



Finance
& Services

Registry of Co-operatives & Associations

COMPONENTS OF SUCCESSFUL CO-OPERATIVES -

‘An analysis of formations over a five year period’

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Components of successful co-operatives

INTRODUCTION

The International Co-operative Alliance, which represents co-operatives worldwide, defines a co-operative as "an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise".

There are 2 categories of co-operative: The first category is financial co-operatives administered by The Australian Prudential Regulatory Authority (APRA) and include credit unions, building societies and friendly societies. These organisations accept funds on deposit from their members. The second category, which is the focus of this report, are non-financial organisations often referred to as 'general' co-operatives and are administered through state or territory legislation. In NSW general co-operatives are administered by NSW Fair Trading's Registry of Co-operatives & Associations. This latter group of co-operatives include consumer, worker, housing, marketing, supply and other business, community or service co-operatives.

General co-operatives differ from other organisational structures because they are bound by and operate under a set of principles which define their values and philosophy. These principles are preserved in the legislation governing co-operatives. In NSW co-operatives are administered under the *Co-operatives Act 1992* and *Co-operatives Regulation 2005*, and are governed by their approved rules (i.e. constitution). These rules are designed to ensure that co-operatives comply with the legal requirements and to give effect to broad co-operative values, such as mutual trust, self help and communal benefit.

History shows there have been many examples of successful enterprises using the co-operative structure as the vehicle to collaboratively achieve the ambitions of a group of like minded individuals. However, there is no prescriptive formula that can be applied to co-operatives (or any other structure) that will guarantee its success. The co-operative model is no more than a legal framework chosen to achieve an outcome – its success is largely dependent on its people (i.e. the members) who control the co-operative's activity and direction.

The following report considers the findings of research on co-operatives registered in NSW over a 5 year period and offers insights into some of the shared characteristics identified in those co-operatives that exhibited a level of success and viability in their enterprise.

Components of successful co-operatives

PROJECT OBJECTIVE

This project was developed as part of a suite of strategies introduced by NSW Fair Trading's Registry of Co-operatives & Associations to improve its business service delivery to the NSW Government and to the industry sectors it serves. The project objective was to identify common or unique elements to the function and operation of successful co-operative enterprise and to utilise those findings in NSW Fair Trading's compliance and education programs to build a more robust co-operative sector in NSW.

METHODOLOGY

The project methodology focused on examining a sample group of co-operatives to identify key components that may have contributed to their individual success or failure. The sample group for the study was drawn from NSW co-operatives registered during the 5 calendar year period 2005 to 2009. The study comprised research and analysis of data recorded as well as a Q&A survey conducted via telephone directly with representatives of each co-operative. This period chosen provided a sample of contemporary co-operatives from which NSW Fair Trading could delineate a view about current formation trends and business practises in the sector. This period provided an opportunity to look at co-operative enterprises that had survived the vulnerable start-up period, generally accepted to be the first 3 to 5 years of an entity's life. It was also considered that a younger group of entities would more likely still have founding committee representatives who could directly reflect on lessons learnt during the initial development of the co-operative.

A significant challenge in the project development was the complexity of defining what constitutes success for an enterprise as this can differ for many types of entities and in part is tied to an individual entity's goals and objectives. Furthermore, what makes an organisation successful is not intrinsic to its legal framework but is more directly attributed to the people who run it, that is, its board of directors or management committee.

Accordingly, for expediency, only basic indicators of success for the sample group were used including: - identifying whether currently active; assessing financial health; and reviewing compliance record. In order to identify factors that may have influenced the status of these co-operatives the project then relied on responses and feedback to the Q&A survey developed for this purpose.

SAMPLE GROUP

A total of 44 new co-operatives were registered under the *Co-operatives Act 1992* during the 2005 to 2009 calendar period. These co-operatives make up the sample group used for this project and details of each co-operative can be found in **Annexure 1**.

The sample group was divided into two categories - ceased and active. 'Ceased' co-operatives for the purpose of this project were determined to be those in the process of or already wound-up at the time of reporting. There were 20 co-operatives identified in the 'ceased' category representing 45% of the total with the remaining 24 co-operatives (i.e. 55%) identified as 'active'. Further information about the dimensions of the sample group including trading type, geographical location, industry classification and a comparative look at formation trends can be found at **Annexure 2**.

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ACTIVE CO-OPERATIVES

The first measure of success applied to the 24 active co-operatives identified in the sample group was to review their financial reporting compliance under the Act (i.e. whether or not they had lodged all required annual reports), followed by an assessment of financial solvency based on the liquidity ratio of current assets against current liabilities. This indicator is a standard measure used by the accounting profession to assess the current financial health of an organisation and while it is not a definitive determinant it is recognised by the profession as a reliable marker. In applying this assessment, 7 co-operatives (29% of the active group) were identified to be 'at risk' either because they had not lodged all due annual reports and/or they presented a weak financial position. More details on this group are provided later in this report. The remaining 17 co-operatives (71%), found to be active and financially sound, formed the nucleus of the Q&A survey group which is discussed in the next section.

Q&A SURVEY GROUP:

As co-operatives are democratic structures owned and controlled by their members for a common benefit rather than being purely profit driven organisations, an assessment based solely on financial health was deemed an incomplete measure of their success. Accordingly, a telephone Q&A survey was developed with a view to engaging a director from each of the confirmed 17 financially sound co-operatives to get their perspective on their organisation's success. Of this group, only 1 co-operative, despite several approaches, failed to respond to the invitation to participate.

Of the 16 directors subsequently surveyed 14 were also involved in the formation of their co-operative. All 16 directors willingly participated in the survey, offered further assistance if required, and expressed a willingness to be a mentoring partner for new co-operatives during start-up should such a program be established. The mentoring proposal is discussed in detail later in this report.

The survey questions were structured to facilitate a consistent approach and to elicit information relevant to the following areas:– co-operative performance, co-operative structure, statutory compliance, member support, and community involvement. There were also some general questions seeking feedback on use of the NSW Fair Trading website, awareness and understanding of the proposed Co-operatives National Law, access to services provided by the NSW co-operative's peak body as well as views regarding the Registry's services. The full survey questionnaire is attached at **Annexure 3**.

'At-risk' co-operative group analysed:

As previously stated, 7 co-operatives in this group were either non-compliant or lacked financial stability. Of these, 4 were non-compliant because they had failed to lodge one or more annual reports. In discussion with these, 2 indicated an intention to wind-up; another proposed to transfer to an incorporated association; while the fourth co-operative proposed to lodge its two outstanding returns and continue operating. The other 3 remaining co-operatives in the 'at-risk' group provided varying reasons for their weak financial position including waiting for anticipated market changes in the finance sector, payment of significant legal fees and poor financial management

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Q& A survey results:

- **Co-operative performance** - On a scale of 1 being unsuccessful and 5 being highly successful, each respondent was asked to rate their co-operative's success in achieving its goals.

Results: 9 (56%) rated their co-operative as '5 Highly Successful'; 7 (44%) rated their co-operative as '4 Successful'.

- **Attributing factors** - Respondents were then asked to identify factors they believed had contributed to their co-operative's success.

Results: As anticipated the responses varied. The list below summarises the contributing factors identified and the percentage of the 16 co-operatives surveyed that identified each.

Attributing factors for co-operative success	% based on 16 respondents surveyed
Good communication between board, members and community	94%
High quality of the product or services being provided	88%
Being able to meet operating expenses	88%
Community support	69%
High level member participation	69%
Fulfilling a real 'need' in the community or on behalf of the members	69%
Experienced board	69%
Proper business planning	44%
Professionally operated with ethical values	44%

- **Co-operative model** - Each of the 16 respondents was asked a series of questions to assess the role, if any, that the co-operative structure played in assisting their organisation to achieve its goals.

Results: Respondents cited one or more of the following reasons for choosing the co-operative model - accountability, previous experience with the model, the benefits of the active membership provision, the community co-operation perception and that it appeared to 'fit' with the objectives of the group.

15 (94%) considered that the co-operative model best suited their organisational needs while one respondent admitted that with the benefit of hindsight a company structure might have been just as successful.

13 (81%) of the respondents indicated that they were part of an already established group (either formal or informal) which enabled them to collectively assess an appropriate structure for their needs prior to forming a co-operative.

9 (56%) promoted their co-operative structure and philosophy whilst the remaining seven respondents considered it unnecessary.

- **Compliance** – Several questions in the survey were directed at gauging the level of respondents' knowledge and understanding about co-operatives' statutory reporting

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obligations. This information was also considered useful for informing planning of NSW Fair Trading's compliance and education programs.

Results:-

In relation to financial reporting obligations:

1. 100% of respondents understood the requirement to lodge annual reports.
2. 94% were aware they could request an extension of time for lodging annual reports or for holding AGMs.
3. 81% were aware the class order allowing a co-operative to apply for exemption from the requirement to have a registered company auditor.
4. 69% were aware of the requirement to notify changes of directors within 28 days.

In relation to a co-operative's rules/constitution:

1. 93% believed their board had a good understanding of its duties and responsibilities under the legislation.
2. 88% referred to their rules regularly.
3. All respondents recognised that changes to rules must be lodged with Fair Trading on the approved form, and
4. 69% indicated they were aware of the requirement in the Act to obtain prior approval of the Registrar before changing the active membership provision in their rules.

- **Community relations** - A small number of questions were directed at eliciting information about co-operatives interacting with their local communities and any issues/barriers that may have impacted on their development.

Results: - Only 1 co-operative reported encountering any barriers to conducting business because they were a co-operative. This was in relation to opening an account with a bank which did not understand the co-operative structure in the first instance.

When asked if they had used the services of other organisations to assist the development of their co-operative, 5 (35%) indicated that they had engaged the assistance of a local business advisor and or solicitor/accountant.

All respondents confirmed that their co-operative networked with other co-operatives, incorporated associations, companies or businesses within their industry and geographical area.

- **General matters** - Several questions were included in the survey to assess the level of general awareness and use of available co-operative resources.

Results: -

NSW Fair Trading website – 15 (94%) of respondents indicated they had accessed the co-operatives pages on the NSW Fair Trading website for information. However around half indicated it was either “too congested” or they were “unable to easily locate information” resulting in them contacting NSW Fair Trading. The remaining half indicated they found the website and co-operatives pages relatively easy to navigate.

Co-operatives National Law (CNL) – 9 (56%) of respondents confirmed they were aware of the changes to be introduced under the proposed Co-operatives National Law. The balance indicated they were not and were subsequently given information about the key changes to be introduced under the CNL and informed about the website subscription service for email updates on progress of this project.

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The NSW co-operatives sector peak body – The peak body’s information brochure is included with registration papers sent to each newly formed co-operative. The brochure broadly sets out some of the key benefits and support services provided to members. As part of the survey respondents were asked if their co-operative was a member of the peak body. All confirmed they were aware of the services provided by the peak body however none in the survey group was a member.

NSW Fair Trading’s Registry of Co-operatives & Associations - Respondents were also asked if they were satisfied with the level of Registry services provided to their co-operative and if, in their opinion, the Registry had an obligation to further promote the sector. All respondents indicated they were satisfied with the current level of service provided by the Registry and did not consider the Registry had any further obligation to the sector.

OTHER FINDINGS:

Compliance - As previously reported, one commonality among the 17 successful co-operatives identified by this project was that all were compliant with their financial reporting obligations. While it would be a stretch to propose that by maintaining statutory compliance an organisation will automatically be successful, it is however arguably a key indicator of the board’s ability to efficiently manage the affairs of the co-operative since good governance undoubtedly has a positive influence over the long term success of an organisation. Nevertheless, it is interesting to note that public register data indicates that a significant number of co-operatives within the successful group (41%) had at least on one occasion since the date of registration failed to lodge a report by the due date.

Liquidity ratio - In applying the liquidity ratio to data obtained from recent annual financial statements lodged by the 24 active co-operatives, 17 (71%) were found to be financially sound. The remaining 7 (29%) were assessed to be ‘at risk’ due to either their non-lodgement of an annual report or coupled with their current financial status.

Membership – Public register data also reveals that 90% of the 17 co-operatives identified in the active sample group reported membership numbers that either remained constant or increased during the sample period.

CEASED CO-OPERATIVES

Identifying and understanding the causes for failure can conversely provide valuable lessons for success. Consequently, part of this project was directed at gathering information and seeking feedback from co-operatives within the ‘ceased’ sample group.

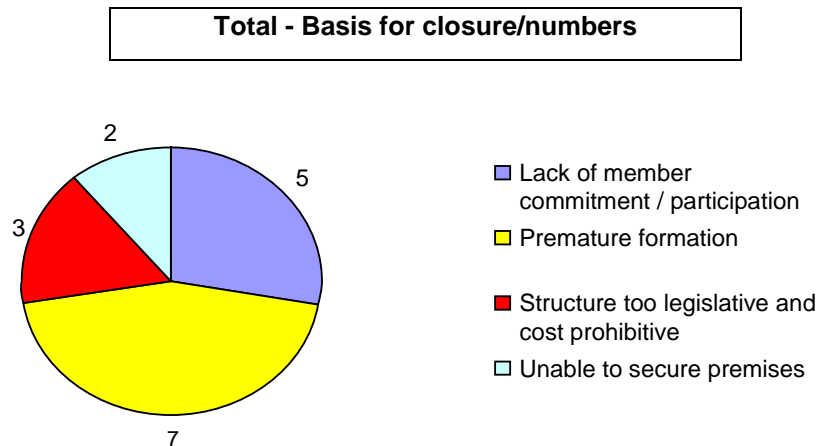
As previously defined, ‘ceased’ co-operatives were those that had commenced the process of winding-up or had already been wound-up or deregistered under the legislation. As it was not possible to survey representatives of this group, the project relied on the recorded statutory classification for termination of registration (i.e. voluntary/involuntary wind-up S601AA or S601AB or liquidation 601AC of the *Corporations Act 2001*). However, limited feedback was provided by the small number of co-operatives within the ceased group that were still in the process of winding-up. In addition, feedback from 7 ‘at-risk’ co-operatives identified within the active group also provided some relevant insights into the causes for co-operative failure.

Of the 20 identified ceased co-operatives by organisation type, 2 were trading and 18 were non-trading. A comparison of the number deregistered in the sample group with the two previous five year periods revealed the sample group to be slightly lower with 10% more in 2000-2004 and 14% more in 1995-1999.

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Reasons for closure:

Importantly, not all co-operatives in the ceased group failed because of financial issues. In fact, of the 20 co-operatives in this group only 3 closed as a result of insolvency. The chart below illustrates broadly the primary reason for closure of the remaining 17 co-operatives in the group.



1. **Premature formation / lack of planning** - 7 co-operatives ceased because they formed too early without sufficient planning. Of these 2 were reliant on funding which did not eventuate. Another 2 could not meet their objectives and the service was provided by an alternative organisation. A further 2 (trading) co-operatives were unable to raise sufficient working capital. The remaining co-operative attributed its demise to insufficient business planning.

2. **Lack of sustained member participation and commitment** - 5 co-operatives cited this as their primary reason for closure. Of these, 3 indicated that while the initial participation of the members was high, within 12 months following registration of the co-operative, the commitment and enthusiasm had substantially waned to the extent the co-operatives were unable to continue.

3. **Over regulated and cost prohibitive** - 3 co-operatives (all non-trading) cited this as the primary reason they exited the structure indicating that the legislation places too many controls over the activities of co-operatives. Of these, 2 co-operatives subsequently re-established under other structures – 1 as a neighbourhood centre under delegation of its local council pursuant to section 355 of the *Local Government Act 1993* and the other reformed as an incorporated association.

4. **Unable to secure premises** - 2 co-operatives (both non-trading) cited their inability to locate suitable premises in which to conduct their activities as the primary reason for closure. Both had initially secured premises but in each case the offer was subsequently withdrawn either because the owner sold the property or required it for their own use.

SUMMARY OF FINDINGS AND CONCLUSIONS:

Common attributes of successful co-operatives:

The project findings outlined below are not conclusive and are unlikely to be unique to the co-operative structure. However, the results were common to the majority of co-operatives assessed in the active/financially sound group and, conversely, lacking in the ceased group. The findings therefore provide some positive indicators that may help new co-operatives to more effectively plan for the critical establishment phase and to better position themselves to achieve their goals and remain sustainable in the longer term.

Attributes identified:

1. Genuine need or economic role for the co-operative:

- At the outset there must be an established and dedicated group (i.e. steering committee) that identifies the fundamental goals they are collectively seeking to achieve.
- The steering committee should thoroughly investigate all options to determine if the co-operative model is the appropriate vehicle for achieving those goals.

2. Thorough business planning:

- The steering committee must have clear objectives and have assessed the feasibility of achieving each.
- These objectives should be articulated in a business plan which maps a path for achieving each and the outcomes being sought.
- The business plan should include a realistic assessment on how much capital will be required, not just to commence the co-operative but to maintain it. In essence, the business plan should provide a framework for developing the co-operative.

3. Committed members and board with clear understanding of the objectives:

- Members and directors should share a common vision for the co-operative.
- They should have an understanding of their role within the co-operative as well as understand what it means to be a co-operative.
- Directors and those selected to manage should have good governance skills and ideally have developed those skills from previous experience in a co-operative or other business structure.
- It is also important that the members and the directors understand what is required of the co-operative to meet its statutory obligations.
- Regular communication between members and the board is important as well as strong member participation to ensure continued growth of the co-operative.

4. Financial accountability:

- The board must ensure there is transparency in the administration of the co-operative's financial accounts.
- The board should also ensure the co-operative maintains compliance with all statutory obligations.

5. Professional support and organisational networking:

- Significant benefits flow from the board networking with other similar organisations to share ideas and learn from their experiences.
- Utilisation of professional support services are essential to effectively address some issues, as well as development of knowledge of industry support services and available government services to assist the co-operative with its business planning, marketing and access to financial support.

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RECOMMENDATIONS

Based on the research and the findings, the following recommendations are proposed:

1. Development and implementation of a program targeting new co-operatives during their first 2 years of operation. The aim of the program will be to promote a compliance objective by encouraging an early understanding of the requirements of the Co-operatives Act.

Under section 248(2) of the Act, the first financial year for a co-operative may be extended for a period up to 18 months from the date of its registration. In addition, section 198 of the Act provides that the first AGM must be held within the same 18 month period. The effect of these provisions means a co-operative has an extended period in which to lodge its first annual report following registration. Consequently, it can be two years into the life of the co-operative before NSW Fair Trading becomes aware of its status or the reasons it has failed to comply with its statutory obligations. At this point it may already be too late to assist a co-operative that is spiralling towards failure or indeed has already become inactive.

Co-operatives, not unlike other organisational structures, are inherently vulnerable during the formative years of their operation. Given the 45% closure rate identified by this project, a program that establishes contact with new co-operatives within the first 12 months after registration would provide the opportunity to reinforce awareness and understanding of their compliance obligations. It will also enable consultation with 'problem co-operatives' to ascertain what information they perceive as helpful to improve their compliance with the Act.

Currently, all newly registered incorporated associations receive a reminder notice within the first 12 to 18 months of their registration providing information about their annual reporting obligations. Similarly it is recommended that this approach be initiated for co-operatives.

2. Encourage the co-operative sector and representative peak bodies to facilitate collaboration between co-operatives to engage in the exchanging of ideas and support for each other.

All 16 co-operatives canvassed within the survey group expressly supported the concept of establishing a mentoring-type program aimed at assisting new co-operatives through the incubation stage. They also considered participation in such a program would make a valuable contribution to the development of new co-operatives in the longer term and growth of the sector. 3 co-operatives in the survey, which were established for the purpose of retaining services within their communities, requested contact details for each other so that they could network and discuss strategies aimed at retaining access to petroleum products and services in their local areas.

3. Review and streamline information available on the NSW Fair Trading website relating to co-operatives and include an executive summary of the findings identified in this report.

The telephone survey feedback, indicated a review of information currently available on the NSW Fair Trading website is warranted to ensure it is current, easily accessible and user friendly. One area identified for enhancement is the information currently provided on co-operative formation to include the addition of a section on operating a successful co-operative and some case study examples.

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ANNEXURE 1 – LIST OF CO-OPERATIVES REGISTERED BETWEEN 1/1/2005 – 31/12/2009

*For the purpose of this report 'ceased' co-operatives were deemed to have either commenced the process of winding-up or had already been wound-up/deregistered under provisions of the Corporations Act.

Sample group	Trade type	Date registered	Current status
Greengold Nurseries Co-operative Limited	Trading	06/06/2005	Active
Turpentine Tree Co-operative Limited, The	NT/NS	16/06/2005	Ceased
Brewarrina Business Cooperative Limited	NT/NS	05/07/2005	Active
Curves Sydney Co-op Limited	NT/NS	24/08/2005	Active
MPAC Mount Panorama Automobile Co-operative Limited	NT/NS	30/08/2005	Ceased
Culturelab Organics Co-op Limited	NT/NS	30/08/2005	Ceased
Armidale Food Co-operative Limited	NT/NS	09/11/2005	Ceased
Woodberry Co-operative: Creations Out of the Blue Limited	NT/NS	08/12/2005	Ceased
Agricultural Finance Co-operative Limited	Trading	25/01/2006	Active
Davistown Putt Putt Owners Co-operative Ltd, The	NT/NS	03/02/2006	Active
Discovery Point Co-operative Ltd	Trading	23/02/2006	Active
Not Just a Co-operative Limited	NT/NS	27/03/2006	Ceased
Corroboree Arts & Crafts Co-operative Limited	NT/NS	18/04/2006	Active
Co-operative Learning Limited	NT/NS	30/05/2006	Active
Co-operative Sydney Digital Print Limited	Trading	22/06/2006	Active
Candelo Bulk Wholefoods Co-operative Limited	NT/NS	27/06/2006	Active
Kari Yalla Indigenous Artists Co-operative Limited	NT/NS	08/08/2006	Ceased
Ruby's Cargo Co-operative Limited	NT/NS	16/11/2006	Active
Medical Society Bookshop Co-op Limited	NT/NS	18/12/2006	Ceased
Newcastle Festival Opera Co-operative Ltd	NT/NS	27/12/2006	Active
Showroom Art Co-operative Limited, The	NT/NS	14/03/2007	Ceased
O'Dua Co-operative Group Limited	Trading	04/04/2007	Ceased
Walanbaa Mayi Brewarrina Co-operative Limited	NT/NS	30/04/2007	Ceased
Wine Country Transport Co-operative Limited	Trading	30/05/2007	Ceased
Terry Hie Hie Co-operative Limited	NT/NS	14/06/2007	Active
Gulargambone Community Enterprises Co-operative Limited	NT/NS	16/07/2007	Active
Koori Care Co-operative Limited	NT/NS	11/09/2007	Ceased
Tumbarumba Artists on Parade Co-operative Limited	NT/NS	27/09/2007	Active
Boomi Community Co-operative Limited	NT/NS	03/01/2008	Active
Inverell Biological Co-operative Limited	NT/NS	07/01/2008	Ceased
The Optometrists Co-operative Limited	NT/S	18/03/2008	Ceased
Sydney Energy Co-operative Limited	NT/NS	15/05/2008	Ceased
Gallery 294 Corowa Arts Co-operative Limited	NT/NS	26/05/2008	Active
Together Today Co-operative Limited	NT/NS	04/11/2008	Active
Cootamundra Health Care Co-operative Limited	NT/NS	04/05/2009	Active
Spectre Co-operative Limited	Trading	05/05/2009	Ceased
Flame Tree Community Food Co-operative Limited	NT/NS	19/05/2009	Active
Rosebank Co-operative Limited	NT/NS	21/05/2009	Ceased
Chippendale Fresh Food Co-operative Limited	NT/NS	13/07/2009	Active
The Music Merchants' Guild Co-operative Limited	NT/NS	20/07/2009	Ceased
Goulburn Cattle Breeders Co-operative Limited	NT/NS	22/07/2009	Ceased
National Association of Finance Brokers Co-op Ltd	Trading	15/09/2009	Active
Tingha and District Co-operative Limited	NT/NS	26/10/2009	Active
Rhubarb Food Co-operative Limited	NT/NS	14/12/2009	Active

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ANNEXURE 2 - DIMENSIONS OF SAMPLE GROUP

Comparative formation trend

On average there were 9 co-operatives registered annually during the 5 year period from 2005 to 2009. A comparison with the proceeding 5 year period revealed that there were 50% less formations and 75% less than the average reported in the 1990's.

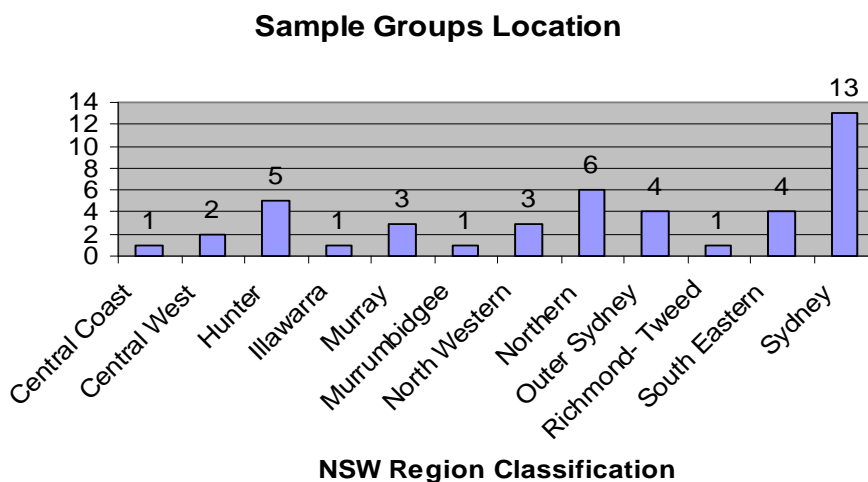
Trading type comparison

The sample group of 44 co-operatives used in this project comprised 8 trading co-operatives and 36 non-trading co-operatives. Both types of co-operative are permitted to carry out trading activities. However, trading co-operatives are generally larger organisations with a larger membership base and larger turnover. These co-operatives are permitted by their structure to disperse surplus profits to members. Non-trading co-operatives on the other hand are generally smaller entities with smaller membership numbers and are not permitted to disperse any profits or surplus to members.

Non-trading co-operatives are established for a variety of purposes and significantly outnumber trading co-operatives. In the sample group the non-trading co-operatives outnumber trading co-operatives 4.5 to 1. This figure is slightly higher than the current comparative rate in NSW and the trend for co-operatives Australia-wide which is approximately 3 to 1.

Geographical location

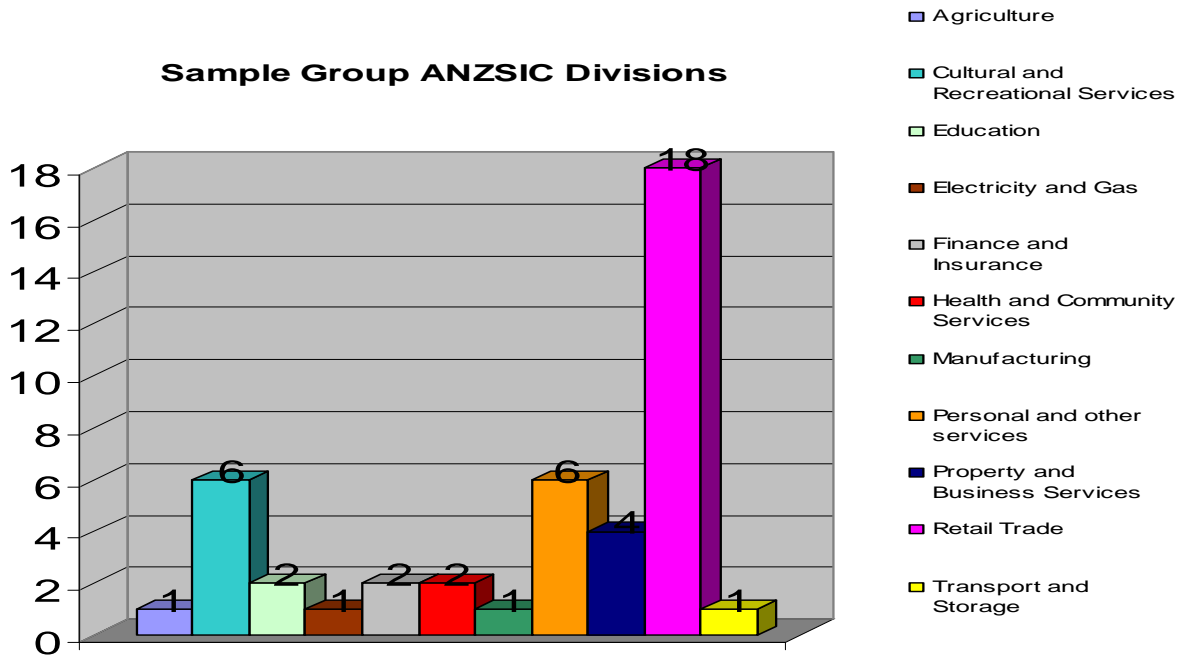
Co-operative data recorded includes details of the local government area (LGA) where each co-operative conducts its primary activity. Analysis of this data using ABS Geographical classifications reveals that over 60% of the sample group conducts its economic activity outside the Sydney metropolitan area. The chart below shows the regional allocation for all 44 co-operatives in the sample group:



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Co-operative activities

The nature of co-operative activity is categorised using the Australian and New Zealand Standard Industry Classification (ANZSIC) code. A small proportion of co-operatives within the NSW sector have diversified activities spanning several industry classifications. However, the activities of each of the co-operatives in the sample group were confined to only one industry sector as shown in the table below



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ANNEXURE 3 – CO-OPERATIVE SURVEY QUESTIONS

Questions
Were they involved from the inception of the co-operative?
Are they happy to provide additional information at a later date? (Discuss the proposed work the Registry will be undertaking in relation to mentoring)

Part A - Performance

Questions
Using the scale (see below) which best describes your co-operative's success in achieving its goals?
Scale: 1. Unsuccessful 2. Moderately successful 3. Unsure 4. Successful 5. Highly successful
<i>If successful</i> : What do you believe have been the main contributors to the co-operatives success?
<i>If unsuccessful</i> : What do you believe have been the main contributors to the co-operative not achieving its objectives?

Part B - Structure

Questions
Why was the co-operative structure chosen as the preferred model?
Did the founding members form any other formal or informal structure prior to establishing the co-operative?
Do you promote the organisations as a co-operative?
Do you believe the co-operatives structure best suits the organisations needs?

Part C - Compliance

Questions (Financial)
Are you aware of the requirement to report annually in relation to financial returns?
Are you aware that you can request an extension of time for lodging your annual statements or for holding your AGM?
Are you aware of the requirement to notify of the change in directors within 28 days?
Are you aware that you can apply for an exemption from the requirement to have a registered company auditor?
Are you aware that the resignation of an auditor requires the approval from the Registrar?

Questions (Rules)
Do you refer to your rules regularly? <i>If yes</i> : What issues have required you to refer to them?
Do you believe the board has a good understanding of what is required of them under the legislation? Do they have previous experience with other organisational structures?
Are you aware you are required to lodge an approved form to alter the rules of the co-operative?
Are you aware you must have prior approval to change the active membership rule?

Part D - Community relations

Questions
Have you faced any barriers conducting business because you are a co-operative?
Are you aware or did you use the services of any organisations that are available to assist co-operatives?
Does your co-operative participate with other organisational groups ie other co-operatives or incorporated associations? <i>If yes</i> : What organisations

Part E - General

Questions
Have you used the Fair Trading website to obtain information on the co-operatives? <i>If yes</i> , did you find the system easy to navigate?
Are aware of the impending Co-operatives National Law that is proposed for all States and Territories?
Are you aware of the Co-operative Federation of NSW, and are you a member?
In your opinion are there any services or assistance that the Registry could offer in promoting co-operatives?