

Victorian Co-operative News

Bulletin of the Co-operative Federation of Victoria Ltd

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September 1994

Edgar Parnell to visit Victoria

Mr Edgar Parnell, Director of the U.K. Plunkett Foundation, has accepted an invitation issued by the Board of the Co-operative Federation of Victoria to address Victorian co-operatives in October.

Edgar Parnell will be in Australia to give the key note address at the forthcoming Key Issues Conference in Sydney, sponsored by various national and N.S.W. co-operative agencies.

Edgar is a world authority on the co-operative model. He is involved in the provision of consultancy and training services to co-operatives and other 'people centred' businesses, and is responsible for directing a number of development projects in various parts of the world.

Edgar Parnell's current and recent activities include: Member of the Central Committee of the International Co-operative Alliance, Vice President of European Co-operatives for Agricultural and Rural Development, Member of the U.K. Co-operative Council and Member of various specialist Working Parties of COGECA, the central organisation of EC agricultural co-operatives.

The Plunkett Foundation provides a range of services in support of securing the sustainable development of farmer controlled organisations, co-operative enterprises, and other 'people centred' businesses.

The Foundation objectives are:

- To promote the co-operative business option as a form of people centred business.
- To help improve the performance of people centred enterprises, strengthening their capacity to provide member benefits.
- To secure action to remove constraints upon development of independent self-sustaining people centred businesses.
- To develop and promote strategies for people centred enterprise development.
- To encourage the adoption of farmer centred approaches in rural development.
- To facilitate the exchange of experience in and information about Co-operatives and other people centred businesses.

Edgar enjoys addressing real problems and developing practical solutions with people running their co-operative.

He believes the co-operative principles are guidelines which need to be adapted or used creatively to serve the needs of co-operative members.

SEMINAR WITH EDGAR PARNELL

Venue: Vic Producers' Co-op Co.
Millers Road, Brooklyn, Melb
Date: Friday 21 October, 1994
Time: 2.30pm - 5.00pm
Details: Tel. Secretary on (053) 457 466

Report on the Annual General Meeting

The Co-operative Federation of Victoria held its 1994 annual general meeting on Wednesday 31 August, 1994. The meeting was attended by 32 delegates and guests.

The Chairman, John Gill, highlighted the achievements of the previous year, and thanked members for their continued support.

He said the next year will be an important one for Victorian co-operatives, with a new co-operatives act planned for 1995.

Members approved a special resolution to amend the rules governing annual subscriptions, and adopted the Board's recommended annual subscription schedule.

The directors for the forthcoming year are:

Mr John Gill (Chairman)
Victorian Producers' Co-op Co
Ms Miriam Carlson *
Chelsea Rental Housing Co-op
Mr Stephen Chenery
Wholefoods Co-operative
Mr Ken Chester *
Consolidated HI Services Co-op
Ms Jean Evans
Nth Geelong Rental Housing Co-op
Mr Vern Hughes
Sth Kingsville Health Services Co-op
Mr Dan McMullan
Bonlac Foods Limited
Ms Kerry O'Neill
Community Enterprise Network
Mr Ian Risstrom
West Gippsland HI Co-operative

* denotes new directors.

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Member Profile

A consumer co-operative success story

The **Warrnambool Co-operative Society Ltd** was registered in 1960 as a producers' society under the Victorian Co-operation Act.

The Co-operative was formed after a series of meetings with farmers who needed artificial insemination services for the dairy industry in South Western Victoria. The Co-op was then called the Allansford & District Breeders Co-operative Society Ltd.

In response to farmers requiring selected merchandise, mainly animal health products, the Co-op became a retailer of sorts in the early 1960's, selling goods direct from the boots of cars and one day a week from an old bakery located in Allansford.

In the early '70's, the Board of the Co-op gave strong support "For those who have less Society" by providing good yearling heifers to Assisi Training Farm in India. Many cattle donated by members are now the foundation of the dairy herds that exist in India to-day.

The Co-operative today continues to support various needy organisations and has, as part of its own charter, a commitment to "...play an effective role in the community".

The Co-op at a glance

Industry:	Retail trade
Formed:	1960
Members:	4236 (3/94)
Turnover:	\$18.7 million (3/94)
Net Assets:	\$6.56 million (3/94)
Employees:	100
Address:	259 Timor Street, Warrnambool 3280
Telephone:	(055) 61 2266
Facsimile:	(055) 61 3978

In 1976, the Co-op again changed its name to its present one. In the same year the Warrnambool and Noorat Artificial Breeders Co-operatives merged to form Western Herd Improvement Co-operative Society Ltd. The herd improvement co-op transferred its engagements to the Warrnambool Co-op in 1989.

After the devastating fires of Ash Wednesday in 1983, many people on the land had to rebuild properties either damaged or completely destroyed by the fires. The Co-op responded in various ways to the tragedy and despair suffered by many of its members, and was there to lend a hand wherever possible.

Today, the Warrnambool Co-operative Society is the largest retail consumer Co-operative in Victoria, with a department store serving farmers and the community and Artificial Insemination and Herd Recording services to the dairy industry. The Co-op has also fostered a cut flower export industry in Western Victoria.

The Co-op also has a commitment to co-operative education, and has organised a number of seminars for their members and other co-ops over recent years.

During 1993, the Co-op collected Warrnambool's Best Commercial Development and Major Retail Award, and their CEO, Bill Quinlan, was named Business Achiever of the Year. •

Federation pays tribute to founding director

Delegates and guests at the Federation's annual general meeting paid tribute to **Brian Macintosh** for his services to the Victorian co-operative movement over the past 34 years.

Brian was a founding director of the **Co-operative Federation of Victoria** in 1970, and served on the Board to his retirement at its 1993 annual meeting.

Brian was responsible for maintaining the Federation during its dormant years between 1988 and 1993 when, under his chairmanship, the Federation was revived last year.

Brian was first employed as accountant for the **Cheltenham Co-operative** in 1959. At the time, the Co-operative had 5 grocery stores in the South Eastern Suburbs of Melbourne. Brian later became Manager of the Co-op.

In 1967, Brian was appointed Manager of **Pakenham Co-operative**, which was an apple growers co-operative operating apple sorting and cool storage facilities.

Brian joined the **Morwell Co-operative** in 1969 as merchandising manager. The Co-op was a consumer co-operative trading in groceries, floor coverings, bed linen, furniture and garden supplies. The Co-operative also sponsored a local credit union. Brian later became Manager of the Co-operative.

From 1970 to his retirement in 1993, Brian was active in State and National co-operative affairs.

He has held a number of important posts including; Member of the **Ministerial Advisory Committee on Co-operation** and **Victorian Co-operatives Advisory**

Council, Chairman and Councillor of the Victorian Division of the **Australian Association of Co-operatives**, and a director of AAC.

The highlight of Brian's career was when he represented the Australian co-operative movement at the 1985 International Co-operatives Conference.

Brian has played an important role in developing the Victorian co-operative sector's response to proposed changes to the Co-operation Act.

Even in retirement, Brian maintains an interest in the **Morwell Golf Club Co-operative** and involvement in the **Gippsland Tip Truck Hiring Co-operative**. •

Report from the Co-operatives Unit

by Kris Flowers
Acting Deputy Registrar of Co-operatives

Staff and functions of Unit

Following on from the last issue of the Bulletin which explained how the Co-operatives Unit fitted into the Department of Justice, I will now introduce you to the Unit's staff members:

Statutory Approvals/Co-op Development Section

Staff: Kris Flowers (Acting Deputy Registrar), Sue Barnes, Clare Webb, Liz McDonald, Robin Lied, Jenny Zachariah, Maragaret Galea and Halina Dymek.

Functions: development, formations, statutory approvals and lodgement and registration of returns required under the Act, as well as general enquires.

Investigations and Monitoring Section

Staff: Fred Green (Senior Investigator), Peek Ling, Victor Liew and Joe Gunaratnam.

Functions: analysis of financial returns, inspection and investigation of co-operatives' records and non compliance, and all complaints.

Dan Henry is now Manager, Business Affairs, which incorporates the *Co-operatives Unit, Business Names and Incorporated Associations*. He also retains the statutory title of Deputy Registrar of Co-operatives. •

Annual Returns

Talking about lodgement of Annual Returns, it is of some concern to the Registrar that the incidence of late lodgement is on the increase.

Apart from the statutory requirements to lodge a return as laid down in the Act, it is in the Co-operative sector's interests to provide the financial and statistical information requested. All this information is analysed and collated, and problems with co-operatives' viability and management can be addressed quickly and efficiently before they become insurmountable.

Having the information available also enables the Registrar to gauge requirements for new or amending legislation. This, in the end, assists us to provide a better service to our clients in the (co-operative) industry, as well as prospective co-operators and the public at large.

Under the Co-operation Act, co-operatives have three (3) months from the end of their financial year in which to lodge an audited return with the Registrar. (\$147)

It is not necessary to have presented the accounts to an annual general meeting prior to lodgement with this office but they must have been audited.

If, for some reason a Co-operative cannot meet the three month deadline then an application, accompanied by the statutory fee of \$18, must be made to the Registrar before the three month period expires.

This also applies to extensions of time required for holding of Annual General Meetings, and also attracts a fee of \$18.

Most Co-operatives have four months from the end of their financial years to hold their AGM, but some Co-operatives registered under the 1958 Act may only have three months. Please check your Rules. •

Interstate legislation

The Standing Committee of Attorney-Generals (SCAG) met on 21 July, 1994 to discuss a proposal for an interstate trading division for Co-operatives.

SCAG noted the progress that has been made to date in developing a legislative option for Co-operatives to operate nationally under their own state's Co-operative legislation.

These new legislative arrangements are designed to simplify the procedures involved in operating nationally and to facilitate the interstate merger of Co-operatives.

The Co-operative Federation of Victoria made a submission on the proposed interstate provisions to the Victorian Government in April.

Discussions are currently being held between relevant government officials to resolve questions of interface between these proposed Co-operative legislative arrangements and Corporations Law. These discussions revolve around appropriate fund raising provisions for nationally operating Co-operatives.

It is anticipated that, subject to these interface issues being resolved and detailed consultations being concluded with the Co-operatives sector, SCAG will be in a position to approve these new legislative arrangements at their next meeting in November. •

(Source: "Co-operation" Sep '94, bulletin of the NSW Registry of Co-operatives)

Co-operatives among the top 500 private corporations

Co-operatives again feature in Business Review Weekly's Top 500 Private Companies for 1994.

Thirty two Australian Co-operatives were among the top 500, compared to 21 in 1993.

The breakdown between the States is as follows:

- Victoria 9
- New South Wales 9
- Western Australia 6
- Queensland 5
- South Australia 3

The industries covered by the Co-operatives are manufacturing (16), wholesale trade (8), financial (4), transport/storage (2), pastoral agent (1) and retail trade (1).

See table below for Vic Co-ops.

Top 10 Victorian Co-operatives

BRW Rank	CO-OP Rank	CO-OPERATIVE	NET REVENUE		EMPLOYEES	INDUSTRY
			Amount (\$)	Balance Date		
14	1	Bonlac Foods	834.0	6/94	1,750	Manufacture - Food
18	2	Murray Goulburn	660.3	6/93	1,550	Manufacture - Food
27	4	Vic Producers' Co-op	495.0	6/94	300	Pastoral Agent
39	6	Phosphate Co-op Co	320.0	6/94*	740	Manufacture - Fertiliser
148	13	Ardmona Fruit	106.2	12/93	301	Manufacture - Food
155	14	Tatura Milk	103.6	6/94*	196	Manufacture - Food
240	19	Warrnambool Cheese	72.7	6/93*	110	Manufacture - Food
350	24	Egg Industry Co-op	50.0	6/94*	100	Wholesale Trade
370	26	Mildura Co-op Fruit	49.9	9/93	229	Wholesale Trade
-	-	Warrnambool Co-op	18.7	3/94	100	Retail Trade
				* estimate		

News in brief

New members

The Board of Directors welcomes the following new members of the Federation:

Asia Pacific Co-operative Training Centre Ltd
Moonee Creek Co-operative Ltd
Wathaurong Aboriginal Co-operative Ltd

Community co-ops seminar

A director, Vern Hughes, attended the seminar in Sydney on behalf of the Federation. The Board accepted his suggestion to hold a similar seminar for Victorian community co-operatives.

Casual vacancy

A casual vacancy exists on the Board following the resignation of Des Ryan, who has left his co-operative to pursue his business interests. Des was actively involved in the co-operative sector, being Manager of the YCW Co-operative Society and a Victorian state councillor and director of the Australian Association of Co-operatives.

Delegates interested in nominating as a director of the Federation should contact the secretary on (053) 457 466.

State electric co-op formed

The State Electric Co-operative had its formation meeting in Melbourne on 12 September, 1994. The Co-op resulted from the work of David Griffiths of the Electric Co-operatives Project, an initiative supported by the Federation.

The aim of the co-operative is foster the establishment and development of electric co-operatives in Victoria so that power consumers will have a real choice in the new electric industry.

U.S. study tour beneficial

Bill Quinlan, Chief Executive Officer of the Warrnambool Co-operative, has recently returned from a Co-operative Executive Management Academy seminar at Purdue University, Indiana.

The seminar focused on trends in agribusiness, supported by field trips to farmer co-ops. Bill observed that American co-operatives are similar in many ways to those in Australia, although the majority deal in grain, petroleum, fertilisers and ag-chemicals.

One of the sessions focused on **Capturing The Large Producer**. Successful rural supply co-ops will in the future be more "customer driven". They will focus first on the member rather than selling the product. The large commercial producer segment of the US market is growing rapidly and these farmers have different needs.

Market research is an area Bill believes can be adopted locally to define trends in agribusiness. It is evident that larger farms and certain specialist farmers have needs that have to be identified.

Bill also observed that the Americans believe one of the major components in running a successful business is having a contented team (workforce), with an emphasis on rewarding team members for special effort. •

New services for members

The Board of Directors is pleased to announce two new services for members of the Federation; insurance and tax advice. These new services are in addition to the co-operative advisory service currently available to members.

Member services are one way the Federation can assist in improving the performance of member co-operatives. The Board invites members to utilise the services negotiated for their benefit.

Insurances for Co-operatives

The Board has appointed A'Asia Insurance Services (Victoria) Pty Ltd to act as insurance broker for members.

A'Asia Insurance Services has wide experience servicing the needs of co-operatives, particularly in the fields of Fidelity Guarantee and Directors & Officers Liability insurances.

The Sydney office of the service has many satisfied co-operative clients in NSW.

A'Asia Insurance Services, as a registered broker, is also able to advise on all other classes of insurance. Private insurance such as car and house contents can also be arranged for members of members.

The Federation will receive a share of

the commissions received by the broker from insurance companies.

The Board is prepared to pass on some of the commission income earned by the Federation to members for their own and their members' business. **Please contact the secretary on (053) 457 466 for further details .**

The Board urges members to contact A'Asia Insurance Services before the expiry of current insurance policies to obtain a free no obligation quote.

Enquires should be directed to:

Mr Bruce Wickett
A'Asia Insurance Services (Vic) Pty Ltd
Suite 3, 1051 High Street
ARMADALE VIC 3143
Telephone: (03) 804 3833
Facsimile: (03) 822 6311

Taxation advisory service

The Board is pleased to promote the services of the **National Tax and Accountants Association** to members of the Federation.

The NTAA is a non-profit organisation which has been formed as a support group for Tax Agents and business tax-payers.

NTAA provides practical ongoing tax advice through a *telephone hotline*, seminars, and its monthly newsletter *The Tax Agents Voice*.

NTAA is staffed by practitioners with extensive contacts in the tax industry and the Taxation Office.

The Federation has negotiated a discounted membership fee to the NTAA for members who require expert tax advice.

Contact the secretary on (053) 457 466 for membership details.

Statutory forms

Co-operatives are required by law to keep and maintain certain registers, and to periodically submit forms to the **Registrar of Co-operatives**.

All registers, commonly used forms and advice on fees payable for lodging forms are now available from the Federation.

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