

Employers Associations—Classified in Membership Groups.

Membership Groups	1000 and over.	500 and under 1000.	300 and under 500.	200 and under 300.	100 and under 200.	50 and under 100.	Under 50.	Total.
No. of Associations.	10	11	11	21	38	69	307	467
Membership	19,544	7,221	3,970	5,230	5,745	4,591	5,435	51,706

5. **Federations of Employers' Associations.**—In addition to the associations in various industries, there are Central Associations in each State, to which many of these separate organisations are affiliated. An example of this kind of association is provided in the Chamber of Manufactures, Chamber of Commerce, and Employers' Federation existent in each State. Further, these State Associations are, in some cases, organised on a Federal basis. Thus there is a Central Employers' Association; Associated Chamber of Manufactures and Associated Chamber of Commerce to which State branches are affiliated. Owing to the incomplete information available as to the membership of these Federal Associations, it is not possible to show their membership at the present. Further investigations are being made as to the nature and extent of the affiliation and the results will be given in future issues of this Report.

CHAPTER III.—CO-OPERATIVE SOCIETIES.

1. **General.**—In previous chapters of this Report information is given with regard to the development of organisation among employers and employees. This kind of organisation is designed to secure co-operation between the individuals, employers or workers as the case may be, comprising the two classes. It has received considerable impetus in Australia by the nature of the industrial legislation of the States and Federal Governments, which has encouraged such associations by allowing them to register and to be represented in proceedings before the Arbitration Courts.

In addition to this kind of co-operative association, there is a growing tendency towards co-operative manufacturing, marketing and sale. As the result of a comprehensive investigation made by this Bureau, information is now available as to the extent of these co-operative associations in the year 1922.

Forms were sent out to all such associations registered under the various State Acts, and to all trading concerns using the term co-operative. When these returns were examined, it was discovered that in some cases the term "co-operative" was used merely as a trade name, and that they were not really co-operative concerns, but private trading companies.

In all such cases the returns have been discarded and only returns referring to actual co-operative associations have been included.

2. **Number and Memberships of Co-operative Societies.**—Returns have been received from 365 separate societies. These have been divided into two classes (i) those engaged in the manufacture, marketing and

sale of primary products, and trade requirements, and (ii.) those engaged in retailing general household requirements. The former of these may be described briefly as Producers' Co-operatives, and the latter as Consumers' Co-operatives.

The following table shows the number of societies and branches as well as their membership under the two classifications mentioned:—

Co-operative Societies—Number, Branches and Membership in each State.
Year 1922.

State	No. of Societies.	No. of Branches	Membership
PRODUCERS' CO-OPERATIVES			
New South Wales	58	64	52,098
Victoria	67	73	53,048
Queensland	40	44	25,699
South Australia	25	31	38,451
West Australia	26	4	2,619
Tasmania	12	12	20,555
All States	228	228	192,470
CONSUMERS' CO-OPERATIVES.			
New South Wales	43	30	49,179
Victoria	29	16	20,158
Queensland	10	6	4,412
South Australia	10	37	30,398
West Australia	43	6	} 6,832†
Tasmania	2	2	
All States	137	97	110,979
ALL SOCIETIES.			
New South Wales	101	94	101,277
Victoria	96	89	73,206
Queensland	50	50	30,111
South Australia	35	68	68,849
West Australia	69	10	} 30,006†
Tasmania	14	14	
All States	365	325	303,449

† In order to prevent the possibility of the affairs of these two Societies in Tasmania being disclosed, the membership is combined with the membership of the West Australian Societies.

Of the 365 societies, 228 are included under what have been termed "producers' co-operatives," and 137 under "consumers' co-operatives." It is necessary to point out, however, that a considerable number of the societies included in the first group also have stores and retail commodities to their members, but this is not the principal part of their business. In the case of the second group, some of the societies are engaged in the manufacture of the commodities they sell, such as bread for instance. They exist, however, primarily to carry out retailing to their

members. The main distinction between these two classes of societies is shown in the manner in which the profits are distributed. In the "producers' co-operative" society the profits are distributed generally in the form of interest on capital invested though in some few cases bonuses are paid according to the quantity contributed by members to the goods available for sale.

The profits in the second class, that is "consumers' co-operatives," after paying interest on loan and share capital, are distributed in the form of a dividend on purchases. While members receive interest on the share capital which they contribute, it is a fixed rate quite independent of fluctuations in profits. This is one of the principles of this class of co-operative societies, popularly known as the "Rochdale Society." These Societies are founded and conducted on lines similar to those laid down by the originators of such societies in Rochdale, Lancashire, in 1848. Another important feature of the "Rochdale Societies" is that relating to voting power. Contrary to the practice in joint stock companies, in which voting power corresponds to the financial holding in the company, each member of a Rochdale Society has one vote and one only, whatever the number of shares held.

In a few Australian Societies this principle is departed from to some extent, but in the great majority of cases it is strictly observed.

2. **Capital Invested in Co-operative Societies.**—There are two kinds of capital invested—loan and share capital. In the following table particulars are given as to the amount of capital invested in the two classes of Co-operative Societies :—

Capital Invested in Co-operative Societies—year 1922.

State.	Producers' Co-operatives.		Consumers' Co-operatives.		All Societies.	
	Loan Capital.	Share Capital.	Loan Capital.	Share Capital.	Loan Capital.	Share Capital.
	£	£	£	£	£	£
New South Wales	28,430	824,503	22,088	483,319	50,518	1,307,822
Victoria	527,826	1,214,728	82,213	156,105	610,039	1,370,833
Queensland	59,442	400,644	11,025	35,423	70,467	436,067
South Australia ..	49,645	719,231	152,177	498,545	201,823	1,217,776
Western Australia	24,338	42,999	18,352†	54,419†	53,412†	196,675†
Tasmania	10,722	99,257				
All States	700,403	3,301,362	285,855	1,227,811	986,258	4,529,173

† Particulars of Tasmanian Societies combined with those for Western Australia to avoid disclosure of individual details.

The total amount of Capital invested in Co-operative Societies is £5,515,431, of which £4,001,765 is invested in Producers' Co-operatives, and £1,513,666 in Consumers' Co-operatives. In the former class the Reserve Funds total £632,393, and in the latter £285,743, or a total for all Societies of £918,136.

3. **Sales, Profits, Interest and Dividends Paid.**—(i.) *Producers' Co-operatives.*—The following table shows for each State and for all States the total sales, net profits, interest paid on Loan Capital and Dividends paid on Share Capital :—

Producers' Co-operatives—Sales, Profits, Interest and Dividends, year 1922.

State.	Total Sales.	Total Net Profits.	Interest on Loan Capital.		Dividend on Share Capital.	
			Amount	Rate per cent.	Amount.	Rate p.cent.
	£	£	£		£	
New South Wales	12,230,000	141,785	1,931	6.8	48,212	5.8
Victoria ..	10,174,929	47,116	26,705	4.9	19,257	1.6
Queensland ..	5,597,966	59,275	2,133	3.6	17,045	4.3
South Australia ..	5,468,747	—10,145	2,579	5.2	28,029	3.9
West Australia ..	202,806	9,403	1,172	4.5	1,032	2.4
Tasmania ..	258,014	13,435	594	5.5	2,126	2.1
All States ..	33,932,622	260,869	35,114	5.0	115,701	3.5

(—) In this State heavy losses made by one Company were greater than the profits made by the remainder of the Companies.

The amounts given in the column "net profits" are the excess of profits over losses. While it shows the position of the Societies as a whole, it must be remembered that if these Societies which did not make profits were excluded, the position would appear entirely different.

The average rate of interest paid on loan capital is 5.0 per cent., and dividends on share capital 3.5 per cent. The low average dividend paid on share capital in Victoria is due to the fact that several large Societies either made no profit or made profits which did not warrant the payment of dividends on share capital.

In addition to the interest and dividends paid as shown in the table, 13 Societies paid bonuses amounting in the aggregate to £35,284. These bonuses were deferred payments for milk supplied to Co-operative Butter Factories, and represent the difference between the payments made in advance for the milk supplied on estimates of the probable value as measured by the butter fat contents, and the actual value as disclosed when accounts were finally balanced.

(ii.) *Consumers' Co-operatives.*—As already explained, the profits made by Consumers' Co-operatives, after payment of interest on loan and share capital, are distributed as dividends on the amount of purchases made by members. Provision is sometimes made for dividends at a lower rate on purchases made by non-members. In the case of those Societies for which particulars are given in the following table, these amounted to only £817.

The following table gives information as to the Total Sales, Net Profits, Interest on Loan and Share Capital and Dividends in purchases to members:—

Consumers' Co-operatives—Sales, Profits, Interest and Dividends, year 1922.

State.	Total Sales.	Net Profits.	Interest on Loan Capital.		Interest on Share Capital.		Dividends on Purchases.	
			Amount.	Rate per cent.	Amount.	Rate per cent.	Amount.	Rate in the £
	£	£	£		£		£	s. d.
New South Wales	3,148,913	255,044	1,049	4.7	24,976	5.2	236,054	1 9.2
Victoria ..	894,970	24,860	3,294	4.0	7,792	5.1	10,765	0 8.0
Queensland ..	233,862	5,737	574	5.2	1,191	3.4	3,373	0 3.4
South Australia ..	1,791,658	60,844	5,825	3.8	19,731	4.0	37,104	0 5.0
West Australia ..	494,195†	9,755†	1,366	7.4	1,824†	3.4†	5,349†	0 2.5
Tasmania ..			nil.	..				0 8.8
All States ..	6,563,598	365,240	12,108	4.2	55,514	4.5	292,705	0 10.9

† Particulars of two Societies in Tasmania combined with those for Western Australia, to avoid disclosure of individual details.

It should be pointed out that in New South Wales there is a Wholesale Co-operative Society dealing in supplies for the Retail Co-operative Societies affiliated with it. The particulars of sales, net profits, interest and dividends are included in the totals for New South Wales, which are therefore to a certain extent duplicated. That is to say, the sales of the Wholesale Society to the Retail Societies will be also part of the sales of the Retail Societies to their members. The total turnover of the Wholesale Society is less than £500,000 per annum.

The Dividends paid to members on purchases vary from 2½d. in the £ in Western Australia to 1s. 9.2d. in New South Wales. The table shows that the trade and also the dividends on purchases is greatest in New South Wales. Relatively to population, however, the movement is considerably stronger in South Australia than in any other State.

The high rate of dividends on purchases in New South Wales is due to the fact that there are several large and well-established Societies which pay dividends in the vicinity of 2s. in the £. In South Australia the low rate on purchases is due to the fact that one Society with a large turnover paid no dividend during the year. The dividends paid are in general lower in all the States than in New South Wales.

4. Co-operative Unions.—In the United Kingdom and other countries where the Consumers' Co-operative movement is well established, there are in existence organisations for the promulgation of co-operative principles, and for general educational purposes. In Australia there were, until recently, two Co-operative Unions, one in New South Wales and the other in South Australia. The former has ceased to exist, but the duties it was organised to perform are now carried out by the Propaganda Committee of the New South Wales Wholesale Society. The work of these organisations has been largely confined to the arrangements for holding Conferences of Co-operative Societies. Two such Conferences for the whole of Australia have been held—the last in 1922. State Conferences have also been held in South Australia.

5. Other Co-operative Societies.—In some of the largest industrial concerns in Australia the employers have established co-operative stores at which their employees can purchase commodities at practically wholesale rates. These Societies are included in the preceding tables. In many smaller concerns, however, there is a growing practice of purchasing commodities in bulk by a Committee of the employees, and then retailing them to the employees at practically wholesale prices. It has been found impossible to secure information as to the extent to which this practice has developed. In some cases it is confined to one or two commodities such as butter, in other cases the list of commodities dealt in is extensive.

6. International Statistics of Co-operative Societies.—In the People's Year Book for the year 1922, the Official publication of the Co-operative Movement of the United Kingdom, statistics are given of the collective membership and trade of the Consumers' Co-operative Societies of the representative Co-operative Unions in the year 1920.

It is there shown that for 18 countries the number of distributive societies is nearly 18,000, with a membership of approximately 12,000,000, and an annual trade of about £750,000,000 in British equivalent values at par. This does not include Belgium and Russia, in both of which countries the movement is strongly established, but for which the statistics are not available. The figures for the United Kingdom are 1379 Societies; membership, 4,504,852; annual trade, £254,158,144.