



House of Assembly

Extract from Hansard

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INTERNATIONAL YEAR OF COOPERATIVES

Mr PICCOLO (Light) (15:27): Today, I wish to address the house about the United Nations International Year of Cooperatives. The UN has marked this year as the International Year of Cooperatives to raise public awareness of the invaluable contributions of cooperative enterprises to economic development, poverty reduction, employment generation and social integration. The story of the cooperative can be traced back to the 19th century, when in 1860, while Europe was suffering an agricultural depression, German social reformer Friedrich Raiffeisen provided emergency food aid to hungry farmers, but in doing so realised that what was really required to ensure that these farmers did not go hungry again was a joint effort to modernise methods to gain a greater share of the market.

The International Cooperative Association reported earlier this year that globally over one billion of the world's population were members of a cooperative and that cooperatives provided over 100 million

jobs, with a combined GDP equivalent to the ninth largest economy in the world, namely, Spain. Australia has a long and proud tradition of the cooperative, as through different stages of our history friendly society building ventures have flourished. Currently, there are 24,000 registered cooperatives in Australia across a number of industries, notably farming, banking and building.

The earliest cooperative legislation was introduced in 1923 in New South Wales and Victoria and New South Wales have 81 per cent of Australia's cooperative movement. The incoming Cooperatives National Law will replace the separate state laws with a unified national framework to foster and develop cooperatives. In 1998, there were 14 cooperatives in the top 1,000 largest company register. The turnover of the three largest of that group was \$1 billion, while the 14 cooperatives on the list had a combined turnover of \$6.5 billion. Australia's largest cooperatives in size and turnover are both, unsurprisingly, in the agriculture sector. They annually turn over an average \$6.9 million, have over 34,000 members, and employ nearly 6,500 people.

The cooperative model has been evident in our regional communities through community farming practices. It is unfortunate that those involved have not identified themselves as part of the cooperatives. Cooperatives are inherently just enterprises that can outperform comparable private sector entities while providing better work satisfaction and job fulfilment as employees actively participate in decision-making. Furthermore, cooperatives provide greater job security, as cutbacks and production can be managed and collective projects can be managed to the best of all members.

With this said, times have changed and the culture of contemporary Australia now places a greater emphasis on individualism and consumerism, which are not easy bedfellows for cooperative ideals. However, it should be noted that

the overarching theme from the cooperative experience to date has been the development of farmers' rights by removing the fear of exploitation from the middleman. This theme continues to resonate and may be of even greater importance in view of the context of the current market landscape.

The market domination of the duopoly of Woolworths and Coles offers the cooperative business model the opportunity to provide a viable, proven and successful model to produce a substantive and viable third way. This third way has continually been vindicated by the emergence of new cooperatives in recent years, again proving that membership and control is a viable way to conduct business. The diversification of cooperatives to social areas has also been a mark of their success.

A new wave formed across Europe in the mid-2000s in an attempt to consolidate communities and address issues of social concern that fetter our society, such as social inclusion and ageing populations. I think the message is clear that cooperatives can play a very important social and economic role in society. One of the things we need to address is the current competition laws, which seem to work against the creation of cooperatives, and many groups cannot take action against bigger players in the marketplace. I would like to echo the sentiments of Mark Lyons of the University of Technology Sydney, who states:

Cooperatives can be an invaluable mechanism for enabling people to express their solidarity while addressing the many problems that beset a nation. But the continuation of the cooperative movement will require commitment from the existing cooperatives and from governments to create an enabling environment.

I think that is one thing we need to look at as a government, to ensure that the legislative framework does encourage and support cooperatives, as they are a way of creating democratic institutions and also

breaking the various duopolies and other market players that control our economy.