

GETTING DOWN TO BUSINESS

AUSTRALIA'S largest cotton processor and marketer, Namoi Cotton Co-operative, based in Wee Waa in northern NSW, is breaking new ground in co-operative capital restructuring.

Some analysts believe the move could provide a template for other co-operatives to follow.

Central to the restructure, developed in consultation with corporate advisers, Gresham Partners, is the unlocking of member capital invested in the co-operative and the raising of up to \$35 million via a listing on the Australian stock exchange.

The proposal involves the creation of two classes of shares.

The first class of shares would be non-tradeable, held only by cotton growers. These shares would carry the majority of the voting rights on the basis of one member one vote, ensuring that control of the co-operative remains in the hands of grower members.

The second class of shares will

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Namoi Cotton Co-operative is about to complete a financial restructure which it hopes will allow significant capital raising while ensuring grower-members retain control.

be known as Namoi Capital Stock (NCS), which will be listed on the Australian Stock Exchange (ASX). NCS will be freely traded and function in a similar manner to non-voting ordinary shares, entitling their holders to dividends from Namoi's trading activities.

The prospectus for share listing is expected to be out on March 2, with ASX listing about April 6.

Essentially, Namoi's existing members will each be allocated 800 non-tradeable grower shares at a fixed value of \$2.70 a share, as well as a quantity of non-voting (NCS) shares equal to 10 times the number of their existing Namoi shares. Growers will also be given an additional allocation

of NCSs based on their trading history over the past seven years.

A total of 56 million shares will be allocated to existing shareholders. Additional NCS units will be issued to members, staff and outside investors in a public offer to raise \$35 million of new equity.

Namoi's board has indicated its intention to distribute between 45-60% of Namoi's after-tax profits to investors taking up the NCS public offer. This equates to a dividend of 10¢ a unit for the year ending February 28, 1999, on a forecast net earning of \$14.5 million.

Capital 'unlocked'

Gresham Partners have indicated that the decision to restructure will unlock an average of \$100,000 per member from within the co-operative, as well as provide an on-going dividend on their investment through their allocation of NCSs.

The new structure has been made possible by recent changes to state-based co-operative legislation, which allows co-operatives to issue securities to non-co-operative members and a relaxation of the ASX listing rules to allow control to remain in the hands of the co-operative suppliers.

After a difficult time for Namoi and the cotton industry in the mid-1990s, the outlook to the year 2000 is more optimistic. Namoi plans to use the funds raised to strengthen its balance sheet and improve its ginning and marketing services.

Credit union wins CHESS

CREDIT unions and building societies have won the right to participate in the Clearing House Electronic Subregister System (CHESS) for electronic settlement of share transactions.

An amendment to the business rules of the Australian Stock Exchange Settlement and Transfer Corp has cleared the way for non-bank lenders to join CHESS as non-broker participants.

In the past, credit unions and building societies were only able to accept paper certificates as security. The move will allow fairer competition between banks and the non-banking financial institutions and increase the types of loans offered to members.

The decision to grant access to CHESS followed a year of lobbying by the National Credit Union Association and coincided with the reforms recommended by the Wallis inquiry into the financial system.

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National conference postponed

THE NATIONAL co-operative conference, originally planned for April in Canberra, has been postponed until later in the year due to logistical considerations.

The Co-operative Council of Australia has planned the conference to highlight and promote to government the strengths and benefits of a strong Australian co-operative movement.

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'SELF ANALYSIS' SETS AGENDA FOR BOARD PERFORMANCE

DR MICHAEL Deeley has, for many years, been on a crusade to lift the standard of company board performance and accountability.

In the medium to long term, he says, the performance of a board is reflected in the performance of its company in creating value for its stakeholders.

However, the catch to this is in the short term, where the correlation between board performance and company performance is not necessarily strong.

Dr Deeley has had a distinguished business career. He graduated from Oxford University with a doctorate in chemistry and spent a number of years in research and production, before joining ICI Australia in 1973, rising to the position of managing director before he retired in the early 1990s.

"A competent CEO and management team, a legacy of strong technology, resource or market position can all mask an under-performing board for many years," Dr Deeley says.

He believes that, just as management is expected to aspire to international best practice and regularly benchmark their performance against it, so stakeholders should expect their boards to do the same, without waiting for the company's poor performance to highlight the board's poor performance.

"It is not acceptable to wait the five to 10 years it can take before the long-term performance of the company provides its own assessment," he says.

According to Dr Deeley, there are a number of crucial steps involved in assessing board performance:

- gaining the board's acceptance of the need to undertake the process;
- agreeing on the board's key responsibilities to be covered in the assessment and the process to be used; and
- critical discussion of the outcome and meaningful actions to be taken.

Dr Deeley emphasises that for this process to be successful there has to be clear leadership from the top. In other words, the chairperson must demonstrate serious commitment to the project, if not in fact be the one to lead the process.

He maintains there are five main fields on which the board must focus its activities:

- the appointment of the CEO and human resource issues;
- setting objectives, strategy and policies;

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Dr Michael Deeley gave delegates at the 1997 NSW co-operatives conference an insight into how their boards could assess their own performance.

- planning of budgets and monitoring performance against these;
- reporting to shareholders and regulatory compliance; and
- ensuring its own effectiveness.

Dr Deeley spoke about measures to improve board effectiveness in the context of his experience as chairman of North Limited, a major mining company.

Under his direction, he says, the board instigated a board performance review in 1993 calling on board members to rate the board's performance (on a scale of 1-10) in a range of areas, including: reporting to the market/stakeholders, reviewing top management, monitoring performance, strategy review, approving major commitments, and a host of other factors deemed to be essentially the board's activities.

Dr Deeley says this 'self-analysis' process is invaluable and sets the agenda for the type of changes required in order to improve the board's performance.

The process is by no means a simple one. The self-evaluation is bolstered by an analysis of individual directors, often on a 360 degree basis, where individuals are evaluated both by people they report to and the people who report to them.

Dr Deeley says director assessment clarifies expectations of a director's position, identifies strengths and weaknesses, and provides feedback for improvement in director performance.

In the worst case, he says, it provides a basis to seek the resignation of particular directors who are not performing to the level required for the long-term success of the organisation.

The process of evaluating board effectiveness is not for the faint-hearted, as it can reveal some difficult truths about the performance of individual board members or the board as a whole.

However, identifying these things in the spirit of constructive comment for improvement rather than laying blame is the first step towards ensuring that your board is functioning to the best of its ability, to the greater good of its stakeholders.

NEW VENTURES

Worker co-op mooted

The Uniting Church in North Melbourne is interested in developing a labour co-operative for job-seekers, in response to what it terms the "growing casualisation of work".

Vern Hughes, co-ordinator of the Community Enterprise Project with the Hotham Mission, says the plan is to establish an employee-operated agency that would market its members to employers, who would in turn pay wages back to the co-operative.

"Wages would then be reimbursed in a way that resembled, as much as possible, the terms and conditions of permanent and stable employment," Mr Hughes says.

He envisages that there would be a training component and that the co-operative could provide members with mutual support. The aim is to start the co-operative in early 1998, as a joint venture between church bodies, welfare agencies and other not-for-profit organisations.

Purchasing co-op formed

The Newmarket Co-operative is the latest purchasing co-operative to be formed in Victoria.

Residents of the inner Melbourne suburbs of Kensington, Flemington, North and West Melbourne and Parkville have joined the new co-operative initiative.

The co-operative's formation marks the culmination of five months' effort based on the belief that purchasing co-operatives are a creative, community-based response to economic changes such as deregulation and privatisation.

Membership carries a \$1 shareholding and an annual subscription of \$20.

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Be a part of NATIONAL Co-OP UPDATE!

Your comments and contributions are

welcome. Contact:

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NSW TAKES A 'HOLISTIC' APPROACH TO CO-OP POLICY

THE MANAGER of co-operatives policy at the NSW Department of Fair Trading, **Garry Cronan**, says the paper's principle aims are to explore the role of co-operatives in economic development, social cohesion and consumer protection in NSW, as well as giving consideration to the potential role of the government in the process.

In broad terms, the paper will look at:

- The current role, performance and contribution of co-operatives.
- The appropriateness of existing public policy, including legislation, administrative practices and policies, compliance and regulatory models, and levels of program funding.
- Economic and societal trends influencing co-operatives, including global competitive pressures, industry, consumer and marketplace changes, new and evolving business structures and methods, 'social economy' models of development, demutualisation challenges and the implications of the

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The NSW Government is preparing a detailed discussion paper on options for what it terms a 'whole of government' approach to co-operatives policy.

changing nature of the public and private sector for co-operatives.

- The relationship between the government's key strategic direction in economic development, social justice, fiscal responsibility, environmental protection and successful co-operative development.
- Co-operatives and competition, including economic theory and co-operative behaviour, the competitive performance of co-operatives and a consideration of the types of market conditions and regulatory frameworks conducive, or otherwise, to co-operatives.
- Strategies for co-operative development,

including understanding co-operative identity and culture, capital raising alternatives and positioning co-operatives as part of mainstream business, and government, community, regional and industry development models.

Mr Cronan says the policy development process will draw on the latest developments in national and international research, as well as highlighting current best practice examples from industry and community.

'On the periphery'

"While it is acknowledged that co-operatives in Australia have a measure of legislative recognition and a range of government development programs exist ... the area as a whole has tended to be on the periphery of government economic and social policy development and program delivery," he says.

Previous attempts at co-operative development have lacked the effective support of a whole of government approach.

The current process, Mr Cronan says, is designed to address this issue and provide the government with the best possible advice on future policy options.

CONTACT

Garry Cronan, manager, Co-operatives Policy Branch
(02) 9377 9278.

ENERGY CO-OPS — A POWERFUL OPPORTUNITY

AMONG the first to benefit from changes in the electricity supply industry in NSW were large consumers, such as Norco, a dairy co-operative based at Lismore, in northern NSW, whose typical energy bill is more than \$2 million a year.

The gains could be extended to the wider community through 'buying groups' negotiating on behalf of a number of users.

At the NSW Co-operatives Conference late last year, Norco's secretary, **Chris Sharpe**, discussed some of the opportunities outlined in the NSW registry-sponsored 'Norco Energy Co-operative Feasibility Study'.

In NSW, competition at a wholesale level was introduced in May 1996 and at a retail level in October the same year. Other customers are being phased in, with domestic customers coming on board in 1999.

"Customers can become active players in the negotiation of electricity supply. Negotiated contracts will replace regulated tariffs with fluid, customer-driven processes," Mr Sharpe said.

International experience

Mr Sharpe said the concept of using the co-operative model for energy purchase is well established overseas.

"In the United States, there is an integrated network of 1000 rural electric co-operative utilities that generate, transmit, distribute and provide energy services. In Ontario, Canada,

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Consumers used to have little choice in where they obtained their electricity supply, but competition in the marketplace opens up opportunities for co-operative power.

a number of energy co-operatives also exist for group buying of home heating and natural gas," he said.

The Norco experience

The NSW Registry approached Norco in 1996 to gauge its interest in participating in a pilot program to establish a community co-operative providing electricity to its members and perhaps the wider community.

Norco identified opportunities in the proposal to:

- provide a range of additional services to existing members;
- increase Norco's corporate profile in the region through support of such a community-based co-operative;
- strengthen the perception and value of the co-operative model; and
- strengthen Norco, preceding major reforms being undertaken in the various utility industries.

A feasibility study began, based on three models of participation:

Model 1: Norco Co-operative with its operations spread over a number of sites and a

combined electricity consumption in excess of \$2 million a year.

Model 2: Model 1 plus Norco members — about 370 farms and a combined electricity consumption in excess of \$1 million a year.

Model 3: Models 1 and 2 plus domestic consumers in Lismore and surrounding areas with a combined consumption in excess of \$3 million a year.

The recently released study supports the view that significant long-term benefits would flow to smaller energy customers if an energy co-operative was established.

In particular, it showed that an energy co-operative with household membership in the region of 1000 to 5000 is a viable proposition.

The study maintains that sufficient evidence exists to justify the preparation of a detailed business plan to establish an energy co-operative in Lismore which, if successful, could serve as a model for similar developments across the country.

A meeting of study group members was planned for late in February to decide if the project should go on to the next stage.

The 'Norco Energy Co-operative Feasibility Study' report is available on the NSW Registry of Co-operative's web site at <http://www.peg.apc.org/~coopsnsw>.

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NEWS FROM AROUND AUSTRALIA

NATIONAL

Eggs in a non co-operative basket

Farm Pride Foods Limited, marketer of eggs and processed egg products, listed on the Australian Stock Exchange in December.

The listing marks the progression of the former egg industry statutory authority, the Victorian Egg Board, privatised in 1993 to form a co-operative known as the Egg Industry Co-operative.

As a co-operative, the group was supplied by around 200 farmer shareholders with about 2.8 million hens in Victoria.

The new entity, Farm Pride Foods, went to the market issuing 3,650,000 shares at 55¢ each. The offer closed oversubscribed, eight days earlier than planned and attracted around 500 applicants, with at least one institutional investor, despite a limit of 100,000 shares being placed on individual shareholding.

At listing, the public represented nearly 22% of the total shares on issue, with the rest held by about 200 egg farmers.

No single shareholder will be able to hold 20% or more of the company's shares for the first three years of listing.

The company's brands include Farm Pride, Mrs McKeachie's, Mother Hens, Country and Country House. It intends to market these brands throughout Australia.

AUSTRALIAN CAPITAL TERRITORY

Legislative reform approved

Stewart Chapman, from the Registry of Co-operatives in the ACT, says cabinet has approved the decision to reform the old co-operative legislation. However, with an election due in the ACT in the near future, the amendments are unlikely to occur until the second half of 1998.

NEW SOUTH WALES

NSW Act introduced

The new NSW Co-operative Act has passed through parliament and came into force on December 1, 1997. The new Act amends the previous 1992 Co-operatives Act in a number of ways, most notably to include core-consistent provisions currently common to Queensland, Victoria and South Australia, to facilitate the inter-state operations of co-operatives.

The NSW Co-operative Federation will be holding a series of seminars around the state in the coming months to assist co-operatives in understanding the details of the new Act.

CONTACT: NSW CO-OPERATIVE FEDERATION OF NSW CONSULTANT, **DON KINNERSLEY**, 2 CHATHAM CLOSE, BELROSE, NSW. FAX/PHONE (02) 9975 7228.

Gov't promotes co-op development

The NSW government is involved in a number of related co-operative development activities, according to **Garry Cronan**, manager of co-operatives policy with the NSW Department of Fair Trading.

These activities include commissioning a feasibility study of the viability of establishing a trading network of co-operatives in the Asia-Pacific area. Such a network could link Australian co-operatives with their Asia-Pacific counterparts and facilitate trade between members of the network.

Mr Cronan says a feasibility study on establishing an electrical/energy buying co-operative on the north coast of NSW has recently been completed (see p3)

"This is an innovative use of the co-operative model in the context of a deregulating industry and may well, if successful, signal a new direction for co-operative development," he says.

This level of activity in the co-operative sector is perhaps the start of a period of renewed public policy interest in co-operatives, he says, particularly as other national regulatory agencies focus attention on the implications of the birth of a new Australia-wide regime for general co-operative regulation and development.

Section 120(1)(c)

The NSW Treasury Corporation has issued guidelines for loans which meet the criteria of Section 120(1)(c) of the Taxation Act. A summary of the main features of the loans can be obtained from **Don Kinnersley** at the Co-operative Federation of NSW.

To discuss more specific aspects of your co-operative's application, contact **Oliver Bedford** at the Treasury Corporation on (02) 9325 9253.

NSW Department of Fair Trading changes

It is all change once again at the NSW Department of Fair Trading. In a reshuffle of the NSW Premier's cabinet, a new minister has been appointed to the Fair Trading portfolio.

Brian Langton, previously Minister for Transport, replaces **Faye Lo Po** as Minister for Fair Trading. Mr Langton entered parliament in 1993 as the member for Kogarah after lengthy experience in local government and employment in the investment banking and travel industries.

The Department of Fair Trading director-general, **David O'Connor**, remains the registrar of co-operatives.

The Registry of Co-operatives at Bankstown, under the management of **Bruce Horton**, now comes under the control of the assistant director-general, **Brian Given**.

Garry Cronan remains in the department's policy division at Sussex St, with specific responsibility for co-operative policy matters. **Graham Monday** and **Jayo Wickremarachchi** have moved to the Registry of Co-operatives at Bankstown.

Co-operatives policy officer, **Nilima Dutta**, has taken leave to return to India for an extended period. **Adrian Evans** has joined the registry as a legal officer looking particularly into legislative options to facilitate the operation of co-operatives in NSW.

NORTHERN TERRITORY

Registrar appointed

Phil Timney is the new Registrar of Co-operatives in the Northern Territories. However, **Claire Condon**, will be acting in this role until mid 1998 as Mr Timney is on leave.

Barbara Bradshaw is now engaged in policy work in the co-operatives policy branch. **Bryan Elliott** is head of policy work in relation to co-operatives.

VICTORIA

Model rules available

The long-awaited model rules for co-operatives are now available from the Office of Business Affairs. Every co-operative is required to update its rules within two years of the commencement of the Victorian Act (October 1, 1997).

The Victorian Federation has produced a series of information sheets on the new Victorian Act to help co-operatives comply with the new legislation.

Federation secretary, **Tony Gill**, says because the Victorian

NEWS FROM AROUND AUSTRALIA

Registry is no longer providing legal advice in this area, the federation decided the best way to handle the expected demand for information was to produce a series of information sheets on common topics and questions arising from the implementation of the new Act.

Mr Gill says 15 topics are covered, but the federation is open to suggestions on other topics which would be useful to cover in the future.

Information sheets are free to federation members and cost between \$10 and \$20 per sheet for non-members.

CONTACT: TONY GILL, CO-OPERATIVE FEDERATION OF VICTORIA, (03) 5345 7466 OR 019 176 372.

SOUTH AUSTRALIA

New legislation proclaimed

New co-operative legislation was proclaimed on December 1, 1997, in South Australia. The SA federation is holding a seminar in conjunction with the Corporate Affairs Office on March 6 to address aspects of the new legislation and any questions SA

co-operatives may have regarding their obligations in conforming with the new Act.

CONTACT: DAVID OSGOOD, CO-OPERATIVE FEDERATION OF SOUTH AUSTRALIA, (08) 8216 5520 (MON/TUES), FAX (08) 8362 7455.

Dairy Vale to return to fold?

Former dairy co-operative, Dairy Vale Ltd, may soon be back under the banner of a fully fledged co-operative again. A formal tender has been conducted for the Dairy Vale business with an announcement due in the coming weeks. Front runners as we go to press are dairy co-operatives Dairy Farmers, Murray Goulburn and Bonlac Foods.

Co-operative wine stores

Already the state's major grain handler, South Australian Co-operative Bulk Handling Ltd is set to become a major bulk handler for the wine industry. It hopes to provide 30% of a predicted one billion litre growth in storage needed by the wine industry by 2025. The move, which is still subject to final board approval, will offer much needed diversification for grain growers.

NEWS FROM AROUND THE WORLD

New UK housing group

A new body has been launched to promote the concept of co-operatives as a means of bringing affordable housing to many more people in the UK. The National Co-operative Housing Forum has been set up by the UK Co-operative Council. Founding members include the Confederation of Co-operative Housing, CDS Co-operative Housing Society, South Western Co-operative Housing Society and the Co-operative Bank.

Chair of the UK Co-operative Council, Lord Graham of Edmonton, said a body was needed to represent the co-operative housing sector nationally, especially when dealing with government. It will be active in the areas of housing law and promote the co-operative system as a distinct form of tenure, as well as encouraging existing co-operatives of all types to use their considerable property portfolios to increase the stock of available housing.

Co-op research conference – call for papers

Papers are being called for the International Co-operative Research Conference, 'Values and adding value in a global context', to be held from May 13 to 17 in Cork, Ireland.

The general theme is the re-invention of co-operatives due to the pressure of deregulation and changing governments. Papers are also invited for a special workshop on 'Education, training and development in a development context'.

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CIRIEC international congress

The 22nd international congress of CIRIEC – the international centre of research and information on the public and co-operative economy – will be held in Koln, Germany, on May 4 and 5.

The theme for the congress will be the management of human resources in public, social economy and co-operative enterprises.

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Plunkett Foundation

Edgar Parnell has retired as chief executive of the Plunkett Foundation after 14 years to concentrate on his co-operative lecturing, writing and consultancy work.

Simon Rawlinson, previously part of the executive management team at Milk Marque, Europe's largest milk wholesaling co-operative, has been appointed to the position. Mr Rawlinson handled the European affairs of Milk Marque's predecessor organisation the Milk Marketing Board. He is past chairman of the COGECA Milk Group, the federation representing European Union dairy co-operatives, and past chairman of the Institute of Marketing's food, drink and agriculture group.

Mr Rawlinson believes with increasing world-wide emphasis on free market agricultural economies, user-owned businesses have a vital role to play in rural economic development.

European agric. co-op leaders must change

European agricultural co-operative leaders must change the way they do business to survive in the new millennium. According to the Plunkett Foundation's publication 'Farmers in Business', this emerged as the clear message from the second annual Agricultural Co-operative Leaders Symposium held in Portugal last November.

Delegates were told that leaders needed to:

- change their attitudes and adapt to shifting world food markets;
- play an active and positive role in World Trade Organisation and Common Agricultural Policy negotiations; and
- expand to meet the needs of big supermarket chains and multi-national food traders.

Conference on the social economy

The 6th European conference on the social economy will be held from June 3 to 5 at the International Convention Centre, Birmingham, UK.

More than 800 delegates representing sectors of the social economy in Europe, including co-operatives, mutual societies, foundations and associations, are expected to attend.

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HEALTHY RESPONSE TO GOVERNMENT CUTBACKS

CO-OPERATIVES present a viable way to provide services in rural hospitals, according to **Gerry Peacocke**, member for Dubbo, NSW.

Mr Peacocke, who was involved in developing the Yeoval Community Hospital co-operative, sees developments of this kind as an effective response to the current pressure on the Australian health care system.

Speaking at a recent rural health seminar in NSW, he said hospitals in smaller rural communities had undergone considerable change over the past decade.

The rapidly increasing cost of national health care services and a reduction in the number of general practitioners in rural areas has put pressure on existing systems.

The development of highly sophisticated and costly equipment – and the corresponding increase in bureaucratic controls – has added to the burden.

He said almost every hospital in the smaller towns in his electorate had been 'downsized' in some way.

Historically, most of these hospitals were

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A recent seminar in NSW looked at the role of co-operatives in rural health care.

built and serviced by the local community. However, with increasing costs and debt they were absorbed into the state system many years ago.

Mr Peacocke said he believed local communities had, by and large, lost control of their hospitals to the bureaucracy, which must function and respond to its own set of pressures. Local communities must retake control of their own destiny in health care, he said, and the Yeoval example showed that it could be done.

Why a co-operative?

Mr Peacocke said a co-operative structure was a better option for taking control of community health care because it was a "democratic organisation owned and controlled by the people it serves, who join together for a common benefit".

"In the case of a hospital co-operative, any profits made will not be paid to members but used in developing the facility and reducing costs," he said.

The process of forming a co-operative is much simpler than forming a company and the reporting requirements are generally less onerous.

"The co-operative form of enterprise is especially suited to meeting the mutual achievement of social needs which may be unavailable to individuals or may not be as well satisfied within the private or public sectors," Mr Peacocke said.

The concept of co-operatively owned health care has a proven model in the Yeoval hospital.

Better service, lower costs

Mr Peacocke believes every hospital in his electorate, other than Dubbo Base Hospital, should be owned by local communities and assisted by governments. This would provide better small hospitals and reduce their cost to government.

By far the greatest problem governments face, he said, was the provision of adequate recurrent funding and the supervision of its expenditure.

"Yeoval has shown that not only are these costs reduced by community ownership due to better flexibility in administration and staffing, but profits can also be made to enable the expansion of basic services."

He acknowledged that governments had invested significant capital in Yeoval, but had been relieved of significant on-going maintenance and administration cost.

"By this (government) investment, they have allowed Yeoval to develop a classic model for a multi-purpose health care centre (the first in NSW) offering excellent basic services, thus reducing the pressure on larger regional hospitals and other health care facilities," he said.

Community-owned health facilities certainly require more local community involvement, but Mr Peacocke believes that Yeoval has proved that this has many beneficial effects – not the least of which was the drawing together of the community to realise the control they could exercise in their health care needs.

"The entry into local ownership through the co-operative system allows local people to make decisions in health care without the need to seek permission from some distant bureaucrat," he said.

However, small communities must accept the challenge if they are to survive. The alternative is to sit back and watch smaller communities slowly die as they lose more and more essential services as governments retreat to larger centres. □

THE RISE OF A HEALTH CARE CENTRE

Colin Francis was chairman of the Yeoval district hospital for 10 years before what he terms its 'political' closure in 1988. He is now chairman and chief executive officer of the Yeoval Community Hospital Co-operative Ltd.

Funding and related cuts had reduced the hospital to just eight beds and it was constantly under threat of closure.

This uncertainty meant that, for its last three years, the hospital was unable to attract the services of a general practitioner.

The government's 'gift' to Yeoval in the bicentennial year (1988), Mr Francis said, was to downgrade the hospital to a five-day-a-week "band aid station", with a matron and deputy matron sitting around with nothing to do.

The hospital's closure was devastating to the community and residents, he said, but in hindsight it was the best thing that could have happened.

"We held a public meeting and formed a co-operative with a great deal of assistance from our local member, **Gerry Peacocke**, who was then NSW Minister for Co-operatives.

Reg Nicholson and **Jim McCall**, the executive of the co-operative movement at the time, were also of great assistance," he said.

The Yeoval Community Hospital Co-operative re-opened on July 1, 1989, with a seven-bed hospital and a seven-bed nursing home. An

eight-bed hostel was opened in 1992 at a cost of \$450,000. This was funded by a government grant of \$375,000 from Aged, Community Care and Hostel programs, \$15,000 from the Freemasons and more than \$46,000 from fundraising within the local community.

Several upgrades of the facilities since then have turned what, in 1988, was a closed, non-viable, eight-person, 'band aid station' into a successfully operating, cost-effective, multi-purpose health centre with nine nursing home beds, nine hostel beds, seven hospital beds, ambulance and ancillary services.

Mr Francis said he was proud of the facility created at Yeoval by a dedicated board, staff and supporting community.

"The Yeoval multi-purpose health centre is now a very viable health service for the Yeoval community and districts. The needs of the community are being met and the income generated is a financial boost to the local economy," he said.

Mr Francis believed multi-purpose services such as this were the way of the future for health service provision to small rural communities.

CONTACT

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KEY CO-OPERATIVE CONTACTS

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