

To: New Zealand's Prime Minister and Ministers

From: Cooperative Business New Zealand

Date: 15 January 2021

## **Briefing note to the Prime Minister and incoming Ministers on the New Zealand co-operative sector**

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Congratulations on your appointment as a Cabinet Minister of the current New Zealand Government. As New Zealand's co-operative representative body, Cooperative Business New Zealand looks forward to working with you on the issues important to our members.

This briefing note is being sent to the Prime Minister and Minister's directly engaged with the co-operative sector. Your portfolio is of significant relevance to our members. As such, I'd like to introduce myself and invite you to meet up and discuss how we can work together to support these businesses to continue to be a key part of enabling New Zealand's economic, social and environmental stability.

Our Prime Minister, along with a number of Government officials, have regularly engaged with Cooperative Business New Zealand and our members in various forums. We would like to continue to build on these foundations. To assist these discussions, the following provides a brief summary of the New Zealand co-operative sector's contribution to the economy as well as details of some of the challenges many of our members are currently facing.

I will be in Wellington on Thursday 11 February and can schedule a time to meet with you then, or can arrange a call in the coming weeks at your convenience.

### **The co-operative sector in New Zealand**

The success of the New Zealand economy is highly dependent on co-operative businesses, yet they remain one of our best kept secrets.

Cooperative Business New Zealand has the honour of representing our members that sit across multiple sectors. Our members include enduring businesses and brands such as Fonterra, Foodstuffs, Farmlands, Alliance, Silver Fern Farms, Ballance, Southern Cross, Ravensdown, Mitre 10, ITM, Market Gardeners, Tatua Dairy, Capricorn, LIC, FMG, SBS Bank, Dairy Goat Co-operative, Eastpack, The Co-operative Bank, NZCU Baywide and so many more (a full list of members is on page 4 of this briefing note).

As one of the most co-operative economies globally, we are seen as a benchmark for other nations. Our co-operatives are owned by New Zealanders working for the benefit of New Zealand generating approximately NZD 43B of our GDP and enabling profits to remain within our country. The co-operatives themselves employ more than 50,000 staff, and their members (individuals, SMEs and businesses) sit at around 1.5 million. In many cases, each of these members may support multiple generations within a family.

Benefits of our co-operative businesses and the opportunities they create:

- Provision of jobs
- Profits retained in New Zealand
- Māori/Pasifika can leverage the model to create sustainable businesses that can improve their lives and livelihoods
- Support the Government's messaging around "buy NZ made"
- The business model can be applied across multiple sectors and industries (health, housing, technology, hospitality, retail, tourism)
- Enable independent businesses to survive periods of adversity – through collaboration
- Provide economic, social and environmental benefits – fundamental principles of the model
- Their interconnected ecosystems across regional New Zealand are critical to the rural and urban landscape.

The model has always been about disrupting and innovating, which will be key to navigating the period New Zealand is facing post COVID-19. However there is significant opportunity to do more to support this outcome whether it be through regulation, access to research, support for innovation, education on the model or supporting start-ups.

Leveraging this capability requires greater understanding of the business model and the opportunities it creates.

## **Challenges**

We wish to work with the Government to ensure that the voice of members is heard and considered when legislative or regulative change is being applied.

Some of the challenges and opportunities we'd like to engage with you on include:

- Regulatory environment, i.e. legal framework (as set out in the UN Guidelines 2001)
- Current reforms, i.e. employment law, access to migrant/seasonal workers, the Conduct of Financial Institutions Bill and the Small Co-operatives Exemption
- Enabling delivery of the New Zealand Sustainable Development Goals
- Promoting the establishment of co-operatives to support the economic rebuild post COVID-19 through fast tracking legislation or providing seed funding
- Improved access to education on the business model.

Recently the Australian government undertook a Senate Inquiry into their co-operative sector. There were a number of recommendations put forward that have relevance to the New Zealand environment. We would like to see a similar inquiry considered here in New Zealand.

Cooperative Business New Zealand is here to enable you to engage and collaborate with a broad cross section of our members.

I look forward to hearing from you regarding an opportunity to meet on either 11 February when I'm in Wellington or for a phone discussion.

In co-operation / Kia kaha



**Roz Henry**

CEO

**DDI** +64 9 539 5482

**Mobile** +64 21 331 143

**Email** [roz.henry@nz.coop](mailto:roz.henry@nz.coop)

**Website** [www.nz.coop](http://www.nz.coop)

## Cooperative Business New Zealand Members

<p><b>Retail - Food:</b> Foodstuffs North Island Foodstuffs South Island Foodfirst</p>	<p><b>Utilities</b> Ashburton Lyndhurst Irrigation Barrhill Chertsey Irrigation Electricity Ashburton Kerikeri Irrigation Ltd Irrigation New Zealand MHV Water Ltd</p>
<p><b>Retail - Trade:</b> BuildLink Group Capricorn Society Ltd Combined Building Supplies Co-op Blackfern Co-operative Composite Retail Flooring Xtra ITM Mitre 10 NZ Plumbers Merchants Interflora Pacific Unit Ltd Origin A Group Ltd Independent Optometry Group Ltd World Travellers</p>	<p><b>Agriculture</b> Alliance Group Ballance Agri Nutrients Dairy Goat Co-op Ltd Fonterra Farmlands LIC Primary Wool Coop Ltd Ravensdown Fertiliser Rural Co Rodney Coop Lime Co Silver Fern Farms Tatua Co-op Dairy Co</p>
<p><b>Horticulture</b> Boysenberries NZ Ltd Birchwood Packhouse Ltd Eastpack Fruitpackers Coop Ltd Market Gardeners Ltd Marlborough Grape Producers NZ Hops Ltd Provelco Coop Ltd Seasonal Solutions The NZ Blackcurrant Coop Ltd. Walnuts NZ Co-op Ltd</p>	<p><b>Financial Services, Insurance and Banking</b> First Credit Union FMG NZCU Baywide Plus 4 Insurance Solutions Rabobank SBS Bank SHARE NZ Services Ltd Southern Cross Health Society The Answers Co-operative The Co-operative Bank Wealthpoint</p>
<p><b>Other</b> Loomio ProCare Rural Couriers Society Korou Digital Co-op</p>	<p><b>Start-ups</b> Apricot Co-op Arise Investments Coastal Energy Community Power EVA Co-op Ion Technologies Net NZ NZ Co-operative Housing Co. NZ Gamekeepers Co-op TDL Tyres Co-op Wa Studio</p>