

# MAPPING: KEY FIGURES

## NATIONAL REPORT: NEW ZEALAND

ICA-EU PARTNERSHIP

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## **New Zealand- Key Figures National Report**

### **I. Introduction and context**

This report is part of a global mapping exercise launched by the International Cooperative Alliance (ICA) and its regional offices within a partnership signed with the European Commission for the period 2016-2020, which aims to strengthen the cooperative movement and its capacity to promote international development. Other research projects include a worldwide legal frameworks analysis, and several thematic researches on themes of significance for cooperatives.

Responding to challenges and existing knowledge gaps facing the cooperative movement, this research provides exhaustive information on cooperatives worldwide. This has been achieved by collecting the input of ICA members through an online questionnaire, and completing it with relevant national statistics, in order to obtain an accurate picture of the national situation. Mapping out cooperatives in each country provides a more precise picture of the cooperative context at national and regional levels, enhances the movement's visibility, networking, partnerships opportunities, as well as advocacy, and empowers cooperators by providing them tools for positive change.

Within this framework, the present report showcases information about the cooperative landscape in New Zealand.

#### **i. Historical background**

In 2014, the UN Department of Economic and Social Affairs named New Zealand the world's most cooperative economy as the sector was contributing 20% to the GDP. New Zealand's history with cooperatives dates back to the 1840s when British settlers, who were influenced by the social advantages of the model, set up the first consumer and dairy cooperatives. The movement spread to agri-producers soon afterwards, followed by electricity, insurance and building societies. Like all other businesses, cooperatives have to abide by the Fair Trading Act 1986 and Commerce Act 1986 to ensure fair competition, consumer protection and product safety.

New Zealand's first cooperative was a dairy cooperative, the Otago Peninsula Cheese Factory, that was formed in 1871. Dairy cooperatives were started in the country to reduce production costs, enhance bargaining power of dairy farmers, and improve the quality of dairy products. By 1900, cooperatives outnumbered other ownership models in the dairy sector. Financial mutuals were formed in 1862 with the establishment of the Nelson Building Society. The first registered cooperative in New Zealand was the Southland Building Society in 1869. These were set up to allow members to save money, take out a mortgage and buy a home. Subsequently, farmers' mutual associations came up in 1905 to provide insurance coverage. The first cooperative legislations to

monitor the sector were enacted in 1908. The New Zealand Co-operative Dairy Company, formed in 1919, was the largest cooperative and the first to have an on-site laboratory to help farmers. Within the next 20 years, 85% of the dairy factories were cooperatives. In 1920, the consumer cooperatives' conference in Wellington, led to the formation of the Co-operative Union and Wholesale Society. However, it was not supported by everyone and was liquidated in 1924. The first Women's Co-operative Guild was established in Ranunga in 1928. High per-capita income in the 1950s weakened the financial motivation for the cooperative movement. New taxation measures also hurt cooperative stores and this climate of economic uncertainty continued in the 1970s. The New Zealand Credit Union League (now CMNZ) was formed in 1961 as the industry federation for credit cooperatives. In 1984, the New Zealand Agricultural Cooperatives Association was established (now CBNZ) as the industry body for supporting and representing nationwide agricultural cooperatives.

The Dairy Industry Restructuring Act 2001 allowed the amalgamation of two cooperatives, the New Zealand Dairy Group and Kiwi Cooperative Dairies, and the New Zealand Dairy Board to form the Fonterra Cooperative Group Ltd. In the 2000s, efficient transport and changing markets gave rise to larger factories and conglomerates while smaller agricultural and dairy cooperatives closed down or merged. In 2017, CBNZ and researchers from Massey University and the University of Auckland carried out the first comprehensive mapping of the cooperative sector. The report, 'The New Zealand Cooperative Economy' found that cooperatives were particularly dominant in agri-foods, retail and wholesale. In 2018, the Top 30 cooperatives in New Zealand accounted for 90% of its dairy industry, 90% of the export meat market, 50% of livestock, over 90% of the fertiliser market and over 60% of the groceries market. In 2019, CBNZ's members included 36 of the Top 40 cooperatives in the country.

## ii. Public national statistics

For a more comprehensive picture of the cooperative movement in New Zealand, the present section provides key data from the country's public registers as a useful background context to the ICA members' data showcased in Section II of the report.

The data presented here is for the top 30 cooperatives and mutuals for 2015 that was published in a public report 'The New Zealand Co-operative Economy' by CBNZ (ICA member) in 2017.

### NUMBER OF COOPERATIVES:

The information on total number of cooperatives<sup>1</sup> in New Zealand is not available. The source for public national statistics cited above mapped top 30 cooperatives and mutuals in New Zealand and this report contains information pertaining to them.

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<sup>1</sup> In New Zealand, a cooperative, also known as a society or mutual organisation, is an enterprise, freely established, that is owned and controlled by its shareholders/members who derive mutual benefits from the activities of the enterprise and not primarily from investment in it.

#### EMPLOYMENT:

As per 2015, there are 48,455 people employed in cooperatives and mutuals.

#### COOPERATIVE MEMBERSHIP:

As per 2015, around 1.4 million people are members of cooperatives and mutuals.

#### PRODUCTION VALUE:

As per 2015, the revenue generated from top 30 cooperatives and mutuals contributed to 17.5% of New Zealand's economy.

### iii. Research methodology

The aim of the mapping research is to collect and make publicly available reliable and up-to-date data to understand what the cooperative movement represents in the targeted country. With this view, the data detailed in the present report has been collected using the methodology detailed below.

The methodological tools include a questionnaire used to collect the data, which was distributed online to the members, as well as a methodological note provided for further guidance. They were built jointly with all ICA regional offices with the support of external experts from the European Research Institute on Cooperative and Social Enterprises (Euricse) and are applied in a harmonised way in all the target countries.

The classifications used in the research are consistent with the internal system used within the ICA movement (e.g. on membership status and types of cooperative organisations) and with standards increasingly adopted in recent studies and by international organisations like the ILO – e.g. using international classifications of economic activities such as the International Standard Industrial Classification (ISIC) rev. 4, which ensures the comparability of statistics both nationally and internationally, as well as with statistics on other forms of enterprises.

Regarding the target organisations, considering that a worldwide survey has very challenging goals, and while the value of directly collecting data from non-member cooperatives must be recognised, the present Mapping exercise targets cooperative organisations members of the ICA.

Furthermore, in order to complete the ICA members' data, the decision was taken to also look at external sources, to provide additional and more exhaustive cooperative statistics for the country. As a result, the data is collected following two strategies contemporaneously: 1) collecting statistics already available in the country; 2) carrying out a survey targeting ICA cooperative members.

In New Zealand, the mapping report on key figures was prepared from the data available in the public report on New Zealand's cooperative economy by CBNZ.

## II. Key figures

New Zealand has one ICA member organisation:

Cooperative Business New Zealand (CBNZ): Established in 1984, CBNZ is the industry body that unites and represents New Zealand's diverse range of member-owned businesses. As the peak body, its aim is to increase awareness of the important contribution these organisations make to New Zealand's economy and society. It became an ICA member in 2006.

### i. ICA member data

The data presented in this report is for the top 30 cooperatives and mutuals in New Zealand from 2015. Data for a few variables such as women and youth under membership and employees was not available.

### ii. General overview

CBNZ represents cooperatives, mutual and societies across multiple sectors including agriculture, manufacturing, insurance, banking, financial services, utilities, education, health, wholesale and retail. On a revenue basis CBNZ's members as of 2015 represented over 80% of cooperative sector's revenue in the country.

### iii. Sector overview

The sectors used below correspond to the categories used in the ISIC rev. 4. to classify the economic activities carried out by the organisations concerned. With regards to the revenue, the amount is provided both in New Zealand Dollar (NZ\$), and in the equivalent amount in Euro (EUR)<sup>2</sup>.

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<sup>2</sup> This amount was calculated based on the annual average rate (as per 1<sup>st</sup> April 2015) between the two currencies, using the currency converter InforEuro:

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro)

A sectoral overview of top 30 cooperatives and mutuals in New Zealand is provided in the table below:

Sectors	Membership (%)	Employees (%)	Assets (%)	Revenue (%)
Agri-food	5.8	82.8	67.6	65.2
Insurance, banking and finance	88.2	4.4	17.5	3.4
Wholesale and retail trade	4.7	10.7	13.2	30.3
Others	1.2	2	1.2	1.1

Table 2: Cooperative statistics in New Zealand (2015)

The total revenue of top 30 cooperatives and mutuals in New Zealand is EUR 29,308,455,296 (NZ\$ 42,354 million).

### III. Graphs

#### i. Percentage of memberships per sector

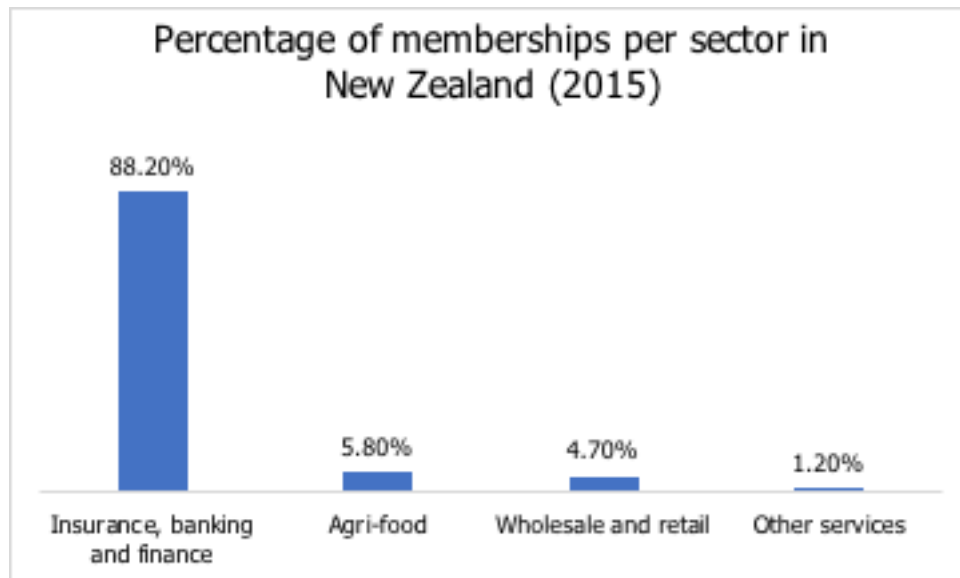


Figure 1 Percentage of memberships per sector in New Zealand (2015)

#### ii. Percentage of employees per sector

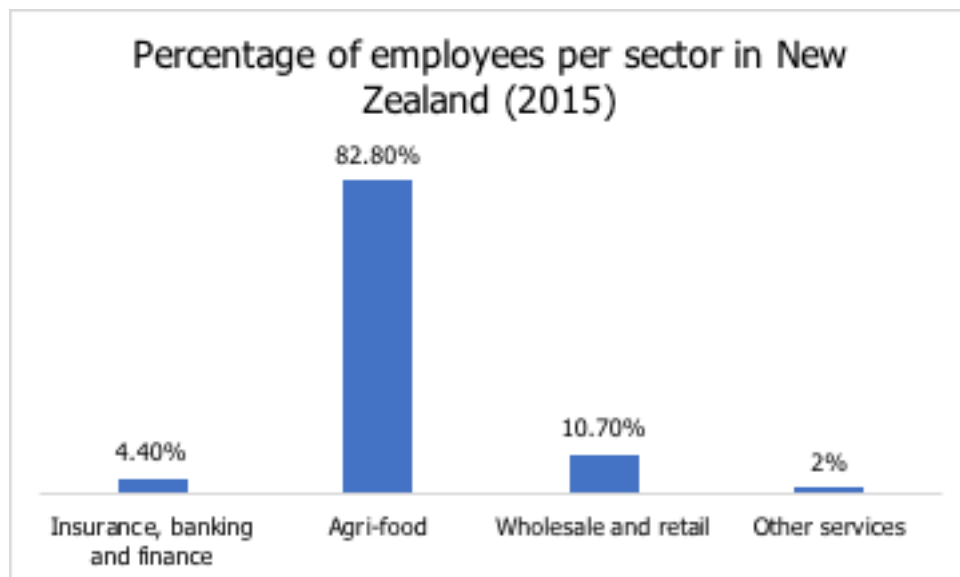


Figure 2 Percentage of employees per sector in New Zealand (2015)



**iii. Percentage of assets per sector**

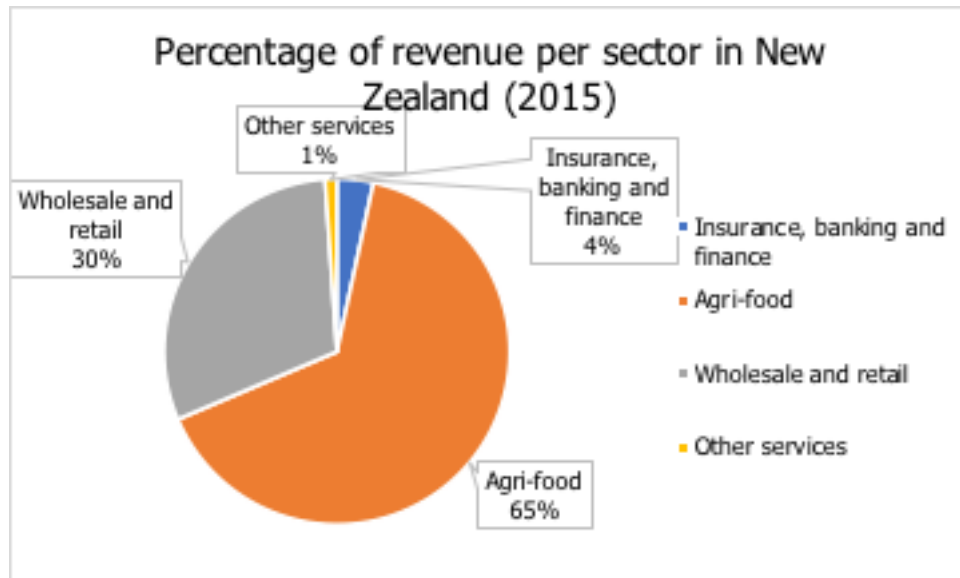


Figure 3 Percentage of assets per sector in New Zealand (2015)

**iv. Percentage of revenue per sector**

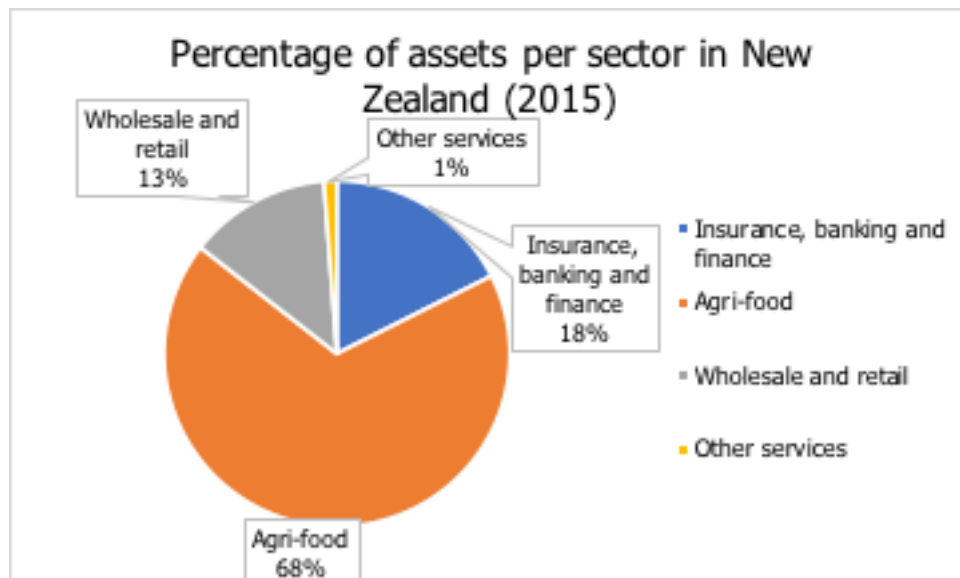


Figure 4 Percentage of revenue per sector in New Zealand (2015)

## IV. Annexes

Sources and contacts are listed below.

### Sources

1. Garnevska, E., Callagher, L., Apparao, MD., Shadbolt, N. and Siedlok, F. (2017) [The New Zealand Co-operative Economy](#) Massey University, Palmerston North, New Zealand
2. ICA-AP (2020). [New Zealand country snapshot](#)

### Contacts

Further details on the Mapping research and other country reports are available on [www.coops4dev.coop](http://www.coops4dev.coop)

The production of this report was overseen by staff from ICA-AP Office. For any further information or clarification, please contact [mappingresearch@ica.coop](mailto:mappingresearch@ica.coop)

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