

Cooperatives in Australian town of Maleny, Queensland illustrate the diversity of the cooperative movement

by Jake Karlyle

Examples of small-scale cooperative enterprise

Maleny, situated 100 kilometres north of Brisbane on Australia's Sunshine Coast, is surrounded by lush tropical vegetation, has stunning views of the Glass House Mountains, and overlooks the Pacific Ocean. It has about 7,000 people. Maleny has a long history of cooperative enterprise, beginning on 3 May 1903, when settlers started the first dairy cooperative in the region.

By the 21st century, Maleny has around 17 cooperatives that work in all areas of community life including a consumer's coop, a cooperative bank, a cooperative club, a worker's coop, a cashless trading coop, a cooperative radio station, a cooperative film society, four environmental coops, and several community settlement coops.

What is a cooperative?

Cooperatives are formed when a group of like-minded individuals join together to accomplish something that each, acting alone, could not achieve. Successful coops cannot be imposed on a community; they have to grow from the energy and commitment of the local people.

Coops integrate economic and social objectives. Unlike the private sector, which tends to concentrate wealth and power in the hands of a few, coops spread wealth and power to each member equally. Unlike government, which tends to be remote and unresponsive to those it should serve, coops are driven by their members and reflect their needs.

Cooperatives have a competitive advantage over both private and public enterprises: the members own the coop, so they are more likely to buy the coop's goods or use its services. They also decide how to spend the coop's profits.

Maple Street Cooperative

Maple Street Cooperative opened its doors on January 14th 1980, nearly a year after a small group of people met to discuss how to satisfy their need for whole-foods. Today it operates an organic health food retail outlet in the main street of Maleny, is open 7 days a week, and has 450 active members. It is a consumers' cooperative and sells to its members and to the public.

The coop's policy is organic first, then local, then Australian. It does not stock products that contain genetically modified material, nor products from companies seen to exploit people or the environment. Any profits go back into the coop, to expand its services and develop its infrastructure, or into community activities.

At first labour in the coop was voluntary, but as the coop prospered, the number of paid workers increased. The coop employs around 11 part time staff and one full time manager.

During its 22 years, it has on occasion had no business plan, operated at a loss, made poor investment decisions, lacked experienced financial management, and had to spend a lot of time and energy resolving differences of opinion among the members.

However, it gradually evolved a formula for success. It now has a sound strategic and financial plan, regularly makes a profit, cultivates the support of both the members and the community at large, and ensures that the staff and management are honest, dedicated and competent.

Maleny Credit Union

The Maleny Credit Union started in 1984 when several local people had the idea of setting up an ethical financial institution to foster regional financial autonomy. Initially it was staffed by volunteers and worked from rented rooms. On the first day of operations, local people deposited more than Aus\$50,000.

Today the Credit Union has more than 6000 members, 14 paid staff, and \$15 million in assets, and owns its premises. It is one of only a handful of financial institutions in the country that operates on cooperative principles.

Over the years the Credit Union has given out many small loans to local people who would not be eligible for loans from major banks. In this and other ways, it contributes substantially to the local community and leads its development.

The Credit Union's ethical activities include, among other things:

- allocating 10% of its profits to its Community Grants Scheme,
- establishing a tax-deductible Charitable Fund,
- paying an 'eco-tax' to Barung Landcare based on every ream of paper used,
- lending only to local people and projects to keep money circulating within the region,
- providing loans for environmentally and socially beneficial projects.

Since it was established, it has reinvested over \$50 million back into the local community.

Like the Maple Street Coop, in its early years the Credit Union had periods of difficulty. However, improved planning and financial management overcame these problems. Today it is successful, largely because it developed the right balance of financial expertise and

cooperative spirit.

The Up Front Club

Late in 1993, a group of Maleny residents formed a cooperative club where they could eat, drink, relax and socialize. Today it is a place where the food is wholesome and inexpensive, the coffee is great, and local musicians and entertainers can gain exposure. Initially it was under-capitalized, so although it had over 1,000 members, each year it sustained a loss. In the year 2000, three directors took over the voluntary management of the Club, enabling it to remain in existence.

At about that time, the Club turned a corner when some 100 members attended a special general meeting, talked of what the Club meant to them, and committed to regular voluntary work so that it could stay open. Soon after that, for the first time the Club posted an operating profit.

Over the years the Club has showcased a wide range of local talent, hosting everything from classical evenings to CD nights for teenagers. For many, it is the cultural centre of the Maleny community.

Local Energy Transfer System

Maleny has one of Australia's most successful LETS schemes. LETS began in Canada in 1982, and was launched in Maleny in 1987. There are now over 200 LETS schemes in Australia.

LETS functions as a cashless trading coop. Members trade their skills and provide services to each other without the use of money. In Maleny members trade their products and services in the local currency, the Bunya, named after the native pine nut, and people with little or no cash can participate in the economy.

Environmental cooperatives

Maleny has 3 environmental coops. They are:

- Maleny Wastebusters, a recycling coop, encourages people to reduce, reuse and recycle; to sort their rubbish; and to avoid buying poor quality and over packaged items. It employs 20 local people, and its slogan is: "Waste not, want not".
- Barung Landcare is dedicated to empowering landholders in the local area to take ownership of environmental problems and their solutions. It provides a range of environmental services and hosts the annual 'From Chainsaw to Fine Furniture Wood' Expo, which promotes the sustainable harvesting of native timber. It also runs a successful nursery that propagates local native plant species.
- Booroobin Bush Magic runs a rainforest nursery, while the Green Hills Fund works to re-forest the Maleny hinterland.

Community settlement cooperatives

These include:

- Crystal Waters, the first Permaculture village in Australia, which incorporates 83 private residential lots, a village commercial centre, visitor's accommodation area, and over 500 acres of common land.
- Manduka which is situated on over 150 acres of land outside Maleny. Its 18 adults and 6 children believe in living simply, sharing resources, reaching agreement through consensus, and managing their land in an ecologically sustainable way.
- Prout Community which is situated on over 50 acres of land, and is home to 5 families and the Ananda Marga River School, which has over 100 students, from Kindergarten to grade seven. The curriculum emphasizes experiential and whole brain learning, creativity, ecology, arts and music, all with a child centred approach.
- Cedarton Foresters is situated on 200 acres of land outside Maleny. It contains 22 private residential lots and is home to 40 people. The community's main aim is the rehabilitation of the land.

Other cooperatives in Maleny

Other cooperatives in Maleny include:

- Maleny Film Society (MFS);
- Family and Community Empowerment (FACE);
- Maleny Neighbourhood Centre;
- Local Economic and Enterprise Development Cooperative; and
- Hinterland Community Radio, a cooperative radio station.

Building successful cooperatives

The experience of the Maleny cooperatives shows that building successful cooperative enterprises involves several steps.

- Fulfil a need. No matter how good the idea, if there is not a community need, the enterprise will not succeed.
 - Establish a founding group. Usually a few committed people develop the initial idea. A small team tends to provide the leadership.
 - Commit to a vision. Commit to the ideals and values implicit in cooperative enterprises, and try to ensure that both the members and the management are honest, dedicated and competent.
 - Conduct a feasibility study. To evaluate whether or not the perceived need is feasible, conduct a feasibility study.
 - Set out clear aims and objectives. This will help direct everything from the founding group's initial focus to promotional strategies and budgetary processes.
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- Develop a sound business plan. The enterprise will require capital, have to manage its finances efficiently, and have to make decisions about loan repayments and profit allocation.
- Ensure the support and involvement of the members. The members own the enterprise; at every step, their support and involvement is essential.
- Establish a location. Establish a physical location for the operation of the enterprise, preferably in the centre of the community.
- Get skilled management. Bring in to the enterprise people who have the necessary management, business, financial, legal and accounting skills.
- Continue education and training. Ideally, the members will have the skills, particularly the communication and interpersonal skills, to run the enterprise. If not, they will either have to develop such skills themselves or bring in new members who have them.

The golden rules for beginning a community economic strategy are clear:

- start small, with the skills and resources available within the community;
- make use of role models, those with experience in community development, wherever possible; and
- make sure the enterprise involves as many people as possible.

Community benefits

Cooperatives bring people together, encourage them to use their diverse skills and talents, and often provide them with the opportunity to develop new capabilities. They create a sense of belonging, build close relationships among different types of people, and empower them to make decisions to develop their community.

Working together, a community is able to accomplish much more than if the various individuals go their separate ways. This is because economically, cooperatives produce various types of goods locally, provide a range of local services, create employment, circulate money within the community, and make the community economically self-reliant.

In essence, successful cooperative enterprises transform a community by establishing economic democracy. Thus, cooperative enterprise is the socio-economic system of the future. In Maleny, that future is unfolding before us right now.

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