

## Guest Editorial

### Special Australasian Edition

Four of the past eight issues of the *Journal* have contained work from or about co-operatives in Australia and New Zealand. Readers therefore already have some knowledge of mutuality in the Antipodes. The present issue, however, is the first to be devoted to Australasia and follows the Special Canadian Edition of August 2007.

The paper by Keith Woodford fittingly sets the scene with a review of the diversity of agri-co-operatives in New Zealand. He shows that they can be broadly classified into three business structures ('traditional', 'capitalist' and 'hybrid') and two business functions ('input supply' and 'product marketing'). The point is well made that there is no such thing as a "typical New Zealand co-operative". It is likely, he says, that the structure of New Zealand co-operatives will continue to evolve given both the legislative flexibility and structural tensions that exist within many co-operatives. This is true. Since Woodford's paper was written Fonterra's board has sidelined its preferred capital structuring proposal in the face of member opposition. It is now in the process of revisiting some of the rejected alternatives.

The second paper by Nikola Balnave and Greg Patmore visits the topic of consumer co-operatives in Australia. The authors challenge the assumption of historians that consumer co-operatives were insignificant to the plights of the labour movement and the needs of wider society, apart from those situated in coal-mining districts. They show that while the Rochdale movement in Australia has largely collapsed, Rochdale co-operatives still survive in some rural locations, despite earlier predictions.

The third paper by Leanne Cutcher describes how two Australian credit unions faced the deregulated financial services market that has existed since the 1980s. The research points to the need for co-operatives to maintain a distinct organisational identity by having a strong bond of association. This is a valuable lesson in an environment where the introduction of hybrid structures blurs the boundaries between mutual and investor organisations. The recent turmoil in financial markets worldwide has increased opportunities for organisations espousing mutuality – provided they heed the lessons

revealed in the Cutcher paper.

Lastly, Gordon Boyce documents the distress and resuscitation of the PSIS. The history of this major finance co-operative offers a rare learning resource. Few enterprises that reach the precipice of collapse actually survive, let alone undergo the type of renaissance that enables them to achieve a leading position within their business sector. The PSIS would not have retained the loyalty of members had the Statutory Manager and the directors been less effective communicators. Boyce's concluding words have lessons beyond New Zealand: "Leaders of co-operative businesses need to transmit in imaginative ways messages that retain the support members wish to give to such highly values-driven institutions."

The short paper section contains an abridgement of an address given by Race Mathews whose experience in and advocacy for mutuality is without equal in Australia or New Zealand. Facing down the demutualisers is a task which all in co-operatives must be prepared to do. At the heart of his address is the unequivocal advice: "Mutuals must be sufficiently flexible to adapt to changing needs and circumstances – must be able to recognise when the needs for which they are established no longer exist, are less pressing, or are being met on as favourable terms by other businesses and agencies." Co-operatives must continually act to preserve and advance the co-operative advantage.

Our book review section includes a history of first forty years of the credit union movement in New Zealand. Like the Cutcher paper, this contains material that is relevant today when many people have good reason to believe that their interests are not being served by investor-owned finance companies.

As Guest Editor I would like to thank the authors who submitted papers; the referees who willingly reviewed them; and the UK editorial staff who made the process of producing this edition such a satisfying experience.

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