on the website, as well as photos and videos.

In terms of the Association's relationship to the UN IYC, we are the organisation coordinating the UN IYC events in New Zealand.

The nature of the relationship between the

UN IYC events and the Cooperatives Association, and the very different purposes of the two websites, made the effort of developing a new website a worthwhile investment.

CONTRIBUTING TO NEWZEALAND2012.COOP

I will be working on content for the website over the coming weeks, and one area I will be working on is the development of member profiles.

This is your opportunity to promote your cooperative and to show New Zealand - and the world - the benefits your cooperative brings to its community.

Please send your profiles to me by email at socialmedia@nz.coop.

Bookmark our new site, visiting it from time to time, share it on your Facebook/Twitter/LinkedIn accounts, and promote it to your members, suppliers and customers.

If there was ever a time to let your people know why you are a cooperative, it's now.

I would love to hear your views, so email me with suggestions, comments, feedback or even just interesting links. ●

MORRISON'S PITCH

Cooperatives and politics: a New Zealand perspective

by James Morrison

In a curious parallel to New Zealand's political landscape, the British Conservative party won power from the British Labour party in 2010 after



spending three terms in opposition. Their flagship policy for this election was "The Big Society", which is relevant because it has a lot to say about cooperatives.

One of the fundamental tenets of The Big Society is that increases in British government spending, particularly under previous Labour governments, eroded national productivity and made Britain unnecessarily vulnerable to the global financial crisis.

This was evidenced by relatively low economic growth over the period, a widening deficit, and a number of other fiscal evils. So what does this have to do with cooperatives?

THE BIG SOCIETY

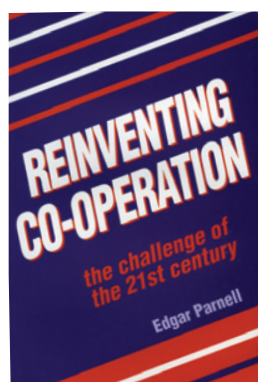
The Conservatives' remedy for Big Government

REINVENTING COOPERATION

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 NZCA office

is The Big Society. This means stronger British institutions independent of the state but contributing nonetheless to the interests of both the state and the individual.

Such institutions are deemed important both as the objects of loyalty and the relationships which define the social fabric, as well as repositories of human wisdom and knowledge.

Together with competition and entrepreneurship, they are proposed as the basis for future British economic success.

The point is that the British Conservative party has identified cooperatives as matching this requirement perfectly. This is problematic for the Conservatives. The British cooperative movement is heavily influenced by its historical association with the political Left.

British 'friendly societies' based on the principle of mutuality, and committed to self-help in the welfare of working people, are particularly significant. Consequently, a Conservative Cooperative Movement has been set up in an attempt to bridge that political divide.

In contrast to Britain, the New Zealand cooperative movement did not arise from any sort of class struggle. Instead, it emerged on a number of fronts as a thoroughly rational response to various unique challenges.

For primary industry, these were mainly to do with geography, particularly isolation, exposure to export market volatility and the absence of readily available capital.

For the retailing sector, it was about owner-operators achieving scale for procurement and branding.

SUCCESSFUL ENTERPRISE

New Zealand cooperatives thus tend to exhibit all the characteristics of entrepreneurship and fierce competitiveness that one would expect of any successful enterprise.

The fundamental difference from investor-owned businesses is that the rewards of this success flow back to the members who transact with the cooperative, rather than some independent group of financiers and investor shareholders.

New Zealand's three Foodstuffs cooperatives provide a stark contrast with the traditional British retail consumer-owned or worker-owned cooperative comprised largely of working class members and serving a local community.

Foodstuffs is our third largest business, and a cooperative of grocers rather than its customers. It held 57% market share in 2010, and had opened

significantly more stores than its main investor-owned competitor, Progressive, over the previous decade.

Essentially, Foodstuffs comprises entrepreneurial business owners, who are unlikely to have a strong affiliation with the political Left.

The secretary of the National Distribution Union once claimed that Foodstuffs was "one of the most anti-union companies in New Zealand" and is more like "a libertarian think-tank that happens to run supermarkets".

In fairness, Foodstuffs has a social responsibility programme and many of the stores' owner-operators contribute greatly to their local communities through sponsorship and other support.

However, it might be fair to say that New Zealand cooperatives do tend to be comprised of liberal capitalists rather than socialists.

DIFFERENT BEAST

Thus while New Zealand's notion of cooperatives very neatly fits the British Conservatives' description of the institutions that they so desire, they are quite a different animal from British cooperatives, both in membership and political affiliation.

This raises an interesting challenge for the British Conservatives who are faced with the dilemma of trying to simultaneously woo a potentially hostile movement and reduce the scale of government spending at the same time.

It also raises interesting questions about the political alignment of cooperatives in New Zealand, particularly if we accept the assertion they are largely comprised of liberal capitalists.

Various investors and financiers have a significant interest in opening up New Zealand's largest cooperative companies to external investment.

While these would-be investors themselves

Articles in James Morrison's column **Morrison's Pitch** are to be found on the Association's website as a blog – your comments are welcome <http://nz.coop/morrisons-pitch>

Based in Auckland, Dr James Morrison is the managing director of a boutique strategy consultancy providing independent advice and project management to cooperatives

He has held senior management positions in cooperatives, and also in the strategy practice of Accenture

Contact Dr James Morrison on +64 27 434 3244 or james@morrisonconsulting.co.nz

The New Zealand Cooperatives Association exists to:

- promote the cooperative and mutual business model
- encourage and support New Zealand cooperative and mutual enterprise
- act as a representative association for those engaged as cooperatives and mutuals
- promote discussion and cooperation with decision-makers at all levels of government designed to further the interests of cooperatives and mutuals
- facilitate and coordinate services, expertise and research in support of the cooperative and mutual business model
- collect, verify and publish relevant information relating to cooperative and mutual enterprise

DATES FOR YOUR DIARY

● **Tuesday 27 March**

**UN International Year of Cooperatives
New Zealand Launch – Wellington**

● **Monday 23 April**

**Cooperatives Association Council half-yearly
meeting – Wellington**

● **Thursday 21 to Sunday 23 June**

**Building a Better World: cooperative
research conference – Wellington**

● **Friday 30 November**

Annual General Meeting – Christchurch

**New Zealand
Cooperatives
Association**

**Councillors
elected
November 2011**

Chairperson

Blue Read
Urenui

**Arable &
Horticulture**

Craig Howard
Seasonal Solutions
Cooperative
Alexandra

Community

Kuki Green
Ngati Pahauwera
Section 30
Representatives
Cooperative Society
Wairoa

Dairy

Christine Burr
Fonterra Cooperative
Group
Auckland

**Fertiliser &
Top Dressing**

Tony Reilly
Ravensdown Fertiliser
Cooperative
Takaka

Financial Services

Karen Kenny
Rabobank
Wellington

Grocery Wholesale

Kim DeGarnham
Foodstuffs South
Island
Christchurch

Meat & Fibre

Herstatt Ulrich
Silver Fern Farms
Pleasant Point

Trading Societies

Lachie Johnstone
Farmlands Trading
Society
Pukekohe

**Trades &
Retail Services**

Russell Green
Capricorn Society
Puhoi

Other Members

Hamish Levack
Western Farm
Cooperative Forestry
Co
Wellington

**Executive
Director**

Ramsey Margolis
Wellington

Councillors can be
contacted through
the Association

have a natural alignment with liberal, capitalist policies, their self-interest in seeking new investment opportunities makes them natural opponents to the cooperative model.

Thus the irony that they look for the support of liberal, capitalist political allies to undermine what are essentially liberal, capitalist organisations.

MISLEADING STATEMENTS

Neither Fonterra nor Foodstuffs (nor any other cooperative) appears in the published list of New Zealand Business Roundtable members – although Progressive Enterprises is represented.

This bastion of liberal (and libertarian) capitalists has been quite outspoken in its criticism of cooperatives, including opposing the formation of the Fonterra cooperative and subsequently endorsing moves to allow external investment into Fonterra.

It has also been a source of misleading statements associating cooperatives with socialism, which is quite mischievous in light of the preceding discussion.

It is therefore highly significant that the New Zealand Business Roundtable and the New Zealand Institute have announced they will merge forming a new, independent public policy think tank.

Both Fonterra and Foodstuffs are members of The New Zealand Institute, which itself is characterised by a focus on innovation and internationalisation and is largely silent on the question of cooperatives.

All New Zealand cooperatives should be interested in what stance the newly merged think tank has on these issues.

A proper, shared understanding of what the New Zealand cooperative movement really means would be the best outcome. ●

AROUND THE CO-OPS

**Two NZ co-ops forge mutually
beneficial partnership**

At a recent meeting of New Zealand sponsors for the UN International Year of Cooperatives 2012 a key thought was raised: while it is critical that all New Zealanders understand and work with cooperatives, an equally important imperative is for cooperatives to work with each other, for mutual benefit.

After all, that is principle # 6 of the ICA's coop-

erative principles.

The Co-operative Bank and NZPM Group are a great example of how this is working in practice. Since that sponsor meeting, the two co-ops have got together, worked out where areas of mutual benefit exist, and are now in the process of making these happen.

This includes a banking package for NZPM employees and shareholding members, mutual communications about each other's businesses to their members, and there are several other ideas in the pipeline.

Dee McQuillan from NZPM Group commented, "We discovered that both our cooperatives have a strong kiwi 'pioneering' history and we share the same commitment to delivering exceptional customer value and experiences, which makes it really easy to work together."

Gareth Fleming from The Co-operative Bank also noted that, "every time we meet, which is now a weekly phone call, we think of another thing we can do together where we both benefit, which is just fantastic."

Both The Co-operative Bank and NZPM are keen to do more of this, and invite any cooperative who wishes to work together with either of them for mutual gain, to get in touch:

● The Co-operative Bank: Gareth Fleming 04 495 7724 garethfleming@co-operativebank.co.nz

● NZPM Group: Dee McQuillan 09 306 5549 djarne.mcquillan@nzpm.co.nz

They may also get in touch with you.

Given their initial experience and with this year being the International Year of Cooperatives, there has never been a better time to form new relationships. ●

**Hawkes's Bay apple co-op
celebrates 40th anniversary**

Just before Christmas, the bells were ringing at Fruit Packers Hawke's Bay Cooperative when they celebrated their fortieth year in business.

"There were dozens of little packhouses but we wanted to create one large packhouse under the co-op model, similar to one that was operating in Nelson," said co-op chair Jonathan Moffett.

Mr Moffett has served as a director for 35 of those 40 years and he believes the cooperative has employed over 5,000 people during its time.

"Most of all I hope that the original founding members of the co-op, if they were here today, would be pleased with what we have achieved over the years," he said. ●