

Competition in Retailing: Lessons from the History of Rochdale Consumer Co-operatives in Australia

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Rochdale consumer co-operatives have played an integral role in the lives of many people in particular localities in Australia. The Rochdale movement developed in waves in the period prior to the end of World War II, but went into decline over the following decades. While the movement has collapsed in Australia, a number of Rochdale consumer co-operatives continue to thrive in rural areas of Australia, largely by drawing upon a reciprocal relationship with the local community. A further reason for the survival of these rural co-ops is that they have linked up with franchising. This arrangement – community co-operative ownership and franchising – provides another alternative in the quest to increase competition and reduce market concentration in retailing in Australia.

The idea of Rochdale Consumer Co-operatives (hereafter co-ops) was imported from the United Kingdom (UK) to Australia. The ideology of the co-operative movement ranged from what may be termed ‘business co-operativism’, which focussed on the regular ‘divvy’ or dividend, which was based on purchases, and the return of capital, to a fundamental belief in the need to replace capitalism with a Co-operative Commonwealth. The consumer co-ops would generate sufficient capital for the establishment of co-operative banks, co-operative insurance and producer co-ops, which would supplant capitalist enterprises.

While at no point did the Rochdale movement in Australia reach the same heights as its counterpart in Britain, consumer co-ops have played an integral role in the lives of many Australians in mining areas, rural regions and metropolitan centres. This paper provides an historical overview of Rochdale consumer co-ops in Australia, and provides some explanation for the movement’s failure to consolidate in this country. It also highlights that a number of consumer co-ops continue to thrive in rural areas of Australia. The survival of these co-ops relate to specific factors in the local economy and community, along with the linking up of the Rochdale model with franchising. This arrangement presents an alternative way of increasing competition and reducing market concentration in retailing in Australia.

Origins

Rochdale consumer co-ops were built upon the foundations laid by Welsh manufacturer and social reformer Robert Owen, who believed that ideal communities based on co-operation rather than competition would eliminate unemployment and pauperism and create a prosperous and harmonious community. During the 1820s, Dr. William King and others in the UK developed Owen’s ideas to include consumer co-operatives as a means of achieving a harmonious society. While there were a number of consumer co-ops formed in the 1820’s, most quickly collapsed. Greater success was achieved with the Rochdale consumer co-ops, which date back to 1844 when, following an unsuccessful strike, 28 flannel weavers in Rochdale, England started the movement to combat low wages, high prices and poor quality food. Rochdale consumer co-ops were founded on the basis of a clear set of principles. These

included: the provision of capital by members at a fixed rate of interest; unadulterated or pure food to be supplied, with the full weight and measure given; market prices; cash purchases only and no credit; a dividend or 'divvy' based on profits to be divided among members in proportion to the amount of purchases; management to be based on democratic principles with 'one member one vote' rather than 'one vote one share'; and a share of profits to be allotted to education.¹

The Rochdale movement in England grew rapidly, despite a number of legal and economic obstacles. Private retailers attempted to limit competition from the co-ops by persuading wholesalers to stop or restrict supplies to the co-ops. There were also concerns about relying upon private manufacturers more concerned with profits than product quality. Therefore, the consumer co-ops established a Co-operative Wholesale Society (CWS) in England in 1863 and Scotland in 1868. The wholesalers also operated on Rochdale principles such as a fixed rate of interest on capital and a 'divvy'. The wholesale societies ultimately became global enterprises with purchases of primary products from countries such as Australia and New Zealand and tea plantations in Sri Lanka and India. The English CWS also moved into banking and insurance. The consumer co-ops formed a Co-operative Union in 1872 for education, legal, propaganda and political purposes. A notable outcome of the Co-operative Union activities was the formation in 1883 of the Women's Co-operative Guild, which aimed to promote an interest by women in the co-operative movement and protect female employees. Consumer co-ops even formed a Co-operative Party in 1917, which formally affiliated with the British Labour Party in 1927. By 1948, there were 1,030 consumer co-ops in the United Kingdom with 10,162,000 members.²

Early History of Rochdale Consumer Co-operatives in Australia

There was some early interest in consumer co-ops in Australia and there were several waves of formation before the end of World War II (WWII). The first registered consumer co-operative in Australia was in Brisbane in 1859, before the separation of Queensland from NSW. One of Australia's longest surviving Rochdale co-ops opened for business in Adelaide with nine members in 1868. Despite the economic long boom that followed the Australian gold rushes, Rochdale consumer co-ops peaked in the 1860s against the background of concerns over unemployment and urban poverty. Concerns about living standards and disillusionment with the existing political system led to a second wave of interest in the late 1880's and early 1890s. Over 50 societies were registered in NSW between 1886 and 1900. Many were short-lived, and when the first official statistics were collected in 1895, only 19 societies out of 62 still existed. There was a lull in registrations from 1895 until 1905 as the economy faced depression and drought. In the following decade, against a background of economic prosperity and rising prices, 55 new societies were registered in NSW. However, by the end of 1914 only 45 remained, four of which were in liquidation. While there was little activity during World War I, the post-war boom and its aftermath provided the conditions for a renewed interest in consumer co-ops. There were concerns with rising prices and declining living standards. There were 31 registrations in NSW alone in the three years following the war's end, and during the next three years, the registrations totaled 22 in that state. In 1923, there were 152 consumers' societies in Australia, with a membership of 110,000 and a capital of 1,800,000 pounds. While the Depression of the 1930's weakened the Rochdale co-ops in Australia, they grew in the recovery that followed. Gary Lewis has calculated that while the membership of Rochdale co-

ops in NSW fell by more than half from 60,000 in 1929 to 24,000 in 1933, their numbers began to grow in NSW from 1935.³

British immigrants to Australia played an important role in bringing the Rochdale principles to coalmining districts, in which retail co-ops became a common feature. In 1929, there were 40 consumer co-ops operating in NSW, more than a third of which were on the coalfields. In NSW, the Hunter Valley, the Illawarra, and the Lithgow Valley had some of the largest and most prosperous societies in the state. Wonthaggi in Victoria and Collie in Western Australia were also dominant societies.⁴

There were Rochdale co-ops outside these areas. Co-ops in metropolitan areas included the Adelaide Co-op, which had 9,412 members by 1923, and the Balmain Co-op in Sydney, which was established in 1902 and had 14,000 members by 1921. The Balmain Co-op was hit by closures of the local industries during the 1930s Depression. Membership declined and it fell into debt. The Co-op went into voluntary liquidation in 1936.⁵

Rochdale co-ops also became a feature of rural areas of Australia, particularly in fruit-growing or poultry breeding districts or in towns at important railway junctions such as in the Riverina region of NSW. Co-ops in this region included Griffith, Coolamon and Junee. The origins of the Griffith Co-op lay in the efforts of settlers to challenge the limited competition and high prices in the town. Richard Stranger, who was a leading member of the group, had 'practical knowledge' of Rochdale consumer co-operatives in England. They formed the Mirrool Settlers Club in March 1915, which was to obtain members' supplies for the cheapest possible price through purchasing their orders in bulk from Sydney and transporting them to Griffith. The Club later became the Griffith Settlers' Co-operative Society in June 1916 and the Griffith Co-operative Society Limited in August 1919. The Co-op moved into the retailing centre of Griffith in 1919 and sold groceries, produce, hardware, clothing and drapery. During the 1930's Depression the co-op staff worked a three-day week and members assisted the store by volunteering to undertake a range of duties including preparing sausages and cleaning the store. By 1942, the store covered a whole block facing the main street.⁶

A Rochdale co-operative society, the North Berry Jerry Co-operative Society, was started in the Coffee Palace in Coolamon in March 1921. Due to rapid growth, new premises were leased later that year in Cowabbie Street, the main street in Coolamon, and the co-op was renamed the Coolamon Cooperative Society. In 1924, the society moved from its weatherboard shop to a new brick premises in Cowabbie Street. A group of Junee residents chose to purchase the local branch of the Railway and Tramway (R&T) Co-operative Society in June 1923, four months before the R&T Co-operative Society went into liquidation. The R&T Co-operative Society differed from Rochdale consumer co-ops in that it sold at cost. The Junee & District Co-operative Society had 40 members by 30 June 1925. Membership of the Co-op remained very stable, generally resting in the mid 90s during the period before 1945. The exception to this occurred during the 1930's depression, when membership peaked in 1930-31 with 144 members on 30 June 1931. This increase in membership may have been a reaction by some Junee residents to the harsh credit policies of local privately owned stores.⁷

Rural Rochdale co-operatives also developed outside NSW. The Denmark Co-op in South West Western Australia commenced operations in 1920. Like many Western Australian rural Rochdales, the Denmark Co-op in South Western Australia remained small, with only 110 members in 1935. In 1944 local residents at Nurioopta, in the Barossa Valley in South Australia, decided to purchase the local Sheards Department Store. The store was a profitable concern, but the owner decided to sell it following the death of his only son during World War II. Built on the foundations of German Lutheranism, there was also strong community

movement, where local residents formed committees to provide amenities such as a swimming pool and kindergarten.⁸

Australian Rochdale consumer co-ops moved to form their own wholesale societies. As in the UK, local Rochdale consumer co-ops faced serious challenges including price-cutting by competitors, and the refusal of supply by some wholesalers concerned with maintaining relationships with existing businesses. In Australia, the New South Wales CWS (NSW CWS), founded in 1912 by four Hunter Valley consumer co-ops (Newcastle & Suburban, West Wallsend, Wallsend & Plattsburg, Cessnock & Aberdare), faced obstacles in its early years. There were boycotts of the NSW CWS by flour millers and oil companies in the years prior to World War I. Manufacturers, importers and the agents of overseas companies refused to include the NSW CWS on their wholesale list. It became clear to the directors of the NSW CWS that 'the only way to gain recognition was to become cash buyers on a large scale'. To achieve this 'it was essential that the whole retail section of the Movement combine and make one strong buying organization'.⁹ Over the following years, the NSW CWS attracted an increasing number of societies as affiliates. It launched the *Co-operative News* in 1923, which was the main journal for the co-operative movement. A slump in membership occurred in the decade 1924-34, but from 1935, the number of affiliates noticeably increased. In 1934, 15 societies were affiliated to the CWS, growing to 37 by 1945. However, many consumer co-ops such as Junee remained independent of the wider movement.¹⁰

The Australian Rochdale co-ops recognised the significance of women as the main purchaser of goods in most working class households. This ranged from the fashion shows put on by the Lithgow Co-op in the 1930s to features in *The Co-operative News* on the upbringing of children, romance, beauty tips, cooking and knitting. While there were calls in the movement for equal pay, co-ops in towns such as Lithgow followed the general practice of requiring women to resign from their jobs upon marriage. In NSW, the Womens' Co-operative Guilds went beyond the supportive role expected by the NSW CWS. Some guilds frequently challenged the male-dominated CWS by criticising their leadership and organising conferences to look at alternative paths for the Rochdale movement. There were also regional variations in NSW in the strength of the Women's Guilds. While they were active in the Illawarra and the Hunter Valley, they were not significant in the Lithgow Valley and rural areas.¹¹

The Rochdale co-operative movement did not establish a close official relationship with the labour movement before 1945 in Australia. There was no formal political link, for example, between the Rochdale co-operatives and the Labor Party, as developed in the UK. While George Booth, the Labor member for the NSW state seats of Newcastle and later Kurri Kurri from 1925 to 1960, was president of the NSW CWS for many years, this was in an individual capacity. The co-operative movement regularly appealed for a greater link with the labour movement, urging unions to invest funds in co-ops in preparation for industrial action. In turn, some Rochdale co-ops in Australia provided credit to striking workers and allowed union closed shops. Calls within the Rochdale movement in Australia for unions of co-operative employees and the Co-operative Party did not please trade unions and the Labor Party. There were also concerns about the political effectiveness of the Rochdale movement in challenging capitalism and fears that the co-ops were reinforcing capitalism through 'business co-operativism'. Despite the claims to the contrary, some unions believed that in the treatment of employees there was little difference between the co-ops and the private sector. The Rochdale co-ops were critical of the performance of Labor Governments.¹² The *Co-operative News* in January 1931 condemned the Federal Labor Government for enmeshing 'industry in a sales tax, a fiendish mass of rules and restrictions and regulations, costly to bear, costly to impose'.¹³

Rochdale Consumer Co-operatives: Their Post-War Decline

After WORLD WAR II the Rochdale Co-operatives went into decline in Australia. While by 1949, the NSW CWS had 110 affiliates, with some in Victoria, it went into permanent decline after 1957 and the *Co-operative News* ceased publication in 1959. The Co-operative Women's Guilds in Australia also folded. A major loss to the movement was the Adelaide Co-op, which went into liquidation in February 1962 after 94 years of trading. In the previous six years, the membership of the Adelaide Co-op fell from 26,000 to 9,000 with resigning members taking large amounts of capital with them. The Woonona Industrial Co-operative Society in the Illawarra district of NSW had a membership of 6,186 by 1952. This co-op had branches at seven locations including Wollongong and Port Kembla. It was wound up in 1970. The Junee Co-op defied these trends and showed steady growth after a membership slump in the mid-1950s. Its membership increased from 80 in 1956 to 324 in 1966.¹⁴

Many Australian Rochdales did try to take steps to broaden their appeal. After facing growing losses from 1959 to 1961, the Junee Co-op introduced self-service trading in September 1962 and immediately returned a slight surplus for that year. In Denmark Lithgow and the Barossa Valley, the Co-ops also introduced self-service in 1957, 1962 and 1965 respectively. The Newcastle and Suburban Co-op in 1958 purchased a large van as travelling 'self-service shop' to serve shareholders who could not readily buy their goods at the Co-op outlets. It also established a credit union for members and employees in 1962 and opened a large car park in 1967 to accommodate the post-war growth in car ownership. Against the background of massive post-war immigration programme in Australia, the Adelaide Co-op specifically targeted traditional UK migrants by establishing two branches in local migrant hostels. In Victoria, the co-op in the coal-mining town of Wonthaggi diversified its constituency by 'welcoming' Italian members and provided an Italian translator on staff. Stores also opened delicatessens to provide a greater range of 'continental' goods.¹⁵

Despite such attempts, many of the remaining co-ops failed to survive the major economic upheavals of the 1970s, 1980s and 1990s. The economic downturn of the late 1970s placed economic pressures on co-operatives in areas that relied on traditional industries such as coal mining and manufacturing. The deregulation of product and financial markets in Australia during the 1980s introduced volatility in these markets exposing marginal businesses, including co-ops, to greater financial risks and fluctuating interest rates. These factors contributed to the collapse of many leading co-ops in both countries. The most spectacular collapse in Australia was the Newcastle and Suburban Co-op, which achieved a peak membership of 95,000 in 1978 but closed in 1981.¹⁶

On the wholesaling side, the NSW CWS eventually ceased operations in 1979. The Co-operative Federation of NSW (CFNSW), which later became the Australian Association of Co-ops (AAC) in 1986, did unsuccessfully float the idea of reforming a co-operative grocery-buying group in the early 1980s. The AAC eventually collapsed in 1993 due to financial problems associated with its internal banking services to members and a number of co-ops lost money. The AAC had made some bad loans to the struggling NSW Rochdale consumer co-op at Singleton, which also went into liquidation. In the wake of the collapse of the AAC, the CFNSW was reformed. The CFNSW now restricts its activities to lobbying governmental agencies and provides advice on legal and financial matters.¹⁷

Reasons for the Post-War Decline in Rochdale Co-ops

There are a number of explanations for the decline of the Rochdale Co-ops in the post-World War II period. Direct competition with the non-co-operative private sector continued. The demise of the Collie Co-op in Western Australia followed the arrival in the town of a Coles supermarket, some of whose suppliers refused to supply the Co-op at wholesale prices and encouraged Co-op management to buy from Coles at retail prices. There was also indirect competition associated with the changing nature of retailing. The rise of chain supermarkets and shopping centres are examples of this. Specials and permanent reductions in prices offset in consumer minds the co-op store advantages of credit, home delivery and rebates. The decline of working class communities in mining areas and the more widespread ownership of automobiles created further difficulties. Car ownership reduced the need for home deliveries and caused many rural co-ops to lose customers to nearby retail centres.¹⁸

There were management problems and divisions within the movement. Tensions existed between full-time managers and the elected board of directors over the management of many consumer co-operatives. John McQuilton claims that the decline of the co-ops in the Illawarra was partly due to 'bad management' arising from poor employee training and inadequate recruitment of new co-op members. On a broader level, there were tensions between federalists and individualists. The federalists subordinated production to consumption and stressed the loyalty of tied stores to the NSW CWS. They were concerned that autonomous producer co-ops would not share their profits with consumers and would, through a Co-operative Union, dominate the consumer. Individualists believed that the NSW CWS was necessary but not sufficient to achieve a Co-operative Commonwealth. They saw production as the primary act of humanity and feared that the CWS, if dominant, would fritter away surpluses through endless 'divvys' and be governed by commercial rather than social imperatives. There also remained tensions between some women in the Guilds and the male-dominated co-operative leadership over the direction of the movement.¹⁹

Tensions also existed between the Rochdale movements in Australia and the UK. Ideas were exchanged through trips abroad and visits to Australia from English CWS delegates. The NSW CWS imported from the English CWS manufactured goods such as cigarettes, lawnmowers, steel office furniture and pianos, and a representative of the English CWS had an office in Sydney and sat on the NSW CWS board of directors.²⁰ Nevertheless, Gary Lewis is critical of the role of the English CWS in Australia. He portrays the English CWS as having little interest in Australian Rochdales except as a market for its exports. Its higher price imports may have helped reduced the competitiveness of local Rochdales. The English CWS was more interested in maintaining good relations with Australian primary producers and was hostile to attempts by the NSW CWS to manufacture goods that would undercut its export market in Australia.²¹

The relationship with the labour movement in Australia remained problematic and the attitudes of Labor governments lukewarm. The non-political stance of co-operative movement created suspicions on both the Right and Left particularly during crises such as the Labor Party split of the 1950s in Australia.²² While some Labor Ministers in Australian governments supported the co-operative ideal, some questioned whether the idea had any contemporary relevance. Terry Sheahan, the NSW Minister for Housing and Co-operative Societies, in 1980 stated that co-operative organisations, serve 'purely economic objectives'.²³ He noted that 'it is hard to see much future for cooperative retail stores. They are caught up in the general downturn in trading and changes in consumer spending'.²⁴ The willingness of Labor

Governments in Australia since the 1980s to embrace ‘markets’ in economic policy-making, further weakened any sympathy towards co-operative ideals.²⁵

Many rural Rochdale co-ops collapsed with the general movement. Credit and outstanding debts were a significant factor in their demise. The Coolamon Co-op first expressed concern about the level of outstanding debts owing to the society in 1958. However, it was not until 1976 that the Co-op introduced a policy of cash trading for all but approved customers. While debt collectors were employed, outstanding credit remained a major issue in 1979 when the co-op decided to sell its operations. The burden of credit to members proved to be a problem for the Griffith Co-op in the 1980s. The Griffith Co-op also entered into a new venture, the Driver Superstore, which ended in financial disaster.²⁶

Another major reason for the demise of the Griffith and Coolamon Co-ops was demographic and structural changes in their communities. Farmers organised the Griffith and Coolamon co-operatives and dominated their boards of directors throughout their history. Many of the shareholders of the Coolamon Co-op were from Renwick, about 12 miles north of Coolamon. As the acreage size of farming properties increased, many of the farms were ‘swallowed up’ depleting the population of farmers and thus members of the Co-op. Nevertheless, the surviving Renwick population maintained influence in the leadership of the Co-op. As recalled by Colin Patterson, former employee and manager of the Co-op (mid-1973 to mid-1976), most of the residents of the Renwick area were ‘wowsers’, including those who were on the Board of Directors, which may explain the failure of the Co-op to attain a liquor licence. The directors became out of touch with the changing retail needs and expectations of the community. According to Patterson, the longstanding manager, McLean, felt that Coolamon was not ready for self-service, despite the fact that the nearby shopping centre at Wagga Wagga had been operating on this basis for a number of years. When the Co-op decided to shift to self-service, this was done half-heartedly in that only half the store was modernised in this way. Former city residents who moved to Coolamon, often because of marriage, found that Wagga Wagga provided them with the range and choice of service and products to which they were accustomed.²⁷

By 1961 33 per cent of the Griffith Co-op members were still farmers, graziers, orchardists and share farmers. Despite their minority position as shareholders, they held two-thirds of the directors’ positions in July 1962 and half the directors’ positions in July 1980. Farmers remained in control of the Griffith Co-operative until its demise despite the growth of the town and the diversification of its economy and its population. While there was a growing population of Italian-descent in Griffith, its board of directors was overwhelmingly drawn from farmers of Anglo-Celtic background. A ban was introduced on Italian membership during World War II, which persisted into the post-war period. While the demise of the Coolamon Co-op can be linked to the declining rural population surrounding it, the Griffith Co-op failed to capture the interest of the growing town population and Italian community, despite the expansion of its rural economy.²⁸

Rural Survival

While many rural Rochdale consumer co-operative collapsed along with the wider movement, some continue to thrive. The Barossa Community Store in Nurioopta, South Australia, for example, had 14,060 members on 31 January 2009 and a trading sales of \$58,229 million (exclusive of GST) for the year ended 31 January 2009. This store paid \$368,439 in interest on members’ capital and \$524,331 in rebates on members purchases for the same period.²⁹

The reasons why some rural co-operatives survive is highlighted by the case of the Junee Co-operative. While outstanding credit also became a problem for the Junee Co-op, measures were introduced to rectify the situation before it proved fatal for the Co-op. The Co-op moved to accept credit cards when the directors decided in June 1976 to participate in 'Bankcard'. Management later shifted members' debt from individual store accounts to their own credit card accounts in 1989 with no loss of customers. This allowed the Co-op to eliminate a debt of approximately \$100,000 at the end of each month in individual accounts. Junee had stable and effective management. The secretary-managers have generally held long periods of office, as have the directors. The directors have primarily had backgrounds in small business and farming and have given strong support to the managers' efforts to run the Co-op on business lines.³⁰

The Junee Co-op has successfully linked its business survival to that of the town. It has participated in efforts by the local business community to assist maintaining the viability of Junee as a retail centre through emphasising the need to 'buy locally'. From the 1980s, the co-op became actively involved in ensuring that Junee remained a viable centre for retailing that sold a full range of products. It was feared that if Junee was unable to provide local consumers with a full range of products then business, jobs and facilities would be lost to nearby Wagga Wagga. In July 1983, the Co-op added the slogan 'Shop Locally – If You Don't Use It, You Lose It' to its weekly advertising in the *Junee Southern Cross*. In June 1982, the directors decided to stock manchester, following the closure of Trims Pty Ltd in Junee. Other local businesses were consulted to see if they were interested in stocking manchester before the decision was made. Similarly, rather than see it close down, the Co-op purchased the Retravisation (then Sykes Electronics) store on the adjoining Lorne Street premises in May 1995 and operated it for nine years. Shareholders were able to use their number in Retravisation during this period. The Retravisation store was sold to a former employee of the Co-op in September 2004. In June 2000, the Co-op also established a branch of a bank that was closing its local branch. It did not compete with the local baker and butcher and instead formed an agreement to sell their products, such as pre-packaged meat, for a commission.³¹

The remaining rural co-operatives have also survived by linking up the Rochdale model with franchising. The Junee Co-operative is linked to the Independent Grocers of Australia (IGA) network. The IGA is an offshoot of the Independent Grocers Alliance, which is an alliance between wholesalers, retailers and manufacturers founded in the USA in 1926. The Alliance became the vehicle for protecting and strengthening the relationship of the three groups against the growth of the chain stores. David Holdings, now Metcash Trading Limited, brought IGA to Australia in 1988. While IGA distributes other brands, it markets its own labels such as 'Black and Gold'. Despite its national character, IGA emphasises its links to the local community through its 'local heroes' television campaigns and 'community chest' contributions to local organisations. The Barossa Community Store as of 31 January 2009 was a franchisee for 10 different business entities including Foodland IGA supermarkets, Mitre 10 hardware and Betta Electrical.³²

Creating More Competition in Retailing

Recent years have witnessed an accelerating debate about the high level of market concentration in retailing in Australia. This debate focuses on the almost duopolistic hold Woolworths and Coles have over the industry and the impact on a range of stakeholders including customers, suppliers, small business owners, and country towns. These concerns are

not new, as this paper demonstrates. Many co-ops were established in Australia in an attempt to combat rising prices for life's essentials, and many collapsed as a result of competition from retail chains.

The franchise/locally-owned store arrangement of the Junee and Barossa co-ops may be one alternative worth visiting in an attempt to combat rising prices and to ensure the economic and social sustainability of country towns in Australia. The ability of the Barossa Community Store to provide rebates and interest payments provides a means to combat the growing use of inducements by Coles and Woolworths such as frequent flyers and petrol discounts to entice customers and reduce competition. Nor has the desire to form consumer co-operatives as an alternative in the retailing sector disappeared. Residents at Dangar Island in the Hawkesbury River to the north of Sydney decided to form a retail co-op after the closure of the island's only convenience store in June 2008. Without this store, residents would have to take a boat to the nearby town of Brooklyn to obtain basic supplies. Residents have a two year lease with a two year option and the store is currently open on a seven day a week basis.³³

Unfortunately, public policy debates have neglected this option and its historical development. Community activism and support will be paramount for the co-op/franchise model to work. Sadly the Registrars of Co-operative Societies in respective Australian jurisdictions have become a less active agent in promoting co-operative education and business strategies in recent years. This needs to be redressed in the context of providing more choice to consumers. Further, legislation covering co-operatives needs to be re-examined to ensure that co-operatives are allowed to compete with the retailing giants and recognises the community benefits of locally owned co-operative stores.

Conclusion

Rochdale consumer co-ops have played an integral role in the lives of many people in Australia, not only in mining areas, but also in rural regions, and metropolitan and suburban centres. In the years prior to the end of World War II, Australia experienced waves of interest in consumer co-ops. With a few exceptions, co-ops tended to be established at the back-end of an economic slump, when there was disillusionment with the prevailing economic system and consumers sought a level of security, and during periods of rising prices and the cost of living. Central bodies such the NSW CWS played a key role in advancing the co-operative movement during such periods, as did the Womens' Guilds through their social and educational role.

Following World War II, the Rochdale co-op movement went into a general decline. One by one, central bodies collapsed, and Women's Guilds were disbanded. Many leading co-ops failed to survive the major economic upheavals of the 1970s, 1980s and 1990s, and unlike the trend in early years, renewed interest in consumer co-ops did not emerge in the periods of recovery. The rise of chain supermarkets and shopping centres increased the degree of competition from private for-profit competitors, and many co-ops, like other enterprises, fell victim to poor business decisions. The decline of working class communities in mining areas, and increasing car ownership in rural areas created further difficulties for co-ops reliant on their remoteness for success. The internal and external politics of the Rochdale co-op movement also shaped its development. There were significant conflicts between the female activists and the male leadership of the Rochdales. Tensions also existed between the Rochdale movements in Australia and the UK. Divisions between the individualists and the federalists further weakened the Australian movement. The failure to develop explicit links between the labour movement and the Rochdale co-operatives in Australia was a major problem.

Nevertheless, some co-ops in rural areas of Australia have survived, largely due to their 'locality' stance and the reciprocal relationship they have developed with the community. The survival of these co-ops can also be attributed to their linking of the Rochdale model with franchising. This arrangement provides an alternative that should be included in public policy debates on ways to increase competition in the Australian retail sector.

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