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Illawarra Co-operatives: The First One Hundred Years

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Abstract
The hope and promise of co-operative marketing were to return all profits fairly to the producers and to control the price of dairy products through collective market power. Soon the South Coast and West Camden Co-op opened its own selling floors in Sussex Street, Sydney. Illawarra and Shoalhaven farmers immediately withdrew their consignments from ‘the system’ and sent their produce instead to the fledgling co-operative. On Mondays and Thursdays steamers arrived from Wollongong, Kiama and Shoalhaven. Carrier after carrier had to be engaged to convey the butter, bacon and cheese sent from the South Coast to the Co-op’s floor while many agents had nothing else to do but stand outside their doors and watch their business disappear, their carts returned empty from the wharf. The Co-op finished business on the evening of its opening day with all its consignments sold at a very good price.

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The First One Hundred Years

Mike Donaldson and Nick Southall
Introduction

For me, getting involved in a food co-operative just made sense. The time is right to see another flourishing of local enterprise in reaction to supermarkets, the industrial food production nightmare, and the mounting global financial crisis. It feels like a co-operative is a natural response to the problems I see in the food system. As well as being a viable enterprise delivering a practical benefit to its members – food – satisfying that very basic human need, Flame Tree Food Co-operative in Thirroul is an example of hands-on action based on collaboration and mutual aid.

While environmental campaigns aim to slow and stop environmental destruction, co-operatives foster positive environmental and socially just alternatives to the supermarkets (stupormarkets?) by building a fair, resilient and prosperous system for distributing healthy food locally. Co-operatives like ours are part of the distribution network of organic and local produce, supporting a tapestry of diverse producers.

Reading in this book about our rich and robust co-operative history and of the ideas and principles behind the co-operative movement has been a revelation for me. It's been fascinating to realise in the struggle over food in three centuries, the parallels between the commission agents controlling the Sydney butter market in the 1880s, the attempts by Frank Packer to destroy the Dairy Farmers’ Co-operative in the 1950s and the supermarket duopoly dominating much of Australia’s food industry today.

In July 2014, a food co-operative conference was attended by 50 representatives from 15 co-operatives around NSW. From Bega to Bathurst to Bondi, the gathering included four representatives from Flame Tree and four from Greenbox in Gerringong. The benefits of economic co-operation were summed up by Melina Morrison from the Business Council of Co-operatives and Mutuals, quoting American radio commentator and writer Jim Hightower: "Money is like manure. Put it in one big pile and it just stinks up the place. Spread it around, and it makes things grow."

Cath Blakey,
Secretary, Flame Tree Food Co-operative,
Thirroul, Spring 2014
Illawarra Co-operatives: The First One Hundred Years

Co-operative Origins
Although they lived among people who had been successfully developing co-operative living in Illawarra for 50,000 years, South Coast colonists learned of co-operatives from unionists in Rochdale, near Manchester in England. There in 1843, following an unsuccessful strike, cotton mill workers discussed what seemed a hopeless situation. Many were Chartists fighting for the right to vote and were founders of the new trade unions. One of a few practical suggestions came from Charles Howarth, a warper in a cotton factory, who proposed the establishment of co-operatives. Next year, weavers formed the Rochdale Equitable Pioneers Co-operative Society.

The Rochdale factory workers founded their co-operatives on a clear set of principles laid out by Robert Owen a Welsh manufacturer and social reformer. Owen thought that communities based on co-operation rather than competition would eliminate unemployment and poverty and create a prosperous and harmonious society. This vision included both immediate material benefits to co-operative members and the possible longer-term transformation of society through the co-operative reorganisation of the entire economic and social system. Practical utopians, the co-operators connected unambiguous principles of collectivity and equity to the practical operation of successful businesses. The co-operatives provided immediate financial benefits to their membership while simultaneously establishing the basis for a Co-operative Commonwealth to replace capitalism.

Foremost among the fundamental principles of the Rochdale co-operatives were equality and democracy. Democratic participation and control was realised by a membership freely open to all, young, old, women and men. The membership elected (and also sacked) co-op managers, who reported and were accountable to those who elected them. Setting the co-operatives apart from a typical capitalist corporation, equality was ensured by the rule of one member, one vote, not one vote for one share. It was practiced also in the distribution of profits, which were shared among co-op members in proportion to the value of the goods they purchased from or supplied to the co-op, not according to the number of shares they owned in it. The
capital for establishment and expansion was provided not by investors and speculators but by co-op members only, at a fixed rate of interest designed to be modest; there was no invitation to venture capitalists to invest here. The co-operative movement itself would generate sufficient capital to establish co-operative banks and producer co-operatives which would supplant capitalist enterprises through their efficiency and by directing their profits back to those who created them.

The Rochdale principles are a framework within which co-operators, to this day, work out their own specific adjustments. Underlying the basic principles are a belief that people benefit morally, socially and practically when they combine their efforts and imagination to achieve common goals, and an understanding that when people freely work together both individuals and the group benefit much more than if they worked alone or under coercion.

The Rochdale co-operatives insisted that only quality merchandise and unadulterated and pure food in the correct weight and measure were to be sold. They invested a significant amount of their profits in community education and social welfare work. Central to this was the Women’s Co-operative Guild formed in 1883 which tasked itself with ensuring that the co-operative store did not become just a shop. The Guilds, almost all attached to a co-operative business, promoted co-operative principles at educational evenings and events, and engaged with other organisations in the community.

The Spirit of Co-operation
With the collapse of the huge estates stolen by the colonial Government less than seventy years earlier from the Dharawhal and Yuin peoples, and the subsequent continuous sub-division of the land, Illawarra dairy farming had developed as family production. Most dairy farms were small, between 30 and 60 hectares in size. Farming life for men, women and children was unremitting, unforgiving and exhausting, governed by the quirks of nature, the vagaries of the climate and the requirements of their stock. Every single day a family must work for four hours just to milk an average herd of thirty cows.

Women ran the household, cooked, cleaned, bore and cared for up to eight children,
drove the herd, milked the cows twice a day, sterilised utensils, tended poultry, pigs and gardens, and got out of bed at 2am in summer months to prepare the butter for market. In poorer families, women toiled alongside their men with the heavier work, too. Men engaged in animal husbandry, clearing, ploughing, planting, harvesting, fencing and taking the milk and butter to market.

Children worked before and after school, if they attended it at all, cleaning, herding, milking, fetching and chopping firewood, gardening and caring for their younger siblings. In an effort to address absenteeism and because most of those pupils who did attend arrived at 10am and left at 3pm, the head teacher at Kiama public school sought and received the permission of the Education Department to adapt his school’s timetable to the requirements of milking and the farming schedule.

Making butter was a time-consuming, tiring and essential part of women’s work for butter earned the family’s regular income. It might take less than twenty-four hours in warm weather or up to two days when the air was cold for the cream to rise to the surface of milk. Sometimes the cream was starting to sour by the time it came to the top of the broad shallow setting pans, but the women and kids still skimmed it off and set it aside to ‘ripen’, before the back-breaking task of churning it by hand into butter and packing it into barrels for the market.

Roads from Illawarra to Sydney were too treacherous for a horse and cart to transport milk and cream any distance. Steam ships were the most reliable means of transport to that lucrative market. Small vessels provided a service from the ports of Wollongong, Shellharbour, Kiama and Nowra to take farmers’ produce to be sold by commission agents in Sydney. The early steam ships took more than 30 hours to make the round trip from Kiama. Despite basic methods of cooling, if the weather turned very hot there was a real possibility of spoilage. The sea was often too rough for the ships to set off, and sometimes too much butter and milk arrived at the wharves for it all to be accommodated on board.
The 1870s had been bad for farming families. Changed land laws had encouraged even more settlers to take up smaller dairy farms. Butter in the 1870s might bring one shilling per pound, but frequently the rate was one third of that, only 4 pence, compared to 3, even 4 shillings per pound in the heady days of the gold rushes twenty years earlier. What was at fault, the dairy farmers all knew, was what they called ‘the system’. Sydney commission agents took five per cent of the selling price of their butter, and often made much more by manipulating the butter market. When the price fell because there was more butter from the farmers than Sydney consumers needed, the agents would buy up the excess very cheaply and store it until the price rose again, or would send it overseas. David Dymock, the President of the Kiama Agricultural Association, was agitating to cut out the middlemen, control the competitive chaos, and export any surplus butter at a good price, by establishing in Sydney a large depot for Illawarra’s butter.

In the pages of the local newspaper, the Kiama Independent, an anonymous correspondent ‘Dairyman’ spelled out the means to do it. Dairyman proposed a new way that would bring the full fruits of their labour to farming families. His idea was for dairy farmers to establish a co-operative which they would own together, from which
each milk producer would receive the profits to which their work entitled them and though which they could exercise some control of the market in which their milk was sold.

Dairyman insisted that the success of the idea would depend on certain essentials:

The co-op must have the support of at least seventy-five per cent of the dairy farmers on the South Coast to achieve market power.

All farmers would own shares in the co-op in exact proportion to the amount of milk they provided to the co-op. This would “secure the equality of interest which is essential to success in all co-operative movements”.

The farmer-shareholders would elect one farmer from each district to manage the co-operative as a director.

The directors would find and employ a manager who would be “of top quality, thoroughly acquainted with the business and the butter markets, and rewarded with a salary good enough to draw the best and keep him honest”.

When many sceptics said that ordinary farmers could neither run nor afford such a scheme, he replied that the commission being taken by the Sydney agents would more than cover the operating costs of the co-op. The estimated value of South Coast butter was £300,000 each year. Five per cent, £15,000, could just as easily employ local staff and pay the running costs of a co-operative factory as be taken by forty agents in Sydney. It would only take a week’s produce from each shareholder to raise sufficient start-up capital to get the co-operative under way.

By late 1880, the identity of the prolific Dairyman was still unknown, but his ideas had caught on. Keen co-operators had even sought advice from the Co-operative Wholesale Society of Manchester in England. On Friday, 15 October 1880, farmers met at the Kiama Courthouse and formed the South Coast and West Camden Co-operative and determined “by the instinct of self-preservation” to revolutionise their industry with Australia’s first successful attempt at co-operative marketing.
Beating the System: The South Coast and West Camden Co-operative
The hope and promise of co-operative marketing were to return all profits fairly to the producers and to control the price of dairy products through collective market power. Soon the South Coast and West Camden Co-op opened its own selling floors in Sussex Street, Sydney. Illawarra and Shoalhaven farmers immediately withdrew their consignments from ‘the system’ and sent their produce instead to the fledgling co-operative. On Mondays and Thursdays steamers arrived from Wollongong, Kiama and Shoalhaven. Carrier after carrier had to be engaged to convey the butter, bacon and cheese sent from the South Coast to the Co-op’s floor while many agents had nothing else to do but stand outside their doors and watch their business disappear, their carts returned empty from the wharf. The Co-op finished business on the evening of its opening day with all its consignments sold at a very good price.

In June 1882 in the Temperance Hall in Kiama, the South Coast and West Camden Co-operative held its first annual general meeting, described by the Sydney Morning Herald as “enthusiastic”. Agents in Sussex Street had given the new co-operative twelve months at most, but in its first year of operation, butter prices had at last stabilised and 743 farmers sold consignments of butter worth £125,000 in the Sydney market through the Co-operative. As well, many of ‘the system’s’ other malpractices ceased, such as the mysterious reduction in the weight of full kegs of butter on their voyage to Sydney, the notoriously low rate of return of empty butter kegs, and the recording of false low selling prices.
The successful Co-op had broken the power of 'the system', but a year later, Dairyman was still chastising those farmers who had not yet joined up. Soon, a leader of the local Free Masons, Joseph Weston, came out of his Dairyman disguise, revealing himself as proprietor and editor of the *Kiama Independent*, and as well acquainted with co-operation in Lancashire, England. Sussex Street agents immediately cancelled their advertising in the *Independent* and visited farms bearing gifts, making promises and spreading horrific tales of alleged co-operative failures in Britain.

Undeterred, Weston continued to regularly exhort farmers from the platform of meeting halls in Illawarra and Shoalhaven, to support the co-operative movement. In a ‘Lecture on the Advantages of Co-operation’ he identified five fundamental differences between the South Coast and West Camden Co-operative and ‘the system’:

(1) The Co-op was based on free elections, ‘the system’ was not.
(2) The farmers controlled the management of the Co-op, ‘the system’ was a law unto itself.
(3) The Co-op’s directors were elected by and responsible to the farmers, the Co-op’s books open to their inspection. No one elected ‘the system’ and its books were strictly private.
(4) The aim of the Co-op management was to do the best for the farmers; the individuals who benefitted by ‘the system’ wanted the best only for themselves.
(5) The Co-op had a moral influence over the market, curbing speculation and price gauging, while ‘the system’ did all it could to lessen this influence.

In 1887 the railway line finally linked Kiama in the south to Scarborough in the north, and the following year six tunnels cut through the escarpment connected it to Waterfall and thus to the Sydney line. The South Coast line soon ended the transportation of milk by steamship, and it opened the door to mass markets for South Coast farmers. Farmers were quick off the mark, soon raling 500 gallons of milk a day from Albion Park to the Co-operative in Sydney. Others rapidly followed.

By the early 1890s, South Coast and West Camden was the largest dairying agency on Sussex Street. Despite this success and even though 87 per cent of the butter
consumed in NSW was being churned on the South Coast, following the onset of the depression, the threat of foreclosure hung heavily over the Co-op. But a mass meeting of farmers in Nowra in 1893 decided to fight on with more money and more members. Co-op representatives visited most dairy farms on the South Coast canvassing for share subscriptions and persuading farmers to abandon the practice of sending some of their milk to private companies. The membership grew and many new shares were taken up. Dairy farmers had learned a great lesson, when joined together they had power. Perhaps they could apply the same principles not only to marketing, but also to dairy production itself.

**Pioneering Co-operative Butter Production, Kiama**

By the 1880s in Europe Robert Koch and Louis Pasteur had scientifically proven the germ theory of disease. And the Chief Inspector of the NSW Board of Health, Dr Ashburton Thompson, had traced outbreaks of typhoid in Sydney to the milk supplied from specific city dairies whose water supplies had mixed with sewage. The 1886 Dairy Supervision Act forced dairies to improve hygiene. Illawarra milk, produced far away from the crowded city, was appealingly fresh and clean by comparison.

Helped along by the now regular advocacy of the *Kiama Independent*, co-operation was everywhere in the air when two radical inventions hit the dairy industry, mechanical milk separation and refrigeration. Across the other side of the world the Danes had developed a centrifugal spinning machine which could separate the cream from 220 litres (60 gallons) of milk in less than one hour.

By September 1883, Illawarra farmers had decided to establish a modern factory equipped with a Danish separator. In the meantime, they gave David Dymock financial support and a roving commission to find out everything possible about co-operative butter-making in Denmark. The co-operative movement’s principal rival, Fresh Food and Ice Pty Ltd, had established a milk depot and butter factory with a new separator at Mittagong. On returning home in March 1884, Dymock urged Illawarra farmers to follow the South Coast and West Camden example and act collectively, for unless they “quickly availed themselves of the most approved
appliances to manufacture the best possible article, they would soon be left behind.” When Dymock conducted the first public demonstration of the Danish separator at Blow Hole Point in Kiama, alarmed that it was roaring along at 750 revolutions per minute, the farmers declined to come close enough to see how it worked.

When the Pioneer Co-operative Dairy Produce Factory Co Ltd opened in Kiama in June 1884, it was the first co-operative dairy factory in Australia. It was a huge task for struggling farmers to raise the finance to get the Co-op going. The factory building cost £300, a separator was worth £95, and the steam engine to drive the separator £260. Then there were running costs, including wages of 30 to 35 shillings per week and coal for the boiler to drive the steam engine at 9 to 16 shillings a hundredweight.

The provisional directors included Thomas Honey, and H. H. Honey who was elected Secretary wasted no time in putting the separator to use, processing 180 litres (40 gallons) of milk in just 20 minutes. While this machine made the industrial production of butter achievable, it was co-operation that made factory production possible and its profits accessible to farmers. The success of the new technology and the new form of organisation was soon very obvious - the Co-op was receiving 3 pence per pound above the market price for the best hand-made butter. And whereas the old hand-skimming method used 3.5 gallons of milk to produce one pound of butter, the separator required only 2.5 gallons. In 1885, the dairy export trade began when the first shipment of Pioneer butter reached Britain. By 1887, so big was the demand that three churns and three separators were needed. Driven by a 10 horsepower vertical engine, they separated more than 6,000 litres of milk in 3.5 hours.

According to Secretary H.H. Honey, the Pioneer Co-op existed through the vision and efforts of “practical dairymen” and of a few others such as Joseph Weston who proudly attended the opening of the factory. “No government help was sought or offered” Honey said, and “the work and accomplishment of these leading reformers was soon followed by others who not only succeeded but improved and went beyond the pioneer efforts”. A monument to Joseph Weston stands in Manning St, Kiama. When the Pioneer farmers amalgamated their co-operative into the Farmers’ Co-operative in 1900, they erected a monument in Terralong Street West in Kiama.
The Pioneer Dairy Company’s factory was erected on this site in the year 1884 being the first co-operative butter factory in the Australian Commonwealth.

[Image: Joseph Weston.]

**Linked in One Great Chain: Illawarra Central Dairy Co-operative, Albion Park**

Bill Beach grew up on a farm at Albion Park where he looked after the cows and then learnt to be a blacksmith and occasional fisherman. His interest in sculling developed early and as a big, strong, fit teenager his first race against a local publican won him a bottle of brandy. He was soon practicing hard on Mullet Creek for the Anniversary Day regattas at Kanahooka Point in Dapto. He won the handicap skiff race for amateurs on Woolloomooloo Bay in the December 1881. In other races he soon won £150 with which he built his home at Dapto. Beach raced at Pyrmont in Sydney, and on the Nepean and Parramatta Rivers, and on 12 April 1884 he became the champion of Australia. A few months later he won the world championship by seven lengths, rowing 5.1kms in 20 minutes on the Parramatta River. He then successfully defended the title three times in the following four months.
On 18 September 1886 Beach won £1,000, a lot more money than the farmers had raised two years earlier for the Pioneer factory and all its machinery, by rowing 6.8kms in 22.5 minutes on the Thames River in England. During this gruelling race, each rower collapsed exhausted in his boat. Yet one week later, the unstoppable Beach was again out on the Thames easily defeating still another challenger for an additional £1,000.

Beach returned a wealthy man to Sydney where the President of the Rowing Association congratulated him “on his great achievements and his steady, careful, upright and manly character”. Welcomed as a hero by band and banners, he was presented to the NSW Governor and met the Mayor of Sydney and the Premier of NSW. Banjo Paterson, perhaps Australia’s best known poet, wrote from England, “These English are quite in the dark about us and our ideas. Their one idea is that a visit from the Duke of York [who became King George V] marked an epoch in the history of Australia. I longed to say “Yes, he got nearly a big a reception as Bill Beach, the sculler”.

Such was his popularity and fame that special trains ran from Sydney, Bathurst and Goulburn to the Nepean River where, watched by 7,000 people, Beach yet again
successfully defended his world championship on 26 November 1887. After the race he announced his retirement from the competition having successfully defended his title six times.

But Beach did not retire from public life, and the fact that he happily became a member of the first Board of Directors of the Illawarra Co-operative Central Dairy Company was a sure sign of and a boost to the popularity and strength of the co-operative movement in Illawarra. A monument in his memory stands in Bill Beach Park, at Brownsville (Dapto) where he was born and his name appears on the Wall of Fame in Shellharbour City Council Chambers.

The farmers of Albion Park soon followed their fellow co-operators in the Pioneer Co-op with a meeting in July 1884. They set up one committee to select a suitable site for their own co-operative butter factory, another questioned the Pioneer management, while others canvassed for support. A year later the factory was opened on the south bank of the Macquarie Rivulet. David Dymock's wife did the honours, breaking a bottle of milk on the factory's steam engine to the cheers of 500 guests. She was followed by seven hours of speeches by eager advocates of dairy factories and co-operation.

At Jamberoo in 1887 the Waughope Dairy Factory opened for business on 14 November. Six weeks later and only 3kms away came Woodstock Dairy Factory. Farmers funded both co-ops to the tune of £2,000. Both had four 60-gallon Laval separators. Milk brought by horses with packsaddles or pulling slides received 4.25 pence per gallon at Waughope and 4 pence at Woodstock. They were fortunate, though, that the railway was about to go through, allowing their butter to be railed to Sydney, instead of being shipped by steam ship as before. The Gerringong Dairy Co Ltd opened in September 1888, with 15 suppliers and a factory said to be the most complete on the South Coast. Its four Laval separators could each process 570 litres (150 gallons) per hour and its two churns could whip up 450 kgs (1000 pounds) of butter in one batch.

Others followed at Berry, Jaspers Brush, Kangaroo Valley, Barrengarry, Robertson, Wooragee, Jindyandy and elsewhere. Within six years of the formation of the South
Coast and West Camden Co-op, Illawarra had become a centre of innovation, its farming families effectively creating a new co-operative mode of production. Seven butter factories were clustered within a 20km radius and most of them were co-operative. Curious delegations were attracted from afar, such as the 1888 Victorian Royal Commission on Vegetable Products whose visit led to the formation of the first Victorian butter co-operative. Closer to home, farmers near the Great Southern Railway were soon supplying co-operative factories at Cobbity, Camden, Picton, Bowral, Robertson and Kangaloon.

The private sector fought back against the strength and popularity of the co-operative movement. The opening of the South Coast railway in 1887 offered exciting new prospects. The private sector’s flagship, Fresh Food and Ice Company Ltd, in 1889 railed a shipment of Berrima milk to Sydney. The experiment was a great success, but it came at a cost to co-operation. Company agents covered the countryside in all directions talking up the achievement while attempting to undercut the co-operative factories. In 1895 John Hay established the largest refrigerated butter factory in NSW near the railway line on the Berry Estate. Next year, Fresh Food and Ice Pty Ltd built one on the Clarence River.

It was all too much for Charles Meares. Born on a dairy farm near Kiama, his father was a dairy farmer and Anglican clergyman and his mother a daughter of J M Tooth the brewer. A stint as a junior clerk at Fresh Food and Ice Co., crystallized his beliefs in producer co-operatives. He worked in the office of the South Coast and West Camden Co-op since 1881 and was now its commercial manager and a dedicated champion of co-operation. 1897 was the year co-operation fought back. “Wise co-ops,” said Meares, could and should “stem the tide of creameries falling into proprietary hands, and force the closure of their city factories”. The first part of Meares’ strategy was to convene a state-wide conference of dairy co-operatives “to expose proprietary company tactics, and to rally a defence of co-operative control of distribution and of the growing export market for dairy products”.

Coal miners at Bulli had formed the first union in Illawarra over a decade earlier. Charles Meares had learned much from the union movement, and to him solidarity was everything. He next envisaged all the co-operative milk factories on the South
Coast supplying central co-operative butter factories located on railway sidings. These would treat farmers' cream to prevent it souring in transit to Sydney and in the changing temperatures. This would yield more butter of superior quality and secure a top price for Illawarra’s farming families.

In 1898 farmers met at the Kiama Oddfellows’ Hall to plan the construction of a new co-operative factory to collect and manufacture into butter all Illawarra cream sent to Sydney and thus provide themselves some protection against the exploitative methods of Sydney’s commission agents. Of particular interest was the recent installation of refrigeration at the Jamberoo, Waughope and Unanderra factories. Only producers were to be able to take shares in the new Illawarra Co-operative Central Dairy Company they established.

Committee members elected by the meeting talked with the directors of all Illawarra’s dairy factories who agreed on the benefits of building a central co-operative refrigerating butter factory. The committee included Charles Meares and John Fraser (Albion Park), and represented farmers from Gerringong, Yellow Rock, Kiama, Jamberoo, Dunmore, Rockfield and Jerrara. They first met at the Brighton Hotel in Kiama on October 4, 1898. At frequent subsequent meetings they pushed on with the job, soon deciding to erect a butter factory (still standing) fronting Creamery Road at Albion Park Rail with a siding on the South Coast railway line, mid-way between Wollongong and Gerringong and accessible to those farmers far from the ports already established at these two towns.

The formation of the Illawarra Central Co-op boosted co-operative determination and affirmed the practical good sense of co-operative principles. In place of a price set by the proprietary companies like Fresh Food and Ice, the Co-op deducted the factory’s operating expenses from the farmers’ monthly returns and shared the remaining money with everybody based on the amount of milk they supplied.
Any farmers who did not join the Co-op could still have their butter manufactured at a fair price, and this money was used for improving the Co-op’s plant and equipment. The plumber and tinsmith Henry Parkinson made almost all the thousands of five and ten gallon milk cans that were used extensively in Illawarra at his workshop on the corner of Tangarra Rd and Russell St in Albion Park. His construction of the huge cream vat, the size of a small room, needed by the expanding Co-op using just heat and his strength for energy, was a triumph of skill and daring.

Fresh Food and Ice’s manager Henry Pateson was irate at the Co-op’s formation. He threatened the Albion Park and Yellow Rock farmers who for many years had sent him one-third of their cream, telling them that if he did not receive one-third of the butter now locally made from their cream, he would reduce the amount he paid for their milk. And perhaps they would find that he would be able to do without Albion Park or Dapto milk and butter altogether.

Malcom Madden, a farmer from Dapto, spoke for many when he said that he found it extraordinary that just because farmers had realised they could get better returns by converting their cream into butter locally rather than in Sydney, they were now threatened with being struck off the list of milk suppliers to the Sydney market. John Fraser, Chairman of Illawarra Central Co-op, organised a series of meetings in Albion Park, Dapto, Kiama and Unanderra in the first two weeks of January 1900. At the Albion Park meeting he told his elated audience that they were now on the warpath but it could also be said we had been driven to it. Now it is a question of unity and of supply versus demand. If you are men enough to co-operate together, we can govern the milk market. If we control the supply, the demand will follow.

More and more country co-ops, including the Kiama Butchering Co-operative, were forming as the co-operative spirit spread and the co-operative movement took hold in dairying communities already well meshed by hardship and kinship. Thirty New South Wales dairy co-ops were registered in 1900 alone. Charles Meares was under no illusion about what was a stake. The conflict with Fresh Food and Ice was about
establishing an alternative practical economic system. The struggle was between co-operation and competition, between Illawarra co-operatives and the big-city proprietary companies who were the beneficiaries and sustainers of the market. In his view, the co-operative butter factory at Albion Park would soon “prove a stepping stone toward the higher goal of co-operative milk selling in Sydney”.

The co-operative vision behind the Illawarra Central Co-op was international, extending from the Illawarra farmer to the British household. Absolutely crucial was the beachhead in the Sydney market established earlier by the South Coast and West Camden Co-op. Reconstructed in 1898 as the Farmers’ Co-operative Society, it took all the butter Illawarra Central Co-op could supply, the better to control the Sydney market. Any that could not be sold there was exported to the Co-operative Wholesale Societies (CWS) of Britain. The English CWS was enormous in 1895 with 250,000 members, an annual turnover of £16 million, depots in Montreal, New York, Copenhagen, Hamburg and Aarhus, and a fleet of six ships. Representatives of this giant Rochdale consumer co-operative toured Australia in 1896, and inspected the South Coast and West Camden selling floors in Sydney. In the words of John Fraser, “Now the largest co-operative institution in the world and the smallest co-operative factory in the mountains, are linked together in one great chain”.

Aided by its close relationship with the Dairy Farmers Co-operative Milk Co, by 1902 the Co-op was pasteurising 4,500 litres (1,000 gallons) of milk a day, and planned expansion. On 1 December 1904, £2,000 worth of new machinery was set in motion by Mrs. Couch, wife of the Chairman of the Co-op, before about 300 people sat down for a formal dinner. Charles Meares spoke, referring to the progress made by the co-operative movement during the last three or four years. Speakers thought that the co-operative movement was now achieving the regulation of the price of butter on the Sydney market, and several predicted that Illawarra farmers would soon use their power to control the market for milk as well.

Further south, Nowra farmers began their battle against proprietary control in 1901. The privately-owned Berry Central Factory, under the control of the wealthy John and Alex Hay, was active in several districts, but, as Charles Meares put it, "its management never seemed to attain that sympathetic personal touch with the
suppliers so essential to success". Nor it seems, did the management of the other six proprietary companies in the area, including Foley Bros at Cambewarra and Denham Bros at Bomaderry. At a meeting in Nowra, farmers listened to Charles Meares talk of co-operation. The farmers had heard of the Hays' plan to sell the Berry Central factory which they supplied. They took Meares' advice to seize the opportunity to break the private-sector stranglehold and they bought the Berry factory themselves. They quickly established the Nowra Co-operative Dairy Co Ltd and soon were supplying Dairy Farmers' Co-op with 500 gallons of their milk each day. By 1911 they had achieved share capital of £10,000 and were well-established Dairy Farmers' suppliers.

By 1907 co-operative factories produced nearly two-thirds of NSW's butter, Illawarra Central itself treating over nine million litres of milk from 125 farmers. Tom Graham's two five-horse teams alone pulled 6,000 litres per day from Jamberoo farms to the Albion Park factory.

Workers of the Illawarra Central Dairy Co-operative, Albion Park, 1909.
Conquering the Big City: Dairy Farmers’ Milk Co-operative

On 15 January 1900, 65 supporters of co-operation, mostly Illawarra dairy farmers, created the Dairy Farmers’ Co-operative Milk Company which 94 years later would be supplying 40% of Australia’s fresh milk, and selling dairy products worth $8 million in 26 countries. In the prospectus of the new organisation, Charles Meares envisaged a new kind of co-operative to distribute milk directly from the farmers’ co-operatives to the consumers of the city and suburbs. The co-ops for several years had been dissatisfied with the private companies that retailed their milk. The provisional directors of the new Co-op considered that the only solution was self-help, collective self-reliance and efficiency. The Dairy Farmers’ Co-operative would therefore be run on ‘true co-operative lines’. The Co-operative, they said, would offer shares only to farmers and, if necessary, to a limited number of non-producers. To spread power evenly, each member could purchase a minimum of 10 shares and a maximum of 100. Voting power would vary according to the number off shares held, but to a strict limit. At the minimum a farmer with 10 to 25 shares got one vote, and any one with more than 75 shares got the maximum of four votes.

Dairy Farmers’ Co-op quickly reached an agreement with Illawarra Central Co-operative to take all the milk it could provide. Central Co-op workers fetched, weighed, tasted, tested, pasteurised, cooled and sent all its milk to the Dairy Farmers’ depot in Sydney.

On 2 June 1900, the first consignment arrived at a railway siding in Holden St, Redfern. The treatment plant there could receive 9,000 litres a day and by 1902 milk was being railed to it in bulk instead of in ten-gallon cans. This sensible relationship between the two co-ops and the helpful spirit in which the plans had been developed and undertaken, were fittingly expressed by the farmers when they elected John Fraser to chair both the Illawarra Central and the Dairy Farmers’ Co-ops, drawing these two powerhouses of co-operation closely together.

By 1907 Dairy Farmers’ Co-op had established a depot on the railway line at Kiama and by 1908, when the Dapto Co-operative creamery came into the fold, the Co-op in Redfern was operating around a dozen home-delivery milk runs. Pere Davis and his young milkos were distributing 370 litres each day on the Woollahra run. They
started the first delivery in the dark at 2.45 am, finished it about 9.30am, and after a short break prepared for the afternoon trip. Before finishing about 6pm, Pere and his assistants washed the milk cart, cleaned the harness, groomed and stabled the horse. There were no days off during the week or the year, but on Wednesdays and Sundays they made only one delivery. For a week of more than 70 hours, Pere earned £2, and the boys 12 shillings.

The milk supply in late 1907 was savaged by a drought which pushed farmers early in 1908 into the first unified farmers’ strike ever taken. Despite the shortage of milk, proprietary company milk prices fell rapidly from 10 to 6 pence per gallon in early February. Why, Charles Meares asked in the Farmers’ Co-operative News, when there was severe drought, did market forces not push up the price of milk, as happened with other commodities in short supply? In March most farmers refused to sell their milk to any one at all. Dairy Farmers’ Co-op seized the opportunity and offered to pay 7.5 pence per gallon from mid-April. It became the only agent to be approved by the farmers’ union, and within days milk was rolling in. At the strike’s end, many farmers, including the entire membership of the Jamberoo Co-operative, took the opportunity to punish the proprietary companies for their greed and stayed on with Dairy Farmers. Their loyalty was well rewarded. In 1913, the Co-op, now supplying 30% of the Sydney market, paid its members 5-10% more for their milk than the private sector, and delivered an annual dividend on their shares.
The private sector was reeling, but the Co-op’s main competition had powerful friends. Fresh Food and Ice had almost a monopoly on the supply of milk to NSW Government institutions, prisons, hospitals, asylums all at a guaranteed annual price. The crisis had, however, deepened relationships among Illawarra producer co-operatives. As it eased, lest in the future immediate self-interest might jeopardise loyalty and co-operative cohesion, in August 1912, Co-op members heartily and unanimously agreed to a new Rule 19 by which the Co-op directors could seize the shares of any member who sold milk to the private sector. With Rule 19 on the books, any farmer who undermined the power that the Co-op was beginning to exert in the market, threatening the rewards that members were reaping, could now be pulled back into line.

The Co-op now handled over 70% of the Illawarra and Shoalhaven milk going to Sydney, supplied by 500 farms between Bulli and the Shoalhaven River. With this solid foundation, it went about finding a new building and equipping it with the most up-to-date machinery at the cost of around £30,000. That the Co-op could raise this considerable sum from itself, was good evidence of how far it had come. Two hundred Illawarra farmers jubilantly came to town on 30 April 1912, turning up in Harris St, Ultimo to open their new Sydney premises. The Co-op’s new offices and factory had access to a rail siding next to Ice Skating & Cold Storage Co’s Glaciarium.

The Co-op was proud to claim that its milk was untouched by human hand from the time it left the farm until its arrival on Sydney doorsteps. Milk from the South Coast co-operatives reached the Dairy Farmers’ Ultimo railway siding at 11 o’clock at night, in time for processing and delivery to Sydney breakfast tables the next morning. Its bulk carriage in sealed 3,500-litre (800-gallon) tanks prevented temperatures rising the three or four degrees when carried in cans. Arriving at the rail siding in milk tanks, the milk from Illawarra was pumped directly into large receiving tanks and then flowed by gravitation over coolers, reaching about 1°C on its way to storage vats that could hold 77,000 litres. Agitators constantly in motion in the vats kept the cream from rising. Gravitation then took the milk to ten tanks on the loading platform in Harris St. There a separate weighing machine recorded the volume of milk which flowed into each waiting cart. The driver then delivered it along with butter and cream
to Co-op distribution depots in Ashfield, Balmain, North Sydney, Waverley and Woollahra. The Co-op’s system of local pasteurisation and then bulk rail carriage to the city was much superior, as reflected in relative volumes of milk rejected in one year - 288 gallons for the Co-op, 53,691 gallons for Fresh Food and Ice.

The Co-op’s battle with its adversary intensified. A deputation from the Gerringong Co-op established 30 years earlier, met with the Dairy Farmers’ Board. They said that after supplying Fresh Food and Ice for eight years, their Co-op had been cut off by telegram, practically without a moment's notice, because they “preferred to act as free men” rather than re-sign an exclusive contract with the company. With the contract cancelled, there was now a danger of farmers breaking away from the Gerringong Co-op altogether. If Dairy Farmers’ could give them a start, be it ever so small, it would hold the Gerringong Co-op together.

A blow against their arch-enemy and another 1,500 gallons a day, were more than Dairy Farmers' directors could resist. Led by Meares, they voted to start with two trucks from Gerringong per week and increase the intake as the farmers required, which brought a strong show of gratitude from Gerringong’s James Sharpe. At the next Dairy Farmers' Annual General Meeting in 1912, he said that Gerringong should have been with Dairy Farmers' years ago.

In 1920, for the first time Dairy Farmers' Co-op edged ahead of its fierce rival. Its annual intake rose to well over, while Fresh Food’s fell below, 5 million gallons. A familiar sight in Illawarra was the covered milk stand at the gate of every farm. It stood at the same height as the floor of the Co-op collection truck so the carrier could easily load the 45 litre (10 gallon) milk cans which weighed 50 kilograms each. The farmer brought them from the milking shed to the roadside milk stand by means of a cart or sledge (slide) often drawn by a horse. Each Co-op milk truck collected 60 cans or more, delivered the milk to the factory and returned the empty cans to the farm later in the day while picking up the afternoon milk, the driver very often doing other errands for the farmer while in town. Most dairy co-ops had a general store attached, from which farmers and their wives could order most things and have them delivered in this way. Sometimes, especially when water was short, the empty cans were filled to bring some back from the dairy factory for the thirsty cows.
By the eve of World War I more than 70% of all dairy products were processed in co-operative factories and marketed and distributed through co-operative agencies. In 1920 the Co-op was producing in one week what had taken six months in 1901. Supplying milk to Sydney now became the priority for many Illawarra farming families. They would typically send one-third of their pasteurised milk to Sydney, and locally convert two-thirds to butter and skim milk, and perhaps some cheese. In 1921, the value of the one-third of city milk was £5 and 11 shillings per week, and the other two-thirds made into butter and cheese, returned only £6 and 11 shillings, thus giving a 40% premium on the city milk. In 1922, that premium became 50%.

In the 1920s, legislation specific to NSW co-operatives was first introduced, but it was very prescriptive and made financial life very complicated for co-operatives. It identified eight separate forms of co-operation including rural producers’ co-operatives and consumer trading co-operatives both of which were operating in Illawarra. It gave taxation exemptions to registered co-ops that conducted 90% of their business with their members, but made impossible the raising of money for improvement and expansion by borrowing from financial institutions. The Nowra Co-op decided it wasn’t worth the effort, and delayed its registration for more than a decade.

Illawarra Central began a veterinary service for its members in 1946 in conjunction with the Dapto, Jamberoo, Gerringong, Berry and Nowra co-ops. Sterility and mastitis were great problems beyond the capacity of the one vet practicing in Wollongong, and both adversely affected milk production. Four veterinary surgeons were employed from post-war Europe to set up country practices, Dr. Baronoski at Kiama, Dr. Borys at Berry, Dr. Tomashek at Dapto and Dr. Grinberg at Albion Park. At the very first farm a nervous Dr. Borys and his wife and veterinary assistant attended, the farmer had 50% of his herd sterile, twenty seven cows lined up for treatment. The farmer told the couple, that if they could get his champion cow to calf he would buy Mrs Borys a new dress. He shortly received from Lances’ Store in Wollongong a bill for a new frock.

While this service was very popular, the Co-op had to grapple with a serious problem, its own success. Between 1921 and 1930 the number of members of the
Co-op had nearly doubled from 1,513 to 2,876, and turnover was approaching £1 million. In the late thirties it was supplying 17 million gallons per annum and had assets (land, buildings, plant, equipment) valued at £780,000, but its paid up capital (what the farmers had contributed to it by buying shares) was a very insufficient £170,000. This was not enough for the expansion and technological innovation needed to ward of its private sector competition.

Legislation prevented the Co-op from borrowing from financial institutions. Unlike its competitors, it was forced to rely on debentures to raise money. A debenture is a loan whereby an individual gives money to the co-op and receives a return on this investment based on the terms outlined in the prospectus (eg: 6% per annum paid quarterly, or a lump sum with interest in a few years’ time). The problem for the Co-op was that many debenture holders (more than half of 425 in 1936) were not farmers or members of the co-operative. In addition, producers with mud on their boots made up only 45% of the shareholders in the Co-operative.

Board chair Alfred Binks found this very disquieting and “at odds with basic co-operative principals” - the provision of capital by the farmers themselves and the ownership of shares by the producers only. He was worried that the organisation was in danger of losing its co-operative nature.

In 1954 the Co-op set up a wholly-owned subsidiary company to move into the production of milking machinery and equipment, and the manufacturing of refrigerating plant including refrigerated milk trucks. Appreciating inner-city property values had boosted the asset backing of the shares but they could still only be redeemed at £1. Co-op shares could not be traded on the share market, nor used to secure a bank loan, nor passed on to the family. Instead they had to be returned to the Co-op for the price they were bought at, £1 each.

In terms of market economics, given its strong performance and valuable assets, these shares were undervalued. Sure enough a consortium of corporate heavyweights targeted the ‘dries’- so-called because these shareholders did not produce milk. The syndicate included the grandfather of James Packer, Sir Frank Packer, whose Daily Telegraph was enthusiastically pushing privatisation. Packer
was joined by Randolph Carpenter from the giant trading company W.R. Carpenter, and Les Hooker from the L.J. Hooker investment and real estate empire. As well as wishing to control the business, the predators were attracted by the huge assets now held by the Co-op. The central Sydney properties alone were worth £4 million. The syndicate offered Co-op members £1.5 for each £1 share, or two shares in the company they were proposing to establish for each one they held in the Co-op. This was a big inducement to the 55% of current shareholders who were not active farmers. Once the former co-operative was listed on the stock exchange, they could sell their shares whenever they wanted at the highest price they could get.

General manager Charlie Barker who had started with the Co-op as an office boy, organised the co-operative movement’s counter-attack. With farmers engaged in intense lobbying of all MPs from dairying communities on the east coast, he approached the NSW ALP Minister for Co-operatives Abe Landa who was alarmed that the takeover would put 60% of NSW’s milk supply into the hands of a private monopoly. Feeling the heat, Landa warned “certain financial interests” to “leave the Co-operative alone, or else”. Packer’s planned take-over company was refused registration and the NSW Cabinet authorised legislation to protect the Co-operative from takeover by private interests. Seventy five percent of Co-op members would now have to approve any privatisation by a postal ballot. The syndicate backed off after a final show of spite by Packer’s *Daily Telegraph*.

The Co-op redoubled its efforts to reassert its control by farmers and by 1961 they held many more shares than non-producers. In 1965 The Nowra Co-op decided to put their organisation on a “truly co-operative basis” and ruled that only producers could be co-operative members. As the Co-op continued to mobilise farmers’ collective power, the ‘visionaries and lunatics’ who started it off 80 years earlier would have been well pleased.

In 2004 the Co-op divided into a production division and a milk supply division. The production division commenced a lengthy and damaging restructuring. Dairy Farmers shut its stores at Bomaderry, Jamberoo and Milton and closed its Bomaderry milk factory in March 2006. The news stunned Australasian Meat Industry Employees Union organiser Patricia Fernandez. “I met with Dairy Farmers
management only a week ago and there was no indication this would happen. In fact, they were talking about consolidating the site," she said. "No discussions were held with the union or workers about ways of avoiding job losses. It's an appalling situation and devastating for the local community."

South Coast Liberal MP Shelley Hancock called on Dairy Farmers to reconsider the decision. "While I understand that Dairy Farmers has to look at its bottom line, this move will have a serious and significant impact on the lives of the 66 workers and their families," she said. South Coast Labour Council Secretary Arthur Ro'rris was struggling to understand the decision. "It's a real blow for the Shoalhaven economy and I can't see the logic in shutting an efficient operation well-positioned to serve both producers and consumers on the South Coast," he said. But Jamberoo dairy farmer Mark Honey believed the decision would have very little impact at all on South Coast dairy farmers.

Meanwhile the milk supply division of Dairy Farmers Co-op unanimously endorsed the $910 million sale of the Co-op and its eight brands, including Coon, Dare, Oak, Moove, Shape and Ski, to Japanese-owned National Foods in November 2008. The Co-operative's 1,820 farmer-shareholders would receive $5.65 per share, much more than their worth of $1. They would also have a guaranteed milk supply agreement with Kirin Holdings of Japan’s subsidiary National Foods, until June 2010. For the proposal to succeed, more than 75 per cent of the shareholders needed to endorse it, and they did.

A sixth-generation dairy farmer whose family was involved in setting up the Kiama Pioneer Co-operative in 1884, and a contestant on the reality television show Farmer Wants a Wife, Jamberoo dairy farmer Ben Honey said the sale was a good thing for the industry. He said that despite Illawarra farmers’ emotional attachment to the Co-operative they had owned and supported for more than a century, the sale was good economics.

Dairy Farmers started in the Illawarra so there are a lot of people in the area who don't want to see their local brand and supplier being sold to a foreign company. There will be a lot of soul searching from people in this
region when it comes down to making the decision, but in real terms, once you get away from the heartstrings, it is a very good thing for everyone. A lot of farmers have had money tied up in Dairy Farmers for a long time. With the average age of a dairy farmer about 58, many would take the opportunity to get out of the industry with a bit of dignity. This gives them a chance to get some capital behind them and reinvest in the area.

But there were concerns that the takeover of the Co-op by National Foods, which already owned Pura and Yoplait, created the biggest dairy business in Australia, with combined annual sales of more than $3.5 billion. By 2011, Mark Honey was remarking that,

I guess this is part of globalisation that was supposed to be the salvation of the world. The main issue at the moment is the control that the major supermarkets have got over our end product. It might be but it is going to put a lot of small businesses out of business. There are very few people who are really concerned about it, which is the frightening thing. The Government doesn't really look at Australia's food security.
Co-operative Shopping: The Woonona Industrial Co-op

Eight years after farmers in Kiama established the Pioneer Diary Co-operative, coal miners formed the Helensburgh and Lilydale Cooperative Society. The larger and more successful Woonona Industrial Co-operative Society was formed in 1896. Nineteen visionaries met during a period of bitter industrial clashes to form an organisation based on principles of justice and unity. In its first 55 years, the Co-op had sales worth £10 million and almost £1 million was returned to its shareholders. During those years, the Co-op saw its members through a major depression and two world wars. It supported workers through many strikes providing 12,000 food relief vouchers costing thousands of pounds to striking miners in 1940, and stood behind the community when the Pig Iron Bob dispute saw thousands of Illawarra families wageless for weeks over Christmas 1938. In hard times, people turned to co-operatives to get full value for their scarce money, and the co-ops would usually flourish. Unlike private profit-making businesses, a co-operative picked up during an economic crisis.

In 1952 its General Manager, Perce Frew who had started work at the Co-op as an order boy, proudly reported that it had 6,186 members, more than the number of workers employed at the steelworks, and fixed assets worth £250,000. The turnover in their Jubilee year 1946 was over £7.5 million.

Anybody could join the Co-op and members were entitled to a return, a dividend, based on how much they purchased from it. Every six months the dividend (‘the divvie’) was paid by a credit entry in the member’s passbook to which the rules of the Co-op were also attached. The credit in the passbook was spent on more goods from the co-op. The co-op stores were popular because they were cheap, the products were of good quality and the service was friendly, and also because the Co-op protected the less well off. Sick and unemployed people were able to pay off their purchases over an extended period. The families of striking workers were often given credit to which they were not normally entitled.

Illawarra's most successful retail co-op employed thousands of people during its 70-odd years of existence. With a head office in Woonona, the Woonona Industrial
Cooperative Society had general stores in Scarborough, Coledale, Thirroul, Woonona, Corrimal, Balgownie, Wollongong and Port Kembla. It ran a bakery, stables, extensive warehouse facilities and offices which still stand in Ball St, Woonona.

Prize-winning Woonona Gold Star Co-op Bakery.

The members, any of whom could stand, elected the directors of the Co-op annually. The democratic structure of the co-operatives provided them with opportunities to express their displeasure with the management. They removed management committees and managers who did not deliver a reasonable return, raised the price
of staples such as flour, tea and bread, or sold poor quality goods. Co-op workers, who all belonged to the appropriate union, could also become members, and if they got the support of other members, remove their own bosses. The employees voted their own representative onto the Board of the Co-op. Fred Pendlebury, the storeman at the Woonona Branch and coach of the Woonona football club, was the first workers’ delegate elected. There was little industrial conflict at the Woonona Co-operative, less than at Kurri Kurri and Lithgow. The Co-operative Board said because they were not concerned solely with profits, they treated their workers decently. Mostly they provided better than the Award wages and working conditions that all companies were legally obliged to pay. But in the 1920s applying for sick leave was not encouraged, and their policy on penalty rates during the 1940s was not to pay them, inconvenient hours were rostered equally among the co-op workers.

The Woonona Industrial Co-op's directors were closely linked to the union movement and members and employees were expected to belong to a union. About 10,000 people were involved in Illawarra producer and consumer co-ops at this peak more than were members of unions or political parties, but members of the Communist Party and the ALP were active in their local co-operatives. The communist Jim Healey, National Secretary of the Waterside Workers’ Federation was on the board of the North Sydney Co-operative, and Ted Arrowsmith a communist leader of the Port Kembla steelworkers’ union was the President of the Woonona Industrial Co-operative alongside Women’s Guild members Bessie Arrowsmith and her daughter, Joyce Potter.

Illawarra women established six branches of the Women’s Guild in 1928 following a successful concert, supper and dance in each locality. The Co-operative Guild joined with other community organisations to pursue common objectives. To combat price gauging in World War 2, the Women’s Guild helped the Corrimal Branch of the ALP and local churches to establish the South Coast Branch of the Anti-Profiteering Committee. Mrs Hays and Mrs Smith joined thirty others on the South Coast Labour Council May Day Committee to organise a day of marching bands, family frolics, food and sporting events, featuring the Guild’s own entrant in the 1962 May Day Queen competition.
The Mothers' International
(Song of the Co-operative Women’s Guild, 1949, sung to the tune of ‘Hark! The Herald Angels Sing’).

Round the world a new song’s ringing, But where our love shall be triumphant
Listen, women of all climes, Over greed and hate and pride,
‘Tis the mothers’ song we’re singing, Like the sunshine melting hardness
Telling hopes of happier times. Spreading warmth on every side.
We put all hate behind us, Speed our message, ye who hear it
We whose hearts are sick and sore, North to south and east to west.
Tired of strife and empty victories — Let us be a league of women
Bear the pangs of war no more. Love inspired our every breast,

For our eyes have seen the vision Pledged to end the awful carnage
Of a world where peace doth reign, That so sears a nation’s soul,
Where our husbands, sons and Linked in one ‘Co-operation’,
brothers Peace o’er all our final goal.
Shall not kill or yet be slain,

Balgownie Branch of the Woonona Co-operative Women’s Guild. Lake Illawarra, 1930’s.

Front row (left to right): Ryan, Foster, O’Dawd, Banks, Tolson, Gallagher and John Gallagher (child);
Back row kneeling (left to right): Thurwell, Phillips, Harvey and Gloria Harvey (child).
The Co-op store at the northern end of Thirroul occupied the bend on the main road opposite the old Post Office including the frontage of the supermarket which replaced it. The Thirroul Co-op store sold nearly everything, groceries, hardware, clothing and manchester. About all it didn't sell were alcohol, meat and milk. Young Bill Roberts got his first job there in the 1920s. Bill's grandfather had been killed in the 1887 Bulli mine disaster and his parents were happy that the teenager had got a safer job as a delivery boy at the Co-op. Bill made small deliveries on horseback around the northern villages and took larger orders by horse and cart. With the introduction of mass-produced motor vehicles, he used a Harley Davidson motor bike with a butter-box side-car. His son Ken said he had fond memories of his dad picking him up from school on the Harley. "I would sit in the side box that held the groceries," Ken recalled. He said that working at the Co-op was not just a job but a way of life. His family's fun revolved around the Woonona Industrial which included a tea-room and large hall where members and co-op workers held monthly dances. Co-op members and the Women’s Guild organised an annual Boxing Day sports carnival at Slacky Flat in Bulli where the annual Illawarra Folk Festival is now held. Bill became the manager of the Co-op’s Thirroul store before his retirement in the 1960s after 40 years of loyal service.
Jenny Cracknell (in the photo below) started at the Thirroul Co-op when she was sixteen and worked there for sixteen happy years. “I had such a lovely time working there”, she said at the Flame Tree Co-operative’s Fifth Birthday bash, “I was very sad when it closed down”.

Its success and the importance of the Woonona Industrial Co-op in many people’s lives make it difficult to understand why it wound up on 20 February 1970, three years after the Helensburgh Co-op had shut up shop. One obvious reason was the arrival and rapid concentration and growth of supermarkets and chain stores. The first supermarket to confront the Co-op was Larkins which in 1951 established itself directly opposite the Co-op’s head office in Woonona. Others soon followed.

The Co-op fought back by modernising its products and approach. By 1962 it was advertising the sale of power and motor mowers, electrical appliances and frozen foods. It offered home-delivery and dry-cleaning services, lay-by and hire purchase plus a 2.5% discount on all cash purchases. But their buying power as part of chains, and their low levels of staff in relation to their high turnover gave the new supermarkets a considerable price advantage. Co-op members received their ‘discount’ in the form of a credit for the goods they purchased which they used to
purchase more goods from the Co-op. But the supermarkets offered lower prices, an immediate cash benefit that could be spent anywhere. As well as adopting a high volume, small margin strategy, the supermarkets opened for longer and cut costs by abolishing home deliveries, instituting self-service in the stores, casualising and reducing the number of shop assistants and paying them less. Eventually the Co-op’s many non-food products were subject to similar competition from hardware, clothing and footwear chain stores.

Although thousands of people were involved in the individual Illawarra co-operative stores, most were unaware that they were part of a worldwide co-operative movement fighting for a better life for all. This ignorance was a barrier to co-operative growth and success because the movement was unable to realise and exercise its full strength against increasing Government control and intensifying competition from private enterprise.

But the idea of co-operation has not gone away. Building societies enabled thousands to acquire homes more cheaply. Producer co-operatives obtained better
prices for their members without extra cost to the consumer by cutting-out the middleman. Co-operative stores reduced costs for consumers without harming the producers.

In 2009, as the Global Financial Crisis began to bite, Alison McDonald, one of the organisers of a meeting to gauge interest in a food co-op in Thirroul, set out 10 chairs. Almost 80 people turned up, more than who attended the inaugural meeting of the giant Diary Farmers Co-op, to establish what soon became the Flame Tree Community Food Co-op, a non-profit collective open to the whole community based on achieving mutual benefit in a decentralised and participatory way. "I have worked for a lot of non-profits and community organisations," another founder Lizzie Rose said but she was pleasantly surprised “that this one has been particularly harmonious and smooth-running with a core group of half a dozen women”.

Since then, Flame Tree has continued to grow to more than 600 members in 2014. In October 2012 the Co-op extended their tiny backyard storeroom into a fully refurbished shopfront on the other side of Thirroul from the original Woonona Co-operative store. It took many volunteer hours to transform the shop into a bright, open and welcoming place for people to buy ethically sourced organic fruit and vegetables, and bulk foods like pastas, flours, seeds, nuts, teas, vinegars and oils. Co-op Secretary Cath Blakey said that the beauty of bulk selling means that there is less food waste. “You can buy one or two eggs instead of a dozen or half a cup of polenta instead of a 1kg packet. Each year Australians throw out four million tonnes of food, with the average NSW household binning $1,000 worth”.

Sixty volunteers and one part-time paid worker keep the show on the road. For people wanting organic and healthy food, the Co-op can be less expensive than buying the organic products in supermarkets because of bulk purchasing. Discounts for co-op members and volunteers increase the value and volume of their purchases.

The shop also reduces wasteful packaging not only by bulk and local buying but also by encouraging people to bring their containers and bottles to fill up. "Being able to come into a shop that's actively stepping away from using less plastic and creating less landfill is simple," co-op worker Claire Johnston said. "Our vegies come from the
Dapto Community Farm and we don't need packaging for that - local food production without packaging is possible and we're doing it."

Flame Tree is one of the more recent co-ops to join the many co-operatives currently active in Australia. The exact number of Australian co-operatives is not known. Following the extensive privatisation and demutualisation of co-operatives that intensified in the 1970s, between 2,600 and 2,800 co-operatives are estimated to be still operating. Excluding financial co-operatives and co-operative companies, they produce an annual turnover of about $5 billion and hold assets of around $3 billion. In addition, over 300 small to medium-sized agricultural co-operatives are still operating, most in the style of the Pioneer Diary Co-operative started in Kiama 130 years ago.

Working in the Flame Tree Co-op, Thirroul 2013, Katrina Marshall and Claire Johnston.
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**Opening Hours**
Tuesday 10am-6pm
Wednesday 10am-6pm
Thursday 10am-7pm
Friday 10am-6pm
Saturday 10am-4pm

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