

Looking Back – Looking Forward

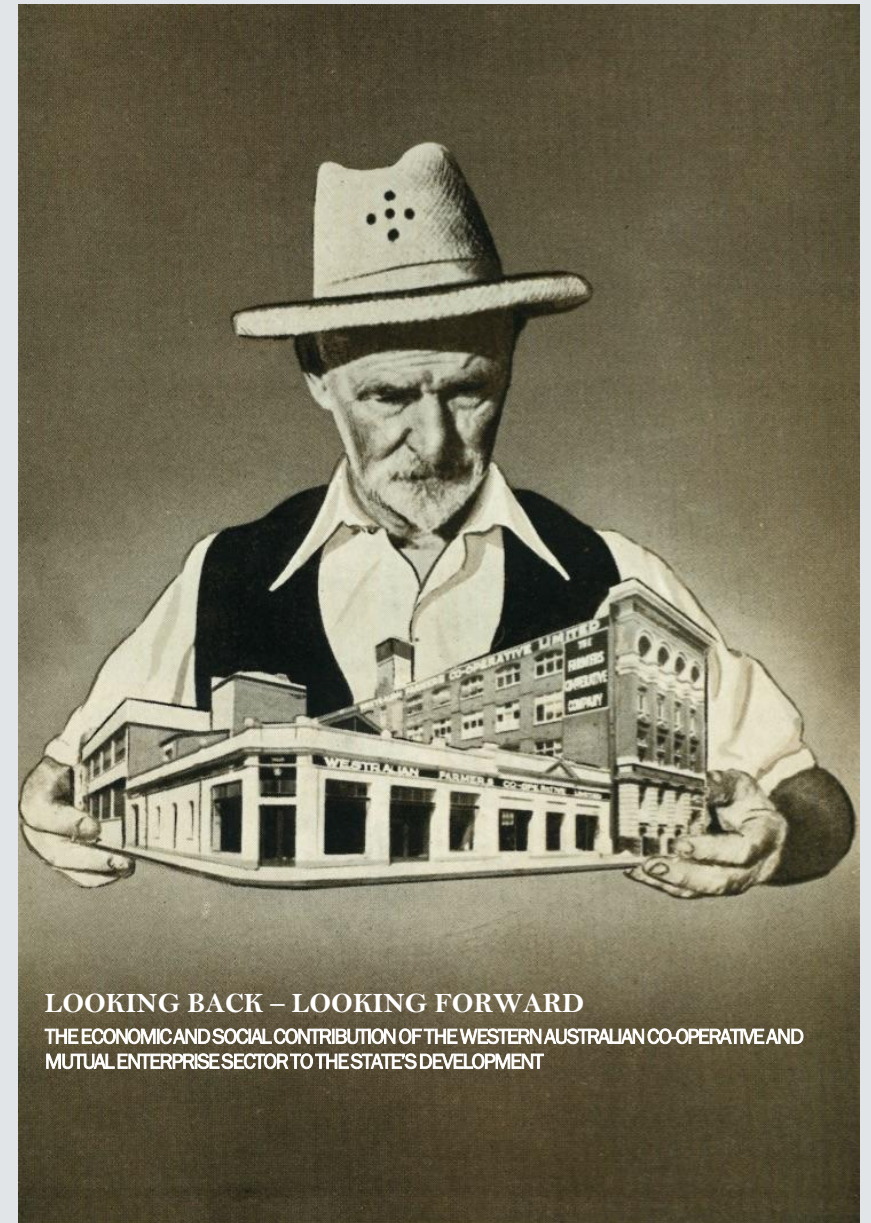
The economic and social contribution of the WA Co-operative and Mutual Enterprise sector to the state's development

UPDATE ON THE RESEARCH PROJECT

Emeritus Professor Tim Mazzarol

Aims of the study

Despite the importance of the CME sector to the State, there has been no systematic examination of the economic and social contribution these organisations make to WA, and relatively little attention given to this economic and social history at a national level.



Research Objectives

The study will be guided by the following research questions:

1. What main economic and social contributions have been made by the CME sector to WA since 1829?
2. How did community collaboration and existing social capital influence the foundation and sustainability of CMEs in WA?
3. What role has government legislation and policy played in shaping the growth and decline of the CME sector in WA?
4. How have CMEs played a role in addressing market failures within selected industries across WA?
5. What impacts have changes in industry structure and market competition had on CMEs within WA?
6. What role have CMEs in WA played in addressing the impacts of environmental shocks such as droughts, cyclones, bushfires, climate change, disease, wars and global economic shocks and depression?
7. How have WA CMEs adapted their business models in order to respond to political, economic, social, technological, and environmental challenges, and what was the role played by their organisational purpose and ability to offer member's value?



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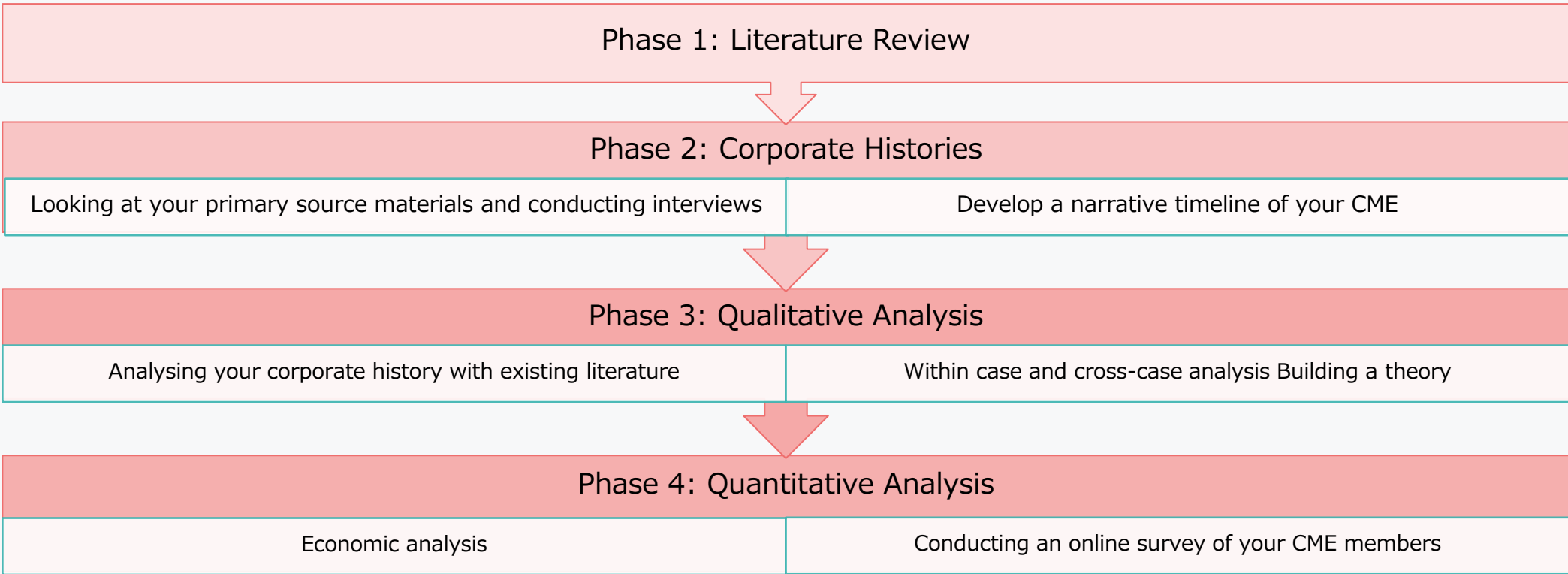


Amber van Aurich

Research Team



Partner Investigators



Methodology

Phase 1: Literature Review (2019-2023)



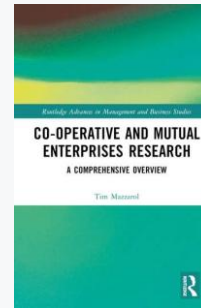
Centenary History of the Co-operative Federation of WA.
Baskerville (2019)



History of the Albany Co-operative Society.
Baskerville, Mazzarol, & van Aurich (2023)



History of the Ord River District Co-operative.
Mazzarol, & van Aurich (2023)



Comprehensive Review of CME Research.
Mazzarol (2023)



History of the Royal Automobile Club of WA.
Baskerville (2020)



History of the Perth Building Society.
Baskerville, Mazzarol, & van Aurich (2023)

Data collection & Field Trips

- State Library of WA.
- CBH Group Ltd.
- ORDCO Ltd.
- York & District Co-op Ltd.
- Quairading Co-op Ltd.
- Mount Barker Co-op Ltd.

Assessment of Archives

- Archival record storage mixed.
- Historical Societies offer potential key role for preservation.

Phase 2: Corporate Histories (2024-2025)



History of the CBH Group Ltd.
Mazzarol, van Aurich & Baskerville (2024)



History of the York & District Co-op Ltd.
Mazzarol, van Aurich & Baskerville (2024)



History of the Quairading Co-op Ltd.
Mazzarol, van Aurich & Baskerville (2024)

Data collection & Field Trips

- United Crate Co-op Ltd.
- CBH Group Ltd.
- Quairading Co-op Ltd.
- Mount Barker Co-op Ltd.
- Development of Quantitative Database.
- Development of Historical Timeline.

Case Study Histories in progress

- York & District Co-op Ltd.
- Quairading Co-op Ltd.
- Mount Barker Co-op Ltd.
- United Crate Co-op Ltd.
- Galactic Co-op Ltd.
- Wesfarmers & Co-ops WA.
- Capricorn Society Ltd.



Routledge Book Project

The Economic and Social Contribution of Co-operative and Mutual Enterprises: An Examination of Historical Case Studies

T. Mazzarol, B. Baskerville, A. van Aurich, A. Mugera, S. Reboud & O. Toutain

Analysis of multiple case studies from Australia and overseas guided by the research framework for CMEs.

Chapter 1: Overview of the CME as a business model.

Chapter 2: Introduction to the case studies.

Chapter 3: Systems level perspective.

Chapter 4: The role of social capital.

Chapter 5: The role of government.

Chapter 6: The role of industry structure.

Chapter 7: The role of the natural environment.

Chapter 8: The economic & social contribution of CMEs.

Chapter 9: Lessons learnt & future research

Progress to date

- The WA CME sector developed separately from that found elsewhere in Australia
- The relative isolation of during the 19th Century meant that WA's CME sector evolved separately from that found in the eastern colonies.
- For example, the Albany Co-operative Society (1867-1885) did not follow the Rochdale model, and



P&O steam ship arriving in Australia 1850s



P&O Coal Hulk "Margaret" in King George Sound



Albany Co-op Society Building 1870



William C. Clifton (1820-1885)



Albany Co-op Society Building today

- The Perth Building society (1862-1987) looked directly to the UK for inspiration.



George Frederick Stone (1812-1875)



Laurence Alexander (1919-1929)



PBS Office 1924



Home of Keith Watson Nedlands, 1927

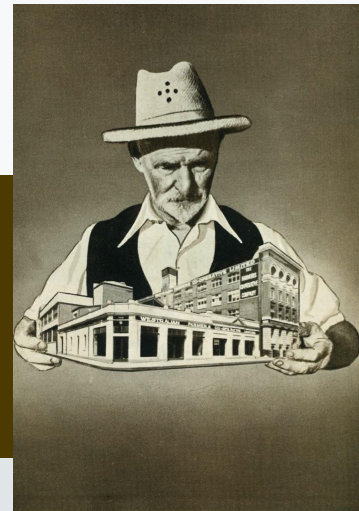


H.K. Watson 1951



PBS office 1967

Key findings and insights



- WA's CME movement was led by a small group of dedicated Cooperators.



William Carmalt Clifton
(1820-1885)

Agent for the P&O Co. at the Albany coaling station. Addressed the low wages of his coalers by initially setting-up a "Coalers Savings Bank". Then led the establishment of the Albany Co-operative Society Ltd.



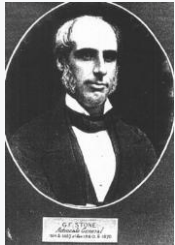
Charles Walter Harper
(1880-1956)

Farmer and horticulturalist from "Woodbridge" farm in Midland. A strong advocate for Co-operatives. He led the foundation of producer co-ops 1912-1913, then Wesfarmers (1914), York & District Co-op (1917), the Co-ops Federation WA (1919), and CBH (1933).



Alexander Joseph Monger
(1869-1947)

Farmer and businessman from York who was a founder of the York & District Co-op Ltd., and the inaugural Chair of CBH Group Ltd., from 1933 to 1943. Sold Mongers' Stores to York & District Co-op to help it start-up. His son Peter became Chair of the York & District Co-op.



George Frederick Stone
(1812-1875)

Attorney General for WA Colonial Government, and founder-President of the Perth Building Society. Also, Director of the WA Bank, and Office Bearer within the Swan River Mechanics Institute. An early advocate of Building Societies.



Thomas Henry Bath
(1875-1956)

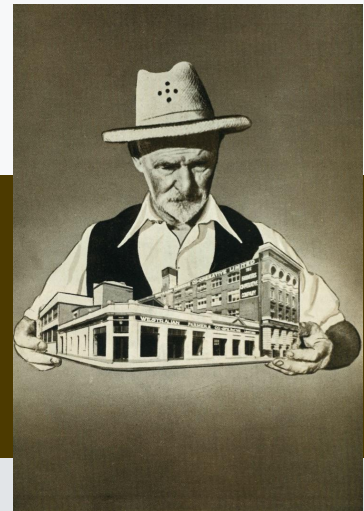
A gold miner and unionist, he was Opposition Leader in State Parliament (1905-1910). Became a Farmer and helped to found the Grain Pool WA (1925), and CBH Ltd. (1933) serving as Secretary and later Chair (1943-1948).



Warren Marwick
(1869-1955)

Farmer and businessman from York who was a founder of the York & District Co-op Ltd., and its inaugural Chair 1917 to 1954. Also, a founder Director of Wesfarmers Ltd., and a Member of the State Legislative Council representing York.

The role of Social Capital



State and Federal Legislation:

Perth Building Society (PBS) was supported by the *Benefit Building Societies Act 1836* (UK), then the *Benefit Societies Ordinance 1863*, and the *Building Societies Act 1920* (WA), and *Building Societies Act 1970* (WA). Governor John S. Hampton (1860s) supported the PBS due to his experience with Building Societies in Tasmania. The State Registrar also supported the PBS, (e.g., *Perth Building Society (Merger) Act 1986* (WA) when PBS acquired Hotham Building Society, Vic. However, Federal Government deregulation policy in 1986 leads to PBS demutualising in 1987.

CBH Group Ltd. (CBH) Government has been both supportive and a hindrance to CBH throughout its history. There was considerable delay in pursuing bulk handling in the 1910s-1930s, influencing CBH's formation. However, the *Bulk Handling Act 1935* (WA) granted CBH a monopoly and the Minister regularly responded to requests for the Act to be changed to address issues over financial distributions and taxation. However, the Federal Government's pursuit of market deregulation has impacted CBH since the 1980s, with consistent pressure for challenging the co-operative business model.



The role of Government

Wesfarmers and the Co-operative Federation of WA:

Wesfarmers Ltd., served as a catalyst for the establishment of many of the post-World War 1 co-operatives in WA. This included the retail co-operatives (e.g., York & District Co-op Ltd., Quairading Co-operative Ltd. and Margaret River Co-operative Ltd.), which were established with support from Wesfarmers, and served as Agents and distributors. In 1933 Wesfarmers and the Grain Pool of WA, provided the seed capital of £100,000 to help establish CBH Group Ltd. In 1963 it was instrumental in the establishment of the Ord River District Co-operative Ltd. (ORDCO) and had two Directors on the Board until the end of the 1970s.

Co-operatives Federation of WA (Co-ops WA), the establishment of Co-ops WA in 1919 provided WA with a key facilitative organisation that was able to provide guidance, auditing, valuations, assistance with finding management staff, and providing education and advocacy to the Co-operatives sector. In the post-World War 2 era, Co-ops WA played an important role in balancing the producer and consumer co-operatives within the State. By the 1950s the spread of motor vehicles and supermarkets impacted the business viability of many smaller retail outlets from the producer co-ops. Establishment of an Education Committee in 1956 targeted retail staff training. Later it led the development of the *Co-operatives Act 2009 (WA)*.



The role of Industry Structure

RAC WA and the Ord River District Co-operative:

Royal Automobile Club of WA. (RACWA), established in 1905 as support and advocacy club for motorists the RACWA has developed into one of Australia's Top-100 CMEs by turnover, and has more than 1.2 million members. A feature of the RACWA has been its approach to reducing the environmental impact of the motor vehicle. This has taken the form of establishing designated tracks and roads within National Parks, to championing the introduction of unleaded petrol and other power sources (e.g., LPG, Hybrids and EVs) from the 1970s and 1980s. It has also led the way for road safety with driver education, addressing road layout, and 5-Star ANCAP ratings within its insurance business.

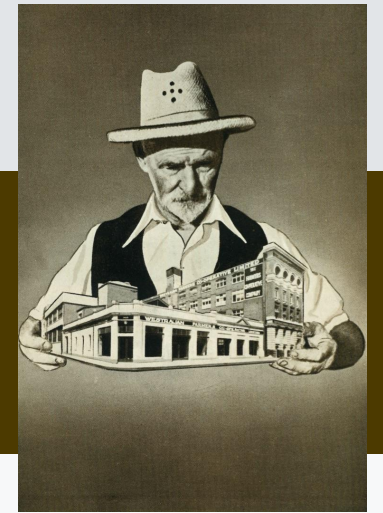


Ord River District Co-operative (ORDCO), established in 1963, ORDCO was challenged with the task of developing tropical horticulture, cotton, rice, and sugar within the Ord River Irrigation Area (ORIA). Early attempts to establish a cotton industry in the 1960s and a sugar industry in the 1970s met with problems such as heavy cyclonic rains, flooding, pest infestations, and diseases. These impacted crop quality and required significant use of pesticides. The geographic isolation of Kununurra also effected the cost of transport and logistics. Despite these issues, ORDCO was able to work with CSIRO and DAFWA to introduce GM modified cotton and biological treatments to address pests.



The role of the Natural Environment

Economic & Social Contributions



Economic Contribution: The overall pattern that emerges from the case study histories is that the members of these co-operative and mutual enterprises are better off economically because of their membership than would be the case if these CMEs had not existed:

- **The Albany Co-operative Society** significantly lowered the cost of goods within the town and wider Plantagenet District while offering enhanced services.
- **The Perth Building Society** significantly improved the quantity of homeowners, and the quality of their housing.
- **CBH Group Ltd.**, has significantly enhanced the economic viability and sustainability of WA grain producers, as well as contributing significantly to regional employment and capital investment.
- **RACWA**, has made significant contributions to improving the roads, road & vehicle safety, tourism maps, road signage, motor vehicle maintenance, insurance and running costs.
- **Capricorn Society Ltd.**, has significantly enhanced the sustainability of their members across Australia and New Zealand, enabling small to medium enterprises in the motor trades to operate cost-efficiently, smoothing out cashflow, and securing access to parts and related materials.
- **Social Capital Contribution:** More difficult to measure, but WA's CMEs have demonstrated a capacity to unite their members and associated communities into a common purpose, to coordinate their activities, encourage strong cooperative behaviour, and provide a social network and social capital building environment.



Questions?