

9/30/2020



BOOM

CASE
STUDY

COBARGO CO-OPERATIVE SOCIETY – COMMUNITY OWNED FOR 120 YEARS



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Case Study Research Report | CERU



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CEMI-CERU Case Study Research Report No. 2001

ISSN 2653-7036

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Mazzarol, T. (2020) *Cobargo Co-operative Society – Community owned for 120 years*, CEMI-CERU Case Study Research Report, CSR 2001, www.cemi.com.au Centre for Entrepreneurial Management and Innovation.

NOTE:

This paper has been prepared in conjunction with the UWA Co-operative Enterprise Research Unit (CERU) www.ceru.au for the Business Council of Co-operatives and Mutuals (BCCM) <http://bccm.coop> who have provided the funding for this work.

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INTRODUCTION

Founded in 1901, the Cobargo Co-operative Society Ltd. (CCS) is a community-owned enterprise that originated as a dairy (butter) producer co-operative

but evolved into a consumer co-operative servicing the needs of the regional community of Cobargo. In 2020, the co-operative had around 1,200 active members, and an annual turnover of around \$4.1 million.



The town of Cobargo is located within the Bega Valley Shire on the south coast of New South Wales (NSW) off the Princes Highway, approximately 286 kilometres (km) from Sydney. It lies 42 km north of the main regional centre of Bega, and approximately 19.4 km from the coastal township of Bermagui. Cobargo provides retailing and other services to adjacent communities of Coolangolite, Wandella, Yowrie and Dignam's Creek.

Over the preceding 120 years the co-operative has experienced many challenges, comprising floods, fires, wars, economic recessions and changes to industry structure and government regulations. Despite this the CCS has survived and adapted. This is illustrated by the horrific bushfires that swept through the town and surrounding region over Christmas-New Year 2019-2020 significantly impacting the community and the co-operative, with a decline of members as many people left the area. However, the board and management of the CCS have demonstrated their resilience by increasing their profit, and now look forward to a brighter future.

BACKGROUND AND EARLY HISTORY

From a topographical perspective, the Bega district comprises a narrow coastal plain, which lies at the base of a heavily forested steep mountainous escarpment. A series of river valleys and creeks run from the mountains down to the Pacific Ocean, providing fertile soils and reasonably level land areas suitable for cultivation and human habitation. Cobargo is located on the junction of the Narira Creek, which flows down into the Wallaga Lake on the coast north of Bermagui, and several other creeks (e.g. Marrabrine Creek).

Human habitation within the area can be traced back at least 21,000 years based on archaeological research (Taulau, 1997), and the Aboriginal Yuin people were known to have occupied the area prior to British occupation (Byrne, 1983). The first European settlers did not enter the region until the 1820s, with the arrival of William Duggan Tarlinton (aka Tarlington), who explored the country from Braidwood to Cobargo in 1829 with the assistance of local Aboriginal guides. His discovery of the fertile river valleys, and their potential for agriculture and pastoral activity in this high rainfall area, attracted others who began to settle in the area during the 1830s (Scott, 1999).

EARLY LAND USE AND EMERGENCE OF DAIRY FARMING

Initial land use was focused on cattle and sheep grazing, which predominated throughout the 1840s. Amongst the settlers was Mr W. D. Tarlinton, who in 1851, moved his family from their farm near Braidwood on the Southern Tablelands, to Bredbatoura, named after a local creek, close

to where Cobargo is today. That same year the town of Bega was established, and throughout the following half century the influx of settlers increased the population within the area. Of particular importance was the passage of the Robertson Land Act, 1860, which provided ownership rights to the “squatters” who had moved into the area as well as attracting new “free selectors” into the area (Sydney Morning Herald, 1860).

These settlers progressively cleared much of the forests, and gradually replaced merino sheep for wool production, with dairy cattle. By the 1880s, the dairy industry had become established, with a focus on butter and cheese production. Again W. D. Tarlinton was recognised as a pioneer in the development of this industry, having invested in dairy farming during the early 1870s (Bayley, 1946).

The production and supply of milk, butter, and cheese from the Bega region for the Sydney and export markets grew steadily throughout the 1880s and 1890s, which led to the establishment of dairy companies operating creameries, butter, and cheese factories. By 1899 the NSW Creamery Butter Company (est. 1894), was operating a series of three factories at Bega, Mogilla and Cobargo, with another 14 auxiliary creameries available for overload. During a “good season” these factories could produce around 20 tons of butter and 8 tons of cheese per week (Bayley, 1942).

During the mid-1880s, new technologies were introduced into the region that significantly enhanced the productivity of the dairy industry. These included the cream separator, refrigeration, and the Babcock tester, the last of which was a centrifuge mechanism designed by Stephen M. Babcock from the University of Wisconsin-Madison, to separate the milk solids (fats) from the water so as to assess the quality of the milk (Wood, 2009). This ensured that farmers who supplied the dairies were able to be paid fairly for their milk, whilst ensuring the quality of the milk supplied (Scott, 1999).

It was during this time that the dairy farmers began to recognise the value of co-operative businesses to gain more control and ownership over their supply and distribution channels. The first dairy co-operative in the area appears to have been the South Wolumla Co-operative Creamery, founded in 1893 (Southern Record, 1923). By the end of the 19th Century the number of dairy co-operatives had grown, replacing the investor owned proprietary businesses within the Bega area (Scott, 1999).

FOUNDATION YEARS: 1830-1900

The town of Cobargo has its origins in the influx of settlers that commenced in the 1830s. The town reportedly takes its name from the pastoral station owned by the Imlay brothers, Peter and Alexander, who, along with their brother George, were all surgeons in the British Army or Navy, and who migrated to Australia in the 1820s. They operated whaling and pastoral businesses within the Bega district, including a substantial pastoral lease from 1840, named “Cobargo”, where the current town is located (Thornton, 1951). This name is understood to have been based on the Aboriginal Yuin word “cubago” that may have referred to Mount Dromedary near Bermagui (Aussie Towns, 2020).

By the 1860s the township of Cobargo, also known as “The Junction”, due to its location at the intersection of several creeks, had taken shape. A school was established in 1871 and this was quickly followed by the opening of a post office, general store, hotel, church, and blacksmith’s workshops. As the community expanded, during the 1880s and 1890s the road infrastructure was upgraded along with the social, cultural, and commercial activities. This included the opening of a School of Arts (1887), the establishment of a Cobargo Agricultural Show (1889), and building of a new Post Office (1890), and then a Roman Catholic church (1898) that was built on land donated by the Tarlinton family (Cobargo Chronicle, 1941a). The School of Arts is a prominent timber building that was used regularly by the co-operative for its annual general meetings (AGMs). The building, which survives to the present, is now called the “Cobargo Hall”, and is located at 18-20 Bermagui Road, where it is still used for community events (Bega Valley Shire, 2020).



Cobargo School of Arts Hall (source: Bega Shire Council)

In 1890, the town was sufficiently large enough to warrant the establishment of its own newspaper, “The Cobargo Watch”, founded by the local chemist Mr J. J. O’Reilly and a Mr F. Stennoll, the latter of which described the focus of the paper as being “thoroughly Protectionist” (Australian Star, 1890). A branch of the Bank of New South Wales was also opened in the town in 1903 (Sydney Morning Herald, 1903).

FOUNDATION OF THE CO-OPERATIVE

As noted above, the Cobargo District Co-operative Creamery Butter Society Ltd. was established in 1901, with the active participation of pioneering farmers such as the Tarlinton family. In fact, the Tarlinton family were amongst the most prominent dairy producers in the district and active members and directors of the co-operative during its formation and early years. For example, at the 1903 Cobargo Show, the quality of the Holstein milking cows were noted as being, “great milkers, and seem to be rather the friend of the cheese maker than the butter factory” (Cobargo Chronicle, 1903, p. 2). Although that was changing and Mr T. J. Tarlinton of Bredbatoura Estate had won a blue ribbon for his “champion dairy bull”, and Messrs. Thoe Tarlinton and Jas Tarlinton had separately taken off prizes for their “fat cows” and “dairy heifers” (Cobargo Chronicle, 1903, p. 2).



An initial 50 members signed up to establish the co-operative, motivated by a common need to find an outlet for their dairy produce. At the time it was common for the farmers to separate the cream from the raw milk, keeping milk for feeding pigs, and sending the cream to the butter factory operated in Cobargo by the NSW Creamery Butter Company. Most herds were comprised of Jersey cows.

EARLY GROWTH: 1901-1914

By 1904 the co-operative's Chairman Mr F. G. Roberts reported to the AGM the progress that had been made since the establishment of the enterprise and in particular its butter factory. He declared that the co-operative had significantly reduced the size of its overdraft to the bank from £1,952 to £455, and that the new factory, which had cost £2,716 to construct, would soon be free of debt. He also noted that the co-operative's membership had risen from 2,000 to 2,110 shareholders over the previous year, which he stated might not seem a particularly large increase, but given that almost all dairy farmers in the region were now members of at least one co-operative, the new membership numbers were impressive. It was also noted that the dairy had a good manager Mr Roden, and that the co-operative was exporting butter to Britain for good prices (Cobargo Chronicle, 1904).



Cobargo butter factory 1910 (source Cobargo Co-operative Society Ltd)

THE ROYAL COMMISSION AFFAIR

This relative success of the co-operative was not without its tensions. For example, in March 1905, an extraordinary AGM was held to consider closing the membership to new shareholders, reducing the number of directors from seven to five, and paying the directors for their time. This resulted in a resolution to close the co-operative to new members on 14 April of that year. However, the other two motions were more controversial and motivated by acrimonious public exchanges between members and the Chairman Roberts.

This AGM took place within the context of a Royal Commission into the butter industry that was being held at the time. This inquiry was reviewing the openness of markets, the grading,

manufacture, storage, refrigeration, shipping, and payments to agents, including secret payments to directors and officials within the sector (Crowe, 1905). Accusations had been made by a Mr Fairbairn, presenting evidence to the Royal Commission in Melbourne, that the co-operative's Chairman Mr Roberts had accepted a bribe in his role as Chair. This related to an alleged conflict of interest whereby Mr Roberts was thought to be using his position to advantage the "Coastal Farmers" group who were a distributor of the co-operative's butter, with accusations from Mr Fairbairn that Mr Roberts had received a bribe to influence the co-operative in relation to marketing and distribution agreements (Kiama Independent, 1905).

A motion put at the AGM to remunerate the directors at a rate of £60 per annum for their future services to the co-operative was proposed by Mr John Whiffen and seconded by Mr J. Sawtell. However, an amended motion was proposed by Mr F. E. Rily, who suggested that as the co-operative was no longer significantly indebted to the bank, there should be no reason to pay directors an 'honorarium' of £100 for their past time spent in the governance of the business. This motion was seconded by Mr P. Gannon. However, this amendment was ruled out of order and the original proposal was carried.

During the discussion over remuneration of directors the issue of Mr Fairbairn's accusations about Mr Roberts emerged. This led Mr Roberts to tell the meeting in relation to the proposal for payment of an honorarium, that neither he nor his fellow directors would seek payment for past services. He also noted in relation to the accusations being made against him by Mr Fairbairn that,

"... it had come to his ears that something had been said locally, and if any man present was in a position to give him information he would take the necessary steps to clear his character" (Cobargo Chronicle, 1905, p. 2).

In saying this Mr Roberts noted that he had lived in the district for 28 years and if anyone could provide him with evidence of him having acted dishonestly in that time he would "make him a present of all he was worth". He appealed for any information about these charges of bribery to be openly declared so that he could get to the bottom of them.

Following this drama, Mr Thomas Allen moved that a vote of confidence be made in favour of Mr Roberts as Chair, and this was seconded by Mr T. J. Tarlinton. In doing so Mr Tarlinton said that:

"He had known the chairman for many years and had always found him honourable and straightforward. And he knew that to the general opinion. When in Sydney he was glad to be in a position to contradict the report, Mr Fairbairn had put about and mention the high esteem in which Mr Roberts was held by the whole community" (Cobargo Chronicle, 1905 p. 2).

The motion of confidence in Mr Roberts passed with "strong acclamation", and the Chairman was reported as showing "considerable emotion" when he acknowledged this expression of support the members gave him. Later that year, in October, Mr Roberts gave his own testimony to the

Royal Commission in Sydney, where he refuted the accusations made by Mr Fairbairn and stated, under oath, that he had never taken any bribes, had no prior relationship with Fairbairn, and marketing agreements that the co-operative had with distributors at the time. This saw all the butter now sold locally within Crookwell and Goulburn, with no exports as the local markets generated better prices (Kiama Independent, 1905, p. 2).

EXPANSION OF THE CO-OPERATIVE

Despite these dramatic events the co-operative continued to progress in the years that followed. For example, in 1906 the co-operative was described in the local newspaper in the following terms:

“The Cobargo District Cooperative Creamery Butter Company Limited, is one of the newer institutions on the South Coast. It represents an expression of the co-operative spirit in a district formerly dominated by the proprietary butter maker. When the New South Wales Creamery Company was at the height of its optimism it planted a factory at Cobargo, and several creameries round about to feed it. After the lapse of some years the self-help feeling seized the farmers, and now the proprietary factory building is all that remains of the creamery company’s elaborate plans. The co-operative centre is on a new site, further out of town. Eighty farmers supply cream to it. The average production of butter is five tons per week, last half year’s total having reached 294,236 lb. (Bega Budget, 1906, p. 5).”

By 1908 the co-operative was producing around 47,880 lbs of butter a month and paying out over £1,090 to its supplier members (Farmer and Settler, 1908). The co-operative turned over more than £12,204 that year and distributed around £10,600 to members (Sydney Morning Herald, 1908). It marketed its butter under the brand names “Emu”, “Cobargo” and “Narira”. Boxes of tinned butter were transported by horse and cart to the port at Bermagui where they were loaded onto coastal steam ships for carriage to Sydney or the United Kingdom (Bermagui Historical Society, 2020).

WAR, DEPRESSION AND CHANGE: 1914-1939

During the first half of the 20th Century the world experienced the challenges of the First and Second World Wars interspersed with the Great Depression. Despite these global crises, the agricultural sector, specifically dairying, continued to progress through the application of new technologies and farming practice. This took the form of increased use of silage for animal feed, and the use of enhanced storage through the construction of wooden and later concrete silos. Improvements in dairy herd management, as well as the introduction of Jersey cows as a superior milker from which to produce butter and cheese, also took place (Bayley, 1942; Codrington, 1979).

Automated milking machines were introduced in 1909, and milk pasteurisation was adopted in the Bega region's butter production in 1915. Improvements in refrigeration also made the export of butter and cheese to the United Kingdom possible, with growing production in the dairy industry taking place between the end of the First World War in 1918, and the start of the Second World War in 1939 (Scott, 1999).

WORLD WAR ONE

In 1915, at the amid the carnage of the First World War the co-operative continued to operate and within six months had produced over 337,009 lbs of butter, generated around £16,565 and distributed £14,667 to its member shareholders. At the half-yearly general meeting held in March, the Chairman Mr F. E. Rily, delivered the financial report stating that he felt the co-operative had "passed through a successful six months", and that the financial statements "spoke for themselves". He noted that the factory had achieved record production output and that all the equipment had been able to meet all the demands put upon it. Not only had the output of butter been at record levels, but the quality was also high, and so were the prices that it fetched in the market.

With reference to the war, Mr Rily suggested that the co-operative make a generous contribution to the War Food Fund, to help the brave Belgians who had suffered so much from German occupation. He noted that the Rabbit trappers had donated a day's catch, which resulted in a donation of £4,000. His suggestion was for the dairy to donate a day's milk supply. However, although there was general support for the motion, Mr F. W. Tarlinton, a Director, stated that any donation should be voluntary for each member as that was the only way the co-operative should operate. He expressed his support for the motion, and said that with respect to the members, "The war has put money into their pockets and they should help those who were fighting for them" (Cobargo Chronicle, 1915, p. 2). Despite this observation from Mr Tarlinton, the motion for each supplier's milk for one day to be donated to the War Food Fund passed without dissent.

CHANGES TO STATE LEGISLATION

Following the end of the First World War there was a significant change to state legislation governing co-operatives as both the federal and state governments sought to encourage the foundation and development of co-operatives as a mechanism for assisting returned service personnel to take up farming and leverage benefits of the co-operative enterprise to assist them with their farm business operations. The Cobargo District Co-operative Creamery Butter Society Ltd. had been originally registered under the *Companies Act, 1899* (NSW). However, the introduction of the *Co-operative, Community Settlement, and Credit Act, 1923* (NSW) saw the co-operative re-register under this new legislation (Government Gazette, 1924).

This change of registration by the co-operative was made necessary because with the introduction of the new legislation the co-operative status of the existing co-operative entities was placed in legal limbo. Use of the term "co-operative" in their company names while operating under the former *Companies Act, 1899* (NSW), was now no longer possible. As a result, there was a rush by established co-operatives throughout NSW to register under the new co-operatives legislation so as to allow them to continue to trade under the title "co-operative", and use it in any



marketing and branding. According to a report from that time in relation to the new co-operative law:

"The Act was passed to encourage co-operative effort, and to protect bona-fide co-operative organisations against the exploitation of those what were not truly co-operative in nature.

The administrators of the Act view with regret the fact that some of the dairy factory companies, which are essentially co-operative, should decide to remain outside the scope of the Act, and thus lose the privileges and protection afforded by it. Some of them which have until recently used, the word 'co-operative' as a portion of their name, have discontinued the use of that word, but seem to have overlooked the danger of offending against the section of the Act which provide that they must, not hold out that their trade or business is co-operative" (Northern Star, 1926, p. 3).

ROAD BUILDING AND THE BUTTER FACTORY FIRE

Cobargo and the entire Bega Valley region had experienced significant isolation due to the lack of reliable transport infrastructure, with heavy goods and freight, as well as export of butter and other products, having to be transported by coastal shipping. However, by the early 1920s Sydney and Melbourne were linked by regular motor freight services and reliable roads and railway infrastructure. Then in 1925, the construction of the Princes Highway commenced, which provided a reliable north-south link for Cobargo and other towns across the NSW South Coast (Foskett, 1955). The original butter factory burnt down in the 1920s and a new building was constructed in 1927 at the site 1464 Cobargo-Bermagui Road where it remains today in private ownership.



Cobargo 1920s (source: Bega District News)

SURVIVING THE GREAT DEPRESSION AND A NAME CHANGE

During the Great Depression, the co-operative continued to operate, although its members had suffered and at the AGM held in September 1933, the Chairman Mr F. E. Rily, noted that the co-

operative, “had passed through the greatest period of depression the world had ever experienced”, with all nations including Australia and Britain affected, but he felt that things were now looking up. Prices were still at their lowest for 20 years, but supply was good, production was up, and both manufacturing and marketing costs were “very satisfactory” (Cobargo Chronicle, 1933).

Earlier, in June 1931, the co-operative changed its name from The Cobargo District Co-operative Creamery Butter Society Ltd., to The Cobargo District Creamery Butter Company Ltd., presumably to emphasize the business nature of the enterprise (Government Gazette, 1931). It had also been commonly referred to as a “company” rather than a “society” in the media reports for many years following its foundation. Despite the depression, the co-operative continued to produce high quality butter, which won prizes in the Orient Steam Navigation Company’s export butter competition (Northern Star, 1932).

CHANGES TO GOVERNANCE AND SHARE DISTRIBUTION

As the 1930s ended and the likelihood of a second world war loomed, the co-operative busied itself with matters of governance. For example, a special general meeting of shareholders was held at the Cobargo School of Arts hall on 28 November 1938 to discuss and vote on changes to the company’s rules. This had been motivated by changes to the *Co-operative, Community Settlement, and Credit Act, 1923* (NSW), with the introduction of a set of “Model Rules for a Co-operative Society”, which had been promulgated in November 1929, adopted by the co-operative, but subject to amendments in 1933.

The key issues that were examined were the organisation’s name, business address, the objectives of the co-operative, the size of the board, the voting rights of members, plus the board’s powers make deductions from members’ accounts, and how to deal with share capital upon the event of a member’s death. Of particular importance was the board’s authority to distribute and manage member share capital and distributions. This resolved:

“The Board may make deductions from amounts due to Members and may allot share in respect of such deductions in the manner and subject to the condition prescribed by Section 47A of the Act as added by Section 2 of the Co-operation (Amendment) Act 1931. ... On the death of a member the Board may purchase his shares and pay the amount of the purchase money to the nominee or if there is no such Nominee, to the Executor or Administrator. The value of the shares for such purchase shall be such as is agreed upon between the Board and the person to whom it is to be paid” (Cobargo Chronicle, 1938, p. 4).

It was also agreed that there should be only five directors on the board, with directors retiring by rotation of two or three to preserve board stability. All member voting decisions were to be maintained on the democratic basis of one-member-one-vote.

THE CHALLENGES OF A GLOBAL WAR: 1939-1945

At the start of the Second World War the co-operative was reporting butter production of around 228 tons for the half-year ending December 1938, which was a slight reduction of around 17,524 lbs when compared with the start of that year. Members were paid rebates of more than £27,519 for the period, slightly less than the £28,003 paid in the previous period. The co-operative had also exported some 4,194 boxes of butter to London. There was also concern over the rising cost of petrol for keeping the factory and transport fleet operating, as this had eroded profits. Nevertheless, there was an optimistic assessment that butter prices would soon rise, thereby enabling a return to profit. Slight increases in the cost of marketing and manufacturing were also noted. The Chairman Mr F. E. Rily, reassured member shareholders at the half-yearly general meeting held on 24 March 1939, that “all controllable expenses are carefully watched and kept well in hand” (Cobargo Chronicle, 1939). He also noted that quality was well maintained with premium or “choicest” butter production exceeding that of “second quality” product.

INVASION THREATS AND SUPPLY CHAIN PROBLEMS

By 1941, with the war reaching its peak, the co-operative continued to produce dairy products, and battle through both seasonal difficulties and the threat of Japanese invasion and disruption of shipping. At the AGM held in September of that year, the lack of shipping and refrigeration was noted, and the overseas situation was described as “far from favourable”. However, there was a growing demand for cheese, which was “easier to handle” than butter, and the British Government had increased its cheese order for the year to 40,000 tons, as compared to the 20,000 tons ordered in the previous year (Cobargo Chronicle, 1941b).

The meeting was also told that factories with the capacity to product both butter and cheese were “in a much more favourable position”, and that tinned butter had been successfully shipped to Britain without incident, landing in “good order”. However, second grade butter remained “the bug-bear at present”. This was caused by poor quality water, faulty tinware and poor-quality cream that was supplied. Yet, the shareholder members were reassured that, “Board members were making the best use of the circumstances surrounding them and no sphere of action had been overlooked” (Cobargo Chronicle, 1941b).

There was also concern expressed over complaints by Australian soldiers that butter received via the military supply system sourced to the co-operative had been intermittent and found to be “rank and unfit for consumption” when the tins were opened. The Chairman Mr Rily noted that the co-operative had “forcibly” brought the matter to attention of the government and had been reassured by the Minister that the butter was being sent to the troops and that they were getting enough supply (Cobargo Chronicle, 1941b).

DROUGHT AND BUTTER RATIONING

In early 1943, the co-operative was impacted by drought, but this was followed with heavy rains, and a surge of milk supply that overtaxed the factory, forcing the board to temporarily cease the manufacturing of ice. Given that most homes and businesses relied on ice to keep perishable products fresh for long periods, the cessation of ice production was viewed as an essential service. The Chairman Mr Jas O’Meara expressed his regrets over this decision but outlined steps that

would be taken to recommence supply of ice as soon as possible. Also, of concern, was the decision by the Australian Government to introduce the rationing of butter. It was noted that NSW was not producing sufficient butter to meet demand, and that supply had been drawn from Queensland.

There was disquiet expressed at a shareholder meeting held in April 1943, that the dairy sector was being treated by the government as a “slave industry” when compared to the beneficial treatment given to the grain growers. Shareholders pressed the board over pricing, storage, and a perception that there had been too many delays and “red tape hindering progress.” Mr O’Meara responded that the board had been doing its best under difficult circumstances, citing the difficult decision to cease ice production to allow more butter to be made. He also noted that when the co-operative had purchased a new engine for the factory, “the military grabbed it.” There was now a new compressor on order to help improve the factory’s refrigeration capacity, but he wondered if, “Maybe the military will step in on that also?” (Cobargo Chronicle, 1943a).

DIRECTORS’ REMUNERATION AND ACQUISITION OF TOWN LAND FOR OFFICE AND STORAGE

At the AGM held in October 1943, there was a robust discussion over the remuneration of the Directors, in particular the Chairman, who it was felt by some deserved more money other than the “out of pocket” reimbursements allowed under the current rules. There was some discussion over whether all Directors were earning their keep, with accusations that some had been absent for numerous meetings.

Also, of importance was the need to reduce the overhead costs of the co-operative by building a new office and storerooms at the factory site, to avoid the need to pay high rents for their existing facilities. Although there was sufficient land at the factory location to build, there was some opposition expressed on the grounds that the co-operative would be wiser to purchase land within the Cobargo township. This was a position expressed by Messrs Allan Blacka and Vic Tett, who argued that it was more convenient for members to go to the town for supplies, and that the land values within the town would rise over time. In addition, there was a feeling that it would help to boost the future of Cobargo which was “our town”. The meeting resolved that the board be tasked to examine the desirability of building at the factory or in the town (Cobargo Chronicle, 1943b).

As the war ended the co-operative continued to serve the needs of its members and produce butter and cheese of a high quality. For example, in the Butter and Cheese Awards given out during the Dairy Factory Managers’ and Secretaries’ Association (DFMSA) annual conference held in Sydney on May 1945, the co-operative took out prizes for best box of salted butter, the local consumption NSW championship shield, and special aggregate judging prize for local consumption (Northern Star, 1945).

INDUSTRY RESTRUCTURE AND FACTORY CLOSURE: 1946-1979

In 1948 the co-operative also commenced supplying milk to the Streets Ice-Cream factory which opened that year at Moruya (Scone Advocate, 1948). There was also rivalry and some commercial competition between the dairy co-operatives within the Bega region, and across the state. At the time, all dairy co-operatives north of Sydney to the Queensland border were members of the Co-

operative Dairy Association of NSW Ltd. There was a move to widen the Association's membership to include dairy co-operatives elsewhere in the state, with their factory production coordinated under a master plan (Macleay Chronicle, 1948).

In 1950 the co-operative was awarded the grand aggregate for butter classes at the annual DFMSA conference held in Sydney (Farmer and Settler, 1950). This winning formula continued during the following years with the co-operative being awarded the NSW Department of Agriculture's Certificate of Merit for the choicest grade butter in March 1955 surpassing Norco Co-operative and the Manning River Co-operative Dairy Society Ltd. Not only was Cobargo's butter superior, it was also produced in greater volume (Farmer and Settler, 1955). Interestingly, four years earlier, in November 1951, the co-operative had again changed its name from Cobargo District Co-operative Creamery Butter Company Ltd., to the Cobargo Co-operative Society Ltd. (Government Gazette, 1951).

DAIRY INDUSTRY REFORM AND FEDERAL GOVERNMENT REGULATION

However, the 1950s was a period of change within the dairy industry and this included intensive farming practices designed to enhance milk production. These practices involved the cultivation and maintenance of the pastureland to improve the grasses, plus the application of superphosphate and spray irrigation. This enabled more cattle to be grazed on a given area of land and boosted the overall productivity and economic value of the dairy sector within the Bega Valley area (Scott, 1999).

Much of this investment in new farming practices was motivated by concerns that the Australian dairy industry was falling behind global trends. For example, at the annual DFMSA conference held in Sydney in May 1953, the General Manager of the Commonwealth Dairy Produce Equalisation Committee Ltd., Mr Chris Sheehy, warned that Australia may have to import its butter from New Zealand. He noted that local butter production was not keeping pace with growing demand as the population increased. Australia's immigration scheme was bringing around 300,000 more people into the country each year, with a forecast of over 11 million people living in the country within a decade. This would place severe pressure on dairy production. He stated that only Queensland, Victoria, and Tasmania were able to produce sufficient butter to satisfy their own needs and have a surplus for other states. With exports to Britain taking up a lot of production, any shortfall in local supply would need to come across the Tasman or export restrictions might be imposed (Daily Examiner, 1951).

Despite this progress, the industry faced significant challenges by the close of the decade. For example, in 1957 the prices for Australian butter exports to the United Kingdom were very low, and many industry analysts considered such exports as "completely unprofitable". Attempts to find alternative markets had been unsuccessful, and demand for butter within the Australian domestic market was growing, despite falling per capita consumption, due to rising population (Codrington, 1979). As a result of these challenges and the changes to production systems, herd structure, and market conditions, there was a significant restructuring of the dairy industry around the Bega Valley.

COMPETITION FROM BEGA

During the late 1950s the rival Bega Co-operative Society began to expand their operations, establishing a depot to distribute their milk in the Australian Capital Territory (ACT) in 1958, and the following year commenced the construction of a factory in Canberra to secure control over the milk supply to the ACT (Canberra Times, 1958; 1959). Discussions between the boards of the Bega and Cobargo dairy co-operatives took place during this period about a possible amalgamation, with the Bega directors stating that if Cobargo didn't voluntarily agree to the merger, they would come and take their members anyway (Tarlinton, 2020).

EARLY RETAIL OPERATIONS AND WATER SUPPLY FOR THE FACTORY

In this period the co-operative operated both its factory and a shopfront retail store within Cobargo from where they sold dairy products, hardware, and farmer supplies. This retail store was housed in a former Army "Nissen Hut", a prefabricated steel structure made from corrugated iron that looked like a half cylinder water tank on its side. June Tarlinton recalls the store in 1979:

"Back then most of the products sold were things like axes, shovels and manual tools. I can remember coming into the co-op when I moved to Cobargo, and it was that Nissen hut ... and it had everything from hay, to grass seeds, dog food and cat food. It just evolved, as all businesses do, and there was just one man working it. Although he didn't do any of the accounts, which were done by the co-operative (Tarlinton, 2020)."

Security of water supply for the butter factory was another issue that faced the co-operative during the 1950s and 1960s. For example, in 1952 the co-operative received a licence to locate a pump on the Narira and Murrabrine Creeks to provide water supply to the factory (Government Gazette, 1952). Sixteen years later, in 1968, the co-operative was granted a licence to build a dam and two additional pumps in the same area to further supply water to the factory (Government Gazette, 1968).

LOBBYING THE STATE GOVERNMENT

The co-operative was also actively engaged in lobbying the NSW State Government over the regulation of the dairy industry. In September 1964 they wrote to the Premier Mr Renshaw, requesting that the regulation and supervision of dairies be undertaken by the NSW Department of Agriculture rather than the local councils. However, the Premier expressed the view that dairy factory management was public health issue, not an agricultural issue. In this regard the local councils had the responsibility (Canberra Times, 1964).

ECONOMIC AND SOCIAL CHANGES TO COBARGO

The road infrastructure offered by the Princes Highway enabled locals to travel by motor car to larger towns for their shopping and recreation, bypassing the smaller towns and impacting their viability. This impacted Cobargo's population growth which had peaked at around 610 people in 1911 but had fallen to 280 people by 1979 (Codrington, 1979).

The 1970s was a challenging time for co-operatives in Cobargo. In 1971 the Cobargo Co-operative Credit Society Ltd was placed into liquidation, and formally deregistered the following year (Government Gazette, 1971; 1972). In the same year, the Australian dairy industry was receiving significant subsidies from the Federal Government to help support the struggling farmers. For example, in 1971, the co-operative received a \$145,000 subsidy for butter production, which was like the payments made to other dairy co-operatives in NSW (Canberra Times, 1971). Britain's entry into the European Economic Community (EEC), which commenced in the late 1960s and became complete by 1973, also impacted the export markets of Australian dairy producers, as it also did for their counterparts in New Zealand (Mazzarol & Clark, 2016).

FLOODS, DROUGHTS AND BUSHFIRES

Natural disasters were also taking a toll, with severe flooding in 1971, considered the worst since 1919. Droughts and fires also impacted the region. There had been severe droughts and bushfires in 1885, 1939-1940, 1944, and 1952. However, there were extended periods of drought from late 1978 through to March 1983, with severe wildfires in November 1980 that raged through the Bega area and the Dry/Murrah River catchment (Scott, 1999). Added to this was an increasing level of extended dry or erratic periods of rainfall that commenced in the mid-1960s and impacted dairy farming.

"The major constraint facing dairy farmers in the area is the somewhat erratic rainfall. The area has frequent periods of insufficient rainfall for pasture growth with major droughts having been experienced in 1965-68, 1979-83 and 1985-87. Of dairy farms on the South Coast, 64% have sprinkler irrigation systems to alleviate the impact of seasonal rainfall deficiencies" (Crichton et al 1989).

TRANSFORMATION OF THE DAIRY INDUSTRY

Between 1971 and 1989 the total number of dairy farms in the area declined by 57%, and the survivors were larger and more capital intensive. There was a transition from butter and cheese manufacturing to the production of liquid milk, primarily for the Sydney and Canberra markets (Scott, 1999).

The impact of declining dairy farming, industry restructuring, loss of export markets and drought placed the viability of the co-operative's dairy factory under a cloud. Butter production by 1980 had fallen by 31.5% over the previous year and there was a steady decline in cream supplies. These problems were impacting other small dairy co-operatives within the area. For example, the Bodalla Cheese factory had seen its production fall from a weekly output of 10 vats down to only 5 vats. Faced with this environment the Cobargo Co-operative Society made the difficult decision to cease its manufacture of butter and close its factory in 1980 (Enright, 1980).

June Tarlinton, the Chair of the Cobargo Co-operative Society Ltd., explained the situation in dairy industry during the decades prior to full market deregulation, which occurred in the 1990s as follows:

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“So, we had a regulated industry here in New South Wales and Victoria didn’t. We used to have a quota, and we’d get good money for the quota, and then a much smaller amount of money for any milk supplied above that quota (Tarlinton, 2020).”

REINVENTING THE CO-OPERATIVE: 1980-1999

Despite the closure of the butter factory, the co-operative continued to operate, but shifted its purpose from supporting the needs of dairy producers, to serving the needs of the entire community through the operation of retail stores. For the co-operative, the closure of the factory required a major change in strategy and purpose. The retail store that had been established and operated since the 1950s, along with its ownership of several other retail sites within the town, provided an opportunity to reinvent the co-operative, transforming it from a producer owned dairy products manufacturer to a consumer owned retail business. According to June Tarlinton, the existence of the retail operations following the factory’s closure was “vital” to the future survival of the co-operative:

“It was vital I would say. Because, it had to evolve, it had to grow, and it had to change. A lot of things drove that change. For example, there were a couple of very serious droughts, and in those days, there were no irrigators, so if you were in drought you were dry. You had no fodder, your cows suffered, and their production dropped dramatically (Tarlinton, 2020).”

SOCIAL CHANGE IN COBARGO

The 1980s was also time of social change for the Cobargo region. June Tarlinton recalls that when she first arrived in the area in 1979 Cobargo was a “sleepy little town” that even in the mid-afternoon it was quiet and seemed “dead” apart from a solitary woman walking down the street. The main street had a small grocery store, bakery, post office, butcher, chemist, bank, and a café. However, within the decade the town had expanded with another café, a gift shop, leather, and pottery shops. The town “took on a different life”, with many new people arriving from outside the Bega region, to help transform the community (Tarlinton, 2020).

Amongst these “immigrants” were David and Diane Robinson, who moved to Cobargo from Melbourne in 1987 after visiting the town two and half years earlier while on holiday. They set up a leather goods and saddlery store in what had been an old butcher’s shop and joined other entrepreneurs such as Derwood and Lois Loth. The Loths, who migrated from Canada in 1985, were the proprietors of Bangles Gallery, which retailed pottery, dinner ware and craft work. According to these “newbies” Cobargo was “a friendly community” that welcomed new arrivals (Canberra Times, 1987).

By the late-1980s Cobargo had transformed from a town primarily supporting the surrounding communities engaged in farming, fishing and forestry, into a tourist town and “sea change”

location for people who were seeking to escape the hustle of big cities for the quiet and beauty of the NSW south coast. The composition of the co-operative's membership also changed along with this demographic change. For example, June Tarlinton recalls that by the early-1990s, 52% of members were dairy farmers, 39% were beef farmers and the remainder were a mix of townfolk and "blockies", who were retirees living on small hobby farms. However, as the decade passed, and the number of farmers dwindled, the proportion of townfolk, blockies and retirees grew.

EMBRACING RETAILING

Faced with the restructuring of the dairy industry and the demographic changes taking place within the local community, the co-operative's board responded with a strategic decision to invest more into its retail operations. This commenced from 1987-1988 with the purchase of additional land within the Cobargo townsite, initially to provide parking for the retail store. However, the 1980s was marked by extended droughts that ran from 1979 to 1983, and then from 1985 to 1987, requiring dairy farmers to install sprinkler irrigation systems to compensate for the lack of rainfall (Crichton et al., 1989).

FINANCIAL CHALLENGES

By the 1990s the co-operative found itself facing serious financial distress, with the Westpac bank threatening to declare the business insolvent and place it into liquidation. The Chairperson at the time was Mrs Jenny Lee, who, along with the co-operative's manager, met with the bank and successfully fought for its survival. As June Tarlinton recalls, the co-operative was left with a couple of large debts and was deemed by the bank to be insolvent and unable to repay its debts. However, Mrs Lee, described as "a local identity and wife of a local doctor" was able to stop the bank from foreclosing. The board then managed to trade the co-operative back into solvency by being "ridiculously hard" with managing its cash flow. This included making members pay for all goods in cash prior to them being ordered (Tarlinton, 2020).

This experience made the board of the co-operative quite risk-averse. However, just as things were improving the co-operative entered into a collaborative agreement with a local businessman who had a superphosphate spreading vehicle. He negotiated with the co-operative for them to supply him with super on credit, and he would then pay them once he had completed the work for his farmer customers. In addition, the co-operative was asked to help promote the fertiliser spreading business to its members. At first this system worked well, and the co-operative was paid \$120,000 for its fertiliser supply within the first month. However, in the second month things didn't work out as planned. As June Tarlinton recalls:

"So, in the first month he managed to meet the debt, but in the second month he couldn't get paid by the farmers. Not all of it but some of it, which made us start to sink back into that terrifying feeling of perhaps going back into that same situation we'd already been in. I remember coming to the board meeting at that time and the Chairperson [Jenny Lee] was extremely distressed because she'd worked so hard to get the business out of a hole, and she had never wanted to even entertain this business arrangement. She could see the pitfalls of it, but while we [the board] could see the pitfalls, we also felt that it was a way of building the



business. However, as the second and third months were no better, we decided to decline out of that situation and another farm supply store took it up in Bega (Tarlinton, 2020)."

While some directors felt that the co-operative had missed a big opportunity by not pursuing the agreement with the fertiliser spreader, others breathed a sigh of relief and felt that they “had dodged a bullet”, this was particularly the case for those who had lived through the difficult times of nearly going bankrupt.

EXPANSION, BUSHFIRES AND RENAISSANCE: 2000-2020

The first two decades of the twenty-first century were marked by steady expansion as the co-operative consolidated its retail operations and progressively upgraded its facilities. This was necessary given the outlook caused by the dairy industry deregulation that had been underway throughout the 1990s and finally reached full implementation in July 2000 (Dairy Australia, 2019). By the early 2000s the co-operative owned several parcels of land within the Cobargo town site, which included its retail store and office, as well as an adjacent building used as a doctor’s surgery. The co-operative store also served as a branch for the Horizon Bank, which is the trading name of the Horizon Credit Union Ltd.



Cobargo Co-operative store entrance (source: Cobargo Co-operative Society Ltd)

REBUILDING AND RENOVATION

In 2001 the co-operative renovated the doctor’s surgery and increased the size of the facility. It also purchased land adjacent to its retail store, facing the Princes Highway, and constructed a carpark. However, the existing retail and office accommodation was too cramped and poorly laid out. Retail staff had to take their breaks in the cramped office, which was in open sight of customers waiting at the counter. This often resulted in complaints by members, unaware that



the staff were on a break, of being ignored by the co-operative's employees who kept them waiting rather than serving them (Tarlinton, 2020).

During 2003 the co-operative undertook a major upgrade of their retail and office facilities. This involved improving the store layout and placing the office and staff lunchroom upstairs within a mezzanine floor. It solved several problems that included staff not having anywhere private to take their breaks, and a paucity of security due to being unable to see some areas of the store from the counter. This latter problem had emerged because of increasing shoplifting (Tarlinton, 2020).

LAND ACQUISITION

The following year the co-operative purchased additional land comprising a large property formerly owned by the McCarthy brothers. This contained a large house and was subdivided into several parcels of land. It had been somewhat controversial within the community as some people wanted the land developed for more retailing, while others felt that the house should be preserved due to its historical value. Over time the co-operative owned not only the building in which the doctor's surgery is located, but also other shops that they rented out as a hairdressing salon, clothing, and gift shop, and now a museum and tourist information centre.



Cobargo Co-op site showing doctor's surgery, carpark, office, and store today (source: Cobargo Co-operative Society Ltd and Google Maps)

In 2012 the doctor's surgery and hairdressing salon buildings were repainted, and the next year a large underground fuel tank used in their petrol station was replaced. The fuel tank had been found to be leaking and proved quite expensive to remove and replace. Then in 2017 the retail

site was refurbished, with new signage, repainting, and new door entrances. Additional land was purchased adjacent to the existing site the next year. This land was located behind the main depot of the co-operative, and it risked interfering with the fuel supply depot and storage areas of their operations. Even though the co-operative did not feel that they needed any additional land, the board decided to purchase it to secure and protect its existing activities on its own site. In 2020 the block was redeveloped into a display yard, unloading depot and outdoor goods collection point. Today the co-operative comprises a large area within the centre of Cobargo housing a hardware, nursery, farm supplies, chemicals, outdoor furniture, pet and stock feeds, homewares, and paints

COMPETITION FROM WITHIN THE REGION

As a regional retail business, the Cobargo Co-operative Society Ltd. faces strong competition from neighbouring towns. This was explained by Mr Dan Williamson, Manager of the co-operative as follows:

“From where we are in Cobargo you go half an hour south and you hit Bega, which is a big town, or you go half an hour north and you hit Narooma which is another big town. Bega is now the main hub for agricultural everything, so farming wise, most of the bigger farms will go there to get fertilisers, feed, and seed if it is big amounts. Up until recently we have still been carrying bulk fertiliser, but we’re being priced out of the market because the bigger players in Bega can get it at a much better price (Williamson, 2020).”

Despite these competitive challenges the co-operative has been able to remain profitable with its Thrifty-Link hardware, plant nursery, pet, and animal feeds, as well as fencing. The last of these has been in high demand during 2020 due to the impact of the fires that ravaged the town and surrounding district during the Christmas-New Year period December 2019 to January 2020.

According to Williamson, the co-operative had secured a niche within the market in several key areas that were related to its convenience for members and customers:

“I want to say convenience type store. We have pretty much all the fencing you need. In the hardware we’re only a small shop compared to what hardware is like these days, but we service the small jobs. If you were doing a big job, or you are a tradie, you’d go to one of the bigger stores in Bega. I think that our competitive advantage is that we do have a lot here for a tiny little town such as Cobargo (Williamson, 2020).”

THE NEED FOR A LOCAL SUPERMARKET

Considerations were being given to expansion into other retailing opportunities such as supermarkets. Cobargo had lost its IGA Supermarket, which had closed around 2018. That business was very small and not able to offer all the goods that many people wanted, so they



would drive to Bega. Its owner had bought it for his daughters to run when he retired. However, they left to go to university, and so he continued run the business without them.



Cobargo supermarket entrance (source: Century 21 Realty)

The supermarket and grocery, which was part of the IGA buying group, was advertised in 2018 for \$110,000 plus stock, comprising a location on the Princes Highway, in-shop POS scanning stations, air conditioning, heating and back-up generator for the refrigeration systems (Century 21 Realty, 2018). The owner was made several offers for the business, but refused to sell for the prices offered, and simply shut it down. After it closed, the co-operative's board was approached by several people in the community to see if it might be possible to set up a supermarket. The matter was given consideration by the board, but it was noted that many of the people who were calling for a supermarket in Cobargo, were also the ones who did their shopping in Bega. According to June Tarlinton, the co-operative had considered the opening of a supermarket for some time. However, there had been opposition from the previous accountant of the co-operative had expressed concern over the financial risk of opening a supermarket. These concerns included the high waste of perishable goods if the store could not turnover sufficient volume.

THE BUSHFIRES OF 2019

The horrendous bushfires of December-January 2019-2020 significantly impacted Cobargo causing loss of life and severe damage to property. This included the destruction of several shops in the main street of the town sparked by burning embers, which triggered a number of spot fires and kept the fire fighters and locals busy trying to save their properties well into the night (Burnside and Pengilley, 2019). Amongst the shops destroyed by the bushfires were the leather goods and saddlery store founded by David and Diane Robinson, and the pottery founded by Derwood and Lois Loth back in the 1980s. Also lost was a small gift shop, two cafes and a Homeopathy. These businesses may never be able to reopen, but the co-operative has been considering ways to assist with the town's revival. This has focused on a parcel of land at the rear of the co-operative's retail site that was purchased in 2004, to provide access for heavy vehicles entering the storage areas.

As June Tarlinton explained:

“The aim of purchasing this parcel of land was to give us access to the back of the co-operative because the road that we have in runs between a laneway between the veterinary service and the old hairdressing salon which is our building. But the trucks must take a turn to get in, and they cross the highway and they block it. So, we were trying to guarantee that we would still have access, so we purchased another block of land down the bottom again (Tarlinton, 2020).”



Cobargo main street ravaged by bushfires (source: ABC abc.net.au)

This land has been used as a lay down area for goods such as fencing supplies and is undeveloped other than having gravel road base installed. Following the fires, the co-operative agreed under a bushfire recovery program through the Business Council of Australia (BCA), to provide its unoccupied land as a site upon which would be built some temporary shops to help the people who had lost their businesses to be able to return and commence trading. The plan was initially for the land to be leased to the operators of these temporary shops for up to three years after which time the land will return to the co-operative. However, at time of writing (September 2020), the emphasis had shifted to the construction of a permanent building, comprising six individual shops, and then after a 3 to 5-year period the building would revert to the ownership of the co-operative.

Although these redevelopment plans were still in under negotiation, the co-operative viewed this as an opportunity to secure access to funding for the construction of retail facilities that after a relatively short period of time would leave them with an asset that could be used either for further use by independent retailers under lease, or as a facility in which to house a future supermarket. The co-operative owns a portfolio of real estate within the town, including the building housing the doctor’s surgery



FUTURE DIRECTIONS

Despite the traumatic experiences of the 2019 bushfires and the COVID-19 pandemic of 2020 the board and management of the Cobargo Co-operative Society Ltd. continue to remain optimistic about the future. Prior to these events the co-operative's previous expansions, facilities upgrade, and land purchases had placed the finances of the business under some strain. By the start of 2019, the bank overdraft facility was fully drawn and there was little more on the short-term horizon than repaying that debt and setting the co-operative up for whatever might lie ahead. However, over the first half of 2020 things improved dramatically. As noted by Dan Williamson:

"We're already out of that. The last six months after the fire we've pretty much doubled or more our turnover and profit and we've paid off the overdraft and we are now ready to go (Williamson, 2020)."

June Tarlinton expressed the view, "that out of adversity has come something quite strong". She explained that the co-operative's aim for several years had been to reach an annual turnover target of \$3 million. However, things had seemingly been difficult for the co-operative to achieve this goal until the bushfire, as she explained:

"So, for years our goal was to get \$3 million turnover, which for the size of Cobargo is pretty impressive. We have an auditor accountant who is very hard, and he is astounded that every year he comes out to audit all our goods, and mate he goes through it with a fine toothcomb. He is very appreciative of the staff we have and the level at which they maintain stock control and lost products. So, we've got a good team here, but we never quite got to the \$3 million. And when the previous Chairperson Jenny Lee walked out, she turned to me she said, June, it is up to you to get it over \$3 million. I went, thanks Jenny, I appreciate that, and it wasn't so long after that we dug up the big fuel tank. Yet we've done \$4.1 million this past financial year and that was truthfully because of that wretched fire (Tarlinton, 2020)."

RESPONDING TO THE NEEDS OF THE COMMUNITY

This positive financial trend so soon after the crises of leaking fuel tank, land purchases and bushfires has given the board and management of the co-operative new hope for the future. They are now looking at ways to recognise the different needs of the community, and what goods and services the co-operative can supply to them. Among the ideas for future offerings to the community is the opening of a whole food store that provides an outlet for fresh fruit and vegetables grown in the local area. This might take the form of even purchasing land and leasing it to people who would grow the produce that would then be sold through the co-operative's store.

Driving this idea is the recognition of how the socio-demographic make-up of the Cobargo community has changed over recent decades. This point was made by Dan Williamson who noted

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that over recent years there had been a steady influx of people coming out of the cities, where they sold their multimillion dollar houses. They then moved into the Cobargo area to purchase a rural block of between 2 to 8 hectares, upon which they built a large home and ran a few sheep and dairy cows. For these people, the co-operative offered a convenient retail store and one that they could potentially relate to. As he explained:

"We have been rebuilding the brand as that of a community-owned co-operative, but I think got a little lost, although it is now starting to come back. Because there are now a lot of people in the area who like that concept because they don't want to be supporting the big multinationals (Williamson, 2020)."

DEVELOPING A MEMBER VALUE AND LOYALTY

In assessing the opportunity for developing a strong member value proposition (MVP) for the co-operative this engagement with the new sea changers was viewed as leveraging the strong foundation of loyalty already inherent within the existing community. As June Tarlinton explained:

"I think the strength of the co-op within the community is that it has a lot of respect from the old, traditional members, and the new people within the community, because the staff display a caring attitude. For example, a lot of people who were affected by this bushfire came to the co-op and often they didn't even want to buy anything, they just felt like they gained comfort from the staff because the staff were here and would do anything to support them. So, I think the face of the co-op has got strength and has always had a level of strength. Yet I think it has become stronger because of the fire (Tarlinton, 2020)."

However, she also expressed concern that the bushfire had affected a lot of people's mental attitudes. Many now saw the location as not being safe and were frightened. This included even long-term residents who were saying that they felt that they couldn't live in the area anymore as it was not safe due to the fire risk. In this environment she felt cautious about where the co-operative might be in five-year time, and much could depend on how things unfolded throughout the coming year.

CONTRIBUTING TO THE RENAISSANCE OF COBARGO

To address these challenges the co-operative has been involved in several rehabilitation projects focusing on the street scapes of the Cobargo township. This included a project to renovate the old RSL Hall that had been used in the past by the co-operative board for their meetings and was leased for use as an antique store. However, the business didn't survive but the building was left closed for many years as the lease owner refused to relinquish the building for use by someone else. Finally, with some community pressure the building was released for an alternative purpose, and the co-operative was approached to help refurbish the Hall.



The co-operative duly made a substantial donation to help renovate the hall based on its purpose to enhance the overall wellbeing of the community of Cobargo. This gesture was well-received by the community and the co-operative was able to link this donation to their principle of being concerned for the community, and the fact that without a strong community engagement and support, they would not exist. According to June Tarlinton, this albeit small scale project, was an example of the range of similar projects that the co-operative now planned to undertake within the community to help support it and demonstrate its commitment and value to the local people.

Statement of Vision

Cobargo Co-operative Society Ltd. has a vision to support the community of Cobargo and surrounding districts to grow and prosper into the future, being open to how this may evolve. We aim higher than just economic growth, looking to support Cobargo's social capital by being a vibrant and interactive place where community feel safe and supported to connect.

Statement of Mission

Cobargo Co-operative Society Ltd. is a community-owned business that exists purely to serve the community of Cobargo and surrounding locale. Cobargo Co-operative Society Ltd. aims to provide for the needs of the Cobargo community with a high standard of customer service, integrity, honesty, and humility. Cobargo Co-operative Society Ltd. strives to provide as much variety as possible at competitive prices whilst focusing on growth into new areas to better support the sustainability of the area. Cobargo Co-operative Society Ltd. aims to continue being one of the largest employers in the Cobargo district, and provide a safe, enjoyable, and flexible place to work.

Statement of Values

Cobargo Co-operative Society Ltd. values the diversity of the area, families that have farmed here for generations, the new commers who see a future here, and the long history of traditional custodianship of this land. They reflect the hardworking, innovative, and caring folk who call Cobargo home, and in every aim to mirror this back to our customers, fellow staff, and business partners. At the heart of our work here is respect and consideration for all, striving for excellence, and above all serving the needs of Cobargo.

SETTING FUTURE DIRECTION

As the co-operative looks to the future it builds on its long-history while being guided by a newly developed set of statements of vision, mission, and values. These, specifically the vision statement, outline the purpose of the co-operative. According to Dan Williamson, it is important that the co-operative rebuilds its brand identity as that of a community-owned enterprise dedicated to the long-term enhancement of the people of Cobargo. While the co-operative's board and management don't anticipate the future years will be easy, they have commenced on a pathway to bringing the community along with them in the aftermath of the bushfires. As June Tarlinton explained:



"I think we've made steps in that direction. This business was opened within days of the fire because there was a demand and a need in the community for people to get petrol to get out of here, people who were tourists. So, people on this staff who had been impacted by the bushfires, lost homes lost everything, were here working trying to service the needs of the community, plus the tourist base, who also support us. So, I think we've worked quite strongly in that direction. As a business, the staff here are so supportive and comforting to people impacted by the fire, people came here just for the comfort factor even if they weren't buying anything because they got a friendly face, probably a hug, and concern for their welfare (Tarlinton, 2020)."

According to June Tarlinton, because the co-operative gave such support and comfort to the community in the wake of the fires, the community is now reflecting that back. Now, they are looking at the co-operative as the biggest business in the town, and the one that appears most viable in their eyes, because so many of the others have been destroyed by the fire, to maintain the town's services and help rebuild what was there before. This took the form of "a streetscape of shops", and the agreement to give over the co-operative's land for up to five years, to help get the displaced retailers in the town back in business and remain viable. So, this action by the co-operative signals to the community how much it is willing to support them and generously give over its resources for a common purpose.

KEY LESSONS FROM THE CASE

The history of the Cobargo Co-operative Society Ltd. highlights many important lessons. First, it shows the ability of a co-operative or mutual enterprise to provide both economic and social value to a community. The early years of the co-operative as a dairy producer butter company demonstrated the value it provided to the local farmers, and the jobs that it generated within the Cobargo district over the years. In the years following the closure of the butter factory, the co-operative continued to generate economic value through its retail activities, becoming the largest employer in the town, supporting other local businesses, and offering valuable services at the local community level. From a social capital perspective, the co-operative provided a focal point for the local farmers and later the broader community, to engage in networking, mutual support, donations to community causes, and in taking a leadership role in the community.

A second lesson is the impact that external factors have on co-operatives and how they can be met by the organisation's board and management. These factors include the willingness of the community to come together to form the co-operative, the role of government, the competitiveness of the industry in which the co-operative is operating, and the effects of environmental change. As the history of the Cobargo Co-operative Society Ltd. shows, the foundation of the co-operative emerged from the willingness of pioneering farmers to give their time, initially on a volunteer basis, to found the enterprise and serve on its board, even at the cost of sometimes being subjected to abuse and criticism from members and the broader community.

It also illustrates the effect of government regulatory powers to impact the co-operative in either a positive or negative manner. This can be seen from the examples of the Royal Commission in the early years, the changes to the NSW legislation resulting in the change of name in the 1920s, the confiscation of factory equipment and rationing during the Second World War, and the quotas, restructuring, and subsequent deregulation of the dairy industry from the 1970s. In response to such changes the co-operative's board can be seen to have engaged with these authorities on behalf of its members, both directly and via its industry association.

The rising competition within the dairy industry, combined with the impact of droughts and bushfires that emerged in the 1970s and 1980s forced the closure of the co-operative's butter factory. However, as the recent history of the co-operative shows, competitive markets and natural disasters will come and go. Yet, with determination, a clear purpose, effective leadership and support from its members and the community, a co-operative can navigate these challenges and survive.

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