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of co-operative societies and THE first comprehensive survey of the position in the economy mutual companies has shown New Zealand had a total turnover in those ownership models greater han those of the same type in

The contrast between NZ and Australia was most notable in the agri-food sector, where NZ had companies representing 65% of total revenue as co-operatively owned, versus Australia's 16%.

Co-operatively owned NZ wholesale and retail companies, with 30% of their sector's revenue, also eclipsed Australia's 10%.

The study was done by

academics from Massey University and the University of Auckland for Co-operative Business NZ (CBNZ) and funded by Fonterra and 10 other companies, six of them predominantly rural co-Lead researcher Elena

Garnevska of Massey University said she knew of the dominance of co-operative ownership in the agri-food sector but was surprised to find its importance in NZ was more than twice that worldwide.

But the opposite applied in the

insurance, banking and finance sector. Globally co-operatives had 45% of revenue. In NZ it was only 3.4%.

operatives and mutuals in NZ had total revenue of more than \$42 billion, total assets of \$33b and earnings before interest and tax In 2015, from their published information, the top 30 co-

They accounted for 17.5% of GDP and in a total population of 4.5m people there were 1.4m memberships (possibly multiple memberships), more than half of them in the Southern Cross Medical Society.

The top 30 co-operatives and mutuals employed 48,500 people, though a sizeable minority, in the case of Fonterra, were employed

The largest category of co-operatives was agri-food, including Fonterra, Silver Fern Farms and Alliance Group, and that category made 65% of the

The second category (30%) was wholesale and retail, dominated

by Foodstuffs.

The top five by revenue in 2015 were Fonterra with \$18.8b, Foodstuffs NI \$6.2b, Foodstuffs SI \$2.7b, Silver Fern Farms \$2.4b, and Farmlands \$2.2b, closely

Ballance Agri-Nutrients, Ravensdown, Westland Milk, Market Gardeners, Tatua Dairy, LIC and FMG were among the top perennial challenge," the authors

followed by Alliance and Zespri.

NZ did not have a research centre with a clear focus on co-operatives and mutuals to co-ordinate and deliver research and training support, though such centres were common in other

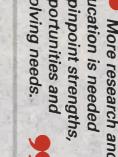
opportunities and education is needed evolving needs. More research and

banking category dominated the memberships by number, headed by Southern Cross. Farmlands Trading Society came fourth with 62,500 members, followed by FMG with 52,000. Ravensdown was eighth with 26,000 and Ballance ninth, 19,200.

Fonterra and LIC were 11th and

the top five employers of people.
The insurance, medical and

Fonterra, SFF, Alliance, Eastpack, and Foodstuffs NI were



Fonterra and LIC were 11th and 12th with about 10,500 members each while SFI, 6000, and Alliance, 5000, were 13th and 14th.

Co-operatives did face challenges, even though the Lisa Callagher
Auckland University

Tailor-made courses for co-operative and mutual staff, board members and members were needed to ensure the unique characteristics of the co-operative

and addressing the poor understanding of the co-operative business model remains a

so popular in NZ, the report said. "Educating the public

business model were understood

"This study provides a broad snapshot and a solid platform to develop new training and education courses," author Lisa Callagher, of Auckland, said

"But more research and education is needed to pinpoint strengths, opportunities and evolving needs.

"Future research could look at the sustainability of the cooperative business model and map long-term trends and cycles," she said.

CBNZ chief executive Craig Presland said the report showed the importance of co-operatives in GDP and employment.

"We now have the opportunity to extend our research on cooperatives and advocate even more strongly for them so that we ensure this enduring and we ensure this enduring and sustainable business model is



DRIVER: Fonterra leads the pack of New Zealand co-operatives that generate more than \$42 billion a year in revenue.





