

**State of the Sector:  
New South Wales Co-operatives  
1990 - 2000**

**Jayo Wickremarachchi and Andrew Passey  
June 2003**

**ACCORD Report No. 3**

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Andrew co-edited *Trust and Civil Society* with Fran Tonkiss, which was published by Palgrave in 2000. He holds a Masters Degree in Social Research Methods and Statistics from City University, London.

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## *Abbreviations*

<u>Abbreviation</u>	<u>Description</u>
AAC	Australian Association of Co-operatives
ABS	Australian Bureau of Statistics
ANZSIC	Australia New Zealand Standard Industrial Classification
APRA	Australian Prudential Regulation Authority
ASGC	Australian Standard Geographical Classification
ASX	Australian Stock Exchange
BRW	Business Review Weekly
CCP	Core consistent provisions
CDF	Co-operative Development Fund
CPI	Consumer Price Index
DFT	Department of Fair Trading
GST	Goods and Services Tax
ICA	International Co-operative Alliance
KIC	Key Issues Conference
LGA	Local Government Area
NCP	National Competition Policy Review
RSL	Returned Servicemen's League



## **Executive summary**

### **The national picture**

1. Across Australia, co-operatives are significant organisations, especially with the inclusion of financial co-operatives. In 2000:
  - Assets totalled \$38.5 billion
  - Annual turnover was \$10 billion
  - 38 co-operatives ranked among Australia's top 500 private companies

### **A picture of general (non-financial) co-operatives in NSW in 2000**

2. A narrower definition, (which excludes financial co-operatives) reveals that there were 849 general co-operatives in NSW in 2000, with:
  - An annual turnover of \$4.4 billion (in comparison, NSW's GDP was over \$200 billion)
  - Assets of \$2.5 billion
  - Current assets of over \$1 billion
  - 1.29 million members, of whom close to 5,000 were involved in running the organisations as directors
  - Approximately 13,500 staff
3. The profile of co-operatives in NSW is heavily skewed:
  - More than three-quarters have an annual turnover of less than \$1 million
  - While only four percent of co-operatives have an annual turnover of over \$10 million, they account for 72% of total turnover in the sector
4. The profile and activities of NSW co-operatives leads to distinctive types:
  - Mass-membership co-operatives operate in the consumer (75% of all members) and culture and recreation (19%) sub-sectors
  - Mass-employee co-operatives operate in the primary producer (39% of all employees), human services (31%) and culture and recreation (17%) sub-sectors
  - Asset-rich co-operatives operate as primary producers
  - Member directors are over-proportionately represented in human services and other producer co-operatives (6% of members in both types).
5. The sector's turnover grew in the 1999/2000 financial year, though there were year-on-year falls in assets, operating profit, membership and employment.
6. While around four percent are Aboriginal co-operatives, they only account for 0.4% total sector turnover, and 0.9% of assets. They do, however, account for 3.3% of total employment, predominantly in housing and non-residential care services.
7. Regional NSW is an important area for co-operatives:
  - 57% of co-operatives are in regional NSW, and account for 60% of total turnover

## Trends in the NSW co-operative sector in the 1990s

8. During the 1990s, the co-operative sector in NSW experienced:
- Eight percent growth in the number of co-operatives, although registration slowed towards the end of the decade
  - Turnover growing by 81% in real terms, and was concentrated among a small number of primary producers
  - Assets up by 69% in real terms, and members equity almost doubling
  - Membership up by 440,000 (52%), although one very large co-operative distorts this picture
  - Employment up by over 50%, however, possible under-recording on the Register in the early 1990s exaggerated this trend.

## Assessing performance in the 1990s

9. **Traffic light system.** The overall trends mask significant variation by type of co-operative. To illustrate this, we use a traffic light system, with Green signifying good progress, amber some progress or a mixed picture, and red suggesting major concerns.

Type of co-operative	Performance in 1990s	Traffic light measure	Comments
Primary Producer	Small fall in number, strong financial (\$) growth, smaller growth in membership	GREEN	\$ growth outstripping rise in membership
Other Producer	Marked fall in number, turnover up, but other \$ measures down, membership down by 50%	AMBER	Signs of decline
Consumer	Marked growth in number, \$ growth solid, large rise in membership	AMBER	Membership dominated by one co-op
Human Services	Small fall in number, turnover up, assets down, membership down by one-third	AMBER	Signs of decline
Culture & Recreation	Small fall in number, \$ growth solid, especially assets, membership up markedly	GREEN	Possibly at limit in terms of number of co-ops
Interest Group	Small fall in number, turnover down and assets hollowed out, membership down by 75%	RED	Assets and membership falls, tough future

10. **Risk.** The pattern of financial growth in the two 'green-lit' sub-sectors is distorted by a small number of star performers. Removing the top three by turnover flattens growth trends among the remaining *primary producer* and *culture and recreation* co-operatives. In the latter sub-sector, membership growth is concentrated in *one* organisation.

**PART A**

**A Snapshot of Co-operatives - 2000**



## Introduction

In Australia, people have used co-operative organisational structures to achieve many business and social objectives across a wide range of activities. Co-operative structures provide a means of pooling resources to reach a common goal for various groups of people. Depending on their needs, co-operative activities have been conducted on different scales, at both formal and informal levels. This report looks at formal co-operatives, which are organisations registered under the relevant co-operatives legislation, and which follow an approved set of rules and regulations. Such rules, while complying with the legal requirements, give effect to broad co-operative values, such as mutual trust, self-help and communal benefit.

The legal framework encompasses Federal, State and Territory governments, which register co-operative organisations under different acts. The Australian Prudential Regulation Authority (APRA) administers financial co-operatives such as credit unions, building societies and friendly societies, which take money deposits from their members. Most State-based legislation provides for registration of non-financial co-operatives and most of the State Acts incorporate core consistent provisions (CCP) to provide uniform regulation of co-operatives throughout Australia. There are also eight large Victorian agricultural organisations, which are registered under Corporations Law, although their internal structure is based on member control, and they qualify as co-operatives for taxation purposes. This report focuses on organisations registered under the co-operatives legislation (CCP or its equivalent) in Australia, especially in New South Wales.

## General description of co-operatives

The International Co-operative Alliance (ICA) defines a Co-operative as "*... an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise*". A group of weavers in Rochdale, UK, who formed the first 'formal' co-operative in 1844, voiced co-operative values by listing a set of rules for their co-operative.

The ICA, a global representative body established in 1895, acts as the custodian and articulator of co-operative principles, derived from the first set of rules and values adopted by the Rochdale pioneers. ICA's Statement on Co-operative Identity, states, "*... co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility, and caring for others*"<sup>1</sup>. A set of seven co-operative principles embodies these values as follows:

- Voluntary and open membership
- Democratic member control
- Member economic participation
- Autonomy and independence
- Education, training and information

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<sup>1</sup> ICA's statement on co-operative identity is available from the ICA website <http://www.coop.org>

- Co-operation among co-operatives
- Concern for community.

The principles are included in the co-operative CCP legislation, giving effect to maintenance of co-operative values within organisations registered under the Acts.

## **Classification of co-operatives**

There have been five broad types (or 'traditions') of co-operative activity<sup>2</sup>, namely:

- The Rochdale consumer co-operative tradition;
- A co-operative banking tradition, including credit unions;
- Agricultural marketing co-operative tradition;
- Worker co-operatives tradition; and
- Co-operatives in health, housing, childcare, social and community activities.

Each tradition can be seen as an attempt by a group of people to gain some of the economic or social benefits provided by a co-operative structure. Through consolidation of supply, agricultural marketing co-operatives gain economies of scale. Consumer co-operatives gain economies of scale through aggregation of demand. In both cases, producers and consumers enjoy increased market bargaining power through the co-operative. Financial co-operatives assist members by lending from the pooled funds of members, while worker co-operatives are self-help organisations, which pool skills of members. Other co-operatives, such as co-operative clubs, promote social activities, thereby contributing to the development of active communities.

While co-operative traditions have been evident in Australia since the first co-operative was formed in 1859, their significance has varied over time. Consumer co-operatives were prominent until the 1950s, whereas agricultural co-operatives were quite valuable to the Australian economy in the 1920s to 1950s. Some agricultural co-operatives still have large market shares in their industries. Financial co-operatives played an important role in the 1930s and 1950s, and today, Credit Unions provide a viable alternative to banks. Other co-operative types have been formed since the 1960s, with housing co-operatives channelling government funds to provide housing for members. All these co-operatives have thrived at some stage, except worker co-operatives, which have never been strong in Australia, despite Government initiatives to bolster them in order to stop labour market decline. In terms of the traditions, there is a mix of co-operatives in NSW, and one worker co-operative still operates.

## **Industry classification**

The NSW Registry of Co-operatives and Associations uses the Australia New Zealand Standard Industrial Classification (ANZSIC) system to classify activities of co-operatives. Regional activities of co-operatives are classified by the Australian Standard Geographical Classification system, which identifies the Local Government Area (LGA) where a co-operative generates turnover.

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<sup>2</sup> MacPherson, Ian (1995). "Co-operative Identity" in Co-operatives Managing Change into the 21st Century, collected papers from 1995 Key Issues Conference, Sydney: NSW Registry of Co-operatives.



The classification under the ANZSIC system is partly a self-administered scheme, with co-operatives determining their own ANZSIC codes, after the initial identification of ANZSIC codes by the Registry's Formations Officer. When the classification scheme was introduced in 1989, Registry officers checked the ANZSIC codes nominated by co-operatives to ensure accuracy. ANZSIC codes are now assigned at the time of registration. Subsequent annual returns are based on the initial classification, and co-operatives can add or delete their ANZSIC codes, which are then examined by the Registry. However, this self-classification and the classification of some co-operatives by the Australian Bureau of Statistics (ABS) often differ.

To facilitate the analysis and description of activities in this report, all co-operatives are categorised under six headings. These headings are aggregates of individual ANZSIC classes. A description of each category, plus examples, is given in Box 1.

### **Size classification**

To facilitate analysis, this report uses four categories to describe the size of co-operatives by annual turnover. While it should be noted that turnover of a co-operative is not the major measure of the scale of co-operative activity, it does provide a useful discriminator for analytical purposes. The four categories are:

- Over \$10 million
- \$1,000,001 to \$10 million
- \$100,001 to \$1 million
- \$ 0 to \$100,000

### **Financial year end**

Some co-operatives in NSW have different financial year-end dates. The date of the financial year-end is specified in the Rules of each co-operative. About 33% of the co-operatives have their financial year-end at a different date to the standard 30 June. For this report, however, to calculate the total turnover for the year 1998/99, figures extracted from returns lodged by co-operatives with a financial year-end between 1 July 1998 and 30 June 1999, were used.

## **Box 1: Industry classification of co-operatives**

### **Primary Producer Co-operatives**

- Members are primary producers
- Mainly formed to market members' produce or to purchase agricultural inputs
- Members receive monetary gains from the co-operative through dividends or rebates.

Examples: co-operatives engaged in farming; processing and manufacturing of rural agricultural products such as meat, sugar, tobacco; grain milling, cotton ginning, dairy products manufacturing, farm and construction machinery wholesaling, farm produce and supplies wholesaling; fruit and vegetable processing, fish wholesaling; water supply and provision of other services to agriculture, such as cane harvesting.

### **Other Producer Co-operatives**

- Members are (non-primary) producers
- Formed to market products or services
- Members receive monetary gains from the co-operative through dividends or rebates.

Examples: co-operatives in book and periodical publishing; wholesaling non-rural agricultural products such as machinery and equipment wholesaling, non-metallic mineral products, pharmaceutical and toiletry; paper, pumps and compressors manufacturing; co-operatives engaged in various miscellaneous activities, such as house, road and bridge construction; transport equipment leasing; gardening services; taxi co-operatives; road freight forwarding and transport; provision of services to business, e.g. advertising; administrative and business management services; legal services; market research; financial services; telecommunication.

### **Consumer Co-operatives**

- Members are consumers
- Members consolidate their purchases to gain benefits through lower prices
- Members may receive monetary gains through dividends, but the main advantage is rebates or discounts at the point of purchase.

Examples: co-operatives retailing miscellaneous consumers goods such as clothing, fresh meat, fish, poultry, fruits, vegetables, books, antiques and used goods as well as co-operatives operating supermarkets and grocery stores.

### **Human Services Co-operatives**

- Mainly provide services to the community and often charitable organisations
- Typically members do not receive any monetary return from the co-operative

Examples: co-operatives providing aged care; childcare services; employment placement services; education; general practice medical services, non-residential care services as well as community health centres; housing co-operatives.

### **Culture & Recreation Co-operatives**

- Provide cultural and recreational facilities to members
- Typically members do not receive any monetary return

Examples: club co-operatives and co-operatives providing holiday accommodation such as ski clubs; co-operatives in creative arts; music and theatre productions; and co-operatives operating museums; performing arts venues; radio stations; and sports facilities.

### **Interest Group Co-operatives**

- Represent specific interests / communities
- May provide other community-based services to their members

Examples: co-operatives that are business and professional associations; interest groups; and religious organisations.



## Co-operatives in Australia

In mid 2000, Australia had more than 2,800 co-operatives, including:

- 213 credit unions, with assets of \$22.5 billion, and net assets of \$2 billion
- 18 building societies, with assets of \$13 billion, and net assets of almost \$1 billion
- 48 friendly societies, with assets of \$7.8 billion, 1.29 million members and over 3,000 staff
- 250 co-operative housing societies
- 8 co-operative companies, and
- 2,350 co-operatives registered under CCP or equivalent legislation.

### Large co-operative organisations

In 2000 there were 12 co-operatives in the top 1,000 companies in Australia published by the Business Review Weekly (BRW) – see Table 1. These included four co-operative companies in Victoria and a Friendly Society. The largest co-operative on the list was the Dairy Farmers Group, ranked No. 119, and registered as the Australian Co-operatives Foods Ltd in the NSW Register of Co-operatives. Most large co-operatives are engaged in agricultural industries. The exceptions are the Capricorn society, which provides spare parts and services to the motor industry, and Australian Unity, a Friendly Society.

**Table 1 - Co-operatives in the Top 1000 Australian Companies – 2000**

2000 Rank	1999Rank	Organisation	Type	State
119	131	Dairy Farmers Group	Co-operative	NSW
133	141	Murray Goulburn Co-operative	Co-operative Company	VIC
144	160	Bonlac Foods	Co-operative Company	VIC
276	294	Ricegrowers' Co-operative	Co-operative	NSW
323	477	Namoi Cotton Co-operative	Co-operative	NSW
467	410	Mackay Sugar Co-operative	Co-operative	QLD
674	689	Capricorn Society	Co-operative	WA
747	706	Australian Unity	Friendly Society	VIC
787	781	Co-operative Bulk Handling	Co-operative	WA
803	802	Warrnambool Cheese & Butter	Co-operative Company	VIC
840	850	Tatura Milk	Co-operative Company	VIC
846	839	Norco Co-operative	Co-operative	NSW

Source: Business Review Weekly Magazine – web-site <http://www.brw.com.au>

Note: Some of the co-operatives in this list may have opted to demutualise since 2000.

37 co-operatives were among the largest 500 private Australian companies listed by BRW, including five building societies, four credit unions, four co-operative companies in Victoria and three friendly societies (Table 2).

Together, they represent nearly five percent of the top 500 private companies in 2000. It is to be noted that Namoi Cotton Co-operative is not included in the listing of private companies as its shares are listed in the Australian Stock Exchange (ASX).

**Table 2 - Co-operatives in the Top 500 Australian Private Companies – 2000**

2000 Rank	1999 Rank	Organisation	Type	State
8	7	Dairy Farmers Group	Co-operative	NSW
11	16	Murray Goulburn Co-operative	Co-operative Company	VIC
14	12	Bonlac Foods	Co-operative Company	VIC
29	28	Ricegrowers' Co-operative	Co-operative	NSW
55	47	Mackay Sugar Co-operative	Co-operative	QLD
80	120	Capricorn Society	Co-operative	WA
123	97	Australian Unity	Friendly Society	VIC
134	114	Co-operative Bulk Handling	Co-operative	WA
137	123	Warrnambool Cheese & Butter	Co-operative Company	VIC
147	139	Tatura Milk	Co-operative Company	VIC
149	141	Norco Co-operative	Co-operative	NSW
199	225	Newcastle PBS	Building Society	NSW
202	222	Independent Liquor Group	Co-operative	NSW
206	207	Darling Downs Bacon Co-operative	Co-operative	QLD
206	249	Midfield Meat Group	Co-operative	SA
222	257	SA Co-operative Bulk Handling	Co-operative	SA
233	318	Credit Union Australia	Credit Union	QLD
235	238	Illawarra Mutual BS	Building Society	NSW
237	259	Plumbers' Supplies Co-operative	Co-operative	NSW
257	211	Aust. Freight Services	Co-operative	WA
259	264	Bega Cheese	Co-operative	NSW
286	237	NSW Sugar Milling Co-operative	Co-operative	NSW
294	297	Aust. Central Credit Union	Credit Union	NSW
296	307	Geraldton Fishermen's Co-operative	Co-operative	WA
305	301	Heritage Building Society	Building Society	QLD
329	-	Manchester Unity in NSW	Building Society	NSW
330	315	Greater Building Society	Building Society	NSW
330	38	IOOF	Friendly Society	VIC
355	398	Savings & Loans Credit Union	Credit Union	SA
360	325	Uni Co-operative Bookshop	Co-operative	NSW
367	-	CCW Co-operative	Co-operative	NSW
403	343	Proserpine Co-operative Sugar	Co-operative	QLD
440	348	Mildura Co-operative Fruit	Co-operative	VIC
450	-	Grand United Friendly Society	Friendly Society	NSW
463	455	Co-operative Purchasing services	Co-operative	VIC
478	486	NSW Teachers Credit Union	Credit Union	NSW
483	467	Fremantle Fishermen's Co-operative	Co-operative	WA

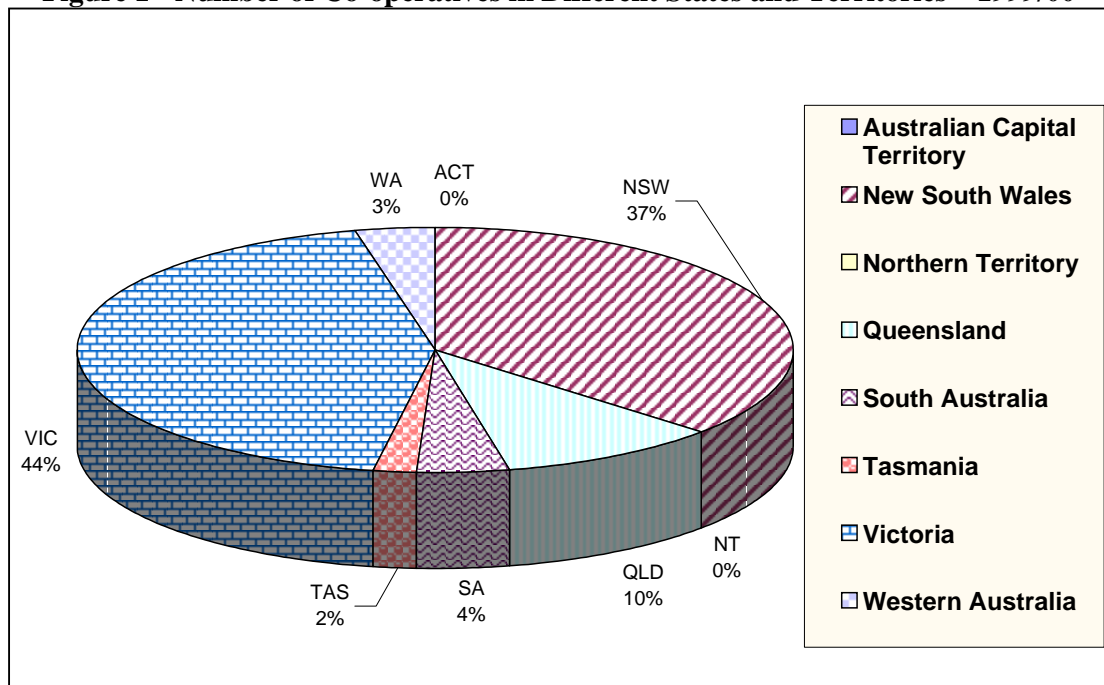
Source: Business Review Weekly Magazine – web-site <http://www.brw.com.au>

Note: Some of the co-operatives in this list may have opted to demutualise since 2000.

## Geographical profile of co-operatives under CCP legislation

As noted above, general (i.e. non-financial) co-operatives are registered under state-based co-operatives acts. The number of co-operatives registered under separate co-operative acts in different States and Territories exceeded 2,350 in 2000, with the majority (over 90%) located in the eastern States (see Chart 1 below).

**Figure 1 - Number of Co-operatives in Different States and Territories – 1999/00**



These co-operatives are engaged in a variety of activities, with agricultural co-operatives the largest in terms of turnover. As the more detailed analysis below reveals, co-operatives are prominent in the dairy, rice milling, meat processing, cotton ginning, sugarcane harvesting and sugar milling industries as well as in providing farm inputs. There are also significant numbers of co-operatives in the clubs and recreation industries. Other co-operative activities include housing, retailing and community service activities.





## Co-operatives in New South Wales

This report concentrates on co-operatives that are registered under the Co-operatives Act 1992. The Act was amended in 1997 and again in 2001 to incorporate core consistent provisions (CCP) aimed at synchronising co-operative legislation among all States and Territories. The NSW Registry of Co-operatives, which became an agency within the Department of Fair Trading in 1995, administers the Act<sup>3</sup>.

The number of co-operatives in NSW was 849 in mid-2000, including co-operatives that were in the process of winding up. There were 787 'active' co-operatives controlled by member-elected boards of directors, and eight co-operatives under administration. The other 54 co-operatives were at various stages of deregistration. 676 co-operatives submitted annual returns for the year 1999/2000 and the following analysis is based on the data provided in these returns. In addition, there were four 'foreign co-operatives'<sup>4</sup> registered in NSW, to which a separate section in this report is dedicated.

### Turnover of co-operatives

The turnover of all Australian co-operatives, excluding financial co-operatives and co-operative companies, is estimated at around \$ 5 billion, with co-operatives in NSW accounting for approximately 85% of this figure.

The turnover of all general co-operatives registered in NSW was \$ 4.36 billion in 1999/2000. This represents an increase of 11% over the previous year. It should be noted that not all the revenue was generated within NSW, since some co-operatives operate interstate and the turnover from trading interstate is not reported to the Registry. Turnover of foreign co-operatives registered in NSW is not included in this total, but is shown separately later in the report.

This 11% growth in turnover resulted, to a significant degree, from the increased revenue among a small number of organisations. For example, the Namoi Cotton Co-operative Ltd increased its turnover by 55% during 1999/2000, while Australian Co-operative Foods Limited, Shepherds Producers Co-operative Ltd and Bega Co-operative Society Limited also recorded increased revenues. Most significant growth was recorded by Shepherds Producers Co-operative Ltd, which increased their turnover six-fold, while 30 co-operatives doubled their turnover in 1999/2000. About 60% of co-operatives reported increased turnover figures during the year. Among co-operatives that recorded substantial decreases in turnover were two large agricultural co-operatives, and a large consumer co-operative in a rural area.

Distribution of turnover among co-operatives in NSW is severely skewed (by size band, and also by the industries in which co-operatives operate). The number of co-operatives in different ranges of turnover is shown in Table 3:

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<sup>3</sup> In 1988, the Department of Co-operative Societies, which had been administering the Co-operation Act 1923, was integrated into the Department of Business and Consumer Affairs, as the Registry of Co-operatives. In July 1991, the Registry was attached to the Department of Local Government & Co-operatives. In 1995, it became a part of the Department of Fair Trading. In 2003, the Department became the Office of Fair Trading under the Department of Commerce.

<sup>4</sup> A foreign co-operative is a co-operative registered under the relevant co-operative legislation in another State or Territory and registered in NSW to carry on business within NSW, under Part 13A of the NSW Co-operatives Act.

**Table 3 - Number of Co-operatives in different turnover ranges – 1999/00**

Turnover range	Number co-operatives	% Total co-operatives
Over \$ 1.0 billion	1	0.1
\$ 100.0 million to \$ 1.0 billion	6	0.9
\$ 10 million to \$ 100.0 million	21	3.1
\$ 1.0 million to \$ 10.0 million	133	19.7
\$ 100,000 to \$ 1.0 million	227	33.6
\$ 0 to \$ 100,000	288	42.5
<b>Total</b>	<b>676</b>	

Source: NSW Registry of Co-operatives database

Of all co-operatives, nearly 80% have a turnover of less than \$1 million, and nearly 50% have a turnover of less than \$100,000. Quantified on this scale, over three-quarters of co-operatives can be described as small-scale organisations. While only four percent of co-operatives are large organisations (annual turnover over \$10 million), collectively they account for 72% of the sector's total turnover. This has implications for public policy on co-operatives and their regulation; a tiered regulatory framework is possibly more appropriate for the sector, due to its skewed profile.

### **BOX 2 - Largest 10 co-operatives in NSW**

The largest co-operatives (by turnover) in NSW are mainly agricultural or trading co-operatives. The top 10 are listed in the following table, the top five are the same as in the previous year. With the drop in turnover experienced by New South Wales Sugar Milling Co-operative Limited, it dropped to 8<sup>th</sup> position, while Walgett Special 1 Co-operative Limited replaced Northern Meat Co-operative Ltd as Number 10.

#### **Largest 10 co-operatives in NSW – 1999/2000**

Name	Position in 1998/99	Position in 1999/00
Australian Co-operative Foods Limited	1	1
Ricegrowers' Co-operative Limited	2	2
Namoi Cotton Co-operative Ltd.	3	3
Norco Co-operative Limited	4	4
Independent Liquor Group (Suppliers) Co-operative Ltd	5	5
Plumbers Supplies Co-operative Limited	7	6
Bega Co-operative Society Limited, The	9	7
New South Wales Sugar Milling Co-operative Limited	6	8
University Co-operative Bookshop Limited	8	9
Walgett Special 1 Co-operative Limited	11	10

Source: NSW Registry of Co-operatives database

## Activities of co-operatives

Activities of co-operatives are recorded in the Registry database using the ANZSIC classification scheme. When multiple ANZSIC codes or LGA codes are used, a percentage is calculated, using the percent of the turnover generated from that activity or from that area. For example, fishing co-operatives engaged in both wholesale and retail trade would have two ANZSIC codes, viz. 4714 and 5121. Using the turnover generated by wholesale trade as a percentage of the total turnover, fishing co-operatives compute the ANZSIC percentage to indicate the extent of involvement of the co-operative in that particular activity. When multiple codes are used, the co-operative will also indicate a primary activity. In this analysis, only the primary ANZSIC code is used. Co-operatives in NSW are distributed across 95 ANZSIC classes, and total turnover statistics of co-operatives in significant ANZSIC classes are given in Table 4.

**Table 4- Turnover of co-operatives in different ANZSIC classes – 1999/00**

ANZSIC Class	Description	No. co-ops in the class	Total Turnover (\$m)	Average Turnover (\$m)
2121	Milk and Cream Processing	4	1,444.9	361.2
2152	Cereal Food and Baking Mix Manufacturing	2	593.9	297.0
0211	Cotton Ginning	1	578.9	578.9
5740	Clubs (Hospitality)	127	243.3	1.9
4713	Dairy Produce Wholesaling	1	184.0	184.0
4717	Liquor Wholesaling	1	134.1	134.1
4539	Building Supplies Wholesaling	1	116.3	116.3
2129	Dairy Product Manufacturing	1	106.9	106.9
2171	Sugar Manufacturing	1	99.0	99.0
2111	Meat Processing	2	83.4	41.7
4714	Fish Wholesaling	18	81.0	4.5
0219	Services to Agriculture	26	80.1	3.1
4519	Farm Produce and Supplies Wholesaling	16	78.4	4.9
5243	Newspaper, Book and Stationery Retailing	1	77.5	77.5
5210	Department Stores	3	68.0	22.7
6123	Taxi and Other Road Passenger Transport	33	42.3	1.3
4512	Cereal Grain Wholesaling	5	40.7	8.1
4715	Fruit and Vegetable Wholesaling	5	38.8	7.8
5123	Liquor Retailing	1	32.3	32.3
5110	Supermarket and Grocery Stores	4	29.5	7.4
7861	Employment Placement Services	7	27.8	4.0
6642	Road Freight Forwarding	2	19.5	9.8
7711	Residential Property Operators	67	16.4	0.2
	Other Classes	347	140.3	0.4
<b>Total</b>		<b>676</b>	<b>4,357.3</b>	<b>6.4</b>

Source: NSW Registry of Co-operatives database

The activities of co-operatives are wide-ranging, indicating a wide application of the co-operative structure in different industries, but are often lacking 'critical mass' to make a difference in the industry.

Agricultural co-operatives, which primarily market agricultural produce, or purchase farm inputs in bulk, have a higher turnover compared to co-operatives that are engaged in community advancement activities. This disparity between co-operatives makes it difficult to develop indicators and measure the financial performance of the co-operatives sector as a whole. Moreover, a co-operative's primary motive is member service and not necessarily profit maximisation. Therefore, while we use turnover as a measure in this report, such a conventional financial analysis method can not be strictly applied to all co-operatives.

Agricultural co-operatives in the dairy, rice milling, and cotton ginning industries had the largest turnover. The class in which the highest number of co-ops are registered is the club-category, such as Returned Servicemen's League (RSL) clubs, bowling and sporting clubs. However, while there are many co-operative clubs, their average turnover is relatively small – less than two million dollars per year. Most clubs re-structured themselves as co-operatives in 1970 and 1971, because of legislative changes in liquor licensing that allowed co-operative clubs to be licensed. Clubs can no longer be incorporated as co-operatives, and as such, are more of a historical residue. Other significant numbers include 66 housing co-operatives, 60 ski lodges formed on a co-operative basis, 33 taxi co-operatives and 27 sugar cane harvesting co-operatives.

Turnover statistics using the broader industry classification, developed for this analysis, are detailed in Table 5, and underline the significance of primary producer co-operatives, which account for 82% of total turnover.

**Table 5- Numbers and turnover of different types of co-operatives –1999/00**

Activity Classification	Size bands				Grand Total	Total turnover (\$ m)	% Total
	\$ 0 to \$ 100,000	\$ 100,000 to \$ 1.0 m	\$ 1.0 m. to \$ 10.0 m.	Over \$ 10.0 m.			
Primary Producer Co-operative	33	29	32	16	110	\$3,562.6	81.8%
Other Producer Co-operative	32	30	17	3	82	\$220.9	5.1%
Consumer Co-operative	15	8	8	5	36	\$226.5	5.2%
Human Services Co-operative	70	62	21	1	154	\$85.2	2.0%
Culture & Recreation Co-operative	117	91	54	3	265	\$256.3	5.9%
Interest Group Co-operative	21	7	1	0	29	\$5.7	0.1%
<b>Total</b>	<b>288</b>	<b>227</b>	<b>133</b>	<b>28</b>	<b>676</b>	<b>\$4,357.3</b>	

Source: NSW Registry of Co-operatives Database

## Assets and profits

The total assets of NSW co-operatives were \$2.52 billion in 1999/2000, an increase of 2.4% from the previous financial year. The increase was to a large extent the result of assets gained by Australian Co-operative Foods Limited, Ricegrowers' Co-operative Limited, Northern Co-

operative Meat Company Limited, Independent Liquor Group (Suppliers) Co-operative Limited, Walgett Special 1 Co-operative Limited and Plumbers Supplies Co-operative Limited. Again, 60% of the co-operatives recorded an increase in their total assets at 30 June 2000. In contrast, the total assets of Namoi Cotton Co-operative, a co-operative listed on the ASX, were more than 20% lower than the previous year. Other co-operatives, which recorded substantial asset-depletion, included two large agricultural co-operatives.

Net assets or members' funds in NSW co-operatives totalled \$1.04 billion in 1999/2000, representing a 9.4% growth. The increase was aided by a substantial growth of net assets of Australian Co-operative Foods Limited, Bega Co-operative Society Limited and Namoi Cotton Co-operative Ltd. 61% of co-operatives reported an increase in net assets as at 30 June 2000.

Total operating profit of the sector in 1999/2000 decreased by eight percent to \$99.1 million, while net operating profit declined by 15% to \$87.0 million. Australian Co-operative Foods Limited, Ricegrowers' Co-operative Limited, Namoi Cotton Co-operative Ltd., Bega Co-operative Society Limited and Plumbers Supplies Co-operative Limited all had net profits over five million, with over half of the co-operatives reporting net profits. Two large agricultural co-operatives and a club co-operative reported net losses of over one million dollars during the year.

## Members and employees

NSW co-operatives had a total membership of 1,292,455 in 1999/2000, representing a decline by 3.3% year-on-year. About one-third of co-operatives reported a declining membership, among them a large consumer co-operative, two agricultural co-operatives and several bowling and other club co-operatives. The University Co-operative Bookshop Limited continued to increase its membership to 892,920 with 46,664 new members joining the co-operative during the year.

The number of employees of NSW co-operatives decreased marginally to 13,308, a figure that does not include any volunteers. Almost half of the co-operatives have at least one paid employee. Over 100 jobs each were made obsolete by two large agricultural co-operatives and a co-operative engaged in recreational activity. These job-losses were offset by jobs created in Labour Co-operative Ltd and Spectrum Employment Services Co-operative Limited. 134 co-operatives put on new staff and 116 co-operatives reported a fall in staff numbers. Comparisons of member and employee numbers in different types of co-operatives are given in Table 6.

**Table 6 - Number of members and employees in different co-op categories – 1999/00**

Co-operative category	No of members	No of employees
Primary Producer Co-operative	39,791	5,238
Other Producer Co-operative	8,320	695
Consumer Co-operative	970,972	969
Human Services Co-operative	16,443	4,062
Culture & Recreation Co-operative	250,180	2,321
Interest Group Co-operative	6,749	23
<b>Total</b>	<b>1,292,455</b>	<b>13,308</b>

Source: NSW Registry of Co-operatives database

## Consolidated financial statistics of the sector

Financial statistics for the sector as extracted from the Registry-database are given in Table 7. During 1999/00, the ratio of operating profit to turnover of the sector was 2.3%, declining from the 2.7% ratio achieved in 1998/99. Profitability is generally not the prime motive for co-operative activities, as the basic concept of co-operation is maximising member service/gains through group economies<sup>5</sup>. The return on total assets, return on non-current assets and return on members' share equity declined as well. Co-operatives usually retain only a small part of their profits, with a major portion being disbursed either as dividends or rebates to members. However, in 1999/00, retained profit increased, with a drop in dividends and rebates.

Increasing the productivity of capital through higher utilisation rates of fixed assets is generally a main business objective, and is assessed through the assets-to-turnover ratio. Co-operatives collectively had an assets-to-turnover ratio of 1.73 in 1999/00, indicating an improvement of assets utilisation.

A co-operative's ability to meet short-term liabilities either through liquid funds or through quick liquidation of its current assets should be high. While the prudential level of short-term liquidity would vary from industry to industry, a current ratio of 2.0 is usually considered adequate. The co-operatives sector has a current ratio of 1.2, which falls far below the benchmark. The 1999/00 ratio was also 1.2, although the working capital of co-operatives increased in that year.

The debt-to-equity ratio gives an indication of the relative amounts of funds sourced from members and external borrowings. A higher portion of members' equity normally indicates the willingness of members to fund the co-operative's operations, against the funding required from external sources. In 1999/00, the debt-equity ratio or the degree to which co-operatives were utilising borrowed money, was 0.5, implying that funding by members exceeded external borrowing. A higher debt/equity ratio can offer greater returns to members, but represents a higher risk.

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<sup>5</sup> This apparent conflict with the profit maximisation motive often leads to many analysts drawing the conclusion that co-operatives are inherently unable to generate profits or that profits of co-operatives are grossly inadequate. For investors, the return on investment from a co-operative is restrained by the fact that the usage of the co-operative provides the return rather than capital invested. These arguments only accentuate the inapplicability of conventional evaluation methods of financial performance to co-operatives.

**Table 7 - Comparative financial statistics of the sector – 1998/99 and 1999/00**

ITEM	1998/99 (\$ million)	1999/00 (\$ million)	% change
Number of reporting co-operatives	686	676	98.5%
<b>Profit &amp; Loss</b>			
Turnover	\$3,923.60	\$4,357.30	111.1%
Cost of Goods	\$2,640.10	\$2,811.00	106.5%
ITEM	1998/99 (\$ million)	1999/00 (\$ million)	% change
Operating Profit	\$107.70	\$99.10	92.0%
Tax on Operating Profit	\$3.60	\$3.60	100.0%
Extraordinary Profit/Loss <sup>6</sup>	-\$0.50	-\$7.30	1460.0%
Interest on external debt	\$1.30	\$1.20	92.3%
Net Profits	\$102.30	\$87.00	85.0%
Appropriation <sup>7</sup>	\$458.20	\$494.40	107.9%
Dividends	\$28.50	\$24.10	84.6%
Rebates	\$58.10	\$52.70	90.7%
Transfers to Reserves	\$1.00	\$1.10	110.0%
Other disbursements			
Retained profits at end of year	\$370.80	\$415.80	112.1%
<b>Balance Sheet</b>			
Current Assets – Cash	\$151.60	\$116.40	76.8%
Current Assets – Receivables	\$388.90	\$399.70	102.8%
Current Assets – Investments	\$34.00	\$26.60	78.2%
Current Assets – Inventories	\$515.10	\$572.30	111.1%
Current Assets – Other	\$96.20	\$60.20	62.6%
Total Current Assets	\$1,185.80	\$1,175.20	99.1%
Non-current assets – property	\$1,082.20	\$1,156.30	106.8%
Non-current assets – receivables	\$15.20	\$20.90	137.5%
Non-current assets – investments	\$32.70	\$40.50	123.9%
Non-current assets – inventory	\$4.80	\$1.10	22.9%
Non-current assets – intangibles	\$65.60	\$60.90	92.8%
Non-current assets – other	\$76.40	\$67.00	87.7%
Total Non-current assets	\$1,276.90	\$1,346.80	105.5%

<sup>6</sup> Co-operatives report profits or losses, which are not gained or incurred in normal operations.

<sup>7</sup> Indicates total amount available for payment of dividend, rebates and transfer to reserves

Total Assets	\$2,462.50	\$2,522.00	102.4%
Current liabilities - creditors	\$749.30	\$765.70	102.2%
Current liabilities - provisions	\$124.00	\$118.10	95.2%
Current liabilities - other	\$113.30	\$79.60	70.3%
Total Current liabilities	\$986.50	\$963.40	97.7%
Non-current liabilities - creditors	\$429.40	\$447.40	104.2%
Non-current liabilities - provisions	\$40.10	\$39.80	99.3%
Non-current liabilities - other	\$51.10	\$26.30	51.5%
ITEM	1998/99 (\$ million)	1999/00 (\$ million)	% change
Total Non-current liabilities	\$520.50	\$513.40	98.6%
Total Liabilities	\$1,507.10	\$1,476.90	98.0%
Net Assets	\$955.50	\$1,045.10	109.4%
<b>Equity</b>			
Share Capital	\$261.00	\$292.20	112.0%
Total Share Equity	\$955.60	\$1,045.90	109.4%
Share Reserves	\$322.10	\$332.50	103.2%
Retained Earnings	\$370.50	\$418.40	112.9%
Members Share Equity	\$953.60	\$1,043.10	109.4%
<b>Share Structure</b>			
Ordinary Share Additions	\$31.40	\$31.70	101.0%
Premium share additions	\$0.10	\$0.20	200.0%
Member additions	\$3.80	\$3.60	94.7%
Bonus Share additions	\$8.00	\$7.40	92.5%
Repurchases from active	\$0.30	\$0.70	233.3%
Repurchases from non-active	\$0.90	\$1.50	166.7%

Source: NSW Registry of Co-operatives database

Other statistics collected by the NSW Registry of co-operatives include the numbers of people involved in co-operatives. Some key statistics are given in Table 8.



**Table 8- Comparative Statistics of the sector – 1998/99 and 1999/00**

ITEM	1998/99	1999/00
Members	1,337,162	1,292,455
Employees	13,291	13,308
Member Directors	5,191	4,964
Employee Directors	74	69
External Directors	32	42
Export Revenue	\$920.7	\$1,092.1

Source: NSW Registry of Co-operatives database

### Consolidated financial statistics of different types of co-operatives

Detailed consolidated financial data on different co-operatives can be found in Appendix 1 of this report. To aid interpretation, the following section focuses on the performance of different co-operative industry types, using the ratios detailed above. While the data can provide some benchmarks and comparisons for different types of co-operatives, however, co-operatives within each category also vary significantly.

#### Key financial ratios

Table 9 details some key financial data for different co-operative types. The main findings are:

- Operating profit as a percentage of turnover ranged from less than one percent (consumer co-operatives) to 5.6% (human services);
- Assets utilisation, as indicated by the assets-to-turnover ratio, also showed a broad range, with culture and recreation, and interest group co-operatives, had lower asset value than turnover.

**Table 9- Key financial ratios by co-operative type: 1999/2000**

	Op profit/turnover	Assets: turnover	Liquidity	Debt: equity
Primary Producer	2.3%	1.88	1.1	0.8
Other Producer	3.1%	1.90	1.5	0.3
Consumer	0.8%	2.87	1.7	0.1
Human Services	5.6%	1.33	2.2	0.1
Culture / Recreation	1.7%	0.72	2.0	0.1
Interest Group	3.5%	0.90	2.1	0.2
All	2.3%	1.70	1.2	0.5

A different way of analysing co-operatives is to compare them in terms of members, employees, and directors – the people who are involved in their governance. A range of statistics for these categories is shown in Table 10. Some of the key findings are:

- Consumer (75% of all members) and culture and recreation co-operatives (19%) are mass-membership organisations
- Primary producers (39% of all employees), human services (31%) and culture and recreation co-operatives (17%) are mass-employee organisations
- Member run co-operatives work predominantly in culture and recreation, and human services
- Primary producers generate almost \$1.1 billion in export revenue.

**Table 10– Comparison of the number of people involved in governance**

	Number Members	Number Employees	Number Member Directors	Number Employee Directors	Number External Directors	Export Revenue \$m
Primary Producer	39,791	5,238	704	16	12	1,091.9
Other Producer	8,320	695	484	14	6	0.3
Consumer	970,972	969	214	4	2	0.0
Human Services	16,443	4,062	1,048	25	11	0.0
Culture / Recreation	250,180	2,321	2,292	8	10	0.0
Interest Group	6,749	23	222	2	1	0.0
All	1,292,455	13,308	4,964	69	42	1,092.1

## Trading co-operatives

Under section 14 of the NSW Co-operatives Act, a co-operative may be either:

- a trading co-operative, or
- a non-trading co-operative.

A trading co-operative has share capital and distributes returns on surplus or share capital. A non-trading co-operative does not distribute returns to members other than the nominal value of shares (if any), if and when it is terminated. A non-trading co-operative may or may not have share capital. The reason for non-trading co-operatives to have shares is more a relict of co-operative history, than a functional necessity. Under the Co-operation Act 1923, co-operatives issued shares irrespective of the organisation's profit distribution. To maintain the status of co-operatives that issued shares without distributing profits, a class of non-trading co-operatives with shares was created.

Accordingly, there are three basic classes of co-operatives: Trading co-operatives, Non trading co-operatives with shares, and Non-trading co-operatives with no shares. In 1999/00, 207 trading co-operatives, 445 non-trading co-operatives with share capital and 81 with no

shares were on the public register. Details for each type are given in Table 11. Essentially, it is the trading co-operatives that have highest turnover, the most assets, and pay out dividends.

**Table 11- A comparison of trading and non-trading co-operatives –1999/00**

TRADING TYPE	Trading	Non-trading Share	Non-trading Non-share	Total
Number of reporting co-ops	190	406	80	676
Turnover (\$ m.)	3,968.8	278.9	109.6	4357.3
Net Operating Profit (\$ m.)	76.8	6.7	3.5	87.0
Net Assets (\$ m.)	690.7	258	96.4	1045.1
Dividends (\$ m.)	23.9	0.2 <sup>8</sup>	N A	24.1
Rebates (\$ m.)	52.7	0.0	N A	52.7
% of dividends to net operating profit	31.1%	3.0%	N A	27.7%
% of rebates to turnover	1.33%	0.00%	N A	1.21%

Source: NSW Registry of Co-operatives database

Table 12 shows the distribution of trading/non trading classification across the activities of co-operatives. This reveals that trading co-operatives typically operate as Producers; Consumer co-operatives are evenly split between trading and non-trading share co-operatives; while the bulk of other types - Human Services, Culture & Recreation, and Interest Group - are typically non-trading share co-operatives.

**Table 12- Trading and Non-trading co-operatives by Activity –1999/00**

ACCORD Class	Trading		Non-trading Share		Non-trading Non Share	
	Number	Turnover (\$ m.)	Number	Turnover	Number	Turnover (\$ m.)
Primary Producer	96	\$3,559.0	11	\$2.9	3	\$0.8
Other Producer	59	\$216.4	20	\$3.5	3	\$1.0
Consumer	19	\$192.4	13	\$33.1	4	\$1.0
Human Services	8	\$0.2	123	\$51.3	23	\$33.7
Culture & Recreation	5	\$0.6	216	\$182.9	44	\$72.9
Interest Group	3	\$0.1	23	\$5.3	3	\$0.3
Total	190	\$3,968.8	406	\$278.9	80	\$109.6

Source: NSW Registry of Co-operatives database

## Foreign co-operatives

Under the CCP scheme, co-operatives are required to register in other states, if they wish to engage in interstate trade. Co-operatives registered with an Interstate registry are referred to as a foreign co-operative. There are four foreign co-operatives registered in NSW. They generated a turnover of \$263.5 million in 1999/00, an increase of 7.8% from the previous year. They are engaged in providing services to the automotive industry, community service, travel agent services and fruit/vegetable processing. These co-operatives are registered in Western Australia, Victoria and Queensland. The revenue of foreign co-operatives combines

<sup>8</sup> Generally, non-trading co-operatives do not distribute profits.

turnover generated from activities in NSW and in other states and territories. Table 13 shows total financial details of foreign co-operatives registered in NSW.

**Table 13- Comparative statistics of foreign co-operatives in 1998/99 and 1999/00**

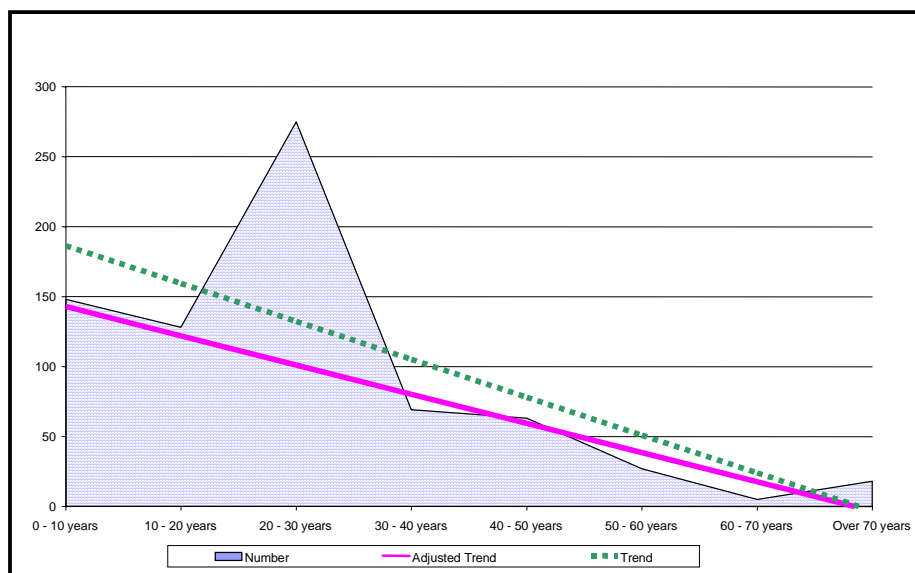
ITEM	1998/99	1999/00
Turnover (\$ m.)	263.6	244.5
Net operating profit (\$ m.)	6.1	5.1
Total assets (\$ m.)	65.2	56.4
Net assets (\$ m.)	36.7	30.7
Number of members	4,767	8,988
Number of employees	149	91

Source: NSW Registry of Co-operatives database

## Age of co-operatives

The oldest co-operative in NSW is over 76 years old: Murrumbidgee Irrigation District Farmers' Co-operative Society Limited, formed on 30 June 1924. However, this age reflects the date, when co-operatives were registered as separate organisations under the Co-operation Act 1923. Prior to the proclamation of this Act in 1924, co-operatives were registered under the Industrial and Provident Societies Act 1873. The Registry database records only the date of registration under the Co-operation Act 1923 and the Co-operatives Act 1992. This means that some of the co-operatives may be older, as they may have been in operation before 1923. The average age of active NSW co-operatives in 1999/2000 was 25 years, and Figure 2 depicts the age distribution of all co-operatives.

**Figure 2- Age distribution of NSW co-operatives - June 2000**

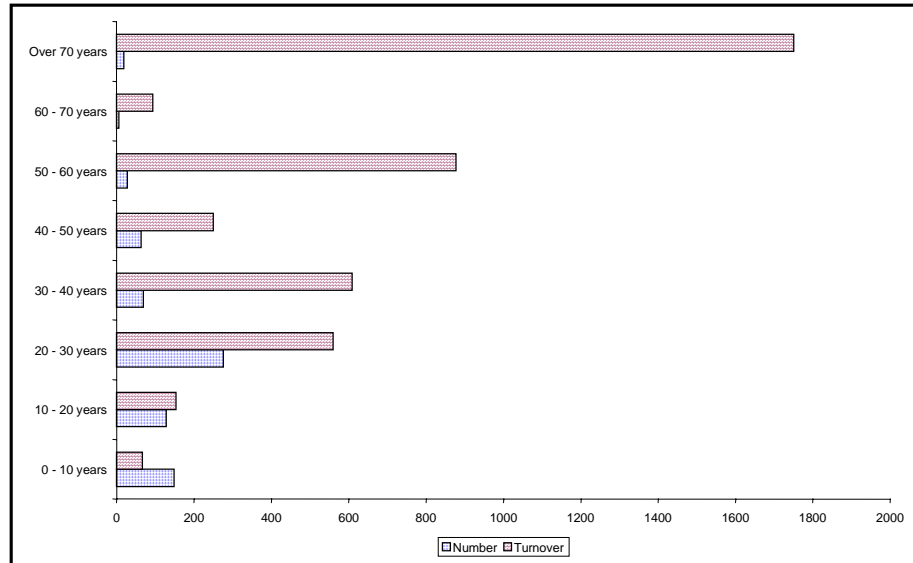


The peak at 30 years is due to the large number of recreation clubs, which opted for a co-operative structure in the early 1970s. If this peak is disregarded, an inverse correlation can be seen between age and the numbers of co-operatives. This reflects the finite lifetime of a co-

operative organisation: that a co-operative may not serve the purpose for which it was created after a certain time.

The age distribution of co-operatives in NSW follows the long-term co-operatives formation pattern. The older co-operatives are agricultural co-operatives, and the majority of 'middle-aged' co-operatives are recreation clubs, ski lodges and bowling clubs. The relationship between numbers of co-operatives, and their combined annual turnover by age group, reflects this pattern.

**Figure 3- Relation between age and turnover of co-operatives – June 2000**



## Location of co-operatives

Co-operatives exist in metropolitan and rural areas. To facilitate the analysis of geographical data from the Registry, a broad classification was used. It is based on the Australian Standard Geographical Classification (ASGC) scheme developed by ABS and the postal delivery system of Australia Post. Table 14 gives a breakdown of locations of co-operatives.

**Table 14- Locations of co-operatives – 1999/00**

	Number	% total	Turnover (\$ m.)
<b>Sydney and Suburbs</b>			
Inner Sydney	117	16.0	182.4
North Sydney	74	10.1	1,484.8 <sup>9</sup>
Western Sydney	63	8.6	327.8
South West Sydney	42	5.7	33.9
Southern Sydney	20	2.7	25.8
Sub-Total	316	43.1	2,054.7
<b>Regional NSW</b>			
North Coast	105	14.3	536.1
Western NSW	84	11.5	135.4
Newcastle	80	10.9	140.2
South West NSW	72	9.8	738.0
New England area	30	4.1	600.6
Southern NSW	25	3.4	127.6
Wollongong	14	1.9	24.4
Central Coast	7	1.0	6.5
Sub-Total	417	56.9	2,302.6

Source: NSW Registry of Co-operatives database

In NSW, about 43% of co-operatives have their registered offices in Sydney or Sydney suburbs. However, this does not mean that the revenue generating activities are mainly in regional areas. For example, the Dairy Farmers Group has its registered offices in Homebush<sup>10</sup>, although most of the members are dairy farmers living in rural areas. In regional NSW, most co-operatives are located on the North Coast, in Western NSW, the Hunter region and in South West NSW.

To gain a more detailed geographical picture, the Registry also records the Local Government Area (LGA), from which the co-operatives generate their turnover. In the Annual Return submitted to the Registry, each co-operative identifies the LGA in which revenue was earned. In the case of multiple LGAs, the percentage of turnover from each LGA is calculated. This enables calculation of actual turnover generated for the co-operatives from regional areas.

Table 15 provides data on turnover generated by co-operatives from different areas. Other areas shown in the table refer to turnover from sales to other States and Territories as well as export sales. Co-operatives in NSW regional areas generate over 60% of the turnover of the sector, reflecting the activities of large primary producers in Western NSW, South West NSW

<sup>9</sup> Dairy Farmers Group was located in North Sydney and the figure includes its turnover

<sup>10</sup> The Dairy Farmers Group moved to Homebush in 2002 and prior to that was located in North Sydney.

and the North Coast. The large turnover in Western Sydney is due to the milk-processing factory of the Dairy Farmers Group being located there.

**Table 15- Areas of origin of turnover – 1999/00**

Regions	Number	% total	Turnover generated (\$ m.)	% total
<b>Sydney and suburbs</b>				
Western Sydney	64	8.7	1,286.0	29.5
Inner Sydney	81	11.0	195.1	4.5
South West Sydney	41	5.6	45.9	1.1
Southern Sydney	23	3.1	33.1	0.8
North Sydney	46	6.3	15.6	0.4
Sub-Total	255	34.7	1575.7	36.3
<b>Regional NSW</b>				
Western NSW	76	10.3	711.1	16.3
South West NSW	123	16.7	619.9	14.2
North Coast	105	14.3	527.8	12.1
Newcastle	82	11.1	348.6	8.0
Southern NSW	22	3.0	128.2	2.9
New England area	34	4.6	54.3	1.2
Wollongong	25	3.4	252.7	5.8
Central Coast	8	1.1	7.8	0.2
Sub-Total	475	64.5	2650.4	60.7
Other	6	0.8	130.4	3.0
<b>TOTAL</b>			<b>4,357.3</b>	<b>100.0</b>

Source: NSW Registry of Co-operatives database

### **New and dissolved co-operatives**

Twenty-three new co-operatives were formed in 1999/2000 in NSW, compared with twenty formed the previous year. A foreign co-operative was also registered. The new co-operatives were formed to engage in business management, specialised food retailing, education, meat processing, fruit and vegetable processing, housing and general medical practice. Over a third of the new co-operatives were agricultural co-operatives, with two separate co-operatives formed to market olives. Another significant co-operative established during this period was the Coleambally Irrigation Mutual Co-operative Limited, formed to manage water supply to members.

One of the new co-operatives was deregistered after 10 months, and the Registry deregistered a further twelve co-operatives during the year. One co-operative, Northern Districts Radio Taxi Cab Co-operative Limited, demutualised and became a company, while another - Arajoel-Kywong Rural Co-operative Ltd - transferred engagements to another co-operative. Many of the dissolved co-operatives were in the category of Other Producer co-operatives. Table 16 shows the breakdown of different types of co-operatives formed and deregistered during the year.

**Table 16 – Co-operatives formed and deregistered –1999/00**

Type of Co-operatives	Formations	Deregistrations
Primary Producer Co-operative	8	3
Other Producer Co-operative	6	7
Human Services Co-operative	5	2
Consumer Co-operative	3	1
Interest Group Co-operative	1	0
Culture & Recreation Co-operative	0	0

Source: NSW Registry of Co-operatives database

## Aboriginal co-operatives

There were 31 Aboriginal co-operatives on the register at the end of the year 1999/2000<sup>11</sup>, four of which were under administration. Of the 31 co-operatives, 16 were housing co-operatives and five were providing non-residential care services. Other co-operatives were engaged in providing medical services, childcare, employment placement, and education. There are two primary producer co-operatives: a fishing co-operative and a co-operative engaged in organic farming. 85% of indigenous co-operatives are classified as human service co-operatives.

Indigenous groups formed nine co-operatives in the past ten years, and two had been liquidated in the same period. The oldest co-operative is the Co-operative for Aborigines Limited, which runs the Tranby Aboriginal College, providing education and learning facilities for Aboriginal and Torres Strait Islander people.

Only for 15 co-operatives the 1999/2000 financial data were available. The pattern reflects the activities undertaken by Aboriginal co-operatives:

- Turnover \$17.9 million (0.4% of the total for the sector)
- Net profit \$2.6 million (3%)
- Assets \$22.7 million (0.9%) with net assets of \$18.7 million (1.6%)
- 1,827 (0.1%) members and 441 employees (3.3%).

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<sup>11</sup> Aboriginal co-operatives are not identified as such in the Registry database. However, there were three reviews of Aboriginal co-operatives undertaken by the Registry in 1988, 1992 and 1999. The author was involved in the last review in 1999 and has used his knowledge to identify co-operatives formed by Indigenous groups.



**PART B**

**A Look Back at the Nineties**



## Introduction

Co-operatives faced many changes during the nineties. Along with policy shifts, public attitudes changed, leading to modified public perceptions of co-operatives, their operation and performance. While several developmental initiatives were undertaken during the decade, their impact has not been fully assessed, mainly due to the shortage of data and funds, as well as lack of interest among researchers. This section aims to paint a picture of the development of co-operatives in NSW over the last decade of the twentieth century.

## Data on co-operatives

In the late eighties, the NSW Registry of Co-operatives developed a database to assist in the administration of co-operatives. The register also provides a rich data resource for analysts. Some data cleaning was necessary prior to analysis, with obvious data entry errors being corrected or discarded.

## Long-term trend in co-operative formation

Table 17 below shows the number of currently active co-operatives in the activity classification groups, according to their year of formation. It is interesting to note that Human Services co-operatives were formed only after 1940, and had the highest growth since 1981, possibly as a result of government outsourcing service delivery in certain areas. Registration of new producer co-operatives, both primary and other, has steadily accelerated since 1923. The steep growth in culture and recreation co-operatives between 1961 and 1980 stemmed from policy changes in the early 1970s (registration of clubs).

**Table 17- Formation of co-operatives by activity - 1923 to 2000**

<u>Co-operatives formed during</u>	1923 to 1940	1941 to 1960	1961 to 1980	1981 to 2000	Total
Primary Producer	22	25	35	46	128
Other Producer	9	22	30	36	97
Consumer	12	21	12	22	67
Human Services	0	9	54	101	164
Culture & Recreation	2	19	206	39	266
Interest Group	1	4	8	18	31
Total	46	100	345	262	753

Source: Annual Reports of Registrar of Co-operatives – 1923 to 1994  
Registry of Co-operatives Database

## Number of co-operatives

There were 849 co-operatives in NSW in mid-2000, including those in the process of winding up. This number represents a growth of eight percent over the decade, from the 784 co-operatives that were registered in mid 1990. Despite this overall growth, there are no discernible trends in the numbers of new co-operatives formed or those liquidated each year. The number of new co-operatives formed in the 1990s is shown in Table 18.

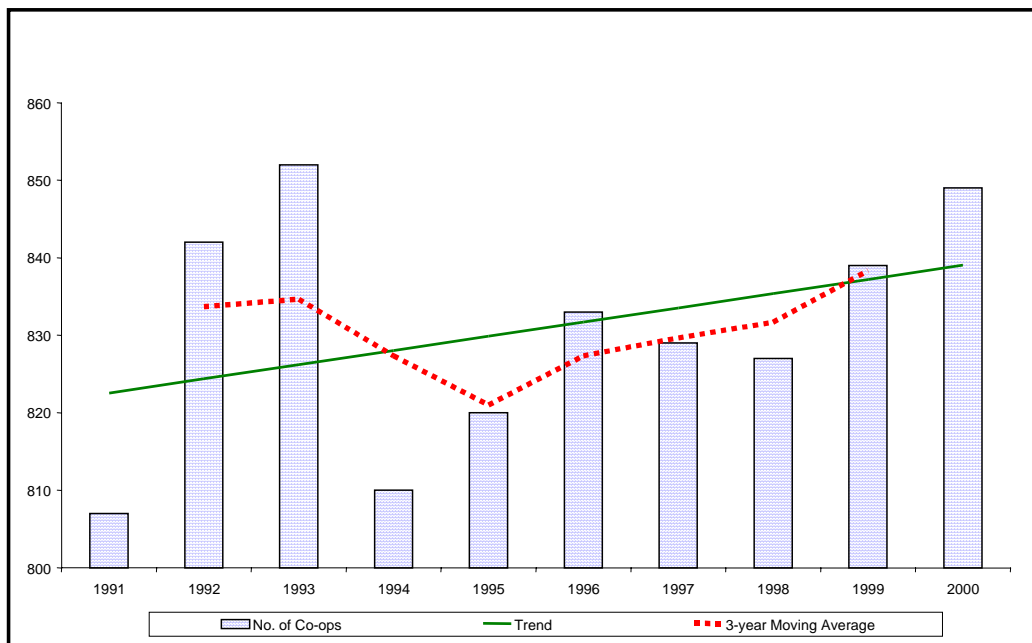
**Table 18- Registrations of NSW co-operatives- 1990/91 to 1999/00**

Financial Year	New Co-ops formed	Co-ops deregistered	Number of Co-ops at 30 June of year	% Change	% of new co-operatives
1990/91	23	0	807		2.9%
1991/92	35	0	842	4.3%	4.2%
1992/93	46	36	852	1.2%	5.4%
1993/94	24	66	810	-4.9%	3.0%
1994/95	37	27	820	1.2%	4.5%
1995/96	42	29	833	1.6%	5.0%
1996/97	24	28	829	-0.5%	2.9%
1997/98	23	25	827	-0.2%	2.8%
1998/99	17	5	839	1.5%	2.0%
1999/00	23	13	849	1.2%	2.7%

Source: Annual Reports of Registrar of Co-operatives  
Registry of Co-operatives Database

Although the linear trend in the number of co-operatives is upwards, the three-year moving average varies widely as shown in Figure 4. Lack of deregistrations at the start of the 1990s, and the subsequent high number of deregistrations between 1992 and 1994 impacted on the growth trend. Despite the fluctuations, the growth in the number of co-operatives was steady, but slow during the decade.

**Figure 4- Changes in the number of co-operatives in NSW - 1991 to 2000**



Over the past ten years, co-operatives have been formed in many activity areas. In terms of ANZSIC classifications, the highest number of co-operatives formed in the 1990s was in wholesale/retail, mostly in the form of craft co-operatives and food retail co-operatives. The other major industry groups were housing co-operatives, and business service co-operatives. One prominent model was of business firms forming a co-operative to jointly purchase or collectively tender for large contracts. Business service co-operatives are mainly network type co-operatives: members co-operating together to share knowledge, resources and ideas, in

order to gain market advantage. In terms of classification of broad activity categories, most of the co-operatives formed were in the other producer co-operatives (such as co-operatives engaged in trading of non-agricultural products) and human services co-operatives (such as housing, and care provision) categories. Formation statistics across the activity classification are as follows:

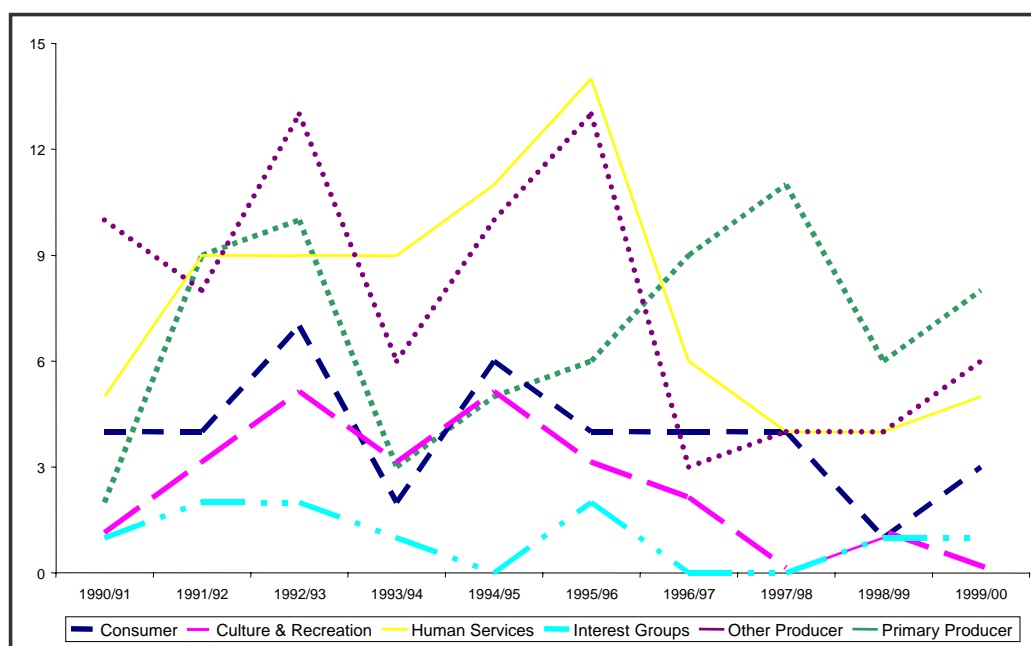
**Table 19- Co-operative formations in NSW in different industries - 1990 to 2000**

Activity Classification	Financial Year										Total
	1990 /91	1991 /92	1992 /93	1993 /94	1994 /95	1995 /96	1996 /97	1997 /98	1998 /99	1999 /00	
Primary Producer	2	9	10	3	5	6	9	11	6	8	69
Other Producer	10	8	13	6	10	13	3	4	4	6	77
Consumer	4	4	7	2	6	4	4	4	1	3	39
Human Services	5	9	9	9	11	14	6	4	4	5	76
Culture & Recreation	1	3	5	3	5	3	2	0	1	0	23
Interest Group	1	2	2	1	0	2	0	0	1	1	10
Grand Total	23	35	46	24	37	42	24	23	17	23	294

Source: Registry of Co-operatives Database

Formation patterns were not consistent year-on-year, as shown in Figure 5. The formation of Human Services co-operatives accelerated in the middle of the decade, only to slow down again, and by the end of the decade, 76 co-operatives had been formed. Other types have ‘bumpier’ year-on-year profiles, although almost half of all new 1990s co-operatives fell under the type “producer”. In contrast, only ten new Interest group co-operatives were formed in the whole decade. Co-operatives formed in the 1990s had by 2000 a total turnover of \$396.3 million, exported goods in excess of \$7.0 million, employed 1,171 people and had a membership of 14,521.

**Figure 5- Formation Patterns of New Co-operatives in NSW - 1990/91 to 1999/00**



Due to incomplete data, trends in co-operative liquidations are more difficult to determine. The database started to record removal dates only in 1997. Moreover, deregistration processes take time and the date of actual removal from the Register does not accurately reflect the time of the co-operative's cessation of activity. The result is that a co-operative can be inactive for some time before the deregistration process is initiated, either by the Registry or the co-operative itself.

## Trends in co-operatives' financial performance

At an aggregate level, turnover, assets and members' funds grew through the 1990s. Key data for the start and end of the 1990s is shown in Table 20, which is followed by a detailed discussion of trends through the 1990s.

**Table 20– Summary statistics 1990/91 to 1999/00 (current prices)**

Financial Year	1990/91	1999/00
Turnover (\$m)	2,046.30	4,357.30
Assets (\$m)	1,265.50	2,522.00
Members' equity (\$m)	447.70	1,044.40
Number of members	852,423	1,292,455
Employment	8,942*	13,308

**Source:** Registry of Co-operatives Database

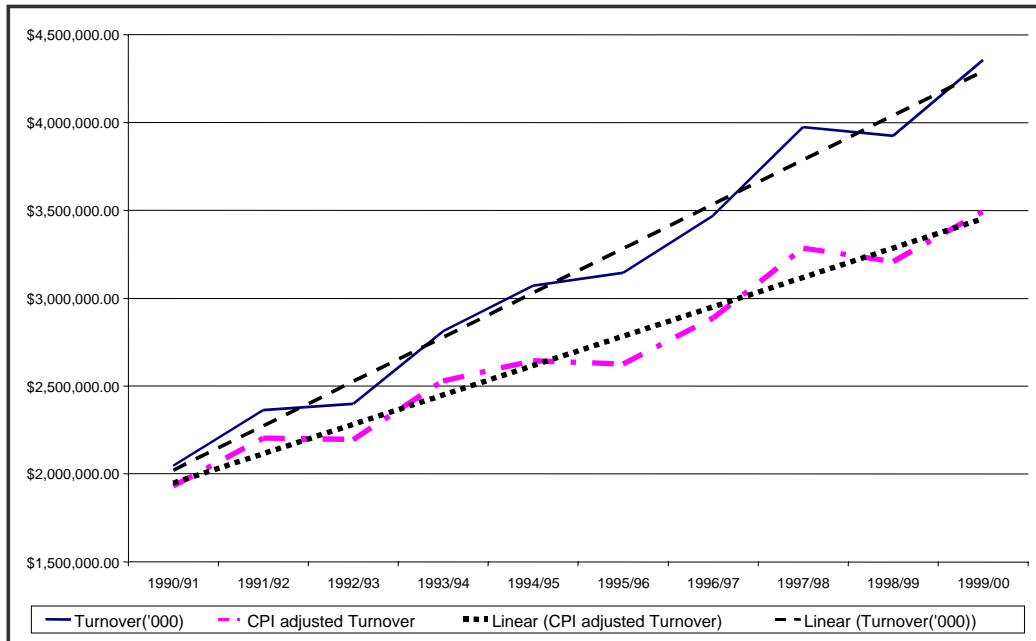
**Note:** \* 1992/93 figure. The Registry started collecting data on the number of employees only from 1992/93 and as such, no data are available for previous years.

## Turnover

Figure 6 shows the growth trends of turnover, both in current and **real prices (see footnote)**<sup>12</sup>. Real turnover fluctuated, though there was a significant gain between 1995 and 1998. Overall, the turnover of the sector grew in real terms by 81% over the 1990s.

<sup>12</sup> Real prices are adjusted to take out the effects of inflation. Data are adjusted using the CPI to reflect changes in the value of money, and are shown in 1989/90 prices. This enables better comparison through time. The terms: 'real' and 'CPI adjusted' are used to convey the same meaning.

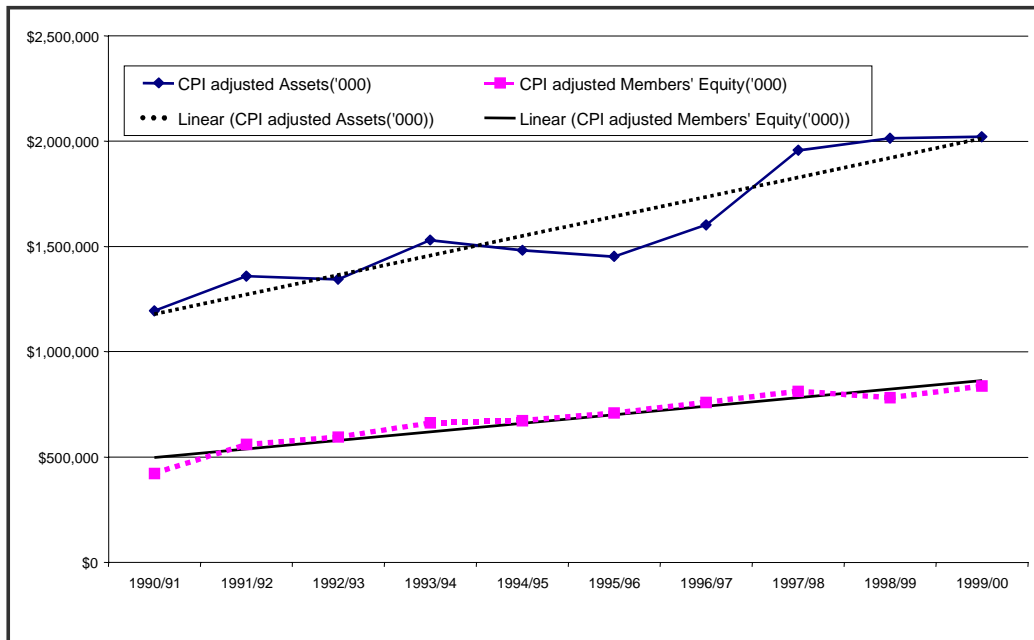
**Figure 6– Changes in turnover of co-operatives in NSW 1990/91 – 1999/2000**



### Assets and members equity in co-operatives

Figure 7 shows the trend for assets and members' equity, both in current and real prices. Over the 1990s, assets grew in real terms by 69% and then nearly doubled.

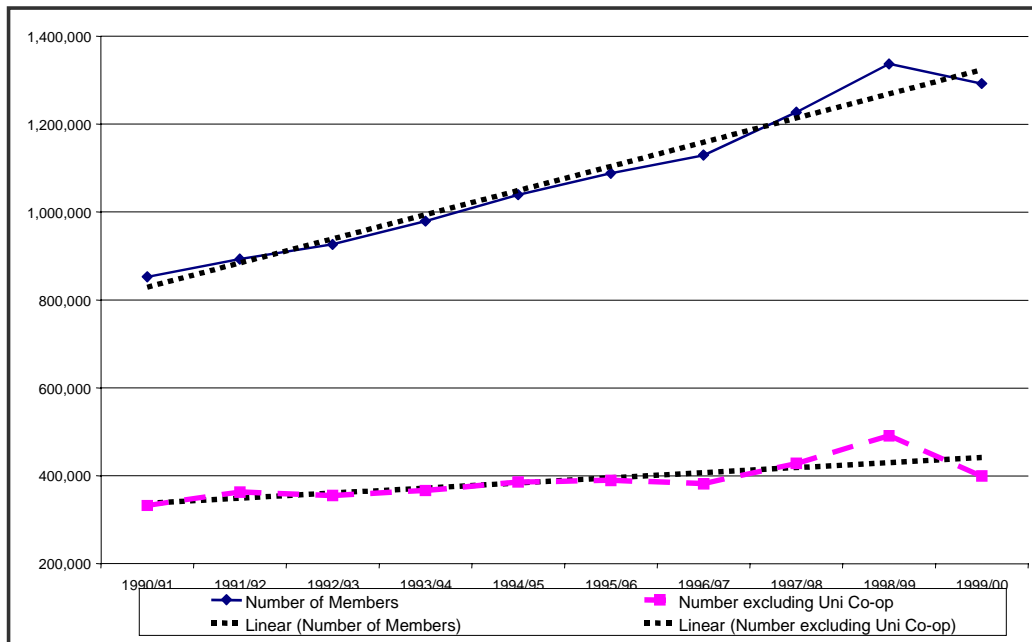
**Figure 7 - Changes in assets of Co-operatives in NSW – 1990/91 to 1999/00**



## Membership in co-operatives

The number of members also grew in the 1990s, although there was a decrease in 1999. It is crucial to note however, that membership numbers are skewed by one co-operative, the University Co-operative Bookshop, which increased its membership by 46,664 in 1999/2000 alone. In contrast, 33% of co-operatives reported declining membership in the year 1999/00, with a large consumer co-operative, an agricultural co-operative and a club co-operative reporting substantial drops in their membership base. The following chart shows the influence of the University Co-operative Bookshop on overall trends in membership during the 1990s.

**Figure 8 - Changes in membership numbers – 1990/91 to 1999/00**



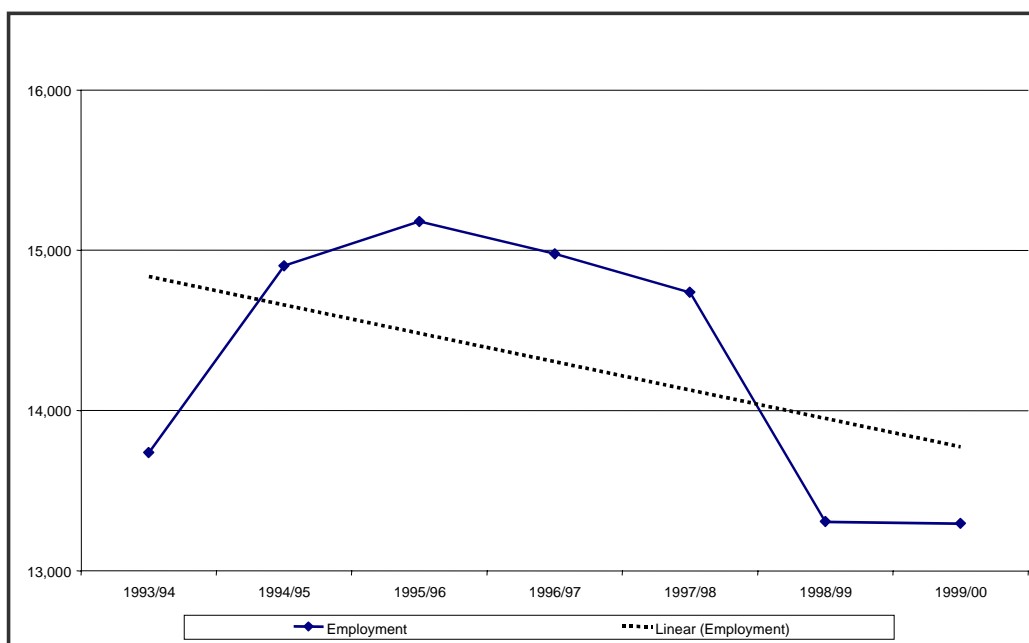
## Employment

Employment data for the whole period is unavailable; the Registry only started collecting employee statistics in 1992/93. The number of employees does not include volunteers, nor does it reflect the amount of time members and volunteers put into their co-operative. While there was a significant increase in 1994/95, the number of employees remained, by and large, the same until 1998/99.

During 1998/99, job numbers decreased, with the Labour Co-operative Ltd reporting fewer employees, while a rural consumer co-operative cut more than 150 jobs during the year. The chart below depicts the trend in employment by co-operatives.



**Figure 9- Changes in employee numbers in NSW co-operatives – 1990/91 to 1999/00**



## Profile of different types of co-operatives

This section contains data for each type of co-operative. Before that, we briefly present figures for the start and end of the 1990s, by co-operative type, in order to illustrate the key changes through the 1990s. Table 21 provides a summary, and in general shows financial growth for key measures of co-operative development and performance.

**Table 21- Summary of 1990s trends: percentage change 1991/1992 to 1999/2000**

	Number of co-ops	Turnover	Total Assets	Net Assets	Members
Primary Producer	-5.2	114.9	137.9	100.4	16.2
Other Producer	-22.6	18.1	1.5	20.1	-57.8
Consumer	33.3	51.5	31.9	52.3	67.5
Human service	-5.5	45.3	-8.0	-10.5	-36.0
Culture /recreation	-8.6	5.8	21.3	28.9	17.8
Interest group	-12.1	-23.3	-80.8	25	-74.5

Source: Registry of Co-operatives Database

The main conclusions are:

- the number of co-operatives decreased, except in the consumer sub-sector
- turnover increased, suggesting rationalisation in the co-operative sector
- increase in total and net assets
- the pattern for membership is mixed, with growth in the producer, consumer and culture and recreation sub-sectors, but decline in all others
- the number of interest group co-operatives declined markedly during the 1990s, with fewer members, and falls in turnover and assets.

## Primary Producer co-operatives

Primary Producer co-operatives form an important part of the NSW sector, being the longest standing and most significant in terms of turnover and assets. Their financial details are shown in Table 22.

**Table 22- Statistics for Primary Producer Co-operatives**

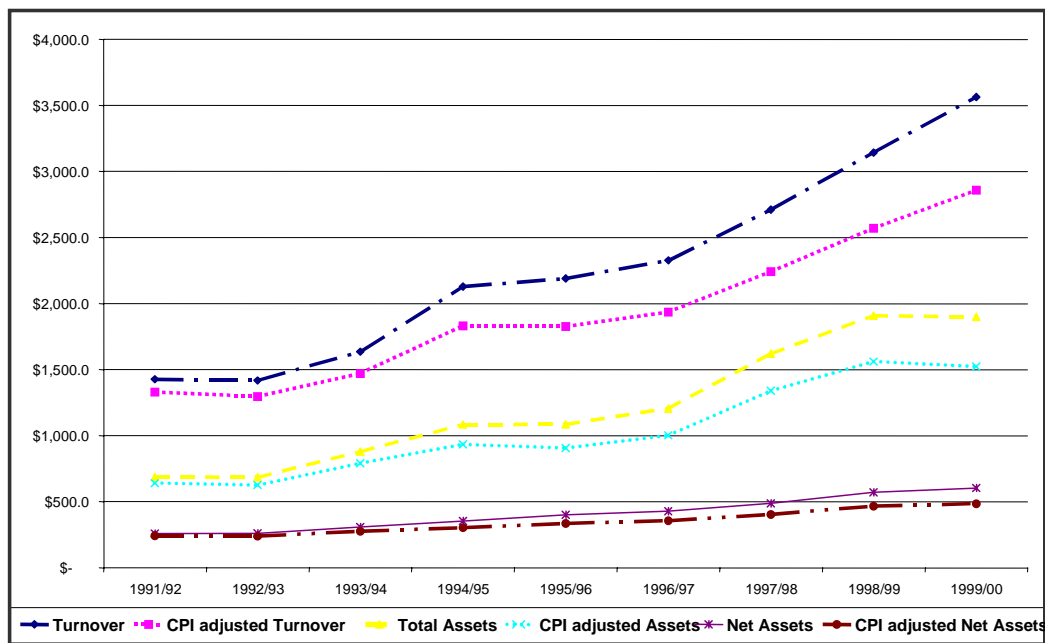
Year	1991/92	1995/96	1996/97	1997/98	1998/99	1999/00
No of Co-operatives	116	116	116	104	108	110
Turnover (\$ m.)	\$1,426.4	\$2,189.0	\$2,325.8	\$2,711.0	\$3,142.4	\$3,562.6
CPI adjusted Turnover	\$1,329.4	\$1,827.2	\$1,935.0	\$2,240.5	\$2,569.4	\$2,857.0
Total Assets	\$687.1	\$1,085.7	\$1,205.4	\$1,620.8	\$1,908.3	\$1,899.4
CPI adjusted Total Assets	\$640.3	\$906.2	\$1,002.9	\$1,339.5	\$1,560.3	\$1,523.2
Net Assets	\$259.5	\$401.1	\$427.5	\$487.0	\$571.6	\$604.2
CPI adjusted Net Assets	\$241.8	\$334.8	\$355.7	\$402.5	\$467.4	\$484.5
No of Members	34,234	29,960	30,127	34,137	45,645	39,791
No of Employees	N/A	6,344	6,035	6,054	5,805	5,238

Source: Registry of Co-operatives Database

### Key points:

- There were six fewer Primary Producer Co-operatives at the end than the start of the 1990s, partly due to mergers
- Real financial figures showed marked growth - turnover doubled, as did net assets, while total assets almost tripled
- Slow, but steady increase in membership, suggesting these co-operatives grew much larger at the end of the 1990s.

**Figure 10- Trends in financial measures of Primary Producer Co-operatives**



## Other Producer Co-operatives

Many of these co-operatives are in rural NSW, their financial data are shown in Table 23.

**Table 23 - Statistics of Other Producer Co-operatives**

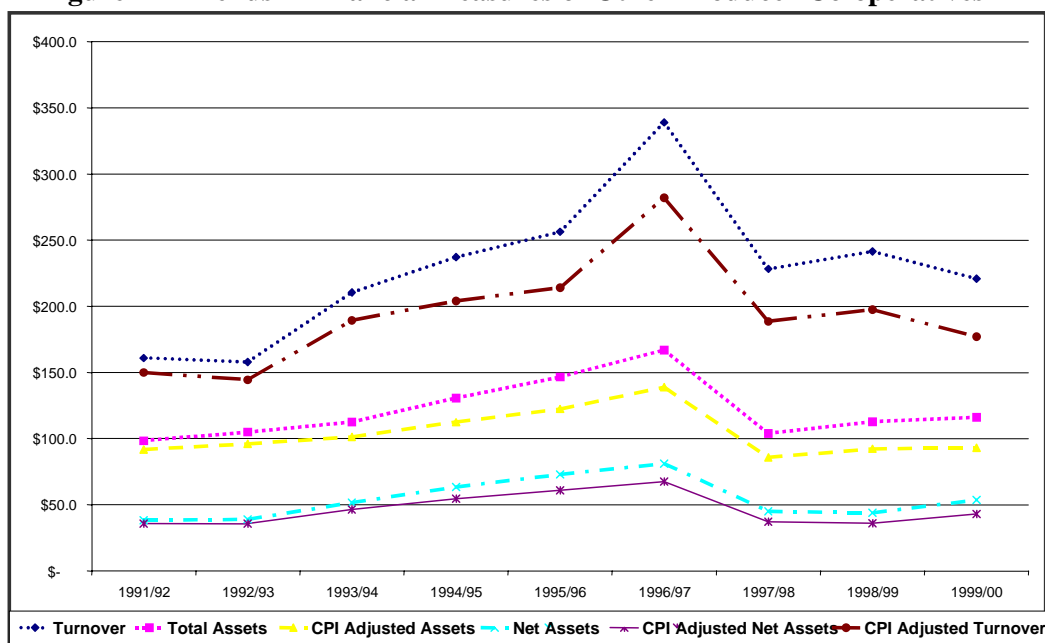
Year	1991/92	1995/96	1996/97	1997/98	1998/99	1999/00
No of Co-operatives	106	117	116	93	86	82
Turnover (\$ m.)	\$161.0	\$256.3	\$338.9	\$228.2	\$241.5	\$220.9
CPI adjusted Turnover	\$150.0	\$213.9	\$282.0	\$188.6	\$197.5	\$177.1
Total Assets	\$98.4	\$146.6	\$166.9	\$103.9	\$112.9	\$116.1
CPI adjusted Total Assets	\$91.7	\$122.4	\$138.9	\$85.9	\$92.3	\$93.1
Net Assets	\$38.4	\$72.9	\$81.1	\$45.0	\$44.0	\$53.7
CPI adjusted Net Assets	\$35.8	\$60.8	\$67.5	\$37.2	\$36.0	\$43.0
No of Members	19,730	11,175	10,649	8,971	8,661	8,320
No of Employees	111	905	824	615	683	695

Source: Registry of Co-operatives Database

Key points:

- The number fell by around 20%
- Real terms financial figures were much flatter than for the Primary Producers, despite a good year in 1996/97
- Turnover grew by 18% in real terms, assets by 2% and net assets by 20%
- Membership decreased by more than half.

**Figure 11- Trends in financial measures of Other Producer Co-operatives**



## Consumer Co-operatives

Historically, Consumer Co-operatives were major organisations, especially in rural and regional areas. Their number and significance declined with the advent of supermarkets, and only a few consumer co-operatives remain in regional areas. Some of the oldest co-operatives in NSW belong in this category: Junee District Co-operative Society Limited, Hastings Co-operative Limited, Comboyne Rural Co-operative Society Limited and the Macleay Regional Co-operative Limited. Another old society: Singleton and District Co-operative Society Limited was dissolved in the early nineties. Towards the latter part of the decade, food co-operatives were formed in urban areas.

**Table 24- Statistics of Consumer Co-operatives**

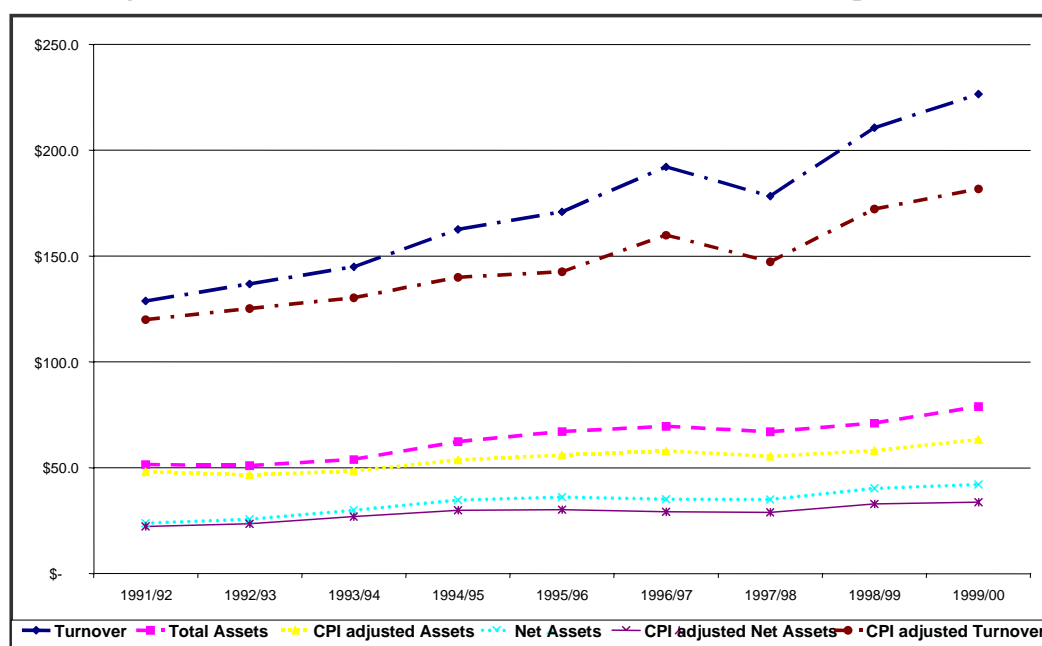
Year	1991/92	1995/96	1996/97	1997/98	1998/99	1999/00
No of Co-operatives	27	39	35	38	37	36
Turnover (\$ m.)	\$128.7	\$170.9	\$192.1	\$178.3	\$210.6	\$226.5
CPI adjusted Turnover	\$119.9	\$142.6	\$159.8	\$147.3	\$172.2	\$181.7
Total Assets	\$51.5	\$67.1	\$69.6	\$67.0	\$71.0	\$79.0
CPI adjusted Total Assets	\$48.0	\$56.0	\$57.9	\$55.4	\$58.1	\$63.3
Net Assets	\$23.8	\$36.2	\$35.1	\$35.0	\$40.3	\$42.1
CPI adjusted Net Assets	\$22.2	\$30.2	\$29.2	\$28.9	\$32.9	\$33.8
No of Members	579,650	773,250	827,759	880,328	933,438	970,972
No of Employees	N/A	993	1,004	841	919	969

Source: Registry of Co-operatives Database

Key points:

- The number of Consumer Co-operatives grew from 27 at the beginning of the decade to 36 in 2000
- Real turnover and net assets grew by more than 50%, total assets by 32%
- Membership increased markedly – by 68% (a total of almost 400,000) – though this figure is distorted by growth in the University Co-operative Bookshop.

**Figure 12- Trends in financial measures of Consumer Co-operatives**



## Human Services Co-operatives

More than a third of Human Services co-operatives are housing co-operatives (67), while other major co-operatives in this category are co-operatives providing care for the elderly, education and childcare services. Nearly two-thirds of the human service co-operatives were formed in the eighties and nineties.

**Table 25- Statistics of Human Services Co-operatives**

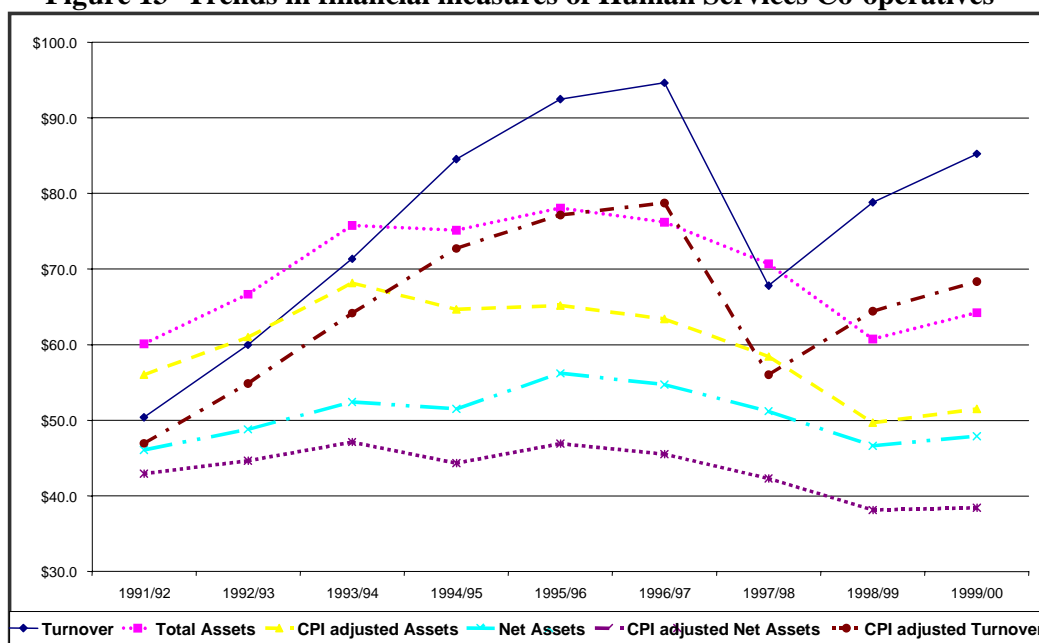
Year	1991/92	1995/96	1996/97	1997/98	1998/99	1999/00
No of Co-operatives	163	181	179	158	163	154
Turnover (\$ m.)	\$50.4	\$92.5	\$94.6	\$67.8	\$78.8	\$85.2
CPI adjusted Turnover	\$47.0	\$77.2	\$78.7	\$56.0	\$64.4	\$68.3
Total Assets	\$60.1	\$78.1	\$76.2	\$70.7	\$60.7	\$64.2
CPI adjusted Total Assets	\$56.0	\$65.2	\$63.4	\$58.4	\$49.7	\$51.5
Net Assets	\$46.1	\$56.2	\$54.7	\$51.2	\$46.6	\$47.9
CPI adjusted Net Assets	\$42.9	\$46.9	\$45.5	\$42.3	\$38.1	\$38.4
No of Members	25,700	22,854	21,669	17,853	19,082	16,443
No of Employees	387	3,721	3,827	1,862	3,585	4,062

Source: Registry of Co-operatives Database

### Key points:

- There were 154 co-operatives in 2000, a fall from 163 at the start of the decade. This decrease partly stems from some of the co-operatives, providing health services being deregistered
- Despite fewer co-operatives of this type, real turnover grew by 45%. In contrast, assets were down by eight percent, and current assets down 10%
- Membership decreased by a third.

**Figure 13- Trends in financial measures of Human Services Co-operatives**



## Culture & Recreation Co-operatives

Culture and recreation co-operatives represent the highest number of co-operatives in any sub-sector in NSW. With the changes to liquor licensing regulations in 1970, many clubs opted to become co-operatives.

**Table 26- Statistics of Culture and Recreation Co-operatives**

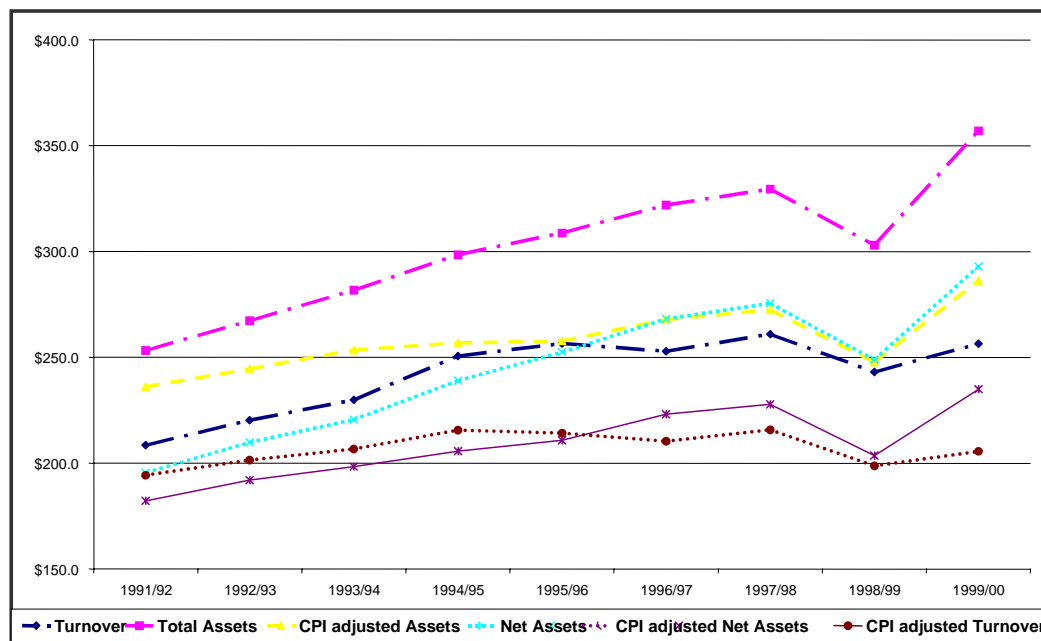
Year	1991/92	1995/96	1996/97	1997/98	1998/99	1999/00
No of Co-operatives	290	292	288	267	263	265
Turnover (\$ m.)	\$208.5	\$256.5	\$252.8	\$261.0	\$243.0	\$256.3
CPI adjusted Turnover	\$194.3	\$214.1	\$210.3	\$215.7	\$198.7	\$205.6
Total Assets	\$253.3	\$308.7	\$321.9	\$329.5	\$303.0	\$357.0
CPI adjusted Total Assets	\$236.1	\$257.7	\$267.8	\$272.3	\$247.8	\$286.3
Net Assets	\$195.5	\$252.5	\$268.1	\$275.6	\$248.9	\$292.9
CPI adjusted Net Assets	\$182.2	\$210.7	\$223.0	\$227.7	\$203.5	\$234.9
No of Members	212,401	239,060	227,013	249,262	323,510	250,180
No of Employees	648	2,638	2,514	2,392	2,247	2,321

Source: Registry of Co-operatives Database

### Key points:

- The number of Culture and Recreation Co-operatives fell in the nineties, with clubs either merging or converting to other forms of organisation in order to compete with pubs and hotels.
- In contrast, real turnover grew by 6%, assets by 21%, and net assets by 29%
- Membership experienced a rise of 18%, or by almost 40,000 people.

**Figure 14- Trends in financial measures of Culture and Recreation Co-operatives**



## Interest Group Co-operatives

These co-operatives represent various interests. Some are organisations with members drawn from an ethnic community and the co-operative may represent the community as well as provide services to their members.

**Table 27- Statistics of Interest Group Co-operatives**

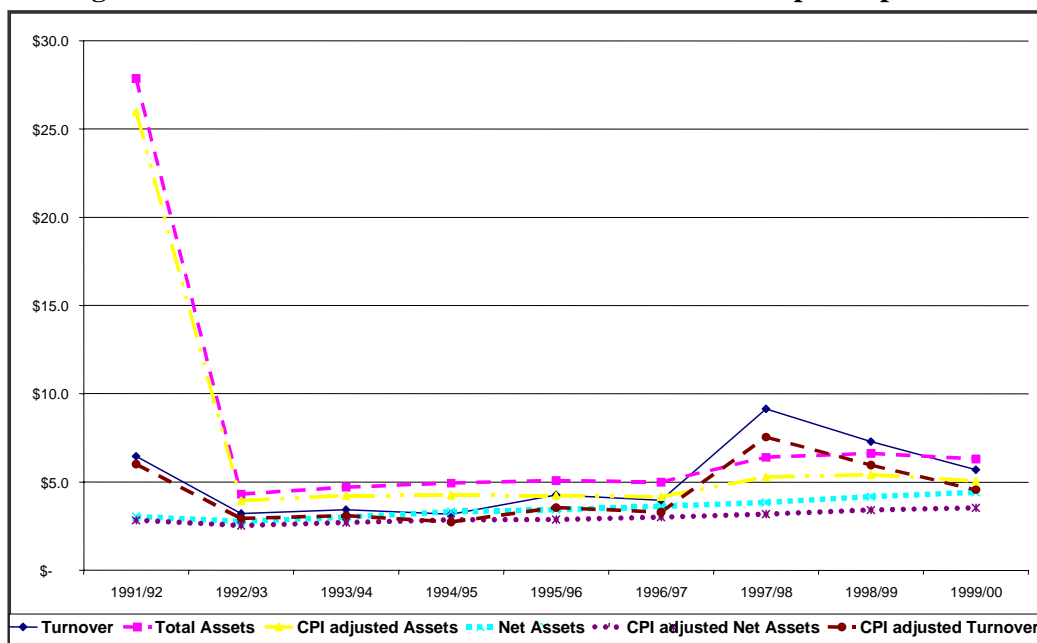
Year	1991/92	1995/96	1996/97	1997/98	1998/99	1999/00
No of Co-operatives	33	34	33	31	29	29
Turnover (\$ m.)	\$6.5	\$4.3	\$4.0	\$9.1	\$7.3	\$5.7
CPI adjusted Turnover	\$6.0	\$3.6	\$3.3	\$7.6	\$6.0	\$4.6
Total Assets	\$27.9	\$5.1	\$5.0	\$6.4	\$6.6	\$6.3
CPI adjusted Total Assets	\$26.0	\$4.2	\$4.2	\$5.3	\$5.4	\$5.0
Net Assets	\$3.0	\$3.4	\$3.6	\$3.8	\$4.2	\$4.4
CPI adjusted Net Assets	\$2.8	\$2.9	\$3.0	\$3.2	\$3.4	\$3.5
No of Members	26,453	7,976	7,752	7,042	6,826	6,749
No of Employees	24	64	63	94	52	23

Source: Registry of Co-operatives Database

Key points:

- The number fell from 33 to 29
- Despite an almost stable number of organisations, these co-operatives seem in decline, with real turnover down by 23%, total assets hollowed out, being only 19% of their real values at the start of the decade, and net assets down by a quarter
- Membership fell markedly, down by three-quarters over the decade.

**Figure 15- Trends in financial measures of Interest Group Co-operatives**







## Appendix 1: Detailed consolidated financial data for 1999/2000 by co-operative type (all \$ figures in \$000)

### Primary Producer Co-operatives

Number of reporting co-operatives	110		
<b>Profit &amp; Loss</b>		<b>Other</b>	
Turnover	\$3,562.6	Number of Members	39,791
Cost of Goods	\$2,857.0	Number of Employees	5,238
Operating Profit	\$81.3	Number of Member Directors	704
Tax on Operating Profit	\$2.1	Number of Employee Directors	16
Extraordinary Profit	-\$7.4	Number of External Directors	12
Net Profits	\$70.5	Export Revenue	\$1,091.9
Transfers from reserves	\$-		
Appropriation	\$179.3	<b>Ratios</b>	
Dividends	\$22.7	Operating Profit to Turnover	2.3%
Rebates	\$47.4	Return on Total Assets	3.7%
Transfers to Reserves	\$0.1	Return to Non-current Assets	7.5%
Retained profits at end of year	\$108.5	Return to Share Equity	11.7%
<b>Balance Sheet</b>		Asset Turnover Ratio	1.88
Total Current Assets	\$959.8	Fixed Assets Turnover Ratio	4.33
Total Non-current assets	\$939.7	Non Current Assets Turnover Ratio	3.79
Total Assets	\$1,899.4	Current Ratio	1.1
Total Current liabilities	\$838.5	Acid-Test Ratio	0.51
Total Non-current liabilities	\$456.7	Working Capital	\$121.2
Total Liabilities	\$1,295.3	Debt to Equity Ratio	0.8
Net Assets	\$604.2	Asset Equity Ratio	3.2
Share Capital	\$239.5	Profit after Tax per employee (\$'000)	\$13.5
Total Share Equity	\$604.2	Turnover per employee (\$'000)	\$680.2
Share Reserves	\$252.3	Total Assets per employee (\$'000)	\$362.6
Shares Retained	\$110.4	Net Assets per employee (\$'000)	\$115.3
Members Share Equity	\$602.1	Exports/Turnover	30.6%
		% of member Directors	96.2%

**Other Producer Co-operatives**

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Number of reporting co-operatives	82
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**Profit & Loss**

Turnover	\$220.9
Cost of Goods	\$177.1
Operating Profit	\$6.9
Tax on Operating Profit	\$0.8
Extraordinary Profit	-\$0.1
Net Profits	\$6.0
Transfers from reserves	\$0.0
Appropriation	\$14.6
Dividends	\$1.2
Rebates	\$4.5
Transfers to Reserves	\$0.0
Retained profits at end of year	\$8.9

**Balance Sheet**

Total Current Assets	\$71.0
Total Non-current assets	\$45.1
Total Assets	\$116.1
Total Current liabilities	\$48.8
Total Non-current liabilities	\$13.6
Total Liabilities	\$62.4
Net Assets	\$53.7
Share Capital	\$19.1
Total Share Equity	\$53.7
Share Reserves	\$25.7
Shares Retained	\$8.9
Members Share Equity	\$53.7

**Other**

Number of Members	8,320
Number of Employees	695
Number of Member Directors	484
Number of Employee Directors	14
Number of External Directors	6
Export Revenue	\$0.3

**Ratios**

Operating Profit to Turnover	3.1%
Return on Total Assets	5.2%
Return to Non-current Assets	13.3%
Return to Share Equity	11.2%
Asset Turnover Ratio	1.90
Fixed Assets Turnover Ratio	5.45
Non Current Assets Turnover Ratio	4.89
Current Ratio	1.5
Acid-Test Ratio	1.26
Working Capital	\$22.1
Debt to Equity Ratio	0.3
Asset Equity Ratio	2.2
Profit after Tax per employee (\$'000)	\$8.7
Turnover per employee (\$'000)	\$317.8
Total Assets per employee (\$'000)	\$167.0
Net Assets per employee (\$'000)	\$77.2
Exports/Turnover	0.1%
% of member Directors	96.0%

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**Consumer Co-operatives**

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Number of reporting co-operatives	36
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**Profit & Loss**

Turnover	\$226.5
Cost of Goods	\$181.7
Operating Profit	\$1.7
Tax on Operating Profit	\$0.6
Extraordinary Profit	\$0.5
Net Profits	\$1.6
Transfers from reserves	\$0.0
Appropriation	\$10.8
Dividends	\$0.2
Rebates	\$0.9
Transfers to Reserves	\$0.5
Retained profits at end of year	\$9.3

**Balance Sheet**

Total Current Assets	\$52.2
Total Non-current assets	\$26.8
Total Assets	\$79.0
Total Current liabilities	\$30.8
Total Non-current liabilities	\$6.1
Total Liabilities	\$36.9
Net Assets	\$42.1
Share Capital	\$20.9
Total Share Equity	\$42.1
Share Reserves	\$11.9
Shares Retained	\$9.3
Members Share Equity	\$42.1

**Other**

Number of Members	970,972
Number of Employees	969
Number of Member Directors	214
Number of Employee Directors	4
Number of External Directors	2
Export Revenue	\$-

**Ratios**

Operating Profit to Turnover	0.8%
Return on Total Assets	2.0%
Return to Non-current Assets	6.0%
Return to Share Equity	3.8%
Asset Turnover Ratio	2.87
Fixed Assets Turnover Ratio	8.92
Non Current Assets Turnover Ratio	8.46
Current Ratio	1.7
Acid-Test Ratio	0.72
Working Capital	\$21.4
Debt to Equity Ratio	0.1
Asset Equity Ratio	1.9
Profit after Tax per employee (\$'000)	\$1.7
Turnover per employee (\$'000)	\$233.8
Total Assets per employee (\$'000)	\$81.5
Net Assets per employee (\$'000)	\$43.4
Exports/Turnover	0.0%
% of member Directors	97.3%

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**Human Services Co-operatives**

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Number of reporting co-operatives	154
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**Profit & Loss**

Turnover	\$85.2
Cost of Goods	\$68.3
Operating Profit	\$4.8
Tax on Operating Profit	\$0.0
Extraordinary Profit	-\$0.7
Net Profits	\$4.1
Transfers from reserves	\$0.3
Appropriation	\$38.5
Dividends	\$-
Rebates	\$-
Transfers to Reserves	\$0.3
Retained profits at end of year	\$38.0

**Balance Sheet**

Total Current Assets	\$25.1
Total Non-current assets	\$39.1
Total Assets	\$64.2
Total Current liabilities	\$11.6
Total Non-current liabilities	\$4.7
Total Liabilities	\$16.3
Net Assets	\$47.9
Share Capital	\$2.7
Total Share Equity	\$48.7
Share Reserves	\$7.4
Shares Retained	\$37.8
Members Share Equity	\$47.9

**Other**

Number of Members	16,443
Number of Employees	4,062
Number of Member Directors	1,048
Number of Employee Directors	25
Number of External Directors	11
Export Revenue	\$-

**Ratios**

Operating Profit to Turnover	5.6%
Return on Total Assets	6.3%
Return to Non-current Assets	10.4%
Return to Share Equity	8.5%
Asset Turnover Ratio	1.33
Fixed Assets Turnover Ratio	2.22
Non Current Assets Turnover Ratio	2.18
Current Ratio	2.2
Acid-Test Ratio	2.15
Working Capital	\$13.4
Debt to Equity Ratio	0.1
Asset Equity Ratio	1.3
Profit after Tax per employee (\$'000)	\$1.0
Turnover per employee (\$'000)	\$21.0
Total Assets per employee (\$'000)	\$15.8
Net Assets per employee (\$'000)	\$11.8
Exports/Turnover	0.0%
% of member Directors	96.7%

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## Culture & Recreation Co-operatives

Number of reporting co-operatives	265		
<b>Profit &amp; Loss</b>		<b>Other</b>	
Turnover	\$256.3	Number of Members	250,180
Cost of Goods	\$205.6	Number of Employees	2,321
Operating Profit	\$4.3	Number of Member Directors	2,292
Tax on Operating Profit	\$0.2	Number of Employee Directors	8
Extraordinary Profit	\$0.5	Number of External Directors	10
Net Profits	\$4.6	Export Revenue	\$-
Transfers from reserves	\$0.1		
Appropriation	\$249.1	<b>Ratios</b>	
Dividends	\$-	Operating Profit to Turnover	1.7%
Rebates	\$-	Return on Total Assets	1.3%
Transfers to Reserves	\$0.1	Return to Non-current Assets	1.6%
Retained profits at end of year	\$248.9	Return to Share Equity	1.6%
<b>Balance Sheet</b>		Asset Turnover Ratio	0.72
Total Current Assets	\$64.7	Fixed Assets Turnover Ratio	0.96
Total Non-current assets	\$292.3	Non Current Assets Turnover Ratio	0.88
Total Assets	\$357.0	Current Ratio	2.0
Total Current liabilities	\$32.4	Acid-Test Ratio	1.87
Total Non-current liabilities	\$31.7	Working Capital	\$32.3
Total Liabilities	\$64.1	Debt to Equity Ratio	0.1
Net Assets	\$292.9	Asset Equity Ratio	1.2
Share Capital	\$9.4	Profit after Tax per employee (\$'000)	\$2.0
Total Share Equity	\$292.9	Turnover per employee (\$'000)	\$110.4
Share Reserves	\$33.5	Total Assets per employee (\$'000)	\$153.8
Shares Retained	\$250.0	Net Assets per employee (\$'000)	\$126.2
Members Share Equity	\$292.9	Exports/Turnover	0.0%
		% of member Directors	99.2%

**Interest Groups**

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Number of reporting co-operatives	29
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**Profit & Loss**

Turnover	\$5.7
Cost of Goods	\$4.6
Operating Profit	\$0.2
Tax on Operating Profit	\$0.0
Extraordinary Profit	\$-
Net Profits	\$0.2
Transfers from reserves	-\$0.0
Appropriation	\$2.1
Dividends	\$-
Rebates	\$-
Transfers to Reserves	\$-
Retained profits at end of year	\$2.1

**Balance Sheet**

Total Current Assets	\$2.5
Total Non-current assets	\$3.7
Total Assets	\$6.3
Total Current liabilities	\$1.2
Total Non-current liabilities	\$0.7
Total Liabilities	\$1.9
Net Assets	\$4.4
Share Capital	\$0.6
Total Share Equity	\$4.4
Share Reserves	\$1.7
Shares Retained	\$2.2
Members Share Equity	\$4.4

**Other**

Number of Members	6,749
Number of Employees	23
Number of Member Directors	222
Number of Employee Directors	2
Number of External Directors	1
Export Revenue	\$-

**Ratios**

Operating Profit to Turnover	3.6%
Return on Total Assets	3.2%
Return to Non-current Assets	5.4%
Return to Share Equity	4.6%
Asset Turnover Ratio	0.90
Fixed Assets Turnover Ratio	1.55
Non Current Assets Turnover Ratio	1.52
Current Ratio	2.1
Acid-Test Ratio	1.85
Working Capital	\$1.3
Debt to Equity Ratio	0.2
Asset Equity Ratio	1.4
Profit after Tax per employee (\$'000)	\$8.7
Turnover per employee (\$'000)	\$247.2
Total Assets per employee (\$'000)	\$273.6
Net Assets per employee (\$'000)	\$191.6
Exports/Turnover	0.0%
% of member Directors	98.7%

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