



8th January 2019

PRIME MINISTER RT HON JACINDA ARDERN CONFIRMED TO SPEAK

Co-op Business Leaders' Forum - Fonterra Centre, Auckland | 26th February

I am delighted to confirm that our Prime Minister, the Rt Hon Jacinda Ardern, will be the pre-dinner speaker at our Co-op Business Leaders' Forum next month.

Our theme for the day, "Forward Thinking – Taking NZ Co-operatives Into the Future" will be addressed by the following topics throughout the day:

- The future of co-operative work
- NZ government initiatives in shaping the future of work
- Co-operative innovation
- Where are co-operative economies heading into the future?



Our Prime Minister will then provide her thoughts on the NZ economy, including opportunities ahead, as well as the future of work.

Our programme for the day and evening is as follows:

9.30am: Registration and morning tea

10.00am: Welcome, **Jonathan Lee**, Chairman Cooperative Business NZ

10.05am: **The future of co-operative work**

- **Vincent Vuillard**, Co-Founder and Director of Future Work Studio
Topic: Workplace disruption
- **François Barton**, Executive Director Business Leaders' Health and Safety Forum
Topic: Health and safety in NZ's future workplaces
- **Matt Bolger**, Director Farmer Services
Topic: Lessons from Israel

Panel discussion.

Mid-day: **NZ government initiatives in shaping the future of work**

Government Minister to be confirmed.

12.30pm: Lunch

1.30pm: **Co-operative innovation**

- **Rob Hewett**, Chairman Silver Fern Farms
Topic: Co-operative business model innovation



- **Murray King**, Chairman LIC
Topic: Co-operative business model innovation



Panel discussion.

- **Vic Crone**, CEO Callaghan Innovation
Topic: Collaboration in innovation



3.15pm: Afternoon Tea

3.45pm: **Where are co-op economies heading into the future?**

- **Balu Iyer**, Director General Asia Pacific, International Co-operative Alliance
Topic: Evolution / adaptation of co-operative models around the world

4.30pm: Wrap-up of the day, **Craig Presland**, CEO Cooperative Business NZ

4.40pm: Day session concludes

Evening from 4.45pm:

4.45pm: Drinks and canopies at the Atrium.

5.30pm: Pre-dinner speaker: NZ Prime Minister, Rt Hon Jacinda Ardern
(includes 15 minutes for audience questions)

6.30pm: Dinner

As you can see we have an outstanding list of speakers confirmed and this promises to be an excellent educational and networking event. We are aiming for 100 attendees, which is close to capacity for Fonterra's auditorium, and I still have tickets available to our Members.

Please [email me](#) if you would like your invitation re-sent to you, otherwise know of others within your co-op who may like to attend, RSVP by 4th February.

Co-op member advice and feedback for our government

Cooperative Business NZ fully supports the Prime Minister's [Business Advisory Council \(BAC\)](#).

Since last October, we have gained Member feedback for our government in relation to issues and opportunities via an online survey and two Co-op Roundtable Discussions held in Christchurch and Auckland.

In December, I wrote the BAC and have now met with one of its delegates.



Left, Rt Hon Jacinda Ardern. Right, Air New Zealand CEO Christopher Luxon will lead the Business Advisory Council.

Summary of Cooperative Business NZ letter to BAC, 4th December 2018:

The following subjects were addressed, please advise me if you would like a copy of the full version.

1. Threats to future co-op businesses

- Lack of skilled labour
- Cost of compliance
- Lack of certainty and clarity with regulations and legislation
- Threat of industrial action
- Rural / Urban divide across NZ
- Speed and fairness of legislative change

2. Future business opportunities and how our government may assist in developing these

- Tax incentives and tariffs, government grant funding
- Trade agreements
- Growth in exports
- Support for start-ups
- Housing
- Retail banking
- Regional NZ

3. The future of work, including the role of technology, and support required from our government

- The future of work
- Cyber security and the protection of data
- Disaster recovery
- Lessons from overseas

4. How co-ops can work more effectively with MBIE and other government departments / agencies

5. Support for the United Nations' 17 Sustainable Development Goals

After considering our letter, the BAC asked that we provide more details on FIVE areas of opportunity. Here are some of the notes that were then provided:

1. Support for the UN's 17 Sustainable Development Goals

The Sustainable Development Goals were set by the UN in 2015 and are the blueprint to achieve a better and more sustainable future for all, here is the link to these: <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>. Cooperative Business NZ advocates strongly for the NZ co-op sector, co-op business model and UN's 17 SDG's and has posted many articles on its website over the past 2 years in support of all 3.

Many NZ co-ops are fully committed towards supporting these Goals and are actively implementing strategies in achieving their respective targets. We need to be monitoring this alignment, achievements and commitment however and then communicate progress that is being made across our business sector and general public.

The International Cooperative Alliance has recently announced the establishment of a fundraising campaign to build a comprehensive roadmap for the visibility of co-ops in the SDGs field globally, NZ should be contributing strongly towards this initiative, for more details please refer to this link: <https://www.ica.coop/en/fundraising-campaign-build-multiannual-roadmap-visibility-cooperatives-sdgs-field>

Cooperative Business NZ would like to work with the UN, ICA and NZ government (MFAT) on such a monitoring and educational program so that public awareness is raised and all NZ businesses, (co-ops and non-coops) become even more committed towards the Goals.

2. Co-op Advisory Panel

To further improve collaboration we propose forming a 7 person Co-operative Advisory Panel that could be used for quarterly "Fly In" visits to Wellington to meet with relevant politicians and leaders of government departments / agencies. Ideally this panel would be made up by 2 representatives from each of the agri / producer, retail / wholesale and insurance / banking sectors along with myself.

This panel would meet with key staff relevant to the issues and opportunities being considered, government departments / agencies including: MBIE, MFAT, MfE, HNZ and NZTE. An agenda with agreed topics for discussion, attendees, time allocated etc would be agreed prior to these visits taking place which would ideally be for one day only and held every quarter.

3. Co-op Housing

It is acknowledged that Auckland, in particular, has a significant housing shortfall and that current construction is not keeping up with demand. A solution that has worked well overseas in terms of affordability, liveability, and scale has been to establish housing co-operatives whereby tenants would need to meet certain socio-economic criteria and would either pay rent to own, or rent to occupy. Home ownership would not involve owning the land that the home (stand alone or apartment) sits on which thereby improves affordability significantly. Tenants share common facilities such as kitchens and dining lounges lowering the construction costs further.

- For more details please refer to an article that I drafted and posted on our website in May 2017: <https://nz.coop/co-ops-can-help-alleviate-housing-crisis/>

This article includes 2 options: rent to own and rent to occupy. Under the latter tenants (co-op members) buy shares in the development which gives them the right to occupy. Members pay monthly fees to cover maintenance costs and participate in decision making around building management by having representatives that sit on the Housing Co-op Board. To ensure that limited equity co-ops remain affordable, shares have restricted re-sale values and members must also fit income limitations.

Cooperative Business NZ, along with various interested parties, would like to work with Housing NZ, KiwiBuild and MBIE in developing successful large scale housing co-ops across NZ, starting in Auckland.

4. Retail Banking

NZ has a number of financial institutions which are customer-owned with profits rebated to customers and therefore retained locally (The Co-operative Bank, SBS Bank, credit unions and mutual building societies). The big four retail banks in NZ are all have Australian parent companies and collectively generate over \$5.0 billion in annual profits. What proportion of those returns are being re-invested back in NZ outside of corporate taxes? There is a significant financial and social benefit to NZ Inc. in supporting and growing the NZ customer-owned banking sector with benefits of a more competitive, and even, playing field including:

- More competition so that NZ banks will be able to gain market share and leverage on improved economies of scale.
- More profits being retained in NZ-based organisations and distributed to customers/communities.
- A more robust financial system that is not susceptible to Australian banking collapse.
- A more “values based” financial system that is not as shareholder-driven, but more customer/community focussed.

Cooperative Business NZ, along with its banking and financial services Full Members, would like to work with RBNZ and NZ government in establishing a more even playing field for retail and commercial banking.



5. Support for start-ups, and in particular co-op start-ups

We need to develop an eco-system that protects potentially successful and innovative start-ups. For co-op start-ups in particular attracting seed capital is critical in gaining appropriate external advice and guidance in achieving registration becoming fully operational.

As background I field many requests from individuals, or small groups of people, considering starting up a co-op, mutual or society and have developed a [Start-up Guide](#) to help them which can be found on our website.

Many of these ideas are business-worthy with the people involved highly capable, however the interested parties often have very little funds and are unable to engage a commercial lawyer to get a suitable Constitution drafted covering things like: business purpose, capital structure, voting rights, the rules around exiting the co-op, role of the Board etc.

In addition they require financial advice in relation to budgeting, cash flow management, financial reporting, auditing and raising share capital. They usually need to have drafted a Constitution, 3 year Business Plan, budgets and cash flow projections in order to get registered with the NZ Companies Office, gain member and/or bank funding, and attract suitable directors. All this could cost up to \$30,000 for a SME co-op, sometimes more.

I am particularly interested in supporting start-up co-ops in the provincial regions. Towns like Wairoa in the Hawkes Bay and Kaikohe in Northland with very high unemployment and growing levels of poverty. Such start-ups often do not qualify for funding under the PGF as they are too small. We need to be supporting even the smaller start-ups where there is sufficient confidence in their business idea, intentions, skills and capabilities.

Cooperative Business NZ would like to work with MBIE in developing such an eco-system.



CBS Co-op, a very successful start-up launched in April 2018 that took over two years to get to Go Live.

Wairoa's fledgling Creative Content Co-op, business conception meeting, October 2018.

- Please [advise me](#) if you would like the full version of my notes to the BAC on these five opportunities.

Co-operative Governance Accelerator Programmes

Many of you are aware that our highly successful co-op governance training has evolved into an even more comprehensive two-day programme for our Members. This is, in effect, post-grad training for those of you who have already attended one of Richard Westlake's one-day seminars in the past, details as follows:



- **Auckland**, Sir Owen Glenn Business School, University of Auckland, 18-19 February
- **Hamilton**, IBIS Hotel, 7-8 March

Who should attend?

The target audience will be those who already have at least a basic understanding of best practice governance and will be well suited to the following people:

- Existing directors of co-operatives wanting to enhance their skills and contribution to their board
- New and/or aspiring chairs of co-operative company boards
- Chairs of co-operative board committees
- Credible aspiring directors who have some experience of governance either directly (perhaps on a school board of trustees), or by reporting to a board
- Senior executives of co-operatives wanting a greater understanding of how to work with their board, and what they should expect from it

Programme Content

Day One

- Corporate governance overview and refresher – a summary and overview to ensure everyone is speaking the same 'language.'
- The co-operative difference, working with shareholders and key stakeholders, board composition and succession.
- The board and its relationship with the CEO.
- Dinner which will provide an opportunity for network building, to further develop some of the themes from the day, exchange practical experiences and build on the relationships that participants will have started to develop during the first day.

Day Two

- The board and its role in developing, agreeing and overseeing the execution of strategy.
- The board and risk, using the ISO Risk Management Standard definition of risk as the impact of uncertainty on objectives, along with addressing the three main categories of risk: internal controllable risks; strategic risks; and external events.
- Boardroom dynamics, dealing with differing perspectives, reaching good decisions, and culminating in a 'goldfish bowl' board simulation role play.
- Course graduation and presentation of certificates.

This programme will be delivered by Westlake Governance facilitators, Richard Westlake and Vaughan Renner who have delivered comparable programmes here in NZ for over ten years now and have found that this dual presenter format leads to greater engagement from participants as well as even more effective learning.



[Richard's profile](#)



[Vaughan's profile](#)

Class Size

We have found that for maximum effectiveness, the ideal class size is about 18, with a minimum of 16 and a maximum of 20. This is big enough to allow for a range of views and experiences while remaining small enough for everyone to participate.

Continuing Professional Development

While we are not able to allocate IoD CPD points formally, we anticipate that participants who are members of the NZ Institute of Directors should be able to claim 16 CPD points (of an annual requirement of 20 points).

Special Price for Members

Cooperative Business NZ Members: \$1,195 & GST
(Non-Members: \$1,495 & GST)

Lunches, dinner and drinks are all free of charge while the cost of accommodation is to be met by the course participants.

- Please contact me [by email](#) if you would like to attend either of these programmes.

MEMBER PROFILE

KERIKERI IRRIGATION

In the early 1980s, the government built what is now known as the [Kerikeri Irrigation Scheme](#) to support the Northland town's growing horticulture industry. The 340-Member co-op offers both commercial and non-commercial water supply sourced from the Manuwai and Waingaro reservoirs.



Horticulture has been a feature of Kerikeri's economy and environment since the 1920s when the first citrus orchards were established, explains Manager Tony Corcoran:

"The moisture-holding capacity of the volcanic soils in the district is low and the summer droughts can be long so that even with an annual rainfall 1,800mm, supplementary irrigation is necessary for the consistently high quality fruits," he said.

"In 1990, local horticulturists and farmers formed our co-operative, Kerikeri Irrigation Co Ltd, and acquired the assets from the government. Today, we have 340 shareholders, plus nearly 1100 non-commercial connections who are supplied with water from two storage reservoirs."

The scheme supports:

- Horticultural land (2,300 hectares)
- Agricultural land (350 hectares)
- Lifestyle blocks
- Commercial Users
- Raw bulk water for town supply



- For more about Kerikeri Irrigation, read the full Member Profile [here](#).

Our Corporate Associate Members

Cooperative Business NZ offers Corporate Associate membership to chosen businesses and organisations, *refer list below*, which wish to provide their products/services to Cooperative Businesses NZ's Members and/or wish to support the co-operative business model and movement here in NZ.

- **Baycorp**: debtor information and debt management.
- **BuddleFindlay**: legal, including advice and guidance on NZ co-operative legislation.
- **Deloitte**: accounting, audit and financial advisory services.
- **LBMX**: leading provider of technology solutions for purchasing co-operatives, buying groups, members and their suppliers.
- **Lifeline**: helping New Zealanders in crisis, 24/7 confidential support from qualified counsellors and trained volunteers.
- **Sheffield Search**: executive search and selection, organisational development.
- **Silvereye**: public relations and marketing communications consultancy.
- **Syndex**: digital technologies providing registry, administration, shareholder relations services and a share trading platform – all promoting and enhancing transparency, liquidity, independence and price discovery.
- **Westlake Governance**: best practice co-operative governance.

For more details on each CAM visit [Corporate Associate Members](#)

Educational & networking events, 2019

The following events and key dates have been set for this year, please mark your diaries:

1. **Co-op Governance Accelerator Programme** (two-day), Sir Owen Glenn Business School, University of Auckland, 18-19 *February*
2. **Co-op Business Leaders' Forum**, Fonterra Centre, Auckland, 26 *February*
3. **Co-op Governance Accelerator Programme** (two-day), Ibis Hotel, Hamilton, 7-8 *March*
4. **Co-op Business Roundtable Discussion**, venue TBA, Auckland, *April*
5. **International Workers' Day**, 1 *May*
6. **Co-op Business Roundtable Discussion**, venue TBA, Wellington, *May*
7. **Cooperative Business NZ new director elections, nomination period**: 27 *May* - 26 *June*
8. **International Day of Co-operatives**, 6 *July*
9. **Cooperative Business NZ annual awards (4), nomination period**: 1 *June* – 26 *July*
10. **Co-op Business Roundtable Discussion**, Christchurch, venue TBA, *August*
11. **Co-op Governance Accelerator Programme** (two-day), Wellington, venue TBA, 14-15 *August*
12. **Cooperative Business NZ AGM and Annual Awards Dinner**, Wellington, venue TBA, 15 *August*
13. **Co-op Governance Essentials Seminar** (one-day), Christchurch, venue TBA, 18 *September*
14. **Co-op Business Roundtable Discussion**, venue TBA, Dunedin, *October*
15. **ICA Global Summit**, venue TBA, *late October*.

I will be in touch with further details on each event closer to the time.

Regards



Craig Presland
CEO, Cooperative Business New Zealand.