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CASE STUDY

THE CO-OPERATIVE FEDERATION OF WA & WESFARMERS LTD. – CO-OPERATIVES HELPING CO-OPERATIVES

Bruce Baskerville, **Tim Mazzarol**, and **Amber van Aurich,** Co-operative Enterprise Research Unit, University of Western Australia.

Centre for Entrepreneurial Management and Innovation (CEMI) & Co-operative Enterprise Research Unit (CERU)
Phone: +618 6488-3981
Fax: +618 6488-1072
Email: tim.mazzarol@cemi.com.au

General Inquiries:
Email: tim.mazzarol@cemi.com.au

Website: www.cemi.com.au : www.ceru.au

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INTRODUCTION

The history of the modern co-operatives sector of Western Australia (WA) was profoundly shaped by two significant organisations, the Westralian Farmers' Co-operative Ltd. (Wesfarmers), and The Co-operative Federation of Western Australia Inc. (Co-ops WA). Both were established during the early years of the twentieth century, and both had their antecedents in the evolution of the co-operative movement within WA, which emerged during the second half of the nineteenth century.

Founded by WA farmers and settlers, the two organisations forged a relationship that took the form of a couple of parents, who while very different in their role and structure, focused their efforts on creating, nurturing and supporting the majority of co-operatives throughout the state during the twentieth century. The Wesfarmers co-operative demutualised in 1984, becoming a publicly listed investor-owned firm (IOF), and one of Australia's largest corporate entities. However, during its years as a co-operative, it served as an engine room for the economic development of the WA co-operative sector.

Although Co-ops WA is an Incorporated Association rather than a co-operative, it played, and continues to play, a central role in the coordination and facilitation of the WA co-operative sector. This role focused more on the legal structure and social framework of co-operatives than the economic development of individual co-operatives, providing education, information, management support and facilitation of the many co-operatives that spread across the rural and regional areas of the State. This support also included advocacy on behalf of the sector with the State Government, fostering an understanding of the co-operative principles and associated governance practices required under State legislation. These activities, while having indirect benefits to the economic development of the co-operative sector in the State, were not directly commercial in nature when compared to the activities of Wesfarmers but were collaborative.

This case study examines the history of these two organisations with a specific focus on their leadership and development role within the WA co-operative sector. Histories have been written about both organisations. These include the work of Thompson (2014) in relation to the Wesfarmers case, and Baskerville (2019) in relation to the Co-ops WA case. Our aim is not to replicate these histories, but to focus instead on the interrelationship between these two parents of the contemporary WA co-operatives movement, and the economic and social contribution that they played within it.

In undertaking this historical case analysis, we have drawn upon several specific cases where both Wesfarmers and Co-ops WA demonstrated their contribution to the success of these enterprises. These cases include, the Quairading Farmers' Co-operative Company Ltd. (QFCC), the York and District Co-operative Ltd. (Co-op York), the Mount Barker Co-operative Ltd. (MBC), the Ord River District Co-operative Ltd. (ORDCO), Co-operative Bulk Handling Ltd. (CBH Group), United Crate Co-operative Ltd. (UCC), and Galactic Co-operative WA Ltd. (Galactic). These cases have been selected because they provide both evidence and context to illustrate the roles that

Wesfarmers and Co-ops WA played in their development and support to the WA co-operative sector.

A BRIEF OVERVIEW OF THE HISTORY OF WESFARMERS

Westralian Farmers' (Co-operative) Ltd., also known as Wesfarmers, was founded in the WA Wheatbelt town of Kellerberrin in 1914 to serve as the main organisation for rural producer co-operatives in WA, particularly in the Wheatbelt. Its creation was driven by the WA Producers' Co-operative Union (WAPCU) and the Farmers & Settlers Association of WA (FSA). Registered under *The Companies Act 1893 (WA)*, Wesfarmers became the central hub for the majority of rural co-operatives across the state. Farmers in WA saw the company as a business structure that could strengthen their collective bargaining power. Wesfarmers played a key role in the co-operative movement of WA, acting as an over-arching partnering company for a network of locally and regionally owned farmer co-operatives. Through this network, Wesfarmers supported bulk purchasing, marketing, and distribution of agricultural produce and services (Thompson, 2014).

Between 1917 and 1919, Wesfarmers organised 65 local co-operative companies throughout the Wheatbelt and served as the acquiring agent for the Wheat Pool of WA during the First World War. This initiative involved regional farmer-owned co-operatives acting as local receival and handling agents. Wesfarmers was also instrumental in the establishment of Co-ops WA in 1919 and played a significant role, alongside the Trustees of the Wheat Pool, which much later became The Grain Pool of WA, in founding Co-operative Bulk Handling Ltd. (CBH Group) in 1933 (Mazzarol et al., 2024a). Operating as a co-operative from 1914 to 1984, the company adhered to modified Rochdale principles with an emphasis on producer co-operation. It provided agency services to predominantly farmer-owned local co-operatives, including general and life insurance, land and livestock agency, machinery, fuel supplies, and packaging. Throughout its history, Wesfarmers formed subsidiaries such as Wespak, which supplied fruit and vegetable crates, and Kleenheat Gas (LPG), which focused on energy provision (Thompson, 2014).

During the 1920s and 1930s, Wesfarmers played a key role in supporting CBH and was a prominent proponent of bulk wheat handling and cooperative marketing. Originally established under the colonial companies act, Wesfarmers officially became a co-operative in 1943, registered under the *Companies (Co-operative) Act 1943 (WA)*. Throughout the 1950s to the 1970s, Wesfarmers continued to broaden its services and expand its subsidiaries. During the 1960s Wesfarmers played a key role in helping establish the Ord River District Co-operative Ltd. (ORDCO), which it managed under contract from 1963 to 1977. This role involved providing managerial oversight, financial and marketing assistance and support, and advocacy with both state and federal governments (Graham-Taylor, 1978).

In 1981, the company moved from Wellington Street to Allendale Square in Perth's CBD, a change that foreshadowed its transformation from a co-operative into an investor-owned business. The demutualisation occurred in 1984, when Westralian Farmers' Ltd became Wesfarmers Ltd, a public company. This transition represented a significant departure from its co-operative roots and ended its association with Co-ops WA. Motivated by the limitations of co-operative legislation and a desire to increase shareholder value, this move destabilised Co-ops WA, which lost vital financial backing, office space, and its organisational hub. Consequently, Co-ops WA treaded water for a time, but ultimately managed to recover and modernise, as described in this case study (Baskerville, 2019).

A BRIEF OVERVIEW OF THE HISTORY OF CO-OPS WA

The Co-operative Federation of Western Australia (Co-ops WA) was established in 1919, primarily through the efforts of Westralian Farmers Ltd. (Wesfarmers) and local co-operatives that affiliated under the banner of the Federation. The founding figures included Walter Harper, Thomas Bath, and William Johnson. The co-operative movement established a presence in WA with the foundation of the Albany Co-operative Society Ltd. (Albany Co-op), in 1867 in response to high costs of food and other goods, and excessive store credit charged by local shopkeepers (Baskerville et al., 2022). The nineteenth century saw the creation of numerous co-operatives and mutual organisations, such as friendly societies and building societies. Although the friendly societies had been in place prior to the establishment of the Albany Co-op, the first building society was established in 1862 as the Perth Building Society Ltd. (Baskerville et al., 2023).

A major issue facing the co-operatives sector was the absence of dedicated legislation for these enterprises. For example, the Albany Co-op was registered in 1868 under the *Joint Stock Companies Ordinance 1858*, although it operated as a co-operative until its winding-up in 1885. One of the legacies of the legislation was the requirement for the companies registered under this ordinance to have their business names prominently displayed on the front of their buildings either in wood or stone (WA Legislation, 1858). The Albany Co-op, chose to do this in stone on their two-storey building in the centre of Albany, which enabled the building to be preserved despite the disappearance of its original owner. The enactment of the *Co-operative and Provident Societies Act 1903 (WA)* provided essential legal support for these entities throughout the twentieth century (Baskerville, 2019).

Following the First World War, co-operatives in WA proliferated across the Wheatbelt, frequently coinciding with railway expansion. The rural co-operative sector experienced significant growth during the 1920s and 1930s throughout the State's agricultural regions. These organisations were deeply influenced by their local communities and played an integral role in shaping both economic and social conditions within their districts. The formation of CBH in 1933 marked a pivotal advancement in wheat logistics, thereby strengthening the economic sustainability of Wheatbelt communities (Mazzarol et al., 2024a). The introduction of the *Companies (Co-operative) Act 1943 (WA)* further provided enhanced legislative frameworks for co-operatives in Western Australia (Baskerville, 2019).

The post-Second World War era marked a period of significant growth for the WA co-operatives sector. Co-ops WA, having supported the sector during the Great Depression, continued its commitment by providing training and educational programs throughout the 1950s and 1960s. These efforts included staff development initiatives and broader educational outreach, set against ongoing debates regarding centralisation versus local autonomy, as well as concerns about the effects of Britain's movement towards the European Economic Community (EEC), commonly referred to as the "Common Market," on producer co-operatives.

During the 1970s, Britain's accession to the EEC in 1973, coupled with a trend toward larger broadacre farms, contributed to a steady population decline in the WA Wheatbelt and other rural regions. Many small consumer co-operatives were adversely affected by the expansion of large supermarkets and chain stores. The 1980s witnessed further changes, including the start of grain industry market deregulation and the demutualisation of Wesfarmers Ltd. in 1984. Wesfarmers, which had played a pivotal role in the sector's development and shared a close working relationship with Co-ops WA, including providing office space at its Perth headquarters, created disruption within the sector as a result of these structural changes.

During the 1990s, Co-ops WA responded to changing circumstances by reorganising its operations and stabilising its financial position. The organisation reviewed assets such as Wespak, a fruit and vegetable packaging company established by Wesfarmers in 1934 and acquired by Co-ops WA in 1979 to provide an income stream. In 1982, Wespak was sold due to concerns regarding its compatibility with the voluntary, member-based nature of the Federation Council. Subsequently, Co-ops WA concentrated its efforts on advocating for legislative reform and promoting consistency at the national level.

From the start of the twenty-first century, Co-ops WA became actively involved in drafting new co-operative legislation for the State Government of WA. From 2004 to 2009, it collaborated closely with the State Government to develop the *Co-operatives Act 2009 (WA)*. Beginning in 2010, Co-ops WA partnered with the University of Western Australia (UWA) on several Australian Research Council (ARC) Linkage Grants, aimed at examining the business model of Co-operative and Mutual Enterprises (CMEs), identifying factors influencing their establishment, success, and dissolution, as well as evaluating their economic and social impact.

The official adoption of the operational name Co-operatives WA occurred in 2010. The organisation played an instrumental role in the UN International Year of Co-operatives (UN IYC) celebrations in 2012 and joined the national body, the Business Council of Co-operatives and Mutuals (BCCM), striving to harmonise WA's co-operative law with the nation-wide adoption of the *Co-operatives National Law* in 2016. Co-ops WA marked its Centenary in 2019, positioning itself as a prominent and respected leader in the sector.

Commencing from 2014 Co-ops WA, working in conjunction with UWA and the Australian Institute of Management WA (AIMWA), delivered an annual Co-operative and Mutual Enterprise Strategic Development Program (CME SDP) designed for directors and senior executives of the co-operative and mutual sector. At time of writing this continued the role played by Co-ops WA in facilitating education for the sector. During 2025 Co-ops WA was also engaged in the second UN IYC.

Throughout its history, Co-ops WA has persevered through wars, economic transitions, and political changes, embodying a distinctive "Westralian" approach to co-operative enterprise that integrates global principles with local priorities. The sustainability of the movement relies upon ongoing adaptation, active community involvement, and a steadfast commitment to the ethos of the co-operative movement.

CHAPTER 1: THE EMERGENCE OF THE WA CO-OPERATIVE SECTOR

This chapter traces the emergence and development of the co-operative movement in Western Australia (WA) from the late 1860s to the outbreak of the First World War. Early co-operatives, formed by urban workers and small farmers to counter high prices, wage practices, and market control by merchants, appeared in Albany, Perth, Toodyay, and Northam but were short-lived due to economic pressures and the absence of supportive legislation.

After a lull in the 1880s, co-operative ideas revived in the 1890s through two distinct pathways. The first was via farmer-owned producer co-operatives led by rural growers, particularly vine and fruit producers influenced by Charles Harper. The second, was via consumer co-operatives promoted by labour organisations in rural towns and on the Goldfields.

Persistent legal uncertainty hindered these efforts until the passage of the *Co-operative and Provident Societies Act 1903 (WA)*, provided a formal regulatory framework. Although many early consumer co-operatives registered under the Act failed quickly, producer co-operatives, often registered instead as companies, proved more durable. By 1914, the WA co-operative movement was legally established, increasingly dominated by producer organisations, and poised for expansion through major entities such as the Westralian Farmers' Ltd.

COLONISATION OF WESTERN AUSTRALIA

The state of Western Australia covers an area of approximately 2.53 million square kilometres, which accounts for the entire western third (approx. 33%) of continental Australia (Geoscience Australia, 2014). It is roughly the size of Western Europe and has a coastline of 20,781 km (12,913 mi) (Geoscience Australia, 2010). The northern part of the state is tropical, with monsoonal summer rains and a hot, humid climate. In the southwestern part of the state the climate is Mediterranean with cool wet winters and hot, dry summers. Inland, the climate is semi-arid with erratic rainfall and semi-desert conditions. There is a wide variety of vegetation and wildlife found across the state, with some of the most spectacular coastal areas, and inland river and mountain features (Blue Green Atlas, 2026).

The state is a major exporter and has consistently had the highest share of Australia's goods exports of any state or territory. For example, in 2024 WA's goods exports reached $234.6 billion, which represented 45 per cent of the total value of all goods exports from Australia. This was a pattern that the state demonstrated over the decade from 2014 to 2024. The significant size of WA's exports by value reflects the significant mining industry that exists in the state. Major minerals exported are iron ore, gold and alumina, major energy exports are liquified natural gas (LNG), and major food exports are wheat, canola seed and barley (DJTSI, 2025).

British settlement of WA commenced in 1826 with the establishment of a penal settlement at King George Sound on the southwestern coastline of Australia. This was the only deep-water harbour on the entire southern WA coastline prior to the dredging of the Port of Fremantle, which was opened to deep draft shipping on 4 May 1897 (Fremantle Ports, 2026).

Figure 1: Western Australia – Topographic Map

Source: Blue Green Atlas (2026).

The settlement party was led by Major Edmund Lockyer and comprised a contingent of 20 convicts and a file of 18 soldiers from the 57th (Middlesex) Regiment who arrived aboard the brig Amity from Sydney, New South Wales (NSW) (Bunbury Herald, 1918; Green, 1981; Young, 2020). This initial settlement was motivated by concerns that France might be planning to colonise the western half of Australia, which at the time had not been settled by Britain.

Apart from Dutch ships travelling to Batavia (modern day Jakarta, capital of Indonesia) during the eighteenth century who visited, or were shipwrecked on the WA coastline, there was little European engagement with the area. However, in 1772 a French ship *Le Gros Ventre* visited Cape Leeuwin (at the furthest point of southwest WA) (Bunbury Herald, 1919). Later, in September 1791, two British warships, *HMS Discovery* commanded by Captain George Vancouver, and *HMS Chatham* commanded by Captain William Robert Broughton, visited the area, including King George Sound, and the inner Princess Royal Harbour, where Major Lockyer established his settlement. They conducted mapping and surveying work during this visit (Royal Collection Trust, 2025).

In 1792 a French expedition comprising the warships *La Recherche* and *L'Esperance* under the overall command of Rear Admiral Joseph-Antoine Raymond Bruni D'Entrecasteaux visited the southwest of WA enroute to Sydney (Marchant, 1966). This was followed in 1802 by another French expeditionary flotilla comprising the warships *Le Géographe* and *Le Naturaliste* under the command of Commodore Nicolas Thomas Baudin (Marchant and Reynolds, 1966a/b). This latter French contingent had been commissioned by the Emperor of France, Napoleon Bonaparte during a brief period of peace between Britain and France and specifically targeted the King George Sound area (Marchant and Reynolds, 1966a/b). This provoked the Governor of NSW, Lachlan Macquarie to organise British warships to explore the King George Sound area and prepare the ground for Lockyer's occupation (Bunbury Herald, 1918).

The settlement, originally called Frederick's Town, and later renamed Albany, was formally proclaimed a British territory by Lockyer on 27 January 1827 (Morgan, 2016; Young, 2020). The area around King George's Sound, known as the Plantagenet region, are the traditional lands of the Noongar Menang people. One of fourteen different dialectical groups comprising the Noongar people whose occupation of the southwestern area of WA can be traced back over 45,000 years (Tindale, 1974). Relations between Lockyer's settlement and the Menang was apparently quite amicable (Green, 1981; Menck, 2022).

Large scale British settlement commenced in 1829 with the arrival of Sir James Stirling, a Royal Navy Captain from Drumpellier, Scotland, who had explored the Swan and Canning River basins, during 1827, leading him to seek approval for the colonisation of the western third of Australia. Appointed as Lieutenant Governor of the Swan River Colony in 1828, he arrived the following year with several ships carrying over 1,100 settlers primarily from England, Scotland, Ireland and Wales, plus a company of soldiers from the 63rd Regiment of Foot, commanded by Stirling's cousin, Major Frederick Chidley Irwin. Stirling was appointed as Governor in 1831 and the settlement at Albany was transferred from the jurisdiction of NSW to that of WA. This resulted in Lockyer and his convicts and soldiers returning to Sydney (Mossenson, 1967; Mazzarol, 1978; Cameron, 1981; Oldman, 2022).

In 1832 Stirling was awarded a knighthood. However, his expectations and hopes for the Swan River Colony were severely constrained due to the difficulty of establishing crops in the sandy soils of the Swan coastal plain, and the resistance that the British settlers faced from the Noongar Whadjuk, Gnaala Karla Boodja, and Ballardong communities living around the Swan, Canning, Avon, and Murray Rivers (Martens, 2022).

The poor quality of the coastal plain soils resulted in the settlement spreading along the banks of these local rivers (Burvill, 1979). This created difficulties for the military to provide protection from Noongar warriors who became involved in acts of property theft, violence, and killing, with both the Aboriginal and settler communities provoking each other and committing acts of violence and killing on the other side (Reynolds, 1987; Martens, 2022).

Over time the population expanded and new farming areas were established in the areas of Toodyay and York within the Avon River Valley (Mazzarol et al., 2025a), and in the hinterlands around Albany, such as the district of Mount Barker (Mazzarol et al., 2025c). The decade of the 1830s was marked by economic struggle, confrontations with the Noongar people, and the survival of the colony.

According to Crowley (1967), Governor Stirling's decision to establish the main colony at Perth on the Swan River estuary was a mistake due to the lack of a deep-water port, poor soils in the coastal plain, and problems in navigating the existing rivers. By comparison the location of Albany on the magnificent Princess Royal Harbour within King George Sound, was a better site, and served as WA's only deepwater port for seventy years prior to the dredging of the Port of Fremantle at the end of the nineteenth century.

During the 1840s WA's economy was supported by the cutting and export of sandalwood, which was abundant within the York District, and helped to sustain that area's economic growth (Statham-Drew and Clack, 2018). Despite the benefits of the sandalwood trade, the WA colony remained constrained by a labour shortage, and lack of inbound investment. This was addressed during the 1850s with the establishment of a convict system that saw convicts from Britain transported to WA along with prison guards and administrative officers. The idea was floated during 1847 at a special meeting of the York Agricultural Society (YAS) and subsequently mirrored by the Royal Agricultural Society of WA (RASWA), asking the WA Legislative Council to write to the British Secretary of State for the Colonies to send convicts to WA (Inquirer, 1847).

In 1849 the establishment of a convict system in WA was agreed and the first convicts and their guards arrived aboard the ship *Scindian* in 1850. The "convict era" lasted from 1850 to 1868, and saw an additional 12,821 people, comprising convicts, military guards, and single emigrant women, arriving in the colony (SRO, 2021). This influx of people enabled the non-Aboriginal population of WA to rise from 7,186 in 1851 to 15,346 in 1860 (Cotter, 1967). The convicts who were selected to serve out their sentences in WA had been screened to ensure that they were of 'good conduct' and possessed skills that would be of value to the fledgling colony. Many were referred to as 'mechanics' and had sufficient terms and good conduct to be granted parole, or what was referred to as 'ticket-of-leave' enabling them to work for an employer or become self-employed (Gregory and Marshall, 2020).

It should be noted that 'Mechanics Institutes' were a common feature of early colonial WA along with friendly societies, also known as 'lodges' in keeping with the Masonic lodges that were also imported from nineteenth century Britain. However, they were not organisations for the convicts but more for the educated liberal class who advocated philanthropy and self-help as a foundation of social stability (Baskerville et al., 2022).

In addition to the supply of skilled workers, the convict system also brought investment from the British Imperial authorities. This took the form of funding to support the convicts, and their guards and administrators, including wages. Additionally, the convicts were engaged in the building a public works such as roads, prisons, guard barracks, the Governor's residence, Government House, the Perth Town Hall, and numerous other significant buildings in Perth, Fremantle and regional townships (FHWA, 2023). By the time the first co-operative was established in Albany the basic foundations of WA had been laid and the environment into which co-operative and mutual enterprises (CMEs) could be developed was formed.

First experiments with co-operative business models – the 1860s

During the final years of the convict period from 1865 to 1869 the initial experiments in CME business models emerged. Increasing population and enhanced economic growth facilitated this process. Numerous friendly societies had been formed during the late 1830s through the 1840s, modelled on British based societies and often using the same names. Examples included Sons of Australia Friendly Society (est. 1837), Ladies Friendly Society (est. 1851), Perth Oddfellows Manchester Unity Friendly Society (est. 1858) (Baskerville et al., 2023).

Perth Building Society Ltd.

The introduction of the *Benefit Building Societies Ordinance* in 1863 provided a firm legislative foundation upon which building societies could be formed and developed. The first building society established in WA was the Perth Building Society (PBS), which was initially called the Perth Benefit Building, Investment and Loan Society. Founded in 1862 it was a permanent building society, and operated successfully for 124 years, playing a prominent role in WA's financial services sector, until it demutualised into an IOF, Challenge Bank, in 1987 (Baskerville et al., 2023).

The PBS was modelled on the permanent building societies concept that was emerging in the United Kingdom (UK) at the time. These building societies can be traced back to 1846 as a solution to the problems faced by their older counterparts the terminating building societies. These emerged between 1775 and 1825 (Butzbach, 2018), and as their name suggests, operated while their members pooled their savings to fund loans for the purchase of land and construction of housing, but wound-up after the last member completed their building and repaid their loan (Barnes, 2014).

Although successful, these terminating building societies experienced difficulties in raising loans from banks in order to secure sufficient funds to support their loans to members (Butzbach, 2018). Other financial services mutuals established in WA during the 1860s were the Coaler's Bank (est. 1861), Pensioners' Benevolent Society (est. 1862), and the Police Benefit Fund (est. 1866) (Baskerville et al., 2023).

Albany Co-operative Society Ltd. (1867-1885)

The Albany Co-operative Society, founded in 1867 as the first co-operative organisation in WA, was established by William Carmalt Clifton, an agent for the Peninsular and Oriental Steam Navigation Company (P&O). Its primary aim was to help P&O employees manage living expenses by offering goods at wholesale prices and bypassing local retailers (Perth Gazette, 1868; Albany Mail, 1885). In 1868, the society expanded its services to the public, which contributed to a general reduction in local prices. Although it faced resistance from storekeepers, the co-operative operated for nearly two decades, benefiting both its members and the wider community (Baskerville et al., 2022).

When the Albany Co-operative Store opened to customers on January 3, 1868, sales reached £500 within three days. The store quickly gained popularity and helped lower meat prices and other retail costs. By the following year, the co-operative reported a surplus of £130, awarded a 25 percent dividend, and commissioned a new store building that launched in August 1870. However, cash flow issues emerged because members delayed paying their accounts until month's end. Despite this, the society remained successful and closed the year with a surplus. In 1874, it announced a substantial shipment of goods from England, demonstrating ongoing growth (Baskerville et al., 2022).

The following year saw Sydney Stains, the first secretary, step down and William J. Cooper take his place. The co-operative began to target female customers. Clifton left Albany in 1880, with John F. T. Hassell succeeding him as treasurer, a change that signalled the start of the society's decline. By 1883, meetings were postponed for lack of attendance, and a special resolution to wind up the co-operative passed in August (Baskerville et al., 2022).

In 1885, the society's assets were auctioned off, and the property was sold to Alexander Moir, a local storekeeper. The co-operative's final meeting occurred in December 1885. It is worth noting that during the 1870s, the co-operative struggled due to financial setbacks, advancements in steamship technology, and the opening of the Suez Canal, which lessened the importance of P&O's coaling station in Albany. Ultimately, these challenges led to the end of the co-operative, although its influence on the co-operative movement in WA is significant (Baskerville et al., 2022).

Toodyay Co-operative

The Toodyay Co-operative was one of the earliest co-operative experiments in colonial Western Australia, emerging in the late 1860s alongside the first co-operative initiatives in Albany and Perth. Following the reported success of the Albany Co-operative Society in 1868, a co-operative store was formed in Toodyay shortly afterwards (Fremantle Gazette, 1868a/b; Perth Gazette, 1869).

The Toodyay initiative arose during a period of economic pressure in the colony, when town workers, artisans, and small rural producers sought alternatives to what were seen as excessive prices charged by storekeepers, suspected price collusion, and the common practice of paying workers in store credit rather than cash. These conditions motivated several early co-operative ventures, including Toodyay's (Baskerville, 2019).

There is a lack of information on the Toodyay Co-operative, which seems to have had only a short life. Despite the lack of detailed documentation, the Toodyay Co-operative is significant as part of the first wave of co-operative activity in WA. Its existence demonstrates that co-operative ideas were already circulating beyond Perth and Albany by the late 1860s. This early exposure may have influenced later developments notably, Charles Harper, a key figure in the WA co-operative movement of the 1890s, was born and raised in Toodyay and was likely aware of the earlier attempt to establish the co-operative there (Baskerville, 2019).

Perth Co-operative Society Ltd. (1869–1879)

The Perth Co-operative Society Limited was formed in 1869 during a period of economic change in colonial WA, following earlier co-operative experiments in both Albany and Toodyay. As with both the Albany and Toodyay co-operatives, its establishment arose from concern among urban workers about high retail prices, suspected price collusion by storekeepers, and the practice of paying wages in store credit rather than cash. The Society was created after a series of meetings held at the Perth Mechanics' Institute, with the stated aim of "supplying provisions and goods to shareholders at the lowest rate consistent with reasonable interests on the capital invested" (Inquirer, 1869a/b).

It represented a consumer-focused co-operative model intended to improve access to affordable goods for its members. The Society was governed by five directors, who were clerks or artisans actively involved in community organisations. The chairmanship was held by Mr E. H. Laurence, who later became Resident Magistrate at Geraldton (Erikson, 1979). This leadership profile reflects the Society's roots in the urban working and lower-middle classes rather than among large merchants or landowners.

For most of its existence, the Perth Co-operative Society traded primarily in drapery and clothing, rather than foodstuffs. It functioned as a retail consumer co-operative serving its shareholders, aligning with broader co-operative objectives of reducing living costs and increasing economic fairness for workers and artisans in the town. The Society operated for approximately ten years. In 1879, it was voluntarily wound up, rather than collapsing through insolvency or court action (Government Gazette, 1879). The historical record does not specify detailed reasons for the closure, only noting that the winding-up was voluntary, suggesting an orderly conclusion rather than an abrupt failure (Baskerville, 2019).

The Perth Co-operative Society was one of the earliest co-operative enterprises in WA, following closely after the Albany (1868) and Toodyay initiatives. Together, these early societies established key patterns, urban workers seeking relief from high prices and restrictive retail practices, that would re-emerge more strongly in the 1890s second wave of co-operative formation (Baskerville, 2019).

Mixed outcomes, decline and pause – the 1870s and 1880s

The decades of the 1870s and 1880s were problematic for the WA co-operative sector. As noted above, the Albany Co-op struggled with financial problems during the 1870s and was eventually placed into voluntary liquidation by 1885. The Toodyay Co-operative also did not survive, and in

1879 the Perth Co-operative Society Ltd., experienced the same fate as the Albany Co-op did in 1885. These early consumer co-operatives were largely responses to high prices, suspected price collusion, and the payment of wages in store credit rather than cash. With the absence of dedicated co-operatives legislation, their operation, in the cases of both the Albany and Perth co-operatives, of 18 and 10 years respectively is still significant. However, the 1870s was to see the emergence of producer co-operatives with the establishment of a co-operative flour mill in the regional Wheatbelt town of Northam approximately 95 to 100 kms from the city of Perth.

Northam Co-operative Flour Mill Co. Ltd (1873–1875)

The Northam Co-operative Flour Mill Co. Ltd was formed in 1873 in the town of Northam, during the earliest phase of co-operative activity in colonial WA. Unlike the contemporaneous consumer co-operatives in Albany, Toodyay and Perth, the Northam venture was industrial and producer-oriented, focusing specifically on flour milling rather than retail trade. The co-operative was established to purchase and operate an existing flour mill in Northam. It commenced operations in 1873 and ran the mill for approximately two years. During this period, the mill functioned as a co-operative enterprise rather than as a privately owned business (Perth Gazette, 1873a/b; Inquirer, 1873; WA Times, 1873; 1875a).

The Northam flour mill co-operative was formed by local businessmen, setting it apart from other early colonial co-operatives, which were typically organised by clerks, artisans, town workers, and small farmers. This difference in membership composition makes the Northam co-operative something of an exception among the earliest co-operative experiments in the colony. The co-operative closed in 1875 following a series of industrial accidents. The specific details of these accidents is unknown and it is unclear why the venture ultimately failed. After the closure, the mill was sold to a new owner, who continued its operation as an IOF (WA Times, 1875b).

The Northam Co-operative Flour Mill Co. Ltd is significant as it is one of the earliest co-operative enterprises registered in WA and as an early example of a producer co-operative. Its brief lifespan highlights the fragility of early co-operative ventures in the absence of supportive legislation and established co-operative experience, as well as the risks associated with industrial enterprises in the colonial economy. The winding-up of the Albany Co-operative Society, and the demise in the 1870s of the other early colonial era co-operatives, saw the 1880s as period of relative decline and stagnation. However, the discovery of gold in 1888 at Southern Cross in the Shire of Yilgarn, approximately 400 kms east of Perth, and later more significant gold discoveries near the towns of Coolgardie in 1892, and Kalgoorlie in 1893, located 595 kms from Perth, changed the economic fortunes of WA (WAM, 2017).

Renewed interest and divergence – the 1890s

During the 1890s, the rural sector experienced significant transformation, with various agricultural products, such as grain, dairy, wool, fruit, and others, competing for prominence as the primary industry. Numerous small, local producer organisations were established and reorganised throughout this period (Mercer, 1955a). Ultimately, the dominance of wheat was established after 1907, although fruit growers at that time remained confident about their prospects for success (Appleyard, 1981).

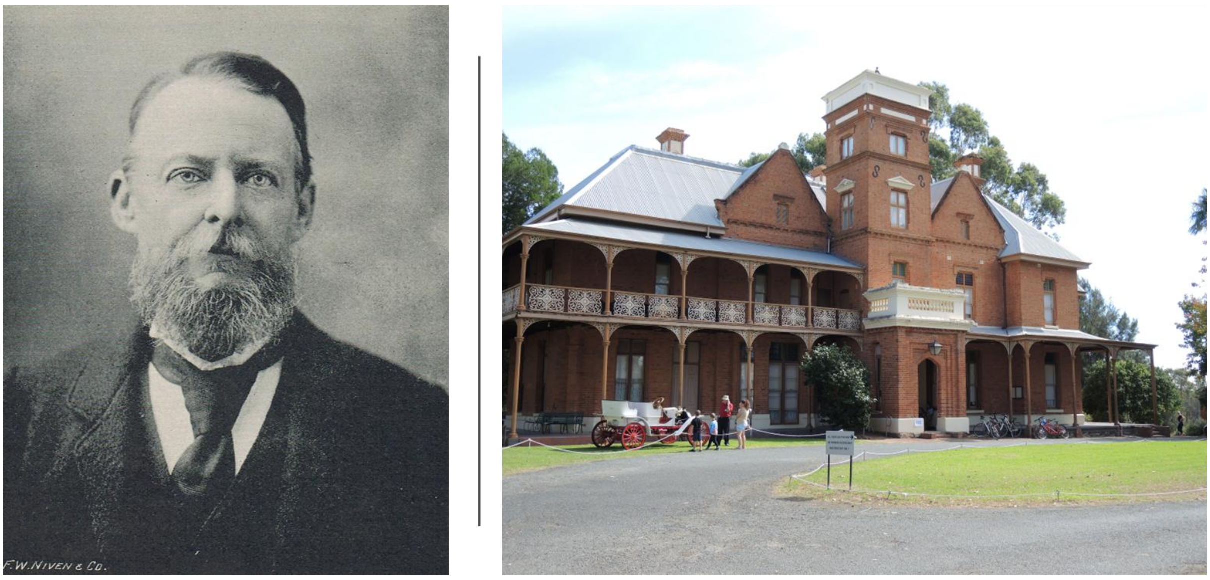
The 1890s saw a renewed interest in co-operative businesses amongst the broadacre farmers and other rural producers (e.g., orchardists and vignerons). This saw the foundation of the Swan District Vine and Fruit Growers' Association (SDV&FGA) in 1893, which led to the founding of similar associations across the regional districts (Baskerville, 2019).

THE ROLE OF KEY PEOPLE – CHARLES HARPER

Charles Harper (1842–1912), was a prominent WA agriculturist, politician, and newspaper proprietor. Born near Toodyay, on 15 July 1842, the only son of Charles Harper and his wife Julia Gretchen (née Lukin). He developed an early independence through farming and exploration, contributing innovations such as the "Harper fence" and making botanical and geological observations during expeditions in the Yilgarn and Pilbara regions of the state. His pearling and pastoral ventures, including interests in de Grey and Yanrey stations, established his financial base. Harper later became influential in journalism and agriculture. He co-founded major newspapers, including the *West Australian* and *Western Mail*, using them to promote agricultural research, mixed farming, and experimental practices. At his Woodbridge property near Guildford, he pioneered irrigation with artesian water, soil conservation techniques, pest control research, and crop improvement. Working with colleagues and his eldest son, Charles Walter Harper, he helped identify soil nutrient deficiencies and develop early local wheat varieties that were widely used. In public life, Harper served in both the Legislative Council and Legislative Assembly, earning respect for his independence and integrity. He chaired several royal commissions on key issues such as customs, water supply, forestry, and immigration, influencing long-term rural policy. Though politically conservative and wary of party discipline, he played a pivotal role in parliamentary transitions in the early 1900s. He died in 1912, leaving a lasting legacy in WA agriculture, politics, journalism, and education, including the founding of Guildford Grammar School (Battye, 1972).

Charles Harper was the central intellectual, political and organisational figure in the emergence of the WA co-operative movement from the early 1890s through to Federation. His contribution lay less in founding early colonial co-operatives and more in shaping the *second wave* of co-operation, particularly among rural producers, and in embedding co-operative principles within government policy and agricultural institutions. Harper first became influential through his leadership of the SDV&FGA. Drawing on reports, overseas examples and practical observation, he promoted voluntary producer associations as a way for small farmers to share knowledge, combat pests and diseases, improve marketing, and secure government support, tasks that individual producers could not achieve alone. These associations, which spread rapidly across several districts, formed the organisational foundation of later producer co-operatives. His most significant ideological contribution came at the 1894 Agricultural Conference, where, as chair, Harper forcefully advocated co-operation and rural credit. He introduced WA audiences to the Raiffeisen co-operative banking model of Germany and Austria, emphasising democratic control, local membership, limited shareholding, and the use of surpluses for collective benefit rather than private profit. Although some of his more radical ideas, particularly co-operative banking, were not adopted, this was the first sustained and systematic articulation of co-operative theory in the colony (Baskerville, 2019).

Figure 2: Charles Harper and "Woodbridge", Guildford circa 1900



Sources: Harper – Kimberley W. B. (1897); 'Woodbridge' – Evad37 (2019).

Politically, Harper used his positions as a Member of the Legislative Assembly (MLA), Chairman of the Bureau of Agriculture, and chairman of conference committees to normalise co-operation as a legitimate economic model rather than a utopian or labour-controlled experiment. While he was not a leading speaker in parliamentary debates on the *Co-operative and Provident Societies Act 1903*, his influence helped sustain momentum for legislative reform, which eventually provided a secure legal framework for co-operative societies in WA (Baskerville, 2019). Organisationally, Harper turned theory into practice through the creation of the WA Producers Co-operative Union (1902) and the Producer's Markets Co-operative (1903). These initiatives reorganised agricultural marketing in Perth, introduced technological innovations such as cool rooms and gravity-carrier systems, and, unusually for the period, incorporated Chinese market gardeners as co-operative members. Although registered under the Companies Act rather than the Co-operatives Act, these bodies operated on co-operative principles and became models for large-scale producer co-operation (Baskerville, 2019).

Although he passed away in 1912, Charles Harper laid the foundations for the later formation of Westralian Farmers' Ltd in 1914, which grew directly out of his earlier producer co-operative structures, and the direct contribution that his eldest son Charles Walter Harper played in the advocacy of the establishment of Wesfarmers. Although debate continued over whether Wesfarmers was a "true" co-operative, it dominated the co-operative movement in WA from its foundation during the First World War through to its demutualisation in 1984 and firmly established producer co-operation as the movement's primary trajectory. Charles Harper's contribution was strategic rather than incidental. He supplied the intellectual framework, political legitimacy, and organisational architecture that allowed co-operation, especially producer co-operation, to become a durable and influential force in Western Australia.

ASCERTAINING THE NATURE OF THE CO-OPERATIVE BUSINESS MODEL

The discussions taking place within the SDV&FGA about the precise nature of collaborative organisations suitable for assisting their members reflected a need to understand and clarify the type of business model required. A report undertaken by a Mr. Cowan for the SDV&FGA proposed that producers establish voluntary associations, but he did not specifically identify these to be the co-operative business. According to Cowan, the principal objectives of the associations should include disseminating knowledge related to horticultural methods, viticulture, and fruit preservation. Also, securing State support for the industry, controlling the spread of pests and fungal diseases, and facilitating the packaging and marketing of fruit produce. He also proposed the fostering and development of a wine cask manufacturing sector, all undertakings beyond the capacity of individual producers (Baskerville, 2019).

In pursuit of these goals, Cowan dedicated much of the year to establishing similar associations in Toodyay, Northam, Wellington (Bunbury), Murray (Pinjarra), and the Great Southern (Katanning). Notably, the inaugural committee of the Murray District V&FGA included Mrs. Eliza Fawcett and Miss Margaret Alderson, marking them as the earliest recorded women to participate in management roles within the nascent rural co-operative movement. Cowan's efforts led to the first Agricultural Conference in Perth Town Hall in April 1893, attended by Vine & Fruit Grower associations and other agricultural groups. The event prompted the colonial government to support agricultural development and education (Baskerville, 2019).

Charles Harper successfully convinced the colonial government to recognise horticultural industries as an important part of agriculture. In May 1894, he chaired the prestigious Pastoral, Agricultural, Horticultural and Vine and Fruit-growers' Association Conference, which was hosted in the newly established Bureau of Agriculture rooms, an outcome of the previous year's conference. Harper advocated for greater co-operation and divided the event into four main areas: soil education, combating harmful weeds, ensuring safe transport and storage of produce, and collaboration among growers. On the fourth day, he emphasised the importance of establishing "Co-operation and Credit Banks", proposing that the development of co-operative principles, particularly credit banks, should be actively pursued. Harper's proposal was quickly endorsed, leading to a committee for further investigation. As outlined above, he discussed German and Austrian Raiffeisen co-operative banks, referencing news reports and his own conversations. These banks provided affordable financing to farmers and operated co-operative stores and producer organizations, lowering costs and reducing reliance on middlemen. Membership was local, shares were limited and payable in instalments, and profits supported both low-cost credit and community projects (Baskerville, 2019).

Although features common in today's co-operatives might seem ordinary, they were viewed as radical, even utopian, in 1890s WA. Figures like William Loton MLA expressed scepticism, but many others supported the concept enthusiastically. Walter Padbury described the "co-operative system" as clearly the best approach, while Reverend Claires of Northam declared himself "a thorough believer in the co-operative principle." Alexander Richardson MLA remarked on the absence of the German system in English communities and suggested that WA could lead by example for other colonies (West Australian, 1894a, p. 6).

Harper, serving as both conference chair and chairman of the Bureau of Agriculture, as well as head of the committee examining co-operatives, was now in a prime position to effect change. The topic even emerged as a political issue during the 1894 Legislative Assembly elections. For instance, Mr. H. C. Cooke, running for Northam, proclaimed his strong support for a system where producers and consumers connected directly, cutting out middlemen, an idea welcomed with applause. Other candidates also spoke in varying degrees in favour of co-operation (West Australian, 1894a). Around this time, the establishment of co-operatives spread from rural areas into urban centres (West Australian, 1894b).

While farmers were evaluating the advantages and disadvantages of co-operatives, the urban labour movement, particularly in the Goldfields, was reaching a similar juncture through a distinct approach. During the 1894 conference of the Trades & Labour Council in Fremantle, participants discussed a proposal to eliminate a livestock tax, which was argued to increase meat prices by as much as 150 per cent. One solution considered was for butchers to establish member-owned co-operative stores, replicating a model previously implemented in Adelaide that resulted in halved meat prices and sustained profitability (West Australian, 1894c). In 1895, at a public meeting in Perth convened to address elevated meat prices, attendees agreed to support the planned Co-operative Butchering Society's initiative to open butcher shops (Daily News, 1895; Coolgardie Miner, 1895).

Although the Trades & Labour Council meeting did not produce any immediate results, unrest grew on the Goldfields. News spread across the WA press that delegates from three Manchester co-operatives and one Glasgow co-operative would soon visit Australia's eastern colonies to create direct trading links (Inquirer, 1896). At a public gathering in Fremantle's Lumpers' Union Rooms about bread prices, attendees debated creating a co-operative bakery, focusing especially on the principle of "one vote per member" and the option for members to have monthly credit accounts, since lumpers received monthly pay (West Australian, 1896a). Ultimately, the group decided to form the Fremantle Co-operative Distribution Society.

Several subsequent meetings were devoted to clarifying the definition of a co-operative, during which the principle of 'one-member-one-vote' was consistently reaffirmed. Guidance from the Registrar of Friendly Societies indicated that, under current legislation, it was not possible to register the rules of a co-operative society. However, there was a possibility that the Attorney-General could grant a provisional permit for temporary registration (West Australian, 1896b). Following a period of delay, the Society sought assistance from Fremantle area MLAs, Elias Solomon, William Marmion, and Matthew Moss, to advocate to the Attorney-General for the introduction of legislation enabling the registration of co-operatives (WA Record, 1896).

The problem with establishing a consumer co-operative on a legal basis did not seem to trouble the Murray District vignerons and orchardists. At almost the same time they advertised that the Murray Farmers Vine & Fruit Growers' Co-operative Society would be commencing a vine and fruit tree pruning contest, had issued tenders for the supply in bulk of bone dust for fertilising corn crops, and now had 50 members and was operating on co-operative principles (Southern Times, 1896).

Meanwhile, the Fremantle Co-operative Distribution Society continued to meet and raise funds, writing to labour organisations about the benefits of co-operation, and urging Matthew Moss MLA to introduce a bill for registering co-operatives (West Australian, 1896c). A large public meeting was convened on the Fremantle Esplanade to present and discuss the concept of co-operation, with the movement's origins traced to the Rochdale Co-operative in England (Geraldton Advertiser, 1896). In September 1896, Moss introduced a *Provident Societies Bill* to Parliament, drawing upon Victorian legislation as its model. However, the Attorney-General deferred the bill the following month, stating the intention to introduce alternative legislation based on the more current English Act (Hansard, 1896).

Following a presentation by the manager of the Ipswich Co-operative Society in Queensland, the Fremantle Co-operative Distribution Society resolved to register as a company under the *Companies Act 1893*. Additionally, they sought pamphlets and catalogues from the Manchester Wholesale Co-operative Society (CWS) in England to illustrate potential operational models for their co-operative (West Australian, 1896d). The decision to pursue company registration was notably shaped by comments from the Attorney-General regarding the postponement of the Moss bill (Baskerville, 2019). Over the following years, there were ongoing efforts to establish consumer co-operatives, especially in butchery businesses in the WA Goldfields towns of Coolgardie and Kalgoorlie. However, these attempts were unsuccessful, largely due to the absence of a reliable regulatory framework and the temporary nature of the Goldfields population (Baskerville, 2019).

THE STRUGGLE FOR LEGAL CERTAINTY

A major challenge for the WA co-operative movement was the absence of dedicated legislation designed to recognise and regulate these organisations. During the period 1896 to 1899 there were repeated attempts to establish a legal framework for registering and regulating the existing and future co-operatives in WA. In 1867 the Albany Co-op had to register under the *Joint Stock Companies Ordinance 1858* due to the lack of suitable legislation. While this did not limit the company from operating as a co-operative, the ordinance did not contain any reference to either co-operative or mutual societies, one-member-one-vote democracy, or other fundamental aspects of co-operative practice.

By the 1890s the situation was no different and many newly established co-operatives were registered under the *Companies Act 1893 (WA)* (Baskerville et al., 2022). In 1897, the annual Producers' Conference, possibly motivated by the shelving of the Moss bill, once again considered co-operation. After an extensive debate about the establishment of co-operative wineries, particularly those advocated by the Toodyay V&FGA, the conference decided to ask the government to support co-operative principles and allocate resources to the Bureau of Agriculture for research into the most successful co-operative models (Western Mail, 1897).

Several months later, a significant meeting convened in York with the purpose of establishing what was described as the "first Farmers' Co-operative Society in WA," aiming to bridge the gap between producers and consumers and create outlets for farm produce (West Australian, 1897a). The assembly resolved to form a co-operative, titled the Eastern Districts Farmers Union. This initiative was met with opposition from Northam merchants, who contended that farmers lacked inherent co-operative tendencies and sufficient business management experience. They further argued that merchants possessed superior access to distribution networks and that co-operation might prove ineffective in sparsely populated areas. The *Northam Advertiser* characterised the notion of co-operation as "a snare and a delusion" (Northam Advertiser, 1897).

In July 1897, the Fremantle Co-operative Society successfully registered under the *Companies Act 1893* (West Australian, 1897b; Government Gazette, 1898), making it the third co-operative in WA to make use of companies law after those in Albany and Perth, which were established in 1868 and 1869. By December of that year, the society had opened a bakery in Fremantle (Daily News, 1897). In 1898, a newly re-formed Albany Co-operative Society also registered under the Companies Act (Daily News, 1898).

Nevertheless, the adaptation of the co-operative model was not universally well received, and discussions regarding the advantages and disadvantages of co-operatives persisted throughout the Western Australian press. It became increasingly apparent that there was a need for new and more suitable forms of corporate and communal organisation, with co-operatives representing only one such approach. Another significant development was the regulation of voluntary associations, marked by the introduction of the *Associations Incorporation Act 1895*, which was among the earliest legislation of its kind in Australia (Weinert, 2004).

In late 1897, the Government announced its intention to introduce legislation for the registration of trade unions as well as provident and co-operative societies (West Australian, 1897c; Kalgoorlie Miner, 1897). The proposed bill, drafted by the Registrar of Friendly Societies and based primarily on recent English legislation, incorporated an innovative provision vesting all property in the co-operative society as a corporate entity, rather than in individual trustees as was common among most commercial bodies corporate (West Australian, 1897d).

Despite these developments, the bill had not been introduced to parliament by 1899 (Western Mail, 1899). It was not until the September 1901 parliamentary session, nine months after the State joined the new Commonwealth of Australia, that Walter James, serving as minister without portfolio, presented the bill, noting it was largely modelled on the Imperial Acts of 1893 and 1894 and designed in response to groups wishing to establish and register the co-operative societies (Hansard, 1901).

The new State parliament, unlike its colonial predecessor, presented significant challenges for the co-operators. During the first decade following federation, ambiguity persisted regarding the respective responsibilities of State and Federal governments, which was further complicated by frequent changes in ministerial leadership. Representatives from both rural and mining constituencies, including Frederick Henry Piesse (MLA Williams) and Albert Ernst Thomas (MLA, Dundas), expressed reservations about the necessity of the 1901 bill, ultimately resulting in its referral to a committee for additional review. The legislation, which was subsequently renamed the *Co-operative and Provident Societies Bill*, was reintroduced to parliament in October 1902 but remained undebated until August 1903.

At that time, Premier Sir Walter Hartwell James KC asserted that the bill mirrored the 1901 version, itself modelled on the 1893 English statute, and advocated for its passage (Hansard, 1903). He explained that most co-operatives were too small for the *Companies Act* but overcame concerns in 1901 that it was a form of labour control. Australian Labor Party (ALP) members Thomas Henry Bath (MLA, Hannans) and William Dartnell Johnson (MLA, Kalgoorlie) added the need for including model rules and State-appointed auditors to address issues with accounts and audit costs, resulting in additions to the Act. The bill finally passed on 13 August 1903, and subsequently received Royal assent on 8 September, becoming law on 1 January 1904, seven years after first being introduced, and 35 years after the initial co-operatives formed in Albany, Toodyay, and Perth (Baskerville, 2019).

Regrettably, the historic Albany Co-operative Society could not be salvaged. After restructuring and registering as a company in 1898, the society encountered persistent management challenges, which appeared to disrupt established practices regarding financial management and debt handling. The organisation ultimately dissolved in December 1899 amid several allegations that were scrutinised during an extensive court case in May 1903 (Government Gazette, 1901; Albany Advertiser, 1901a/b).

Premier Sir Walter James' subsequent remarks in parliamentary debate on the complexities of company legislation, and his emphasis on the new legislation's simplicity, were likely influenced, at least in part, by the failure of the second Albany Co-operative Society and Bath's criticisms concerning inadequate accounting practices (Baskerville, 2019).

The *Co-operative and Provident Societies Act 1903 (WA)* was the first legislation of its kind in WA, and among the earliest anywhere in the British Empire outside of England. It provided a definition for what constitutes a co-operative,

> *"… a society for carrying on any lawful industries, businesses or trades specified in or authorized by its rules, whether wholesale or retail, and including dealings of any description with land; but no member shall have a claim or claim any interest in the shares of the society exceeding two hundred pounds" (Co-operatives and Provident Societies Act 1903 (WA), p. 3).*

As noted above, the *Co-operative and Provident Societies Act 1903*, received Royal Assent on 8 September 1903 and took effect on 1 January 1904. It is worth noting that English legislation specifically for co-operatives first appeared in 1852, which was later adopted by South Australia in 1864, Victoria in 1874, and Manitoba in 1887, all based on the English Act of 1852. Following the revised English Act of 1893, WA finally enacted similar legislation in 1903, with Nova Scotia following in 1904. New Zealand and Quebec (for credit unions) passed their own acts in 1907, succeeded by India in 1912, Saskatchewan in 1914, Queensland in 1920, Ceylon in 1921, Malaya and South Africa in 1922, New South Wales in 1923, and Straits Settlements (Singapore) in 1924. Notably, a Canadian federal co-operatives bill was rejected in 1906 (Baskerville, 2019).

The Act stipulated, among other requirements, that a co-operative society was prohibited from engaging in banking activities, a departure from Charles Harper's earlier considerations. Additionally, it mandated a minimum membership of seven individuals, the adoption of written governing rules, and a unique name concluding with the words 'society, limited'. Registration with the Registrar of Co-operative and Provident Societies was also required, accompanied by a fee of £2 (equivalent to $300 in 2018) (Baskerville, 2019).

THE EMERGENCE OF A SECOND WAVE OF CO-OPERATIVES – 1900 TO 1914

With the formal establishment of the *Co-operative and Provident Societies Act 1903 (WA)* the WA co-operative sector could now move forward with greater legal certainty in how such businesses should be established and operated. From 1904 to 1906 there were several registrations of new co-operatives under the new legislation, although many did not succeed. On 1 January 1904 the WA Register of Co-operatives was opened and three new co-operatives were registered. These were the Goldfields Co-operative Society Ltd, Fremantle Co-operative Society Ltd, and The Beauty Fishing & Supply Co-operative Society Ltd. The following year the Collie Industrial Co-operative Society Ltd. was added (SRO, 1906). The following sub-sections provide brief summaries of these co-operatives.

BEAUTY FISHING AND SUPPLY CO-OPERATIVE SOCIETY LTD. (1904–1905)

The Beauty Fishing & Supply Co-operative Society Ltd was registered on 22 September 1904 under the *Co-operative and Provident Societies Act 1903 (WA)*, making it the third co-operative registered under the new Act and the first fishermen's co-operative in WA. It comprised 51 Italian fishermen based in Fremantle and operated from the City Markets in Perth. The co-operative's purpose was to catch, supply and distribute fish as both a wholesale and retail enterprise, and it was empowered to own and manage boats, market stalls, and other equipment necessary for the fishing industry (Baskerville, 2019). The Beauty Fishing & Supply Co-op was possibly named after Italian fish vendors in Fremantle known for exclaiming,

> *"My God, lovely fish today, beautiful bloody fish"* (Truth, 1901 p.1).

Capital was raised through shares of £25 (approx. $3,424 in 2025 dollars) each, limited to one share per member, with all shareholders required to be actively engaged in fishing. The society operated on democratic co-operative principles, granting one vote per member, and allowed shares to be transferred or inherited. Its rules included an unusual provision preventing members from withdrawing unless they were leaving WA permanently for Europe, in which case the value of their share was used to provide a third-class steamer ticket (Baskerville, 2019).

Despite these ambitions, the co-operative operated for only a few months. In January 1905 the members petitioned for its deregistration, citing their inability to continue operations. High share costs, limited literacy among members, the administrative complexity of the rules, and the need for legal assistance likely contributed to its failure. Broader social hostility toward Italian fishermen at the time may also have played a role. The society was formally deregistered on 6 March 1905, becoming the first co-operative to be cancelled under the Act (Baskerville, 2019).

FREMANTLE CO-OPERATIVE SOCIETY LTD. (1897-1906)

The Fremantle Co-operative Society Ltd emerged in the mid-1890s from labour-movement agitation in Fremantle over the high cost of basic foodstuffs, particularly bread and meat. Public meetings held in 1896 debated the co-operative principles, including democratic control through one-member-one-vote and the extension of credit to members whose wages were paid monthly. These discussions led to the formation of the Fremantle Co-operative Distribution Society, which sought to establish consumer-owned retail and baking enterprises (Baskerville, 2019).

Early progress was hindered by the absence of legislation allowing co-operatives to be formally registered. Advice from the Registrar of Friendly Societies indicated that existing laws were inadequate, prompting the society to lobby Fremantle members of parliament to introduce co-operative registration legislation. As discussed earlier, while draft legislation was proposed in 1896, it was delayed, and on the advice of the Attorney-General the society instead chose to register under the *Companies Act 1893*. The Fremantle Co-operative Society was successfully registered as a company in July 1897, becoming the third formally registered co-operative enterprise in WA since the Albany and Perth co-operatives of the late 1860s. By December 1897 it had commenced operating a bakery in Fremantle, marking one of the most tangible early successes of the consumer co-operative movement in the colony (Baskerville, 2019).

Following the passage of the *Co-operative and Provident Societies Act 1903 (WA)*, the Fremantle society converted from a company into a registered co-operative society. However, its independent existence was short-lived. In 1906 it merged with the West Australian Co-operative Society Ltd., abandoning its original name. Although it did not endure as a standalone organisation, the Fremantle Co-operative Society played a significant role in advancing consumer co-operation, shaping public debate, and demonstrating the practical possibilities, and limitations, of co-operative enterprise in WA prior to the establishment of a secure legislative framework (Baskerville, 2019).

Goldfields Co-operative Society Ltd. (1904-1905)

The Goldfields Co-operative Society Ltd was one of the first co-operative societies registered under the *Co-operative and Provident Societies Act 1903 (WA)*, becoming the first registered co-operative when the new Register commenced on 1 January 1904. It was established as a consumer co-operative, reflecting the strong demand on the Goldfields for collective solutions to high prices and limited access to affordable goods in a rapidly growing and transient mining population (Baskerville, 2019).

Despite the promise offered by the new legislative framework, the society struggled financially. In 1905, only a year after registration, the Goldfields Co-operative Society was wound up by order of the Supreme Court due to unpaid debts, including money owed to a Kalgoorlie butcher. Its failure highlighted the ongoing difficulties faced by early consumer co-operatives, particularly in regions characterised by population mobility, high operating costs, and intense commercial competition. The short life of the Goldfields Co-operative Society demonstrated that while the 1903 Act provided long-awaited legal recognition and structure, legislation alone was insufficient to guarantee commercial success. Along with the early failures of the Fremantle and Beauty co-operatives, its collapse underscored the fragile nature of the first generation of registered co-operative societies in WA (Baskerville, 2019).

Collie Industrial Co-operative Society Ltd. (1905-1965)

The Collie Industrial Co-operative Society Ltd was registered in 1905 under the *Co-operative and Provident Societies Act 1903 (WA)*, making it one of the earliest co-operatives established under WA's first dedicated co-operative legislation. It was formed as a consumer co-operative, emerging alongside the Goldfields and Fremantle co-operatives during the initial wave of registrations following the opening of the Register of Co-operatives on 1 January 1904 (Baskerville, 2019).

Unlike most of its contemporaries, the Collie Industrial Co-operative Society survived the early failures that characterised this first generation of registered co-operatives. Within two years, the Goldfields Co-operative Society had been wound up by order of the Supreme Court, the Fremantle Co-operative Society had merged and lost its identity, and the Beauty Fishing & Supply Co-operative Society had been deregistered. Collie stood out as the only one of these early societies to endure, with the Collie Industrial Co-operative Society Ltd., lasting until 1965 (Government Gazette, 1965).

The society was a significant consumer co-operative that provided goods and services to the mining community of Collie. The co-operative was established in 1901 shortly after the foundation of the townsite of Collie, a significant coal mining centre in the south west of WA. It was later registered as a co-operative under the 1903 co-operatives legislation. During its decades of service, the co-operative was a central pillar of the Collie community, operating a large general store that sold everything from groceries to hardware, often competing with private retailers to keep local prices low. The society effectively ceased operations in 1965. Official notices in the Government Gazette of Western Australia declared its status change in June 1965, marking the end of its active role as a commercial entity in the town (Government Gazette, 1965). While it shared a similar name, it was a separate entity from the Co-operative Colliery (also known as the Co-operative Coal Mine), which was a worker-owned mining association that operated from 1904 to 1918 before being taken over by Amalgamated Collieries of WA Ltd (Shire of Collie, 1995).

The society's survival demonstrated that, while the 1903 Act could not guarantee success, it did provide a regulatory framework capable of supporting better-managed and locally stable consumer co-operatives. The Collie Industrial Co-operative Society thus represents an early example of a co-operative that was able to operate successfully within the new legislative environment, in contrast to the fragile and short-lived experiments of the larger urban and goldfields centres.

The Rise of Farmer-Owned Producer Co-operatives – 1912 to 1915

From 1912 to 1915, twenty new co-operatives were established. More than eighty percent were consumer co-operatives, mostly situated in metropolitan areas, as well as in Kalgoorlie, Meekatharra, Capel, and Albany. In contrast, only a few new producer co-operative societies appeared, all located in emerging Wheatbelt or rural south coastal regions (SRO, 1942). Producer co-operatives, after initially showing interest in the new *Co-operatives and Provident Societies Act 1903 (WA)*, largely opted to register as co-operative companies under *The Companies Act 1893*, following an established trend. This approach was further evidenced when Westralian Farmers' Ltd was founded and registered in 1915 under the Companies Act rather than the Co-operatives Act (Government Gazette, 1915).

Although Charles Harper, as MLA for Beverley, did not play an obvious role in the parliamentary debates over the Co-operatives legislation, his position as Chairman of Committees allowed him to have some influence. After the new Act was enacted, Harper directed his efforts toward developing the co-operative movement according to his own vision, particularly through the WA Producers Co-operative Union (West Australian, 1903). The WA Producers Co-operative Union was formed in March 1902, under the *Companies Act 1893*, at a meeting in the Department of Agriculture's museum, which was chaired by Charles Harper himself (Mercer, 1958, p. 177; Government Gazette, 1902).

The Producer's Union aimed to establish a co-operative association for the farming and fruit-growing sectors. In correspondence with his son Walter, who was in England at the time, Harper indicated that significant changes were imminent, noting, "There is a bit of a revolution about to take place" (Mercer, 1958, p. 177). The new union would encompass all market gardeners in Perth, including a significant representation from the Chinese community, with management entrusted to a committee elected by members. A portion of all sales would be allocated to the co-operative markets to support its operations. The organisation acquired property adjacent to the railway line and Beaufort Street Bridge in Perth, where it introduced the city's first cool rooms and implemented the American 'gravity carrier' system for efficient produce handling within the market (Baskerville, 2019).

In 1903, the Union established the Producer's Markets Co-operative. Charles Harper told his son Walter that this step would ensure "fruit sales were well organised since a subsidiary company had been launched, involving nearly all market gardeners (both yellow and white)" (Mercer, 1958, pp. 177-178). A 1907 list of co-operative shareholders included 90 Chinese members, mostly men, and 11 others such as Harper himself (Government Gazette, 1907). Both technological advancements and the co-operative's commitment to inclusivity proved revolutionary, becoming lasting hallmarks of the WA co-operative movement, though not always applied consistently.

Another enduring characteristic is that both the WA Producers Co-operative Union and the WA Producers Salesrooms Ltd (Harper's 'subsidiary company'), were registered under the *Companies Act 1893*. Between 1904 and 1906, three other co-operative companies were registered under the Companies Act, all of them consumer co-operatives, but these were soon overtaken by producer co-operative registrations and the division between the two types, e.g., producer and consumer co-operatives, became more marked as time passed. It is from producer co-operative companies that the Co-ops WA, once it was formed, mainly (although not exclusively) drew its members, rather than the consumer co-operative societies. However, by 1910, Charles Harper's significant contribution to the foundation of the WA co-operative movement was ending, his health had declined, and he passed away at 'Woodbridge' in 1912 (Mercer, 1958).

By the time the First World War broke out in 1914, the co-operatives movement in WA was on a sound legal basis and developing through either co-operative societies or co-operative companies. The largest, which would dominate the next six decades of co-operation in the State, was Westralian Farmers' Ltd, formed in 1914 by Harper's Co-operative Producer's Union and the Farmers & Settlers Association. The new co-operative acquired the Union's assets, and Walter Harper resigned the next year from the Farmers & Settlers Association to focus on Westralian Farmers' and the broader co-operative movement (Mercer, 1955b). Westralian Farmers' did not include the word "co-operative" in its name, and an argument over whether it was in fact a 'real' co-operative would persist for some decades.

CHAPTER 2: THE FOUNDING OF WESFARMERS AND CO-OPS WA

The institutional origins of both Wesfarmers and Co-ops WA lie in the same interlocking network of community leaders in early twentieth-century WA. The central figure was Charles Walter Harper, (known as Walter) the son of Charles Harper who, as discussed in Chapter 1, played a significant role in the development of the state's co-operatives sector in the late-nineteenth century. Also, Thomas Henry Bath, a Kalgoorlie miner turned farmer, who despite his socialist orientation, worked closely with Walter Harper, whose origins were more 'landed gentry', to establish the foundation of the contemporary co-operative movement in WA.

KEY PEOPLE: CHARLES WALTER HARPER AND THOMAS HENRY BATH

Numerous people played an important role in the establishment of Wesfarmers and Co-ops WA during the first decade of the twentieth century. As noted above, prominent amongst them were Walter Harper and Thomas Bath. Both men were committed to the co-operative movement and the seven principles that underpinned these enterprises and continue to do so to the present day. They were both knowledgeable about the Rochdale Society of Equitable Pioneers established in England in 1844, and the business model that had emerged from it. However, while Rochdale influenced consumer co-operatives had become established across Australia, the focus of Harper and Bath were the farmer-owned producer co-operatives (Baskerville, 2019). Both men were important actors in the foundation of Wesfarmers and Co-ops WA and later became directors of CBH when it was set up.

CHARLES WALTER HARPER

Charles Walter Harper (1880-1956) was born on 27 January 1880 at Guildford WA. He was the eldest son of a family of ten children and as discussed in Chapter 1, was the son of Charles Harper, the prominent newspaper entrepreneur, agriculturalist, politician, and advocate of the co-operative business model as a solution to the economic challenges faced by many WA farmers. Growing up within this family environment Walter became an equally strong advocate for co-operatives as a practical solution to farmers' economic and social needs. A graduate of Guildford Grammar School, his career path took him into the realm of agriculture, specifically fruit growing. He visited California where he gained valuable insights into fruit production and marketing by American producers. This led him to become a strongly committed agriculturalist, orchardist, and a passionate advocate for co-operatives (Smith, 1983).

Following the death of his father in 1912, Walter Harper become the manager of the family property, Woodbridge Estate in Guildford WA. He also played a significant role in the Farmers' and Settlers' Association (FSA), the predecessor of today's Western Australian Farmers' Federation (WAFF), which was founded in 1912 in response to wage rise demands from the Rural Workers' Union (RWU) of Australia the previous year (WAFF, 2012). Although Harper was keen to avoid becoming embroiled in political party machinations, he fully embraced the co-operative movement and invested his time in helping develop the WA co-operative sector during the first half of the twentieth century (Baskerville, 2019).

Figure 3: Charles Walter Harper and Thomas Henry Bath, 1933

Sources: Harper (left) and Bath (right) – CBH (1933).

At a general meeting of the FSA in March 1913, Harper successfully moved a motion for the establishment of a new co-operative enterprise that would serve as an economic facilitator with the ability to strengthen the bargaining power of individual farmers in relation to their buying and selling of produce. While the FSA could provide collective negotiation by the farmers against the organised trade union movement, the new enterprise would be a collective bargaining vehicle for farmers in commercial transactions. This motion was supported by the FSA delegates and led to the establishment of the Westralian Farmers' Ltd. (Wesfarmers), on 27 June 1914. Despite the existence of the *Co-operative and Provident Societies Act 1903 (WA)*, Wesfarmers was registered under *The Companies Act 1902 (WA)* (Wesfarmers, 2026).

In 1918, Walter Harper, playing a significant role in the WA co-operative movement, participated in the inaugural Australia and New Zealand producer co-operative societies conference. Initiated by WA's co-operative advocates, the event sought to set up a trading floor in London for growers from Australia, New Zealand, and South Africa. One outcome was the founding of the Australian Producers' Wholesale Co-operative Federation Ltd., which subsequently led to the creation of the Overseas Farmers' Co-operative Federation Ltd. in London, representing these three British dominions. In 1919, Harper was appointed as the first chairman of The Co-operative Federation of Western Australia (aka Co-ops WA) (Smith, 1983).

During the 1920s, Harper served as a director of the Producers' Markets Co-op Ltd., a trustee for the Voluntary Wheat Pool of WA – the forerunner to the Grain Pool of WA – and in 1922, the Chairman of Wesfarmers. In this period, he oversaw the launch of WA's first radio station (6WF), which was operated by Wesfarmers from their Perth head office, to provide daily information to farmers on market prices, as well as the development of the State's inaugural pasteurised milk processing facility. He expanded the Wesfarmers' portfolio by adding the superphosphate business in 1927. During the 1930s, Harper played a pivotal role as the founding trustee of CBH in 1933. His career embodied the ambition of the WA co-operative movement to create a mutually reinforcing system of producer-owned commercial enterprises (Smith, 1983; Baskerville, 2019: Mazzarol et al., 2024a). He retired as Wesfarmers chairman in 1953 and died on 1 July 1956. Sir John Teasdale, a prominent supporter of Australian agriculture, said of Harper,

> *"… he, more than anyone else, fostered and cared for the Western Australian co-operative movement which would 'remain his monument'" (cited in Smith, 1983).*

THOMAS HENRY BATH

Thomas Henry Bath (1875-1956) was born in Hill End, New South Wales (NSW), and completed only primary education before commencing work as a miner. He moved to WA in 1896, drawn by opportunities in the Kalgoorlie and Coolgardie goldfields. Bath's background in mining led to his involvement with trade unions, and in 1897 he became a founding member of the Amalgamated Workers' Association (AWA). Additionally, he served as Secretary of the American Knights of Labor and played an active role within the Coolgardie Trades Union Conference in 1899. The following year, he was appointed as the first editor of the *Westralian Worker*. Despite limited formal education, Bath established himself as a skilled writer. He also held the position of Secretary for the Kalgoorlie and Boulder Trades and Labor Council (Gibbney, 1979).

Bath was elected to the WA State Legislative Assembly as the Member for Hannans in 1902. He held this position until 1904 after which he was elected as the Member for Brown Hill and remained in that position until 1911. From 22 November 1905 until 3 August 1910, he was the Leader of the Opposition within the WA State Parliament. From 1911 to 1914 he held the seat of Avon as the MLA for that district. Alongside his active political career, Bath transitioned his professional career from mining to agriculture. He utilised the State Government's land-settlement scheme to acquire a 160-acre (65 hectare) wheat farm north of Tammin, situated 184 kilometres east of Perth. A committed proponent of co-operative organisation in preference to socialism, Bath was actively involved in the WA co-operative movement (Gibbney, 1979).

In 1922, he became involved with Wesfarmers and, by 1925, assumed the role of trustee for the Voluntary Wheat Pool of WA. He represented the organisation at the International Wheat Pool conference held in Kansas City, USA, in May 1927. Bath consistently contributed articles on topics relating to co-operative economics to the *Wesfarmers Gazette* and the *Primary Producer* and notably forecasted the onset of the Great Depression in 1929. As a strong proponent of bulk grain handling, Bath supported the foundation of CBH in 1933 and subsequently served as Vice Chair and then Chairman of the co-operative from 1943 to 1948. Bath also helped to establish the University of Western Australia (UWA) as a trustee and served as a university Senator from 1912 to 1919. He was also on committees for the State Public Library and Museum of WA. Appointed a

Commander of the Order of the British Empire (CBE) in 1948, Bath died of coronary occlusion at his Mount Lawley home on 6 November 1956. He was survived by a son and two daughters (Gibbney, 1979).

THE FOUNDATION AND EARLY GROWTH OF WESFARMERS

The impetus for Westralian Farmers' Ltd. (Wesfarmers) emerged from an agrarian crisis in the first decade of the twentieth century. WA farmers faced persistent exploitation by merchant middlemen in the marketing of wheat and wool, high prices for farm inputs including fertilisers and machinery, and inadequate freight rates on the government railway network (WAFF, 2012; Wesfarmers, 2016). In March 1912, the FSA was formed, in part as a direct response to rural workers' union demands for higher farm wages. The key actors in establishing the FSA were Walter Harper, from Guildford, Alexander Joseph Monger, from York, and Deane Hammond and Maitland Leake from Kellerberrin. The FSA later merged with the existing West Australian Producers' Union, and together the two bodies resolved, in 1914, to establish a commercial co-operative organisation that would act in the farmers' collective economic interest (Thompson, 2014).

CHARLES WALTER HARPER'S ROLE IN THE ESTABLISHMENT OF WESFARMERS

As noted above, Walter Harper was an important participant in the establishment of the FSA and also played a crucial role in the formation of Wesfarmers in 1914, contributing his intellectual force and strong understanding of the co-operative business model (Smith, 1983). At the FSA annual meeting in March 1913 Harper moved the motion for the establishment of what was to become Wesfarmers. As noted above, although the *Co-operative and Provident Societies Act 1903 (WA)* was available, the new co-operative was registered under *The Companies Act 1893 (WA)* (Wesfarmers, 2026).

It is unclear why this decision was made to use the Companies rather than the Co-operatives Act, although it may have something to do with recognition that Wesfarmers was meant to be a strong commercially-focused enterprise, which it certainly became. Additionally, as noted in Chapter 1, there was a long-held tradition of producer co-operatives being registered under the Companies Act rather than the Co-operatives Act. Nevertheless, the commercial nature of Wesfarmers was understood from the beginning. According to Thompson (2014), citing former Wesfarmers CEO Trevor Eastwood,

> *"The guys who formed Wesfarmers weren't a bunch of upset farmers…. They were a bunch of pretty shrewd businesspeople with farming links. Guys like Walter Harper were rich people but very dedicated to what they did. They were involved in the formation of both the Country Party of Western Australia to represent the farmers politically and the co-operative movement to support them commercially. My understanding is that they were driven as much by the need to support the rural community for the future of Western Australia as they were by anything else. It was a high ideal"* (Thompson, 2014, p. 15).

The initial registered office of Wesfarmers was two small rooms at 13 Howard Street, Perth, with paid-up capital of £2,052 (approx. $211,911 in 2025 dollars) (Smith, 1983; Wesfarmers, 2026). Harper became a founder director of Wesfarmers from 1914 and served as chairman of directors from 1922 to 1952, a tenure of thirty years that made him the single most important figure in the organisation's history (Smith, 1983).

The Agency Network: 65 Local Co-operatives by 1919

Rather than establishing its own retail branches across the Wheatbelt, Wesfarmers operated through a network of local co-operative stores and agencies. These local units ordered farm supplies, sold produce, and distributed dividends and rebates on behalf of their farmer-members. By 1919 more than 65 local co-operative companies were formally acting as agents for Wesfarmers, a network that accounted for much of the rural retail and supply infrastructure in the Wheatbelt and the Great Southern region of WA (Baskerville, 2019; Wesfarmers, 2026).

In 1917, in the midst of the First World War, Wesfarmers was appointed the sole wheat acquiring agent in WA. To avoid the emergence of a new group of middlemen across the Wheatbelt, Wesfarmers dispatched a group of canvassers to establish local producer co-operatives as sub-agents tasked with the role of receiving, storing and handling the grain harvest. During 1917 and 1918 a total of 76 producer co-operatives across the Wheatbelt were registered. Their specific responsibilities were to receive and handle the wheat from local farmers within their district and get it ready for loading onto rail transport for shipping to ports. This would earn these co-operatives commissions on their agency work. This contracting agreement was a supplement to other agreements they had with Wesfarmers in relation to the supply of goods at wholesale prices they could sell via their local retail stores. Additionally, these co-operatives often managed the local post office agency and railway siding management for additional income (Baskerville, 2019).

The creation of this agency network can be illustrated with specific reference to three producer co-operatives who became part of the network, the Quairading Farmers' Co-operative Company Ltd. (QFCC) (est. 1916), the York and District Co-operative Ltd. (Co-op York) (est. 1917), and Mount Barker Co-operative Ltd. (MBC) (est. 1918). From its inception, Wesfarmers pursued a deliberate strategy of building a network of farmer-owned co-operatives throughout the Wheatbelt, which would serve as its distribution outlets, sub-agents, and commercial nodes. For example, by the time of York's founding in 1917, Wesfarmers had already helped to establish approximately sixty such co-operatives. This network-building logic is the essential institutional context within which its relationships with all case-study co-operatives must be understood.

In 1916, Wesfarmers sent its representative Mr J. McGregor to the Quairading Agricultural Hall, where he addressed a meeting of the Farmers and Settlers Association branch and successfully advocated for the formation of the Quairading Farmers' Co-operative Co. Ltd. (QFCC), established on 23 December 1916. McGregor laid out the co-operative model — eliminating middlemen, pooling purchasing power, protecting against monopolies — and the five founding resolutions of the QFCC were drawn directly from the Wesfarmers template (Mazzarol et al., 2025b).

In November 1917, Wesfarmers despatched its Managing Director Basil Lathrop Murray and Company Secretary Henry Joseph Stirling Taylor to the York Town Hall supper room, where they addressed the founding meeting of what would become the York and District Co-operative Ltd. The meeting was chaired by Warren Marwick, himself a founding Director of Wesfarmers and York FSA Branch President. Murray outlined the commercial model, local Board of directors, dividends to members, and agency relationship with Wesfarmers, to unanimous support. The decision was strongly supported by prominent York farmer Alexander Joseph Monger, who provided store and warehousing facilities to the new co-operative (Mazzarol et al., 2025a).

Figure 4: Basil Lathrop Murray, (left), Warren Marwick (centre) and Alexander Joseph Monger (right)

Sources: B. Murray (Wesfarmers, 1921); W. Marwick (RASWA); A. J. Monger (CBH, 1933).

That same year, Wesfarmers won the WA Government contract for wheat handling during the 1917–1918 season. It relied directly on its network of local co-operatives — including QFCC and The Co-op York — as receival sub-agents at railway sidings. This wheat handling sub-agency immediately became the primary source of early revenue for both co-operatives, driving their first major infrastructure investments (Mazzarol et al., 2025a/b).

In 1918, the Mount Barker Co-operative Ltd. (MBC) was established, but not by Wesfarmers. It arose independently from 75 local orchardists, supported by the WA Fruit Growers' Association. Wesfarmers' leaders, including Walter Harper, provided general encouragement and institutional credibility, but the MBC was not conceived as a Wesfarmers distribution node. This distinction would shape the entire subsequent character of the Wesfarmers–MBC relationship (Mazzarol et al., 2025c).

In both the York and Quairading cases, Wesfarmers was the founding architect and the primary commercial anchor for decades, while Co-ops WA served as the governance stabiliser and ideological custodian. The result was a dual dependency. This saw commercial dependency on Wesfarmers for revenue, governance dependency on Co-ops WA for constitutional integrity and solidarity. Both proved valuable in different ways. For example, Wesfarmers enabled growth and market access, while Co-ops WA provided the governance structures and cultural connection that helped both co-operatives survive periods of sector-wide failure.

However, for both QFCC and The Co-op York, the risk embedded in what can be described as a parent-designed co-operative network model created a long-term structural dependency. For example, both co-operatives' commercial strategies became so deeply integrated into the Wesfarmers agency model that subsequently the Wesfarmers' demutualisation in 1984 exposed them as poorly prepared for independent existence. The QFCC in Quairading, which never made the strategic pivot toward community service that The Co-op York completed in 1955, was the more severely affected (Mazzarol et al., 2025a/b). Both cases illustrate that the benefits of institutional integration can carry long-term opportunity costs in strategic adaptability.

By comparison, the Mount Barker case represents a qualitatively different institutional type, which can be described as that of an independent producer co-operative model. Founded independently by orchardists to collectivise fruit packing and export, the MBC entered its relationship with Wesfarmers as a co-equal commercial partner rather than as a subordinate agency node. The relationship was driven by mutual commercial advantage, superior export handling rates, and joint London market development, rather than by constitutional design. The engagement by Co-ops WA was episodic rather than embedded, confined largely to the critical early years when the 1919 Albany conference and 1920 tax advocacy delivered consequential but time-limited institutional support (Mazzarol et al., 2025c).

The strategic strength of this type was autonomy. When Wesfarmers' demutualisation in 1984 reduced commission income and the fruit industry contracted, the MBC was able to diversify into Southern Seeds, retailing, and eventually a full consumer co-operative model without the identity crisis that afflicted the more dependent Wheatbelt co-operatives. The MBC's institutional independence, built into its founding logic, proved to be its most durable competitive advantage (Mazzarol et al., 2025c).

Foundation and early growth of Co-ops WA

The formation of The Co-operative Federation of Western Australia Inc. (Co-ops WA) in 1919 was a direct consequence of collaborative engagement of the 65 regional co-operatives who were established in the previous three years following the foundation of Wesfarmers, and a reflection of this network's density (Farm Weekly, 2019). In 1919, the same Walter Harper-led network that had created the FSA, Wesfarmers, and the first local co-operatives established the Co-ops WA. Harper became its inaugural chairman — a role he held simultaneously with his executive position at Wesfarmers. Alexander Joseph Monger and Thomas Henry Bath, both central figures in the York, Quairading, and Wesfarmers networks, were also involved (Baskerville, 2019; Mazzarol et al., 2025a/b).

In July 1919 a meeting was held at the Wesfarmers' building in Wellington Street, Perth, chaired by Matthew Padbury, Chair of Wesfarmers. It was convened by 200 delegates from the 65 local producer co-operatives that had become the inaugural members of the Wesfarmers' agency network. The meeting focused on the establishment of Co-ops WA. The new organisation was not registered as a co-operative, but as an incorporated association or "Inc". The primary purpose of Co-ops WA was to,

> *"… advance the activities of the co-operative movement by uniting all bodies into one body controlling the central organisation"* (Baskerville, 2019 pp. 14-15).

Figure 5: Founders of Mount Barker Co-operative, 1916

(L to R) Messrs E. Thomas, T. G. and F. H. Sounness, A. T. Booth and J. McNeil Martin

Source: Mount Barker Co-operative (1916).

The Federation Council of Co-ops WA held its first meeting on 9 October 1919 and appointed Walter Harper as the Federation's first Chair. One of the first decisions of the council was to accept the offer from Wesfarmers of free office accommodation and secretarial services, provided by Robert Dunman at the cost of £52 per year (approx. $3,599.72 in 2025 dollars) (Baskerville, 2019). Later, in October 1919, Co-ops WA organised a Co-operative Conference at the Albany Town Hall — one of its earliest institutional acts — at which Harper represented Wesfarmers and MBC Secretary Archibald T. Booth and Director J. McNeil Martin represented the MBC. The central question was whether Wesfarmers should open a wholesale branch in Albany, directly affecting the Great Southern co-operatives' logistics. Booth used the forum to articulate the MBC's interests, demonstrating Co-ops WA's function as a collective advocacy platform from its very first year (Mazzarol et al., 2025c).

Following its establishment Co-ops WA immediately took on a quasi-judicial and economic coordination role. For example, it formally approved all agency agreements between the local regional co-operatives and Wesfarmers, adjudicating disputes between them. It also acted as a controller of inter-unit territorial boundaries that arose from one co-operative intruding into the jurisdiction of another, something that took place in the early years with disputes over which of the network of co-operatives a local farmer should supply their wheat to. The farmer's proximity to a railway siding was more likely to determine which co-operative they supplied, regardless of which co-operative to which they were a member (Mazzarol et al., 2025b). In addition to the roles undertaken by Co-ops WA described above, the Federation also had the authority to terminate or transfer agency rights. This process of network oversight and regulation gave the co-operatives that comprised the agency network of Wesfarmers with a governance framework that protected their economic interests. From its foundation, Co-ops WA's purpose was explicitly to serve as the peak coordinating body for the growing network of regional co-operatives. Its functions from the outset were governance, advocacy, education, and the maintenance of co-operative identity — rather than commercial operation. As the case studies consistently note, Co-ops WA's institutional role was to enable the commercial and economic benefits offered by Wesfarmers to be balanced by the social and ideological contributions of the Federation (Baskerville, 2019).

It should be noted that in 1920, the MBC used the Federation's Council as a lobbying vehicle to make representations to State and Federal Parliaments, seeking tax concessions for farmers — an effort that resulted in changes being incorporated into the Income Tax Act. This is one of the clearest early examples of Co-ops WA delivering a concrete legislative outcome on behalf of its members (Mazzarol et al., 2025c).

Speaking at a meeting of Co-ops WA in 1922, the Managing Director of Wesfarmers, Basil Murray explained the rationale behind the establishment of the Federation. He noted that Wesfarmers had 92 member co-operatives that were registered under the Companies Act but operated themselves as co-operatives. Nevertheless, it was felt that these otherwise independent producer co-operatives needed to be brought together to achieve cohesion across the network. As he explained,

> *"To bring about some cohesion among these 92 companies there was established the Co-operative Federation of Western Australia, which federation consisted of 90 per cent of the farmers of Western Australia, with the Westralian Farmers' Ltd., as its central organisation"* (Daily News, 1922, p. 7).

Mr Murray went on to describe how Co-ops WA was governed by a council, six members of which were elected by the co-operatives that comprised its membership, with the remaining members appointed by Wesfarmers. He noted that,

> *"The federation had the power of a Parliament, and although each company was a separate concern and the Westralian Farmers itself was registered as a separate concern, the latter, as far as co-operative policy was concerned, was entirely in the hands of the Co-operative Federation"* (Daily News, 1922, p. 7).

The creation of Co-ops WA was designed to bring the many producer co-operatives who comprised the regional network established by Wesfarmers, into a congress where their respective districts could collaborate with other members of the network in the mutual interests of the collective whole. He also suggested that this system might be developed across the entire nation, with an Australia-wide Federation of Co-operatives (Daily News, 1922).

It can be seen from this speech by Mr. Murray how Wesfarmers management viewed the role to be played by Co-ops WA. While Wesfarmers focused on providing the necessary commercial agency agreements associated with grain handling, wool and merchandise, and insurance services, the Federation would ensure network cohesion, dispute resolution, and guidance.

Conclusion – the complementary roles of Wesfarmers and Co-ops WA

An overall assessment of the roles played by Wesfarmers and Co-ops WA in their formative years, which essentially guided their behaviour for much of the twentieth century, was what can be viewed as a complementary relationship. For example, Wesfarmers functioned primarily as a commercial architect, agent, funder, and manager, shaping the revenue models, infrastructure, and market access of member co-operatives. By comparison, Co-ops WA functioned primarily as a governance, advocacy, and ideological custodian, sustaining co-operative identity, legitimacy, governance standards, and solidarity with the broader movement.

Together they formed what systems theory describes as 'structural couplings' — the connective institutional framework within which local co-operatives could survive, adapt, and grow (Burt, 1992a/b). Their roles were complementary but asymmetrical, and their relative influence varied considerably by geography, scale, and the specific circumstances of each particular co-operative entity they interacted with. Of the two partner organisations, Wesfarmers' commercial footprint was larger, more documented, and more materially consequential for day-to-day operations. By contrast Co-ops WA's influence was more diffuse, working through norms, networks, and governance structures rather than commercial contracts. Where Wesfarmers built economic machinery, Co-ops WA sustained co-operative soul.

It could be argued that from their foundation during the difficult years of the First World War through to the demutualisation of Wesfarmers in the mid-1980s, these two partners not only shared accommodation and co-operative principles and values but collaborated closely to build the foundations of the WA co-operative sector. Wesfarmers provided the engine room for the creation of economic capital for the sector, while Co-ops WA provided the moral, intellectual, legal, and cultural capabilities to create and sustain the social capital that served to glue the WA co-operative movement together.

CHAPTER 3: THE WHEATBELT AGENCY ERA – 1917 TO 1933

This chapter examines the period from 1917 to 1933 during which Wesfarmers secured the sole rights to managing the annual wheat harvest across the WA Wheatbelt and worked with Co-ops WA to establish and manage the agency network that it formed in the final years of the First World War into the 1920s and Great Depression of the early 1930s. It was a significant period in the establishment of the WA Wheatbelt, and the regional farmer-owned co-operatives that comprised the network. It led to the creation of Co-operative Bulk Handling Ltd., which over time became a vertically integrated grain handling, storage, processing, shipping and marketing group, the "CBH Group".

WESFARMERS: WHEAT, GRAIN, AND THE AGENCY MODEL

Through the 1920s, the Wesfarmers agency model became the dominant commercial reality for the network of producer co-operatives across the Wheatbelt that had been formed by Wesfarmers, or that had joined the Wesfarmers network as agents. For example, both The Co-op York and the QFCC in Quairading were actively involved during this period from 1917 to 1933.

The 1917 Wesfarmers Co-operatives Conference, attended by delegates from the QFCC and other producer co-operatives in the Wheatbelt such as The Co-op York, established the operating framework for the entire network. This consisted of a universal system of accounting and bookkeeping, with standard bonus and dividend payment structures (e.g., 7% on paid-up capital, with additional bonuses proportional to trading volume). It also agreed for Wesfarmers to secure sole agency rights for farm machinery, with co-operatives as sub-agents, and the right of regional co-operatives to hold shares in Wesfarmers, giving them a financial stake and voting rights in Wesfarmers the co-operative (Mazzarol et al., 2025b).

In 1919, Wesfarmers established an Insurance Department to serve the insurance needs of the farming community. A small number of agents covered the entire agricultural area of WA, providing crop, property, and vehicle insurance at rates competitive with commercial providers. The premiums paid by farmer-members generated profits that were returned through rebates channelled back via the local co-operative agency network, effectively recycling insurance surpluses within the rural community rather than remitting it to metropolitan or overseas shareholders (WFI Insurance, 2024).

In 1920, Wesfarmers entered the fruit market and proactively agreed not to compete with the MBC in the Mount Barker and Kendenup areas. The same year, Wesfarmers provided superior freight and handling rates for MBC fruit exports compared to private agents, forcing the private market to reduce its charges from 3 pence to 1½ pence per case. Wesfarmers also paid an annual rebate to the MBC, usually reinvested in Wesfarmers shares, aligning the two organisations' financial interests (Mazzarol et al., 2025c).

An important development in 1922 was the establishment of the Voluntary Wheat Pool of Western Australia (Wheat Pool of WA). This was founded by grain growers with Walter Harper appointed as one of its trustees (Smith, 1983). Within six months of its founding, almost 85 per cent of WA grain growers had pledged their grain to the Pool (CBH Group, 2022). Wesfarmers played a pivotal commercial role by acting as the Pool's acquiring agent in the Wheatbelt, linking the local co-operative agency network directly to the state's main grain marketing body (Smith, 1983; Wesfarmers, 2024).

Also, in 1922 Wesfarmers entered the wool broking business, selling 1,650 bales in their first year of operation, giving farmer-members an alternative to the established private broking houses (Daily News, 1922). This business activity proceeded successfully into the 1950s with sales of between 70,000 and 75,000 bales per year by the middle of that decade leading to the construction of a purpose-built wool store in Fremantle.

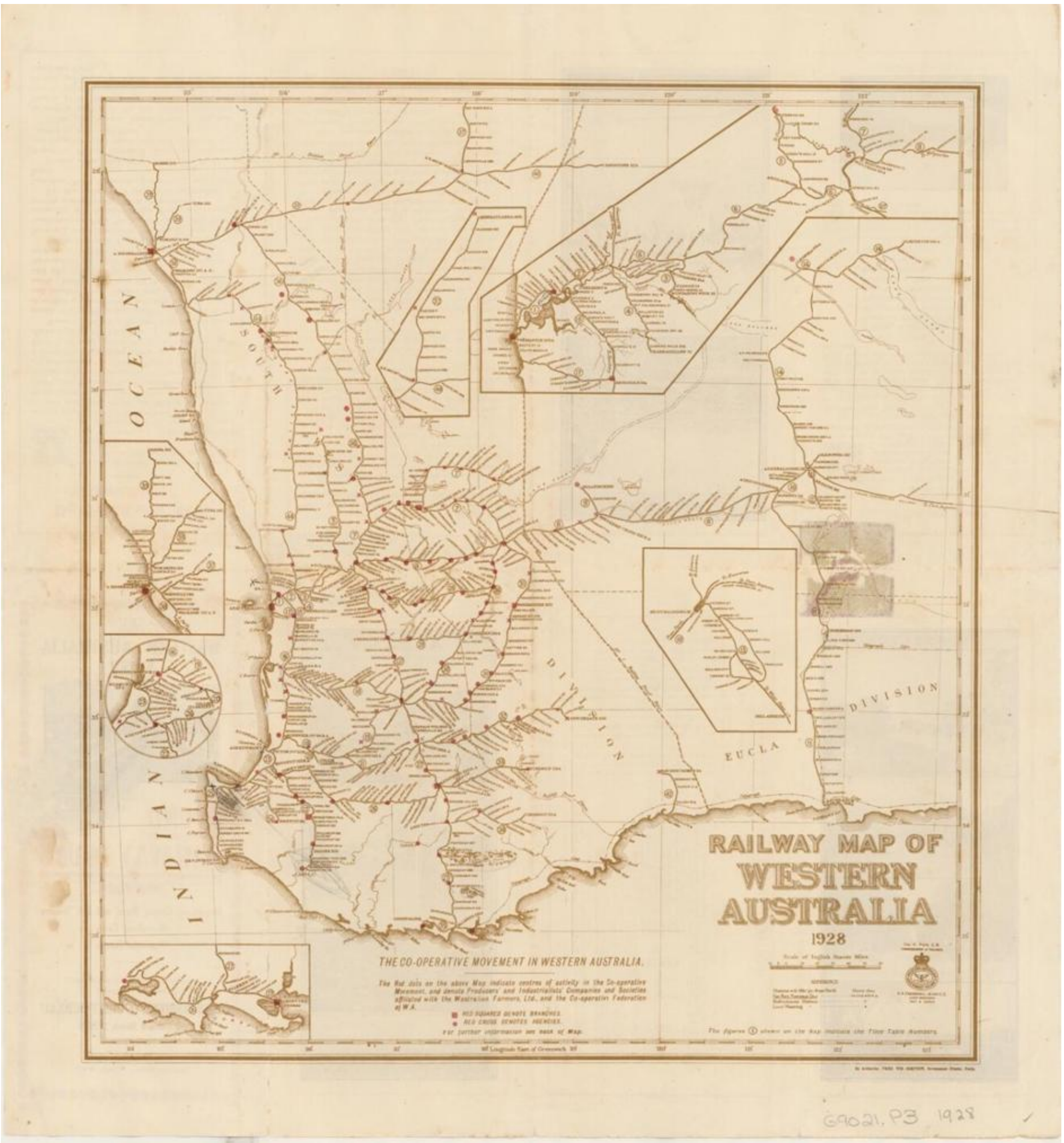
In 1924 Wesfarmers established the first public radio broadcasting station in WA, known as 6WF (Smith, 1983; Wesfarmers, 2024). The station served a practical co-operative purpose. At that time radio was the most effective technology available for communicating market prices, weather information, and agricultural extension advice to geographically dispersed farming communities. The "Wesfarmers" name was the call sign for the radio station and became the trading name of the company post demutualisation in 1984. The station passed into the hands of the Australian Broadcasting Commission (ABC) in 1929 and continues today as ABC Radio Perth (Wesfarmers, 2024). By 1927, the Wheat Pool of WA and Wesfarmers had together become Australia's biggest wheat exporters, shipping 380,000 tonnes. During the same decade, Wesfarmers attempted to establish a state-wide bulk grain handling system, forming in 1920, the West Australian Grain Growers' Co-operative Elevators Ltd., with authorised capital of £1,500,000 (approx. $149.6 million in 2025 dollars). However, political inaction and technical challenges prevented it from advancing (Mazzarol et al., 2024a).

One of the most economically consequential decisions of the 1920s was Walter Harper's move in 1927 to bring Wesfarmers into the superphosphate business as one-third owners of Cuming Smith and Mount Lyell Farmers Fertilisers Ltd. (Smith, 1983). The decision arose from Harper's own agricultural research. Both he and his father had established that most WA soils would benefit substantially from additional soluble phosphate, yet superphosphate prices were set by private manufacturers with no obligation to rural consumers. By securing a co-operative stake in the fertiliser supply chain, Wesfarmers gave WA grain growers a structural interest in the cost of their most important farm input (Smith, 1983).

It is worth noting that by the 1990s the now corporatised Wesfarmers Ltd., owner of CSBP Fertilisers, along with the other major fertiliser supplier Summit Fertilisers (owned by Japan's Sumitomo), were challenged by the establishment in 1991 of the United Farmers' Co-operative Company Ltd. (UFCC) specifically to provide lower priced fertiliser to the WA grain growers across the Wheatbelt. While this co-operative successfully managed, within only a few years, to bring the price of fertiliser down, the UFCC experienced management problems. It was acquired by New Zealand based fertiliser co-operative Ravensdown in 2008 and then sold to privately owned Louis Dreyfus Commodities (LDC) in 2013 (Mamouni Limnios and Mazzarol, 2017).

Despite the loss of UFCC, CBH, in 2015, established a subsidiary CBH Fertiliser Pty Ltd., with the specific aim of keeping the cost of fertiliser low for the benefit of WA grain producers (Mazzarol et al., 2024a). This illustrates the role that a co-operative enterprise can play in challenging oligopolistic markets in order to provide economic benefits to groups such as farmers.

Figure 6: Railway Map of Western Australia showing Co-operatives 1928



Source: State Library of WA (1928).

As shown in Figure 6, by 1928 there was a substantial network of regional producer co-operatives across the Wheatbelt and the southwest of WA. These were located along the railway lines, which provided the necessary transportation logistics to carry grain and livestock to the export ports, while facilitating the return of goods and merchandise for sale and distribution via these regional co-operatives to the rural communities living around these many towns.

Throughout the 1920s and 1930s, Walter Harper and his general manager John Thomson waged a sustained campaign to win competitive freight rates for WA produce shipped to London and other markets. Their efforts to organise alternative shipping arrangements brought them into direct conflict with Australia's Prime Minister Stanley Bruce, who publicly characterised them as 'pirates'. The freight campaign established the organisation's willingness to engage adversarially with entrenched commercial interests when farmer welfare required it (Smith, 1983). Both QFCC and The Co-op York were active members of the Wesfarmers' agency network in the Wheatbelt from their establishment in 1917 through to the formation of CBH in 1933. To understand the nature of this relationship we can examine both these producer co-operatives in detail during this period, along with MBC from Mount Barker, which had close but different relationship with Wesfarmers.

THE CO-OP YORK AS A WESFARMERS AGENCY, 1917–1933

As discussed in Chapter 2, the York and District Co-operative (known at its founding as the York District Farmers' Co-operative Co. Ltd.) was established explicitly within the framework of the Wesfarmers network. The founding meeting took place on 17 November 1917, convened by the FSA in the York Town Hall supper room. Critically, the meeting was attended not only by local figures but by Basil Lathrop Murray, the Managing Director of Wesfarmers, and Henry Joseph Stirling Taylor, its Company Secretary, who had both travelled to York from Perth specifically to promote the formation of a local co-operative as a satellite agency (Mazzarol et al., 2025a).

Murray explained to the meeting that Wesfarmers had already helped to establish around sixty local co-operatives at a cost of approximately £8 each (roughly $912 in 2023 values), with the Federal Government's backing. The clear model was that The Co-op York would "act as a collecting and distributing agency for Wesfarmers" (Avon Gazette, 1917), returning profits to members in cash while being governed by a local Board of directors. Chair Warren Marwick himself was a founding Director of Wesfarmers, and Alexander Monger, a key figure at the founding meeting, would later serve as a Trustee of the Wheat Pool of WA (established 1922) and eventually Chair of CBH Group from 1933. The operational and personal ties between The Co-op York and Wesfarmers were therefore deeply interwoven from the very beginning (Mazzarol et al., 2025a). Sadly, Basil Murray was taken ill and following several operations, died in April 1925 in a private hospital in St Kilda, Melbourne at the age of 50 years (Thompson, 2014).

WHEAT HANDLING: THE CENTRAL AGENCY FUNCTION

The most commercially significant dimension of the Wesfarmers agency arrangement was the handling and storage of wheat. Wesfarmers had secured a contract from the WA Government to handle the wheat harvest for the 1917–1918 growing season, and local co-operatives in the Wheatbelt were the intended conduits for this work. At the first Provisional Directors' Meeting on 26 November 1917, Chair Marwick explained that while the formal wheat scheme could not officially receive grain until 1 January 1918, it would still be permissible for the Co-operative to receive and stack wheat temporarily at the various railway sidings in the meantime, saving farmers who were ready to deliver their grain from unnecessary delays. Secretary Gordon Fisher was immediately instructed to write to Wesfarmers to clarify this arrangement and to ascertain commission rates payable to agents involved in "the sale of various lines" (Mazzarol et al., 2025, p. 45).

By the next Provisional Directors' Meeting on 18 December 1917, a formal letter from Wesfarmers had arrived outlining the role the Co-operative could play. The Co-op York was directed to call for tenders from local persons willing to act at the various sidings in the York area. However, Wesfarmers was simultaneously pressing The Co-op York to finalise its arrangements urgently. A complication arose when a second letter from Wesfarmers revealed that the Gilgering Siding, which lay within the geographic boundary of the York District, had already been allocated to the rival Beverley Farmers' Co-operative Ltd. (also established 1917) (Mazzarol et al., 2025a).

The Co-op York Board was upset by this, with Secretary Fisher reporting that he had already written to Wesfarmers protesting the allocation, pointing out that the majority of farmers in the Gilgering area were members of the York co-operative. The Board then instructed Fisher to write directly to the Beverley co-operative also protesting the arrangement. This dispute illustrates both how seriously the wheat siding contract was taken, and how competitive the allocation of sidings was among the fledgling Wheatbelt co-operatives (Mazzarol et al., 2025a).

MONGER'S STORES: SECURING THE STORAGE INFRASTRUCTURE

Integral to the wheat handling role was the acquisition of physical storage capacity. At the founding meeting of 17 November 1917, Marwick had flagged discussions with Alexander Monger over using "Monger's Stores", a large complex at 165 and 179 Avon Terrace, York, to store around 65,000 bags of wheat of the forthcoming 1918 harvest season (Mazzarol et al., 2025a).

By the December 1917 meeting it was reported that Chair Marwick had been in direct communication with Wesfarmers about using Monger's Stores as a wheat storage site and the prices that could be charged for this service. Secretary Fisher then read statements listing the storage charges Wesfarmers was willing to pay, and a pricing schedule was agreed, with graduated rates depending on whether bagged grain was held for up to 4 months, from 4 to 8 months, or from 8 to 12 months (Mazzarol et al., 2025a). The purchase of the Monger's Stores site was negotiated and agreed at the December 1917 meeting at a total price of £1,400 (approximately $159,595 in 2023 dollars), paid in staged instalments over five years at 6 per cent interest per annum. The Eastern Districts Chronicle reported at the time that the co-operative "has submitted a price through the Westralian Farmers for the storage of the district's present grain harvest, and it is anticipated that satisfactory arrangements will be completed within a few days" (EDC, 1917, p. 3). The railway facilities already present on the Monger's Stores site were specifically noted as commending it for grain handling purposes.

WHEAT HANDLING REVENUE AND ITS COMMERCIAL IMPORTANCE

The financial significance of the wheat handling contract to The Co-op York's early viability was considerable. In a spirited exchange of letters in the local press in 1919, critics of the Co-operative accused it of surviving primarily due to a "monopoly" over wheat handling. In rebuttal, Chair Marwick provided the following breakdown. During the first six months of trading in 1918, which included the wheat handling business, the Co-operative earned a net profit of £176 3s 9d; while in the second six months ending December 1918, with no wheat handling revenue at all, it still generated a net profit of £339 3s 9d. Marwick used this deliberately to clearly demonstrate that the Co-operative's retail business was commercially viable in its own right, independent of the wheat contract (Mazzarol et al., 2025a).

Other Wesfarmers agency services: sugar, superphosphate, and cornsacks

Beyond wheat handling, The Co-op York served as a Wesfarmers retail and distribution agent for a range of goods and commodities during this period. For example, in 1920 The Co-op York became involved in the distribution of sugar on behalf of Wesfarmers. When a member from the Greenhills branch complained at the Co-operative's April 1920 Annual General Meeting (AGM) that sugar was being rationed to him a pound at a time, Chair Marwick explained that sugar had been in short supply throughout the State. Significantly, he added that Wesfarmers was by then the biggest distributor of sugar in WA, and that it could be relied upon to keep the approximately ninety co-operative stores supplied when it was available. On this occasion, the shortages had been worsened by a shipping strike (Mazzarol et al., 2025a).

During the same AGM The Co-op York was also engaged in the distribution of superphosphate (fertiliser) and cornsacks (used for wheat storage). The Co-operative's Manager Mr E. T. Hick spoke at the 1920 AGM about the broader role of Wesfarmers in the WA farming community, claiming that had Wesfarmers not been established, farmers throughout the state would have been in a "precarious position" with respect to both superphosphate and cornsacks, two critical farming inputs. Wesfarmers was at that time in negotiation with the Co-operative Wholesale Society in England, which operated thirty factories producing goods required by co-operatives worldwide, turning over £100 million per year (Mazzarol et al., 2025a).

The Co-op York's engagement with Co-ops WA, 1917–1933

Although Co-ops WA did not exist at the time of The Co-op York's founding in November–December 1917, the groundwork for its establishment was being laid simultaneously. The 1918 Australian and New Zealand conference of producer co-operative societies that Walter Harper attended, and from which The Co-operative Federation sprang, occurred while The Co-op York was still in its first year of operations. The founding of Co-ops WA in 1919 thus coincided almost exactly with The Co-op York's establishment of its second store at Greenhills, the payment of its first dividend to shareholders, and the beginning of its sustained operating life as a regional co-operative enterprise. Co-ops WA's role alongside Wesfarmers and the FSA provided a broader institutional scaffolding within which The Co-op York was embedded. Wesfarmers provided commercial linkages and contracts, the FSA provided the political and industrial relations framework, and Co-ops WA provided the Co-operative-specific institutional framework. This included adherence to the seven co-operative principles, governance standards, and the knowledge networks that distinguished a genuine co-operative from an ordinary company.

Legislative compliance and governance support

A significant dimension of Co-ops WA's role during the 1917–1933 period, though largely implicit in the documentary record, related to the governance and legislative framework within which The Co-op York operated. The *Co-operative and Provident Societies Act 1903 (WA)* established the foundational legislative framework for co-operative enterprises in the state. This legislation set out the rules of governance for co-operatives, required minimum membership levels, regulated financial distributions, and established the State Registrar of Co-operative and Provident Societies.

Co-ops WA was part of a network through which The Co-op York "sought regular advice from third-party auditors, accountants, Co-operatives WA, and the State Registrar of Co-operatives when required" (Mazzarol et al, 2025a, p. 173). This advisory function, while better documented in later decades, was a feature of Co-ops WA's mission from its foundation. It also provided The Co-op York with access to specialist knowledge about how to run a co-operative in compliance with WA legislation.

A particularly significant governance challenge during this period came with the passage of the *Companies Act Amendment Act 1929 (WA)*, which required The Co-op York to substantially amend its Articles of Association. The Act prohibited use of the title "Co-operative" by companies not registered under specific legislation, and it imposed new financial disciplines. These included limiting dividends to active shareholders only, requiring reserves to be set aside before dividends could be distributed, and placing restrictions on the winding-up of co-operatives (Mazzarol et al., 2025a). The *Companies Act Amendment Act 1929 (WA)* was designed to address the problem of having producer co-operatives registered with the *Companies Act 1893 (WA)*, which lacked a clear legal framework for the operation of co-operative entities. Although the *Co-operative and Provident Societies Act 1903 (WA)* was dedicated co-operative legislation, it was not considered by the majority of producer co-operatives to be suitable for their needs. For example, it limited their ability to access non-member capital and was considered out of date for the producer co-ops (WA Legislation, 1929; 1930).

In an extraordinary general meeting on 30 August 1930, The Co-op York passed three special resolutions moved by Alexander Monger to amend its Memorandum and Articles of Association and apply to the Registrar of Companies for registration under the amended Act. Co-ops WA's broader role in the sector during this period was to advocate for and assist co-operatives in navigating, exactly this kind of legislative change. The new legislation was "designed to address some degeneration within the co-operative sector" (Mazzarol et al., 2025a, p. 62), with some enterprises having lost their adherence to the principles of co-operation, and that it was viewed as necessary to "compel the directors to restore the co-operative policy of the company if they desired to continue to trade as a co-operative company" (MWT, 1931, p. 3). Co-ops WA's institutional function of maintaining co-operative standards across the network was therefore a direct complement to this legislative tightening.

Co-ops WA, the Wheat Pool of WA, and broader sector advocacy

Co-ops WA was also part of the institutional landscape that supported the establishment of the Wheat Pool of WA in 1922. Both Walter Harper (as inaugural Chair of Co-ops WA and subsequently third Chair of Wesfarmers) and Alexander Monger (as a Director of The Co-op York) were Trustees of the voluntary Wheat Pool of WA in 1922. Thomas Bath, who like Harper and Monger was instrumental in founding both Wesfarmers in 1914 and Co-ops WA in 1919, served alongside them. The Wheat Pool of WA was a critical institutional development for The Co-op York's member farmers, as it provided a structured mechanism for pooling and marketing their grain. Bath warned growers in articles published in the *Wesfarmers Gazette* and the *Primary Producer* about anticipated global grain price drops, a clear example of the information-sharing function of the co-operative network of which Co-ops WA was a part (Mazzarol et al., 2025a).

The establishment of CBH on 5 April 1933, which received seed capital from both Wesfarmers and the Wheat Pool of WA, and which was chaired from the outset by Alexander Monger, was the culmination of a process in which Co-ops WA, Wesfarmers, the FSA, and the Wheat Pool of WA had all played interconnected roles. Harper, Monger, and Bath "were instrumental in founding Wesfarmers in 1914 and the Co-operative Federation of Western Australia in 1919" (Mazzarol et al., 2025a, p. 6), and these same individuals were central to the creation of what was to become CBH. While the establishment of CBH ultimately ended The Co-op York's wheat handling role under the Wesfarmers network, it did so as part of a co-operatively owned system that the Federation had helped to construct.

Co-ops WA's district council network and regional advocacy

One concrete illustration of Co-ops WA's operational presence in the region during the early 1930s is provided by a report from the *York Chronicle* of February 1935, which describes a meeting of the Central Southern District Council of the Co-operative Federation of WA held at Wickepin. This meeting attracted around 25 delegates from districts including York, Beverley, Dumbleyung, Wickepin, Lake Grace, Quairading, and Corrigin, a broad cross-section of the central and southern Wheatbelt co-operative network. Although this meeting falls just beyond the 1917–1933 window, it confirms that by the early 1930s the Federation's district council structure was active and that The Co-op York was a participating member. The meeting's central agenda was a unified condemnation of the State Government's decision to establish a Royal Commission into grain handling, with delegates asserting that opposition to bulk handling came from "a few people with 'axes of their own to grind'" and that practically all farmers used the bulk handling scheme regardless of their political affiliations (York Chronicle, 1935a, p. 4). This regional advocacy function, providing a collective voice for the co-operative sector on policy matters, was a key role of Co-ops WA throughout this period.

QFCC and its engagement with the Wesfarmers Wheatbelt network agency, 1917–1933

As discussed in Chapter 2, the Quairading Farmers' Co-operative Co. Ltd. (QFCC) was established in 1916, one of a network of farmer-owned regional co-operatives that Wesfarmers had actively helped to establish across the WA Wheatbelt. As explained above, Wesfarmers was founded in 1914 as a parent co-operative, with a business model that relied on building this regional network of independent but affiliated sub-agents. From the outset, the QFCC's activities were closely intertwined with Wesfarmers, which acted as a central organising body, wholesale supplier, and contract principal across a range of agricultural services.

Establishing the agency relationship (1917)

The pivotal year for formalising the QFCC's agency role under Wesfarmers was 1917. In April of that year, founding director Mr. B. M. Solomon travelled to Perth and held negotiations with Wesfarmers in relation to grain handling, real estate, stock and insurance agency opportunities. He also met with representatives of farm machinery manufacturers including International Harvester (USA), Massey-Harris (Canada), and H. V. McKay & Co. (Australia), as well as homewares supplier Harris Scarfe Co. Although mostly positive responses were received from potential principals, the Board decided to defer finalising any agency agreements until after a conference of co-operative companies organised by Wesfarmers (Mazzarol et al., 2025b).

At the Co-operatives Conference held on 27 June 1917, which was attended by the QFCC Chair Mr. W. Wishart, and fellow director Mr. B. M. Solomon, the basic contractual arrangements for the wheat handling agency contract were discussed and agreed. As discussed earlier in this chapter, Wesfarmers held sole agency rights for the distribution of farm machinery, with the co-operatives like QFCC acting as sub-agents. All members of the network had to implement a universal system of accounting and bookkeeping, and a standard bonus payment system using bonus shares set a rate of 7 per cent on paid-up capital were established. The member co-operatives across the Wheatbelt network were organised into a Committee, and the member co-operatives became shareholders (essentially members) of Wesfarmers, which provided them with voting rights in the governance of the parent company (Mazzarol et al., 2025b).

This established Wesfarmers as the dominant parent co-operative and the QFCC as a dependent but self-governing sub-agent. The QFCC's independence was constrained by its reliance on Wesfarmers for agency rights and supply contracts, but it gained negotiating power and commercial access through the Wesfarmers umbrella. These conditions did not just apply to QFCC, but all the other co-operatives that formed the Wheatbelt network agency structure.

Wheat handling: The core agency role (1917–1933)

The QFCC's most significant service as a Wesfarmers sub-agent was the management of the annual wheat harvest. In November 1917, Wesfarmers was appointed by the WA Government under the State Wheat Marketing Scheme to be responsible for handling the annual wheat harvest. Wesfarmers won this contract over rival private agents, Louis Dreyfus & Co., James Bell & Co., John Darling & Son, and Dalgety & Co. Ltd., owing to its competitive handling charges and its representation of a network of farmer-owned co-operatives. The contract covered grain receivals, weighing, sampling, loading trucks, storage, and the maintenance and issue of grain supply records to producers (Mazzarol et al., 2025b).

As Wesfarmers' local agent in the Quairading district, the QFCC was responsible for receiving and handling the wheat crop at the Quairading Railway Station. Prior to the contract being formalised, at a Board meeting on 21 January 1917, Managing Secretary Mr. White raised concerns that the grain stacking sites at the station were unsatisfactory and that improvements were necessary, an indication of the QFCC's proactive preparation for this role. To secure the grain supply, the QFCC wrote to all farmers in the district asking them to promise their wheat to the Co-operative for handling and storage. Letters were circulated in July 1917. The coverage area was defined largely by proximity to railway sidings, where a farmer's closest siding fell within the QFCC's district, the matter was uncontested. However, where competing co-operative territories overlapped, disputes could arise (Mazzarol et al., 2025b).

The first seasons under the State Wheat Marketing Scheme were operationally challenging. A Wheat Marketing Royal Commission conducted in July 1918 attracted numerous complaints about Wesfarmers' grain handling performance. Wesfarmers Managing Secretary H. J. S. Taylor publicly defended the organisation's handling, attributing difficulties to several factors. First, the supply of old, perishing jute bags over which Wesfarmers had no control. Second, poor-quality damp or vermin-infested wheat. Third, interference by the Wheat Marketing Commission, and fourth, the rival firm Dalgety & Co. retaining a monopoly over inferior wheat. Despite these criticisms, some of which were levelled specifically against the QFCC, the Quairading farming community firmly supported co-operative handling. The QFCC Secretary wrote to the *Primary Producer* stating that a representative gathering of Quairading farmers unanimously passed a resolution demanding the right to handle their own produce at the siding, depot and seaboard, and called upon the Federal Government to protect the co-operative federation from attempts to dismantle it (Mazzarol et al., 2025b).

Through the 1920s, the QFCC's wheat handling operations covered the districts of Quairading, Badjaling, and Yoting. The volumes received grew substantially. For example, in March 1922, the QFCC reported receiving 90,000 bags of wheat, up from 55,000 bags the previous year. By December 1925, a total of 26,290 bags had been received (9,981 from Quairading, 10,805 from Badjaling, and 5,504 from Yoting), with more anticipated. In March 1926, the total reached 53,443 bags (16,894 from Quairading, 23,147 from Badjaling, and 14,402 from Yoting) (Mazzarol et al., 2025b).

In July 1926, the QFCC Board decided to contract wheat lumpers to undertake the physical work of receiving and handling the grain. A flat rate of 17s/8d per bag was set for Badjaling and Yoting, and 13s/4d per bag for Quairading, with a progress payment of 1s/4d per bag for loading into trucks and 1s/- per bag for stacking. Following a Board question about the price disparity, it was later resolved to standardise rates across all three districts. The financial contributions of wheat handling to QFCC profitability were significant. The Co-operative's annual financial distributions during the 1920s explicitly referenced wheat handling as a revenue stream. For example, in 1923 bonus shares were funded partly from £72 on wheat handling. Then in 1927, £200 on wheat received contributed to bonus share distributions, and in 1928 a further £200 on wheat received formed part of the cash bonus to shareholders (Mazzarol et al., 2025b).

By the early 1930s, the Great Depression was severely affecting the farming community. A Special General Meeting of shareholders was held on 15 December 1932 specifically to discuss a new agreement between the QFCC and Wesfarmers in relation to wheat handling. At the AGM of 8 July 1933, a motion was put for a committee to investigate the establishment of grain handling facilities by QFCC at Quairading, Badjaling, and Yoting, with the committee to report at a special general meeting within a fortnight (Mazzarol et al., 2025b). However, on 5 April 1933, CBH was established with seed capital from both Wesfarmers (£20,000) and the Wheat Pool of WA (£80,000), totalling £100,000 (Mazzarol et al., 2024a).

The creation of CBH, which constructed horizontal wheat silos across the Wheatbelt, built a bulk grain storage facility at Fremantle port, and converted approximately 200 railway wagons for grain transport, effectively removed the need for the farmer-owned co-operatives to act as wheat receival-point managers. The income from grain handling, which had been a significant revenue stream for the QFCC, was thereby lost (Mazzarol et al., 2025b).

LIVESTOCK, REAL ESTATE, FARM MACHINERY, INSURANCE, GENERAL STORES, FERTILISERS AND STOCK AGENCY SERVICES

As an agent of Wesfarmers, the QFCC was also actively involved in livestock sales, arranging public auctions of horses, sheep, cattle, and pigs within Quairading for which owners brought stock to the sales yards (this is documented from the late 1920s onward). By the 1930s, Wesfarmers was advertising livestock, specifically sheep sales, and farm machinery with the QFCC named as the local agent. The QFCC also pursued a stock and station and real estate agency role from its earliest days. Director Solomon's April 1917 visit to Perth included negotiations with Wesfarmers on real estate and stock agency opportunities. Additionally, it ran a farm machinery sub-agency, general store with food, fertiliser, merchandise and an insurance agency (Mazzarol et al, 2025b).

Following the June 1917 Co-operatives' Conference, at which Wesfarmers secured sole agency rights for farm machinery distribution, the QFCC became a farm machinery sub-agent. This meant the Co-operative could sell or facilitate the distribution of farm equipment through the Wesfarmers wholesale channel. This arrangement placed the QFCC in competition, or at least coordination, with manufacturers such as International Harvester, Massey-Harris, and H. V. McKay (Sunshine Harvester). By the late 1920s, the QFCC's general store advertised agencies for Wesfarmers alongside those for Chrysler cars, Fargo trucks, and Metters Ltd. stoves and ovens (Mazzarol et al., 2025b).

From July 1917 the QFCC actively sought to become an insurance agency. Managing Secretary Mr. White wrote to both the Australian Mutual Provident Society (AMP) and the National Mutual Life Assurance Society (NML), receiving positive responses, and the QFCC became an agent for both life insurance mutuals. Insurance agency revenues contributed meaningfully to the QFCC's financial performance throughout the period, for example, in 1923, £72 from insurance contributed to the bonus share distribution, and in 1927 £100 on insurances formed part of the bonus shares issued to shareholders (Mazzarol et al., 2025b).

Although not exclusively a Wesfarmers service, the QFCC's move into general storekeeping in 1921 was directly influenced by Wesfarmers' evolving wholesale model. The QFCC Chair noted at the June 1921 AGM that the Co-operative had been waiting to see the outcome of Wesfarmers' discussions with Co-ops WA about wholesale groceries before proceeding. When the store was eventually established, it stocked drapery, groceries, hardware, fertilisers (likely superphosphate), and jute bags, the latter two being important agricultural supplies distributed through the Wesfarmers network. By 1929–1930, the general store carried agencies for Wesfarmers, the Grain Pool of WA, Metters Ltd., Chrysler cars, Fargo trucks, and both general and life insurance (Mazzarol et al., 2025b).

An important dimension of the QFCC's engagement with Wesfarmers was its status as a shareholder in Wesfarmers itself. The June 1917 conference approved the regional co-operatives becoming shareholders in Wesfarmers with voting rights. Wesfarmers' senior leadership, particularly Chair Walter Harper, regularly attended the QFCC's AGMs (documented in 1929, 1930, and 1931), addressing shareholders on matters such as the Wheat Pool of WA's operations, bulk handling developments, and co-operative principles, demonstrating the close institutional relationship between the two organisations. The QFCC also participated in Wesfarmers' network conferences and relied on the organisation for commercial guidance, supply contracts, and agency authorisations (Mazzarol et al., 2025b).

QFCC AND CO-OPS WA, 1917–1933

The establishment of Co-ops WA in 1919 occurred only two years after the founding of QFCC. As discussed earlier, the creation of the Federation was led by Walter Harper, who had played a key role in the establishment of the FSA in 1912 and Wesfarmers in 1914, and as the inaugural Chair of Co-ops WA. From its inception, the Federation was conceived as a peak coordinating body for the network of regional farmer-owned co-operatives that Wesfarmers had been building across the Wheatbelt. Whereas Wesfarmers provided the commercial backbone, enhancing farmers' collective economic bargaining power through wholesale supply, purchasing, and agency contracts, Co-ops WA was intended to fulfil a different but complementary function, which was to provide governance support, ideological coherence, co-operative education, and a lobbying voice for the regional co-operative network as a whole (Baskerville, 2019).

In addition to Harper's role, his colleague Thomas Henry Bath served as Secretary of Co-ops WA during a significant part of this period. He was also a founder and trustee of the Wheat Pool of WA from 1925 and later became Vice Chairman of CBH. Bath was a frequent speaker at QFCC AGMs during the 1930s (including 1937) and represents the human face of Co-ops WA's ongoing engagement with the QFCC at the grassroots level (Mazzarol et al., 2025b). Wesfarmers led the commercial operations of the QFCC, while Co-ops WA was responsible for ensuring its effective co-operative governance and operation. The co-operative principle of "co-operation among co-operatives", the sixth principle of the international co-operative movement, was the defining spirit Co-ops WA brought to its relationship with QFCC.

FORMATIVE YEARS, THE CONFERENCE FRAMEWORK AND EARLY INFLUENCE (1917–1919)

Although Co-ops WA was not established until 1919, its predecessor structures and the network of co-operative organisations around which it would coalesce were already influential from the moment the QFCC was founded. As previously discussed, the Wesfarmers Co-operatives' Conference of 27 June 1917 was the pivotal institutional event of this early period. Formally organised by Wesfarmers, the conference laid down the governance and operational architecture for the entire WA regional co-operative network, including the principles and standards around which Co-ops WA would later be formally organised. The QFCC was represented at this conference by its Chair, Mr. W. Wishart, and Director Mr. B. M. Solomon, and the conference specified the contractual arrangements that would be applied across the regional agency network (Baskerville, 2019).

The conference made clear that the Wesfarmers model was creating a two-tier structure. This saw Wesfarmers as the parent commercial co-operative, and the regional co-operatives as semi-autonomous sub-agents. The establishment of Co-ops WA created an independent voice for this second tier, ensuring that the regional co-operatives could navigate the tension between their dependency on Wesfarmers and their own commercial autonomy (Baskerville, 2019).

From the outset, the QFCC's founding director Mr. B. M. Solomon had been actively negotiating with Wesfarmers about the range of agency arrangements, reflecting a degree of assertiveness about the Co-operative's commercial independence. This tension between independence and dependency on Wesfarmers, a theme that would run throughout the QFCC's history, was one that Co-ops WA would work to mediate over subsequent decades (Mazzarol et al., 2025b).

The formation of Co-ops WA in 1919 and its immediate significance

The formal establishment of Co-ops WA gave the regional co-operative network an independent institutional home. Walter Harper's involvement as inaugural Chair ensured close co-ordination with Wesfarmers, but the Federation's distinct purpose was soon evident. An early indication of Co-ops WA's intended role appeared in the 1921 AGM of the QFCC, at which Director Solomon addressed shareholders on matters pertaining to the Federation. He observed critically that the co-operative companies that comprised Co-ops WA's membership were quite "lax" in keeping the Federation's Council informed of their activities. This kept Co-ops WA in ignorance of the member co-operatives they represented, undermining the Federation's ability to advocate effectively on their behalf. In response, the meeting passed a formal resolution recommending:

> *"A suggestion be made to The Co-operative Federation that they write to all co-operative companies requesting them to get in touch with their representatives and inform them of any matters they may want discussed at Council meetings and for the co-operative companies to hear the report of the conference from their delegates."* (Mazzarol et al., 2025b, p. 53).

This resolution is significant in at least two respects. First, it shows that the QFCC was aware of Co-ops WA and viewed its Council as an important representative forum. Second, it shows that in the early years, the communication channels between the regional co-operatives and the Federation were imperfect and in need of improvement. The QFCC was actively trying to strengthen this relationship, not least because of what was at stake commercially.

The wholesale groceries question: Co-ops WA as a structural intermediary

One of the most consequential roles that Co-ops WA played in the QFCC's strategic development during this period arose in 1921, when Wesfarmers approached the Federation to assume control of wholesale groceries. This negotiation directly affected the QFCC's decision to open its own general store. The QFCC Board had already held a special general meeting of shareholders in January 1921 to raise capital for a general store and received enthusiastic support. However, at the June 1921 AGM, Chair Mr. S. C. Dall explained that no action had been taken, because of the emerging agreement between Wesfarmers and Co-ops WA over wholesale grocery distribution. He asked shareholders to wait until the outcome of those negotiations was known before the QFCC committed to general storekeeping (Mazzarol et al., 2025b).

This episode illustrates Co-ops WA's role not only as a governance body, but as a commercial intermediary between Wesfarmers (the wholesale principal) and the regional co-operatives (the retail distributors). The Federation was attempting to carve out a distinct commercial role for the network of regional co-operatives within the wholesale grocery supply chain, independent of Wesfarmers' own commercial interests. Although little seems to have come from the wholesale grocery deal in the end, the episode demonstrates that Co-ops WA was actively engaged in shaping the commercial architecture within which the QFCC operated, and that the QFCC was prepared to defer major strategic decisions pending the outcome of these negotiations (Mazzarol et al., 2025b).

AGM ATTENDANCE, KEYNOTE ADDRESSES, AND THE CULTIVATION OF CO-OPERATIVE IDENTITY

A consistent and important feature of the QFCC's relationship with Co-ops WA throughout the period 1917 to 1933 (and indeed throughout subsequent decades) was the regular attendance of Federation representatives at the QFCC's AGMs. This practice served both institutional and social purposes. The established formula for QFCC AGMs, which became embedded by the 1920s and continued through the 1930s and 1940s, involved the AGM proper, covering financial reports, elections, and resolutions, followed by supper, a keynote address by a visiting dignitary, and then music and dancing. The keynote speakers were typically senior representatives from Wesfarmers and/or Co-ops WA, along with State politicians. This structure meant that Co-ops WA representatives became a regular and valued presence at the QFCC's most important annual governance events (Mazzarol et al., 2025).

The 1929 QFCC AGM was attended by Walter Harper as Chair of Co-ops WA, along with Wesfarmers' Assistant General Manager, Mr. W. Arnold, and the Member for Guildford, The Hon. W. D. Johnson MLA. Harper and his colleagues had also spoken at many similar AGMs and did so at similar events held by other co-operatives in the network. These visits reinforced the QFCC's connection to the broader co-operative movement and provided shareholders with access to the peak leadership of the sector.

At the 1930 AGM, Walter Harper again attended, this time alongside Co-ops WA Director W. D. Johnson, who spoke to the meeting about co-operative principles. According to the minutes, Harper addressed the meeting on the Wheat Pool's operations, while Johnson spoke about Wesfarmers' activities. These addresses served to contextualise the QFCC's performance within the wider co-operative sector, building shareholders' sense of participation in a broader movement (Mazzarol et al., 2025b).

It is worth noting that Co-ops WA representative Mr. Arnott attended the QFCC's 1935 AGM, which reflects a pattern already established in earlier years. His remarks at that meeting were particularly notable when he declared that since 1922, no fewer than forty-eight co-operative companies had ceased trading due to poor governance and explicitly praised the QFCC as having demonstrated that it possessed both the management and Board capable of effectively governing the company (Mazzarol et al., 2025b).

CO-OPS WA AND THE GOVERNANCE OF THE REGIONAL CO-OPERATIVE NETWORK

Co-ops WA's broader significance to the QFCC during this period must also be understood in terms of the governance architecture it helped sustain for the regional co-operative network as a whole. A systems-level analysis makes clear that Co-ops WA's role was to provide the "peak coordinating organisation" for the network of regional co-operatives established under the Wesfarmers model. While Wesfarmers provided the commercial supply chain and agency structures, Co-ops WA:

- Represented the collective interests of regional co-operatives at the State level, providing political lobbying power on behalf of farmers. The case study notes that the existence of the regional farmer-owned co-operatives enhanced Co-ops WA's overall lobbying power, with the majority of WA farmers actively engaged in the ownership and management of these local co-operatives.

- Provided co-operative principles education and advocacy, reinforcing the ideological foundations of the movement through keynote addresses and conference participation.

- Acted as an institutional guarantor of co-operative governance, setting standards for accounting, bonus distribution, and governance through the conference framework established in 1917.

- Sought to establish and maintain communication channels between regional co-operatives and the Federation's Council, ensuring member companies could raise issues at the Federation level (Baskerville, 2019).

The emergence of Co-ops WA also provided a counterbalance to the commercial dominance of Wesfarmers. The June 1917 conference had essentially established Wesfarmers as the dominant parent co-operative, limiting the commercial independence of regional co-operatives such as QFCC. Co-ops WA's role was to moderate this relationship and protect the autonomy of the regional co-operatives where necessary, as evidenced by the wholesale grocery negotiations of 1921.

Co-ops WA and Legislative compliance

An important but often overlooked aspect of Co-ops WA's role during this period was its influence over the QFCC's compliance with State legislation. For example, throughout the period the QFCC was regularly having to amend its Articles of Association in response to changes in State law. For example, the passage of the *Companies Act Amendment Act 1929 (WA)* led to a Special General Meeting of QFCC shareholders on 6 September 1930 to revise the Articles accordingly (WA Legislation, 1929; Mazzarol et al., 2025b).

Co-ops WA, as the peak body for the sector, would have been the natural source of advice for regional co-operatives seeking to understand their obligations under new legislation. The later (1935) introduction of the "nominee director" role, whereby the executive council of Co-ops WA would appoint a nominee to the QFCC Board, formally embedded this advisory function into the Co-operative's governance structure. Although this development occurred just after the 1917–1933 period under review, it was the culmination of a trend towards closer governance ties that had been building throughout the period.

Thomas Henry Bath and the Synthesis of Co-operative Values

The figure of Thomas Henry Bath, Secretary of Co-ops WA during the 1920s and 1930s, is particularly important for understanding the character of the Federation's engagement with the QFCC and its fellow regional co-operatives. Bath's address to the QFCC's 1937 AGM, while technically beyond the period to 1933, encapsulates the intellectual and moral contribution that Co-ops WA consistently brought to the movement (Mazzarol et al., 2025b).

Bath's address demonstrated the Federation's multi-layered engagement. He provided a detailed financial comparison of the QFCC's position in 1929–1930 versus 1936–1937, tracing the transformation of the Co-operative from a debt-laden enterprise to a financially strong company. He contextualised the QFCC's performance within the growth of the WA co-operative sector (from ten companies in 1921 to thirty-four by 1936). He addressed bulk handling efficiency and the global wheat outlook. He also explicitly appealed to the younger generation to invest in and support the co-operative movement. This combination of financial scrutiny, sector-wide perspective, and co-operative advocacy was precisely the value Co-ops WA brought to regional co-operatives like the QFCC. Bath's engagement was not merely ceremonial, it was substantive, analytically informed, and directed at strengthening the governance and strategic orientation of the Co-operative (York Chronicle, 1937).

The QFCC's relationship with Co-ops WA during 1917–1933 was less transactional than its relationship with Wesfarmers, but no less important. While Wesfarmers provided the commercial framework and revenue-generating agency contracts, Co-ops WA provided the ideological, governance, and political scaffolding within which the QFCC could operate as a principled co-operative enterprise. The Federation's senior figures, Harper, Bath, and Arnott, were regular and valued presences at QFCC events, and the Federation's standards and principles shaped the way the Co-operative was governed, communicated with its members, and understood its place within the broader WA co-operative movement. Co-ops WA's recognition of the QFCC as one of the sector's success stories, a co-operative that had survived the turbulence of the Great War years, the economic uncertainty of the 1920s, and the onset of the Depression with its governance and financial integrity intact, reflected the mutual investment both organisations had made in each other's success.

MBC's relationship with Wesfarmers, 1917-1933

As discussed in Chapter 2, the Mount Barker Co-operative (MBC) had very different relationship with Wesfarmers due to it having been established by orchardists and vignerons with a focus on cool store management, fruit packing, and export. It resulted in the MBC having a co-equal commercial relationship with Wesfarmers rather than the primary vs. sub-agent relationship of both The Co-op York and QFCC, as was the case for the Wheatbelt co-operatives that formed the Wesfarmers' agency network.

Background and origins of the relationship (1917–1918)

The relationship between the MBC and Wesfarmers emerged from a shared commitment to the co-operative movement in WA and a common interest in improving the economic position of fruit growers in the Great Southern region. The MBC was conceived in 1917, when orchardists William Thomas and Archibald T. Booth persuaded roughly half of the orchardists in the Mount Barker district to pledge capital for the construction of a cool store and packing shed. The co-operative was formally voted into existence in October 1917, incorporated on 1 May 1918, and the cool stores were officially opened on 2 June 1918. Its original name was the Mount Barker Cool Storage Co-operative Society Ltd. while its Memorandum and Articles of Association defined its purpose as fruit packing, cool storage, fruit exports, and the business of fruit and produce merchants, along with ancillary services such as electricity supply and packing case production (Mazzarol et al., 2025c).

Wesfarmers (est. 1914) was only in its infancy at the time MBC was founded. However, Walter Harper was deeply invested in building a network of farmer-owned co-operatives across WA, and the MBC became one of its most important partners in the Great Southern. Further, Harper's agricultural background was based in the same orchardist and vigneron culture that he had grown up on under the tutelage of his famous father Charles (Smith, 1983). The relationship between MBC and Wesfarmers was not merely commercial but ideological. Both organisations were committed to the economic enhancement of primary producers.

Wesfarmers as an export agent for fruit

One of the earliest and most significant dimensions of the MBC–Wesfarmers relationship was the handling of fruit exports, particularly during and immediately after the First World War. At a meeting in Gnowangerup in September 1920, MBC Managing Secretary Archibald T. Booth publicly credited Wesfarmers with handling the export of the MBC's largest-ever fruit shipment during the war and stated that this had been done at a rate significantly better than anything the Co-operative had previously experienced from private agents (Mazzarol et al., 2025c).

Before engaging Wesfarmers, the MBC had used private export agents, who charged 3 pence per case commissioned, and even at that rate complained they were losing money. Once the MBC switched to Wesfarmers, the private firms lowered their handling charge to 1½ pence per case in a bid to win back the business, indicating that Wesfarmers was providing a materially cheaper and more favourable service. This price competition illustrated the leverage that dealing with a co-operative export agent could generate for the MBC's growers. A further financial incentive was that Wesfarmers paid an annual rebate to the MBC on the value of trading conducted through it. This rebate was typically reinvested by the MBC back into the purchase of additional Wesfarmers' shares, deepening the financial and ownership ties between the two organisations over time (Mazzarol, 2025c).

Discussions on a Wesfarmers branch office in Albany (1919)

In October 1919, the MBC's delegates, Archibald Booth and J. McNeil Martin, attended the Co-operative Conference in Albany, where one of the central debates concerned whether Wesfarmers should open a wholesale branch office in Albany. Walter Harper and a Mr. Mather, both representing Wesfarmers, were present and expressed strong support for the idea. MBC's Archibald Booth was supportive of the Albany branch proposal, arguing that the bulk of fruit from the Great Southern should be exported through Albany rather than Fremantle, both for cost reasons and to avoid bruising during the longer rail journey to Fremantle (Albany Dispatch, 1919).

His position reflected the MBC's broader strategic interest in strengthening Albany as an export port for Great Southern produce. Harper explained at the conference that Wesfarmers wished to decentralise its operations and that a branch in Albany would be essential to the survival of the co-operatives in that region. The conference ultimately resolved in favour of the establishment of a Wesfarmers branch office in Albany, with a commitment from the MBC and other co-operatives to provide the necessary trading support to make such a branch viable (Mazzarol et al., 2025c).

Wesfarmers' entry into the fruit-growing market and the non-competition undertaking (1920)

A critical element of the relationship during this period was an agreement secured by the MBC at the time Wesfarmers formally entered the fruit-growing market in 1920. The MBC negotiated a commitment from Wesfarmers not to operate directly in the Mount Barker and Kendenup area. This was a significant protection for the MBC, allowing it to maintain its position as the primary co-operative serving local fruit growers without facing competition from the larger organisation it was simultaneously working with as an agent and partner (Mazzarol et al., 2025c). This arrangement exemplified the delicate balance of the relationship. The MBC was simultaneously a member of Wesfarmers (through shareholding), a trading partner (using Wesfarmers to market and export fruit), and a protected entity (shielded from Wesfarmers' direct market entry into its region).

Merchandise Trading and Extension of Agency Activities

In addition to handling fruit exports, the relationship with Wesfarmers extended to general merchandise and retail agency. As Archibald Booth explained in 1920, when the Co-operative was first formed, the intention had been only to build the cool stores. However, it was quickly realised that to make the business viable and serve members fully, they needed to deal in merchandise, and this brought them into a partnership with Wesfarmers as a supplier and wholesale agent. By the early 1930s, a Wesfarmers stock agent was based at the MBC's retail store, indicating that Wesfarmers' stock agency function was physically integrated into the Co-operative's premises at Mount Barker. The MBC was effectively acting as Wesfarmers' local presence, facilitating cattle sales and other stock agency activities on its behalf in the district (Mazzarol et al., 2025c).

Booth's UK visit and standards concerns (1925)

In 1925, in his capacity as the MBC's Managing Secretary and in connection with the Co-op's fruit export operations (conducted in partnership with Wesfarmers), Archibald Booth travelled to the United Kingdom (UK) to investigate serious complaints about the spoilage and inconsistent packaging of Australian fruit. He observed firsthand the damaging condition in which some Australian fruit, including cases where every apple on the outside had been cut or bruised through rough handling, was arriving in British markets. His findings pointed to a need for uniform national standards for fruit crates, branding, and grading. This visit underscored how seriously the MBC and Wesfarmers partnership took their responsibility to UK buyers and to the long-term reputation of WA's fruit export industry (Mazzarol et al., 2025c).

Growth in the late 1920s and export records

During the late 1920s the MBC–Wesfarmers partnership delivered expanding results. By 1927 the MBC was shipping 108,000 cases of apples and pears to Europe and selling 52,000 cases locally. By 1928, the initial loan for the construction of the packing facilities had been fully repaid and auditors were proposing bonuses to Directors, a testament to the financial success of the export model the MBC had built around the Wesfarmers agency relationship. The MBC's Chair was James McNeil Martin, who also served as President of the Fruitgrowers' Association of WA, further embedding the Co-operative into the leadership of the state's fruit industry (Mazzarol et al., 2025c).

DEPRESSION-ERA CHALLENGES AND RECOVERY (1930–1933)

The early 1930s brought acute pressure. In 1930, the export market for fruit contracted severely during the onset of the Great Depression. The Mount Barker apple crop was also devastated by a thrip infestation (*Thysanoptera*) that destroyed much of that year's harvest. Despite government assistance, many newer farmers burdened by debt lost their properties. However, by November 1931 the district's fortunes had recovered, with the Mount Barker district expected to produce around 300,000 cases of apples for export. Much of the credit for the district's resilience was attributed to Archibald Booth's leadership and the unifying role of the MBC (Mazzarol et al., 2025c).

At the MBC's AGM on 2 June 1932, Booth reported that the Co-operative had contributed 70 per cent of the total fruit exported from Albany in the previous year, 250,295 cases out of a total of 367,566, a record that exceeded the previous record of 1920 by more than 71,000 cases. A net profit of £959/15/4 was declared and a dividend of 7 per cent on paid-up capital was announced. The cool stores had been filled to capacity three times during the season. By the end of the year, the export market had sufficiently recovered that the MBC exported over a quarter of a million cases of fruit. In that same year, the MBC and Wesfarmers established a joint office in London to manage European fruit exports, conduct market research, and develop new market opportunities, a significant deepening of the partnership that reflected growing confidence in the export trade. This joint London presence enabled the Co-operative to directly market WA produce and expand into Scandinavian markets in subsequent years (Mazzarol et al., 2025c).

In March 1933, Managing Secretary Booth was involved in an experimental non-refrigerated fruit shipment from Albany aboard the Holland-Australia line ship SS *Djambi*, bound for Rotterdam. The aim was to reduce shipping costs, though Booth expressed cautious scepticism about whether the experiment would succeed for fruit that was more fully ripened later in the season (Mazzarol et al., 2025c).

MBC'S ENGAGEMENT WITH THE CO-OP'S WA, 1917–1933

By the time the Federation was formally established in 1919, the MBC had already demonstrated that the co-operative model could work effectively in the Great Southern, the Co-operative's cool stores were built, its shareholder base represented around 93 per cent of all fruit growers in the Mount Barker district, and its Managing Secretary Archibald T. Booth had become one of the most respected voices in the WA co-operative movement.

THE ALBANY CO-OPERATIVE CONFERENCE, OCTOBER 1919: MBC AS A REGIONAL LEADER

The MBC's engagement with Co-ops WA was active from the moment the Federation was formed. In October 1919, MBC delegates Archibald T. Booth and James McNeil Martin travelled by train from Mount Barker to Albany to attend a Co-operative Conference organised by the Federation. The Conference itself was held on 24 October 1919 at the Albany Town Hall, a venue that reflected the geographic importance of the Great Southern to the movement as a whole and was attended by delegates from all co-operatives across the region, along with related organisations such as the Amalgamated Society of Railway Employees and Walter Harper representing Wesfarmers. Booth's participation at the conference was a notable reflection of both his personal stature and the MBC's regional standing. His contribution went well beyond attendance. He addressed the assembled delegates on several substantive matters of policy and strategy, providing a detailed account of how the MBC operated and using its example to make the case for a stronger regional co-operative infrastructure (Mazzarol et al., 2015c).

In his address, Booth explained the MBC's model clearly. The Co-operative did all its own buying and selling, operated two sawmills cutting timber to make its own fruit crates, and was committed to shipping produce through the port of Albany rather than Fremantle. He noted that the MBC's business over the previous year had reached £20,000 (approximately $2.2 million in 2024 dollars) and argued that all of this produce should have been shipped via Albany. He made the pointed observation that Wesfarmers could only ever be a wholesaler in Albany. However, by contrast co-operatives could be retailers, a distinction that underlined the unique member-service role of the co-operative model relative to the wholesale supply chain (Mazzarol et al., 2025c).

Booth was also explicit about the MBC's philosophy regarding politics. He emphasised that the Mount Barker association had "absolutely squashed any political feeling" within its ranks and that success in co-operation required keeping politics out of its business affairs. This stance aligned closely with the Federation's ethos of representing the economic interests of producers rather than pursuing party-political agendas (Mazzarol et al., 2025c). That was the role of the Country Party.

POLICY ADVOCACY: LOBBYING PARLIAMENT ON TAX AND REGULATORY REFORM

One of the most consequential roles the Federation played for the MBC during this period was as a conduit for legislative and parliamentary advocacy. During the early 1920s, the MBC, acting through the Council of the Co-operative Federation, made formal representations to both State and Federal Parliaments to secure tax benefits for Australian farmers. These advocacy efforts were ultimately successful, with changes being incorporated into the Income Tax Act. This was a significant achievement that demonstrated the Federation's capacity to give small regional co-operatives like the MBC access to political leverage they could not have achieved independently (Mazzarol et al., 2025c).

The nature of these tax provisions related to the treatment of rebates paid to co-operative members. There were long-standing complications about whether trading rebates paid to members of co-operatives were deductible for tax purposes, and the Federation's lobbying helped clarify and formalise the legal position in a way that was favourable to co-operatives. The *Income Tax Assessment Act 1936 (Cth)* eventually codified specific provisions relating to co-operative companies, but the groundwork for this was laid by exactly the kind of representations to Parliament that the MBC was participating in through the Federation during this period (CCA, 1936).

THE FEDERATION AS A FRAMEWORK FOR POLICY FORMULATION WITHIN WESFARMERS

A subtler but important dimension of the Federation's role was its function as the mechanism through which co-operative members, including the MBC, influenced the policy of Wesfarmers itself. When Archibald Booth spoke at a meeting in Gnowangerup in September 1920, he explained to the assembled farmers that although Wesfarmers controlled its own business arrangements, its general policy was formulated by the growers who worked via their membership of the Co-operative Federation of WA, to which, he noted, most of the co-operatives in the State were now members. This was a significant point. It meant that the MBC's membership of the Federation was not merely nominal or passive. It gave the MBC, alongside other producer co-operatives, a voice in determining how Wesfarmers operated at the policy level. The Federation was thus the governance mechanism that gave the broader co-operative network structural influence over the apex body, Wesfarmers, through which many of its commercial activities (particularly fruit exports) were channelled (Mazzarol et al., 2025c).

The 1920s: The Federation's role in rural co-operative expansion

During the 1920s, both Wesfarmers and Co-ops WA were actively travelling throughout the Wheatbelt and other rural areas, promoting the economic benefits of forming co-operatives that were farmer owned. The MBC's Managing Secretary Archibald Booth was a prominent participant in these events, travelling well beyond the Mount Barker district to advocate for the co-operative model and to assist in building the broader network of rural co-operatives that the Federation was seeking to develop (Mazzarol et al., 2024a).

This is illustrated by Booth's attendance at the Gnowangerup community meeting of 21 September 1920, where he spoke alongside a Mr. Jolly of Wesfarmers to explain the benefits of co-operative enterprise to local farmers. On 21 November 1920 he attended a general meeting of the Tambellup Co-operative Company alongside a Mr. Stratton from Wesfarmers, where both men addressed the operation of co-operative stores. These activities placed Booth in the role not only of MBC secretary but of a regional ambassador for the co-operative movement more broadly, a role that was only possible through his connection to the Federation's network and organising activities. The Federation's work during this decade served the MBC's interests both directly and indirectly. Directly, it expanded the number of co-operatives across the state, increasing the volume of produce flowing through Wesfarmers and thereby strengthening the negotiating position of all member co-operatives with exporters, shippers, and input suppliers. Indirectly, the growth of the network reinforced the political legitimacy and economic credibility of the co-operative sector, making government and banking institutions more responsive to the sector's needs (Baskerville, 2019).

The British Empire Exhibition (1924) and international representation

In 1924 the MBC won an award for an exhibition of apples at the British Empire Exhibition, held in London. This international recognition, while primarily a commercial and marketing achievement, was consistent with and supported by the co-operative movement's broader efforts during this period to build the reputation of Australian agricultural produce in export markets. The Federation and Wesfarmers were both active in building connections with the Overseas Farmers' Co-operative Federation in London, and the MBC's award reinforced the quality credentials that the movement as a whole was seeking to establish in the UK (Mazzarol, et al., 2025c).

The 1928 visit by A. E. Gough: International co-operative networks

On 1 August 1928, Mount Barker hosted the largest and most representative gathering of fruit growers in the district's history, organised by the MBC. The occasion was the visit of Mr. A. E.

Gough, the London-based manager of the Overseas Farmers' Co-operative Federation, the peak body linking British Empire agricultural co-operatives, who was touring Australia to examine the quality and capacity of farming production and how Australian industries could be better marketed into Britain. Leading the meeting was MBC Chair James McNeil Martin and Managing Secretary Archibald Booth. Martin explained that Gough had met with Booth at an all-Australian co-operative conference in Adelaide, attended by delegates who had, in aggregate, travelled 32,000 miles to be present, where several decisions had been made concerning the distribution and sale of produce (Albany Advertiser, 1928). This episode illustrated how the MBC's connection to the Co-operative Federation of WA was part of a wider, transnational co-operative network extending through the British Empire, linking WA fruit growers directly to London marketing infrastructure and international lobbying capacity (Mazzarol et al., 2025c).

The Depression years (1930–1933): The Federation's protective role

The Great Depression years of the early 1930s placed enormous stress on WA's farming community. The Federation and the co-operative model it promoted provided a form of structural protection during this period. As the timeline records for 1930, co-operatives were able to protect farmer-shareholders by providing credit and writing off unpaid debts or settling them through the Farmers' Debts Adjustment program. While this was primarily an activity of individual co-operatives, the Federation's advocacy at the government level had helped create and maintain the legislative and financial mechanisms that made debt adjustment possible.

In 1932, as the fruit export market revived following the worst of the Depression, the Co-operative Federation's Wesfarmers connection remained central. The MBC and Wesfarmers established a joint London office in 1932 to manage European fruit exports, conduct market research, and develop new market opportunities. The Westralian Farmers stock agent was by this time based within the MBC's own retail premises — a practical fusion of the two organisations at the local level that reflected the years of collaboration and trust built up through their shared membership of the Federation's co-operative network.

The Federation also continued its role in the 1930s as a conduit for collective political action. As export conditions became more complex — including foreign trade disputes — the ability of co-operatives to coordinate responses through the Federation and to make representations to government became increasingly valuable.

The engagement of The Co-op York, QFCC and MBC with Wesfarmers

Between 1917 and 1933, The Co-op York's engagement with Wesfarmers was foundational rather than incidental. Wesfarmers provided the institutional model, the government wheat contract, the distribution infrastructure, and the economic rationale for the Co-operative's establishment. The wheat handling agency provided critical early revenue, while the broader distribution role, covering sugar, superphosphate, cornsacks, and other farm inputs, underpinned The Co-op York's services to the farming community throughout the 1920s. The relationship concluded its wheat-handling phase with the creation of CBH in 1933, which superseded the bag-based siding network, effectively converting The Co-op York from a producer-service co-operative into a primarily consumer-oriented enterprise.

The QFCC's engagement with Wesfarmers between 1917 and 1933 was both foundational and transformative. The wheat handling contract was the economic backbone of the Co-operative during this period, providing consistent revenue that funded shareholder dividends, bonus shares, and the accumulation of reserves. The agency model extended to livestock, insurance, farm machinery, and general merchandise, making the QFCC an indispensable commercial hub for the Quairading district. The establishment of CBH in 1933, though removing the profitable wheat handling function, reflected the broader rationalisation of grain logistics that Wesfarmers itself helped engineer, an ironic but significant turning point in the Co-operative's evolution from a grain handling agent into a diversified retail and services business.

By March 1922, QFCC had handled 90,000 bags of wheat across Quairading, Badjaling, and Yoting as a formal Wesfarmers wheat receival agent. The Co-op York similarly handled substantial grain volumes through the Wesfarmers wheat sub-agency, with storage at the Monger's Stores site representing the co-operative's first major capital asset. Both co-operatives were deeply embedded in the commercial logic Wesfarmers had designed for them, comprising grain receival, farm supplies, machinery, and livestock agencies, all yielding commission income paid by Wesfarmers and redistributed to members as dividends (Mazzarol et al, 2025a/b).

In comparison with The Co-op York and QFCC, the MBC's engagement with Wesfarmers during this period was multi-dimensional and foundational to its success. For example, fruit export handling was the primary and most financially significant service. Wesfarmers acted as the MBC's export agent, securing better rates than private agents, handling record wartime shipments, and eventually co-managing a London marketing office from 1932. Annual rebates on trading were paid by Wesfarmers to the MBC and reinvested in further Wesfarmers shareholding, creating a self-reinforcing financial bond between the organisations. Merchandise and general trading services were provided through Wesfarmers, with the MBC acting as a local retail and agency outlet for Wesfarmers' wholesale supply chain. Stock agency services were integrated directly into the MBC's retail premises, with a Wesfarmers stock agent based on site — making the MBC a physical expression of the Wesfarmers network in the region. Non-competition protection was secured in 1920, shielding the MBC's local market from direct Wesfarmers competition while allowing the two organisations to collaborate on a broader national and international scale.

Crucially, the relationship was underpinned by mutual ownership: the MBC invested its rebates back into Wesfarmers shares, making it both a client and a shareholder, a model that aligned interests and gave the MBC a voice in how Wesfarmers formulated policy through Co-ops WA.

The Engagement of The Co-op York, QFCC and MBC with Co-ops WA

The relationship between The Co-op York and Co-ops WA during the 1917–1933 period can be characterised as foundational, institutional, and networked rather than transactional. Co-ops WA was not established until 1919, meaning it played no direct role in The Co-op York's founding, but from 1919 onwards it formed part of a tightly interwoven network, alongside Wesfarmers and the FSA, through which The Co-op York was embedded in the broader WA co-operative movement.

At least five key dimensions of Co-ops WA's contribution during this period can be identified. First, was the provision of an institutional identity and framework for co-operative governance that distinguished The Co-op York from an ordinary commercial enterprise. Second, was the shared leadership of key figures, particularly Harper, Monger, and Bath, who simultaneously led or co-founded Wesfarmers, Co-ops WA, the Wheat Pool of WA, and CBH, ensuring ideological and practical alignment across the movement. Third, was the Federation's role as an advisory and knowledge-sharing function that supported The Co-op York's adherence to co-operative legislation and principles, particularly as legislative requirements evolved with the *Companies Act Amendment Act 1929 (WA)*. Fourth, was its sector-level advocacy on issues such as bulk grain handling and wheat pricing that, while directed at State and Federal Government, directly supported the economic environment in which The Co-op York's farmer-shareholders operated. Fifth, was the provision of a regional district council network through which The Co-op York could participate in co-operative sector debates and decisions (Mazzarol et al., 2025a).

Throughout the 1920s, QFCC's directors, like most of the other producer co-operatives, regularly attended conferences held by both Wesfarmers and Co-ops WA in Perth. The Federation was enhancing its lobbying power as the majority of WA farmers engaged in the ownership and management of local producer co-operatives. Co-ops WA's political effectiveness was built directly on this membership base. In 1921, Co-ops WA was party to a significant strategic negotiation. Wesfarmers approached the Federation about assuming control of wholesale groceries, a development that directly influenced the QFCC's own decision about whether to open a general store. The episode reveals Co-ops WA as a body with sufficient strategic weight to shape commercial decisions at the co-operative member level. Thomas Henry Bath, Federation Secretary, Wheat Pool trustee from 1925, and advocate for bulk grain handling, regularly attended QFCC AGMs during this period as a keynote speaker, articulating the co-operative principles that underpinned the movement and the policy case for grain infrastructure investment (Mazzarol et al., 2025b).

In general, Co-ops WA played a role, alongside Wesfarmers and the FSA, in maintaining the "structural couplings" that enabled The Co-op York and QFCC to access information and resources and sustain their identities as genuine co-operative enterprises throughout its formative years. This compared with the engagement of MBC with the Federation during the same period. At least five overlapping dimensions can be identified.

First, was the active membership and participation undertaken by MBC with Co-ops WA. The MBC joined the Federation upon its formation in 1919 and was immediately represented at its conferences by both its Managing Secretary and its Chair, reflecting how seriously the MBC took its membership obligations and its role within the broader movement. Second, was the ambassadorial and advocacy activities undertaken by the leadership of MBC during the period. For example, Archibald Booth, travelling on behalf of both the MBC and the Federation's wider agenda, participated in regional meetings across the Great Southern and Wheatbelt throughout the 1920s, helping to build the co-operative network whose growth benefited the MBC's own commercial position.

A third dimension was the policy influence that the Co-operative was able to achieve through the Federation Council. The MBC used the Federation's Council as a channel to lobby State and Federal Parliaments, achieving concrete legislative gains, most notably amendments to the Income Tax Act, that benefited all co-operative members. A fourth dimension was how the MBC's engagement with Co-ops WA enabled the Co-operative to achieve governance influence over Wesfarmers. Through its Federation membership, the MBC was part of the collective governance structure that gave producer co-operatives influence over Wesfarmers' policy, ensuring that the apex organisation remained responsive to the interests of its member co-operatives rather than operating as an autonomous commercial entity.

Finally, a fifth dimension was the connection that membership of Co-ops WA gave to the MBC in developing international co-operative networks. The Federation's links to the Overseas Farmers' Co-operative Federation in London connected the MBC to international marketing infrastructure, lobbying capacity, and knowledge networks that were far beyond the reach of any individual small co-operative. In essence, the Co-operative Federation of Western Australia provided the MBC with a platform, a voice, and a set of relationships that amplified its capacity to serve its members well beyond what it could have achieved in isolation. The MBC in turn was one of the Federation's most active and capable member organisations in the Great Southern, providing the movement with a credible, well-managed example of co-operative success that strengthened the case for the model across the state.

Summarising the role of Wesfarmers and Co-ops WA from 1920 to 1933

A distinct and often underappreciated dimension of Wesfarmers' economic contribution was its investment in physical infrastructure that the co-operatives themselves could not have funded. In the 1920s and early 1930s, Wesfarmers independently built horizontal wheat silos across the Wheatbelt, constructed a bulk grain storage facility at Fremantle port, and converted approximately two hundred railway wagons for grain transport, all of which were subsequently transferred to CBH at its foundation. Walter Harper estimated these facilities saved Wyalkatchem district farmers alone £21,000, equivalent to over two million dollars in contemporary values (Mazzarol et al., 2024a).

During the 1920s to early 1930s Co-ops WA continued to pursue its quasi-judicial and economic coordination role, formally approving all agency agreements between Wesfarmers and the various co-operatives located across the Wheatbelt agency network. It adjudicated disputes between the network partners and assisted in resolving tensions between the network partners when territorial boundaries were allegedly breached. This provided local co-operatives across the network with a governance framework that protected their economic interests (Baskerville, 2019).

The three key founders of Co-ops WA, Walter Harper, Thomas Bath and William Johnson provided an essential leadership role, actively engaging with the regional Wheatbelt network of member co-operatives, linking these firms together with each other, with Wesfarmers, and with the global co-operative community. They also played a key role in 1930 to assist the co-operatives against the rival Wheatgrowers' Union (formed in 1930 and led by Ignatius Boyle), when the State's 10,600 wheat and sheep farmers were £13 million in debt (approx. $1.34 billion in 2025 dollars).

When CBH was established in 1933 Bath, Harper and Johnson, who were appointed to the Board of trustees, actively transformed wheat logistics in WA. Co-ops WA submitted a detailed submission to the Federal Royal Commission into petrol supplies, seeking better prices for farmers. These actions were significant demonstrations of economic advocacy on behalf of the WA co-operative sector, in particular the producer co-operative network that had developed across the Wheatbelt by that time (Baskerville, 2019).

CHAPTER 4: THE DEPRESSION YEARS – 1929 TO 1939

This chapter examines the roles played by Wesfarmers and Co-ops WA during the years from 1929 to 1939. These were challenging times for the agricultural industries across Australia, which impacted the network of producer co-operatives located throughout the Wheatbelt and other agricultural areas such as Mount Barker within the Plantagenet Shire. The establishment of CBH in 1933 provided much needed infrastructure and efficient handling and storage of the State's wheat harvest. Although it also removed a useful income stream for the many producer co-operatives, such as The Co-op York and QFCC which had managed the harvest from 1917 to the arrival of CBH. In this period many of the regional co-operatives within the Wesfarmers and Co-ops WA network experienced financial difficulties, to which the Federation responded with the establishment of its nominee director scheme that enabled the appointment of a non-member (to the co-op) director able to assist a struggling co-operative with financial and related management. This served to rescue many otherwise failing co-operatives, although not all.

THE TRANSITION TO CBH IN 1933 AND THE END OF THE WHEAT HANDLING ROLE

The Great Depression of the 1930s hit WA's rural co-operative sector with severe force. Commodity prices collapsed, farms became unviable, and local co-operative stores accumulated debt they could not service. The Co-ops WA, supported by Wesfarmers, extended emergency assistance to struggling local units, providing bookkeeping training, guidance, and direct financial intervention (Baskerville, 2019; Farm Weekly, 2019).

During the Great Depression years leading up to this transition, Wesfarmers had itself been constructing horizontal wheat silos across the Wheatbelt at rail sidings, capable of holding 14,000 tonnes of wheat, as well as a bulk grain storage facility at Fremantle port and converting around 200 railway wagons for grain transport. This built the infrastructure that was then transferred to CBH (Mazzarol et al., 2024a). Further, Alexander Monger, long-serving Director of The Co-op York and co-founder of Wesfarmers, became the inaugural Chair of CBH (from 1933 to 1944), reflecting the continuity of leadership between the co-operative network, Wesfarmers, and the new bulk handling entity (Mazzarol et al., 2024a; 2025a).

As the Great Depression struck, Wesfarmers took decisive action where the State Government had failed to act. During 1931 and 1932, it built five horizontal wheat storage bins in the Wyalkatchem area with a total capacity of 14,000 tonnes, converted approximately 200 flat-top railway wagons into boxcars, and constructed a bulk grain storage facility at Fremantle port. Walter Harper estimated these facilities saved Wyalkatchem district farmers alone approximately £21,000 (equivalent to around $2.3 million in 2023 dollars) (Mazzarol et al., 2024a).

The establishment of CBH in 1933 was arguably the single most consequential economic act in WA's co-operative history, and it was substantially a creation of Westralian Farmers (CBH Group, 2025). In 1931, Wesfarmers lobbied the WA state government to introduce a state-wide bulk grain handling scheme for wheat, deploying its resources to mobilise farmers to raise the necessary capital (Mazzarol et al., 2024a).

Figure 7: Sowing wheat bags, Moora 1938

Source: State Library of WA (1938).

It was apparent to everyone within WA by the 1930s that bulk grain handling and storage was a superior method to the laborious process of putting grain into jute bags and hand sewing them prior to transportation and storage. Bulk grain handling had already been successfully introduced into Canada and the United States prior to the First World War and was established in NSW from 1916 under the management of State-owned enterprise known as a Grain Elevator Board (Ayris, 1999). Recommendations for the introduction of bulk handling and storage were made by Canadian firm John Metcalf & Co. who conducted a review of Australia's national grain handling systems during 1914 (West Australian, 1918).

It took until the 1930s before WA embraced bulk grain handling and storage, yet manual grain handling continued for several years while the network of receival points able to handle bulk grain were constructed. As shown in Figure 7, the hand sowing of wheat bags continued through to 1938 and beyond. By 1940 a total of 232 rail sidings capable of accepting bulk wheat had been constructed, with around 98 per cent of the State's wheat crop being managed a bulk (DIPRD, 1954).

Thomas Bath's most significant contribution to the sector came in this period. Working through his parliamentary position and his authority within Co-ops WA and Wesfarmers, Bath negotiated a debt write-off for distressed local co-operative units amounting to £350,000 (approx. $36 million in 2025 dollars) (Baskerville, 2019). Bath was also the key legislative architect of the companies and co-operatives legislation that gave the sector its legal framework, having contributed key provisions to the *Co-operative and Provident Societies Act 1903 (WA)* and continued to shape subsequent amending legislation (Gibbney, 1979).

However, Walter Harper had difficulty convincing farmers that CBH should be a separate entity owned directly by growers, and not simply an extension of their shareholding in Wesfarmers (Smith, 1983). However, he was insistent that CBH should be independently constituted, with one-member-one-vote governance. On 5 April 1933, CBH was registered by the trustees of the Wheat Board of WA and Wesfarmers jointly, with capital of £100,000 (approx. $12 million in 2023 dollars), divided into £1 shares. The Wheat Pool of WA contributed £80,000 (approx. $9.6 million in 2023 dollars) and Wesfarmers the balance (Ayris, 1999; West Australian, 1933a).

Harper worked closely with John Thomson, who served as inaugural secretary of CBH, to develop it into Australia's cheapest and most efficient grain-handling authority (Smith, 1983). The Royal Commission into Bulk Handling of Wheat, convened in 1935, confirmed the viability of the model and recommended its expansion (Mazzarol et al., 2024a). By 1949, CBH had returned £4 million (approx. $225 million in 2018 dollars) to 8,000 WA grain growers (Baskerville, 2019). In addition to Walter Harper and John Thomson, other key people engaged in the establishment and early development of CBH were Alexander Joseph Monger and Henry Edward Braine. The inaugural chairmanship of CBH was held by Monger, whose appointment reflected the importance of community leadership credibility to the new body's legitimacy with growers. Henry Braine served as the first secretary and general manager, responsible for the logistical establishment of the receival network and the operational systems that would underpin CBH's rapid expansion (Mazzarol et al., 2024a).

The establishment of Co-operative Bulk Handling Ltd. (CBH) on 5 April 1933 brought a fundamental change to The Co-op York's wheat-related agency functions. CBH took over the storage of wheat, oats, and barley, replacing the ninety farmer-owned co-operatives, including The Co-op York, that had handled grain under the bag-based Wesfarmers network since 1914–1917 (Mazzarol et al., 2024a). Four of the eight founding trustees who oversaw the establishment and early development of CBH were Walter Harper, Warren Marwick, William D. Johnson, and H. W. A. Tanner. CBH was formally registered as a co-operative under the one-member-one-vote principles, with a constitutional commitment to transfer control to grower ownership once the founding capital was repaid (Mazzarol et al., 2024a).

CBH's offices were physically located in Wesfarmers House at 569 Wellington Street Perth, staffed by Wesfarmers secondees. Wesfarmers' General Manager John Thomson simultaneously served as CBH's Joint Secretary from 1933 to 1941. Wesfarmers was also designated CBH's exclusive wheat acquiring agent for ten years, meaning CBH's initial commercial income flowed entirely through the Wesfarmers commercial network (Mazzarol et al., 2024a). The Wesfarmers House was also the home of The Co-operative Federation of Western Australia from 1919 until 1981.

Figure 8: John Thomson (left) and Henry Edward Braine (right)

Source: CBH (1936).

The founding of CBH had a double-edged consequence for the Wheatbelt co-operatives. While the CBH system ultimately saved farmers enormous amounts through bulk handling efficiencies, it removed the wheat receival sub-agency role from The Co-op York, QFCC, and similar producer co-operatives, eliminating a major income stream and driving both The Co-op York and QFCC to pivot from producer co-operatives toward consumer and general merchandise co-operatives (Mazzarol et al., 2025a; 2025b).

Separately, in 1932 the MBC and Wesfarmers established a joint office in London to manage European fruit exports. By 1937, the partnership commanded two-thirds of WA's total apple exports, securing cheaper shipping rates through volume and successfully developing a Scandinavian export market that neither organisation could have accessed independently. This represented the apex of the Wesfarmers–MBC commercial relationship (Mazzarol et al., 2025c).

Figure 9: The Westralian Farmers' Building, 569 Wellington Street, Perth c. 1925

Source: EL Mitchell Collection, BA533/80, courtesy State Library of Western Australia

Co-ops WA: Governance rescue and political solidarity

The Great Depression was the period in which Co-ops WA's governance function became most visibly critical. Between 1922 and 1935, forty-eight WA co-operative companies had ceased trading due to poor governance. Co-ops WA responded by introducing the nominee director scheme, a structured intervention by which the Federation appointed a representative director to the Boards of member co-operatives to provide independent governance oversight (Mazzarol et al., 2025b).

At the QFCC AGM of 6 July 1935, Co-ops WA representative Mr Arnott attended in person to advocate for the scheme, simultaneously delivering a frank assessment of governance failures across the sector while publicly endorsing QFCC's management as a positive exception. The motion, carried 42 votes to 4, amended the QFCC's Articles of Association to include a nominee director appointed by the Federation's executive council. QFCC's own recently retired Manager William E. Wishart was chosen for the role, then seconded to Co-ops WA to advise struggling co-operatives across the State for the following three years (Mazzarol et al, 2025b). Co-ops WA's district council structure also served as a vehicle for collective political advocacy. In February 1935, The Co-op York sent delegates to a Central Southern Districts Council meeting at Wickepin, attended by approximately 25 delegates from co-operatives across Dumbleyung, Beverley, Lake Grace, Quairading, Corrigin, and York, which unanimously opposed a State Government Royal Commission into bulk handling of grain (Mazzarol et al., 2025a).

Walter Harper attended the QFCC AGMs in 1929, 1930, 1931, and 1935 as a keynote speaker in his joint capacity as Wesfarmers Chair and Co-ops WA Chair, addressing matters from the Wheat Pool of WA activities and the Royal Commission to bulk handling advocacy and co-operative solidarity. In 1938, Wesfarmers provided social entertainment at the QFCC AGM, a concert by members of the Westralian Farmers Ltd. orchestra. The standard AGM format of the era provided a valuable opportunity for co-operatives to strengthen social capital within their membership and allowed shareholders to speak to visiting representatives from Wesfarmers and Co-ops WA (Mazzarol et al., 2025b).

Economic success and business development

The period 1929 to 1939 was defined, above all else, by the Great Depression. The Wall Street Crash of October 1929 unleashed a cascade of economic disruption across Australia. By 1932, unemployment in WA had reached 30 per cent, capital investment had fallen by 61 per cent, and housing prices had collapsed by 20 to 25 per cent. Immigration virtually ceased (Wilson, Layman and Christmas, 2004). For the WA agricultural and pastoral sectors, the Depression's effects were layered. For example, commodity prices collapsed, particularly wheat, which reached prices so low many growers deemed it unprofitable to harvest. A severe drought then compounded the misery from 1935 to 1940, devastating sheep and cattle numbers (Mazzarol et al., 2025a/b).

It was within this environment that three co-operatives, The Co-op York, QFCC, and MBC, had to sustain their operations. Their shared relationship with Wesfarmers, and their connection to The Co-operative Federation of WA, proved to be critical institutional resources during this decade. By 1929, Wesfarmers had become the dominant co-operative enterprise in WA, acting as commodity agent, distributor, financier, and technical advisor to the network of local rural producer co-operatives that had been established across the Wheatbelt and Great Southern. In contrast Co-ops WA served as a governance and advocacy body, representing the interests of all co-operatives in dealings with Wesfarmers, the State Government and each other, while promoting sound management and governance practices across the sector (Baskerville, 2019).

THE ONSET OF THE DEPRESSION (1929–1932)

All three co-operatives entered the 1930s from a position of relative strength, having traded successfully through the 1920s. At the start of 1930, The Co-op York reported its 12th annual dividend at 8 per cent of paid-up capital (YDC, 1930). The QFCC also reported good profits for both 1930 and 1931, distributing dividends of 7 per cent on paid-up capital and a cash bonus of £1,070 (approx. $122,930 in 2025 dollars) from a net profit of £2,452 (approx. $252,163 in 2025 dollars) in 1930, with total paid-up capital having grown from £54 (approx. $4,791 in 2025 dollars) at foundation in 1916 to £3,990 (approx. $410,330 in 2025 dollars) by 1930 (Mazzarol et al., 2025b). The MBC, focusing on fruit exports, similarly entered the decade buoyed by its established cool stores and packing shed, and had even supplied electricity to the town of Mount Barker as a by-product of its operations (Mazzarol et al., 2025c).

However, the economic contraction that followed the Wall Street Crash rapidly began to affect farming communities across WA. Commodity prices collapsed, and with many soldier settlers and group settlers already undercapitalised, large numbers walked off their land between 1930 and 1936. Farmers' meetings proliferated across the Wheatbelt. At a meeting in Bencubbin in December 1930, over 300 growers debated the unsustainable price of wheat at 2 shillings per bushel. York District farmers were among those attending a major Perth conference in January 1931, attended also by delegates from the Wheat Growers' Union and Primary Producers' Association, demanding government price guarantees (Mazzarol et al., 2025a).

The response of Wesfarmers to this crisis was material and direct. During the Depression years, Wesfarmers invested in horizontal wheat silos across the Wheatbelt, each holding 14,000 tonnes, and constructed a bulk grain storage facility at Fremantle port. It also converted approximately 200 railway wagons for grain transport (Ayris, 1999; Zekulich, 1997). Charles Walter Harper estimated that this bulk handling infrastructure saved Wyalkatchem district farmers alone £21,000 (Baskerville, 2019). This investment indirectly supported the financial viability of both the QFCC and The Co-op York as wheat handling agents. The MBC, being in a different sector, was less directly affected, but the general improvement in rural infrastructure was nonetheless beneficial.

THE ESTABLISHMENT OF CBH AND WHEAT SECTOR TRANSFORMATION (1932–1935)

A pivotal economic development of this decade was the establishment of Co-operative Bulk Handling Ltd. (CBH) on 5 April 1933. As discussed, CBH was initially capitalised by funding from Wesfarmers and the Wheat Pool WA. This was a watershed moment for both The Co-op York and the QFCC. Prior to CBH, these co-operatives had served as the primary local agents for the receival and storage of bagged grain on behalf of Wesfarmers. The creation of CBH removed this function, transforming the nature of their relationship with Wesfarmers and compelling them to pivot their business models.

For The Co-op York, CBH's formation meant the gradual transition from a producer co-operative, engaged in wheat and grain handling, to a consumer-oriented general merchandise co-operative. CBH's significance to The Co-op York was that it enhanced the viability of the farmers who were the member-shareholders of the Co-operative while motivating the transition from a producer to a consumer co-operative (Mazzarol et al., 2025a). The Co-op York actively supported bulk handling and opposed those advocating for the retention of jute bags. A 1935 Central Settlers' meeting delegate was quoted as stating that 'practically all farmers in the areas served, whether members of the W.G.U. or not, used the bulk scheme' (York Chronicle, 1935a).

The impact of CBH on the QFCC was similar. At the QFCC AGM held on 20 June 1931, Walter Harper personally attended as a guest and addressed shareholders on the price of jute bags and the prospects for bulk grain handling in WA. A special general meeting of the QFCC was held in December 1932 to discuss a new agreement with Wesfarmers regarding wheat handling arrangements (QFCC, 1931; 1932). By July 1933 a committee was formed to investigate the establishment of grain handling facilities at Quairading (Mazzarol et al., 2025b).

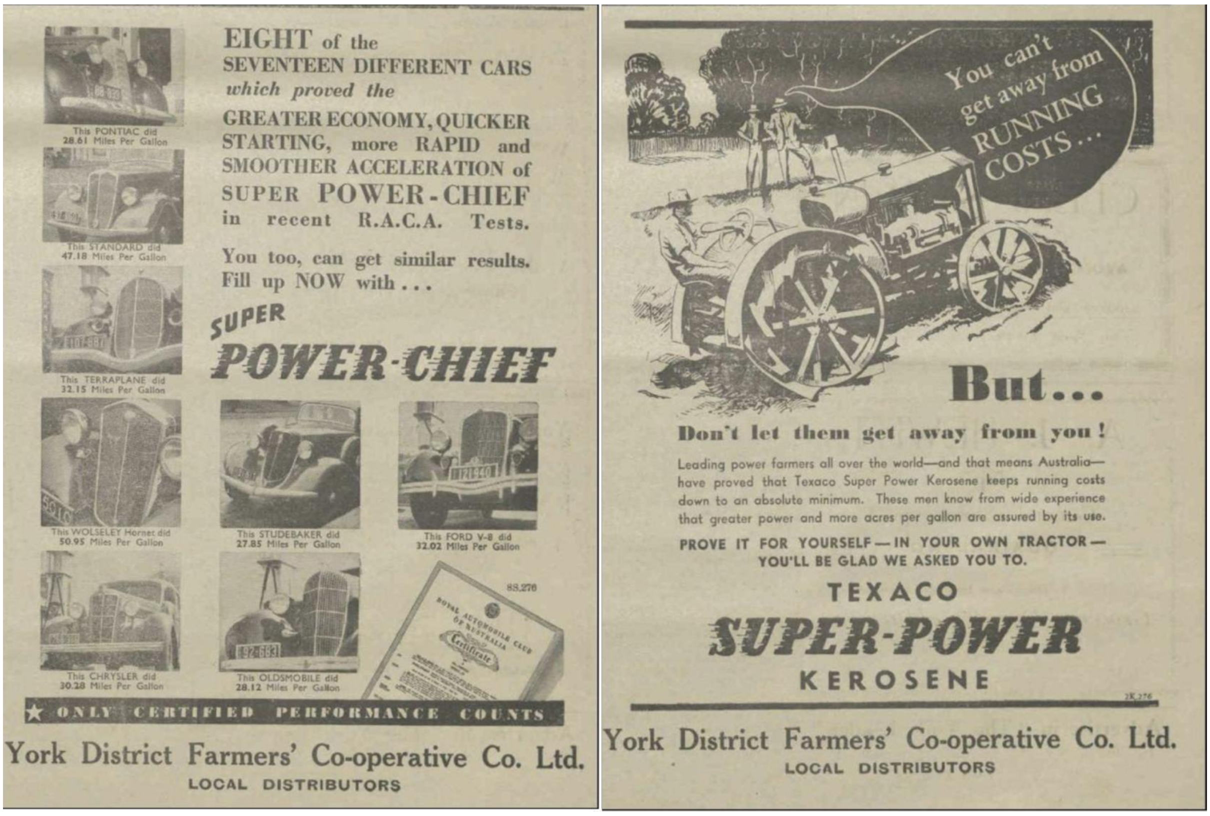
For the MBC, the picture was different. As a fruit-focused co-operative, the MBC was not part of the CBH story, but it faced its own structural economic challenges. By 1932 the fruit export market had partly revived, and the MBC exported over a quarter of a million cases of fruit. Critically, in 1932 the MBC established a joint office in London in partnership with Wesfarmers to manage European fruit exports and develop new market opportunities. This represented one of the most significant economic collaborations between the MBC and Wesfarmers during this decade (Groom and Gates, 2009). Archibald Booth, the MBC's Managing Secretary, had previously demonstrated his commitment to Wesfarmers' co-operative network by travelling to promote it at meetings in Gnowangerup and Tambellup in 1920 (Mazzarol et al., 2025c).

Diversification and Resilience (1935–1939)

As the worst of the Depression eased from around 1935, all three co-operatives demonstrated resilience and began to diversify. For The Co-op York, this involved the embrace of motor vehicle fuels. With Australia having no domestic oil refining, the distribution of petrol, oils, and kerosene became an important new revenue stream. The Co-op York became a local distributor for Texaco 'Superpower' kerosene and 'Power Chief' petrol, advertising prominently in the York Leader and Quairading and Dangin Herald throughout the mid-to-late 1930s (Mazzarol et al., 2025a).

Motor vehicle ownership had grown significantly across Australia during the 1920s and the distribution of motor cars, trucks, farm machinery, and the fuels and oils required to keep them operating was a significant opportunity for co-operatives like The Co-op York. For the community living in regional towns the ability to source these products from their local co-operative, in particular if the customer was also a member-shareholder in that co-operative, was an attractive option.

Figure 10: Advertising for Texaco Power Chief Petrol and Super-Power Kerosene, York Co-op 1936-1937



Source: York Leader and Quairading and Dangin Herald (1936; 1937).

At the QFCC, the AGM of 1935 chaired by Mr. A. Wilson reported a very successful year with annual turnover of £21,235 (approx. $256,008 in 2025 dollars) and net profit of £1,084 (approx. $130,717 in 2025 dollars), a significant turnaround from the lean years of 1932–1934 (York Chronicle, 1935b). By 1937, the QFCC's annual turnover had risen further to £24,715 (approx. $2.84 million in 2025 dollars), and new agencies including Ford products had been taken on. Investment in building improvements and plant amounted to around £1,100 (approx. $126,377 in 2025 dollars) for the year. The net profit was £889 (approx. $103,284 in 2025 dollars) (York Chronicle, 1937). By 1938, the QFCC had achieved its largest turnover since foundation, reaching £29,488 (approx. $3.3 million in 2025 dollars), with the Co-operative's Board discussing the potential establishment of a garage and service station, again reflecting the automotive revolution sweeping rural WA (Mazzarol et al., 2025b).

The MBC's diversification was perhaps the most strategically significant of the three. Having expanded into retail through a grocery store and sales agencies for stock, farming implements, cars and fuel during the mid-1930s, the MBC also invested in upgrading and expanding its packing shed in 1936, when the central shed was enlarged with five new fruit graders and three case-making machines (Mazzarol et al., 2025c).

Figure 11: Mount Barker Co-operative Packing Shed 1939

Source: Mount Barker Co-operative (1939).

As shown in Figure 11, the MBC packing shed used Australian standard dump cases with the fruit packed into layers to prevent movement during transport. In January 1939, the Co-operative commenced a 25-foot extension of its main building. The MBC also became an agent for the Orient Shipping Line in 1939, promoting ocean cruises (Southern Sentinel, 1951). Thomas Bath addressed the QFCC's 1937 AGM and reflected broadly on the growth of the co-operative sector. In 1921 only ten co-operative companies had been operating in WA. However, by 1936 that number had grown to thirty-four (York Chronicle, 1937).

SOCIAL DEVELOPMENT AND COMMUNITY ENGAGEMENT

While the depression years saw the co-operative sector, under the guidance of Wesfarmers, navigate the challenges of an economic downturn, Co-ops WA continued to provide information, education, guidance on governance, and engagement with the wider co-operative movement both within Australia and overseas. The co-operatives played an important role within their respective communities, creating jobs, providing patronage rebates, and issuing dividends. The AGMs and regular meetings held by Co-ops WA within the regional network also helped build and sustain the social capital of these communities.

AGM CULTURE AS SOCIAL CAPITAL

A cross-case observation of considerable significance is the social function of the Annual General Meeting (AGM) across all three co-operatives. In each case, the AGM served not merely as a governance mechanism, but as a major social event that reinforced community bonds, connected members to the wider co-operative movement, and provided an occasion for leadership from the

Boards of Wesfarmers and the Co-operative Federation to address, educate, and inspire members.

At the QFCC, the AGM format was well established by the 1930s with the general meeting starting around 2 pm and incorporating the Chair's address, financial report, director elections and also governance matters. This was followed by a supper break and a keynote speaker who was usually a senior representative from Wesfarmers and/or Co-ops WA, finally wrapping up with a music recital and social dance (Mazzarol et al., 2025b).

Walter Harper attended the QFCC AGMs in 1930, 1931, and 1935 as guest speaker, each time addressing shareholders on commodity markets, the co-operative movement, and the economic prospects for farmers. His 1935 address noted WA's co-operative movement was stronger than any other Australian state and warned against the fragmenting influence of separate farmers' organisations: he suggested it would be 'disadvantageous to the farmer' to operate multiple competing organisations (York Chronicle, 1935b). Thomas Henry Bath attended the 1937 AGM as keynote speaker, providing a comparative analysis of the QFCC's financial improvement from 1929-1930 to 1936-1937, and speaking optimistically about Australia's wheat price outlook. His talk was followed by a live orchestra and dance (York Chronicle, 1937).

Wesfarmers' concert orchestra also performed at the 1938 QFCC AGM. The Hon. W. D. Johnson MLA, who was also a Wesfarmers director, gave an after-dinner speech that year (York Chronicle, 1938). This consistent presence of Wesfarmers leadership at QFCC's AGMs underlines the degree to which Wesfarmers functioned not only as a commercial partner but as a social and cultural institution in rural WA's farming communities.

Community Infrastructure and Social Investment

Beyond the AGM, each co-operative contributed materially to its community's social development. The Co-op York provided employment in a town battling unemployment. The York Unemployment Committee, meeting from April 1932 under Mayor C. A. Foreman, coordinated relief activities including 'sustenance men' engaged in road post cutting (West Australian, 1932). The Co-op York maintained its position as a major employer and commercial anchor during this period. In 1937, the Board approved Directors' sitting fees of one guinea per Board meeting attended, reflecting both financial confidence and a professionalisation of the governance structure (Mazzarol et al., 2025a).

At Mount Barker, the MBC's social contribution was tangible in a literal sense. The Co-operative had been supplying electricity to the town from its cool stores since the early years of its operation. This continued through the 1930s. The MBC's twenty-first anniversary celebration in August 1939, held at the Plantagenet District Hall, was a major community event. The Chair, James McNeil Martin, received a gold watch paid for by the members, engraved with their gratitude for his twenty-one years of service. Recognition was also given to Managing Secretary Archibald Booth and long-serving directors Messrs W. J. D. Thomas and Ted Thomas (Mount Barker and Denmark Record, 1939). Mr. James McNeil Martin would continue to serve as Chair until 1964.

The QFCC's joint venture bakery established in 1937 with neighbouring co-operatives at Dangin (Dangin and South Caroling Co-operative Society Ltd.) and Balkuling (Balkuling Co-operative

Society Ltd.) was a particularly notable example of inter-co-operative social and commercial collaboration. The bakery operated within the DSCCS premises in Dangin. Inaugural meetings of the BDQ Bakery management committee were held in October and December 1938, and the three co-operative Boards met jointly in January 1939 to review costs and governance arrangements. The bakery represented the co-operatives collectively investing in a community resource that directly lowered the cost of bread and provided local employment (Mazzarol et al., 2025b).

Advocacy and collective action

All three co-operatives participated in or were represented within broader farmer and community advocacy initiatives during the Depression. Warren Marwick, the long-serving Chair of The Co-op York from its foundation in 1917 through to 1953, was actively engaged in this advocacy. In 1940, he participated in a special meeting of the Primary Producers' Association challenging the State Commissioner of Prices over the setting of price ceilings for beef and mutton, arguing that these were set too low to sustain farming businesses. A delegation including Marwick met the Commissioner and secured an increase in mutton prices (York Chronicle, 1940; 1941).

The QFCC's shareholders, as wheat growers, were similarly engaged in advocacy via the Wheat Growers' Union (WGU). A WGU meeting held on 15 August 1936 passed a resolution, reflecting the views of many QFCC shareholders, formally protesting the Australian Government's closing of wheat and wool markets with Japan, arguing that this would 'reduce farmers' income, raise farm living costs' (York Leader, 1936). This resolution illustrates the intersection of economic interest and political consciousness that characterised rural co-operative communities during this decade.

Governance

This period was also marked by changes in co-operatives legislation and regulations, which led the majority of the WA co-operative movement to undertake amendments to their Articles of Association.

Legislative context: The Companies Act Amendment Act 1929 (WA)

The most significant legislative development affecting the governance of all three co-operatives during this decade was the *Companies Act Amendment Act 1929 (WA)*, which came into force at the very outset of the Depression era. This legislation made specific provision for the registration and operation of co-operatives. It prohibited the use of the title 'Co-operative' by companies not otherwise registered under specified Acts. It also placed requirements on the distribution of dividends, limiting them to shareholders only, requiring that dividends be paid only after setting aside sufficient reserves, and mandating that surplus profits be distributed as bonuses in proportion to business done by shareholders – i.e., in accordance with co-operative patronage principles (CAA, 1929).

Both The Co-op York and the QFCC responded to this legislation with extraordinary general meetings to amend their Articles of Association. The Co-op York held its EGM on 30 August 1930, with three special resolutions proposed by Mr. Monger and supported unanimously: to amend the Memorandum of Association, to repeal and replace the Articles of Association, and to authorise the Board to register under the Companies Act as amended (YDC, 1930). This was a compliance-driven response ensuring the Co-operative retained its legal status and ability to trade as a co-operative (Mazzarol et al., 2025a).

The QFCC held a special general meeting on 6 September 1930 for the same purpose (Mazzarol et al., 2025b). However, the QFCC went further in its governance reforms during the decade. At the AGM of 8 July 1933, a motion was put and subsequently debated at a follow-up extraordinary general meeting on 5 August 1933, regarding the conditions under which debentures could be issued. A committee was formed to investigate and report. At the 1934 AGM (chaired by Mr. E. W. Shenton), substantive amendments were made to eleven sections of the Articles of Association including sections 22, 23, 26, 27, 34, 35, 37, 44, 45, 51, and 68, addressing how the company dealt with its financial, management and governance structures (QFCC, 1933a/b; 1934).

The MBC's governance story during the 1930s culminated in a name change on 13 September 1937, when an extraordinary general meeting of shareholders formally renamed it from the Mount Barker Fruitgrowers' Cool Storage Co-operative Society Ltd. to the Mount Barker Co-operative Ltd. This was not a mere administrative change but a strategic governance decision that widened the Co-operative's purpose from fruit cool storage to a broader consumer and retail co-operative model (Southern Sentinel, 1937). By doing so, the MBC's governance framework was aligned with its already-developing retailing activities.

The Co-operative Federation of WA: governance support and oversight

During this period, Co-ops WA played a distinctive governance role across the sector. By 1935, a Federation representative, Mr. Arnott, attended the QFCC's AGM and spoke in support of a proposed amendment to the Articles of Association to create a 'nominee director' appointed by the Federation's executive council. The motion proposed that the Board should include not fewer than three and no more than ten directors, plus one nominee director from The Co-operative Federation. Mr. Argus, who proposed the motion, explained that all directors had agreed to this arrangement to provide management support and to maintain a link to the Federation (York Chronicle, 1935b).

Mr. Arnott told the meeting that the Federation had been seeking to establish such nominee director roles across the WA co-operatives sector in order to support governance. He noted that since 1922, forty-eight co-operative companies had ceased trading due to poor governance. The QFCC, by contrast, had demonstrated the management and Board capability to provide sound governance. Despite some opposition from Mr. Parker and Mr. E. G. Shenton, who felt outside influence was against co-operative principles, the motion was carried 42 in favour to 4 against (York Chronicle, 1935b).

William E. Wishart, who had served as the QFCC's Manager from 1925 to 1935, was specifically chosen as the nominee director, having been released from his management duties. His appointment in this dual capacity, manager of QFCC then nominee director for the Federation, reflected the close interconnection between local co-operative management and the Federation's governance support network. Wishart subsequently accepted the position of manager of the Mount Barker Co-operative in 1938, a transition that demonstrated the movement of the available co-operative management talent across the sector (Mazzarol et al., 2025b/c).

The MBC had an even longer engagement with Co-ops WA, dating from the Federation's founding in 1919, when the MBC's delegates Archibald Booth and James McNeil Martin travelled from Mount Barker to attend the inaugural Co-operative Conference. At that meeting, held in Albany, MBC's Managing Secretary Booth stated clearly that the Co-operative's success rested on 'keeping politics away' from co-operative business, and that Wesfarmers would only ever be a wholesaler in Albany whereas the co-operatives could be retailers (Albany Dispatch, 1919).

Board composition and stability

A common governance feature across all three co-operatives was a high degree of Board continuity. The Co-op York's founding Chair, Warren Marwick, held office continuously from 1917 to 1953, spanning the entire period under review. He was supported throughout by Alexander J. Monger, who served as a director and frequently chaired meetings in Marwick's absence. The Board was refreshed annually, but retiring directors routinely stood for re-election unopposed (Mazzarol et al., 2025a).

The QFCC showed a more dynamic pattern of Board leadership across the 1930s. The Chair position rotated among a small group of experienced directors including James P. Waters, E. W. Shenton, S. C. Dall, A. Wilson, and T. H. Argus. This rotation brought different perspectives to the chair but maintained institutional continuity through the consistency of the same directors cycling through leadership roles (Mazzarol et al., 2025b). At the MBC, James McNeil Martin served as Chair from the Co-operative's foundation in 1918 until 1964, the longest serving Chair of any of the three co-operatives. His partner in leadership throughout this period was Managing Secretary Archibald Booth (Mazzarol et al., 2025c).

Management

Another important feature of the three co-operative’s performance during this period was their ability to attract and retain competent management teams. The economic impact of the Great Depression was particularly noticeable within the farming community due to falling commodity prices and rising input costs (Wilson, Layman and Christmas, 2004). While many co-operatives within the State experienced financial difficulties leading to their failure, the three companies examined here were able to successfully manage their finances, personnel and services so as to generate sustainable profits and even modest payments of dividends and trading rebates.

Management of financial distributions under stress

The management of financial distributions during the Depression was a test of the competency and prudence of each co-operative's Board and management team. Across all three co-operatives, the pattern was one of reduced but maintained dividends, with a careful management of reserves and bad debts.

At The Co-op York, dividends were reduced from 8 per cent in 1930 to 6 per cent for the years 1931 to 1934, the only year when funds were transferred to the Bad and Doubtful Debts Reserve was 1931, when £500 (approx. $60,294 in 2025 dollars) was set aside. From 1935, dividends rose to 7 per cent and then back to 8 per cent from 1936 onwards. Rebates were also introduced from 1936, adding £375 (approx. $44,262 in 2025 dollars) that year, £450 (approx. $51,700 in 2025 dollars) in 1937, and £500 (approx. $55,876 in 2025 dollars) in both 1938 and 1939 (Mazzarol et al., 2025a). This was a measured management response, protecting the co-operative's capital base during the peak Depression years, then returning value to members as conditions improved.

At the QFCC, dividends were maintained at 7 per cent in 1930 and 1931, falling to 6 per cent in 1932 and to 5 per cent in 1933 and 1934. Cash bonuses were paid even in the difficult years of 1933 and 1934. By 1938, the year of record turnover at £29,488 (approx. $3.3 million in 2025 dollars), the Co-operative distributed a 5 per cent dividend plus a profit share from store trading and agency of £449/14s/8d, with £5,533 transferred to general reserves (Mazzarol et al., 2025b).

Thomas Bath's 1937 address to the QFCC AGM provided an instructive comparison: at the start of the 1930s the QFCC had liabilities to creditors of £1,135 (approx. $130,398 in 2025 dollars) and a bank overdraft of £1,116 (approx. $133,960 in 2025 dollars), with directors under a joint and several guarantee to the bank. By 1937, liabilities to creditors had fallen to £188 (approx. $21,600 in 2025 dollars) and the bank was in credit by £791 (approx. $90,877 in 2025 dollars), with cash reserves of £5,334 (approx. $612,814 in 2025 dollars), a remarkable financial transformation (York Chronicle, 1937).

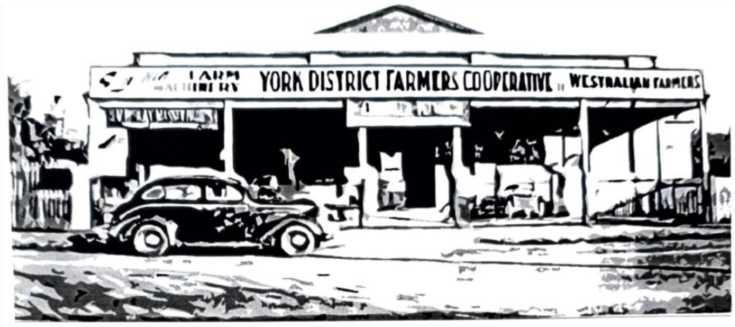
The MBC's financial management during the 1930s is illustrated by the AGM of 2 June 1932, at which the Chair reported a net profit of £959/15/4 (approx. $115,945 in 2025 dollars), for the year ending December 1931, despite the peak of the Depression. A 7 per cent dividend on paid-up capital was declared after taxation and reserve transfers. The MBC's Managing Secretary Booth reported that the Co-operative had contributed 70 per cent of all fruit exported from the port of Albany in 1931, a record 250,295 cases out of a total of 367,566, and that the cool stores had been completely full three times during the season (Mazzarol et al., 2025c).

Management of Key Personnel and Institutional Knowledge

The movement of management talent across the co-operative sector was a distinctive feature of the period. William Wishart's trajectory is instructive. Having served as QFCC Company Secretary from 1922 to 1924 and then as Manager from 1925 to 1935, he was seconded in 1935 to serve as a nominee director providing governance advice to co-operatives across WA. He then accepted the role of Manager at the Mount Barker Co-operative in 1938. The York Chronicle reported that 'during his term with the local company, he directed the business from a humble to a very strong concern' (York Chronicle, 1938, p. 4).

William 'Bill' Blackwell, who replaced Wishart as QFCC Manager from 1935 to 1948, demonstrated strong management credentials. Under his leadership the QFCC achieved its record turnover of 1938. He was particularly praised in AGM records for the effective management of the Co-operative's stores and the introduction of new product lines (Mazzarol et al., 2025b). Similarly, at the Co-op York, Gordon Fisher continued to serve as Company Secretary throughout the entire period under review, having been appointed in December 1917. His continuity in the secretarial role was a major factor in the consistent quality of the York Co-op's records and governance practices (Mazzarol et al., 2025a).

Figure 12: Gordon Fisher, Company Secretary & York District Farmers' Co-op Ltd store 1930s



Sources: Sunday Times (1937) and Batty Library BA853/9.

Figure 12 shows a photograph of Gordon Fisher and The Co-op York's original general store in the 1930s prior to the acquisition of the "Edwards Store" building located at 138 Avon Terrace in the 1950s. This heritage building was initially constructed in 1872 and progressively renovated over the course of many years. It remains the principal retail store of the Co-operative and a major building within the main street of York.

Wheat handling transition and commercial adaptation

One of the most significant management challenges faced by both The Co-op York and the QFCC during this period was the transition of their wheat handling role. From their foundations in 1916–1917, both co-operatives had served as Wesfarmers' local agents for the receival and storage of bagged wheat at local railway sidings. This role required capital investment in storage facilities and ongoing operational management of significant commodity volumes.

The creation of CBH in 1933 fundamentally changed this dynamic. At the QFCC, the Board moved quickly. A committee was formed in July 1933 to investigate establishing grain handling facilities in three locations, and by December 1932 a special general meeting had already been held to negotiate a new wheat handling agreement with Wesfarmers. Ultimately, CBH's establishment removed the need for this function entirely (Mazzarol et al., 2025b). Management at both of the co-operatives had to redirect their commercial focus to other income streams – merchandise, fuels, services, and (at the QFCC) the bakery joint venture.

For The Co-op York, the response was a more explicit embrace of retail commerce. The advertising campaigns for Texaco petroleum products in the local press from 1936 onwards reflect this strategic pivot. The Co-operative positioned itself not merely as a farmers' agent but as a local retailer and service provider (Mazzarol et al., 2025a). This transition would define The Co-op York's commercial identity for decades to come.

CROSS-CASE THEMES AND CONCLUSIONS

Looking at the period 1929 to 1939 several important themes emerge. Wesfarmers played a key role acting as both a commercial partner and as an institutional anchor point for the wider WA co-operative sector. This role was complemented by Co-ops WA, which served as a guardian of the governance integrity of the member co-operatives, not only assisting with administrative issues related to amendments to the co-operative legislation, but also the provision of support to the operational management of the co-operatives during challenging times. This included the active promotion of co-operative principles and best practice approaches. Finally, there was the need for the co-operatives to pivot their business models from that of producer co-operatives to consumer co-operatives with the establishment of CBH in 1933.

THE DUAL ROLE OF WESFARMERS: COMMERCIAL PARTNER AND INSTITUTIONAL ACTOR

Across all three co-operatives, Wesfarmers played a dual and complementary role. First, it was a commercial partner, providing distribution networks, agency relationships, commodity handling infrastructure, and, particularly for the MBC, export market access via the joint London office established in 1932 (Groom and Gates, 2009). Second, Wesfarmers functioned as an institutional actor in the co-operative sector, sending senior leadership to AGMs to address shareholders, providing capital for CBH alongside the Wheat Pool WA, and actively promoting the co-operative model across WA.

Charles Walter Harper's personal attendance at the QFCC AGMs in 1930, 1931, and 1935, and his willingness to address often difficult economic topics including the wheat price outlook and bulk handling, illustrates the degree to which Wesfarmers invested in its relationship with its affiliate co-operatives. Similarly, the presence of Wesfarmers' concert orchestra at social events signals the broader social and cultural engagement that Wesfarmers maintained with its co-operative network (Mazzarol et al., 2025b).

THE CO-OPERATIVE FEDERATION OF WA: GOVERNANCE GUARDIAN

The Co-operative Federation's role during the Depression was primarily that of a governance guardian. Its promotion of the nominee director model, explicitly endorsed at the QFCC's 1935 AGM, and noted in relation to the MBC from 1919, represented a proactive approach to preventing the kind of governance failures that had seen forty-eight WA co-operatives cease trading since 1922 (Mazzarol et al., 2025b). The Federation's representative Arnott acknowledged at the QFCC AGM that those failures were most likely financial in nature, exacerbated by the Depression, but that sound governance was the structural pre-condition for survival.

The Federation also provided an important connective tissue across the sector, facilitating the movement of management talent (as in Wishart's case), providing information and policy advocacy, and maintaining the institutional legitimacy of the co-operative model in WA during a period when its commercial viability was under significant pressure.

RESILIENCE THROUGH CO-OPERATIVE PRINCIPLES

Perhaps the most striking cross-case finding is the resilience of all three co-operatives through the Depression years. None failed. All three maintained dividend distributions throughout the decade, albeit at reduced rates during the worst years. All three emerged from the 1930s financially stronger, more diversified, and better governed than they had entered it. The QFCC's transformation from a debt-laden business in 1929-1930 to a financially secure enterprise with substantial cash reserves by 1937 is particularly remarkable (Mazzarol et al., 2025b).

This resilience reflected several common factors: long-serving and experienced leadership (Marwick at York, McNeil Martin at MBC, and a rotating but continuous group of directors at QFCC). Additionally, there was the practical and financial support of Wesfarmers, the governance framework provided by Co-ops WA, and the fundamental alignment of co-operative purpose with member interests, which ensured that the organisations remained focused on serving their communities rather than maximising extractable profit.

THE BEGINNING OF A SHIFT TO CONSUMER CO-OPERATIVES

The decade of the 1930s marks the beginning of an important transition in the nature of all three co-operatives. Driven by the loss of their wheat handling role (for York and Quairading) and the diversification into retail (for all three), these organisations were evolving from the original producer co-operatives, focused on marketing and distributing their members' agricultural outputs, to consumer co-operatives, focused on providing goods and services to their members and the wider community. The Co-op York's embrace of petroleum distribution, the QFCC's pursuit of a service station, and the MBC's grocery store and retail agencies were all early expressions of this shift (Mazzarol et al., 2025a/b/c). This transformation, catalysed by the Depression and the creation of CBH, would define the character of these co-operatives for the remainder of the twentieth century.

CHAPTER 5: WAR AND POST WAR MATURITY – 1940 TO 1983

This chapter examines the period from 1940 to the early 1980s. It was a period of consolidation of the progress made by Wesfarmers and Co-ops WA during the inter-war and Depression years. During this period the two organisations continued to collaborate and complement each other, with Wesfarmers focusing on the commercial and economic management of the co-operative network, while Co-ops WA focused on education and training for the co-operative movement across the State, promoting co-operative principles, and promoting co-operative and mutual legislative structures. It supported the emergence of Credit Unions during the 1950s and 1960s, and also fishing and Aboriginal co-operatives during the 1950s through to the 1980s.

A CHRONOLOGY OF WESFARMERS AND CO-OPS WA ACTIVITIES FROM 1940 TO 1983

THE FULL-SERVICE CO-OPERATIVE ECONOMY

By the 1940s, Wesfarmers had developed into a vertically integrated service organisation of remarkable scope. The range of its activities encompassed numerous areas. This included wheat and general merchandising, wool, livestock, skin and produce auctioneering, plus grain and fruit export Additionally, this encompassed country distribution for Commonwealth Oil Refineries, insurance underwriting, and acting as acquiring agent for the Wheat Pool of Western Australia (Thompson, 2014). The co-operative had premises at 563–571 Wellington Street in the Perth CBD and at Newman Street, Fremantle (Thompson, 2014).

TRANSPORT ACQUISITIONS: ASHBURTON AND GASCOYNE (1949–1950)

In 1949, Wesfarmers acquired Ashburton Transport, a northwest WA carrier that was loss-making at the time of purchase. The following year it acquired Ashburton's major competitor, Gascoyne Trading, combining the two operations to create a vertically integrated supply chain serving the remote northwest of the state (Thompson, 2014). The merged operation carried wool and mail from the north, returning with stores, food, and equipment from Perth; it also carted bananas from Carnarvon to Perth, supporting the horticultural co-operatives of the Gascoyne region (Thompson, 2014) Gascoyne Trading introduced refrigerated transport to the northwest and three-trailer road trains capable of carrying loads up to 115 tonnes, representing a significant advance in regional logistics (Thompson, 2014).

Through the 1940s and 1950s, the Wheatbelt co-operatives functioned as mature multi-service agents for Wesfarmers across farm machinery, livestock sales, fuel, insurance, and general merchandise. The annual reports of both The Co-op York and QFCC show profit distributions calculated separately for store trading income and Wesfarmers commission income, reflecting how deeply the agency arrangements shaped their financial models (Mazzarol et al., 2025a/b).

ACHIEVING GROWER CONTROL OF CBH: 1943

A critical governance milestone for the wider co-operative sector was achieved in 1943, when the question of ultimate ownership and control of CBH was resolved in favour of direct grower membership (Mazzarol et al., 2024a). Thomas Bath served as Vice-Chair and then Chairman of CBH from 1943 to 1948, overseeing the consolidation of grower-controlled governance at the nation's most important agricultural infrastructure body (Gibbney, 1979; Mazzarol et al., 2024a).

CBH repaid its founding capital in August 1943, ahead of the 1948 deadline, and grower control was transferred as constitutionally promised. Wesfarmers' role shifted formally from governing trustee to that of a mentoring parent. The CBH Board and General Manager Henry Braine travelled the Wheatbelt holding public meetings to explain the transition, and public campaigning emphasised 'the co-operative spirit' as a criterion for Board membership (Mazzarol et al., 2024a).

In 1947–1948, the MBC expanded its Wesfarmers partnership in two directions. First, the London fruit export agreement was extended under a new Western Australian Co-operative Fruit Export Partnership, and Wespak Pty Ltd was launched in partnership with Wesfarmers and the Co-operative Wholesale Services to wholesale locally produced fruit and vegetables domestically (Mazzarol et al., 2025c).

In 1951, CBH and the Wheat Pool WA jointly established Westralian Wheat Buildings Pty Ltd, a property investment subsidiary whose name acknowledged the Wesfarmers lineage. The company purchased His Majesty's Theatre in Perth, described by Braine as a 'people's theatre' serving 'the common good.' A 1952 Shakespearean season attracted the Governor, Premier, and cabinet members (Mazzarol et al., 2024a).

Senior Wesfarmers personnel continued to attend QFCC and York AGMs as keynote speakers throughout the 1940s and 1950s. This included Mr. H. J. McCann, Assistant General Manager, Mr. J. H. Worthington, Secretary, Mr. Irwin Hunter, Livestock Superintendent, and Mr. Ernest Thorley Loton, Chairman. All these people addressed member co-operative gatherings such as AGMs and conferences, providing financial governance advice, international co-operative comparisons, and strategic guidance (Mazzarol et al., 2025b).

The death of the triumvirate and generational change (mid-1950s)

The mid-1950s brought a leadership crisis to the sector. Charles Harper, Thomas Bath, and William Johnson, the three men who had dominated Co-ops WA, Wesfarmers, and the shaping of the WA co-operative legislative framework for three decades, all died within a few years of each other (Baskerville, 2019; Smith, 1983; Gibbney, 1979). Bath died in November 1956, Harper also in 1956. This forced Co-ops WA to find a new way and a new direction, although this took a while to achieve (Baskerville, 2019; Farm Weekly, 2019).

Staff training and social capital: From the 1950s

From 1956, Wesfarmers seconded resources to support the Co-ops WA’s formal staff training program, conducted in partnership with Perth Technical College (later Curtin University). In the first year, 139 staff from member co-operatives attended 11 courses, with a further 46 enrolled in bookkeeping correspondence courses (Baskerville, 2019). By 1963 the program had expanded to 24 courses covering merchandising, display, salesmanship, and store management, supported by a Staff Training Organiser seconded from Wesfarmers (Baskerville, 2019). The T. H. Bath Memorial Library, established in 1956 in honour of Thomas Bath, provided a co-operative literature lending library to support this educational mission (Baskerville, 2019).

Figure 13: QFCC Advertising (1930) and William "Bill" Blackwell (1955)

Source: Western Mail (1930a); W. Blackwell (Stanford, 1955).

Co-ops WA: Personnel exchange and ideological custodianship

In 1948, William 'Bill' Blackwell, who had served as QFCC Company Secretary from 1931 to 1935 and then as Manager until 1948, was appointed Secretary of the Co-operative Federation of WA. Blackwell had migrated from England in 1928 specifically to participate in the WA co-operative movement, drawing on his experience with British co-operatives. His appointment meant the QFCC had contributed one of its most experienced managers to lead the statewide federation, a remarkable instance of a regional co-operative providing leadership capacity to its peak body (Mazzarol et al., 2025b).

In his new Federation role, Blackwell returned regularly to the QFCC AGMs throughout the 1950s. At the 1950 AGM, he argued successfully against a shareholder motion to distribute the reserve fund, protecting the co-operative's financial resilience. At the 1956 AGM, he delivered a keynote address on co-operative models in England and Scandinavia, connecting a small Wheatbelt co-operative to the global co-operative movement through his personal international knowledge (Mazzarol, 2025b).

In the financial year ending 1964, valuers from Co-ops WA undertook a revaluation of stock at The Co-op York and found it had been undervalued in the preceding year. The correction more than doubled the York co-operative's net profit for the year, a concrete instance of Co-ops WA's technical and financial services having direct material impact on a member co-operative's financial position (Mazzarol et al., 2025a).

Around 1967, following the unexpected death of long-serving Manager of The Co-op York, Bill Fricker, Co-ops WA assisted the co-operative in finding a replacement manager, demonstrating the Federation's role as a professional network resource for member co-operatives facing operational crises in regional towns with limited management talent (Mazzarol et al., 2025a).

Britain, the EEC, and market diversification

The single most disruptive external event for WA agriculture in the post-war period was Britain's entry into the European Economic Community (EEC) in January 1973, which ended Commonwealth Preference and abruptly closed WA's most important export market for wheat, wool, fresh and dried fruit and other primary products (Baskerville, 2019). Wesfarmers, working alongside Co-ops WA, was actively involved in developing new markets in Asia and the Middle East to replace the British trade, areas in which Wesfarmers' scale and institutional relationships gave it a role the smaller local co-operatives could not have played independently (Baskerville, 2019).

Fertilisers: the CSBP acquisition (1979)

In 1979, Westralian Farmers acquired a controlling interest in Cuming Smith British Petroleum & Farmers Ltd. (CSBP), now CSBP Fertilisers – a name originating from Cuming, Smith & Co., a Melbourne-based fertiliser and chemicals manufacturer established in 1872 – in a transaction valued at approximately $60 million, described at the time as the largest corporate acquisition in Australian history (Thompson, 2014). The acquisition completed the vertical integration in fertiliser supply that Walter Harper had begun with the 1927 one-third ownership stake in Cuming Smith. For WA farmers and the co-operative sector, CSBP ownership meant that the production of superphosphate, the essential input for broadacre grain growing on WA's phosphorus-deficient soils, was now controlled by an organisation whose mandate was to serve growers' interests (Thompson, 2014; Smith, 1983).

Rural depopulation and the viability of local Co-operatives

From the 1950s onward, the combination of farm mechanisation, improved transport, and rural depopulation progressively undermined the commercial viability of many of the smaller regional local co-operative enterprises (Baskerville, 2019). Co-ops WA debated repeatedly through this period whether amalgamation of local co-operatives was a necessary response to demographic change, and the aphorism 'amalgamate or stagnate' became a touchstone of internal discussions (Baskerville, 2019). Wesfarmers' commercial role in this environment was to provide scale economies to local units through bulk purchasing, logistics, and shared marketing that small individual stores could not have achieved alone (Thompson, 2014; Baskerville, 2019).

The 1940s: Wartime pressures, grower control and consolidation

This section and those that follow examines the engagement of four Western Australian co-operatives with Wesfarmers and Co-ops WA over the period 1940 to 1983. The four co-operatives under examination are The Co-op York, QFCC, MBC and CBH. Analysis is cross-case and organised chronologically by decade, examining each co-operative's engagement in relation to four themes: i) economic success, ii) social development, iii) governance, and iv) management. This initial section focuses on the 1940s which were marked by the pressures from World War Two, the transfer of CBH ownership from the Wesfarmers and Grain Pool WA trustees to the members of CBH, and the overall consolidation of the WA co-operative movement.

ECONOMIC SUCCESS

The defining economic event of the decade for the WA co-operative sector was the transfer of ownership of CBH to its grower-members in 1943, five years ahead of the 1948 deadline stipulated in the founding deed of trust (Mazzarol et al, 2024). The repayment of the seed capital ahead of schedule ended Wesfarmers' and the Wheat Pool of WA's controlling role and vested ownership in the grower-members, marking CBH's formal independence as a grower-controlled co-operative (CBH, 1942; 1944). During August 1943 the CBH directors and General Manager Henry Braine travelled the Wheatbelt holding public meetings to explain the new ownership arrangements (Perenjori Pioneer, 1943). The transfer of ownership from the Wesfarmers and Grain Pool WA trustees to the member-shareholders of CBH was a critical event for the bulk handling co-operative, although Wesfarmers continued to provide a mentoring role for the next four decades (Mazzarol et al., 2024a).

For the regional consumer co-operatives, the wartime economy brought both challenges and continuity in their Wesfarmers relationships. The Co-op York, the QFCC, and the MBC each continued their roles as Wesfarmers agents during the 1940s, handling livestock, farm machinery, fuel, and general merchandise (Mazzarol et al., 2025a,b,c). The QFCC began the decade operating two general stores, a joint venture bakery (the BDQ Bakery, est. 1937), and a stock agency for Wesfarmers in the sale of prime livestock including sheep and pigs, as shown in advertisements from the early 1940s (see Figure 13). The MBC during the 1940s extended its export agreement with Wesfarmers in London under the Western Australian Co-operative Fruit Export Partnership, and launched a joint venture, Wespak Pty Ltd., in partnership with Westralian Farmers and Co-operative Wholesale Services, to wholesale locally produced fruit and vegetables to other co-operatives in the State (Groom and Gates, 2009). The financial performance of the three consumer co-operatives across the decade was solid despite wartime disruptions. The QFCC generated total turnover equivalent to $15.75 million in 2023 dollars, with an annual average NPAT of $183,951 in 2023 dollars, paying 5 per cent dividends on paid-up capital along with cash bonuses associated with store and agency trading (CSR 2502, pp. 75–76, 91). The Co-op York continued to pay regular dividends throughout the decade, maintaining its Wesfarmers agency functions including wheat handling and livestock services. The MBC packed over 125,000 cases of fruit at its central packing sheds in 1947, and a further 60,000 cases at the Kendenup shed, demonstrating resilience despite labour shortages (CSR 2503, p. 49).

SOCIAL DEVELOPMENT

The Co-operative Federation of WA played an active social and educational role across all four co-operatives during the 1940s. The QFCC's AGMs during this decade followed an established formula: a formal meeting followed by supper, a keynote address by a senior representative of Wesfarmers or Co-ops WA, and entertainment culminating in a social dance. This was a valuable opportunity for social capital to be created, strengthened and sustained, within its membership base, and between the QFCC and the wider state, national and international co-operative movement network (Mazzarol et al., 2025b).

Figure 14: Wesfarmers advertising livestock and farm machinery with QFCC as agent

AUCTIONS

QUAIRADING
Fourth Annual Sale of "Dallveen" Studs

186 BRITISH BREED AND CORRIEDALE RAMS 186

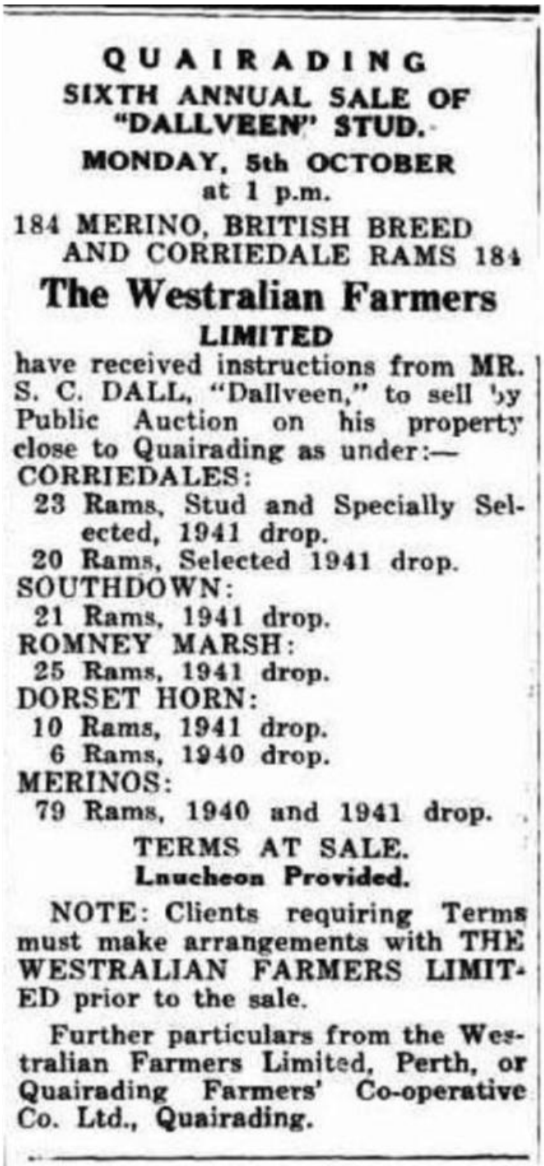
MONDAY, SEPTEMBER 30, 1940
AT NOON

The Westralian Farmers
LIMITED

Have received instructions from S. C. DALL, Esq., "Dallveen," Quairading, to sell by PUBLIC AUCTION on his property close to Quairading as under:—

ROMNEY MARSH RAMS:
43 Rams, 1 year old.
32 Rams, 2 years old.
SOUTHDOWN RAMS:
26 Rams, 1 year old.
34 Rams, 2 years old.
CORRIEDALE RAMS:
35 Rams, 1 year old.
10 Rams, 2 years old.
DORSET HORN RAM LAMBS:
5 Ram Lambs.
PIGS
Pedigreed Canadian Berkshires:
6 Boars, approximately six months old.

Terms at Sale — Luncheon Provided
NOTE.—Clients requiring Terms, must make arrangements with the Selling Agents before the sale.
Further particulars from:—
THE WESTRALIAN FARMERS LIMITED, Perth, or QUAIRADING FARMERS' CO-OPERATIVE CO., LTD., Quairading.



QUAIRADING
SIXTH ANNUAL SALE OF "DALLVEEN" STUD.
MONDAY, 5th OCTOBER
at 1 p.m.

184 MERINO, BRITISH BREED AND CORRIEDALE RAMS 184

The Westralian Farmers
LIMITED

have received instructions from MR. S. C. DALL, "Dallveen," to sell by Public Auction on his property close to Quairading as under:—

CORRIEDALES:
23 Rams, Stud and Specially Selected, 1941 drop.
20 Rams, Selected 1941 drop.
SOUTHDOWN:
21 Rams, 1941 drop.
ROMNEY MARSH:
25 Rams, 1941 drop.
DORSET HORN:
10 Rams, 1941 drop.
6 Rams, 1940 drop.
MERINOS:
79 Rams, 1940 and 1941 drop.

TERMS AT SALE.
Lnucheon Provided.

NOTE: Clients requiring Terms must make arrangements with THE WESTRALIAN FARMERS LIMITED prior to the sale.

Further particulars from the Westralian Farmers Limited, Perth, or Quairading Farmers' Co-operative Co. Ltd., Quairading.

Sources: Northam Advertiser (1940); Wheatbelt Tribune and Koorda Record (1942).

Key Federation and Wesfarmers personalities regularly attended AGMs and community events. Walter Harper attended QFCC AGMs in 1935 and 1936 as a representative of Wesfarmers, and the 1948 AGM as Chair of Co-ops WA. Thomas Bath attended the 1937 QFCC AGM as keynote speaker to discuss co-operative values, bulk grain handling, and the QFCC's financial achievements (Mazzarol et al, 2025b). The Federation's Eastern Districts Council held a meeting at Bruce Rock in February 1946 attended by twenty-one delegates from co-operatives in Dangin, Quairading, Bruce Rock, Kellerberrin, Totadgin, Shackleton, and Balkuling, discussing CBH wheat receival documentation and the question of meat grading and abattoir ownership (York Leader, 1946a).

The opening of the BDQ Engineering Works at Quairading on 3 July 1948 was itself a notable community and social event. Walter Harper, as Chair of Co-ops WA, presided over the ceremony, describing Quairading as "an excellent example of the Co-operative movement" (York Chronicle, 1948, p. 6). Co-ops WA had assisted the QFCC in navigating the complex legal and financing arrangements for the joint venture, and Harper's presence at the opening signalled the Federation's endorsement of this model of inter-co-operative collaboration (Mazzarol et al., 2025b). After the formal proceedings, Harper spoke to shareholders about co-operatives more broadly and advised farmers to "consolidate their position" (York Chronicle, 1948, p. 6). The MBC meanwhile provided electricity to the town of Mount Barker for 25 years, a social infrastructure role that its Chair James McNeil Martin later noted had not been interrupted by a single mechanical blackout during that entire period (Mazzarol et al., 2025c).

GOVERNANCE AND MANAGEMENT

The most significant governance development of the decade was the transfer of CBH to grower control in 1943. Prior to the transfer, CBH had been governed by eight trustees, four each from Wesfarmers and the Wheat Pool WA. Following the transfer, the Co-operative moved to a member-elected Board based on the one-member-one-vote principle, regardless of the volume of grain delivered (Mazzarol et al., 2024a). Thomas Bath, who had been a Wheat Pool WA trustee on the CBH Board since 1933, became the first elected Chairman, serving until 1947 (Mazzarol et al., 2024a). CBH's annual reports formally changed their heading from "Report of the Directors to growers who have advanced tolls" to "Report of the Directors to all active growers (who are shareholders of the company)" following the 1943 transfer (CBH, 1942; 1944), reflecting the constitutional significance of the change.

For the QFCC, a significant governance innovation introduced in the 1930s continued through the 1940s. This was the presence of a Federation nominee director on the QFCC Board. This role, enshrined in an amendment to the Articles of Association in 1935, had been justified by Co-ops WA representative Mr. Arnott on the basis that 48 co-operatives had ceased trading since 1922 due to poor governance, whereas the QFCC had demonstrated sound governance (York Chronicle, 1935b). The nominee director, initially the QFCC's own manager William E. Wishart, maintained an ongoing link between the QFCC's Board and the Federation's standards of co-operative practice (York Chronicle, 1938). At the 1947 QFCC AGM, the Board reported that it had deferred a staff savings scheme after discovering "certain irregularities in The Co-operative Federation of WA scheme", suggesting that member co-operatives exercised independent scrutiny of Federation matters (QFCC, 1947).

The QFCC's 1947 AGM also recorded the deferral of a transfer of registration from the Companies Act to the Friendly Societies Act, an option that had been approved in 1946, because the State Registrar had imposed conditions considered unacceptable by the Board. The Secretary of Co-ops WA had facilitated discussions about housing for co-operative staff at a Managers' Conference in August 1948, under the agenda item "Housing Problems", reflecting a sector-wide management challenge being addressed collectively (QFCC, 1948). Co-ops WA also assisted in management succession. For example, the QFCC's long-serving Manager William E. Wishart had been seconded to the Federation as a nominee director providing governance advice to co-operatives across the

State, before being appointed Manager of the MBC (York Chronicle, 1938), creating a direct cross-organisation personnel link facilitated by the Federation.

THE 1950S: POST-WAR PROSPERITY, INFRASTRUCTURE GROWTH, AND DEEPENING AGENCY RELATIONSHIPS

During the 1950s Australia enjoyed a post-war economic boom and steady growth in the critical infrastructure (e.g., road, rail, water, power, telecommunications) across the Wheatbelt and other regions of the state. CBH, which had expanded its grain storage and handling infrastructure, mostly at the request of the Australian Wheat Board (AWB), which required the construction of additional storage for wartime purposes, continued to develop its facilities across the Wheatbelt and regional export ports (Mazzarol et al., 2024a). The other three co-operatives also invested in their own local infrastructure and deepened their agency relationship with Wesfarmers.

ECONOMIC SUCCESS

The 1950s was a decade of strong economic growth for all four co-operatives, driven by buoyant commodity prices following the Korean War (1950–1953) and expanding export markets. CBH membership grew from 9,673 in 1950 to 12,736 by 1959, receival sites increased from 248 to 275, and total grain received during the period exceeded 11 million tonnes (Mazzarol et al., 2024a). CBH commenced handling of oats and barley alongside wheat during the decade, broadening its economic base and deepening its service to grower-members (Mazzarol et al., 2024a). Walter Harper and Thomas Bath both retired from the CBH Board in 1953 and 1954 respectively, each having served 21 years (Gibbney, 1979; Smith, 1983). Their successor as Wesfarmers Chair, Sir Ernest Thorley Loton, would carry the relationship with the regional co-operatives forward.

For The Co-op York, the Wesfarmers agency relationship remained economically central throughout the 1950s. The Co-operative acted as a real estate agent for Wesfarmers in the sale of farm properties, including a well-publicised sale in December 1950 of the Burges family property "Wooregong" encompassing 2,561½ acres (Avon-Argus and Cunderdin-Meckering-Tammin Mail, 1950). In April 1954, a new pig sales yard was opened by Wesfarmers in York, attended by the Mayor, the Co-op York Chair Peter Monger, and past Chair Warren Marwick (Northam Advertiser, 1954).

Rebate distributions during the decade explicitly differentiated between store trading income and commissions earned via Wesfarmers agencies (livestock, real estate), Caltex (fuel), and Massey Ferguson (tractors and machinery). For example, in 1957 the formula was 6d in the £1 on store trading, and 4s/- in the £1 on commissions earned from Wesfarmers, and 3s/8d per drum on Caltex Bulk Fuel. Dividends were paid at 5 to 6 per cent of paid-up capital throughout the decade (Mazzarol et al., 2025a).

The QFCC experienced a prosperous decade, issuing annual dividends of 5 per cent on paid-up capital along with trading bonuses paid as interest-bearing debentures (4 per cent). The 1955 AGM reported annual turnover of £113,637 (approximately $4.8 million in 2024 dollars), and the 1958 AGM reported £145,255 (approximately $5.6 million in 2024 dollars) (Mazzarol et al., 2025b).

Figure 15: Sir Ernest Thorley Loton, Wesfarmers Chair 1958

Sources: E. T. Loton (RASWA 1958).

The acquisition of the Dangin and South Caroling Co-operative Society Ltd. (DSCCS) in 1955, following that co-operative's financial failure, expanded the QFCC's shareholder base and removed a liability from the joint BDQ ventures. The QFCC also secured a full Ford Motor Company franchise during the decade, replacing its earlier Chrysler dealership (QFCC, 1950; 1951b). By the end of the 1950s it served as agent for Ford Motors, Wesfarmers, Caltex Oil, Southern Cross Windmills, and National Mutual Life Assurance (Mazzarol et al., 2025b). The MBC recorded its first annual turnover in excess of £250,000 in 1952, unprecedented in its 33-year history, enabling a 5.5 per cent dividend on paid-up capital (Mazzarol et al., 2025c).

SOCIAL DEVELOPMENT

Wesfarmers' senior leadership continued to make regular appearances at the AGMs of regional co-operatives, sustaining the social bonds that underpinned the co-operative network. At the QFCC's 1956 AGM, Bill Blackwell, Secretary of the Co-ops WA, delivered a keynote address to the meeting on co-operative matters in England and Scandinavian countries, while Irwin Hunter, Superintendent of Livestock at Wesfarmers, also spoke (QFCC, 1956). At the 1958 QFCC AGM, Sir Ernest Thorley Loton, Chairman of Wesfarmers and Bill Blackwell from Co-ops WA delivered keynote addresses (QFCC, 1958). As the minutes recorded, Sir E. T. Loton gave a very interesting address to the meeting, which was followed by a talk by Mr. Blackwell (QFCC, 1958).

Loton's visits to QFCC were not isolated. During his time as Chair, he visited most of the regional co-operatives across the network. Along with Walter Harper, John Thomson and Warren Marwick, Loton regularly visited co-operatives in Bunbury, Busselton, Bridgetown and Albany, with the Co-ops WA and Wesfarmers delegation dressed in business suits and travelling in a company car, a black eight-cylinder American Nash, which the Wesfarmers General Manager John Thomson usually drove (Thompson, 2014).

The MBC's social contribution during the early 1950s was defined by the end of its 25-year role as electricity supplier to the town of Mount Barker. When the State Electricity Commission (SEC) connected the town to the main electricity grid in 1953, Chair McNeil Martin noted at the AGM that during those 25 years there had not been a single blackout due to mechanical trouble (Mazzarol et al., 2025c). This contribution to community infrastructure reflected the broader social function of the MBC in the Mount Barker district that extended well beyond its commercial operations. The QFCC's earlier acquisition of the DSCCS in 1955 was also a social act. By absorbing a failing neighbouring co-operative, the QFCC protected the financial interests of the DSCCS shareholders and maintained services to the Dangin community (Mazzarol et al., 2025b).

GOVERNANCE AND MANAGEMENT

At the QFCC's 1951 AGM, Bill Blackwell, Secretary of Co-ops WA, supported a motion to increase the QFCC's authorised capital from £4,000 to £8,000, speaking of the financial difficulties facing many WA co-operatives due to rising costs (QFCC, 1951a). The Federation's support was important in persuading QFCC shareholders to increase their co-operative's capital base. Co-ops WA also participated in decisions about share capital thresholds and member obligations, providing governance guidance grounded in sector-wide experience (Mazzarol et al., 2025b).

For CBH, the decade saw the formalisation of financial reporting under standardised formats influenced by UK company legislation adopted in 1947, with CBH issuing annual reports showing separately the accounts of CBH and its subsidiary CBH Investment Pty Ltd. (Mazzarol et al., 2024a). The succession at CBH Board level from Thomas Bath (Chair until 1947) to Walter James Russell (1947–1959) marked the consolidation of grower governance (Mazzarol et al., 2024a). Walter Harper retired as Wesfarmers Chair in 1953 and from the CBH Board in 1954, closing the founding era of shared leadership that had defined the CBH-Wesfarmers relationship since 1933. As his biographer noted, Harper had been the key figure who "fostered and cared for" the WA co-operative movement (Smith, 1983).

The QFCC's long-serving Manager Charles "Charlie" Lindorff joined as Secretary in 1948, providing a new era of management continuity that would serve the co-operative until 1987. The handover from Wally Knox as Manager (1948–1956) to Lindorff (1956–1987) provided the QFCC with an unprecedented period of stable management through which its Wesfarmers and Federation relationships were maintained and deepened (Mazzarol et al., 2025b).

THE 1960S: PEAK PROSPERITY, STRUCTURAL TRANSITIONS, AND NETWORK TENSIONS

During the 1960s the WA co-operative movement experienced continued growth due to strong performance across most areas of the Wheatbelt with bountiful grain harvests. By contrast, the fruit industry in Mount Barker and adjacent areas began to decline steadily from a peak in the mid-1950s to a low point by the mid-1960s.

ECONOMIC SUCCESS

The 1960s was the most prosperous decade for the QFCC and The Co-op York. CBH continued its strong growth, with membership growing from 13,566 in 1960 to 15,509 in 1969, receival sites from 283 to 300, and total grain received over the decade exceeding 22.6 million tonnes, with the 1969 season alone delivering more than 3.23 million tonnes (Mazzarol et al., 2024a). The QFCC achieved continuous growth in annual turnover averaging $7.3 million in 2023 dollars equivalents, with a total for the decade exceeding $58.4 million in 2023 dollars equivalents, and total net profits exceeding $3.3 million in 2023 dollars equivalents. Dividends were paid at 5 per cent for 1960–1962 and then 6 per cent from 1963–1969, with trading debentures bearing 4 per cent interest (Mazzarol et al., 2025b). By the early 1960s the QFCC employed 45 people, making it one of the largest employers in the Quairading district (Mazzarol et al., 2025b).

For The Co-op York the decade saw continued strong financial performance. At the 1962 AGM Chair Peter Monger announced that annual turnover had increased by £20,000 to £143,000, with record profit of £5,200 (approximately $179,233 in 2023 dollars) (YDC, 1962). The 1964 AGM reported annual turnover of £149,257 and a net profit of £10,894 (approximately $362,702 in 2023 dollars), more than double the previous year, attributed primarily to increased commissions earned on Wesfarmers and Massey Ferguson sales (YDC, 1964). Rebate distributions show a consistent formula throughout the decade. This comprised 7 per cent dividend on paid-up capital plus rebates of 2s/6d in the £1 on commissions earned via Wesfarmers and Massey Ferguson, 1.5 per cent of store trading, and 3s/8d per drum on Caltex fuel (Mazzarol et al., 2025a).

The MBC experienced diverging economic fortunes during the decade. Apple production at Mount Barker had peaked in 1954 and by 1964 had declined by more than half (Mazzarol et al., 2025c). In response, the MBC entered a seed cleaning business partnership with Wesfarmers and, when Wesfarmers exited the venture a year later, the MBC was persuaded by local farmers to acquire the seed cleaning shed and continue operations independently as Southern Seeds Pty Ltd (Groom and Gates, 2009). In 1966 the MBC leased retail space vacated by David Jones (WA) Ltd. and purchased the site in 1969, expanding its consumer retail operations (Groom and Gates, 2009). The establishment of Southern Seeds also reflects the MBC's capacity to take on commercial ventures initiated through Wesfarmers partnerships and sustain them independently.

Social Development

The 1960s saw Co-ops WA and Wesfarmers actively engage in discussions about the future structure of the WA co-operative sector. In May 1966, Wesfarmers hosted a three-day conference for Wesfarmers Store and Management Co-operatives in Beverley, attracting representatives from regional co-operatives across the Wheatbelt to discuss "all aspects of management and conduct of the co-operatives concerned" (Beverley Times, 1966, p,9). The conference was chaired by Wally Knox, Manager of Wesfarmers stores, himself a former QFCC Manager, and illustrates the way in which Wesfarmers actively maintained and nurtured its affiliated co-operative network through professional development events (Mazzarol et al., 2025b).

In August 1968, a meeting of the Central Zone of Co-operatives was held in Beverley, attended by representatives from Pingelly, Aldersyde, York, Quairading, Shackleton, Brookton, Bruce Rock, and Beverley, plus Wally Knox from Wesfarmers and Mr. Rawlinson, Secretary of the Co-operative Federation of WA. The meeting debated a contentious proposal to integrate all co-operatives under a single central management structure. This was resisted, however, particularly by well-performing co-operatives who feared losing local autonomy: as the Beverley Times reported, "towns could lose their local autonomy" (Beverley Times, 1968, p. 1). The Federation's role in moderating this tension, between the efficiency advantages of centralisation and the social value of local co-operative identity, was emblematic of its broader function in the sector.

The Co-op York's 1962 AGM illustrated how the Federation continued to contribute to the economic and social wellbeing of individual co-operatives. It was reported that a revaluation of stock undertaken by valuers from Co-ops WA had found The Co-op York's stock had been undervalued in the previous year, directly contributing to the improved net profit figures reported at that AGM (YDC, 1962). Co-ops WA thus continued to provide practical economic services, not just governance and ideological support, to its member co-operatives well into the 1960s.

Governance and Management

The death of The Co-op York's Manager Bill Fricker in 1964 prompted direct management assistance from the WA Co-operative Federation, which assisted in finding a replacement Manager, Mr. Monnock (Mazzarol et al., 2025a). When Monnock died in 1968 due to ill-health, Assistant Manager Cyril Screaigh stepped in and was subsequently appointed Manager (Mazzarol et al., 2025a). The willingness and capacity of the Federation to assist in management succession, sourcing and vetting candidates, illustrates its practical governance function that complemented its ideological and advisory roles.

At the 1968 AGM, Co-op York Chair Peter Monger announced a significant strategic shift: from 1969 onwards, the Co-operative planned to be an agent of Wesfarmers machinery working on a commission basis, rather than a direct dealer (YDC, 1968). This change reflected a renegotiation of the agency relationship between the Co-op York and Wesfarmers as the latter rationalised its dealer network. Meanwhile, the 1969 store reorganisation saw the Co-operative's office and the Wesfarmers agency office physically relocated within the Avon Terrace store to improve customer flow and display areas, with the Wesfarmers agency moved to the right-hand side of the building (YDC, 1969).

Figure 16: Peter Monger, Chair (Left) and William "Bill" Fricker, Manager (Right)

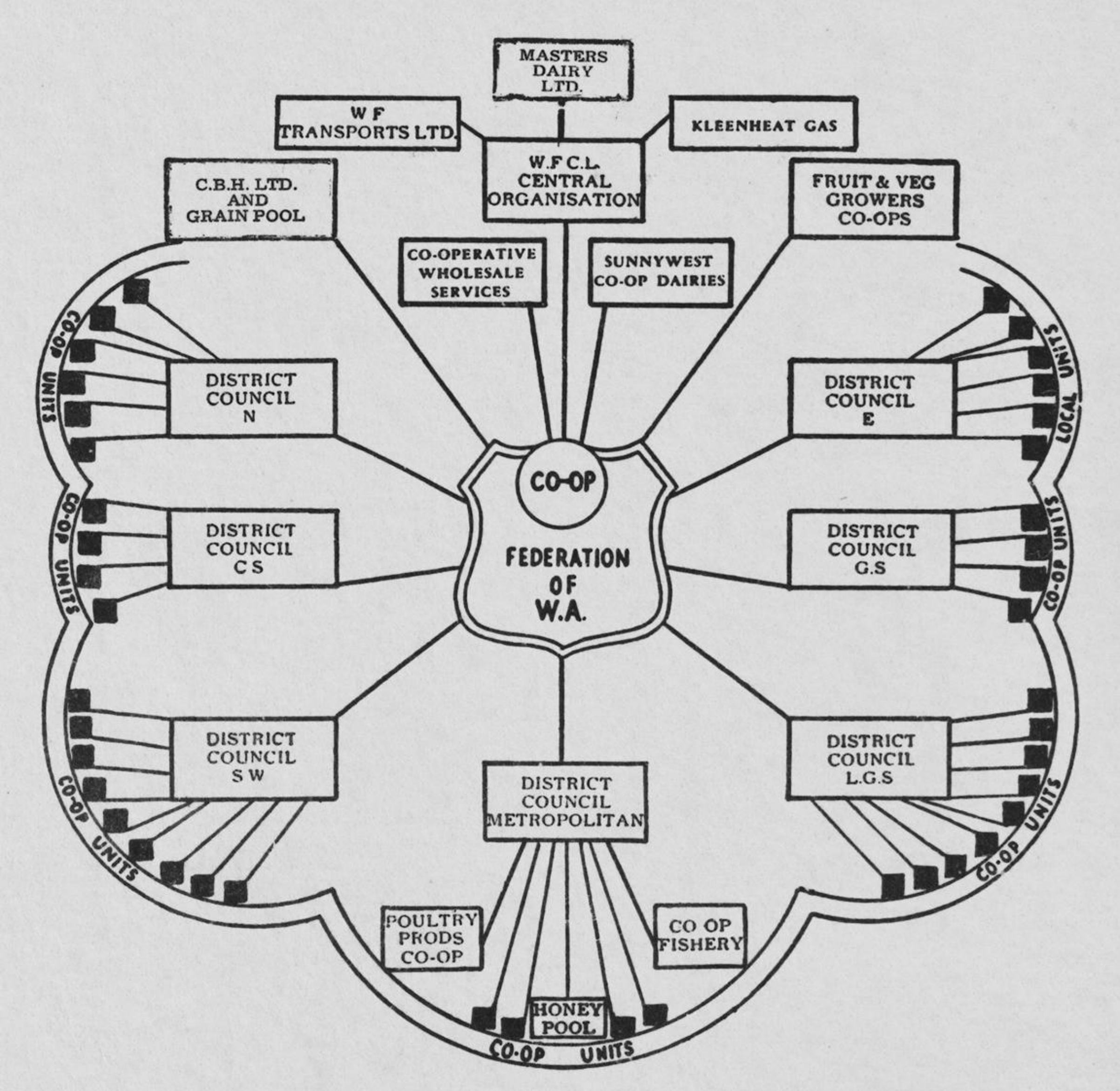
Source: YDC (1961).

Within CBH, the 1961 reconstitution of the Wheat Pool trustees as the Grain Pool of Western Australia (GPWA) marked another institutional evolution, and CBH continued to operate under grower-elected governance principles throughout the decade. The one-member-one-vote principle was maintained regardless of the volume of grain delivered, providing the governance foundation that distinguished CBH from investor-owned competitors (Mazzarol et al., 2024a).

For the QFCC, the management continuity provided by Charles Lindorff and Secretary Edgar Zalaiskalns (who joined in 1965) provided long-term stability that underpinned consistent financial performance and effective management of the Wesfarmers relationship (Mazzarol et al., 2025b).

The Federation's role in the 1960s was active and multifaceted. The QFCC was a member of the Eastern Districts Council of The Co-operative Federation of WA, which managed a regional network of co-operatives across the State. Through this Council, the QFCC participated in matters of advocacy and shared operational concern (Mazzarol et al., 2025b).

Figure 17: Co-operative Federation of WA Organisation Structure 1966



Source: Co-ops WA (1966).

Figure 17 illustrates the general organisation structure of Co-ops WA in 1966, showing the various district councils with their respective "co-op units" (individual co-operatives within the network), plus connections with fishing, poultry, honey, fruit and vegetable, and dairy co-operatives, CBH, Grain Pool WA, Master's Dairy Ltd., Wesfarmers and its subsidiaries in transportation and Kleenheat Gas.

THE 1970S: CHALLENGES, ADAPTATION, AND THE FRAYING OF THE WESFARMERS NETWORK

Following two decades of almost continuous economic prosperity the decade of the 1970s was characterised by economic and social changes that challenged the WA co-operative sector. The OPEC oil crisis, triggered by the Arab Israeli Yom Kippur War, impacted the global economy in October 1973 and lasted until March 1974. It resulted in high oil prices, and triggered a period of stagflation, rising inflation, growing unemployment, and falling demand for agricultural commodities due to oversupply (Britannica, 2025).

This was compounded with drought which impacted the agricultural sector, specifically the WA Wheatbelt. It was also a period of social change and political activism that included the rise of feminism, environmental concerns, racial equality, Aboriginal rights, and gay-lesbian recognition. The youth culture that had emerged in the 1960s was impacting the wider community (Menck, 2022).

ECONOMIC SUCCESS

The 1970s was a more challenging decade for the consumer co-operatives, marked by drought, inflation, rising wages, and the beginning of structural changes in the Wesfarmers agency relationship. CBH continued to grow in scale, with membership and receival volumes expanding through the decade, but the grains sector was impacted by global oversupply. For the consumer co-operatives, the early 1970s brought the twin pressures of rural commodity price falls and deliberate reductions by Wesfarmers in the commission rates paid to its agents (Thompson, 2014).

At The Co-op York's December 1971 AGM, Chair Peter Monger reported a decline of $4,414 (approx. $60,720 in 2025 dollars) in commission income, due to depressed rural commodity prices and a reduction by almost half in the percentage paid by Wesfarmers on commissions (YDC, 1971). These commission reductions were expected to continue into 1972 and represented a fundamental change in the economics of the Wesfarmers agency relationship for The Co-op York. Despite this, the 1972 financial year saw profits almost double, attributed to revenue increases across all departments while holding expenditure steady (YDC, 1972),

By the mid-1970s The Co-op York had diversified its retail offerings to reduce dependence on Wesfarmers commissions, including opening a "denim dungeon" fashion department in its store basement in 1975 (YDC, 1975). The Co-operative continued its Wesfarmers agency relationship through the Kleenheat bottled gas business, acting as a local agent for gas cookers in a range of models, and distributing Wesfarmers Kleenheat gas throughout the district (Beverley Times, 1971; 1975).

The QFCC navigated the difficult start to the decade after a failed 1970 growing season due to drought, with crop failures in Quairading, York, and Northam. Despite this, the Co-operative paid trading bonuses and issued dividends throughout the decade (Mazzarol et al., 2025b). The mid-to-late 1970s were positive, with the QFCC exceeding $1 million (approx. $7.9 million in 2025 dollars) in annual sales in 1976 and reporting successful trading in subsequent years (Mazzarol et al., 2025b).

Figure 18: Advertising for Kleenheat Chef Gas Cookers 1971 and 1975 – The Co-op York

Source: Beverley Times (1971; 1975).

The MBC during the 1970s faced the terminal decline of its fruit export business following Britain's entry to the EEC in 1973. The Board began the process of converting the Mount Barker packing shed into a supermarket, commencing the formal transition from producer to consumer co-operative (Mazzarol et al., 2025c). The MBC signed a franchise agreement with Foodland Associated in 1978 and opened its new supermarket in Mount Barker, with first year sales reaching $3.14 million (Mazzarol et al., 2025c).

Social Development

The reduction in Wesfarmers commission rates that affected The Co-op York from 1971 represented not merely an economic change but a social one: the fraying of the tight inter-dependence between Wesfarmers and its affiliated regional co-operatives that had characterised the network since 1914. As Wesfarmers began rationalising its agency relationships, the regional co-operatives were forced to adapt their social and commercial purposes (Thompson, 2014).

For The Co-op York, this involved a gradual transition from a primarily farmer-focused business (e.g., grain handling, livestock, farm machinery) towards a community-oriented consumer co-operative providing supermarket, hardware, and general retail services to a broader demographic (Mazzarol et al., 2025a).

The QFCC's annual general meetings during the 1970s continued to provide an important social gathering function for the Quairading community. The Co-operative remained connected to the Co-ops WA through regional conferences and to Wesfarmers through its multiple agency relationships. The broader QFCC business structure of the 1980s comprised a legacy of long-term contractual relationships that had been maintained since the commencement of its relationship with Wesfarmers in 1922. It include the agency agreements it had with the Caltex Oil Company from 1932, and the Ford Motor Corporation from 1947 (Mazzarol et al., 2025b). These enduring relationships provided institutional stability that sustained community services in Quairading through a challenging decade.

Governance and Management

Governance during the 1970s for the consumer co-operatives was characterised by adaptation to changing commercial circumstances. The Co-op York reorganised its store layout around 1970, explicitly relocating the Wesfarmers agency office within the main Avon Terrace building to improve retail display areas, reflecting a conscious management decision to position the agency function as complementary to, rather than central to, the co-operative's operations (Mazzarol et al., 2025a). By the mid-1970s the Co-op York had terminated its Massey Ferguson dealership (which had transferred to Northam) and the Caltex fuel distribution agency in 1975 due to declining profitability, further narrowing the Wesfarmers-related commercial portfolio (Mazzarol et al., 2025a).

The QFCC's Articles of Association were amended in 1973 to address Board appointments, reflecting ongoing governance refinements (Mazzarol et al., 2025b). Peter Wills served as QFCC Chair from 1962 to 1981, a record 19-year tenure as Chair and 39 years as a director, providing extraordinary governance continuity through the challenging decade (Mazzarol et al., 2025b). The MBC underwent a critical management transition in 1978 when its General Manager resigned rather than oversee the conversion of the packing shed into a supermarket. The MBC's Accountant, Warren York, was appointed General Manager, taking the MBC through its major strategic transformation (Mazzarol et al., 2025c).

CBH continued to operate under its established grower-controlled governance model throughout the decade, with the one-member-one-vote principle enshrined in legislation. The Co-operative became a non-distributing co-operative in 1970, meaning it ceased issuing dividends to members and maintained a tax-exempt status on its core operations (Mazzarol et al., 2024a). This formal constitutional change consolidated CBH's mutual character and distinguished its governance model from the regional consumer co-operatives that continued to distribute dividends and rebates to members.

1980–1983: Consolidation, commercial milestones, and structural change

The 1980s was a decade of significant economic and social change. The Australian dollar was floated in 1983 and unemployment, which had increased during the 1970s, continued to rise until it peaked in 1984 at a rate of 10 per cent (Wilson, Layman and Christmas, 2004). It was also a period in which both economic and social change took place across the Wheatbelt, with many farmers selling out and retiring, and their farms being purchased and aggregated into larger holdings. Mechanisation also replaced labour, which led to a decline in rural workers, and an overall reduction in the population across the Wheatbelt (Menck, 2022). During this period the mining industry also expanded significantly, particularly in the area of gold mining (Wilson et al., 2004).

Economic Success

The period 1980 to 1983 represented the high-water mark of the Wesfarmers agency relationship for the regional consumer co-operatives, before the demutualisation of Wesfarmers in 1984–1985 would fundamentally transform the sector (Thompson, 2014). For the QFCC, these were years of significant commercial achievement. In 1981, annual turnover exceeded $1.97 million (approx. $9.73 million in 2025 dollars) with strong net profit. In 1982, turnover exceeded $2.64 million (approx. $11.7 million in 2025 dollars). The 1983 AGM, held on 23 September, reported total turnover exceeding $3.25 million (approx. $13.1 million in 2025 dollars), with the hardware store alone contributing approximately $1 million (approx. $4 million in 2025 dollars) (Mazzarol et al., 2025b).

The QFCC's 1983 AGM was attended by Mick Evans, Development Manager for Wesfarmers, and Darryl Rowland, Wesfarmers Northam Region Manager. During the meeting it was announced that in 1983 the QFCC had become the first co-operative or private agent to exceed one million dollars in merchandise purchases from Wesfarmers in any single trading year (QFCC, 1983). Evans formally presented a plaque to QFCC General Manager Charlie Lindorff and Hardware Manager Bob Phillips in recognition of this achievement. It is a measure of both the depth of the commercial relationship between the QFCC and Wesfarmers, and the quality of management under Lindorff, that this milestone was reached in the year immediately before Wesfarmers' demutualisation. Darryl Rowland also noted during the AGM that the Wesfarmers Rural Division used a three-year planning horizon, compared to the QFCC's five-year plan (QFCC, 1983).

For The Co-op York, the early 1980s was a period of financial strain rather than growth. The 1985 AGM reported that after taxation the net profit fell to $48,668 (approx. $176,974 in 2025 dollars), resulting in a reduction in rebate payments to 3 per cent (YDC, 1985). By 1986 the financial situation had deteriorated sufficiently that the Board announced it would not pay either dividends or rebates for the year (YDC, 1986).

The MBC meanwhile completed its transition to a consumer co-operative, announcing its success at the transition and committing to efficiency across its remaining retail divisions. The closure of the last apple packing and cool store facilities in 1984 formally ended the era of the MBC as a producer co-operative (Mazzarol et al., 2025c).

The MBC Board in the 1980s acknowledged that a number of local businesses had closed as a result of the Co-operative's expanding retail footprint and formally recorded the need to strike a balance between growth and supporting other local businesses "for the sake of the survival and stability of the town" (Mazzarol et al., 2025c, p. 64, citing MBC 1983 Annual Report).

Social Development

The 1987 QFCC AGM, held on 18 September, was attended by Harry Perkins, Chair of Wesfarmers, and K. G. Manning, a director of Wesfarmers (QFCC, 1897a). This was one of the last occasions on which Wesfarmers' senior leadership would attend a QFCC AGM in the capacity of a co-operative ally, as the demutualisation of Wesfarmers in 1984–1985 transformed it into an investor-owned firm (Thompson, 2014).

The Co-op York in the early 1980s maintained a Wesfarmers agency, hardware store, supermarket, and Caltex fuel depot operating from adjacent buildings on Avon Terrace, York. A recollection from former Director and Chair Bill Wallace, born in York in 1959, describes how the Co-operative's hardware store at this time was "a general farm supplies store" that provided "virtually everything that you'd need" for farming (Mazzarol et al., 2025a, p. 119).

The MBC's articulation of its social value in its 1987 Annual Report was particularly eloquent. It listed: the provision of competitively priced goods and services; employment for local people; return of profits locally; being a stabilising influence in the region; supporting local sporting and charitable organisations and initiatives; a free weekly delivery service to aged pensioners; and support for special events in Mt Barker (Mazzarol et al., 2025c, p. 64). This social mission statement reflected decades of community-embedded practice that had been sustained through and beyond the Wesfarmers relationship.

Governance and Management

A revealing governance episode occurred at The Co-op York's 1987 AGM. Shareholder Mr. Ray Lawrence asked why the Co-operative was being taxed as a normal company rather than as a co-operative under the Income Taxation Assessment Act (Cth). The Auditor, Mr. Roberts, advised that The Co-op York did not qualify because of the high number of non-shareholders using the store, and added that Wesfarmers was also no longer eligible for the tax concessions (YDC, 1987; CCA, 1936). This parallel disqualification of both The Co-op York and Wesfarmers from applying for co-operative tax concessions signals the degree to which the co-operative identity of both organisations had been diluted by the mid-1980s.

At the same 1987 AGM, shareholder Fred Morrell expressed the view that the Agency Department of The Co-op York was "the main business area that justified the establishment of the Company as a farmers' Co-operative" and proposed that it should be separated from the Company and run as a standalone co-operative business (YDC, 1987). In response, the Secretary explained that the Agency Department's fuel and chemicals operations were very low-income earners, requiring three full-time and two part-time employees. This debate reflected a deeper governance question about the Co-operative's fundamental purpose in an era when the Wesfarmers relationship, its original commercial rationale, was being rapidly transformed.

The QFCC's governance during this period was characterised by debates about Board composition and term limits. At the 1983 AGM a director proposed a 14-year maximum term for Board members, to bring new ideas into governance, while the Chair Gordon McRae emphasised the value of continuity and the time required for a director to fully understand the business (QFCC, 1983). The motion was debated at the 1985 AGM and defeated six votes to nine (QFCC, 1985), reflecting the co-operative's preference for experienced governance over Board renewal. CBH continued to operate under its grower-elected governance model, with the one-member-one-vote principle maintained as the cornerstone of its constitutional structure (Mazzarol et al., 2024a).

Cross-case patterns and the Wesfarmers demutualisation

In summing up the period from 1940 to 1984 when Wesfarmers demutualised, the overall pattern emerging from the co-operative case studies, is that of a process of adaptation and adjustment, which each co-operative was able to achieve, albeit with different levels of success. The support that these co-operatives received from Wesfarmers and Co-ops WA during the preceding four decades prior to the demutualisation strengthened their capabilities and resilience. However, the decades of the 1970s and 1980s were less munificent that the two that had preceded them, particularly for the farmers and orchardists in the Wheatbelt and Plantagenet.

Economic success: The agency model and its limits

Across all four decades and all four co-operatives, the Wesfarmers agency relationship was the primary commercial mechanism through which economic success was sustained and distributed. For The Co-op York and the QFCC, commissions earned through the Wesfarmers agency, on livestock, grain, farm machinery, fuel, Kleenheat gas, and hardware, were explicitly distinguished in their rebate and dividend formulas and formed a substantial component of total income (Mazzarol et al., 2025a/b).

For CBH, the Wesfarmers seed capital and ten-year wheat agency agreement (1933–1943) provided the foundational economic platform upon which grower control was built (Mazzarol et al., 2024a). For the MBC, Wesfarmers provided international export partnerships and joint venture seed cleaning opportunities before progressively withdrawing from both (Mazzarol et al., 2025c).

The QFCC's achievement of exceeding $1 million in annual Wesfarmers merchandise purchases in 1983, acknowledged with a formal presentation by Wesfarmers' Development Manager (QFCC, 1983), represents the apex of this commercial relationship, achieved immediately before its structural dismantling through demutualisation.

Social development: The Federation as social infrastructure

Co-ops WA provided consistent social infrastructure across all four co-operatives throughout the study period. Its regional district councils (Eastern Districts, Central Southern) provided regular forums where representatives from multiple co-operatives could discuss common issues, from CBH wheat receival documentation to meat grading, from housing shortages to centralised management proposals (Mazzarol et al., 2025b).

The Federation's senior figures, particularly Charles Walter Harper, Thomas Henry Bath, and Bill Blackwell, made regular appearances at various co-operative AGMs, providing keynote addresses that reinforced co-operative values and provided market intelligence (Baskerville, 2019). The formula of a keynote address by a Federation or Wesfarmers representative at QFCC AGMs throughout the 1940s and 1950s, followed by social entertainment and dancing, illustrates how the organisations sustained community bonds alongside commercial ones (Mazzarol et al., 2025b). The MBC's articulation of its social mission in its 1987 Annual Report, from aged pensioner delivery services to sporting club support, represents the matured social purpose that had been nurtured within the co-operative model over four decades (Mazzarol et al., 2025c).

Governance: The Federation as governance infrastructure

Co-op WA's most significant governance contribution was the nominee director scheme, formally enshrined in the QFCC's Articles of Association from 1935 and sustained through the 1940s (Mazzarol et al., 2025b). This direct Board participation gave the Federation a formal governance role within individual co-operatives, providing oversight, standards enforcement, and institutional knowledge transfer. The Federation also facilitated management succession for The Co-op York in 1964 and 1968 (Mazzarol et al., 2025a), and mediated the transfer of management personnel between co-operatives, most notably the movement of William E. Wishart from the QFCC to the MBC via the Federation (Mazzarol et al, 2025b). CBH's constitutional evolution, from an eight-trustee body dominated by Wesfarmers and the Wheat Pool to a fully grower-elected Board (1943), through to non-distributing co-operative status (1970), represents the most significant governance journey of the period, one in which Wesfarmers retained a "mentoring role" long after formal control had been relinquished (Mazzarol et al., 2024a).

The End of the Era: Wesfarmers Demutualisation

The demutualisation of Wesfarmers in 1984–1985, represents the decisive rupture in the commercial network that had sustained the four co-operatives throughout the period 1940 to 1983. Following the demutualisation of Wesfarmers, The Co-op York expanded its commercial linkages through supply agreements with Metcash for IGA and Home Hardware/Mitre 10 branding (Mazzarol et al., 2025a).

Wesfarmers demutualisation was a major issue for the agency network of regional co-operatives who were also shareholders in the parent company. It was a sensitive and politically charged event (Thompson, 2014). It coincided with the decline of the farming population across the agricultural and horticultural sectors of the State during the 1980s and 1990s and impacted the financial viability of many of these regional co-operatives (Mazzarol et al., 2025b). The histories of the four co-operatives' resilience through the post-1985 period derived largely from the institutional foundations, economic, social, and governance, that had been built through their sustained engagement with Wesfarmers and the Co-operative Federation of WA during the preceding four decades.

CHAPTER 6: THE ORDCO FACILITATION

This chapter examines the relationship between Wesfarmers and Co-ops WA, and the Ord River District Co-operative Ltd. (ORDCO) during the period from 1963 to 2023 spanning the years from when Wesfarmers was a major supporter of co-operatives to its demutualisation in 1984 and into the twenty-first century.

Established on 23 August 1963, ORDCO is an independent agricultural co-operative located in the Ord River Irrigation Area (ORIA), Kununurra, Western Australia. As of 2023 it had 60 active members (ORDCO, 2026). ORDCO was established by the WA Government's Ord Project Committee (OPC) to provide services to pioneer cotton farmers in the newly developed ORIA. Wesfarmers was appointed to help found and manage it during its early years, providing capital, management expertise, and government lobbying (Graham-Taylor, 1978).

Over six decades ORDCO navigated the collapse of the cotton industry in the 1970s, diversified into retail supermarkets and shopping centres in the 1980s, led the development of a sugar industry in the 1990s, and survived the failure of both cotton and sugar, a fatal helicopter crash in 2003 (ATSB, 2005). A major corporate restructuring in 2007–2008 refocused the co-operative on its agricultural core (CGL, 2026; ORDCO, 2026).

In 2023 ORDCO provided farming inputs (fertilisers, chemicals, seed, fuel), agronomic services, grain handling and marketing, and R&D support. It was a key partner in the Kimberley Cotton Company Ltd., a joint venture with the Kimberley Agricultural Investment Pty Ltd. (KAI) and the Miriuwung Gajerrong (MG) Corporation, aimed at re-establishing a commercial cotton industry in the region (KDC, 2026). The co-operative is recognised as a cornerstone of the East Kimberley community, serving as an economic multiplier, grower advocate, and social capital builder throughout its history.

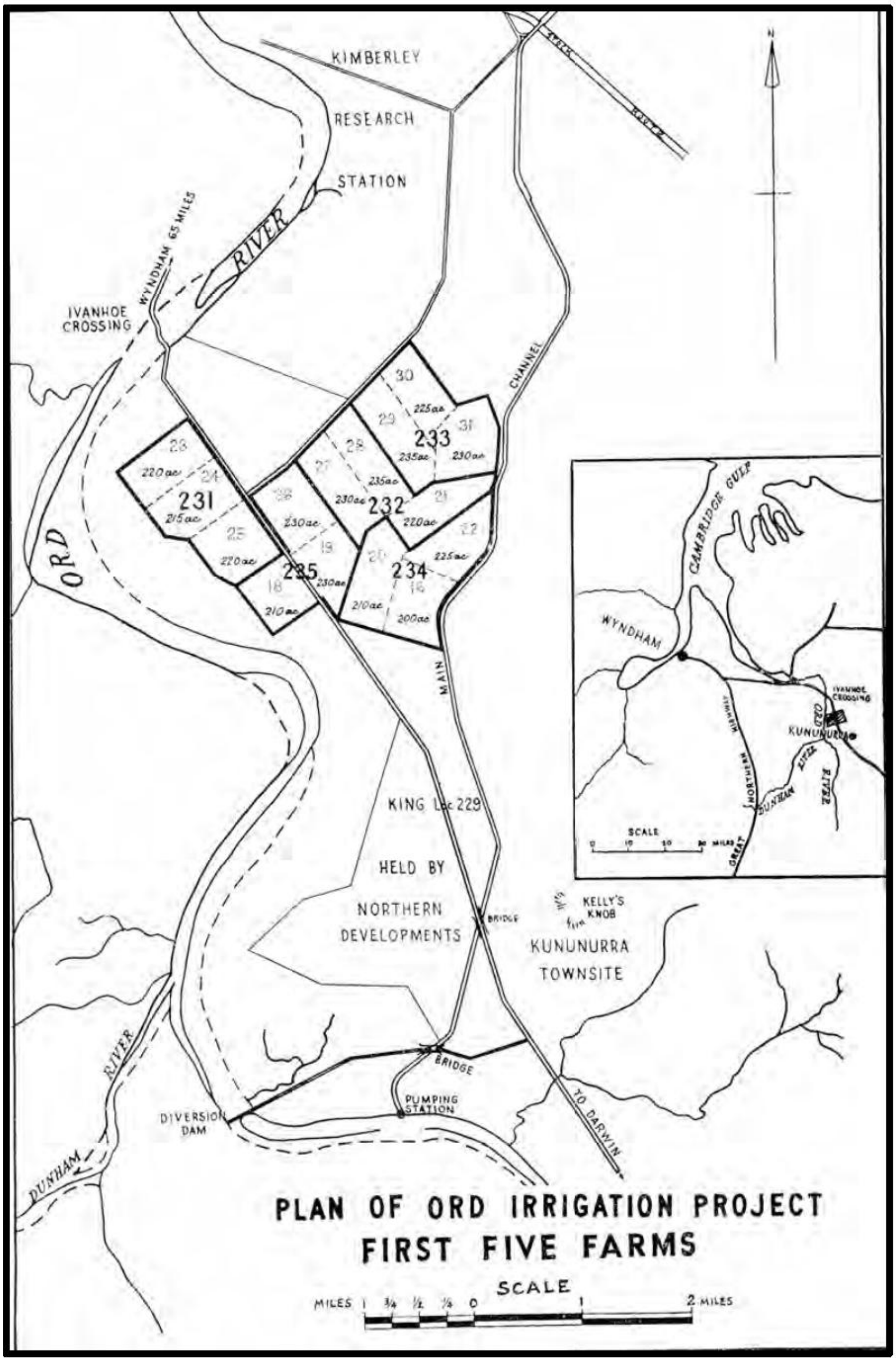
THE ORD RIVER SCHEME – SUMMARY HISTORY

To understand the ORDCO case and its organisational history, it is important to review the history of the development of the Ord River Scheme and the creation of the ORIA. The history of ORDCO is inexorably linked to the history of the ORIA and the Ord River Scheme one of the world's largest human-made inland irrigation projects.

EARLY VISION (1906–1941)

Interest in developing the Ord River catchment for tropical agriculture dates to 1906, when the WA Surveyor General proposed a survey of the river system. Agricultural scientist Adrian Despeissis confirmed in 1910 that the fertile soils were suitable for commercial tropical crops, particularly cotton, but noted that irrigation and dams were essential to capture seasonal floodwaters (Despeissis, 1910; 1913). In 1941, WA Director of Public Works Sir Russell Dumas surveyed the Ord River Gorge and recommended the establishment of an experimental agricultural station and a series of dams to enable irrigated farming (Graham-Taylor, 1978).

Figure 19: Plan of the Ord River Scheme first 5 farms, diversion dam and townsite



Source: Young (2013).

FEDERAL COMMITMENT AND STAGE ONE (1958–1972)

Progress stalled through the Great Depression and World War Two. A breakthrough came in 1958 when Prime Minister Menzies, motivated partly by political expediency, announced a £5 million (approx. $196.6 million in 2025 dollars) Commonwealth grant for North West development (Young, 2013). Construction of a diversion dam at Bandicoot Bar began in 1960 and was completed in 1963, creating Lake Kununurra and providing irrigation for 14,000 hectares of farmland on Ivanhoe Plain. The dam was officially opened by Prime Minister Menzies on 20 July 1963 (Young, 2013).

Figure 20: The diversion dam 1963 showing control tower and gantry crane

Photo source: Kununurra Historical Society.

The main barrier dam, construction of which was again delayed by lack of Federal funding until political pressure ahead of the 1969 election forced a commitment, was built between 1970 and 1972, creating Lake Argyle, the largest man-made body of water in the Southern Hemisphere. It was opened by Prime Minister McMahon on 30 June 1972 (Head, 1999).

COTTON AND ITS COLLAPSE (1963–1976)

Cotton was the primary crop envisioned for the ORIA from the outset. However, the industry struggled from the beginning with pest infestations (particularly cotton bollworm), quality problems, high processing and freight costs, under-capitalised farmers, and the eventual phasing out of the Federal cotton bounty in 1971. Cotton production ceased in the ORIA by 1975–1976, widely regarded as a failure of planning, insufficient research, and inadequate farm scale (Hungerford, 1963; Thomas, 1969; Davidson, 1965; 1972; Graham-Taylor, 1978).

Figure 21: Queen Elizabeth II and Prince Philip arriving Kununurra airfield 17 March 1963

Photo source: Kununurra Historical Society.

Figure 22: Prime Minister Sir Robert G. Menzies opens the diversion dam 20 July 1963

Photo source: Kununurra Historical Society.

Figure 23: Opening of the Ord River main barrier dam 30 June 1972

Photo source: J. Gray, 1972, State Library of WA.

Stagnation and diversification (1970s–1980s)

With only around 10 per cent of the ORIA under cultivation by the 1980s, farmers shifted to tropical horticulture, melons, mangoes, bananas, pumpkins, chickpeas, and maize. Tourism also emerged as a significant economic driver for the region, with attractions such as the Bungle Bungles and Lake Argyle, and the Argyle Diamond Mine provided additional employment (Grudnoff and Campbell, 2017).

Sugar and Stage Two (1990s–2008)

Renewed government interest in Stage Two development emerged in the 1990s. In 1998, the Wesfarmers Consortium was selected as preferred developer of a 32,000-hectare sugar-focused expansion, but withdrew in 2001 due to poor sugar price projections, reduced water allocations, and unresolved Native Title claims (Ayre, 2008). A sugar mill had been established in 1995 under CSR Ltd., but falling global prices, a poor cane-to-sugar ratio compared to Queensland producers, and the loss of Federal subsidies led CSR to sell to South Korea's Cheil Jedang in 2000. The mill was ultimately dismantled in 2008 (Greiner, 2000; Grudnoff and Campbell, 2017).

Native title and Aboriginal land rights

The Miriuwung Gajerrong people, the traditional custodians of the Ord River region, were not consulted during Stage One development and received no compensation for the flooding of their lands by Lakes Kununurra and Argyle. Native Title claims were lodged following the Native Title Act 1993 and were not fully resolved until 2006. A negotiated settlement in 2005 resulted in the establishment of the MG Corporation, land transfers, and the Ord Enhancement Scheme to address social and economic impacts on the Aboriginal community (Ayre, 2008; Hill, 2004; George, 2022).

Stage Two and Three (2009–present)
Federal stimulus funding of $415 million was allocated in 2009 under the Ord-East Kimberley Development Plan. Stage Two, 7,400 hectares of Goomig farmlands, commenced in 2012 and progressed through to 2015, with crops including GM cotton, sugar cane, sandalwood, melons, mangoes, chia, and grain (Grudnoff and Campbell, 2017). Stage Three encompassed a further 6,500 hectares of Cockatoo Sands and 2,400 hectares of Pago Sands, with an additional 30,000 hectares identified for potential future expansion (Bennett, 2018; Smolinski and Bennett, 2022).

Assessment
Academic assessments of the Scheme's economic value have been persistently critical. Davidson (1965, 1972) argued production costs were too high to be competitive without government subsidy. Grudnoff and Campbell (2017) concluded that billions of dollars had been spent with limited employment and community benefit, and that tourism and social infrastructure investment would have generated better returns. Nevertheless, the farming community and the WA Government have maintained ongoing optimism about the ORIA's long-term agricultural potential, a view reinforced in the WA Government's 2022 infrastructure strategy (Smolinski and Bennett, 2022).

The foundational role of Wesfarmers (1961–1977)
In 1961, the Ord Planning Committee (OPC) decided to establish a cotton ginnery and explored four options for its operation. The option judged most attractive was to engage Wesfarmers, then the dominant co-operative in WA, to help found and manage a new farmers' co-operative in the ORIA (Graham-Taylor, 1978).

The OPC tasked Dr T. Dunne to approach Wesfarmers, requesting a "firm offer within one month." The agreement reached was substantial. Wesfarmers would subscribe for 5,000 shares at £1 each, make an interest-bearing loan of £5,000 (approx. $181,069 in 2025 dollars) to the co-operative, be appointed as co-operative agents in the ORIA, manage the ginnery under a lease arrangement, and maintain parity shareholding equal to 50 per cent of total shares as farmer capital grew. Importantly, farmer-shareholders retained the right to buy out Wesfarmers' entire shareholding at the end of the lease period. Wesfarmers' offer was accepted and by September 1963 it had agreed to take on the management of ORDCO. The co-operative was formally registered on 23 August 1963 (Graham-Taylor, 1978).

Board composition and direct governance
In its early years, ORDCO's Board comprised five grower-member directors and two Wesfarmers representative directors. The first Wesfarmers directors were Colin Wykeham Bayly (based in Dalkeith) and Ross Hamilton Brown (based in Mount Claremont), both resident in Perth. Subsequent Wesfarmers representative directors included William (Bill) Victor Davies (an accountant, 1968–1971) and Douglas Robert Dinsdale (an accountant, 1973–1977) (Graham-Taylor, 1978).

The contribution of these two inaugural Wesfarmers managers was formally acknowledged by the ORDCO Chair Clive Massey at the co-operative's AGM in 1966 pointing to the financial support of Wesfarmers, which included sending a Wesfarmers representative, at no cost to the co-operative, to London to sell the year's cotton crop (Graham-Taylor, 1978).

Advocacy and lobbying on behalf of ORDCO

Wesfarmers' representative director Colin Bayly took an active advocacy role that went well beyond Boardroom duties. Facing the looming end of the Federal Government's cotton bounty in 1968, Bayly wrote to Federal Minister of Primary Industry Doug Anthony (John Douglas Anthony) arguing that the bounty was vital for the ORIA's future. He highlighted the remoteness of Kununurra, the inexperience of the pioneer farmers, and proposed specific amendments to how the bounty was calculated and paid. He held subsequent talks with the Minister and senior officials from multiple Federal departments. When the Federal Minister directed ORDCO to seek assistance from the WA Government, the Wesfarmers directors participated directly in negotiations with Charles Court, the State Minister for the North West. (Graham-Taylor, 1978).

Marketing and commercial development

Beyond lobbying, Wesfarmers provided direct commercial support. The Wesfarmers managers travelled frequently to the Eastern States with all travel costs paid by Wesfarmers and sent Colin Bayly to Japan and Hong Kong in 1968 and 1969 on marketing trips with all travel costs covered by Wesfarmers. Additionally, during the financial crisis of FY1968/69 the Wesfarmers' managers took a 50 per cent reduction in their management fees to help ease the financial pressure on the co-operative (Graham-Taylor, 1978). This was a concrete demonstration of the partnership going beyond a purely commercial relationship.

Transition and end of the Wesfarmers relationship

The relationship between Wesfarmers and ORDCO was formally ended in 1977 when its contract to manage the co-operative concluded. The role that Wesfarmers played during the early years of ORDCO's history, helping to establish and manage the Co-operative during those challenging years was significant and involved not only the direct management of the co-operative, but also a substantial amount of lobbying and stakeholder liaison at both the state and national level. The historical record suggests that the contribution made by the two inaugural Wesfarmers' representatives and the larger co-operative itself was instrumental in enabling ORDCO to successfully navigate the challenges of the 1960s and 1970s. By 1977, the Board comprised Kevin William Forrest (Chair), four member-directors, and the two final Wesfarmers' representative directors, Colin Bayly and Douglas Dinsdale. Manager and Secretary was Dennis Barr O'Brien (Graham-Taylor, 1978).

The Wesfarmers consortium and Ord Stage Two (1998–2001)

Wesfarmers re-entered ORDCO's story decades later, this time as a corporate developer rather than a co-operative partner. In 1998, the WA and Northern Territory (NT) governments selected the "Wesfarmers Consortium", comprising Wesfarmers Ltd., Marubeni Corporation, and the WA Water Corporation, as the preferred developers of the Ord River Stage Two project. The contract specified investigation of the feasibility of an export-focused sugar industry on 32,000 hectares (Head, 1999; Ayre, 2008).

However, a 2001 feasibility study commissioned by the Wesfarmers Consortium concluded that returns on investment were unattractive, citing unstable global sugar prices, downward revisions to water allocations, and unresolved Aboriginal Native Title claims. Wesfarmers withdrew from the Stage Two development in 2001 (Ayre, 2008). It is worth noting that the entire ORIA project had been premised on the WA Government's promise to open up Ord Stage Two with the aim of developing a viable sugar industry. This was strategically important given the previous failure of the cotton industry during the previous decades. It was important for the confidence of the farmers operating in the ORIA that some certainty for the development of the scheme could be confirmed. It was therefore important to get a committed investor engaged in the project, and Wesfarmers' withdrawal was therefore a major blow.

THE ROLE OF CO-OPS WA

Compared with Wesfarmers, the role played by Co-ops WA in the development of ORDCO is much more limited from a direct perspective. The newly formed ORDCO joined The Co-operative Federation of WA in 1965 and regularly attended the Federation's annual conferences until at least 1983. Through the annual conferences ORDCO was kept up to date with the evolving trends and philosophies within the co-operative movement, participating in the social networking that characterised the conferences.

During the 1960s and 1970s the Federation was active in supporting a wide range of producer co-operatives in areas such as fishing, dairying, and agriculture. With the decision by the United Kingdom to join the European Economic Community (EEC) in the late 1960s it became clear that diversification of international markets was required. Both Wesfarmers and Co-ops WA looked towards Asia, specifically Japan, which was emerging as a major international customer for Australia.

Developing markets in Japan, Southeast Asia and the Middle East become a key point of focus from the early 1970s. At the 1973 Annual Federation Conference The Peoples' Republic of China was also highlighted as another key market for Australian produce with Wesfarmers General Manager Keith Edwards and Federation Chair Mr George Sutherland to join a federal government trade mission (Baskerville, 2019).

One of Co-ops WA's direct involvements with ORDCO took place in 1972 following the installation of the Co-operative's second cotton gin. Noting that Kununurra was roughly halfway between Perth and Tokyo, Rob Sutherland, stated that the Federation was broadening its horizon taking in the emerging co-operatives in the emerging co-operatives in the Northwest of the state. During the 1970s at least three new co-operatives were established in the north (Baskerville, 2019).

The support provided to ORDCO by Wesfarmers is illustrated in Figure 24 which shows the meeting between the Wesfarmers managers and representatives from Toyobo Co. Ltd., of Japan following the purchase by the Japanese of 6,500 bales of cotton produced by ORDCO in 1968 (Baskerville, 2019).

Figure 24: Wesfarmers and Toyobo Co Ltd of Japan meeting for ORDCO cotton sale, 1968

Source: Royal Western Australian Historical Society

Although the engagement between ORDCO and Co-ops WA was largely indirect, the Federation played an important role in the shaping of State co-operatives legislation which impacted ORDCO significantly. The broader legislative and governance framework within which ORDCO operated, particularly the *Co-operatives Act 2009 (WA)* and the earlier Companies (Co-operatives) Act 1943 *(WA)*, reflects the state co-operative regulatory environment that the Federation was historically instrumental in shaping (Baskerville, 2019).

ORDCO's registration on 23 August 1963 was under the *Companies (Co-operative) Act 1943 (WA)* is noted (Graham-Taylor, 1978). However, when the *Co-operatives Act 2009 (WA)* was passed it led to a restructuring of the co-operative into two separate entities discussed below.

Figure 25: Cotton grower Jack Bornholt unloading picked cotton 1960s

Photo source: Kununurra Historical Society.

ECONOMIC SUCCESS AND DEVELOPMENT

ORDCO's economic success and development can be examined across four separate time periods that coincide with the Co-operative's initial focus on the development of a cotton industry in the ORIA in the 1960s and 1970s, then a pivot from being a producer to a consumer co-operative during the 1980s, followed by a pivot back to a producer co-operative with a focus on building a sugar industry, then the organisational restructure and commitment to a developing a more diversified agricultural sector across the ORIA.

COTTON ERA (1963–1977)

ORDCO's early economic purpose centred on operating the cotton ginnery. Annual turnover grew and profitability increased, enabling the co-operative to pay regular dividends on ordinary and preference shares during the better years. However, cotton quality problems, rising production costs, pest infestation, the loss of the Federal cotton bounty (phased out 1971), and falling world prices led to a financial crisis by the late 1960s (Graham-Taylor, 1978). The ginnery was sold back to the WA Government in 1976.

Retail diversification (1980s)

During the 1980s ORDCO invested heavily in its retail operations through its subsidiary Ord River Stores Pty Ltd. (ORS), operating supermarkets and hardware stores. Turnover rose significantly with strong gross profit margins. A joint venture was negotiated with Charlie Carters, a major WA supermarket chain, for a new Kununurra shopping centre. By the start of the 1990s revenue from this joint venture was well above expectations. However, when Charlie Carters was acquired by Coles in 1998, ORDCO received a significant after-tax profit from the sale, but ceased its retail business (Parliament of Australia, 1999).

Sugar industry development (1990s)

ORDCO played the central role in facilitating a sugar industry in the ORIA. It commissioned engineering design work, negotiated with CSR Ltd. to invest in and operate a sugar mill (with ORDCO holding a 5–10 per cent shareholding in Ord Sugar Pty Ltd.), and in 1993 built a 6,000-tonne bulk grain terminal at Wyndham expanded to an 18,000-tonne sugar bulk terminal by 1996. Despite significant effort, the sugar industry ultimately failed, the mill was sold by CSR to South Korea's Cheil Jedang in 2000 and dismantled in 2008 (Greenblat, 2009).

ORDCO's 2007–2008 Corporate Restructure

By the 2000s ORDCO had created a diversified business structure with assets directly related to the support of its farmer-members in the ORIA, and numerous other assets not specifically related to agriculture. These included a subsidiary fuel supplies business and storage facilities in the Port of Wyndham, additionally, many of its founder members had retired but remained shareholders. The anticipated introduction of the *Co-operatives Act 2009 (WA)*, which had requirements for all members to be active, or have their shares redeemed, added additional concerns. The cost of buying back these inactive shareholders was a potential risk to the co-operative's solvency at that time.

ORDCO felt that it had outgrown its co-operative structure, prompting a move to convert the entity into a public unlisted company, Cambridge Gulf Ltd (CGL), while transferring the agricultural assets to a new, fully compliant co-operative (initially called East Kimberley Co-operative Ltd, before reverting to the Ord River District Co-operative Ltd name). Member approval for the restructure was granted on 27 November 2006 (ORDCO, 2026).

The process followed four years of debate and analysis of various structural reform options, driven in part by changes to the Australian *Corporations Act 2001 (Cth)*. CGL was created to oversee the management of Wyndham Port, along with several smaller business activities that no longer fell under the ORDCO banner (CGL, 2026). Cambridge Gulf Ltd formally came into being in 2007, and the new East Kimberley Co-operative Ltd commenced trading the same year (ORDCO, 2026).

In essence, the restructure split the original co-operative in two: a commercially focused company CGL to manage port and related operations, and a reconstituted agricultural co-operative to continue serving the farming community of the ORIA.

Post-restructure agricultural focus (2010–2025)

Following the 2007 restructure, ORDCO settled into its refocused identity as a purely agricultural co-operative. With approximately 60 active members, it continued to provide a complete range of farming inputs and services to the ORIA and surrounding regions. Its core activities encompassed crop protection, crop nutrition, agronomy, and grain handling, and its business model revolved around supplying farming necessities and professional services including aerial spraying, irrigation equipment, and packaging solutions. The co-operative also facilitated grain marketing and offered credit facilities to members (ORDCO, 2026).

Grain handling and marketing remained a central pillar of operations. Corn and maize grown in the ORIA was exported from Wyndham Port to South Korea for processing into breakfast cereal and corn chips and was also sold as a cattle feed source to surrounding stations (ORDCO, 2024). ORDCO cleaned and stored grain at its Kununurra site, maintaining its role as a critical link in the regional agricultural supply chain (Grain Central, 2025).

ORDCO also produced stock feed and provided farming inputs and support for the northern pastoral industry. This function grew in importance given the scale of the cattle industry across northern Western Australia and the Kimberley (Rocket Reach, 2026).

One of ORDCO's most significant strategic commitments in this period was its participation in the development of a local cotton processing facility. In April 2021, the Kimberley Cotton Company (KCC) was formed as a partnership between ORDCO, Kimberley Agricultural Investment (KAI), and MG Corporation, established to lead the construction and operation of a Kununurra cotton processing facility intended to make cotton an economically feasible broadacre crop into the future. In September 2021, the Commonwealth's Northern Australia Infrastructure Facility (NAIF) board approved a $32 million loan to KCC to construct Stage One of the cotton gin (NAIF, 2023; KDC, 2026).

Construction of the gin was completed and the official opening took place on 11 August 2025, just in time for the ginning season, with exports of Ord cotton to commence thereafter (KCC, 2022). The $60 million high-tech processing facility has an initial processing capacity of about 100,000 bales per year and is expected to create more than 1,000 jobs over the next decade (King, 2025).

Closely linked to the cotton gin coming online, ORDCO secured government support to expand its processing infrastructure. In January 2025, ORDCO was awarded a $750,000 WA Government Value Add Investment Grant to upgrade its stockfeed plant, with the gin set to make cottonseed locally available in the Ord for the first time since the 1970s. The upgrades were intended to expand ORDCO's offerings of blended grain rations and increase plant production capacity to 25,000 tonnes per year, building resilience in the northern cattle industry and creating four new jobs (Grain Central, 2025).

In summary, over 2010–2025 ORDCO consolidated its position as the primary agricultural services co-operative for the ORIA, maintaining its core functions in crop inputs, agronomy, grain handling and pastoral support while strategically investing in new industry development — most notably through its founding role in the Kimberley Cotton Company, which culminated in the opening of the region's second cotton gin in 2025. By the end of this period ORDCO had an estimated annual revenue of around $5.6 million, reflecting its focused but essential role in the regional agricultural economy.

SOCIAL DEVELOPMENT

ORDCO's social contribution operated on several levels. This included its operation of the only general store in Kununurra and the local postal service during the 1960s, while supporting community events such as agricultural shows and the Madi Gras. Its retail operations during the 1980s served as a community hub.

Advocacy for farmers to government was described as a core social function. ORDCO became a “go to” business for government ministers visiting the ORIA and its farming communities. This role was seen in 1971 when the ORDCO Chair Mr. P. L. Kimpton and Manager Mr. D. O’Brien met with the Minister for North West, The Hon. Charles W. M. Court MLA (later Sir Charles Court AK, KCMG, OBE), and Kimberley Manager Mr. R. Hamilton over the slow progress than the Stage II of the ORIA. They advocated on behalf of their members, with a focus on the need for alternative crops (Graham-Taylor, 1978).

ORDCO’s employees were actively involved in community activities of some kind. The co-operative's partnership with the MG Corporation in the Kimberley Cotton Company highlights a form of social development for the Miriuwung Gajerrong people, by creating employment and economic participation through Native Title land farming (KDC, 2026).

GOVERNANCE AND MANAGEMENT

Another important area within which to examine ORDCO’s engagement with Co-ops WA and Wesfarmers is via its development of effective governance and business management.

The initial governance structure, five farmer-member directors plus two Wesfarmers representative directors, was critical. It provided management expertise and an ability to act as a "structural coupling" between the farming community and government. The Board's governance through the early years was conducted professionally, despite the relative lack of experience amongst the founder members of running a co-operative. The financial and managerial assistance provided by Wesfarmers was especially valuable (Graham-Taylor, 1978).

Following the Wesfarmers era, ORDCO proceeded to demonstrate professional, innovative and highly adaptable governance and management. For example, the co-operative’s issuing of “bonus” redeemable preference shares had, by the mid-1980s, resulted in a problem because they had appreciated in value and were no longer linked to patronage. Assisted by external legal advice, the ORDCO Board identified that the matter was not addressed within Co-operative Law. In response the Board decided to redeem these preference shares over the second-half of the 1980s linking share ownership firmly back to active patronage (CGL, 2026).

The corporate restructuring that took place during 2007-2008 and the repurchase of shares from inactive members over the period 2010-2017 further illustrates the proactive and professional approach of the ORDCO Board in relation to governance and management.

SUMMARY OF KEY FINDINGS

An overall conclusion is that Wesfarmers' role in ORDCO's foundation and early management was among the most consequential decisions made for the ORIA's development, while Co-ops WA's role is primarily as a background institutional partner having a more indirect role such as the shaping of co-operative legislation.

From an economic perspective Wesfarmers key engagement during its time as the manager of the Co-operative related to its management of the cotton ginnery, the provision of essential start-up capital, the proactive role it took in national and international marketing of ORDCO's produce, and the advocacy role it undertook with both State and Federal Governments. Additionally, the willingness of Wesfarmers' directors to reduce their management fees in order to assist ORDCO during financial difficulties demonstrates that the relationship between the two companies was not just an economic transaction.

In relation to social capital building Wesfarmers organisation of trade missions and marketing visits facilitated stability within the ORDCO farming community within the ORIA and enabled these otherwise isolated people to have contact with buyers from across Australia and the world. Co-ops WA played a much broader advocacy role within the wider co-operative sector. However, it fully acknowledged that the co-operative movement was active in the far north of the State and embraced ORDCO along with the other co-operatives that were established in WA's north.

From a governance perspective, Wesfarmers played a crucial role in providing two experienced and skilled directors to sit on the ORDCO Board during the period 1963 to 1977. They showed their willingness to actively market ORDCO's produce across Australia and around the world, usually travelling at the expense of Wesfarmers. They negotiated trade deals and advocated on behalf of ORDCO with both State and Federal Governments. Co-ops WA was more indirect in this area. However, the Federation was instrumental in the development of the *Co-operatives Act 2009 (WA)*, which had a major impact on ORDCO leading to the major restructuring of the company during lead up to the introduction of the new legislation.

Finally, in relation to management, Wesfarmers' appointment as a managing agent for ORDCO during its foundation years provided crucially important expertise and experience that served as role models for the grower-shareholders who would take responsibility for the Co-operative after 1977. The Wesfarmers directors provided mentorship and institutional knowledge to the fledgling co-operative at a critical time.

CHAPTER 7: THE WATERSHED OF DEMUTUALISATION

Wesfarmers demutualised in November 1984, converting from a co-operative to a publicly listed corporation. This was the single most impactful event in the history of the Wesfarmers role as the commercial parent to much of the state's co-operative network. The consequences varied significantly across the co-operative network that the company had established throughout the WA Wheatbelt and other agricultural sectors from Mount Barker in the south to the Ord River basin in the East Kimberley region. This chapter examines the impact of Wesfarmers' demutualisation on The Co-op York, QFCC, MBC, CBH, ORDCO, Galactic Co-operative (Galactic) plus Co-ops WA, which had been closely aligned with Wesfarmers since 1919.

WHAT LED WESFARMERS TO DEMUTUALISE?

By the late 1970s a view was developing within Wesfarmers, according to its official history (Thompson, 2014), that it was 'outgrowing its co-operative roots and that the age of the rural co-operative was mature, if not already past' (Baskerville, 2019, p. 53). The changing nature of the contract and agency relationships between Wesfarmers and the regional co-operatives, in which Wesfarmers gradually reduced its role, was noted earlier. The deregulation agenda of the Federal Labor Government of Prime Minister Robert (Bob) Hawke, and the WA Labor Government of Premier Brian Burke, from 1983 accelerated this trajectory. Financial sector deregulation, the floating of the Australian dollar in December 1983, and the growing influence of neoliberal economics all shaped the climate in which Westralian Farmers' embarked on a sequence of restructures in 1984, 1988, and 2001 to transition into a publicly-listed conglomerate. Critically, as Baskerville (2019) notes,

> *"Wesfarmers' official history focuses on the gratitude of newly enriched shareholders after 1984 but makes no mention of those left behind"* (Baskerville, 2019, p. 56).'

The decision by Wesfarmers to demutualise has been attributed to at least five factors.

First, there was concern within the Board that as the Australian economy, under the federal and state Labor governments, was beginning to open up to global competition and market deregulation, while becoming more competitive the co-operative structure was no longer appropriate. Of particular concern was the need to access financial capital to fund growth and undertake acquisitions. At that time, the co-operative legislation did not enable share capital to be purchased by non-members, and financing was limited to members purchasing new shares, borrowing, or retained profits. By demutualising and listing on the Australian Stock Exchange (ASX) the company's options for capital raising to fund growth and acquisitions was enhanced (Adamson, 1988).

Second motivation was the rise of corporate raiders posed a threat to the company. An example was in 1983 when John Roberts, the head of Multiplex Construction Ltd., threatened Wesfarmers with a hostile takeover following his unsuccessful bid for the contract to build Wesfarmers new headquarters "Wesfarmers House". Whether this threat was real or not, it reportedly stirred up the Board and senior management, who commenced planning a way to ensure that the company was "takeover proof" (Thompson, 2014). According to Wesfarmers Managing Director Michael Chaney, the logic behind the plan was that publicly listing Wesfarmers and maintaining a high share price was the best defence as a strong financial performance would make the company a less attractive target (Drummond, 2001).

Third factor was the view that demutualisation and public listing would provide a mechanism through which the accumulated wealth held in common by the Co-operative's 15,000 members could be transferred to them personally. This involved converting their non-tradable shares held in the co-operative into publicly listed tradable and appreciable shares (Wesfarmers, 2001).

Fourth factor was the desire to retain control of the business even as a result of publicly listing the company. To achieve this, a unique "founder's share" was established during the 1984 listing to ensure that the original farmer-members maintained a 60 per cent controlling interest in the newly public entity (Wesfarmers, 2024). However, this was subsequently removed in 2001 with a further restructure of the share capital to end the co-operative legacy and leave the company as an investor-owned firm (IOF) via what was named the "Ownership Simplification Plan" (Wesfarmers, 2001).

Fifth factor motivating the demutualisation was the belief within the Board and senior management that Wesfarmers had simply outgrown its co-operative roots and needed a more dynamic structure that could focus on providing greater commercial flexibility, and strong returns to shareholders (Wilkie, 2019).

This fifth factor pointed to a gradual diminution within Wesfarmers of the co-operative philosophy that underpinned its formation in 1914. Harper, Bath and other founders would not necessarily have accepted these factors as even relevant to board or member-level thinking about 'their co-operative' and its social and economic contributions to building and maintaining Western Australian society. This is not to question these factors but rather to point to their existence in 1983 only being conceivable because the co-operative's and spirit had been under question for some time.

WHAT WAS THE IMPACT OF THE DEMUTUALISATION ON THE WA CO-OPERATIVE SECTOR?

The most immediate and visible impact of the Wesfarmers demutualisation was the severing of institutional relationships that had, for many co-operatives, been foundational to their commercial operations. The rupture was experienced at different speeds and intensities across the co-operative sector, but its structural impact was uniform. Wesfarmers' withdrawal from the co-operative movement created a dependency shock for organisations that had relied on it as the apex of a federated supply and services network.

CO-OPS WA (THE CO-OPERATIVE FEDERATION OF WA)

The most severe institutional disruption was experienced by Co-ops WA, which had been headquartered in Wesfarmers' offices for most of the 1919 to 1984 period. Not only did the Federation lose its physical home, but it also lost both financial backing and in-kind secretarial support. Frank O'Connor, a Federation Council member from 1986 to 2001, recalled the period as 'marked by the loss of Wesfarmers financial and secretarial support and office accommodation, changing executive officers, and the collapse of the national body' (Baskerville, 2019, p. 56).

Figure 26: Wesfarmers executives Marcus Beeck, Chair (left), John Bennison, GM (centre) and WA Premier Brian Burke (right) inspect the architect's model for the new Wesfarmers House in 1984

Source: Roger Garwood and Trish Ainslie Collection, 142768PD, courtesy State Library of WA.

Between 1980 and 1985 the Federation was described as 'peripatetic and lacking the professional secretariat services once available in Wellington Street' (Baskerville, 2019, p. 56). Income shrank as memberships declined, falling from 70 in 1985 to 48 in 2004. From 1982, rent, previously non-existent, appeared as a line item in the Federation's annual financial statements (Baskerville, 2019).

The Federation moved offices three times between 1996 and 2004, finding temporary accommodation with the automotive services co-operative Capricorn Society Ltd. in Burswood. The Americas Cup Cultural Expo & Co-operative Conference (ACCECC 87) debacle, an ill-fated attempt to leverage the America's Cup defence off Fremantle, further isolated the Federation from the national co-operative body between 1986 and at least 1991 (Baskerville, 2019).

Through the 1980s and 1990s, Co-ops WA continued its long-standing role as WA's co-operative legislative advocate. Its most significant legislative achievement of this era was the *Co-operatives*

Act 2009 (WA), developed in the context of a broader Co-operatives National Law (CNL) framework aimed at standardising co-operative legislation across Australia (Baskerville, 2019).

The Act had profound consequences for all co-operatives operating in WA. For the MBC, it required the Board to systematically identify and repurchase inactive members' shares (Mazzarol et al., 2025c). For ORDCO, the impact was even more dramatic: between 2007 and 2017, ORDCO undertook a systematic share buyback across multiple rounds, ultimately repurchasing 38% of A-class shares at a cumulative cost exceeding $3.7 million. The Board described the process as 'a primary objective' in direct response to the Act's proclamation (CGL, 2026).

Issues that surfaced, around the buyback of shares from inactive ORDCO members, was the genesis of specific sections being included in the *Co-operatives Act 2009 (WA)* that allowed other co-operatives transitioning to the new legislation up to ten years to manage the potential loss of capital.

The Co-op York

The Co-op York had maintained an agency and supply relationship with Wesfarmers since its foundation in 1917. Following the Wesfarmers demutualisation, in 1985 The Co-op York widened its commercial linkages. The Co-operative responded by undertaking a strategic shift towards diversification. The co-operative established supply agreements with Metcash Limited to operate a Supa Valu (later IGA) branded supermarket and hardware stores under Home Hardware and Mitre 10 banners, progressively reducing its dependency on any single commercial partner (Mazzarol et al., 2025a).

The Co-op York's relatively early shift, it had changed its name from 'Farmers' to 'District' Co-operative as early as December 1955 meant it had been strategically repositioning itself well before 1984. It was arguably better prepared for independence than either QFCC or the Federation. The new supply agreements with Metcash and Mitre 10 enabled a relatively smooth transition from Wesfarmers to alternative suppliers (Mazzarol et al., 2025a).

QFCC

The Quairading Farmers' Co-operative (QFCC) had maintained a long-term contractual relationship with Wesfarmers since 1922. It acted as a Wesfarmers agent for grain handling, farm machinery, general merchandise, livestock, and insurance. For the QFCC, the demutualisation of Wesfarmers exposed a structural dependence that had been a commercial strength for nearly seven decades but now became a strategic vulnerability. The QFCC was not as well prepared for the demutualisation consequences as it might have been.

This was due to the Co-operative's business model having been built so comprehensively around the Wesfarmers agency relationship. Unlike The Co-op York, which had rebranded from 'Farmers' to 'District' Co-operative as early as December 1955, the QFCC made no equivalent strategic repositioning. Additionally, the 1980s was a period in which the population of the district began to decline as farmers retired and sold their properties to others willing to invest in significant technology able to generate larger harvests with fewer farm workers (Mazzarol et al., 2025b).

In 1983 the QFCC was publicly recognised as the first co-operative or private agent to exceed one million dollars in merchandise purchases from Wesfarmers in a single trading year (QFCC, 1897a). The demutualisation fractured this relationship fundamentally. The heavy reliance of QFCC on its commercial relationship with Wesfarmers meant that it was not as well prepared for an independent existence as it might have been. The strategic importance of the Wesfarmers agency relationship had not been fully understood until the demutualisation. The QFCC had been part of a unified network of regional co-operatives established in 1917 to adhere to the seven principles of the Co-operative movement, while simultaneously employing a unified bookkeeping system, and dividend and bonus distribution process. In return it benefited from being an agent for a wide range of goods and services supplied by Wesfarmers. The loss of that framework left the QFCC exposed to competitive market forces for which it was structurally ill-prepared (Mazzarol et al., 2025b).

MBC

For the Mount Barker based MBC, Wesfarmers demutualisation resulted in dramatic reductions or even withdrawal of commissions that had previously been paid to agents (including MBC) on livestock, wool, fertiliser and insurance transactions through the 1990s. The MBC's 1996 Directors' Report explicitly contrasted the 'privatising' approach with the co-operative philosophy of distributing surplus to member-owners (Mazzarol et al., 2025c). The MBC Board was sufficiently aware of the trajectory of demutualisation to address it directly in its 1996 AGM with a pointed commentary by the Chair distinguishing co-operative philosophy from the 'current buzz concept' of privatisation and its focus on absentee owners and profit maximisation as stated,

> *"'Privatising' seems to be a current buzz concept where the community owned organisations are sold off to parties which are preoccupied with return on capital and share prices, and where control is governed by the number of shares held. Co-operation is an alternative philosophy whereby the owners are the customers and any surplus generated by their mutual exertion or trade is distributed to the owners. Imagine your Co-operative privatised with the annual profits generated being paid to absentee owners who would naturally want profits to be maximised. How much trading rebate would you receive?"* (MBC, 1996, Director's report section, as cited in Mazzarol et al., 2025c, p. 65).

ORDCO

ORDCO's relationship with Wesfarmers was qualitatively different from the co-operatives located in the Wheatbelt. As discussed in Chapter 7, Wesfarmers had been formally appointed in 1963 to manage ORDCO on behalf of the Ord River farmers and held representative Board positions within the Co-operative throughout its formative decade. This managerial and governance role was gradually transferred to ORDCO's own member-elected directors as the farming community grew and diversified (Graham-Taylor, 1978).

By 1984 ORDCO had achieved effective independence from Wesfarmers' management, though the demutualisation nonetheless signalled the end of any residual institutional relationship with the co-operative parent that had helped to found it. Notably, in 1998 the now-listed Wesfarmers Ltd. reappeared in ORDCO's story in a very different guise, joining a consortium, the 'Wesfarmers Consortium', to develop Ord River Scheme Stage Two, from which it withdrew in 2001 after a feasibility study cast doubt on commercial viability (Ayre, 2008).

CBH

CBH, as an organisation that had been contesting Wesfarmers' influence over WA grain handling since the 1930s when some growers had resisted the idea of Wesfarmers controlling the new bulk handling scheme (Mazzarol et al., 2024a), was the least institutionally dependent on the parent company. Its trajectory after 1984 was shaped primarily by the broader structural deregulation of grain markets rather than by the specific loss of Wesfarmers support.

For CBH, Wesfarmers' demutualisation provided a powerful and historically resonant reference point. When CBH's own Board confronted demutualisation proposals in the late 1990s, the case can be compared to the demutualisation of the Perth Building Society Ltd., which converted into a publicly listed entity in 1987 (Baskerville et al., 2023). The CBH's members vote in 2000 that saw the co-operative model retained, was a decision characterised as one of the most significant outcomes in CBH's entire history (Mazzarol, 2024a).

CAPITAL CONSTRAINTS AND FINANCIAL VULNERABILITY

A second major theme emerging from this period concerns the intensification of capital constraints following Wesfarmers demutualisation. The demutualisation had concentrated wealth in the hands of newly-enriched Wesfarmers shareholders while leaving the co-operative network to fund its own development under a legislative framework, the *Companies (Co-operative) Act 1943 (WA)*, that capped dividend payments, fixed share values, and restricted capital raising. This created a structural tension between the accumulated organisational wealth that co-operatives needed to remain competitive and the co-operative principles that constrained its distribution or use as collateral. Each of the former members of Wesfarmers' agency network responded in different ways, which are discussed in the following sub-sections.

CBH: THE CAPITAL QUESTION AND DEMUTUALISATION PRESSURE

The capital constraint problem manifested most dramatically at CBH, where it drove the bulk grain handling Co-operative to the brink of demutualisation in 1998–2000. The attempt was driven not only by external pressures and the national trend toward privatisation throughout the 1980s and 1990s, but by an internal shift in member culture. CBH's annual turnover grew from $57.5 million in 1980 (approx. $311.3 million in 2025 dollars) to $208.35 million in 1998 (approx. $440.7 million in 2025 dollars), with equity rising from just over $97 million (approx. $525.1 million in 2025 dollars) to over $383 million (approx. $810.1 million in 2025 dollars) (Mazzarol et al., 2024a). This increase led some members, particularly retiring farmers, to view CBH,

> *"… as a potential source of real equity which could allow for participation in capital gains"* (Mazzarol et al., 2024a, p. 104).

Under the co-operative structure, an existing member seeking to leave CBH could only receive an exit payment of their $2 nominal share value, regardless of the Co-operative's true net asset value. This was not the only factor motivating the consideration of demutualisation. Also of importance was a concern that the co-operative business model would be uncompetitive within the newly deregulated market environment of the 1990s. This was prior to the introduction of the current *Co-operatives Act 2009 (WA)* and was a similar consideration that motivated the demutualisation of Wesfarmers in 1984 and the South Australian Co-operative Bulk Handling Ltd. (SACBH), the only other major bulk grain handling co-operative in Australia, in 2000. In that case the Board of SACBH held a genuine concern that the co-operative business model would not survive in the competitive market environment of the new century (Mazzarol, 2021).

The CBH Board was initially unanimous in support of demutualisation in 1998. The *Bulk Handling Repeal Act 2000 (WA)* was passed through the Legislative Assembly in an expedited debate with no opposition, providing the legal mechanism for conversion to a Corporations Law company (Mazzarol et al., 2024a). The vote at the 2000 Special Members Meetings produced a majority for demutualisation, but not the 75 per cent required under the Co-operative's Articles of Association. The vote was essentially determined by the election to the CBH Board of Wally Newman, a farmer from Newdegate who attended his first Board meeting in June 2000 vehemently and publicly opposing the plan and causing a re-write of the August/September 2000 Restructure Booklet (Mazzarol et al., 2024a).

The CBH case illustrates how the Wesfarmers demutualisation, alongside the concurrent privatisation of the Australian Wheat Board Ltd. (AWB) and the SACBH, created a powerful demonstration effect that normalised demutualisation as the rational response to capital constraints in a deregulated grain market. CBH CEO Imre Mencshelyi described the late 1990s as a period when,

> *"… the driver for transformation was that there was value in the business and people were retiring. However, they didn't get the 75% vote and never got there"* (Mencshelyi, 2011, as cited in Mazzarol et al., 2024a, p. 104).

Board member Tony Critch recalled that the demutualisation was designed partly to enable integration with the newly-privatised AWB Ltd. and the anticipated privatisation of the Grain Pool of WA (GPWA) (Mazzarol et al., 2024a). The avoidance of demutualisation at CBH stands as one of the most significant events in the history of the WA co-operative movement.

MBC: Capital raising and share buybacks

The MBC confronted capital constraints in the context of its transformation from a producer to a consumer co-operative. In 1986 the Co-operative amended its Articles of Association to increase share capital to $1,000,000 (approx. $3.3 million in 2025 dollars), specifically to enable the voluntary re-purchase of shares from inactive shareholders who had left the district as farming families departed (Mazzarol et al., 2025c). By 1989, 98 per cent of shareholders were local residents and/or active customers. The MBC also used debentures in place of dividends as a liquidity management tool during the 1980s and 1990s, while managing an increasing number of delinquent debtors, a symptom of the broader financial pressures on the farming community (Mazzarol et al., 2025c).

QFCC: Profitability decline and management instability

At QFCC, the capital and financial challenges of the post-demutualisation period were amplified by management instability. The long-serving Manager Charles Lindorff retired in 1987 after thirty-nine years, and a bifurcated management structure quickly proved unworkable. A long-term director, Don Handscombe, observed that,

> *"… when Charlie Lindorff retired, the dividend payments also ceased. Although the money earned on the dividends was much less than the trading bonuses, the overall distributions to the shareholders came to an end"* (Handscombe, 2023, as cited in Mazzarol et al., 2025b, p. 140).

He also described several subsequent Board decisions, including the sale of Wesfarmers and Foodland shares that had provided valuable dividend revenue, as 'shockers' (Handscombe, 2023, as cited in Mazzarol et al., 2025b, p. 140). Net profitability during the 1980s declined steadily to approximately $293,439 (in 2023 dollars) compared with $464,206 (in 2023 dollars) in the 1970s (Mazzarol et al., 2025b). The 1990s saw this trend accelerate into genuine financial crisis.

Co-ops WA: Investment portfolio and rent burden

For Co-ops WA, the capital challenge was about survival rather than growth. By 1991 its investment portfolio, held mainly in Wesfarmers shares and franked income, had a value of $142,000 (approx. $341,597 in 2025 dollars) (Baskerville, 2019). In a notable irony, the Federation's most significant financial asset in this period was its shareholding in the very company whose demutualisation had caused its institutional difficulties. The addition of rent as a recurring expense line item from 1982, amounting to $3,264 (approx. $14,494 in 2025 dollars) in that first year and rising thereafter, symbolised the permanent change in the Federation's institutional position (Baskerville, 2019).

Member identity erosion and demographic change

A third theme that emerges from this period concerns the erosion of member identity and commitment, driven by the demographic transformation of rural WA and amplified by the cultural signal sent by Wesfarmers demutualisation. Across multiple cases, the 1980s and 1990s saw a generational shift in member attitudes towards co-operative ownership, accompanied by rural depopulation that reduced the absolute number of members and trading customers.

Rural depopulation and membership decline

The structural transformation of WA agriculture, driven by the cessation of new land releases in the early 1980s, farm amalgamations, mechanisation, the end of mixed farming, and the departure of farming families, created a shrinking base of active members across all the Wheatbelt co-operatives. CBH membership peaked at 15,509 in 1969 and had declined to 10,127 by 1994, falling to below 5,000 by the end of 2010 (Mazzarol et al., 2024a). At QFCC, the social context of the Quairading district in the 1980s was characterised by unemployment rising to 10 per cent by June 1984, a decline in rural labour demand as farms became larger and more mechanised, and an accelerating rural exodus (Mazzarol et al., 2025b).

At MBC, the orchardists who had provided the foundation of the Co-operative's membership continued to leave the district as the smaller fruit growers sold up and retired. Additionally, due to a slump in the wool and livestock prices, many mixed farms (e.g., grains, sheep) either sold out or leased their land to tree farming plantation companies (Income Tax incentive Managed Investment Schemes) that planted blue gums (MBC, 1998 Annual Report, as cited in Mazzarol et al., 2025c, p. 67).

Generational change in Co-operative values

Beyond numbers, the quality of member engagement changed. At CBH, CEO Mencshelyi described the late 1990s as a period change in the demographics within the WA Wheatbelt. The older growers were retiring and their younger counterparts were less cooperatively minded, which created some tension between the two generations over the future direction of the Co-operative. As he explained,

> *"The driver for transformation was that there was value in the business and people were retiring. However, they didn't get the 75% vote and never got there"* (Mencshelyi, 2011, as cited in Mazzarol et al., 2024a, p. 104).

CBH Chairman Allan Watson who had grown up in the Wheatbelt town of Nungarin where the local general store was a co-operative. He noted that it was owned by the community rather than the private investors who were not-resident in the district. However, over time the local general store co-operatives disappeared, and the changing nature of the Australian marketplace was making the survival of regional co-operatives problematic. He was concerned about the ability of CBH to maintain its competitiveness. As he explained,

> *"My immediate reaction to why do that change was the changing environment that CBH was operating in. For argument's sake, CBH in WA had operated in a completely regulated market environment and then the environment changed"* (Watson, 2011, as cited in Mazzarol et al., 2024, p. 104).

The demutualisation of Wesfarmers was a cultural as much as a commercial event. It signalled that a co-operative, even the most prominent co-operative in the state, could legitimately choose a corporate identity. As Baskerville (2019) notes, in the context of the 1990s,

> *"… the idea that a co-operative would naturally develop into a private corporation reflects a time when mutual enterprises had come to be regarded as inefficient and not business minded. Demutualisation, as Wesfarmers had shown, seemed the logical and profitable response"* (Baskerville, 2019, p. 58).

This cultural framing permeated the WA co-operative sector throughout the late 1980s and 1990s.

MBC and York: Broadening membership beyond farmers

Both MBC and The Co-op York responded to demographic change by consciously broadening their membership beyond the farming community. MBC introduced 'Z' shares in 1993 for occasional purchasers of goods and services, partly driven by Australian Taxation Office (ATO) requirements for 90 per cent of shareholders to be actively trading with the Co-operative (Mazzarol et al., 2025c). In 2002 MBC amended its Articles to allow 'B class' shareholders to vote along-side A Class shareholder members at AGMs, recognising the increase in non-farming population (Mazzarol et al., 2025c). The Co-op York's name change from 'Farmers' to 'District' Co-operative in 1955 had been strategically prescient, it signalled a commitment to serving the broader community that positioned the Co-operative to manage the loss of Wesfarmers support more effectively than its Wheatbelt peers (Mazzarol et al., 2025b).

GALACTIC: A NEW FORM OF MEMBER IDENTITY

Galactic Co-operative WA Ltd. (Galactic), founded in 2017, experienced no direct institutional disruption from the 1984 demutualisation of Wesfarmers. However, its history suggests that the absence of a worker co-operative tradition in WA, itself partly a consequence of the institutional narrowing that followed demutualisation, made its formation pioneering (van Aurich, Baskerville and Mazzarol, 2025).

As the only worker co-operative in WA, Galactic represents a post-2009 manifestation of member identity entirely distinct from the producer and consumer models that dominated the Wesfarmers era. Its founding principle, that worker-members are simultaneously owners, managers, and employees, reflects a form of co-operative identity that had no organisational home in WA during the 1984–2009 period due to the absence of a suitable legislative framework for worker co-operatives (van Aurich et al., 2025). The contrast between Galactic's member-worker model and the passive shareholder attitudes that led to Wesfarmers demutualisation and nearly led to CBH's demutualisation illustrates the breadth of member identity issues that co-operatives faced in this era.

STRATEGIC DIVERSIFICATION AS ADAPTIVE RESPONSE

A fourth theme is the adoption of strategic diversification by co-operatives as a primary mechanism for adapting to the loss of Wesfarmers support and the changing commercial environment. Diversification took different forms across the seven organisations, from wholesale supply alternatives and retail franchises to new industry sectors, but in each case it represented a conscious strategic response to the changed competitive landscape created by Wesfarmers' commercial transformation.

THE CO-OP YORK: SUPPLY CHAIN SUBSTITUTION

The Co-op York's strategic response to Wesfarmers demutualisation was relatively straightforward. First, it substituted the Wesfarmers supply relationship with alternative wholesale and franchise arrangements. By aligning with Metcash (Supa Valu, then IGA) for grocery supply and with Home Hardware (later Mitre 10) for hardware, the Co-operative successfully maintained its retail position in York. The engagement of RSM Bird Cameron, accountants and business advisors, to provide industry financial benchmarking data and the appointment of Glen Scott as CEO, with a background in large corporate retailers, provided the strategic intelligence to navigate the competitive environment (Mazzarol et al., 2025a). The IGA-branded supermarket at 138 Avon Terrace became the anchor of the Co-operative's identity in the post-Wesfarmers era.

MBC: PRODUCER TO CONSUMER TRANSFORMATION

The MBC's strategic diversification was the most fundamental structural transformation in its history from the complete reinvention from a producer co-operative (packing and distributing orchard fruit) to a consumer co-operative (retailing grocery, hardware, fuel, and building supplies). The supermarket that opened in July 1978 became the commercial core of the Co-operative, with successive expansions and franchise changes (Foodmaster, Dewson's, IGA) reflecting the ongoing effort of the Co-operative to remain competitive in a regional retail market increasingly threatened by nearby Albany located corporate retailers (Mazzarol et al., 2025c).

The MBC's 1981 Annual Directors' Report explicitly framed the Co-operative's role in terms of keeping money circulating locally. The Directors' report to the 1981 AGM urged members to:

> *"Help to further strengthen your Co-operative with your positive participation in its activities. Be reminded that we stated in last year's report – 'Your Co-operative is a community business and the profits generated by its activities are not syphoned out of the district nor do they form the income of any individual but remain LOCAL IN COMMUNITY FACILITIES AND SERVICES."* (MBC, 1981, Director's report section cited in Mazzarol et al., 2025c, p. 62).

At the MBC's AGM in the following year, the 1982 Directors' report noted disappointment with the low attendance at the previous year's AGM, declaring that,

> *"The success of this Co-operative is largely a product of the loyalty and participation of its shareholders, and we urge each of you to register your continuing interest in the Company's activities and progress by attending this year's Annual General meeting. WE NEED YOR INTEREST IN THE COMPANY!"* (MBC, 1982, Director's report section cited in Mazzarol et al., 2025c, p. 63).

QFCC: Automotive expansion and franchise diversification

QFCC's diversification in the 1980s built on the automotive dealership base established in the 1940s through the BDQ Engineering Works. During the decade, the Co-operative expanded its Ford motor vehicle dealership operations into Kellerberrin, Corrigin, and Merredin, a regional expansion strategy that reflected the Co-operative's attempt to compensate for falling agricultural agency income with increased automotive retail revenue (Mazzarol et al., 2025b). The Lindorff Rural Centre, opened in September 1987, represented another form of diversification, expanding the rural and general merchandise store to become one of the largest rural stores in WA at the time (QFCC, 1987b).

CBH: Grain market diversification and overseas ventures

CBH's diversification response to the market deregulation of the late 1980s was strategically significant because it moved the Co-operative into grain trading and marketing functions previously performed by the statutory Grain Pool of WA. The merger of CBH and GPWA in 2002, creating the CBH Group, was the outcome of a decade-long process of strategic diversification that also included overseas flour milling joint ventures in Asia and grain trading entities. This transformation effectively converted CBH from a bulk handling infrastructure provider to a fully integrated grain supply chain organisation, generating the revenues and market position that made any future case for demutualisation progressively less compelling (Mazzarol et al., 2024a).

Galactic: A new diversification model for the 21st Century

Galactic Co-operative's diversification model, spanning scientific equipment servicing, ICT, sustainability consulting, broadcast technology, and e-bikes, demonstrates the adaptive potential of the worker co-operative form in a post-industrial economy. Founded in 2017 by Andrea Biondo as Galactic Scientific, the co-operative structure was adopted to enable worker-members to share risk, reward, and decision-making in a multi-sector services business. Its trajectory illustrates that the diversification imperative is not unique to the agricultural co-operatives studied. In a knowledge-service economy, worker co-operatives face analogous pressures to broaden their service offerings and member base (van Aurich et al., 2025).

REGULATORY VACUUM AND THE PATH TO THE *CO-OPERATIVES ACT 2009 (WA)*

A fifth theme concerns the legislative and regulatory environment that shaped co-operative life throughout the 1984–2009 period. The demutualisation of Wesfarmers was, in part, enabled by the inadequacy of the *Companies (Co-operative) Act 1943 (WA)*, which capped dividends, fixed the $2 share value, and accumulated co-operative earnings in ways that could not be distributed to members, features that Baskerville (2019) notes were “coming to be regarded as a constraint on Wesfarmers operations, and an invitation to the corporate raiders of the early 1980s” (p. 54). The subsequent period saw a protracted, contested, and ultimately successful campaign to modernise co-operative legislation in WA.

THE 1943 ACT AS AN ENABLER AND CONSTRAINT

The *Companies (Co-operative) Act 1943 (WA)* was simultaneously the legal foundation that protected WA co-operatives and the legislative straitjacket that constrained their capital-raising and governance capacity. For CBH, operating as a non-distributing co-operative since 1970, a structure that exempted it from income tax on its core business, the 1943 Act was central to its financial model. Yet the same Act created the $2 exit payment provision that fuelled the demutualisation push of 1998–2000 (Mazzarol et al., 2024a).

1994 AMENDMENT: FACILITATION OF DEMUTUALISATION

The 1994 amendments to the *Companies (Co-operative) Act 1943 (WA)* were a direct product of the demutualisation wave. Baskerville (2019) records that Rural Traders Co-operative Co Ltd intended to demutualise, and when it sought to transfer to the Corporations Law the Australian Securities & Investments Commission (ASIC) refused on the grounds that a co-operative was a 'non-company'. The amendments passed through both houses of the WA Parliament 'without any debate' and were explicitly framed by the State Attorney General as removing an 'impediment' to co-operatives developing into corporations 'if they so desire', a framing that, in the words of Baskerville (2019),

> *“… reflects a time when mutual enterprises had come to be regarded as inefficient and not business-minded'* (Baskerville, 2019, p. 58).

NATIONAL HARMONISATION DEBATES AND WA'S RESISTANCE

From the mid-1990s a national push for harmonised co-operative legislation gathered momentum. In 1996 the Standing Committee of Attorneys-General and the Ministerial Council for Corporations agreed on an inter-governmental Co-operative Laws Agreement using Victoria's *Co-operatives Act 1996 (Vic)* as the model, but Western Australia did not sign. The Federation resisted national harmonisation out of concern about 'bureaucratic controls', and a WA parliamentary committee's 1998 recommendation to join the agreement was effectively blocked by the Federation's opposition (Baskerville, 2019). This opposition from the Federation itself partly reflects the doldrums in which it found itself after the Wesfarmers’ demutualisation and the loss of a supportive co-operative ‘ecosystem’. By 2002 all other states and territories had adopted the 1996 core provisions, while WA remained on the 1903 and 1943 framework (Baskerville, 2019).

From Industry Reference Group to the Co-operatives Act 2009 (WA)

The revival of the Federation came under Peter Wells from 2004, Wells came from CBH where he was the Company Secretary, and the formation of an Industry Reference Group (IRG) between the Federation Council and ministerial officers created the collaborative process that eventually delivered the new legislation (Baskerville, 2019). A green paper was released for public comment in early 2006. The *Co-operatives Bill* passed the Legislative Assembly in April 2008 but lapsed when a State election was called. After the Liberal National Coalition government of Premier Colin Barnett replaced the WA Labor government of Premier Alan Carpenter, the Federation lobbied urgently for re-introduction, and in March 2009 the lapsed Bill was re-introduced, passing through both houses to receive Royal Assent in October 2009 as the *Co-operatives Act 2009 (WA)* (Baskerville, 2019).

The *Co-operatives Act 2009 (WA)* swept away the 1903 and 1943 Acts and abolished the hard distinction between co-operative companies and co-operative societies that had existed since 1929 (Baskerville, 2019). It was the first WA legislation to give statutory basis to the globally recognised seven co-operative principles of the International Co-operative Alliance (ICA). It introduced co-operative capital units (CCUs) enabling fundraising among non-members, simplified cross-border registration, introduced updated disclosure requirements, and provided new accountability mechanisms for directors (Baskerville, 2019).

Impact on individual Co-operatives

CBH was the first co-operative to transition to the new Act in 2011, which was a critical event in its own right. However, it was not surprising that CBH was the first mover with respect to its transition to the *Co-operatives Act 2009 (WA)*. By doing so, CBH Group played a critical role in publicly validating the new legislative framework for modern co-operatives (Mazzarol et al., 2024a). This was a leadership role that would once have been played by Wesfarmers.

QFCC and MBC also transitioned to the new legislation in 2011. It is worth noting that the QFCC was established in 1917 and originally registered under the *Companies Act 1893 (WA)*, while the MBC, established in 1918, was registered initially under the *Co-operative and Provident Societies Act 1903 (WA)*. The QFCC welcomed the introduction of the *Co-operatives Act 2009 (WA)* because it enabled the company to address structural governance issues that had previously been seen as unacceptable conditions under the earlier legislation (Mazzarol et al., 2025b).

For Galactic Co-operative, the *Co-operatives Act 2009 (WA)* was literally constitutive. Without it, the worker co-operative form that enabled Galactic's creation in 2017 would have had no suitable legislative foundation under WA legislation (van Aurich et al., 2025). The new Act thus represents both the culmination of the 1984–2009 institutional struggle and the enabling condition for the next generation of co-operative enterprise.

Co-operative resilience and community anchoring

The theme emerging from this cross-case analysis of the co-operatives is perhaps the most consequential for understanding the historical significance of the 1984–2009 period. This took the form of a demonstration, across multiple organisations, of co-operative resilience. Despite the institutional shock of Wesfarmers demutualisation, the capital constraints of the 1943 Act, the cultural erosion of co-operative identity, and the competitive pressures of a deregulated market, all six established co-operatives survived the period, and most emerged from it in a stronger position than they entered it. This resilience was rooted in the co-operatives' roles as community anchors. They were member-owned, community-based, commercial enterprises that provided goods, services, employment, and social capital to communities that would have been commercially underserved by the private sector alone. The following sub-sections provide a summary of the way in which this resilience was displayed by each of the six co-operatives.

CBH: Surviving demutualisation and reaffirming identity

CBH's survival of the 2000 demutualisation vote represents the most dramatic assertion of any co-operative's resilience in the period. The members who voted against demutualisation, enough to prevent the required 75 per cent threshold, did so because they viewed CBH as an extension of their own farming business. It enabled them to have direct control over the storage and handling fees and enhanced their ability to sustain and grow their farms. There was a view that the vaguely defined ownership rights of a co-operative would be unpopular amongst the grower-members. However, this was not the case, with the controlling interests expressing their satisfaction that CBH was not owned by any single individual, but by the entire WA Wheatbelt grower community in mutual. So long as CBH offered them efficient and competitively priced services the business model did not require change (Mazzarol et al., 2024a). The merger with GPWA in 2002 and the creation of CBH Group, converted the Co-operative's survival instinct into a commercially potent grain handling, storage, trading and transport logistics organisation that by 2023 had a turnover of $6.23 billion and assets of $4.38 billion (Mazzarol et al., 2024a).

MBC: Local loyalty as commercial strategy

The MBC's resilience during the 1984–2009 period was sustained by an explicit and repeatedly articulated commitment to local community benefit. The Co-operative consistently framed its commercial decisions, from maintaining a fuel delivery service rather than shifting to Albany, to donating $15,000 per year for four years to aged housing in 1984, as expressions of its community purpose. The 1981 AGM Director's Report declared that profits generated by the Co-operative remained in the local community, creating jobs and delivering sustainable services. It was in essence the articulation of a social contract between the Co-operative and the Mount Barker community that gave both shareholders and customers the reason to support the MBC beyond simple price competitiveness. By the start of the 2010s, the MBC was successfully operating IGA, Mitre 10, Elders, Cellarbrations, and a fuel service, a consumer co-operative serving a growing community of over 5,600 people in the Shire of Plantagenet (Mazzarol et al., 2025c).

ORDCO: Adaptation in a remote and challenging environment

ORDCO's resilience in the face of consecutive agricultural crises, such as the decline of the first cotton era, the failure of sugar, the fatal crash of a helicopter carrying ORDCO employees in 2003, and the repeated disappointments of Ord River Scheme expansion, is remarkable. The Co-operative maintained active operations in the Kununurra area throughout the 1984–2009 period, providing farming supplies, grain marketing and storage, agronomic advisory services, and fuel supplies to an active membership of 60 by 2023 (ORDCO, 2026). The resilience of ORDCO reflected both the geographic indispensability of a co-operative service provider in a remote region and the commitment of member-farmers who had chosen to remain and develop the Ord River Irrigation Area (ORIA) through multiple cycles of commodity collapse.

The Co-op York and QFCC: Contrasting trajectories of resilience

The Co-op York and QFCC illustrate contrasting trajectories of resilience during the period. The Co-op York, with its earlier strategic pivot to a district-wide consumer base and its successful adoption of IGA and hardware franchise models, navigated the post-Wesfarmers environment more effectively and entered the 2000s with greater financial stability. The 2007 Strategic Plan and the competitive response to the threat of new market entrants in the mid-2000s, which triggered a comprehensive shake-up of the Co-operative's management and operations, demonstrated an organisational capacity for strategic self-renewal (Mazzarol et al., 2025a).

By contrast, the QFCC experienced a more prolonged period of financial difficulty in the 1990s, driven by the combination of management instability, the loss of the Wesfarmers agency income, and the broader economic challenges of the Wheatbelt. The financial restructuring undertaken in the early 2000s, was a co-operative solution to a co-operative problem. This took the form of raising capital and restructuring finances through the commitment of members rather than the sale of equity to outside investors (Mazzarol et al., 2025b).

Galactic: A new resilience in post-industrial WA

Galactic Co-operative's story from 2017 onwards demonstrates that co-operative resilience is not confined to agricultural and rural contexts. Its survival through the COVID-19 pandemic of 2020, and its ongoing development of new service lines in sustainability consulting and broadcast technology, illustrate the adaptive capacity of the worker co-operative form in an urban, knowledge-intensive environment. The Co-operative's commitment to building a collaborative working environment where all employees and members can thrive reflects co-operative principles that would have been recognisable to the founding members of QFCC or The Co-op York a century earlier (van Aurich et al., 2025).

Co-ops WA: Institutional recovery and legislative achievement

The Federation's institutional resilience is perhaps the most instructive of all the cases studied. Beginning the period in institutional crisis (e.g., peripatetic, under-resourced, isolated from the national co-operative body) it ended it as "the envy of inter-state counterparts" (Baskerville, 2019, p. 65). The appointment of Peter Wells from CBH as Secretary in 2004, the adoption of a new strategic plan in 2005, the engagement with the UWA Business School, and the successful passage of the *Co-operatives Act 2009 (WA)* were the milestones of this recovery. By 2018, Co-ops WA had returned to an operating surplus for the first time in many years (Baskerville, 2019). The Federation's journey from 1984 to 2009 is a case study in how institutional resilience can be rebuilt through strategic clarity, external partnerships, and long-term legislative advocacy, as well as determined leadership, a factor evident in the WA co-operatives movement all the way back to Charles Harper in the 1890s and William Carmalt Clifton in the 1860s.

Synthesis: The long shadow of demutualisation

The cross-case thematic analysis reveals that the demutualisation of Wesfarmers in 1984 cast a shadow over the WA co-operative movement that extended for a full quarter-century. The six themes discussed above: i) institutional disruption; ii) capital constraints; iii) member identity erosion; iv) strategic diversification; v) regulatory vacuum, and vi) co-operative resilience, are not independent phenomena. They form an interconnected system of challenge and response that defines the character of the 1984–2009 period.

The institutional disruption caused by Wesfarmers' withdrawal created capital vulnerabilities that in turn drove both the demutualisation pressure at CBH and the financial crises at QFCC. These capital vulnerabilities were amplified by the cultural erosion of co-operative identity, itself partly produced by the demonstration effect of Wesfarmers' profitable transformation, and by the demographic changes transforming rural WA. The strategic diversification responses of the individual co-operatives were the adaptive mechanisms through which these combined pressures were navigated, some more successfully than others. Additionally, the regulatory vacuum created by the continued operation of the 1943 Act in a fundamentally changed economic environment constrained the ability of co-operatives to raise capital, restructure governance, and operate across state boundaries.

The *Co-operatives Act 2009 (WA)* represents not the end of the story but the resolution of its most urgent structural tension. This was the incompatibility between the institutional framework inherited from the 1940s and the commercial, demographic, and competitive realities of the early twenty-first century. By sweeping away the 1903 and 1943 Acts, giving statutory recognition to the seven co-operative principles, and introducing modern capital-raising instruments, the 2009 Act created the conditions for co-operative renewal. The fact that CBH was the first to transition, and did so voluntarily, within two years of the Act's passage, is a powerful indicator of how much the old legislative framework had constrained the movement's most successful organisation.

Conclusion

The demutualisation of Wesfarmers Ltd. in 1984 was not merely a corporate event, it was a structural discontinuity, a rupture, in the institutional history of co-operative enterprise in WA. For the seven organisations studied in this historical analysis, it marked the end of a seven-decade era in which the WA co-operative movement had operated as a federated network with a common institutional home, shared wholesale infrastructure, and a 'parent company' that provided legitimacy and resources to smaller members.

The 25-year period from 1984 to 2009 was characterised by institutional disruption, financial vulnerability, demographic change, and the slow erosion of co-operative identity in an era that celebrated privatisation and market deregulation. Yet it was also characterised by resilience. For example, the refusal of CBH's members to surrender the co-operative model in 2000. Also, the determination of MBC, ORDCO, QFCC, and The Co-op York to adapt, diversify, and survive. Finally, it should also be acknowledged that the long, patient work of Co-ops WA to rebuild itself and deliver the legislative reform that the movement needed was arguably the most significant outcome.

The *Co-operatives Act 2009 (WA)* stands as the institutional monument to this period. It closes the quarter-century of legislative inadequacy that began when the 1943 Act was used to enable Wesfarmers' departure and opens a new era in which co-operative enterprise in WA has, for the first time, a modern, principles-based legislative foundation. The emergence of Galactic Co-operative in 2017 as the state's first worker co-operative in decades is perhaps the clearest evidence of what that new foundation makes possible. The lessons of 1984–2009 remain relevant. Co-operative resilience is not automatic, it requires active member engagement, adaptive governance, strategic clarity, and a regulatory environment that enables rather than constrains. The seven organisations examined in this chapter demonstrate that co-operatives can survive, and ultimately thrive, even when the institutional conditions that gave rise to them are fundamentally altered. They demonstrate the cost of neglecting those conditions, namely the financial crises, governance failures, and near-demutualisation of the post-1984 era need not be repeated.

CHAPTER 8: THE CONTEMPORARY ERA – 2009 TO 2026

This chapter examines the period from 2009 to 2025 and focuses on the development of the six co-operatives, Co-operative Bulk Handling Ltd. (CBH), York and District Co-operative Ltd. (The Co-op York), Quairading Farmers' Co-operative Co. Ltd. (QFCC), Mount Barker Co-operative Ltd. (MBC), Ord River District Co-operative Ltd. (ORDCO), and Galactic Co-operative WA Ltd. (Galactic), and The Co-operative Federation of Western Australia Inc. (Co-ops WA). The cross-case analysis identified eight emergent thematic clusters within which these seven organisations either directly or indirectly interact with each other. The 2009 starting date was chosen because the *Co-operatives Act 2009 (WA)*, enacted in that year and was progressively activated through the period 2011–2012, represents the single most significant shared regulatory event affecting all seven organisations simultaneously over the period, thereby providing a natural analytical anchor for the study.

THE CO-OPERATIVES ACT 2009 *(WA)* AS A SHARED REGULATORY CATALYST

The introduction of the *Co-operatives Act 2009 (WA)* was a watershed moment for all seven organisations, constituting what the case study literature identifies as a 'critical event' affecting the regulatory, governance, and identity dimensions of every co-operative examined. The Act, for the first time in WA history, gave statutory force to the seven co-operative principles that are held and promoted globally by the world peak body, the International Co-operative Alliance (ICA). The new legislation removed the distinction between co-operative companies and co-operative societies that had existed since 1929, and introduced new provisions including active membership requirements, Co-operative Capital Units (CCUs), the role of independent directors, and mandatory three-year transitional re-registration. All co-operatives operating in WA were simultaneously subject to the *Co-operatives Act 2009 (WA)*, requiring governance redesign, new model rules, active member management, and updated reporting.

CBH GROUP – THE PIONEER TRANSITION

As discussed in Chapter 7, CBH Group was the first co-operative in WA to register under the new *Co-operatives Act 2009 (WA)*, completing the transition in 2011. By being the first co-operative to transition to the new legislation, CBH served as an exemplar to other co-operatives. This desire to be the first to register under the new Act was driven by the confluence of three pressures.

The first, was a strategic review of CBH's corporate structure triggered by the Australian Taxation Office's (ATO) 2010 challenge to CBH's tax-exempt status, which CBH won in the Full Federal Court in December 2010. The second, was member consultations which took place in 2010–2011 about the future structure of the co-operative. Third, was the opportunities provided by the new Act's 'hybrid' model. A member survey found 81 per cent wished to retain the core storage and handling business as a fully member-owned enterprise, and 72 per cent wished to retain CBH's non-distributing co-operative status. The Board adopted the 'Enhanced CBH' structure, which was approved by 96 per cent of members at an Extraordinary General Meeting (CBH, 2011). New Company Rules replaced the Memorandum and Articles of Association, and from 2013 onwards CBH's annual reports explicitly referenced the co-operative business model and the seven co-operative principles, a marked shift from pre-2011 reports that consistently referred to CBH as a 'company' (Mazzarol et al., 2024a).

Overall, CBH played a key role in supporting and validating the new co-operatives legislation. Given the size of the CBH, which has been the largest co-operative and mutual enterprise (CME) in Australia by annual turnover for many years, its pioneering approach to registration displayed an exemplary function that had a ripple effect across the entire co-operative sector in the State (Mazzarol et al., 2024a).

CASCADE EFFECT ON CONSUMER AND COMMUNITY CO-OPERATIVES

Following CBH's 2011 transition, a cascade of re-registrations occurred among the majority of consumer co-operatives throughout WA. In the same year, eleven other co-operatives made the transition, including the QFCC in Quairading and the MBC in Mount Barker (Baskerville, 2019). The *Co-operative and Provident Societies Act 1903 (WA)* and the *Companies (Co-operative) Act 1943 (WA)* were finally repealed in August 2012, bringing the transitional period to a close.

For the QFCC, transition under the 2009 Act was formally resolved at the AGM of 23 September 2011, when two resolutions were unanimously carried to register the co-operative under the new Act and adopt the Co-operative Rules 2011 (QFCC, 2011). The new Act's active membership provisions required the QFCC to introduce a Shareholder Card with a minimum $100 trading threshold over three years to identify inactive members. This reflected a new governance requirement shared across all WA co-operatives (Mazzarol et al., 2025b).

For the Mount Barker based MBC, one of its first actions in the 2011–2024 period was to undertake transition to the new *Co-operatives Act 2009 (WA)*. The Co-operative approached members who did not meet minimum trading thresholds and offered them the option of selling shares or transferring them to active parties, rather than waiting for compulsory acquisition at a larger discount (Mazzarol et al., 2025c). Similarly, The Co-op York was also re-registered under the new legislative framework and committed itself to the repurchasing of shares from inactive members.

ORDCO'S COMPLIANCE JOURNEY

For ORDCO, the Act's active membership provisions intersected with its own corporate restructuring completed in 2007–2008, which had already separated farming and non-farming activities into separate entities. The re-registration under the 2009 Act triggered a substantial and prolonged share buyback program running from 2007 to 2016 (CGL, 2026).

The prospect of ORDCO, and other co-operatives, facing a significant drawdown of cash to settle the cancellation of shares held by inactive members was recognised in the drafting of the 2009 Act with special provisions made for a co-operative transitioning from the 1943 Act to the 2009 Act (a transferred co-operative) to defer for up to ten years, the return of paid-up capital on the cancellation of shares on exiting an inactive member.

GALACTIC'S FORMATION UNDER THE 2009 ACT

Uniquely among the seven organisations, Galactic Co-operative was founded under the 2009 Act, in 2017. The Co-operative's foundations and model rules were signed in January 2017 at the offices of Co-ops WA in South Perth, with five signatories, Andrea Biondo, Kate Biondo, Bryn

Pittman, Dr Kate Ringvall, and Caleb Tang. The Act's requirement of at least five active members was noted by founder Andrea Biondo as a structural limitation. As he explained,

> *"The legislation is flawed because it insists that there must be five members at the formation of a co-operative ... We would have been better off starting with three or four members* (A. Biondo, 2024, cited in van Aurich et al., 2025, pp. 25–26).

The 2009 Act's framework thus directly shaped Galactic's founding governance architecture and membership composition.

Co-ops WA as facilitator and advocate

Co-ops WA played an active facilitation role across the sector during the 2009–2016 transition period. It assisted co-operatives to understand and adapt their rules to the new legislative requirements, hosted training workshops in Perth and Mount Barker, awarded education grants to enable attendance by smaller co-operatives, and worked with the State Minister for Commerce on 2016 amendments to ensure alignment with the national *Co-operatives National Law* (Baskerville, 2019, pp. 66–67). It subsequently assisted in updating its own rules under the Associations Incorporation Act 2015 and helped members adapt their rules to the 2016 Act amendments.

Co-ops WA as the inter-organisational nexus

Since its foundation in 1919 Co-ops WA (The Co-operative Federation of Western Australia Inc.), has functioned as the peak sector body for co-operatives in WA, and has served as the primary structural connector among the seven organisations and all other co-operatives in the State. Its role encompasses: membership and governance support; education, training and professional development; advocacy with the State Government and the State Registrar of Co-operatives; formation services for new co-operatives; and networking events including an annual conference.

Peak body functions and membership

All six of the case study co-operatives are members of Co-ops WA. Co-ops WA provides networking, education and training, advice, and formation services for the sector, as well as advocacy in relation to co-operative issues for the State Government and the State Registrar of Co-operatives (Baskerville, 2019).

CBH's sponsorship of sector-wide initiatives

CBH was one of three Western Australian bodies, alongside the Capricorn Society Ltd., on the inaugural six-member Board of the Business Council of Co-operatives and Mutuals (BCCM). Formed in 2013, BCCM is the national peak body that succeeded the Co-operatives Council of Australia. CBH and Capricorn also jointly sponsored the collaboration between Co-ops WA and UWA Business School (Baskerville, 2019).

This sponsorship underwrote the annual sector conference in 2012, the United Nations International Year of Co-operatives (UN IYC) event titled *Co-operatives in the Fourth Sector: The Role of Member Owned Businesses in the Global Economy*, jointly hosted by Co-ops WA and CERU at UWA. This event – the marquee public initiative of the year, was attended by international and national researchers, and featured co-operatives from across WA including CBH, the Geraldton Fishermen's Co-operative, and the Capricorn Society (Baskerville, 2019).

THE 2021 CONFERENCE AT CBH

In September 2021 Co-ops WA hosted its annual conference at CBH. This conference directly connected CBH and Galactic Co-operative in an organisational setting, as Galactic's directors Kate Biondo, Andrea Biondo, and Adam Binks attended (van Aurich et al., 2024). Kate Biondo had joined the board of directors of Co-ops WA in 2021, making Galactic the first worker co-operative in WA to be represented at board level in the sector peak body. The hosting of the conference at CBH is also significant as a gesture by Australia's largest co-operative of solidarity with the broader WA co-operative community.

GALACTIC'S BOARD ENGAGEMENT WITH CO-OPS WA

Galactic's relationship with Co-ops WA was foundational from the outset. In 2016–2017, when Andrea and Kate Biondo decided to establish a worker co-operative, they met with Peter Wells, Secretary of Co-ops WA, who provided guidance on the model rules and the formation process. Andrea Biondo described Wells as essential to getting Galactic,

> *"… off the ground facing the right direction, … Couldn't have done it without Peter Wells … he was essential in getting a lot of things right, right from the get-go"* (A. Biondo, 2024, cited in van Aurich et al., 2025, p. 22).

The model rules were signed at Co-ops WA's South Perth offices in January 2017. Galactic subsequently maintained an active membership in Co-ops WA throughout the period to 2025.

CENTURION RECOGNITION: YORK AND QUAIRADING IN 2017

In 2017 Co-ops WA bestowed the title of 'centurion member' on five co-operatives celebrating their centenary: Cunderdin, Kellerberrin, Quairading, Wagin, and York. This formal act of recognition by Co-ops WA connected the QFCC and The Co-op York in a shared milestone, reinforcing their historical identity as pioneering members of the WA co-operative movement and their long-standing relationship with the Federation (Baskerville, 2019).

PROFESSIONAL DEVELOPMENT AND FORMATION SUPPORT

Co-ops WA offered professional development workshops for the directors of all the Federation's member co-operatives, including workshops in Perth and Mount Barker (following the 2012 UN IYC) covering topics such as duties and liabilities of directors, financial governance and risk, and the co-operative advantage. Smaller co-operatives such as the QFCC, York, and Mount Barker participated in these professional development programs, with Co-ops WA offering education grants and travel grants for smaller, rural members (Baskerville, 2019). In 2018 Co-ops WA partnered with a film screening event (A Silent Transformation) that stimulated new co-operative formation inquiries, with Co-ops WA subsequently assisting in the formation of several new co-operatives.

THE CEMI-CERU RESEARCH PROGRAM AS A SHARED KNOWLEDGE PLATFORM

A distinctive and cross-cutting inter-organisational interaction among the seven entities is their shared participation in the research program of the Centre for Entrepreneurial Management and

Innovation (CEMI) and the Co-operative Enterprise Research Unit (CERU) at the University of Western Australia. CEMI and CERU, directed by Professor Tim Mazzarol, have functioned as a knowledge platform that simultaneously connects numerous co-operative and mutual organisations through case study research, executive education, and policy advocacy.

Origins in the 2009 WA Co-operative Federation engagement

The CEMI-CERU research program originated in 2009, when the WA Co-operative Federation engaged with Professor Mazzarol and his research team at UWA to examine the co-operative and mutual enterprise (CME) business model. This collaboration developed into a formal Australian Research Council (ARC) Linkage grant project, with Co-ops WA as an industry partner, examining the factors influencing the strategic behaviour of CME business models. The ARC-funded project was described by Co-ops WA's 2010 annual conference as representing the,

> *"… potential of the alliance with Professor Tim Mazzarol and The University of Western Australia's Business School to position Western Australia as a centre of excellence in researching and developing co-operative business models"* (Baskerville, 2019, p. 66).

ARC Linkage Grant and the 2012 UN Year of Co-operatives

The three-year ARC Linkage study concluded in 2012, timed to coincide with the UN IYC. A key finding was that,

> *"… the strength of any member-owned enterprise came from engendering a strong sense of belonging and identity among members, so they share a strong sense of community and purpose"* (Baskerville, 2019, p. 66).

This research finding resonated across the seven organisations studied here, all of which subsequently articulated community belonging and identity as core elements of their member value propositions. WA co-operatives, CBH, Capricorn, and Geraldton Fishermen's Co-operative, were featured in the national top-100 mutual enterprises ranking during this period, demonstrating the national profile of the WA sector.

CBH and the Capricorn Society jointly sponsored the Co-ops WA and UWA collaboration, underwriting the 2012 UN IYC conference and subsequent initiatives. Mount Barker Co-operative also acknowledged the work undertaken by the CEMI-CERU research program (Mazzarol et al., 2025c). This establishes CBH as a financial bridge between the large-enterprise and small-enterprise ends of the WA co-operative spectrum.

Executive leadership education – CME Strategic Development Program

Another outcome of the collaboration between Co-ops WA and the UWA Business School's CEMI-CERU team was the creation of an Executive Education Leadership course, the *CME Strategic Development Program* (CME SDP). This evolved from the collaborative research undertaken by the CEMI-CERU team into CME business models. It was a key outcome of the first Australian Research Council (ARC) Linkage that UWA and Co-ops WA undertook together.

The program was developed from extensive research undertaken during the period 2009 to 2014 and was a major goal for Co-ops WA to achieve from the study. The first CME-SDP program was run in 2014 and since then it was delivered annually in Perth WA, with delivery in other states such as Victoria, NSW and South Australia on an ad hoc basis. Numerous directors and executives from Australian co-operatives and mutual enterprises have attended the three-day intensive program, and the course has been adapted and delivered to directors and executives from Malaysian and Brazilian CMEs.

Many directors and executives from CBH, Capricorn Society, Geraldton Fishermen's Co-operative, QFCC, The Co-op York, MBC, and other CMEs from WA and other states have attended the program. Galactic has sent several of its directors and members on the course. In 2023, Galactic attended the program and used it to work on its vision and refine its member value proposition (MVP). This executive program connected Galactic with the broader Co-ops WA network and with the CEMI-CERU research framework, representing a direct instance of knowledge transfer from the CEMI-CERU and Co-ops WA platform to a small worker co-operative (van Aurich et al., 2025).

THE CO-OPERATIVES ACT 2009 AND ACTIVE MEMBERSHIP REFORM

A further shared interaction among the seven organisations, driven by the *Co-operatives Act 2009 (WA)*, was the requirement to identify, manage, and in many cases buy back the shareholdings of inactive members. This process was complex, costly, and politically sensitive for each organisation, and it reshaped the membership profile of all co-operatives.

SHARE BUYBACKS AND INACTIVE MEMBER REMOVAL ACROSS ENTITIES

For CBH, the 2011 transition to the new Act led to the cancellation of all shares in CBH held by the Co-operative itself, and the cancellation of three members' shares due to failure to meet active membership requirements (CBH 2011). For the MBC in Mount Barker, the new legislation's active member requirements led to an approach to members who did not meet the minimum trading thresholds. The activity requirement was waived for community groups, reflecting MBC's hybrid identity as both a commercial retailer and a community anchor. The Co-operative's major focus in 2011–2012 was the planned redevelopment of the old cool stores (Mazzarol et al., 2025c).

For the QFCC in Quairading, the 2011 AGM addressed active membership via the introduction of a Shareholder Card requiring a minimum $100 trading threshold over three years. The Board reported on the new Act's implications at successive AGMs from 2010–2012, with members expressing concerns about the threshold requirement (Mazzarol et al., 2025b). For The Co-op York, re-registration under the new Act proceeded as part of the general post-2009 governance modernisation of the co-operative. The co-operative's historical relationship with the Co-operative Federation of WA, and the professional development workshops offered by Co-ops WA, supported the York board in navigating the new requirements (Mazzarol et al., 2025a).

The QFCC, and a number of other co-operatives, invited inactive members to consider donating the proceeds from the cancellation of their shares as an act of philanthropy towards the future of the co-operative.

GOVERNANCE MODERNISATION AND NEW RULES

All six case study co-operatives adopted new bespoke rules under the 2009 Act. For CBH this involved a comprehensive new set of Company Rules and policy changes across its Charter. For the consumer co-operatives (York, QFCC, MBC), the process was guided by Co-ops WA with the

Federation playing an important role in helping members make the change (Baskerville, 2019). For Galactic, its rules were developed with direct assistance from Co-ops WA at the point of formation in 2017 (van Aurich et al., 2025).

The National Co-operatives Law harmonisation process

The WA 2009 Act was developed within a framework of corresponding co-operative law across Australian states and territories through the Australian Uniform Co-operative Laws Agreement (2010). Other than WA the States and both Territories adopted the Co-operatives National Law (CNL) template legislation. Amendments to the WA 2009 Act in 2016 ensured the Act would qualify as a 'corresponding co-operatives law', allowing WA co-operatives to operate nationally “without borders” while retaining State parliamentary sovereignty over co-operatives law (Baskerville, 2019). This was of particular relevance to CBH, which operated nationally, and to Galactic, which provided services across Australia.

COVID-19 – A shared crisis, divergent responses

The COVID-19 pandemic, declared on 11 March 2020, affected all seven organisations, but in markedly different ways that reflected their divergent business models, scale, and member bases. Shared across all was the experience of supply chain disruption, workforce management challenges, and the need to rapidly adapt governance and operations to new health regulations. Divergent were the financial impacts. For CBH, a critical infrastructure operator, the pandemic required operational continuity planning at scale (Mazzarol et al., 2024a). For consumer co-operatives, the pandemic generated unexpected consumer demand windfall profit through localised shopping forced by COVID-19 emergency health directives restricting the free movement of people within the State (Mazzarol et al., 2025a,b,c).

CBH – Critical infrastructure continuity

CBH operated WA's grain handling infrastructure as critical infrastructure throughout the pandemic. Four hundred employees began working remotely, rosters and hygiene measures were changed on site, and COVID-19 absenteeism required the recruitment of less experienced team members and contributed to an increase in safety incidents (CBH, 2020;2021;2022). Shipping protocols, including fourteen-day quarantine requirements at Albany, Esperance, and Geraldton, caused ship loading delays and supply chain impacts. Despite these challenges, CBH did not misstep in the management of operations, as recalled by then Board Deputy Chair Natalie Browning who stated,

> *“CBH did a brilliant job … the right culture and look after the people”* (N. Browning, 2024; cited in Mazzarol et al., 2024a, p. 149).

The 2021 WA harvest was the fifth largest on record, and CBH marketed more than 54 per cent of the combined WA harvest, a new record (Mazzarol et al., 2024a).

Consumer Co-operatives – a demand windfall

For the MBC in Mount Barker, the pandemic changed consumption patterns in ways that significantly benefited the Co-operative. Supermarket sales increased by 8 per cent, hardware by almost 14 per cent, and liquor sales by 25 per cent, while fuel fell 9.25 per cent (MBC Annual

Report 2020 cited in Mazzarol et al., 2025c). The 2019–2020 financial year saw a record net profit of $1,117,333, eclipsed by the 2020–2021 profit of $1,139,445. The pandemic also highlighted the Co-operative's value to the community, with a free pick-and-pack delivery service provided to vulnerable community members peaking at 60–100 orders per week (Mazzarol et al., 2025c).

For the QFCC, the lockdowns of 2020 and 2021 boosted local community patronage, enabling the Co-operative to return to profit and begin repaying its Westpac Bank loan. Manager Sharon Cutts noted that the COVID-19 pandemic had been,

> *"… good for the co-operative because the lock downs had made it necessary for the community to shop locally, which made a significant difference"* (QFCC 2020, p. 12).

The refurbishment of the Heal Street store in 2019, completed just before the pandemic, provided the physical infrastructure needed to accommodate the increased patronage.

For The Co-op York, the pandemic similarly boosted sales as WA State Government internal border restrictions forced the community to shop locally (YDC, 2021). A profit was generated in 2020, and a smaller one in 2021. Subsequently, with the dismantling of intra-state border restrictions, the Co-op York faced increased competition from Northam and Midland, which Chair Mia Monger described as 'lingering effects of COVID' (Mazzarol et al., 2025a).

Galactic – Government Relief and Pandemic Adaptation

For Galactic, the pandemic presented both challenges and financial relief. The Co-operative accessed the Federal Government's JobKeeper and Cash Flow Boost payment schemes. The net result for the financial year 2020/21 was almost $88,000 surplus, with an overall surplus of $95,000. Staff absences, including those of the Lead Physicist, created operational challenges. The 2021 annual report had a distinct design change, beginning to include photographs and establishing a new narrative about the Co-operative's identity and founders (van Aurich et al., 2025).

Grain Supply Chain Interdependencies

CBH's grain receival and storage network is spatially and operationally interconnected with several of the other six case studies, most directly the Wheatbelt consumer co-operatives and ORDCO. This interaction predates the 2009 period but continues to evolve throughout the analysis period.

CBH's Role in Quairading and York District Grain Logistics

CBH operates receival sites at both Quairading and York (Mazzarol et al., 2024a; Mazzarol et al., 2025a/b; Grain Central, 2017). The grain grown in the York and Quairading districts has historically been delivered to CBH's local receival sites, and The Co-op York case study notes the formative influence that CBH's establishment in 1933 had on the York community. The establishment of CBH enabled the new company to take control of all grain storage, commencing with wheat and subsequently including oats and barley. This replaced around ninety farmer-owned regional co-operatives that had been part of the Wesfarmers regional agency network. This transformed the grain handling system in which co-operatives like The Co-op York and QFCC operated (Mazzarol et al., 2025a/b).

During the post-2009 period, CBH's strategic decisions on rail and road freight continued to affect the Wheatbelt communities. The government sanctioned closure of Tier-3 (narrow-gauge) rail lines, including the Quairading spur, from 2014 onwards shifted grain freight from rail to road. CBH invested $175 million in its own new rail fleet (22 locomotives and 574 wagons) and worked with its rail operator Watco to reduce freight rates by 20% in real terms from 2011 levels (Grain Central, 2017). The York CBH site became a rail head receiving road-transported grain from Quairading and surrounding areas for transfer to rail for export via Kwinana (Grain Central, 2017; Parliament of WA submission, 2014).

In 2021, CBH introduced fertiliser as a direct member service, providing transparency and competitive pricing in a market dominated by two key players. By 2021, CBH Fertiliser had achieved a 41 per cent increase in new customers with 184,000 tonnes sold (Mazzarol et al., 2024a). This service directly benefited grain growers in the Quairading and York districts, representing a concrete economic interaction.

ORDCO'S GRAIN HANDLING AND MARKETING ROLE IN THE ORIA

ORDCO provides grain handling, storage, and marketing services to growers in the ORIA. These services expanded significantly following the Ord River Scheme Stage Two development from 2013, which brought new farmland and new large corporate members such as Kimberley Agricultural Investment (KAI), a Chinese investment group that acquired 15,000 hectares within the ORIA in 2012 (KAI, 2026). ORDCO's capacity to provide grain marketing and storage services proved central to the co-operative's survival and growth in this period.

In January 2025, ORDCO was announced as a recipient of $750,000 from the WA Government's Value Add Investment Grants program to upgrade its stockfeed plant in preparation for the Kimberley Cotton Company's gin coming online, representing the first locally available cottonseed in the Ord since the 1970s (Grain Central, 2025; essfeed.com, 2025). ORDCO's grain handling business is entirely separate from CBH's WA Wheatbelt operations. There is no direct supply chain relationship between ORDCO and CBH. However, both operate within the broader WA agricultural co-operative sector and both are members of Co-ops WA.

TIER-3 RAIL CLOSURES AND THE IMPACT ON WHEATBELT CO-OPERATIVES

The 2014 closure of Tier-3 narrow-gauge rail lines, including the Quairading spur, generated significant tension between CBH, the State Government, and the Wheatbelt communities served by QFCC and The Co-op York. Quairading grower Greg Richards, representing the Wheatbelt Railway Retention Alliance, documented the additional cost and handling burden imposed by converting from rail to road grain transport. The shift to road-freight imposed costs on local government to maintain ‘Shire’ roads and created logistical bottlenecks that fed through to grower costs (Parliament of WA, 2014). While neither the QFCC nor The Co-op York engaged directly in grain handling, the agricultural vitality of the communities they serve is fundamentally linked to the grain supply chain managed by CBH.

COMMUNITY ANCHOR IDENTITY AND MEMBER VALUE PROPOSITION

A recurring and cross-cutting interaction among the seven organisations is the shared articulation of a 'community anchor' identity and the development of member value propositions (MVPs) that emphasise both economic and social contribution to their respective communities.

CONSUMER CO-OPERATIVES AS COMMUNITY ANCHORS

All three consumer co-operatives, The Co-op York, QFCC and MBC, explicitly positioned themselves as community anchors during the 2009–2025 period, each responding to the twin challenges of demographic decline and supermarket competition. For The Co-op York, CEO Glen Scott articulated this identity explicitly,

> *"For instance, every year we do the financial report, and I put in the fact that we used a local freight contractor, and local fuel suppliers, that 99 per cent of the people that we employ are from the Avon Valley, and that this results in a significant financial return of around $3 million back into the community"* (G. Scott, 2023 cited in Mazzarol et al., 2025a, p. 144).

The opening of a new Mitre 10 hardware store in 2021 on the site of the former Wesfarmers Landmark Agency was a strategic assertion of local economic continuity. The 2022–2024 period saw ongoing discussion at Board level about the importance of communicating the Co-operative's full economic and social contribution to shareholders and customers (Mazzarol et al., 2025a).

For the QFCC, the COVID-19 pandemic crystallised the co-operative's community anchor role. Chair Trevor Bond stated that the co-operative was considering whether its purpose might evolve from a farmers' co-operative to a broader community development role,

> *"We are well aware that we have a captive audience, and we can only rely on so much traffic passing through. Our community doesn't look as if it going to expand. We have considered whether we might use the Co-op as a not-for-profit progress association. We need to attract new businesses here to complement what we've already got. We've just had Rob Hubbard doing a 15-year outlook for us"* (T. Bond, 2023, cited in Mazzarol et al., 2025b, p. 191).

The refurbishment of the Heal Street store in 2019 and the subsequent COVID-driven boom in patronage were transformative in sustaining the QFCC's relevance.

For Mount Barker Co-operative, Chair Chris Enright's 2011 report celebrated the Co-operative's ranking at 56th in the top 100 co-operatives, credit unions, and mutuals in Australia, noting that,

> *"The Mount Barker Co-operative is now ranked at number 56 in the top 100 of Co-operatives, Credit Unions and Mutuals. The distribution of over $400,000 to members, groups and organisations highlights the benefit of this co-operative to our community"* (MBC, 2011, p.2, cited in Mazzarol et al., 2025c, p. 81).

By 2024, the MBC had grown to over $41 million in annual turnover and total equity of $17.5 million (Mazzarol et al., 2025c).

SHARED RHETORIC OF MEMBER VALUE AND SOCIAL CONTRIBUTION

Across all case studies, a shared framework of the 'member value proposition' (MVP) appears as a common language for articulating co-operative purpose. This language was propagated through the UWA CEMI-CERU research program and the Co-ops WA-CEMI-CERU training and education activities. CBH CEO Dr Andrew Crane articulated this in 2011 through the Argenti strategic planning process,

> *"So, once it was agreed that we were going to remain a non-distributing co-operative I said to myself, 'fine I'm now going to make the absolute most of this'. We used the Argenti strategic planning process which asks three great questions that are so relevant to co-operatives. Who is your beneficiary? Straight up it's our growers. What's your purpose in a simple sentence? Our board came up with 'Create and return value to growers'. And finally, what is the single measure of benefit provided to your member? We initially landed on 'a grower value return on capital' which was later modified to be 'supply chain costs minus rebates'. The whole process was very powerful for me in leading a business with such clarity of where grower value came from and how to return that value."* (Dr A. Crane, 2024, cited by Mazzarol et al., 2024a, p. 133).

Galactic used the same MVP framework in its 2022–2023 strategic development process facilitated through the CEMI-CERU-Co-ops WA program (van Aurich et al., 2025).

ORDCO'S UNIQUE FRONTIER POSITION

ORDCO occupies a unique position as the co-operative anchor for Australia's only major tropical irrigation agriculture zone. Its community anchor role is more complex than the southern consumer co-operatives: it must navigate the needs of a diverse membership including traditional small family farms, large corporate agricultural producers such as Kimberley Agricultural Investment (KAI), and the indigenous community of the East Kimberley. This reflects a distinctive community anchor challenge not faced by the consumer co-operatives located in the Wheatbelt.

GALACTIC'S WORKER CO-OPERATIVE AND SOCIAL ENTERPRISE IDENTITY

Galactic articulated a community anchor identity of a different kind. Galactic was the only worker co-operative in WA and was a demonstration that the worker co-operative business model can operate in the technical and professional services sectors. Its stated commitment was to "fostering a collaborative environment where everyone can thrive" (van Aurich et al, 2025).

Galactic focused on specific areas where it could deliver a competitive advantage. For example, its sustainability branch (providing sustainability consulting, landfill avoidance, and greenhouse gas reduction services) represented a social enterprise dimension that was not present in the agricultural or consumer co-operatives (van Aurich et al., 2025). Galactic's role as an exemplar of worker co-operation was explicitly recognised by Co-ops WA, which provided foundational support and subsequently hosted Galactic's director on its board.

SECTOR ADVOCACY, NATIONAL LAW AND POLITICAL ENGAGEMENT

Across the period 2009–2025, the seven organisations interacted through shared participation in advocacy activities at both state and national levels, primarily channelled through Co-ops WA and the national BCCM. These activities ranged from the drafting of the 2009 and 2016 legislation to the defence of CBH's co-operative structure against demutualisation pressures and an attempted hostile takeover.

THE BCCM AND CO-OPS WA'S NATIONAL ROLE

In 2013, Co-ops WA joined the newly formed Business Council of Co-operatives and Mutuals (BCCM), the national peak body that succeeded the Co-operatives Council of Australia, "to provide a voice for its small members who lacked the resources to join in their own right" (Baskerville, 2019, p. 66). CBH and the Capricorn Society were both on the inaugural six-member BCCM Board. This structural arrangement meant that CBH's presence at the national level implicitly amplified the voice of smaller WA co-operatives (e.g., QFCC, The Co-op York, MBC, ORDCO) through the Co-ops WA connection, creating a two-tier advocacy architecture.

Co-ops WA lobbied the Federal government during the post-2012 period to recognise the State's co-operatives as part of an emerging 'Fourth Sector' of for-profit enterprises, and to promote the development of reliable data on the co-operative sector by the Australian Bureau of Statistics (Baskerville, 2019). This lobbying effort was relevant to all six case study co-operatives, as better statistical recognition translates into improved policy treatment and public understanding. In December 2021, Galactic's board began considering BCCM membership, reflecting the worker Co-operative's growing engagement with sector governance at the national level (van Aurich et al., 2025).

CBH'S DEFENCE AGAINST DEMUTUALISATION PRESSURES 2010–2016

The period 2010–2016 saw renewed pressure on CBH's co-operative structure, first from the ATO's tax challenge (resolved in CBH's favour in December 2010), then from an internal strategic review of structure in 2010–2011, and most dramatically from the 2016 attempted hostile takeover by the Australian Grains Champion consortium. CBH's successful defence in each case, culminating in the adoption of the 'Enhanced CBH' hybrid structure, sent a strong signal to the broader WA co-operative sector that the co-operative model could withstand commercial pressure at the largest scale (Mazzarol et al., 2024a). This had an implicit strengthening effect on the sector as a whole.

STATE AND FEDERAL POLICY ADVOCACY

ORDCO engaged in sustained advocacy with the WA and Federal governments throughout the period, as a voice for the growers and horticulturalists of the East Kimberley. Its engagement with the Ord-East Kimberley Development Plan (2009), which secured $220 million from the WA Government and $195 million from the Federal Government for the expansion of the ORIA, demonstrates the co-operative's political effectiveness (Office of the Auditor General WA, 2016). In January 2025, ORDCO secured $750,000 in WA Government Value Add Investment Grants for its stockfeed plant upgrade (Grain Central, 2025).

Co-ops WA's 2011 Statement of Corporate Intent articulated a vision "To be viewed as the centre of excellence and leading authority on co-operatives in Australia", with purposes including "Promote co-operative vision and values and the co-operative business model" and "Promote the co-operative sector's significant contribution to the economy and the community" (Baskerville, 2019, p. 66). This institutional ambition directly framed the advocacy context for all seven organisations in the post-2011 period.

Synthesis and Conclusions

The cross-case analysis reveals a layered relational architecture among the seven organisations. At the structural core sits Co-ops WA, the Federation that connects all six operating co-operatives through membership, governance support, advocacy, and an annual conference. At the knowledge core sits CEMI-CERU/UWA, which, sponsored in part by the Australian Research Council (ARC) and co-operatives such as CBH, Capricorn and MBC, and United Crate Co-operative Ltd., generates and disseminates research that is shared across all seven organisations through case studies, executive education, and sector reports.

CBH occupied a pivotal position as both the sector's largest enterprise and its most influential exemplar. Its first transition to the 2009 Act set the template, its sponsorship of the UWA/Co-ops WA collaboration provided financial underpinning for sector-wide knowledge development; its hosting of the 2021 Co-ops WA conference (attended by Galactic's directors) demonstrated solidarity with smaller members; and its successful defence against demutualisation sent a signal of the co-operative model's commercial viability.

The three consumer co-operatives (York, QFCC, MBC) interacted through the shared frameworks of the Federation, the CEMI-CERU case study program, and the common community anchor identity. They do not directly trade with each other but are mutually referenced as comparable examples in the CEMI-CERU research framework. The QFCC case study explicitly cites The Co-op York's 1955 strategic decision to broaden its community focus as a lesson for the QFCC's own strategic development (Mazzarol et al., 2025b, p. 194).

Galactic, as the newest and smallest member, was connected primarily through Co-ops WA (which provided foundational formation support and hosted Galactic's director on its board) and through CBH (whose campus hosted the 2021 conference). Galactic's participation in the Co-ops WA/CEMI-CERU executive program in 2023 further embedded the worker co-operative within the broader sector network.

ORDCO's interactions were primarily regulatory as a consequence of the *Co-operatives Act 2009* (WA), or political (e.g., advocacy for the ORIA development), and via Co-ops WA membership. Its geographic isolation in the Kimberley means it has no direct commercial relationship with the Wheatbelt or Great Southern co-operatives, but it participates in the same sector-level knowledge and regulatory framework.

Key Lessons for Practice and Policy

Regulatory pivots create sector-wide interaction: The *Co-operatives Act 2009 (WA)* was the single most powerful inter-organisational interaction driver of the period. A shared regulatory framework creates shared governance challenges, compliance patterns, and identity reorientation across enterprises of all sizes.

Peak bodies as structural connectors: Co-ops WA functioned as the primary structural connector among all seven organisations. Its value was greatest to smaller co-operatives (Galactic, QFCC, York) that lacked the resources to engage at the national level independently.

Research programs as knowledge commons: The CEMI-CERU/UWA research program, co-funded by large co-operatives (CBH and Capricorn Society Ltd.), created a knowledge commons accessible to all sector participants regardless of size, and directly shaped strategic thinking across the seven organisations.

Exemplar effects matter: CBH's first transition to the 2009 Act, and its successful defence of the co-operative model against corporate pressure, generated an exemplar effect that validated the co-operative model for smaller enterprises.

COVID-19 reinforced community anchor identity: The pandemic, paradoxically, reinforced the community anchor identity of the consumer co-operatives, as enforced local shopping demonstrated their economic and social value in ways that prior strategic planning had struggled to communicate.

Shared crises can diverge in impact: While all seven organisations experienced COVID-19 as a shared crisis, its financial impact was divergent: a windfall for consumer co-operatives, a continuity challenge for CBH, a relief opportunity for Galactic, and a supply-chain disruption for ORDCO.

CHAPTER 9: APPLYING THE RESEARCH FRAMEWORK

The conceptual framework for research into co-operative enterprise is focused on understanding the business model of the co-operative and mutual enterprise (CME), and how it is influenced by, and in-turn influences, systems and member level factors (Mazzarol, et al., 2014).

At the systems level, which relates to the external environment, there are four major inputs (i.e., social cooperation, role of government, industry structure, natural environment), and two major outputs (economic and social capital formation). These elements also interact with each other within the system's architecture. This views a social system as comprising six key elements (Luhmann, 1984; Mattheis, 2012):

1. *Communication* – all systems are social in nature and therefore it is essential that a system has communication between the actors within it, and between systems.
2. *Autopoiesis* – a Greek word for 'self-creating' or 'self-making', recognising that all systems must be able to replicate, adapt and evolve using communication to exchange knowledge and ideas, resulting in learning, amongst the actors within the system.
3. *Differentiation* – all systems are autopoietic systems (social structures) that operate within the wider environment and are differentiated and independent from each other.
4. *Operative closure* – each system can isolate (close) itself to develop its own unique systems-specific activities.
5. *Functional differentiation* – due to differentiation and operative closure, each system can evolve its own unique characteristics that can create functional and dysfunctional interactions between different systems within the environment.
6. *Structural couplings* – where two or more systems recognise the need to link together, they create inter-system relationships that open *structural holes* between them enabling an exchange of communication relaying ideas, information, and knowledge (Burt, 1992a/b).

Social systems are self-forming, complex, and dynamic. They involve interaction and behaviour at the individual, group, and organisational levels, through which change is achieved within the broader environment (De Haan, 2006). The creation of social systems is generated through both formal and informal networks of individuals and organisations that have common interests, and/or resource dependencies (Jessop, 1997; Klijn and Koppenjan, 2000).

A CME is a social system and has all six attributes outlined above. It operates within a systems level environment in which all other social systems (both formal and informal) operate. These other social systems interact with the CME, and the components of its business model (e.g., purpose, profit formula, processes, resources, share structure, and governance), which influence its ability to deliver a compelling member value proposition (MVP) to its membership. Key areas of interaction are social cooperation between individuals and organisations, government legal and regulatory systems, market competition within industry structure, and the environment.

At the member level, the framework examines the four roles or "hats" that the member wears (e.g., investor, patron, owner, member of a community of purpose) (Mamouni Limnios et al., 2018). Members loyalty and commitment to the CME is influenced by how well the enterprise addresses the needs of its members (both manifest and latent) through its ability to generate and sustain a member value proposition (MVP) (Suter and Gmür, 2013).

In the following sections the histories of the six co-operatives are examined in relation to how their economic and social development was shaped and supported by Wesfarmers and Co-ops WA, with a summary of these issues found in Appendix A.

Systems Level Analysis – Input factors

As the narrative history of the six co-operatives suggests, the foundation of these enterprises was influenced by the four input factors, which continue to play a role in shaping their fortunes throughout their lives.

Social Cooperation

The creation of CMEs requires the existence within the community that form them of a sense of common or shared goals and values, as well as a sense of community that will facilitate mutual trust and respect. Further, for successful creation of a CME, the community must possess at least three things: i) resources (e.g., time, capital, skills); ii) mobilisation (e.g., mutual needs, common goals); and iii) motivations (e.g., desire to cooperate and sustain collaborative effort) (Birchall and Simmons, 2004).

Motivation: inspiring co-operative spirit across generations

Across all six co-operatives, both Wesfarmers and Co-ops WA contributed to the motivational dimension of social cooperation, though the nature and mechanism of that contribution evolved significantly over time. In the early twentieth century, Wesfarmers was the primary institutional motivator. Its canvassers and representatives were passionate advocates for the co-operative model, presenting the Rochdale principles, citing the success of European co-operatives, and framing co-operation in both economic terms (eliminating middlemen, increasing purchasing power, protecting against monopoly) and moral terms (mutual aid, democratic ownership, collective benefit).

Key individuals such as Thomas Henry Bath, Charles Walter Harper, and William Dartnell Johnson were towering figures in this motivational work. Bath's prolific writing in the *Wesfarmers Gazette* and the *Primary Producer* brought co-operative economics to the farming community. Harper's tireless advocacy for co-operative integration across the WA rural sector and Johnson's work in the Wheatbelt, all contributed to creating what Baskerville (2019) describes as the motivational foundations for the WA co-operative movement.

Co-ops WA, from 1919, extended and deepened these motivations by providing ideological community for the co-operative sector, annual conferences, the Federation's identity as a collective voice, and its role as what the *Westralian Worker's* 1919 editorial called "the biggest economic force of a decade". Over the century, as WA moved through the Great Depression, the post-war expansion, Britain's entry into the European Common Market, and the neo- liberal deregulation era, Co-ops WA sustained the motivational infrastructure of the movement by maintaining connections, celebrating achievements, and helping co-operatives understand and affirm their identity (Baskerville, 2019).

By the time of Galactic's formation in 2017, motivation came from a different direction, the discontents of contemporary capitalism, the desire for workplace democracy, and concern for sustainability, but Co-ops WA's role in legitimising and supporting the worker co-operative model within WA's co-operative ecosystem was nonetheless essential. Altman (2010) has noted that establishing a co-operative can be difficult and costly, but these challenges can be mitigated through regional state and national co-operative federations such as Co-ops WA.

Mobilisation: From mass canvassing to targeted formation support

The mobilisation function of Wesfarmers in the early twentieth century was remarkable in its scale and systematic character. The deployment of canvassers across the Wheatbelt, the organisation of public meetings through the Farmers' and Settlers' Association (FSA), the provision of pro-forma rules and constitutions, and the appointment of Wesfarmers representatives as directors, were mechanisms through which 76 local co-operative companies were registered in 1917 and 1918 alone. The founding of the Federation in 1919 from this network of units represented the culmination of this mobilisation campaign.

For CBH specifically, the mobilisation was both grass-roots and top-down. Bath, Harper, and Johnson travelled across the Wheatbelt advocating for bulk grain handling co-operation, while Wesfarmers invested directly in demonstration projects at Wyalkatchem and North Fremantle. The Royal Commission of 1935 provided an additional mobilisation mechanism, bringing formal institutional legitimacy to the co-operative approach and resulting in legislation that empowered CBH's state-wide monopoly.

For ORDCO, mobilisation was primarily state-directed, with the OPC providing the institutional framework and Wesfarmers the co-operative expertise needed to translate that framework into a functioning enterprise. This top-down element of mobilisation is distinct from the QFCC, MBC, and The Co-op York cases, where community agency, channelled through the FSA and local leaders, was the primary driver.

By the twenty-first century, Co-ops WA's mobilisation role had become primarily one of formation facilitation. This involved targeted, knowledge-intensive support for small groups of people who had already identified the co-operative model as their preferred organisational form. The guidance provided by Peter Wells to Galactic's founders represents this evolved mobilisation function, less mass advocacy and more expert accompaniment through the registration and formation process.

Resources: capital, expertise, and institutional knowledge

The resource dimension reveals perhaps the most significant evolution in the roles of Wesfarmers and Co-ops WA across the six co-operatives. In the early twentieth century, Wesfarmers was the dominant resource provider, supplying financial capital (as in the CBH and ORDCO foundations), managerial and governance expertise (through seconded directors), commercial infrastructure (wholesale goods, export market access, grain handling contracts), and administrative facilities

(Wesfarmers House). This concentration of resource provision in one institution, a co-operative itself, was a distinctive feature of the early WA model.

The Federation provided complementary resources, such as, governance frameworks, training programs, inter-co-operative networking, and the development of a 'co-operative service', allowing staff to move between co-operatives and build sector-wide skills. By 1963, the Federation had a fully operational training program with courses on food merchandising, hardware display, salesmanship, secretarial skills, and a managers' seminar, reflecting the growing sophistication of the resource base that the co-operative network could offer its members (Baskerville, 2019).

Wesfarmers' demutualisation in 1984 essentially removed the commercial resource backbone from the WA co-operative sector. The disruption this caused, severely impacted the Federation, and forced Co-ops WA to find new resource models and new institutional relationships. The partnership with the University of Western Australia's (UWA) Business School, which supported the CEMI-CERU research program, represents one such adaptation. The co-operative sector found in academic research a new source of knowledge resources.

For Galactic, the resources provided by Co-ops WA were primarily knowledge-based. For example, guidance on model rules, registration procedures, and governance requirements provided invaluable expert advice at little or no cost for the members of the Federation. The financial resources came from the founding members themselves and from the existing business of Galactic Scientific. This reflects both the different scale of a contemporary worker co-operative and the transformed nature of Co-ops WA as an institution, from a commercial facilitator to a knowledge and advocacy body.

Discussion: the institutional architecture of social cooperation

From a systems perspective, the evidence from these six case studies collectively illuminates the critical role that institutional actors play in the social cooperation dimension of CME formation and sustenance. Wesfarmers and Co-ops WA did not merely respond to demands from the farming community, they actively created the conditions under which co-operative formation became possible, attractive, and sustainable. They provided the connections and structural couplings that facilitated communication and knowledge transfer between the co-operatives that were members of both Wesfarmers and Co-ops WA. Four conclusions emerge from this comparative analysis. These are discussed below.

First, institutional advocacy is a necessary condition for co-operative formation. In each of the six cases, the formation of the co-operative required the presence of a champion, an individual or institution capable of articulating the co-operative model's benefits, embodying its values, and persuading sceptics. Wesfarmers' canvassers and key figures such as Harper and Bath played this role in the early period. Co-ops WA through its Secretary Peter Wells played it for Galactic. Without such institutional advocacy, the transaction costs of forming a new co-operative, the informational, legal, and relational challenges of bringing dispersed individuals together, would have been prohibitive.

Second, the integration of commercial and ideological support is a distinctive feature of the WA model. What made Wesfarmers particularly effective as a co-operative facilitator was its ability to combine commercial infrastructure (wholesale goods, grain handling contracts, export market access) with ideological advocacy (the Rochdale principles, the economic logic of eliminating middlemen). Co-operatives that could access both dimensions were more readily motivated and more durably sustained than those that had access to only one. The QFCC's engagement with both Wesfarmers (commercial) and Co-ops WA (ideological and governance) exemplifies this integration.

Third, the separation of Wesfarmers from the co-operative movement in 1984 created a significant structural gap. Wesfarmers' demutualisation removed the most significant source of commercial resource support from the co-operative sector. Co-ops WA was able to compensate for this over time through its evolution into a knowledge-intensive formation and advocacy body, but the commercial resource base that Wesfarmers had provided, particularly for the newly established nascent co-operatives in their formative years, was not fully replaced. The relative difficulty facing contemporary co-operative formation (compared to the rapid creation of dozens of Wheatbelt co-operatives in 1917-1918) in part reflects this structural gap.

Fourth, the social cooperation function of Co-ops WA has been both continuous and adaptive. Throughout a century of operation, Co-ops WA has continued to provide the social cooperation infrastructure for WA co-operatives, adapting its methods and focus in response to changing circumstances. From annual conferences and director education in the mid- twentieth century, to advocacy on the *Co-operatives Act 2009 (WA)*, to the formation support provided to Galactic in 2017, Co-ops WA has maintained its relevance by meeting the sector where it is. The WA evidence suggests that this cultural environment has been sustained across the full century of the Federation's existence, even though there were the disruptions of Wesfarmers' departure and the challenging neo-liberal policy environment of the 1980s and 1990s.

Conclusion

This examination shows how Co-ops WA and Wesfarmers provided the three dimensions of social cooperation (motivation, mobilisation, and resources) across six case study WA co-operative enterprises spanning more than a century of co-operative development. The evidence demonstrates that social cooperation is not a spontaneous social phenomenon but a structured institutional achievement, requiring the sustained engagement of organisations capable of articulating both the co-operative principles and values, while facilitating collective action, and supplying the material and knowledge resources that nascent co-operatives require.

Wesfarmers, from its foundation in 1914 until its demutualisation in 1984, was the dominant institutional actor in this process. Through its canvassers, its representative directors, its commercial infrastructure, and its iconic figures such as Harper, Bath, and Johnson, it created the conditions under which scores of WA co-operatives, including all of the Wheatbelt and Great Southern enterprises examined here, were able to form and flourish. For ORDCO, this pattern was replicated in a new geographical and sectoral context, demonstrating the model's transferability. For CBH, Wesfarmers was a co-founding institution whose initial capital, management, and commercial infrastructure made the co-operative's establishment possible.

Co-ops WA, from its foundation in 1919, complemented Wesfarmers' commercial role with the governance, ideological, and networking infrastructure that a healthy co-operative sector requires. Over a century, it evolved from a body closely tied to Wesfarmers into an independent peak organisation providing formation support, governance education, advocacy, and sector coordination. By the time of Galactic's formation in 2017, Co-ops WA had become the primary institutional source of social cooperation support for new co-operative enterprises in WA, fulfilling through expert guidance and registration facilitation the role that Wesfarmers' canvassers had fulfilled through mass advocacy and commercial partnership more than a century earlier.

Together, Wesfarmers and Co-ops WA represent a remarkable institutional partnership in the history of WA co-operative development, one that has ensured that the three pillars of social cooperation (motivation, mobilisation, and resources) have been available to successive generations of co-operative founders, from the orchardists of Mount Barker in 1918 to the scientific workers of Galactic Co-operative in 2017.

Role of Government and Regulatory Framework

Governments play a crucial role in shaping the fate of CMEs. This can take the form of setting legal and regulatory frameworks that enable these enterprises to form, and operate with protections for their members, and benefits such as tax concessions and protected trading environments. However, they can also negatively impact CMEs by introducing market deregulation leading to increased market competition and lesser economies of scale.

In relation to the six co-operatives examined in this study government support (both State and Federal) was a necessary but not sufficient condition for co-operative success in most cases. Enabling legislation, particularly the *Co-operative and Provident Societies Act 1903 (WA)*, the *Companies (Co-operative) Act 1929 (WA)*, the *Bulk Handling Act 1935 (WA)*, and the *Co-operatives Act 2009 (WA)*, created the institutional scaffolding within which co-operatives could form and operate. Infrastructure investment, especially the WA railway network and the Ord River Scheme dams and irrigation systems, directly enabled or determined the viability of the co-operatives dependent upon them. Direct financial support, through loan guarantees, cotton bounties, drought relief, wartime emergency measures, and COVID-19 pandemic assistance, provided critical lifelines at key junctures.

However, government also posed threats. This took the form of market deregulation in the 1980s, which removed the statutory monopolies that had protected CBH and co-operatives in the grain industry such as SACBH. Further, trade policy decisions (such as Britain joining the European Economic Community) destroyed the export markets that the MBC had built over decades, and the incomplete, long-delayed investment in the Ord River Scheme imposed decades of hardship on ORDCO and its members.

Wesfarmers and Co-ops WA each played important supporting roles in this government relationship. Wesfarmers, itself a product of the co-operative movement, was the primary advocate for the regulatory and infrastructural conditions that enabled the co-operatives across the Wheatbelt to flourish, particularly through its lobbying for bulk grain handling legislation and the co-operative sector's legislative framework. Co-ops WA, in its century of operation as the Federation, has been a persistent advocate for co-operative-friendly regulation, played a central role in achieving the *Co-operatives Act 2009 (WA)*, and has assisted co-operatives in navigating regulatory transitions.

The evidence from the six case studies reveals a complex and evolving relationship between WA co-operatives and their governments. Five key conclusions emerge.

First, enabling legislation is a necessary but not sufficient condition. The *Co-operative and Provident Societies Act 1903 (WA)* created the legal basis for co-operative formation, and the *Bulk Handling Act 1935 (WA)* gave CBH its statutory foundation. However, legislation alone did not make these enterprises succeed. The MBC was formed under *The Companies Act 1893 (WA)*, but the legislation did not create the horticultural industry, the export markets, or the co-operative spirit that made the MBC viable. Legislation enabled; people, resources, and markets delivered.

Second, government infrastructure investment has been determinative for co-operatives dependent on it. The government railway network shaped the distribution of Wheatbelt co-operatives. The Ord River Scheme made ORDCO possible. Without these infrastructure investments, it is doubtful that these co-operatives would have existed. Co-operatives dependent on government infrastructure are therefore peculiarly vulnerable to government decisions about that infrastructure, including its construction, its neglect, and its divestment. The decades-long delay in completing Ord River Stages Two and Three imposed real costs on ORDCO and its members that no amount of internal co-operative management could overcome.

Third, market regulation creates competitive advantages and demutualisation risks simultaneously. The statutory monopolies that protected CBH for over 50 years were a double-edged sword. They enabled CBH to invest in infrastructure with confidence, build a universal service network, and accumulate the reserves that sustained it. However, they also created CBH as a co-operative that, by the 1980s, was perceived as paternalistic and inefficient, criticisms that fuelled the deregulatory push. When the monopoly was removed, CBH had to adapt rapidly to a competitive environment for which the culture of protection had not fully prepared it.

Fourth, trade policy decisions by foreign governments can destroy co-operative business models. The MBC's experience with the UK's EEC accession illustrates a particular vulnerability of producer co-operatives built around single export markets. When that market was closed by a foreign trade policy decision, the co-operative had to transform its entire business model. While the MBC successfully made this transition, the process took decades and involved significant restructuring costs.

Fifth, both Wesfarmers and Co-ops WA functioned as institutional buffers between both the co-operatives and government. Wesfarmers served as an active advocate, building the evidence base for enabling legislation, lobbying for infrastructure investment, and mediating between the needs of the co-operatives and government capacities. Co-ops WA has served as a persistent regulatory navigator, advocating for appropriate legislation, assisting co-operatives through regulatory transitions, and representing the sector's interests with the State Registrar and government. Both roles have been essential complements to the co-operatives' own management capacities. The loss of Wesfarmers from this role after 1984 diminished the sector's capacity for governmental advocacy, a capacity that Co-ops WA has only partially been able to rebuild.

Across the six WA co-operatives examined, governments at both the Federal and State level have been pervasive and often decisive influences. From the passage of the first co-operative legislation in 1903 to the COVID-19 JobKeeper payments in 2020, from the construction of the WA railway network to the building of the Ord River dams, from the establishment of the Wheat Pool of WA to the removal of the bulk handling monopoly, government has simultaneously created the conditions for co-operative success and posed the risks of co-operative failure.

The most successful co-operatives (e.g., CBH, MBC, and QFCC) have been those that were able to adapt when government policy changed adversely. For example, CBH achieved this by successfully resisting demutualisation and rebuilding after deregulation. In the case of MBC, by transitioning from a producer to a consumer model when its export markets were closed. For QFCC this was achieved by maintaining community relevance through multiple generations of structural change in the Wheatbelt economy. Wesfarmers' contribution to this government relationship was profound but time-limited. As the dominant co-operative institution of the early twentieth century, it was the most effective advocate for the regulatory and infrastructure conditions the sector needed. Its demutualisation in 1984 removed this advocacy capacity from the co-operative sector precisely when the deregulatory challenge was most intense.

Co-ops WA has maintained its advocacy and regulatory navigation role across a full century, adapting from a body closely tied to Wesfarmers into an independent peak organisation capable of engaging government on legislative reform, representing the sector's interests with the Registrar, and supporting individual co-operatives through regulatory transitions. Its achievement of the *Co-operatives Act 2009 (WA)*, and its role in facilitating the subsequent transition of WA's co-operative sector to the new framework, represents the most significant outcome of its government relations work in the modern era. For Galactic, and for the next generation of WA co-operatives, the challenge is to build on this institutional foundation. The regulatory environment of the 2020s does not offer the explicit supportive frameworks that characterised the Wheatbelt co-operative era. Co-ops WA's continued advocacy for a more supportive policy environment, and its practical formation and governance support, remain the primary institutional bridges between co-operative enterprise and the governments that shape its fate.

Industry Structure

Industry structure focuses on the influence of five competitive forces that shape the strategy of a business (Porter, 2008). These comprise the level of competitive rivalry that exists within a given market, the power of buyers and suppliers, the threats posed by substitutes and new market entrants. A characteristic of CMEs is their ability to use collective and co-operative effort to challenge any market distortions or failures caused by monopolistic conditions, thereby increasing the buyer or supplier bargaining power. The CME business model enables otherwise under resourced small producers or individual householders, to unite, pool their resources and efforts, and either establish a new market entrant able to compete with the incumbent monopolists, or offer a substitute improved service to that offered by the incumbents.

An examination of the co-operatives assisted by Wesfarmers and Co-ops WA the following patterns emerge:

Competitive rivalry varied greatly, from CBH's statutory monopoly (eliminating direct rivalry entirely for over five decades) to Galactic's highly competitive laboratory services sector dominated by multinational IOFs. For the Wheatbelt and Great Southern co-operatives, competition from private retailers, farm suppliers, and eventually national supermarket chains intensified as the twentieth century progressed.

Bargaining power of buyers was the founding motivation for most co-operatives examined. Grain growers faced powerful private wheat traders, while fruit growers faced dominant distributors, and farmers faced high-priced local retailers. The co-operative model was the direct institutional response to this power imbalance.

Bargaining power of suppliers was managed through Wesfarmers' role as wholesale intermediary. By aggregating purchasing across dozens of co-operatives, Wesfarmers gave each local unit access to wholesale prices that no individual co-operative could achieve alone. This was one of the primary competitive advantages the Wesfarmers network delivered.

Threat of substitutes was realised most dramatically for the MBC, whose entire role as a producer co-operative model was rendered obsolete when UK accession to the EEC closed its primary export market. For ORDCO, the substitution of cotton with alternative crops was forced by quality problems and market saturation.

Threat of new entrants intensified for the consumer co-operatives (QFCC, MBC, ORDCO) as regional centres grew and national retail chains established stores in nearby cities. For Galactic, entry by eastern-states and multinational competitors into the WA laboratory services market remains an ongoing strategic concern.

Wesfarmers played a decisive role in reducing competitive pressures for co-operatives in its network, providing wholesale purchasing power, competitive agency structures, export market access, and demonstrating the viability of bulk grain handling against powerful incumbent interests. **Co-ops WA** strengthened co-operatives' competitive resilience through training, governance support, inter-co-operative networking, and advocacy for legal frameworks that protected the sector's competitive position.

Natural Environment

Geography plays an important role in shaping human activity, and the natural environment has been identified as shaping the behaviour of business organisations and the industries in which they operate (Banerjee, Iyer and Kashyap, 2003). Factors that shape the impact of the natural environment on CMEs are: the geography and topography, climate and weather, diseases and public health, and landscape and pollution.

Wesfarmers' roles in helping WA co-operatives manage natural environment challenges were primarily practical and commercial, reflecting the company's position as a producer-focused commercial co-operative rather than an environmental advocacy organisation.

Superphosphate and soil fertility management: Wesfarmers' entry into the superphosphate business in 1927 was directly responsive to the natural environment challenge of WA's poor agricultural soils. The WA Wheatbelt is characterised by soils that are deficient in phosphorus and trace elements, essential nutrients for grain crops that must be applied as fertiliser. Superphosphate, which supplies phosphorus, was recognised from as early as 1894 as the key input that enabled profitable farming on WA's infertile soils. Wesfarmers' bulk purchasing and distribution of superphosphate gave the regional co-operatives and their farmer-members access to this critical soil input at more competitive prices than they could obtain individually. The removal of the Federal superphosphate bounty in 1974, which provoked massive farmer protests in Perth, illustrated how dependent WA grain farming was on fertiliser for the soil, and how important Wesfarmers' role in making it accessible had been.

Radio 6WF and agricultural intelligence: Wesfarmers' establishment of WA's first radio station, 6WF, was an important channel through which agricultural and weather information could reach farming communities across the Wheatbelt. For farmers in isolated districts facing climate variability, reliable weather forecasting and agricultural advice were not luxuries but necessities for farm management. Radio 6WF, and the *Wesfarmers Gazette* and *Primary Producer* publications in which Thomas Bath and others published agricultural economics commentary, provided the information infrastructure that helped farming communities understand and respond to the natural environment. CBH's first Secretary and General Manager, H. E. Braine, regularly 'provided his opinion on bulk handling systems and wheat marketing on behalf of CBH and the Wheat Pool in newspapers and on the 6WF radio station', further extending this information role.

Kleenheat LPG and rural energy security: Wesfarmers' establishment of the Kleenheat LPG gas business (noted in the CBH case study as one of John Thomson's contributions to the state) addressed another natural environment challenge for rural WA: the absence of reliable energy infrastructure in remote agricultural districts. LPG gave rural communities access to bottled gas for cooking, heating, and some agricultural applications, reducing dependence on less reliable or more expensive energy sources. ORDCO's early operations included a BP fuel depot and Kleenheat bottled LPG agency, directly extending Wesfarmers' energy infrastructure into the East Kimberley.

Agricultural knowledge and ORDCO's establishment: Wesfarmers' role in establishing ORDCO was also an environmental knowledge-transfer role: its representative directors (Colin Bayly, Ross Brown, and others) brought agricultural management expertise from the Wheatbelt to the East Kimberley, helping pioneer farmers understand and respond to the very different natural environment of the tropical north. Wesfarmers' position as WA's dominant agricultural co-operative meant that it had accumulated institutional knowledge about managing agricultural enterprises in challenging environments, knowledge that was directly applied in the ORIA through ORDCO.

Co-ops WA's engagement with natural environment issues evolved slowly over the Federation's century of operation, reflecting the gradual incorporation of environmental awareness into the co-operative movement's consciousness.

The Federation's 1978 environmental awakening: The Federation's centenary history identifies 1978 as a significant moment when environmental awareness entered the Federation's agenda. A consultant hydrogeologist gave a paper at the 1978 conference to which delegates responded with 'worries' that future water supplies were 'not looking the best'. This was the first occasion on which the Federation formally engaged with the long-term environmental challenges facing WA's rural co-operatives (Baskerville, 2019).

The fishermen's EEZ contribution: It was the fishing co-operatives that brought environmental issues most clearly into the Federation's focus. A detailed 1979 conference paper on the Exclusive Economic Zone (EEZ) issue by Laurie Connell of the Geraldton Fishermen's Co-operative identified the need for science-based environmental management, sustainable fisheries yields, and conservation of the marine environment. These ideas, which were second nature to the fishing community, resonated with the farming community's own growing awareness of soil salinity and environmental degradation in the Wheatbelt. The fishermen's environmental engagement was 'building on two decades of growing environmental concerns and awareness in the cray fishing industry' (Baskerville, 2019, p. 58).

The 1983 Chairman's address: The Federation's Chairman's report to the 1983 conference noted explicitly that 'the effects of declining rainfall and multiple cropping were becoming evident in wind erosion, the breakdown of soil structures, and increasing salinity' (Baskerville, 2019, p.58). He concluded that the Federation and its members needed to support soil conservation, reafforestation, and scientific research into improved plant varieties. This represents the clearest pre-1985 statement of Co-ops WA's institutional awareness of the salinity crisis and its connection to co-operative members' farming practices.

The 1985 disruption and environmental agenda slip: Wesfarmers' withdrawal from the WA co-operative movement in 1985 knocked environmental concerns off the Federation's agenda at precisely the moment when they could have been most productively addressed. The centenary history records: 'with the withdrawal of Westralian Farmers' from the co-operative movement, 1985 was something of a turning-point for at least a decade and environmental concerns slipped from the Federation's view.' The institutional disruption caused by Wesfarmers' departure forced Co-ops WA into a defensive posture focused on financial survival, leaving little capacity for environmental advocacy (Baskerville, 2019).

Post-2009 environmental co-operatives: In the post-2009 period, Co-ops WA's formation support work contributed to the creation of a new generation of co-operatives that were environmentally-focused. The centenary history notes the registration of the Organic and Biodynamic Meats Co-operative (2007), Fremantle Wind Farm Co-operative (2013), the Sandalwood Growers' Co-operative (2017), and the Australian Sandalwood Co-operative (2018) as signals of this new environmental potential in the WA co-operative sector (Baskerville, 2019). These co-operatives represent a direct application of the co-operative model to environmental resource management, a development that Co-ops WA's formation and registration support helped facilitate.

Supporting Galactic's environmental services: Co-ops WA's formation support for Galactic in 2017 indirectly contributed to the expansion of environmental service capacity in WA, as Galactic's sustainability consulting arm has grown into a commercial service offering that reduces the environmental footprint of its laboratory and industrial clients. Peter Wells' critical formation support gave Galactic the institutional foundation from which its environmental services have subsequently developed (van Aurich et al., 2025).

Conclusions about the co-operatives' response to the natural environment

The natural environment, across all four of its key sub-factors: geography and topography; climate and weather; diseases and public health; landscape and pollution, has been a formative and recurring influence on the six WA co-operatives examined in this analysis.

Geography and topography determined the fundamental conditions under which each of the co-operative was established. The dispersed, isolated farmlands of the Wheatbelt demanded the co-operative aggregation. The favourable climate of the Great Southern enabled the MBC's internationally competitive fruit industry, and the extreme isolation and tropical climate of the Ord River valley shaped every dimension of ORDCO's strategy.

Climate and weather created the fundamental operational uncertainty that co-operatives were designed to absorb collectively. For example, individual farmers facing drought or crop failure alone were financially vulnerable. However, collectively, through the co-operative model, they could pool risks, maintain dividend payments through difficult seasons, and sustain the commercial infrastructure that sustained their communities. CBH's sealed storage technology, ORDCO's irrigation infrastructure, and the MBC's cool stores were all, in different ways, evidence of the co-operative movement's technological responses to climate and weather challenges.

Disease and public health challenges, from grain weevils to cotton bollworm to COVID-19, required both technical responses (fumigation, GM crops, sealed storage, essential service operations) and institutional ones (collective lobbying for research funding, co-operative R&D investment, and advocacy for government support measures). The co-operative model's capacity to pool resources for R&D investment, and its democratic governance structure that kept commercial decisions aligned with member interests, made it well-suited to managing these challenges collectively.

Landscape and pollution, particularly the salinity crisis of the Wheatbelt, cast the most troubling shadow over the co-operative movement's history. The farming communities that built the co-operatives were themselves agents of the land clearing that produced salinity, and the commercial success of the co-operatives was intertwined with an agricultural expansion that had long-term environmental consequences. The Federation's belated recognition of this connection in the early 1980s, and the subsequent development of sustainable farming awareness within the co-operative movement, represents a gradual but genuine engagement with landscape and pollution responsibilities.

Wesfarmers' contributions, which included superphosphate distribution, radio agricultural information, LPG energy provision, and the transfer of agricultural knowledge to ORDCO, were practical and commercial responses to the natural environment challenges facing WA's farming communities.

Co-ops WA's contributions were more institutional, and included environmental awareness through conferences and education, support for environmental co-operative formation, and advocacy. Together, they provided the institutional infrastructure within which the majority of WA's co-operatives could respond collectively to the natural environment challenges that individual farms and businesses faced alone.

In Galactic Co-operative, the natural environment relationship is most directly reversed: rather than being primarily shaped by its natural environment, Galactic actively shapes the environmental outcomes of its clients through sustainability consulting, 3D-printed part longevity extension, and carbon accounting services. This inversion, from co-operative as subject of environmental forces to co-operative as active environmental manager, represents the evolving relationship between the WA co-operative movement and the natural environment in the twenty-first century.

Enterprise Level Analysis – Assessing the Business Model

The main elements of the enterprise level analysis are the purpose and member value proposition (MVP), governance, share structure, profit formula, key processes, and key resources (Mazzarol et al., 2018).

Purpose

Across the six co-operatives, purpose ranges from the explicitly economic to the explicitly social, and from the formally articulated to the implicit and evolving. Several cross-case patterns merge from this comparison.

First, the Wheatbelt district co-operatives (The Co-op York and QFCC) share a founding purpose that was articulated in almost identical terms by Wesfarmers' representative Mr. McGregor at the district co-operative formation meetings of 1916-1917. These comprised collective purchasing power, protection from monopolies, and the economic enhancement of farming communities. This shared purpose reflected the standardised formation model that Wesfarmers deployed across the Wheatbelt.

Second, both co-operatives are now confronting a purpose drift. The original farmer-economic purpose has weakened as the farming community has declined and consumer retail has become the core activity. The QFCC's board is actively considering whether to formalise a new purpose as a community-owned social enterprise rather than a farmers' economic co-operative. The Co-op York faces a similar challenge of purpose renewal.

Third, CBH's purpose has evolved from a purely operational statement (bulk grain handling) to a more strategic formulation that explicitly encompasses sustainability and intergenerational stewardship. The phrase 'current and future' in CBH's purpose statement reflects its awareness that its decisions today create or destroy options for the next generation of WA grain growers, a co-operative governance principle applied to long-term resource stewardship.

Fourth, ORDCO illustrates a co-operative where purpose was implicit and unstated for the first three decades of its existence, only becoming formally articulated when the *Co-operatives Act 2009 (WA)* required principal activities to be formally declared. This absence of a formal purpose statement contributed to the strategic drift that saw ORDCO enter supermarket retailing, fish farming, and port management, activities that were commercially rational responses to market failures in the isolated ORIA, but which diluted the co-operative's agricultural service focus.

Fifth, Galactic's purpose is the most explicitly values-driven of the six, combining economic mission (meaningful work and livelihood) with social mission (sustainability, community, collaboration) in a way that reflects the worker co-operative model's inherently dual character. Where the Wheatbelt co-operatives' purposes were primarily economic with social benefits as secondary outcomes, Galactic's purpose treats economic and social objectives as inseparable.

Wesfarmers' role in shaping purpose: Wesfarmers defined the founding purpose template for The Co-op York, QFCC, and all the Wheatbelt district co-operatives through the formation speeches and promotion campaigns it conducted from 1916 onwards. The purpose of enhancing farmer economic bargaining power, cutting out middlemen, and protecting against monopolies was Wesfarmers' model, applied uniformly across the district co-operative network. For CBH, Wesfarmers was a co-founder whose operational purpose, providing bulk grain handling services, aligned directly with Wesfarmers' own commercial interests in efficient grain handling and export. For ORDCO, Wesfarmers' involvement with the Ord Planning Committee shaped the founding purpose as an agricultural service co-operative rather than a retailing or diversified enterprise.

Co-ops WA's role in shaping purpose: Co-ops WA's influence on purpose has been primarily through the legislative framework it helped achieve. The Co-operatives Act 2009 *(WA)* requires co-operatives to formally state their principal activities, which has driven greater clarity of purpose across the sector. For Galactic, Co-ops WA's formation support was specifically purpose-oriented: helping the founding members articulate and register a worker co-operative purpose that was appropriate to their values and the legal framework. Co-ops WA's annual conferences have also served as a venue for purpose deliberation, enabling co-operative boards to hear from peers and researchers about evolving understandings of co-operative purpose, a contribution that has been particularly important as co-operatives like the QFCC face purpose transition decisions.

Member Value Proposition

The 'four-hats' model of Mamouni Limnios et al. (2018) identifies four roles through which the members of a co-operative engage with their MVP. This comprises: i) patron (user of services); ii) investor (provider of capital); iii) owner (governor of the enterprise), and iv) community of purpose (participant in the shared values and identity of the co-operative).

The cross-case comparison of the MVP reveals important variation in which 'hat' is most emphasised. The Wheatbelt district co-operatives and MBC (in its consumer phase) have historically emphasised the patron hat most strongly, via competitive prices, wide product range, and convenient local access. The investor hat (dividends and rebates) was a secondary but important reinforcement of the patron relationship in the years when distributions could be made. CBH's MVP is more complex. Its service-capacity-cost 'tension triangle' means that the patron and investor hats are simultaneously in play with every tonne delivered, and the non-distributing structure means there are no dividends to reinforce investment, instead, the reinvestment of surpluses into network infrastructure is the MVP mechanism.

ORDCO's MVP has been the most context-dependent. In its early decades, the patron hat (access to the cotton ginnery, farm inputs, and later retail) was dominant. However, as the co-operative diversified in the 1980s and 1990s, the community of purpose hat (the co-operative as voice and advocate for ORIA farming development) became increasingly central.

Galactic's MVP is the most holistically integrated. For example, the worker co-operative model by design collapses the distinction between patron, investor, and owner, since members are simultaneously the workers who patronise the co-operative through their labour, the investors who provide sweat equity, and the governors who make collective decisions.

Wesfarmers' shaping role: Wesfarmers defined the initial patron hat for the co-operatives in the Wheatbelt by creating the wholesale supply chain that gave them access to competitive prices. The agency-subagent model meant the co-operatives could genuinely deliver better prices than individual farmers could achieve alone, making the patron hat tangibly valuable. Wesfarmers also supported the investor hat through the commission structure that generated the revenues from which dividends and rebates were paid. For CBH, Wesfarmers co-founded the co-operative with a purpose-driven MVP, with growers as patrons (users of bulk handling services), with returns flowing through lower costs and reinvestment rather than dividends.

Co-ops WA's shaping role: Co-ops WA strengthened the patron hat primarily through training. Its food merchandising, store management, and staff development programs improved the quality of co-operative retail, making it genuinely competitive with private alternatives. Its Grower Value Statements model, developed and promoted through CBH, represents a sophisticated approach to communicating MVP across all four hats and has been cited as a model for other co-operatives. Co-ops WA's governance education strengthened the owner hat by improving directors' understanding of their responsibilities and the nature of the value they were supposed to create for members.

Governance

Governance is the formal and informal system through which members exercise democratic control over their co-operative, and through which boards and management exercise stewardship on behalf of members. The six co-operatives illustrate a wide spectrum of governance approaches, from CBH's sophisticated 9-12 director board structure with statutory protections, to Galactic's minimum five-member Governing Fellows model under persistent pressure.

Board composition and structure: CBH's governance structure is the most formally developed of the six. The Co-operative's Membership Rules stipulate a minimum of nine and a maximum of twelve directors, with at least nine elected member directors and up to three independent directors nominated by the board but subject to ratification at the AGM. The addition of independent directors was a product of the 2002 merger with GPWA, which required broader skills on the board as the Group's activities expanded into grain marketing and international joint ventures. Independent Director David Lock described the role, explaining that independent directors bring diversity that the organisation looks for, the skills they need, found in an independent director, providing competencies that cannot always be guaranteed from the grower-director pool (Mazzarol et al., 2024a).

The MBC's governance history illustrates both the strength and the risk of long-serving leadership. First Chair James McNeil Martin served for 46 years (1918-1964), followed by tenures of 9, 18, and 19 years for subsequent chairs. However, while long tenure can be stabilising and beneficial for co-operatives, there is a risk of complacency or resistance to change, a risk that materialised by the 1990s when the MBC's board had become, in the language of Cornforth (2004), a potential 'rubber stamp'. The decision not to renew CEO Warren York's contract (after 25 years), while creating community tension, enabled the governance modernisation under Norm Mills that was necessary for the MBC's competitive sustainability. From the early 2000s, the MBC began appointing non-farmer directors, an acknowledgement that the co-operative's consumer retail business required different skills than its original fruit export operations (Mazzarol et al., 2025c).

The QFCC's governance history is analysed through Cornforth's (2004) six governance types in its case study: compliance (board overseeing management), partnership (shared responsibility), rubber stamp (powerful manager, symbolic board), democratic, stakeholder, and co-optation models. The long tenure of Manager Charlie Lindorff (1956-1987) produced a rubber stamp dynamic where decisions appeared to be made between Lindorff and Chair Peter Wills before board meetings, reducing the board's deliberative function. The sub-district representation structure of the QFCC board created a stakeholder model that sometimes-prioritised constituent interests over the whole-of-co-operative perspective (Mazzarol et al., 2025b). The governance tensions with Wesfarmers and Co-ops WA over supply chain freedom exemplified the co-optation model.

ORDCO's governance has been consistently farmer-controlled. For example, all eleven chairs were farmers from the ORIA, and with the exception of the two Wesfarmers representative directors in the early years and two professional directors (an accountant and businessman), all directors were farmers. The case study records that despite facing significant challenges from government policy, market competition, and environmental impacts, the boards of ORDCO 'acted prudently' and took appropriate action. The absence of independent directors may potentially reflect the co-operative's geographic isolation and the dominance of the farming identity in the ORIA community.

Galactic's governance reflects the distinctive character of the worker co-operative model. Decision-making is democratic and sociocratic. All must agree before proceeding, which is time-consuming but produces higher-quality decisions according to members. The minimum five-member requirement of the *Co-operatives Act 2009 (WA)* created persistent difficulty because suitable governing fellows with the right co-operative values and commitment were difficult to recruit. Co-ops WA's Peter Wells advised Galactic to focus on building membership rather than pressing reluctant individuals into governance roles they were not suited for advice that reflected deep understanding of the tension between legislative minimum requirements and the genuine governance capacity of a small worker co-operative (van Aurich et al., 2025).

Cross-Case Governance Patterns: Several patterns emerge from cross-case comparison. First, there is a consistent tension across the six co-operatives between the democratically elected member-directors (who bring member knowledge and legitimacy) and the need for professional business skills (which may not be reliably available from the membership pool). CBH and MBC have both addressed this through independent directors; ORDCO has addressed it through contracted consultants; Galactic through the co-founding members' diverse professional backgrounds. The QFCC and The Co-op York have historically relied more heavily on member-directors without independent expertise, a vulnerability that contributed to the management failures of both co-operatives at different periods. Second, long-term CEO tenure is a double-edged governance feature. The security and institutional knowledge that long-serving managers provide is genuinely valuable for co-operatives but creates the rubber stamp risk when the board's oversight function is effectively delegated to the manager. The QFCC's Lindorff era and the MBC's Warren York era both illustrate this pattern, and both co-operatives required painful governance transitions to restore effective board oversight.

Wesfarmers' shaping role: Wesfarmers' most direct governance contribution was to ORDCO, through its two representative directors (Colin Bayly and Ross Brown) who brought commercial and management expertise to the board in the co-operative's formative years. This was a deliberate governance design by the Ord Planning Committee, which recognised that the pioneer farmers of the ORIA lacked the commercial experience to manage a co-operative ginning operation without expert support. More broadly, Wesfarmers provided the Articles of Association templates that shaped the initial governance structures of the Wheatbelt district co-operatives, embedding the one-member-one-vote principle and the co-operative governance model from the outset.

Co-ops WA's shaping role: Co-ops WA's governance contribution operated through three channels: director education programs (covering cost consciousness, director duties, and co-operative principles), conferences that enabled governance learning across the sector, and its formation support for Galactic which embedded governance structures appropriate to the worker co-operative model. The Federation's storekeeping committee repeatedly identified governance deficiencies in local co-operatives and attempted (not always successfully) to persuade boards to address them. Its advice to Galactic on the five-member minimum, focusing on membership building rather than recruiting unsuitable Governing Fellows, represents a mature understanding of how governance requirements interact with co-operative culture.

Share Structure

Under Australia's co-operative legislation the equity structure of a co-operative determines whether it can pay dividends to members (distributing) or must reinvest all surpluses (non-distributing), how shares are linked to membership and patronage, and how share capital is raised and redeemed over time. Across the six co-operatives, the contrast between CBH's non-distributing model and the distributing models of The Co-op York, QFCC, MBC, ORDCO, and Galactic is the most fundamental structural division.

Non-distributing: CBH: CBH has been a non-distributing co-operative since 1970, which means it does not issue dividends to members. This structure, combined with the income tax exemption achieved in 1972, allowed CBH to retain all surpluses for reinvestment in its storage and handling network. The advantages were substantial: by avoiding both dividend payments and income tax, CBH could invest in infrastructure at a rate that would have been impossible under a distributing structure. By 1986 CBH had the highest amount of sealed storage in the country; by 2022 it was investing $348 million per year into its network (Mazzarol et al., 2024a).

The non-distributing structure created governance tensions. However, the reinvestment of surpluses from grain marketing into the storage and handling network raised free-rider concerns. This included growers who sold their grain through other marketers benefited from the improved network without contributing to its capital funding through Grain Marketing surpluses. Former Chairman Wally Newman and Company Secretary David Woolfe articulated this concern explicitly, noting that cross-subsidisation between business entities destroys co-operatives. CBH Chairman Simon Stead acknowledged in hindsight that the co-operative may have distributed too much back to members in rebates during periods of strong performance, rather than retaining more for network investment.

The toll-to-share conversion mechanism was CBH's original capital-raising structure. Growers paid tolls on grain delivered, with the first pound of tolls converting to a single share and the balance to debentures repayable over ten years. This elegantly aligned capital contribution with patronage, i.e. the more grain a grower delivered, the more they contributed by way of revolving tolls. This mechanism underpinned the democratic legitimacy of the Co-operative's capital structure without requiring external investors.

Distributing co-operatives: QFCC, MBC, ORDCO, Galactic: The distributing co-operatives, QFCC, MBC, ORDCO, and Galactic, all link dividend payments and rebates to member patronage, though their actual distribution histories have varied considerably. The QFCC paid regular annual dividends of 5-7 per cent on paid-up capital from 1918 through to the end of the 1980s, along with trading bonuses paid as cash rebates, bonus shares, or debentures. The cessation of dividends after the 1980s, driven by the financial difficulties of the 1990s, represented one of the most significant changes to the QFCC's MVP. The recapitalisation of 2001 through redeemable preference shares, supported by a minority of shareholders, was the financial instrument that rescued the Co-operative from its debt burden. No dividends or rebates have been paid since the 1980s (Mazzarol et al., 2025b).

The MBC maintained a history of dividend payments from its founding years, including paying off its initial bank loan within a decade and installing an electricity generator for the town of Mount Barker from surplus revenues. The transition from producer to consumer co-operative required a period without dividends (1975-1985) as assets were sold and the business model was restructured. Trading discounts and loyalty card rewards have since been the primary patron-investor mechanism, supplemented by dividends where financial performance allows (Mazzarol et al., 2025c).

ORDCO's distributing history focused on the payment of dividends, rebates and discounts to its members over the period from 1963 to 2022. This involved the distribution of millions of dollars to the members who pioneered tropical agriculture in the ORIA. The share buyback scheme over the period 2005-2022, repaid significant funds to former members who were inactive by the time of the new co-operative legislation. This, and separation of assets between ORDCO and CGL during the 2007-2008 restructuring, provided the mechanism through which ORDCO managed the transition to the active-membership requirements of the *Co-operatives Act 2009 (WA)*, removing inactive members from the share register. The earlier issuance of 'bonus' preference shares in the 1970s created confusion between the patron and investor roles, leading to a four-year share repurchase program, an expensive lesson in the importance of keeping share structures aligned with co-operative patronage principles (Graham-Taylor, 1978; ORDCO, 2026; CGL, 2026).

Galactic is a distributing co-operative but, as at early 2025, has not yet distributed any surplus to members. The co-operative has consistently prioritised wages over profit distribution, a choice that reflects the worker co-operative model's primacy of member livelihood. The innovative Drake equation distribution model, developed in early 2025, adapts a scientific equation (the Drake equation for estimating extraterrestrial life) to calculate distribution shares based on multiple factors including hours worked, contribution to co-operative goals, and tenure. This is perhaps the most creative profit distribution design of any of the six co-operatives, reflecting Galactic's scientific culture (van Aurich et al., 2025).

Wesfarmers' shaping role: Wesfarmers' most significant share structure influence was on CBH as co-founder (alongside the Wheat Pool). Wesfarmers participated in designing the revolving toll mechanism that built CBH's capital base from grower patronage. For the Wheatbelt district co-operatives, Wesfarmers' model Articles of Association established the initial share structures, typically small share capital (the QFCC's founding capital was 1,000 one-pound shares) with democratic governance, that were consistent with the co-operative principle of member-proportionate rather than capital-proportionate control.

Co-ops WA's shaping role: Co-ops WA's most important share structure contribution was achieving the *Co-operatives Act 2009 (WA)*, which modernised the legal framework for distributing and non-distributing co-operatives, required active membership standards (driving the ORDCO share buyback program), and provided clarity on the income tax treatment of future co-operative distributions. Co-ops WA facilitated the transition of all six co-operatives (where applicable) to the new Act, including CBH (first, in 2011) and subsequently QFCC, MBC, and others. It also advised Galactic on its distributing co-operative structure and the practical implications of the five-member minimum for its share and governance structure (Baskerville, 2019).

Profit Formula

The profit formula describes how a co-operative generates revenue, manages its cost structure, and distributes surpluses to members. For co-operatives, the goal is not the maximisation of profit but member benefit maximisation, and the profit formula must be designed to serve the MVP rather than to enrich investors.

CBH, fee-setting for cost recovery and network investment. CBH's profit formula is distinctive among the six. As a non-distributing co-operative, it sets fees at a level designed to cover operating costs and capital requirements on an average-sized crop through the cycle. Surpluses are first used for productivity improvements and capital reinvestment in the network, usually in strong years, discretionary rebates have been paid (the three-tier loyalty rebate system of the late 2010s). The 2022 Annual Report noted CBH's investment of $348 million into the network that year, including 300,000 tonnes of new permanent storage and 2.4 million tonnes of new temporary storage (CBH, 2022).

The free-rider concern, that growers who market grain through competitors but use CBH's storage and handling infrastructure are benefiting without fully contributing, represents a structural challenge to CBH's profit formula in a deregulated market. The integration of the Grain Marketing surplus with Storage and Handling investment was designed to address this by making grain marketing patronage contribute to network development. However, this integration also raises the concern that growers who market through CBH are cross-subsidising the infrastructure used by growers to store their grain but who market the grain elsewhere (Mazzarol et al., 2024a).

Wheatbelt and Great Southern Consumer Co-operatives: The QFCC and MBC historically operated a profit formula built around retail trading margins, with dividends and rebates as the primary member distribution mechanisms. The typical QFCC dividend of 5-7 per cent on paid-up capital, combined with cash trading bonuses based on patronage, created a directly patronage-proportionate distribution that aligned the investor and patron hats. The decision to cease distributions after the 1980s reflected a fundamental breakdown of this formula: the co-operative could no longer generate sufficient surplus to sustain both reinvestment and member distributions (Mazzarol et al, 2025b).

The MBC's profit formula evolved substantially through its producer-to-consumer transition. In its producer phase, revenue came primarily from fruit export commission and processing fees. In its consumer phase, it comes from retail trading margins across supermarket, hardware, liquor, and fuel. The MBC's current formula explicitly includes community investment, dividends, trading discounts, loyalty rewards, sponsorships, and donations, as a declared profit distribution mechanism, recognising that community investment is itself a form of member value creation that supports patronage loyalty (Mazzarol et al., 2025c).

ORDCO, distributing through diverse revenue streams: ORDCO's profit formula has been the most complex and variable of the six, reflecting its highly diversified business operations. Revenue has come from cotton gin processing fees, supermarket trading, sugar refining, port management, fuel distribution, farm inputs sales, grain handling and marketing, and agronomic services, often simultaneously. The co-operative's ability to generate distributions has depended on which of these revenue streams was profitable in any given period, creating significant year-to-year volatility in distributions.

The corporate restructuring of 2007-2008, which separated non-agricultural assets into Cambridge Gulf Ltd. (an IOF), was partly a profit formula decision. By separating the profitable property and non-agricultural assets from the co-operative, ORDCO could focus its profit formula on the agricultural service activities where its member value creation was clearest (ORDCO, 2026; CGL, 2026).

Galactic, wages-first, surplus-later: Galactic's profit formula prioritises wages and member livelihoods over surplus distribution, the Treasurer's reports consistently note that wages, superannuation, and employee benefits are higher than they should be relative to the revenue generated by the co-operative. This reflects a conscious choice. For example, the co-operative's primary purpose is to provide meaningful work and livelihood, not to generate financial returns. The Drake equation distribution model represents Galactic's attempt to formalise a patronage-proportionate distribution mechanism that rewards members for their contribution to the co-operative's success across multiple dimensions of effort, not just hours worked.

Wesfarmers' shaping role: Wesfarmers shaped the profit formula of the co-operatives across the Wheatbelt primarily through the agency commission structure. Co-operatives earned commissions from the Wheat Pool WA for grain handling and from Wesfarmers for retail agency services. These commissions were the primary revenue source in the early years, and their distribution as dividends and rebates established the profit formula template that the QFCC and The Co-op York maintained for decades. Wesfarmers' deliberate policy of keeping wholesale prices low to support farmer-members during the Depression years was itself a profit formula decision: accepting lower margins in exchange for sustaining the member base.

Co-ops WA's shaping role: Co-ops WA's most important profit formula contribution was training. This included its bookkeeping, cost consciousness, and financial management programs from the 1950s onwards helped co-operative managers understand and manage their cost structures. The Federation's director education covering 'cost consciousness and the duties and responsibilities of directors' was directly targeted at improving profit formula management. For contemporary co-operatives, Co-ops WA's promotion of the *Co-operatives Act 2009 (WA)* framework, including the 80 per cent rule on distributable profits and the income tax treatment of co-operative distributions, provides the regulatory clarity that distributing co-operatives need to manage their profit formulas effectively.

Resources and Processes

Key processes and resources comprise the tangible assets (physical infrastructure, equipment, financial capital), intangible assets (knowledge, skills, member alignment, brand identity), and strategic network partnerships that enable each co-operative to deliver its purpose and MVP.

Tangible resources: CBH possesses the most extensive tangible resource base of the six co-operatives. This includes a network of five zones, over 100 receival sites, four port terminals, a rail fleet, and $348 million invested in infrastructure in 2022 alone. Its fertiliser division, Interflour Group joint venture (2005-2025), and Blue Lake Milling subsidiary (2015) represent the tangible resource diversification that has been CBH's response to the drought-proofing challenge. The sheer scale of CBH's tangible asset base, Australia's largest co-operative by annual turnover at $5.77 billion in 2024, is the product of eight decades of non-distributing reinvestment, illustrating the compounding power of the non-distributing profit formula (Mazzarol et al., 2024a).

The MBC's tangible assets have evolved from the original cool stores and packing sheds of 1918 to a portfolio of retail stores operating IGA, Mitre 10, Elders, Cellarbrations, and fuel service brands. The MBC has generally been able to fund construction and refurbishment from retained profits and occasional bank loans, maintaining a strong balance sheet throughout its history (Mazzarol et al., 2025c). ORDCO's tangible resources have included the cotton ginnery, sugar refinery, supermarket and shopping centre facilities, port stevedoring equipment, fuel depot, and bulk grain handling infrastructure, reflecting the co-operative's history of filling infrastructure gaps in the isolated ORIA (ORDCO, 2026).

The Wheatbelt district co-operatives (The Co-op York and QFCC) have typically owned their retail premises, which constitute their primary tangible asset. The QFCC's Heal Street premises, the site of its supermarket, café, and associated retail spaces, represents both its current operational centre and a potentially valuable property asset as the Quairading community considers its co-operative's future (Mazzarol et al., 2025a/b).

Galactic's tangible assets are modest but effective. They include its laboratory servicing equipment, 3D printing capability, and Welshpool premises constitute the physical resource base for its scientific services business. The 3D printing capability is particularly strategically significant. It enables Galactic to manufacture hard-to-source replacement parts, extending the life of laboratory equipment and reducing its clients' capital expenditure, a direct competitive differentiator against multinational service providers who cannot offer this service (van Aurich et al., 2025).

Intangible resources: The most important intangible resource across all six co-operatives is member alignment, the capacity to align individual member self-interests with the collective action necessary for creating the 'collective good' that is the co-operative's purpose. CBH's Grower Value Statements, which provide each member with an overview of their transactions and how CBH creates and returns value at individual, community, regional, and industry levels, represent the most sophisticated member alignment instrument of the six co-operatives.

For the consumer co-operatives, the intangible resource of community identity and local loyalty is critical. The MBC's annual declaration of dividends, trading discounts, local employment figures, and local supplier sourcing is a community identity communication strategy as much as a financial reporting exercise. The QFCC's 2020 post-COVID renaissance illustrates how community loyalty, rebuilt through the COVID-19 pandemic lockdown period's compulsory local shopping, can become a genuine intangible resource once re-established (Mazzarol et al., 2025b).

ORDCO's most important intangible resource is its accumulated agricultural expertise and its 60-year institutional knowledge of the ORIA's farming conditions, market channels, and regulatory environment. The Co-operative has become a significant advocate for the farming community within the ORIA, representing their members to politicians at both state and federal level, and with public servants and scientific advisers during its history (Graham-Taylor, 1978; ORDCO, 2026). This advocacy capacity, rooted in deep institutional knowledge and community trust, is an intangible resource that no private enterprise could replicate.

Galactic's primary intangible resource is the specialist scientific and engineering expertise of its founding members and current team, particularly in laboratory instrumentation, broadcasting technology, and sustainability consulting. The Co-operative's culture of democratic governance and sustainability values also functions as an intangible resource: it attracts clients and partners who share these values, creating a loyalty that is qualitatively different from price-based customer relationships (van Aurich et al., 2025).

Key processes: CBH's key processes are centred on its logistics management system. This includes Grain Express, launched for the 2008/09 harvest, packages freight with storage, handling, and ship loading to coordinate grain movements from 193 country sites to 15 destination points. The People, Technology, and Tonnes to Customer strategic focus reflects CBH's process priorities: human capability, technological efficiency, and logistics precision. The quality management processes, moisture testing, fumigation, protein testing, disease identification, represent decades of accumulated operational expertise translated into repeatable, scalable processes (Mazzarol et al., 2024a).

For the consumer co-operatives, key processes centre on retail management. For example, inventory and stock control, supplier relationships, staff training, and customer engagement. The QFCC's case study identifies stock control system issues, the need for manual intervention in computerised reporting, as a current operational vulnerability that constrains management decision-making (Mazzarol et al., 2025b). The MBC's processes have evolved from fruit grading, packing, and export to competitive retail management, with national award-winning store performance reflecting the quality of its retail processes (Mazzarol et al., 2025c).

ORDCO's key processes have required continuous adaptation as crop portfolios changed, from cotton ginning to sugar refining to grain handling, each requiring different technical expertise and operational systems. The co-operative's R&D process, now formally listed as a principal activity, represents the institutionalisation of the adaptive capacity that has been ORDCO's most important survival mechanism (Graham-Taylor, 1978).

Galactic's processes are characterised by multi-role flexibility. For example, each member performs multiple functions, and the co-operative's decision-making processes are deliberately slow and consensus-oriented. The 'hob-nob' community engagement events, paused during COVID and being rebuilt, represent a key process for maintaining the network relationships that sustain client loyalty (van Aurich et al., 2025).

Wesfarmers' shaping role on processes and resources: Wesfarmers shaped the key processes and resources of the Wheatbelt district co-operatives through the agency model: providing wholesale goods, grain handling systems, farm machinery agencies, and the commercial processes that structured co-operative retail operations. The Staff Training Organiser seconded to Co-ops WA in 1963 was specifically a process-improvement initiative, bringing Wesfarmers' commercial expertise to bear on the operational deficiencies of local co-operative stores. For CBH, Wesfarmers contributed the initial capital and management infrastructure that enabled the Co-operative's network to begin operating in 1933. For ORDCO, Wesfarmers' representative directors brought agricultural management processes from the Wheatbelt to the tropical north (Graham-Taylor, 1978).

Co-ops WA's shaping role on processes and resources: Co-ops WA's training programs from 1956 onwards were the primary mechanism for improving the key processes of the consumer co-operatives. Courses in food merchandising, hardware display, salesmanship, stock control, bookkeeping, store layout, and management were directly targeted at the operational process gaps that made co-operative stores less competitive than professional private retailers. The formation support provided to Galactic, including model rules, registration guidance, and accounting connections, constituted a key resource contribution to the worker co-operative's early establishment. Co-ops WA's annual conferences served as a knowledge-sharing network within which co-operatives could learn about process innovations from each other, reducing the isolation that individual co-operatives experienced.

Systems Level Analysis – Output Factors

The two main outputs from CMEs are their ability to generate economic and social capital.

Economic contribution

According to Mazzarol et al. (2014b), economic capital can be measured through the creation of assets, jobs, and wealth. In terms of assets, CMEs can create economic capital by establishing valuable infrastructure which would not have existed without them.

Assets: infrastructure, facilities, and tangible wealth creation

The most visible economic capital output across the six co-operatives is the physical infrastructure and facilities they built and maintained. CBH's asset creation is the largest in absolute terms, a network of over 100 grain receival sites across five zones, four port export terminals (Kwinana, Geraldton, Albany, and Esperance), a rail fleet, and an associated network of road transport infrastructure. In 2022 alone, CBH invested $348 million into its network, including 300,000 tonnes of new permanent storage and 2.4 million tonnes of new temporary storage. Independent Director David Lock described the economic rationale: CBH provides WA growers with 'the cheapest supply chain in Australia' from a storage and handling perspective, enabling them to 'capitalise on price premiums' in export markets (Mazzarol et al., 2024a, p. 170).

The Kwinana Grain Terminal, opened in 1977 after a decade of construction and cost overruns, was considered the most innovative of its kind in the world at the time and represented a transformative asset for WA's grain export industry. Without CBH, this infrastructure would either not have been built or would have been built by investor-owned firms that extracted commercial returns rather than reinvesting them for member benefit. As Farmer Director Helen Woodhams observed,

> *“Economically I’d say CBH has underpinned the existence of our regional areas. It has supplied a strong supply chain to the grain growing communities, provided employment, and created international markets. It plays an enormous part in the prosperity of WA both in the regions and city areas.”* (H. Woodhams, 2024, cited in Mazzarol et al, 2024a, p. 171).

The MBC's founding asset, the Mount Barker cool stores opened in 1918, was transformative for the Great Southern fruit industry. The bank loan used to finance the cool stores was repaid within a decade, and the surplus generated was sufficient to install an electricity generator that provided electric power to the entire town of Mount Barker, illustrating how co-operative asset creation can generate community benefits that extend well beyond the direct membership. Over the period 2010 to 2024, the MBC distributed over $7.3 million in dividends, trading discounts, loyalty rewards, sponsorships, and donations, averaging $488,587 per year, a steady flow of community economic benefit sustained over more than a decade (Mazzarol et al., 2025c).

The QFCC, from 1918 to the end of the 1980s, paid out over $10.7 million (measured in 2023 dollars) in cash rebates and bonus debentures, an average of approximately $145,704 per year in cash rebates and $247,914 in bonus debentures per decade. These distributions represented a direct wealth transfer to Quairading farming families that sustained farm viability through periods of drought, depression, and market volatility. The QFCC's Heal Street premises remain a community asset that no private enterprise would have maintained for 100 years in a district of Quairading's size (Mazzarol et al., 2025b).

For ORDCO, the economic asset creation story is inseparable from the government-funded Ord River Scheme infrastructure. However, within that context, ORDCO's own asset creation was substantial: the cotton ginnery it operated (and later owned), the sugar refinery, the Kununurra supermarket and shopping centre facilities, the Wyndham port stevedoring operations, the ExxonMobil fuel depot, and the bulk grain handling facilities each represented co-operative infrastructure that filled market gaps in the isolated ORIA.

Galactic's economic asset creation is modest in absolute terms but significant relative to its size and age. Its laboratory servicing equipment, 3D printing capability, and Welshpool premises constitute the physical foundation for services that save WA laboratories millions of dollars compared with multinational alternatives. Its most striking asset creation achievement is the prevention of landfill: between 2023 and 2024, Galactic salvaged a 'freighter full of equipment' from going to landfill, refurbished it, and redeployed it to clients, saving approximately 100 vehicle-equivalents in greenhouse gas emissions per instrument (van Aurich et al., 2025).

Employment: jobs in regional and urban communities

Employment generation is a core economic capital output across all six co-operatives, though the scale and character of that employment varies enormously. CBH is one of the largest employers in regional WA, maintaining stable permanent employment for over a decade at approximately 1,000-1,100 employees, with up to 2,100 casual employees during the harvest season from October to January. Then Deputy Chair Natalie Browning observed,

> *"CBH is one of the biggest employers in regional WA … it is such a critical part of our regional communities. I believe that some regional communities would not still be here farming without CBH"* (N. Browning, 2024, cited in Mazzarol et al., 2024a, p. 171).

The MBC has provided 'a significant number of local people' with employment and has been particularly important as a provider of first employment experience for young people in the Mount Barker district. The co-operative has a commitment to local employment, employing within the community and seeking to offer opportunities to the unemployed (Mazzarol et al., 2025c). This is a general feature identified by Mazzarol et al. (2014) that is consistently evident across all six co-operatives. The QFCC, operating the primary retail service in Quairading for over a century, has been the single largest employer in a small community where every job matters (Mazzarol et al., 2025b).

ORDCO's employment contribution has extended beyond its own direct workforce to include the farming community it serves. It does this by providing the services that kept ORIA farmers commercially viable through decades of agricultural challenge, ORDCO sustained the farming employment base of the East Kimberley District. The co-operative's economic contribution has been described as significant, often as a result of its indirect or collaborative role in helping develop and support the farming community in the Ord River valley. It has played a central role in sustaining farming livelihoods in a region where no private enterprise would have provided comparable services as a comparable price.

Galactic's employment philosophy is distinctive. It provides 'meaningful work for life' within a democratic workplace that treats workers as whole people rather than labour units. Andrea Biondo stated,

> *"As a member of a worker co-operative, you have a meaningful job for life. […] It's just a part of the business structure, it gives you a meaningful job for life in a worker owned co-operative, which is part of the local economy, with a benefit to the community. These things are just baked into the structure of worker owned co-operative."* (A. Biondo, 2024, cited in van Aurich et al., 2025).

This commitment to meaningful employment, prioritising member livelihood over surplus distribution, is reflected in the Treasurer's consistent reports that wages, superannuation, and employee benefits are higher than they should be relative to revenue (van Aurich et al., 2025).

Wealth creation: dividends, rebates, and the competitive yardstick

Wealth creation through dividends, rebates, and competitive pricing is the most direct economic capital output that co-operatives deliver to their members. Across the six co-operatives, the distributing model (QFCC, MBC, ORDCO, and Galactic) produces direct wealth transfers through dividends and patronage-linked rebates, and higher wages in the case of Galactic, while CBH's non-distributing model generates wealth for members through lower supply chain costs and reinvestment in productive infrastructure.

CBH's economic contribution through competitive pricing and cost-efficient supply chains is perhaps the largest but least visible wealth creation mechanism of any of the six co-operatives. By setting storage and handling fees at cost-recovery principles, CBH ensures that the surplus value generated by the WA grain harvest flows to growers rather than to external investors. In 2022 CBH received 21.3 million tonnes, 90 per cent of the WA grain harvest, with a NPAT of over $497 million. This surplus was reinvested in the network rather than distributed to investors, generating a compounding infrastructure advantage that benefits current and future members. The working capital programs available through CBH Marketing and Trading, including Pre-Pay Advantage and Grain for Fertiliser, provided $150 million in working capital to 420 farming businesses in 2021 alone, directly supporting farm cash flow during the production cycle (Mazzarol et al., 2024a).

The 'competitive yardstick' effect, whereby CBH's presence disciplines the market behaviour of private grain traders, is an indirect wealth creation mechanism that benefits non-member producers as well as members. Candemir et al. (2021) note that agricultural co-operatives create a 'competitive yardstick' effect in regional communities, specifically on prices paid to farmers, including non-members. CBH's 18.3 per cent market share in Australian cereal grain wholesaling places it alongside multinational IOFs including GrainCorp, Viterra (a Glencore subsidiary), and Cargill, and its grower-owned structure means that the competitive discipline it exercises benefits WA farmers broadly, not just CBH members (Mazzarol et al., 2024a).

The Wheatbelt district co-operatives created wealth for farmer-members in their formative decades primarily through two mechanisms: competitive retail prices (cutting out the middlemen who had previously extracted higher margins) and annual dividend payments. The QFCC's consistent 5-7 per cent dividends on paid-up capital, combined with cash trading bonuses, over seven decades from 1918 to the late 1980s represent a sustained wealth creation track record that is all the more impressive given the severe climatic and economic challenges the farming community faced across that period. This wealth creation ceased when the financial difficulties of the 1990s forced the cessation of distributions, a loss of MVP that the QFCC is still working to recover from (Mazzarol et al., 2025b).

ORDCO's wealth creation for ORIA farmers operated through multiple channels: the competitive pricing of farm inputs through the general store and subsequently specialised agricultural supplies business, the provision of cotton ginning and sugar refining services at cost-recovery pricing, and the regular payment of dividends and rebates.

Local sourcing and the economic multiplier

All six co-operatives demonstrate a commitment to local sourcing that amplifies their direct economic contribution through multiplier effects. CBH's 2022 Annual Report recorded that 90 per cent of its goods and services were purchased within WA, with 39 per cent purchased in local grain growing communities, a deliberate policy of keeping economic activity within the regions it serves (CBH, 2022).

The MBC has maintained a 'strong commitment to the use of local suppliers and contractors throughout its history', including local food producers and winemakers in its retail offer. Its historical advocacy for exporting fruit through Albany rather than Fremantle 'provided employment that would not have been possible' in the Great Southern region (Mazzarol et al., 2025c).

The QFCC and The Co-op York similarly prioritised local suppliers and contractors, a feature of the co-operative model that generates economic multiplier effects as locally earned revenue recirculates through the community rather than flowing to distant shareholders (Mazzarol et al., 2025a/b). For ORDCO, local sourcing was both a commercial commitment and a practical necessity in an isolated region where supply chains were long and transport costs high.

Galactic's local sourcing commitment is explicit in its mission: 'Our customers are local. We spend as much as we can locally and we see in our customers a real desire to spend locally as well.' By keeping all profits within Australia, unlike the multinational competitors who 'export all their products', Galactic generates economic multiplier effects that are valued by its laboratory and scientific equipment clients. As Biondo noted, clients 'are starved of the opportunity' to work with a locally owned provider, and the co-operative's Australian ownership is a commercial differentiator as well as an economic contribution (van Aurich et al., 2025).

SOCIAL CONTRIBUTION

The measurement of a co-operative's contribution to the development of social capital is always difficult due to the indirect and informal nature of how social capital is formed and valued. This typically involves individuals meeting and interacting within the context of shared social norms, values, beliefs, trust, friendships, obligations, networks, and memberships (Bhandari and Yasunobu, 2009).

Trust: the democratic foundation of co-operative social capital

Trust between members and the co-operative is the bedrock of co-operative social capital. It is generated through consistent delivery of the member value proposition, transparent governance that gives members a genuine voice, and honest communication even in difficult times. Across the six co-operatives, trust has been most robust where governance has been strong and member communication has been open, and most fragile where governance failed or management acted against member interests.

CBH's trust dynamics are documented with unusual precision through grower surveys. A 2017 survey found that 71 per cent of members believed CBH increased the profitability and value of their farms, 75 per cent believed they received good or very good value from membership, and 73 per cent trusted CBH to 'Do the right thing for all growers'. These trust indicators were hard-won. For example, CBH was accused of patronising, unco-operative behaviour toward members. The attempted demutualisation in 2000, which enough members opposed when given the choice, created some concerns about the strategic direction that CBH was taking. It required a major strategic reassessment and restructuring into the CBH Group, to regain the shared sense of purpose and attention to member long-term needs. The failed Australian Grains Champion attempted takeover bid illustrated how CBH's post-2000 investment in member trust paid dividends when defensive action was needed (Mazzarol et al., 2024a).

For the QFCC, trust was impacted by the financial challenges that faced the Co-operative during the 1990s. The community's willingness to recapitalise the Co-operative in 2001, providing preference share capital to rescue it from debt, was itself an expression of residual trust that survived the damage. The community still believed in the QFCC's future even after its worst decade. The subsequent refurbishment of the Heal Street store in 2018-2019, and the COVID-19 lockdown period of 2020, rebuilt community trust to the point where the co-operative now attracts genuine loyalty from a community that had experienced its failures as well as its successes (Mazzarol et al., 2025b).

ORDCO's trust was built around the co-operative's role as the reliable institutional voice and service provider for a farming community in an otherwise under-served region. ORDCO's ability to facilitate knowledge and information throughout the membership, and its awareness of the need to ensure that all members, regardless of size, must be considered as of equal importance, engendered a positive culture and social capital base within the farmers and wider community within the East Kimberley District. This trust was tested during the difficult years of the 1970s, when dividends and rebates could not be paid, but survived because the co-operative maintained its service commitment even in financial adversity (Graham-Taylor, 1978).

Galactic's trust architecture is explicitly democratic: the sociocratic decision-making model, where all members must agree before proceeding, creates a high-trust environment in which individual voices genuinely matter. Dr Kate Ringvall explained the quality of this decision-making,

> *"I think generally speaking, everyone has to agree. If people don't agree, we have to kind of work out why don't they agree, what's holding them back from saying yes. Like a sociocracy kind of process. Which takes time, but I think it's a much better-quality decision. And everyone has to be engaged in that. Like you've got no… floaters"* (Dr K. Ringvall, 2024, cited in van Aurich et al., 2025, p. 80).

This consensus-based trust model is slow but produces durable commitments because every member has genuinely bought in. Employee satisfaction and low burnout, noted despite 'how hard individuals work and the resource constraints of being a SME', reflects the trust dividend that democratic governance generates.

Reciprocity: giving, sharing, and community investment

Reciprocity takes three forms in the CME framework. The first is direct (members give and get in proportion to their patronage). The second is indirect (the co-operative provides benefits without expecting immediate direct return). The third is spatial (geographic presence generates community benefits for members and non- members alike). All six co-operatives generate all three forms, though the balance varies considerably.

Direct reciprocity is most clearly expressed through dividend and rebate payments that are proportionate to patronage. The QFCC's trading bonuses, which were calculated based on each member's patronage of the co-operative's services, exemplify direct reciprocity in its purest form. CBH's Grower Value Statements, which provide each member with a personalised account of how the co-operative has created and returned value to them individually, represent a sophisticated direct reciprocity communication mechanism.

Indirect reciprocity, where the co-operative provides benefits without expecting immediate direct return, is illustrated most vividly by CBH's community investment program. From 2011 to 2015, CBH contributed approximately $600,000 to charitable organisations. From 2014 onwards, annual community investment increased to $1.2-1.6 million per year, directed at regional organisations in areas of health, lifestyle, capacity building, arts, sport and recreation. The most notable investment was the CBH Black Dog Mental Wellness Program, established in partnership with the Black Dog Institute from 2015 following a 2014 grower survey in which 43 per cent of respondents identified regional mental health support as a high priority. The case study describes this as an example of how indirect reciprocity (charitable benefit) can intersect with direct reciprocity (member benefit) and spatial reciprocity (community benefit) simultaneously (Mazzarol et al., 2024a).

Galactic's Repair Lab is an outstanding example of indirect reciprocity on a small co-operative scale. The free community workshop, where community members bring broken technological devices to be fixed by Galactic's technicians, provides community value without commercial return, building the co-operative's reputation and strengthening its network. As Biondo explained,

> *"We provide services to laboratories and those services we can provide to as part of our outreach program with Repair Lab, for example, we like to go out and fix people's stuff, because it's fun to do. And everyone gets a good feeling from doing it. We just couldn't do that if we were not in control of the choices that we make from day-to-day about how the business runs. Now if you've got some manager who's focused on the bottom line and nothing else, they're sure as hell not going to dedicate resources to connect into community and doing stuff for free."* (A. Biondo, 2024, cited in van Aurich et al., 2025).

Spatial reciprocity — the community benefit of geographic presence — is perhaps the most enduring social capital output of the rural co-operatives. CBH's silo artworks on the Public Silo Trail, in partnership with cultural tourism group FORM, placed giant murals on grain silos in Northam, Ravensthorpe, Merredin, Albany, Newdegate, and Pingrup, linking grain growing towns across the state, fostering positive perceptions of southern regional communities, and stimulating tourism. The case study describes community protests against the closure of CBH receival sites (such as Yelbeni in the 1960s) as evidence of the 'pride and connection of community in its agricultural history', a demonstration of how deeply the co-operative's physical presence is embedded in local identity (Mazzarol et al., 2024a).

ORDCO played a major role in the 1960s and 1970s marketing the produce grown by the founder members (Graham-Taylor, 1978). During the 1990s this included horticulturalists, although many chose to manage their own marketing and transportation arrangements (Lane, 2004).

The MBC's spatial reciprocity is expressed through its declaration of community investment. This comprised, over 2010-2024, the $7.3 million in dividends, trading discounts, loyalty rewards, sponsorships, and donations included local sport, cultural events, and charitable organisations throughout the Shire of Plantagenet. The MBC's commitment to buying and promoting local food producers and winemakers is another spatial reciprocity mechanism, keeping agricultural value chains within the Great Southern region rather than directing sales to distant suppliers (Mazzarol et al., 2025c).

Networks: production, resource, and social connections

The three-network model of Mazzarol et al. (2014), production networks (vertical supply chains), resource networks (horizontal complementary relationships), and social networks (interpersonal community connections), provides a useful framework for understanding the social capital network outputs of the six co-operatives.

CBH's production network is its defining structural achievement: connecting over 3,500 WA grain farmers to Asian, Middle Eastern, and other international grain markets through a seamless logistics system from farm receival site to export vessel. This production network, built over nine decades of capital investment and operational refinement, reduces the transaction costs of grain marketing for every WA grain farmer who uses it, and enables market access that individual growers could not achieve. The Grain Express system, which packages freight with storage, handling, and ship loading, allows growers to 'harvest with haste and market at leisure', freeing them from the logistics complexity of managing grain marketing alongside farm management (Mazzarol et al., 2024a).

For the Wheatbelt district co-operatives, the production network was the Wesfarmers agency system that linked local co-operatives to manufacturers, distributors, and the Wheat Pool. This network gave individual co-operatives access to supply chains they could not have built alone. The social network generated by the AGM meetings, which in the QFCC's early decades were followed by community social events with music, supper from the CWA, and dancing, created the interpersonal connections that sustained both the economic and social functioning of isolated farming communities. These AGMs provided the member shareholders and their life partners, with the opportunity to meet with each other, particularly during the decades prior to the 1960s. In an era before internet, telephone, and reliable roads, these co-operative-convened social events were often the primary social infrastructure of the community (Mazzarol et al., 2025b).

ORDCO's social network outputs reflect its unique role as the voice of the ORIA farming community. ORDCO drew its membership together into a common community and focused on the development and sustainability of the tropical agricultural industry in the Ord River valley. It was able to embrace both small producers and large corporate members, treating each equitably and according to the co-operative principles. This inclusive approach, ensuring that small farmers had equal voice alongside larger ones, was particularly important in a region where power imbalances between pioneer farmers and government agencies could easily have produced a more hierarchical social structure (Lane, 2004).

Galactic's networks extend from the Victoria Park community to the national worker co-operative movement. The co-operative maintains connections with eastern states worker co-operatives for knowledge sharing, engages with Co-ops WA and the BCCM for governance and regulatory support, and contributes to the New Economy Network Australia. Kate Biondo's involvement with NENA represents the co-operative's contribution to building a broader social network of alternative enterprise models, beyond what any individual co-operative could sustain. The worker co-operative's member, Joel Maher, described the personal social capital transformation that Galactic's membership had produced a shift from 'What can I get out of this?' to 'How can I help others?' A change in orientation that the literature on co-operative social capital identifies as a core outcome of sustained co-operative engagement (van Aurich et al., 2025).

Social capital as community anchor: the rural co-operative's unique role

A distinctive social capital output of the Wheatbelt and Great Southern co-operatives that deserves specific attention is their role as community anchors, institutions that provide not just commercial services but the physical, social, and symbolic infrastructure around which community life is organised. As rural communities have declined in population, with schools, hospitals, and government services withdrawn, co-operatives have often been the last institutional anchor standing.

The QFCC's case study describes it as 'the cornerstone of our community', a title that reflects not just the commercial service it provides but its role as meeting place, employer, social hub, and symbol of local economic independence (Mazzarol et al., 2025b). The MBC has similarly provided Mount Barker with an institutional identity that distinguishes it from other Great Southern towns. The knowledge that Mount Barker has a community-owned, locally governed enterprise investing its surpluses back into the district (rather than remitting them to distant shareholders) sustains a form of community pride that is itself a social capital asset (Mazzarol et al., 2025c).

The COVID-19 pandemic illustrated this community anchor function with particular clarity. When State Government lockdowns forced local spending, the QFCC and MBC both recorded their most successful trading years. But the lockdowns also revealed the degree to which community loyalty, once rebuilt through crisis, constitutes durable social capital: the case studies note that both communities 'continued to shop locally even after the pandemic', suggesting that the enforced experience of the co-operatives had generated new social norms of local loyalty that persisted after the restriction was lifted (Mazzarol et al., 2025b/c).

WESFARMERS AND CO-OPS WA'S ROLE IN ECONOMIC AND SOCIAL CAPITAL OUTPUTS

Wesfarmers' contributions to the economic capital outputs of the six co-operatives were most powerful in their formative decades, when the commercial infrastructure that enabled economic returns did not yet exist and had to be built from scratch.

Creating the wholesale and agency network that enabled economic returns: Wesfarmers' most fundamental economic capital contribution was the wholesale supply chain that gave the Wheatbelt district co-operatives access to competitive pricing on farm inputs and consumer goods. By aggregating the purchasing power of dozens of co-operatives, Wesfarmers enabled each local unit to pass genuine price advantages to its members, the core economic capital output of the patron hat. Without Wesfarmers' wholesale infrastructure, the QFCC and The Co-op York would have been unable to deliver the price advantages that made co-operative membership economically rational for their farmer-members.

Co-founding CBH and enabling the grain handling economic capital engine: Wesfarmers' co-founding of CBH with the Wheat Pool WA in 1933, and its decade-long lobbying campaign for the *Bulk Handling Act 1935 (WA)*, created the institutional foundation for Australia's largest co-operative. Without Wesfarmers' advocacy, practical demonstration at Wyalkatchem, and capital contribution, the economic capital engine that CBH became, $5.77 billion annual revenue, $348 million annual network investment, cheapest supply chain in Australia, would never have been built (Mazzarol et al., 2024a).

Enabling the MBC's export economic capital through marketing services: Wesfarmers' role in managing the export marketing and shipping of MBC fruit to the UK directly enabled the producer co-operative's primary economic capital output: the sustained, profitable export of Mount Barker fruit to the UK, Europe, and Singapore over five decades. The Wesfarmers-managed export relationship provided UK market access and negotiated shipping rates that individual orchardists, or even the MBC alone, could not have achieved (Mazzarol et al., 2025c).

Providing agricultural management capital to ORDCO: Wesfarmers' two representative directors on ORDCO's board in the formative years transferred agricultural management expertise to an enterprise operating in an environment with which WA's Wheatbelt-experienced farming community had no prior acquaintance. This knowledge transfer directly shaped ORDCO's ability to generate economic returns from the ORIA's unprecedented tropical agricultural conditions (Graham-Taylor, 1978).

Wesfarmers' social capital contributions: Wesfarmers' social capital contribution was primarily structural: the network of district co-operatives it facilitated created the social infrastructure of Wheatbelt farming communities. The Co-ops WA centenary history describes the excitement of the co-operative formation meetings — 'settlers driving in buggies and sulkies or riding on horseback to meet the Westralian Farmers' men in the local halls', as a social mobilisation event that created community bonds that lasted for generations (Baskerville, 2019). Radio 6WF, established by Wesfarmers in 1924 as WA's first radio station, was itself a social capital infrastructure investment that connected isolated farming communities with weather, markets, and each other. Thomas Bath's economic commentary in the Wesfarmers Gazette provided farmers with market intelligence and analytical frameworks that built their capacity for collective economic reasoning.

Co-ops WA's contributions to economic and social capital outputs have been most powerful in their institutional and advocacy dimensions, building the capacity of co-operatives to generate economic and social capital over the long term, rather than directly generating that capital themselves.

Legislative framework enabling economic capital generation: Co-ops WA's most economically significant contribution was achieving the legislative frameworks within which co-operatives could generate economic capital with confidence. The *Co-operative and Provident Societies Act 1903 (WA)* created the foundational legal structure. The *Co-operatives Act 2009 (WA)* modernised it, introducing the seven co-operative principles, modernising distributing and non-distributing frameworks, and providing regulatory clarity for the income tax treatment of co-operative distributions. By facilitating the transition of all six co-operatives to the 2009 Act, with CBH leading as the first in 2011, Co-ops WA ensured that WA's co-operative sector operated on a modern legislative foundation that supported rather than constrained economic capital generation (Baskerville, 2019).

Training programs directly improving economic capital outputs: Co-ops WA's training programs from 1956 onwards, food merchandising, hardware display, stock control, bookkeeping, and management, directly improved the economic performance of consumer co-operatives by raising the quality of their retail operations. By the time Westralian Farmers' had seconded a Staff Training Organiser to the Federation in 1963, 139 co-operative staff were completing 24 annual courses (Baskerville, 2019). These programs improved the ability of the QFCC, MBC, and similar co-operatives to generate the surplus that underpinned their economic capital outputs, dividends, rebates, and community investment.

Advocacy building the social capital of the co-operative sector: Co-ops WA's sustained advocacy for co-operative interests, with State and Federal governments, with the State Registrar of Co-operatives, and within the national co-operative movement, built the institutional social capital of the sector: the network of government relationships, academic partnerships (with UWA Business School), and inter-state connections that give WA co-operatives access to policy influence and knowledge resources they could not develop individually. The Federation's participation in forming the BCCM in 2013 gave small WA co-operatives 'a voice' at the national level without the resources to participate independently. Co-ops WA's championing of WA co-operatives' inclusion in the Top 100 Co-operatives and Mutual Enterprises rankings emphasised to policymakers the sector's economic depth (Baskerville, 2019).

Network building as inter-co-operative social capital: Co-ops WA's most enduring social capital contribution is the Federation network itself: the century-old institution that connects WA co-operatives of all sizes, types, and geographies to each other, to the broader national and international co-operative movement, and to academic research. Annual conferences, director education workshops, formation support for new co-operatives, and advocacy services all contribute to this network, which is itself a social capital asset that gives each individual co-operative access to collective knowledge and relationships that no individual enterprise could build alone (Baskerville, 2019).

GFC resilience advocacy — social and economic capital in crisis: During the Global Financial Crisis (GFC) of 2008-2009, Co-ops WA's Federation Chairman Chris Enright highlighted research showing that co-operatives were 'more resilient and more able to sustain themselves in times of crisis', work that directly informed policymakers and public audiences about the distinctive social and economic capital outputs of the co-operative model. This advocacy, combined with the joint identification of Australia's Top 100 co-operatives and mutuals, helped establish the co-operative sector's credibility as an economic and social capital generator at precisely the moment when the failures of investor-owned firms were creating the greatest public and policy openness to alternative enterprise models (Baskerville, 2019).

KEY LESSONS FROM THE WESFARMERS, CO-OPS WA CASE

This analysis of economic and social capital outputs across six WA co-operatives reveals five significant findings that extend beyond any individual co-operative case.

ECONOMIC AND SOCIAL CAPITAL OUTPUTS ARE MUTUALLY REINFORCING, NOT SEPARABLE

Across all six co-operatives, the most significant economic outputs generated the most enduring social capital, and the richest social capital sustained the co-operatives through economic adversity. CBH's network investment generates the economic capital that enables its community investment program, which in turn generates the social capital (member trust, community identity) that protects the co-operative from demutualisation pressure and hostile takeover bids. The QFCC's social capital, expressed most powerfully in the community's willingness to recapitalise it during financial crisis, is what enabled the economic revival that has sustained the co-operative into its second century. Galactic's social capital (democratic workplace trust, community relationships) generates the client loyalty that drives its economic viability.

THE RURAL CO-OPERATIVES' SOCIAL CAPITAL OUTPUTS ARE IRREPLACEABLE

No private enterprise would have sustained the community anchor functions performed by The Co-op York, QFCC, MBC, and ORDCO across a century of rural change. The AGM social events, the community sponsorships, the local employment, the advocacy voice, and the symbolic identity that these co-operatives have provided to their communities represent social capital that market mechanisms cannot generate and government cannot fully substitute. As CBH then Deputy Chair Natalie Browning stated: 'I believe that some regional communities would not still be here farming without CBH.' This assessment applies with equal force, at smaller scales, to every one of the six co-operatives examined.

THE 'COMPETITIVE YARDSTICK' EFFECT MULTIPLIES ECONOMIC CAPITAL OUTPUTS BEYOND THE MEMBERSHIP

CBH's presence in the WA grain market disciplines the pricing behaviour of GrainCorp, Viterra, Cargill, and other private competitors, generating economic benefits for non-member grain farmers as well as the 3,500 CBH members. The QFCC and MBC's competitive retail presence similarly disciplines local retail pricing in their communities, benefiting non-member shoppers as well as shareholders. This multiplier effect makes the economic capital output of co-operatives systematically larger than the direct member distributions suggest.

SOCIAL CAPITAL IS MOST FRAGILE WHEN GOVERNANCE FAILS.

The periods of greatest social capital depletion across the six co-operatives were all associated with governance failures. The QFCC's trust crisis of the 1990s caused by financial stress had a major impact on member confidence in the Co-operative, although this was restored. The MBC's rubber stamp governance risk of the 1990s, if it had not been corrected, could have produced a similar outcome. ORDCO's strategic drift in the 1980s and 1990s, while not producing the same acute trust crisis, diluted the co-operative's social capital by weakening its coherent agricultural service identity. The lesson is that investment in governance quality is simultaneously an investment in social capital protection.

WESFARMERS BUILT THE ECONOMIC INFRASTRUCTURE WHILE CO-OPS WA SUSTAINED THE SOCIAL CAPITAL

The most striking cross-case pattern in the roles of the two supporting institutions is the complementarity of their contributions to economic and social capital. Wesfarmers' dominant contribution was economic infrastructure: the wholesale network, the agency model, the export marketing, the capital co-founding of CBH, the management expertise for ORDCO. These contributions were most powerful in the formative decades when the commercial infrastructure that enabled economic capital generation had to be built. Co-ops WA's dominant contribution was social infrastructure: the Federation network, the training programs, the director education, the legislative advocacy, and the formation support that enabled co-operatives to sustain their social capital — trust, reciprocity, networks — across the full arc of their histories.

Wesfarmers' withdrawal from the co-operative movement in 1984-1985 removed the economic infrastructure support at precisely the moment when deregulation was most intensifying competitive pressure. Co-ops WA's institutional resilience — surviving the loss of Wesfarmers' support and rebuilding its capacity in the 2000s — is itself a demonstration of the durability of social capital: the Federation survived because the social capital embedded in the WA co-operative community was sufficient to sustain the institution even in its most resource-constrained period. The post-2009 renaissance — the *Co-operatives Act 2009 (WA)*, the UWA Business School partnership, the BCCM formation, and the successful facilitation of new co-operatives like Galactic — represents the social capital dividend of a century of institutional investment in the WA co-operative sector.

Together, the six case studies confirm that co-operative and mutual enterprises generate economic and social capital outputs that are qualitatively different from those of investor-owned firms: more locally anchored, more democratically distributed, more community-embedded, and more resilient across generations of economic and social change. Understanding and communicating these outputs, which the CME research framework of Mazzarol et al. (2014) provides the analytical tools to do, is essential for sustaining the institutional support that the WA co-operatives need to continue generating these benefits into their next century.

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FIGURES

APPENDIX A: WESFARMERS AND CO-OPS WA WITHIN THE CME RESEARCH FRAMEWORK

Influencing Factors	**Application to Wesfarmers and Co-ops WA**
Systems-level inputs	
Social co-operation	Wesfarmers and Co-ops WA together provided the three pillars of social cooperation — motivation, mobilisation, and resources — needed for co-operative formation across WA. Wesfarmers deployed canvassers, organised public meetings, and provided commercial infrastructure to establish dozens of Wheatbelt co-operatives from 1917 onward. Co-ops WA supplied the ideological, governance, and networking infrastructure that sustained co-operative identity across a century. By the modern era, Co-ops WA had evolved into a knowledge-intensive body providing expert formation support to enterprises like Galactic Co-operative.
Role of government	Government support was a necessary but not sufficient condition for co-operative success. Enabling legislation (the *Co-operative and Provident Societies Act 1903*, the *Companies (Co-operative) Act 1943*, and the *Co-operatives Act 2009*), infrastructure investment (railways, Ord River Scheme), and direct financial support all shaped co-operative fortunes. Both Wesfarmers and Co-ops WA served as institutional buffers between co-operatives and government, lobbying for favourable regulation and infrastructure while navigating legislative transitions. Co-ops WA's greatest achievement in this area was delivering the *Co-operatives Act 2009 (WA)*, which modernised the entire legislative framework.
Industry structure	The co-operative model was the direct institutional response to market power imbalances — grain growers facing powerful private traders, fruit growers facing dominant distributors, and farmers paying inflated retail prices. Wesfarmers reduced competitive pressures through its wholesale purchasing network and agency model, while Co-ops WA strengthened co-operatives' competitive resilience through training, governance support, and inter-co-operative networking. CBH's presence in the grain market also exercised a "competitive yardstick" effect, disciplining the behaviour of multinational private competitors and delivering broader industry benefits beyond just its members.
Natural environment	WA's geography, climate, soils, and isolation fundamentally shaped every co-operative examined. Wesfarmers responded practically — distributing superphosphate to address poor Wheatbelt soils, operating Radio 6WF to disseminate weather and market

	information to isolated farming communities and providing Kleenheat LPG for rural energy access. Co-ops WA's engagement with environmental issues developed more slowly, with awareness of salinity, water management, and sustainability emerging through conferences from the late 1970s onward and leading to the formation of new environment-focused co-operatives in the post-2009 era.
Enterprise-level factors	
Purpose	Wesfarmers defined the founding purpose template for the Wheatbelt district co-operatives — eliminating middlemen, pooling purchasing power, and protecting against monopolies — applied uniformly through its formation campaigns from 1916. Co-ops WA reinforced purpose through the *Co-operatives Act 2009*, which for the first time required co-operatives to formally state their principal activities, driving greater clarity across the sector. Several co-operatives (notably QFCC and The Co-op York) now face a purpose transition as their original farmer-economic mandate has weakened with rural depopulation, and boards are considering a broader community development identity.
Profit formula	The profit formula across the six co-operatives ranged from CBH's non-distributing, cost-recovery model that reinvests all surplus into network infrastructure, to the distributing models of QFCC, MBC, ORDCO, and Galactic, which paid dividends and patronage-linked rebates. Wesfarmers shaped the profit formula for the Wheatbelt co-operatives through the agency commission structure, while Co-ops WA's bookkeeping and financial management training programs helped co-operative managers understand and improve their cost structures. The cessation of distributions at QFCC following the Wesfarmers demutualisation illustrated the profit formula's fragility when the commercial partnership that underpinned it collapsed.
Processes	Key processes ranged from CBH's sophisticated grain logistics system (handling, storage, ship loading) to the consumer co-operatives' retail management and stock control. Wesfarmers shaped co-operative processes primarily through the agency model — providing wholesale goods, grain handling systems, and farm machinery agency processes — while the Staff Training Organiser seconded to Co-ops WA in 1963 directly improved retail operational processes across the network through 24 annual training courses. For ORDCO, Wesfarmers' representative directors transferred agricultural management processes from the Wheatbelt to the unfamiliar tropical conditions of the Ord River Irrigation Area.

Resources	In the early twentieth century, Wesfarmers was the dominant resource provider, supplying financial capital (CBH and ORDCO foundation funding), management expertise (through seconded directors), commercial infrastructure (wholesale goods, export market access, grain handling contracts), and administrative facilities (Wesfarmers House in Wellington Street). Co-ops WA complemented this with governance frameworks, training programs, and inter-co-operative networking. After Wesfarmers' demutualisation removed the commercial resource backbone, Co-ops WA adapted by developing knowledge-based resources through its partnership with UWA Business School and the CEMI-CERU research program.
Share structure	The fundamental division between CBH's non-distributing model (no dividends; all surplus reinvested into infrastructure, generating the lowest-cost supply chain in Australia) and the distributing models of the consumer co-operatives reflects different philosophies of member value creation. Wesfarmers co-designed CBH's founding revolving toll-to-share conversion mechanism, while Co-ops WA's most important share structure contribution was achieving the *Co-operatives Act 2009*, which modernised distributing and non-distributing frameworks, introduced active membership requirements, and enabled share buybacks of inactive members, a process that proved costly but essential for ORDCO and others.
Governance	Governance structures ranged from CBH's sophisticated board with up to twelve directors (including independent members), to Galactic's minimum five-member sociocratic Governing Fellows model. Wesfarmers made its most direct governance contribution to ORDCO through two representative directors who provided commercial and management expertise during the co-operative's formative years. It also provided Articles of Association templates that embedded one-member-one-vote principles across the Wheatbelt co-operatives. Co-ops WA's governance contributions operated through director education programs, the nominee director scheme (introduced from 1935), management succession support, and the *Co-operatives Act 2009* framework.
Member Value Proposition	The Member Value Proposition (MVP) across the six co-operatives was shaped through the "four hats" model — patron, investor, owner, and community member. Wesfarmers defined the initial patron hat by creating the wholesale supply chain that gave co-operatives genuinely competitive prices. Co-ops WA strengthened the patron hat through retail training programs and the investor hat through governance education. The MVP concept, propagated

	through the CEMI-CERU research program, became a shared language of co-operative purpose across the sector — used by CBH in its Grower Value Statements, by MBC in its annual community investment declarations, and by Galactic in its 2022–2023 strategic planning process.
Member-level factors	
Patron	Members as patrons — users of co-operative goods and services — were the primary focus of Wesfarmers' commercial model, which delivered wholesale pricing, farm input supply, and market access that individual farmers could not achieve alone. Co-ops WA reinforced patron value through food merchandising and store management training. As the Wheatbelt co-operatives evolved from producer to consumer models, the patron relationship broadened from farmers to the wider community, with MBC and QFCC both positioning themselves as local-first community retailers whose profits stay within the district.
Investor	Members as investors provided capital through share purchases and retained surpluses that funded co-operative infrastructure. Wesfarmers' commission structure generated revenues from which dividends and rebates were paid, directly reinforcing the investor relationship. CBH's non-distributing model redirected investor returns from dividends into network infrastructure, generating value through lower supply chain costs. The capital constraint problem intensified after Wesfarmers' demutualisation when the *Companies (Co-operative) Act 1943* capped share values at $2, driving the near-demutualisation of CBH in 2000 and financial crisis at QFCC in the 1990s.
Owner	Members as owners exercise democratic governance over co-operative enterprises through the one-member-one-vote principle. Wesfarmers embedded this principle in its Articles of Association templates from the founding era and was insistent that CBH adopt a one-member-one-vote governance structure rather than being an extension of Wesfarmers' own shareholding. Co-ops WA reinforced the owner role through director education covering duties and liabilities, the nominee director scheme to protect governance quality, and management succession support. CBH's successful defence against the Australian Grains Champion takeover bid in 2016 demonstrated the power of engaged member-ownership.
Community member	Members as participants in a community of purpose, sharing values, identity, and a commitment to co-operative principles, were sustained primarily through Co-ops WA's annual conferences,

	keynote addresses at AGMs by senior Federation figures, and the promotion of co-operative principles across the network. Wesfarmers contributed to this dimension through its social and community engagement role: AGM entertainment, Radio 6WF, and the Wesfarmers Gazette. The COVID-19 pandemic reinforced community member identity by demonstrating the tangible value of co-operatives as community anchors, with both QFCC and MBC experiencing lasting increases in local loyalty following the lockdown period.
Systems-level outputs	
Economic capital	The economic capital outputs of the six co-operatives, assets, employment, and wealth creation, were profoundly shaped by Wesfarmers and Co-ops WA. Wesfarmers co-founded CBH (ultimately Australia's largest co-operative by turnover at $5.77 billion), enabled the MBC's export economic engine through marketing and shipping services, and provided capital and management for ORDCO. Co-ops WA's legislative achievement of the *Co-operatives Act 2009* and its training programs directly improved economic performance across the sector. The "competitive yardstick" effect of co-operatives like CBH also generated economic benefits beyond direct membership by disciplining private sector pricing.
Social capital	Social capital outputs, trust, reciprocity, and networks, were the defining contribution of both institutions across a century. Wesfarmers built the social infrastructure of Wheatbelt farming communities through its formation of dozens of co-operatives, its media and information services, and its engagement at annual AGMs and community events. Co-ops WA sustained the social capital of the sector through governance education, advocacy, inter-co-operative networking, and the Federation network itself. The conclusion of the case study frames this most starkly: "Wesfarmers built the economic infrastructure while Co-ops WA sustained the social capital" — a complementary partnership whose combined legacy enabled six WA co-operatives to survive and adapt through more than a century of economic and social change.

APPENDIX B: WESFARMERS AND CO-OPS WA DIRECTORS AND EXECUTIVES

Wesfarmers Chairpersons

Term	*Name*	*Term*	*Name*
1914-1916	Dean Hammond	1983-1986	Sir Marcus Beeck
1916-1921	Matthew Padbury	1986-2002	Harry Perkins
1921-1953	Walter Harper	2002-2007	Trevor Eastwood
1953-1965	Sir Ernest Thorley Loton	2008-2015	Dr Bob Every
1965-1975	Walter J. Crosse	2015-2026	Michael Chaney
1975-1982	Maurice Clayton	2026-	Ken MacKenzie

Wesfarmers Executive Officers

Term	*Name*	*Job title*
1917-1925	Basil Lathrop Murray	Managing Director
1925-1957	John Thomson	General Manager
1958-1973	Keith Edwards	General Manager
1974-1984	John Bennison	General Manager
1984-1992	Trevor Eastwood	Managing Director
1992-2005	Michael Chaney	Managing Director
2005-2017	Richard Goyder	Managing Director
2017-present	Rob Scott	Managing Director

Co-ops WA Chairpersons

Term	*Name*	*Term*	*Name*
1919-1952	Walter Harper	1989-1993	Colin Pearce
1953-1964	Sir Ernest Thorley Loton	1994-1997	John Carstairs
1965-1968	Walter J. Crosse	1998-2000	Frank O'Connor
1969-1972	Maurice Clayton	2000-2001	Warren J. York
1973-1981	Robert G. Sutherland	2001-2003	Anthony Wray
1982-1983	A Trevor Poustie	2003-2006	John Carstairs
1984-1985	E. Peter Anderson	2006-2023	Chris Enright
1986-1987	Colin Pearce	2023-2026	Ken Seymour
1988-1989	Jack Lundy	2026-	Royce Taylor

Co-ops WA Executive Officers

Term	*Name*	*Job title*
1919-1922	Walter Harper	Secretary
1922-1945	Thomas Henry Bath	Secretary
1945-1963	William Blackwell	Secretary
1975	Ian F. Packham	Secretary
1975-1982	Brian C. Cooper & Aileen Brentnall	Secretary/Treasurer
1983-1985	Robert G. Sutherland	Secretary
1985-1996	Donald F. Munro	Secretary
1996	John W. Carstairs	Secretary
1996-2003	John G. Booth	Secretary
2004-present	Peter Wells	Secretary

APPENDIX C: WESFARMERS AND CO-OPS WA HISTORICAL TIMELINE 1868-2026

Dates	*Summary of events*
1860s-1870s	**1868** – Est. of the Albany Co-operative Society Ltd., first co-operative in WA. **1869-1875** – Est. of the Perth Building Society Ltd. (1869), and The Northam Co-operative Flour Mill Co. Ltd. (1873), which closed in 1875.
1890s	**1893-1898** – Charles Harper promotes co-operative movement and leads est. of Swan District Vine & Fruit Growers' Association (1893).
1900s	**1902-1903** – Harper est. WA Producers' Co-operative Union (1902). Est. Producers' Markets Co-operative (1903). Walter Harper (son of Charles Harper), with Thomas Bath and William Johnson lead the movement to est. the *Co-operative and Provident Societies Act 1903 (WA)* which is passed. **1904-1905** – Est. of several co-ops under the new legislation in Fremantle, Goldfields and Collie.
1910s	**1912** – Est. of Farmer's and Settlers' Association (FSA). **1914** – Est. of Westralian Farmers' Ltd. (Wesfarmers). **1917** – Wesfarmers appointed as sole wheat acquiring agent for WA and commences recruiting existing farmer-owned co-ops and establishing new farmer-owned co-ops in the Wheatbelt. Wesfarmers moves into new head office in Wellington Street, Perth. **1919** – The Co-operative Federation of WA (Co-ops WA) est. (1919) with Walter Harper as Chair.
1920s	Wesfarmers expands network of co-operative agents in the WA agriculture sector. Co-ops WA assumes role of quasi-judicial and coordination role for the co-operatives, approving agency agreements and adjudicating disputes over contracts. **1924** – Wesfarmers launches first commercial radio station 6WF. **1927** – Wesfarmers expands into superphosphate with Cuming Smith & Lyell Farmers' Fertiliser. **1929** – *Companies Act Amendment Act 1929 (WA)* passed, addressing specific needs of co-operatives registered under the legislation.
1930s	Great Depression impacts Australian rural sector with farmers receiving financial assistance. **1933** – Est. of Co-operative Bulk Handling Ltd. (CBH). Harper, Bath and Johnson provide leadership with the collaboration between Wesfarmers and The Grain Pool WA to provide start-up funding.

	1935 – *Bulk Handling Act 1935 (WA)* is passed providing CBH with monopoly over bulk grain handling in WA.
1940s	**1943-1948** – *The Companies (Co-operative) Act 1943 (WA)* (effective 1948) passed, relaxing the 1929 Amendment Act prohibition on new co-operative societies, enabling consumer co-operatives to register again.
1950s	**1950** – Wesfarmers acquires Gascoyne Trading. Osborne Park Co-operative Society Ltd. becomes first new consumer co-op to join Co-ops WA. Est. of the Geraldton Fishermen's Co-operative Ltd. **1956** – Wesfarmers est. Kleenheat Gas. Co-ops WA commences staff training and education program for its member companies. Est. an 'Education Committee' focusing on preparing co-ops for increasing market competition within retail sector and UK's potential entry into the European Common Market (ECM). Involved collaboration with Perth Technical College and received funding assistance from Wesfarmers. **1958** – Failure of the Midland-Guildford Co-operative Co. Ltd., despite it having received loans from The Federation Trust Ltd., since 1948. Highlighted the need for consumer co-ops to have a minimum of 300 shareholders, store facilities that are large enough for four departments, and an est. retail location.
1960s	**1962** – Prof. Ian Bowen (Economics UWA) addresses annual Co-ops WA conference over likely impact of UK joining the ECM, suggesting Australia and the WA co-operatives movement needed to focus on new trade markets with India, Japan, Southeast Asia, and potentially China. **1963** – Wesfarmers seconded a manager to Co-ops WA as a Staff Training Organiser to supervise 24 courses covering food merchandising, hardware display, sales management, ticket writing, secretarial work, and general management. **1964** – Nine Credit Unions including the ABC Staff Association (WA) Credit Union Society Ltd. (WA's first Credit Union) join the Federation. **1965** – Walter Crosse (Deputy Chair, Federation and Director, Grain Pool) attends Commonwealth Conference on Agricultural Co-operation at Exeter University, UK. He returns with four conclusions: education and training was paramount; larger co-ops should strengthen then absorb smaller ones; research and statistics were vital; and the seven Co-operative principles needed imaginative adaptation to circumstances. **1967** – Irwin Hunter (Wesfarmers marketing manager and representative of Co-ops WA) attends the 3rd Asian Agricultural Co-operative Conference in New Delhi, bringing back sobering intelligence about Asian development needs and opportunities.

	1969 – Beresford Calverley (President, Australian Federation of Credit Union Leagues) addresses Co-ops WA annual conference on credit unions as a new form of 'co-operative credit'.
1970s	**1971** – Helen Langley (President, Junior Farmers' Movement) becomes the first woman to address a Federation conference. **1975** – Edna Adams is elected as the first female director of the Mount Barker Co-operative Ltd. **1977** – Wesfarmers make takeover bid for CSBP fertiliser. Kadee (Aboriginal) Co-operative Ltd. becomes the first Indigenous co-op to join the Federation. **1978** – Over the period 1978-1985 six new fishing co-operatives were est., with Joe Pupazzoni representing these co-ops within the Federation from 1978. **1979** – Wesfarmers secures 66.6% of CSBP fertiliser. Co-ops WA assists with the development of the *Credit Unions Act 1979 (WA)*, which gave credit unions their own statutory framework. However, this legislation led to all 36 credit unions having to be removed from the Federation's membership by 1980. The Federation acquires Wespak Pty Ltd. (est. by Wesfarmers in 1934 to supply fruit and vegetable crates), in order to generate revenue stream.
1980s	**1981 –** Wesfarmers sells its headquarters building in Wellington Street and relocates to the modern Allendale Square tower. Co-ops WA relocates to the same building. **1984** – Wesfarmers demutualises and is publicly listed. **1985** – Co-ops WA relocates to temporary premises provided by its larger members. Donald Munro (Auditor of the Federation) provides more durable accommodation within his own offices in West Perth. Munro becomes the accountant and secretary for the Federation. Co-ops WA has a membership of 70 organisations. The Federation experiences significant financial crisis with the abandonment of the planned Americas Cup Cultural Expo & Co-operative Conference, and its resignation from the Co-operative Federation of Australia. This reflected the loss of financial and administrative support previously provided by Wesfarmers. **1987** – Co-ops WA purchases the landholdings of the Yuna Farmers' Co-op Ltd., for $7,000 to assist the struggling co-op, later on-selling the land to a local farmer.
1990s	**1991** – Co-ops WA's investment portfolio (mainly comprising Wesfarmers shares) is est. to be worth $142,000 (approx. $436,376 in 2025 dollars).

	1994 – Co-ops WA successfully lobbies the Government to amend the co-operatives legislation with the passing of the *Companies (Co-operative) Amendment Act 1994 (WA)*, which enabled co-ops – such as the Rural Traders Co-operative Co. Ltd. – to transfer to the Corporations Law and demutualise. **1996** – All states and territories other than WA sign the *Co-operative Laws Agreement* based on Victoria's *Co-operatives Act 1996 (Vic)*, legislation that achieved 95% common agreement across all jurisdictions. However, Co-ops WA did not join, citing concerns over "bureaucratic controls" and problems with the NSW Co-operatives legislation. Co-ops WA moves its office three times from 1996 until 2004, eventually being provided accommodation by Capricorn Society Ltd., at its Burswood headquarters.
2000s	**2004** – Peter Wells (former CBH executive) is appointed as Federation Secretary. An Industry Reference Group (IRG) is formed by the Federation with ministerial officers under the Minister for Consumer Protection to develop and update co-operative legislation. The *Loans (Co-operative Companies) Act 2004 (WA)* is passed, enabling co-ops to receive loans from the State Government to acquire business assets on a tax-effective basis. This followed similar legislation from Queensland, NSW, and Victoria. Co-ops WA works with the State Department of Agriculture and Food of WA (DAFWA) to assist start-up co-operatives access these funds. **2005** – Co-ops WA adopts a new Strategic Plan, which revises membership subscriptions, abolishes levies, adopts a new logo and formalises the trading name "Co-operatives WA" (Co-ops WA). **2008** – Co-ops WA collaborates with the Co-operative College, Manchester, to deliver executive education workshops for co-op directors and managers in Perth and several country towns. Engagement with the University of WA Business School commences with a focus on research into the co-operative and mutual enterprise business model. **2009** – The *Co-operatives Act 2009 (WA)* is passed. It replaces both the 1903 and 1943 Acts, abolishes the distinction between co-operative companies and co-operative societies, which had existed from 1929. The new legislation enshrines the seven co-operative principles (as codified by the International Co-operative Alliance) into law and also introduces the Co-operative Capital Units (CCUs) – a new form of financial instrument that can be either debt or equity, can be issued to both members and non-members, but does not confer membership or ownership rights to the holders – enhancing capital raising ability. The new Act also allows interstate trading and improves numerous other requirements (e.g., disclosure rules, accountability provisions, and more efficient wind-up procedures).

2010s	**2010** – Co-ops WA commences a collaboration with UWA Business School Prof. Tim Mazzarol – Director, Centre for Entrepreneurial Management and Innovation (CEMI) and Coordinator, Co-operative Enterprise Research Unit (CERU) – to undertake a three-year Australian Research Council (ARC) Linkage Project examining the co-operative and mutual enterprise (CME) business model. The study was co-funded by Co-operative Bulk Handling (CBH) and Capricorn Society Ltd. **2012** – Co-ops WA actively participates in the celebrations of the United Nations International Year of the Co-operative. The Federation's Annual Conference is held jointly with UWA. The research highlights that WA has a disproportionate percentage of Australia's largest CMEs (by annual turnover) in comparison to the overall number of such firms in the State. The *Co-operatives National Law (2012)* is ratified by all states and territories other than Queensland. It formally repeals the earlier co-operative Acts from 1903 and 1943. **2013** – Co-ops WA joins the Business Council of Co-operatives and Mutuals (BCCM) – a successor national body to the Co-operatives Council of Australia. WA co-ops, CBH and Capricorn Society, provide leadership for the inaugural six-member BCCM Board. **2014** – Co-ops WA and the UWA Business School, in conjunction with the Australian Institute of Management WA (AIMWA) launch the CME Strategic Development Program (CME SDP) – led by Prof. Mazzarol – an executive education program for directors and senior managers from CMEs. **2015** – Several new co-ops e.g., Nannup Truffles Growers' Co-operative are assisted by the Federation. Kelly Pearce (from the WA Meat Marketing Co-operative) is the first woman to serve on Co-ops WA's Council. **2016** – The *Co-operatives Amendment Act 2016 (WA)* aligns WA's legislation with the national framework, enabling WA co-ops to operate nationally while retaining State parliamentary sovereignty (preserving unique provisions). **2017** – Five co-ops – Cunderdin, Kellerberrin, Quairading, Wagin and York – celebrate their Centenary, and were honoured with the title, "Centurion Members" by the Federation. **2018** – Co-ops WA reports an operating surplus for the first time in several years. The Federation supports the screening of a Canadian documentary *A Silent Transformation* at the Transition Film Festival in Leederville. This leads to a steady flow of inquiries about forming new co-operatives. Co-ops WA assists the est. of Australian Sandalwood Co-operative, WA Hemp Growers' Co-operative, SF Irrigation Co-operative, and Accredited Grass-fed Beef Co-operative.

2020s	**2023-2026** – Co-ops WA collaborates with UWA Business School via a CERU research team led by Emeritus Professor Tim Mazzarol, focusing on a second ARC Linkage Project focusing on the economic and social contribution of the WA CME sector to the State's development.

About the authors

Dr Bruce Baskerville is an APDI Post-Doctoral Research Fellow at the University of Western Australia (UWA) where he is engaged with CERU via the UWA Business School, and the UWA Centre for Western Australian History. A public historian, Bruce grew up on Western Australia's Batavia Coast amid stories of Dutch shipwrecks and convict ruins, and the windswept awe of the Dongara sandplains and Abrolhos Islands. For many years he has researched the ways in which old institutions are adapted and naturalised in new places, from the Crown to building styles, shared histories to commonage systems. This has given him an abiding interest in communal and co-operative models of self-governance and their historical roots.

Tim Mazzarol is an Emeritus Professor and Senior Honorary Research Fellow in Entrepreneurship, Innovation, Marketing and Strategy at the University of Western Australia and an affiliate Professor with the Burgundy School of Business, Groupe ESC Dijon, Bourgogne, France. He is also the Director of the Centre for Entrepreneurial Management and Innovation (CEMI), an independent initiative designed to enhance awareness of entrepreneurship, innovation, and small business management. He is also the founder Director of the Co-operative Enterprise Research Unit (CERU), a special research entity for the study of co-operative and mutual enterprises (CMEs) at the University of Western Australia. In addition, he is a founder Director and Company Secretary of the Commercialisation Studies Centre (CSC) Ltd., a not-for-profit mutual enterprise focused on advancing best practice knowledge of commercialisation. Tim is also a Qualified Practising Researcher (QPR) as recognised by the Australian Research Society (ARS). He has around 20 years of experience of working with small entrepreneurial firms as well as large corporations and government agencies. He is the author of several books on entrepreneurship, small business management and innovation. He holds a PhD in Management and an MBA with distinction from Curtin University of Technology, and a Bachelor of Arts with Honours from Murdoch University, Western Australia.

Amber van Aurich is a Research Officer at the University of Western Australia where she is engaged in the UWA Business School supporting the Australian Research Council (ARC) Linkage Grant project investigating the economic and social contribution of the co-operative and mutual enterprise (CME) sector to Western Australia. She holds a Bachelor of Arts with First Class Honours from Edith Cowan University majoring in History, Politics, and International Relations. She is currently undertaking a PhD at UWA School of Humanities. Amber is experienced in qualitative research skills, including oral and local history, editing, and feminist theory, as well as skills in publicity, communications strategy, and event management for non-for-profit organisations. Prior to joining UWA, she was a transcriber for the Birtwistle Local Studies Library, Armadale, WA.