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CASE STUDY

FROM ORCHARDS TO OUTLETS: MOUNT BARKER CO-OPERATIVE LTD. SERVING A CHANGING REGION SINCE 1918



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Case Study Research Report | CERU

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STATEMENT OF REPUBLICATION

The University of Western Australia (UWA) is committed to maintaining the highest standards of research quality, integrity and accuracy.

Following a research integrity assessment, this case study has undergone review and revision. The review identified opportunities to strengthen the original publication through the inclusion of additional information and context. These revisions do not alter the central purpose of the study; rather, they contribute to a fuller and more balanced understanding of the Mount Barker Co-operative and the key people and events connected to its history.

UWA acknowledges the concerns raised and regrets the distress associated with this matter. We appreciate those concerns being brought to the University's attention and the opportunity they provided to review and strengthen the case study.

Research is an iterative process, and the ongoing review and refinement of published work is a hallmark of responsible research, particularly where publications contribute to the public and historical record of significant organisations, communities and regions.

This revision reflects UWA's commitment to ensuring that its published research is as accurate, complete and balanced as possible. UWA welcomes opportunities to strengthen the quality, value and integrity of its research.

INTRODUCTION

The Mount Barker Co-operative Ltd began as a packing and distributing enterprise and evolved over the years, meeting the various needs of members and the Mount Barker



community to become a consumer co-operative, purchasing products and services for its members. Within the Shire of Plantagenet, the Co-operative, located in the town of Mount Barker, manages the brands IGA, Mitre 10, Elders, Cellarbrations, and Mount Barker fuel services.

Established in 1918, the Mount Barker Co-operative Ltd. (MBC) services the needs of the Shire of Plantagenet and its surrounding areas. The Co-operative describes its vision, mission, and values as follows:

Vision: *To be a strong and diversified Co-operative that leads and supports local communities.*

Mission: *The corporate objective of the Mount Barker Co-operative (the Co-op) is to be a long-term sustainable business maximising benefits and opportunities for Members and other Stakeholders.*

Values: *Our integrity is without compromise. We develop, invest and grow within our community. Members are our purpose, and customers are our business" (MBC, 2024).*

This case study provides a historical timeline for the development of both the MBC and the Shire of Plantagenet. It encompasses a narrative account of the Co-operative's history and examines it against the changes taking place within the wider community for which it was established and that it continues to serve. The case study then examines the key lessons from the MBC history and examines the historical record against a conceptual research framework developed by Mazzarol et al. (2014) in relation to co-operative and mutual enterprises (CMEs). This framework examines the behaviour of the MBC from the systems and enterprise level, with a focus on the economic and social contributions the Co-operative has made to Western Australia (WA).

The rural co-operative movement in WA has a long and proud history. In 1887 the Western Australian colonial administration appointed a Royal Commission into the colony's rural industry. Known as the Commission on Agriculture, it commenced work in 1887 and delivered its report in 1891. Led by Harry Whittall Venn, the Commission recommended that the colony's rural industry pursue 'co-operation on the Anglo-European model and on the model recently adopted in the east coast dairy industry in order to improve rural productivity' (Venn, 1891). As a result of these recommendations the Department of Agriculture (Agricultural Bureaux) went on to establish co-operatively funded railway sidings for the transportation of fruit and wheat. It was against this pro-co-operative backdrop that the Mount Barker Co-operative was established in 1918 in the south west of WA (Plantagenet Shire) by a small group of orchardists seeking to collectivise local fruit processing, distribution and marketing. Unlike many producer cooperatives in rural Australia that demutualised or disappeared in the face of increasing structural changes in the agricultural sector, the MBC has continued to thrive and serve the local community through its transformation into a successful consumer Co-operative.

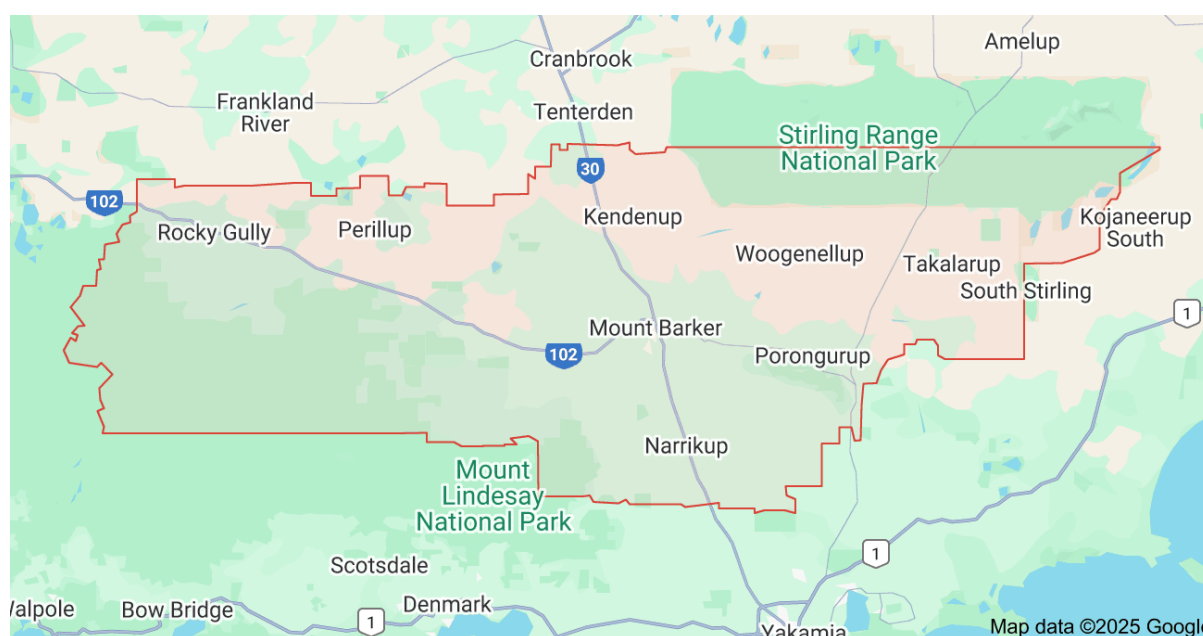
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AN OVERVIEW OF THE SHIRE OF PLANTAGENET

The Shire of Plantagenet (SoP) is located in the Great Southern region of Western Australia. It covers an area of 4,875 km² and is divided into five communities, Mount Barker, Narrikup, Rocky Gully, Kendenup, and Porongurup. The administrative centre is Mount Barker, which is located 360 kilometres south of Perth, and 51 kilometres north from Albany. In 2023 the Shire of Plantagenet had a population of 5,669 people. The median age in the Shire is 48 years. Older couples without children comprised 15 per cent, with 23 per cent couples with children, and 25 per cent single person households. Aboriginal and Torres Strait Islander (ATSI) people comprised 3.4 per cent of the population, and 19 per cent were born overseas. Since 2006, the population within the Shire of Plantagenet has grown by 975 people. In 2021, 25.8 per cent of the workforce were engaged in agriculture and forestry, with health care (10.1%), education and training (7.8%), manufacturing (7.1%), and retailing (7%) being the largest employers (SoP, 2025).

Figure 1: Shire of Plantagenet location map



Source: Shire of Plantagenet (SoP, 2025).

The Plantagenet region receives an annual rainfall of 763 mm and has a mild climate with average maximum temperatures of around 20° Celsius and average minimum temperatures of around 8° Celsius. Due to its climate and rainfall, the region has traditionally focused on sheep and cattle grazing, horticulture, viticulture, cropping (e.g., wheat), olive growing, silviculture, and plantation timber (e.g., Tasmanian blue gums, *Eucalyptus globulus*). The region is also home to wine making and tourism. The gross regional product (GRP) of the region in 2025 was estimated to be \$483.4 million, with a workforce of 2,209 people (GSDC, 2025).

THE NOONGAR MENANG, TRADITIONAL OWNERS OF THE PLANTAGENET REGION

The original inhabitants of the Plantagenet region are the Noongar Menang (aka Mineng) people who can trace their ancestry back more than 45,000 years. They are one of the fourteen different dialectical groups that comprise the Noongar people who settled the southwest of Western Australia before the arrival of the British colonial settlers. For most of this time they used fire to maintain their camps and tracks, as well as managing vegetation and animals, and harvested yams, berries, and seeds. Significant sites around Mount Barker, including granite outcrops and water sources, continue to hold cultural and spiritual importance to the Noongar people. Their traditional lands encompassed 13,000 km² from King George Sound where the present-day City of Albany is located, north to the Stirling Ranges and west towards Wilson Inlet. The area encompassed by their tribal lands included Tenterden, Lake Muir, Cowerup, the Shannon River area, Pallinup, Mount Barker, Nornalup and Porongurup (Tindale, 1974).

Charles Darwin reported making contact with the Menang people in 1836 during the eight days he spent in King George Sound and Albany as part of his famous journey aboard the *HMS Beagle* from 1831 to 1836. He describes a Menang tribe referred to as the “White Cockatoo” men, who put on a dance at night illuminated by campfires. The “Emu dance” saw the male dancers, who were daubed with white ochre, displaying the movements of emu and kangaroo, using their clubs and spears as instruments to keep time, and stomping the ground with their feet. While it seems that Darwin was sufficiently impressed to include this event in his book, he also seems to have had little understanding of the meaning of the dance which he acknowledged was captivating for the Menang women and children who were also watching. He concluded his report on this event as follows,

“In Tierra del Fuego, we have beheld many curious scenes in savage life, but never, I think, one where the natives were in such high spirits, and so perfectly at their ease. After the dancing was over, the whole party formed a great circle on the ground, and the boiled rice and sugar was distributed, to the delight of all” (Darwin, 1845, pp. 475-476).

The British began occupying Western Australia in 1826 with a penal settlement at King George Sound (now Albany), led by Major Edmund Lockyer, who sailed from Sydney with convicts and soldiers on the Brig *Amity* to claim the region for the British Crown. Albany, originally known as Frederick Town, was officially recognised on 27 January 1827 (Morgan, 2016).

Relations between the Noongar Menang people and the British contingent under Major Lockyer appear to have been mostly amicable (Menck, 2022). However, this situation changed after 1829 when the large-scale British settlement commenced in the Swan River Colony. Relations between the Noongar people and the British became strained over land use, and the appropriation of the tribal hunting lands of the Noongar by the European settlers who commenced land clearing and fencing. This led to violence and the deaths of people from both communities (West Australian, 1933a; Martens, 2022).

British settlement and the expansion of farming in the late 19th and early 20th centuries led settlers to claim and convert the Noongar Menang's traditional hunting lands in grazing and farming land. In 2015, various Noongar communities lodged six Indigenous Land Use Agreements (ILUAs). The *Noongar Recognition Act 2016* (WA) acknowledged the Noongar groups as the

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traditional landowners. However, despite the Noongar Peoples' Native Title Rights being recognised, disputes with the Western Australian State Government over ILUAs continued until 2020 when referred to the High Court. The court's ruling enabled the implementation of ILUAs, recognising Native Land Title and providing financial compensation for privately held lands starting in 2021-2022. The Noongar Native Title Rights cover about 200,000 km² across southwest Western Australia (BAC, 2024).

The land area claimed by the Menang is now accommodated under the Wagyl Kaip Southern Noongar agreement. This regional group encompasses the Ganeang, Goreng, and Menang dialectal groups from the Great Southern area of Western Australia. The region includes the towns of Boyup Brook, Gnowangerup, Bridgetown, Walpole, Denmark, Mount Barker, Cranbrook, Tambellup, Katanning, Kojonup, Nyabing, Jerramungup, Ravensthorpe, Hopetoun, Bremer Bay, and Albany. The Wagyl Kaip and Southern Noongar region is located east of the Southwest Boojarah region and south of the Gnaala Karla Booja and Ballardong regions. The approximate area of the Wagyl Kaip Southern Noongar region is 52,246 km². This region contains numerous cultural and significant sites, including the Stirling Ranges. The Wagyl Kaip Southern Noongar Aboriginal Corporation (WKSNAAC) (WKSNAAC, 2025) manages it.

CHAPTER 1: BACKGROUND TO THE CO-OPERATIVE'S FOUNDATION

The Shire of Plantagenet was officially gazetted on 24 January 1871 as the Plantagenet Road District, one of a total of eighteen elected road boards tasked to build and maintain the road network across the State of WA at that time. These road boards were eventually converted into local government administrations as shire councils. This conversion occurred on 1 July 1961 when the Shire of Plantagenet was officially established under the *Local Government Act 1960* (WA), which transferred all existing road boards into shire councils (LGRD, 2003).

Mount Barker, known to the Menang people as “Pwakkenbak”, takes its name from the large hill, which was named in 1829 by explorer and Royal Naval Surgeon, Thomas Braidwood Wilson in the honour of Captain Collet Barker who replaced Major Lockyer as Commander of the convict settlement at King George Sound, and who served in that role from 1829 to 1831. However, the history of the Plantagenet region and Mount Barker can be traced to the original settlement by Major Lockyer in 1827.

THE INITIAL SETTLEMENT AT KING GEORGE SOUND

European discovery of Western Australia commenced with the Dutch who, while travelling from the Netherlands to Batavia (modern day Jakarta) in Java, either visited the State's coastline, or impacted their ships on the many reefs resulting in a treasure trove of shipwrecks. The Dutch ship *Gulde Zeepard* (Golden Sea Horse), which having been blown off course on its way to Java, found the rugged coastline of Cape Leeuwin in 1627. This was followed by the French ship *Le Gros Ventre* (the Big Stomach), which in 1772 also visited Cape Leeuwin under the command of Captain de St Alouran (Bunbury Herald, 1919).

British interest in the region commenced on 26 September 1791 with the visit of two warships, *HMS Discovery* and *HMS Chatham*. They were under the command, respectively, of Captains George Vancouver and William Robert Broughton. During their visit to the southwest coastline, they discovered, mapped, and named King George Sound, and Princess Royal Harbour (where the port and city of Albany now stand), and other notable features in the vicinity. This was part of a much larger exploration of the Pacific West Coast of Canada that took place from 1791 to 1795 (Royal Collection Trust, 2025).

The following year a French expedition led by Rear Admiral Joseph-Antoine Raymond Bruni D'Entrecasteaux, in command of the warships *La Recherche* and *L'Esperance* visited southwest WA enroute to Sydney and the Pacific in a search for missing French navigator and explorer Jean-François de Galaup La Pérouse (Marchant, 1966). Further British attention came to the area when in 1801, Captain Matthew Flinders, aboard the *HMS Investigator* in 1801, visited Cape Leeuwin and King George Sound during his attempted circumnavigation of the Australian continent (Cooper, 1966).

In the same year, another French scientific expedition, ordered by the Emperor Napoleon, visited Australia and the King George Sound. Commodore Nicolas Thomas Baudin commanded the crew aboard the ships *Le Géographe* and *Le Naturaliste* that included French naturalist and hydrographer Louis-Claude Desaulses de Freycinet. They chartered the Australian coastline and

even met with Matthew Flinders in April 1802 during their voyage (Marchant and Reynolds, 1966a/b).

These expeditionary voyages by the Napoleonic French Navy engendered concern within the British colonial administrations in New South Wales (NSW), which led to the British Admiralty taking greater interest in securing claims to the entire Australian continent. In January 1818, the warship *HMS Mermaid* visited King George Sound as part of a circumnavigation of the Australian continent commissioned by NSW Governor Lachlan Macquarie on behalf of the British Colonial Office. This vessel was commanded by Captain Phillip Parker King, and included Lieutenant John Septimus Roe, a surveyor, who later became the first Surveyor General of WA (Uren, 1967).

Despite the defeat of Napoleon in 1815 at the Battle of Waterloo, British anxiety over the risk of French occupation of Western Australia led NSW Governor Lieutenant-General Sir Ralph Darling, to dispatch Major Lockyer to establish a British presence in the west. Major Edmund Lockyer was from the 57th Regiment (Middlesex) and his garrison party comprised two fellow officers, 18 rank and file soldiers, and 20 convicts. The townsite now occupied by Albany on Princess Harbour, was initially named Frederick Town after King George's son Frederick, Duke of York and Albany (Bunbury Herald, 1918).

The Frederick Town settlement was under the jurisdiction of NSW until 1830, when following the arrival of the main British colonial settlement in 1829 at the Swan River, it was transferred to the control of Governor James Stirling. According to some sources, the initial settlement under Major Lockyer struggled due to poor quality soils and relied heavily on supplies brought in from Sydney. Following the transfer of jurisdiction from NSW to WA, the garrison and its convicts were returned to Sydney (Bunbury Herald, 1919).

European exploration began in 1829 when Dr. Thomas Braidwood Wilson travelled from King George's Sound (later Albany) in an expedition that included Menang Noongar man Mokare, as well as officer in charge of the Commissariat, John Kent, a soldier William Gough (whose knapsack was filled with brandy, rum and gin), two convicts, and two kangaroo dogs. Wilson named Mount Barker after his friend Captain Collet Barker, later commandant of the garrison at King George's Sound. Wilson found the country around Mount Barker variable, with both 'scrubby barren land' and 'rich and romantic country... abundantly supplied with good water' (Wilson 1835, p.240).

In 1832, Ensign Robert Dale, an officer with the 63rd Regiment, who was seconded to work with the Surveyor General John Septimus Roe, explored and mapped the Plantagenet area and King George Sound. He had previously explored the Avon River Valley, which led to the opening up of farming land over the Darling Ranges, and the establishment of York (Oldman, 2022). This led to the Surveyor General Roe and the Governor James Stirling, visiting the Plantagenet in 1835, facilitating the expansion of settlement in the area (Albany Advertiser, 1936).

Subsequent expeditions by Alexander Collie (1831) and Surveyor-General John Septimus Roe and Governor James Stirling (1835) also highlighted the region's potential for agriculture, attracting settlers who saw opportunities in its fertile soil and favourable climate. The first of these was Sir Richard Spencer, who, having retired from the Navy, sought greener pastures for his family of 9

children. He was appointed Government Resident at Albany in 1833, arriving to find only 17 civilians, a few soldiers and dilapidated buildings (Stephens, 1967).

Spencer purchased part of Governor Stirling's land allocation in the Hay River area for grazing sheep and established a successful mixed farming enterprise on it. Other settlers followed, including John Hassell who in 1840 established a sheep station of 20,000 acres (8,094 ha) at Kendenup (Hassell, 1972).

Noongar people remained in the district, with some working as shepherds for the settler farmers. Alongside sheep farming, small-scale cropping, dairy farming, and orcharding also began to emerge. Andrew Muir, an early settler at Forest Hill, around 30km west of Mount Barker, was said to have planted the first apple trees in the district in 1860 (Groom & Gates 2009). That year also saw the construction of the Bush Inn in Mount Barker, which became an important meeting place for the district's settlers. The first shop in Mount Barker, Abbey Holme, was established in 1869 by James Sounness (O'Brien Planning Consultants, 1997).

During the years from 1827 to 1850, with the arrival of convicts, the colony in WA faced economic and social challenges. The initial settlement years, 1829 to 1837, under Governor Stirling and his military commander (and cousin) Major (later Lieutenant Colonel) Frederick Chidley Irwin was marked by violent clashes with the Noongar people (Martens, 2022). However, the poor soils within the Swan coastal plain, the absence of a deep-water harbour at Fremantle, and the under capitalisation of the settlers, resulted in the WA colony facing serious economic issues (Burvill, 1979). This has led to some historians suggesting that Stirling made a mistake in choosing the Swan River and Perth and Fremantle as the main settlements rather than King George Sound, Princess Harbour and Albany, which served as WA's only deep-water port for seventy years (Crowley, 1967).

Compared with the expansion of pastoral and agricultural land development in the Avon Valley during the 1830s and 1840s, the development of the Plantagenet area proved more challenging due to the relative isolation of the area and the lack of labour to enable the farms and stations to operate. This labour shortage was common across the entire colony but seems to have been of particular concern in the Plantagenet.

For example, on 13 November 1843, a petition from the settlers in the Mount Barker district, was delivered by a Mr. Hagen to the Governor John Hutt Esq and the Legislative Council. The petition requested that the colonial administration revive the emigration program that had slowed due to the challenges that had beset the colony since foundation (Perth Gazette, 1844). As reported in the article published in the *Perth Gazette and Western Australian Journal*,

"The petitioners viewed with alarm the great deficiency of labour in the Colony, and anticipated consequences of the most disastrous nature, unless something were done towards obtaining a fresh influx of labourers. A great number of persons, formerly employed as labourers for wages, were now farming on their own account. This was steadily diminishing the supply of labour in the Province, and without an increase of emigration, this would be seriously felt. A revival of emigration would be attended with great benefit to the petitioners and would be of immense advantage to the Colony itself" (Perth Gazette, 1844, p. 4).

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It was noted that there had been virtually no emigration to the colony since 1840, but during the intervening three years the amount of land under cultivation in the Plantagenet had increased from 8,000 acres (approx. 3,237.5 hectares) to around 28,000 acres (approx. 11,331.2 hectares). The petition also stated that the total amount of sheep, cattle, pigs, and horses had significantly increased, and that the colony was developing some small-scale local manufacturing, all of which required a labour force to manage. In response, Governor Hutt welcomed the petition and noted that the colony was “peculiar”, referring to the low cost of its establishment to Great Britain. He promised that he would consult with the Legislative Council, and review the issue of emigration, and establish a committee to manage the process (Perth Gazette, 1844).

The lack of labour was not just restricted to the Plantagenet district. It had a significant impact across the entire colony and led to higher wage costs. This resulted in petitions from the settler community to bring convicts to WA, at a time when the eastern colonies were bringing their convict systems to an end (Roe, 1874). The Royal Agricultural Society of Western Australia (RASWA) and its network of regional affiliates, also lobbied the colonial government on the matter, requesting that the Legislative Council write to the British Secretary of State for the Colonies expressing the desire for WA to become a recipient of convicts (Inquirer, 1847).

An agreement was established for Western Australia to accept convicts in 1849, with the first group arriving on the ship *Scindian* in 1850. The convict transportation system operated from 1850 until 1868, during which an additional 12,821 individuals, including convicts, military guards, and single emigrant women, arrived in the colony (SRO, 2021). The convicts who were selected for deportation to WA were chosen for their skills and ability to be assimilated back into civil society. They not only provided the colony with much needed labour, but also a substantial amount of British colonial funding to support their deployment to the colony, leaving a legacy of numerous heritage buildings within Perth, Fremantle and other locations (Herald, 1869).

The decades of the 1830s and 1840s were challenging for the fledgling colony but also laid the foundations of the modern-day Plantagenet district and the community of Mount Barker. It was also a time for the development of transport infrastructure, which fostered the creation of the first co-operative in WA.

ROAD BUILDING, STEAMSHIPS AND CO-OPERATIVE SOLUTIONS

In 1837 a road between Perth and Albany was completed. This was undertaken by troops of the 21st Regiment (Royal North British Fusiliers) under the command of Lieutenant Charles Frederick Armstrong. The construction of this road had commenced in the early 1830s shortly after the establishment of the Swan River Colony, with the work being undertaken by the soldiers of the 63rd (West Suffolk) Regiment. This reached Warriup, approximately halfway from Perth to Albany. The 21st Regiment arrived to replace the 63rd Regiment in 1833, and a barracks was built at Kojonup to accommodate some of these troops (Oldman, 2021).

An article published in the *Perth Gazette and Western Australian Journal* in 1838 describes the road building and general character of the Plantagenet and King George Sound areas at that time. It records that the cutting of the road from Warriup and Kojonup to Albany proved easier than had been anticipated. Furthermore, the countryside through which the road was cut impressed

the officials from the WA Colonial Survey Department who oversaw the road construction. Given the pressure on suitable land for pastoral and farming purposes within the Swan coastal plain and Avon River Valley at that time, the land through which the road ran was considered highly suitable for farming, sheep and cattle grazing, or similar uses (Perth Gazette, 1838).

The report of the land between Kojonup and Albany through which the road ran was described as follows:

"The journey was made without any serious impediment or obstruction presenting itself. It was supposed this attempt would be attended with some difficulty or hazard; the result, however, satisfactorily proved, that the dangers had been overrated, and that no difficulty has to be overcome than the construction of a few slight bridges, and the formation of some artificial means of a road along the swampy ground adjacent to King George's Sound, if it should be found, on further inspection, that this description of country, dangerous or probably impassible in the winter season, cannot be avoided by a slight detour from the present marked road. There are many beautiful sheep and cattle runs, and situations adapted for stock-farms, on the line of road, and there was no scarcity of fresh water" (Perth Gazette, 1839, p. 26).

As the only deepwater port on the southwestern coastline, Albany and the Plantagenet region became very important to the WA Colonial Government. The port within Princess Harbour attracted ships travelling from Britain via the Cape Colony in South Africa onwards to Adelaide, Melbourne and Sydney. When steam powered ships began to carry the Royal Mail, passengers and goods on this route, the Peninsula & Oriental Steam Company (P&O) established a coaling station at Albany in 1852 (Garden, 1977).

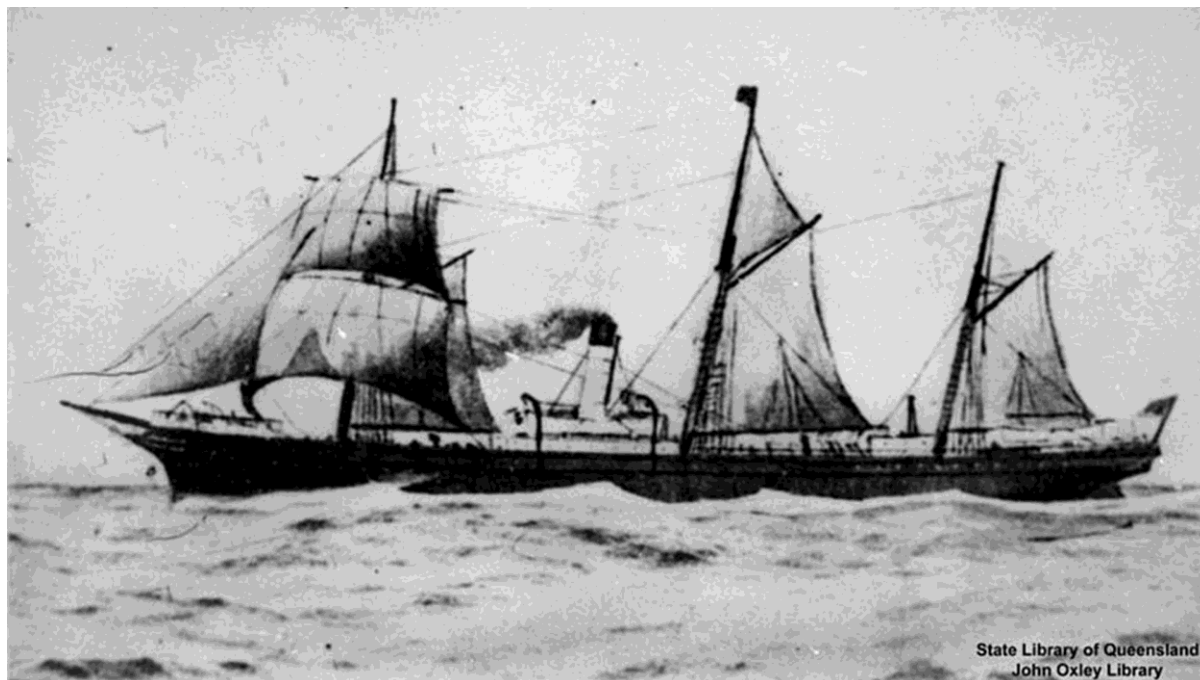
Founded in 1837 and then incorporated in 1840, the P&O Company became the key merchant shipping partner for the Royal Navy and secured lucrative contracts to carry the Royal Mail to Portugal, Spain and Egypt, from which its company name was derived. Later, the P&O Company serviced the mail routes to India, China and Australia (Inquirer, 1868; P&O, 2022; Johnson, 1979).

Road access between Albany and Perth became important, but even by the 1860s the journey was challenging. This was attested to by a traveller, Mr. J. L. Poore, who made the trip in 1861. Arriving from Melbourne via Warrnambool and Adelaide, a journey of 1,020 miles (1,642 km) aboard the coastal steamship *SS Balclutha* (see Figure 2). He described the characteristics of King George Sound and Princess Harbour, and the rugged granite shoreline. In relation to Albany, he wrote,

"Albany is a small and quiet town containing about 500 inhabitants and is pleasantly situated. The people seem well to do, the periodic visits of the steamers, the agency and coal establishment of the P&O Company, the frequent arrival of coal ships the numerous whalers that put in to refit, obtain supplies, and await order, together cause a large disbursement of money, and give employment to numerous labourers" (Poore, 1861, p. 3).

His assessment of the relative affluence of the people living in the region is worth noting. However, high costs of food and imported goods placed pressure on many people within Albany and the Plantagenet area at that time. The high cost of living was compounded by exorbitant store credit imposed by local shop keepers.

Figure 2: SS Balclutha, an early coastal steamship circa 1860s



Source: State Library of Queensland (2025).

Faced with demands by his employees for increased wages to alleviate the exorbitant cost of living, the Agent in control of the P&O coaling station at Albany, Mr. William Carmalt Clifton, proposed the establishment of a co-operative store as a solution. At that time, the P&O Company was the largest employer in Albany, with many men working as coal lumpers, loading and unloading coal into hulks dispersed around Princess Harbour, and then onto P&O steamships enroute between Melbourne and Cape town (Baskerville et al., 2022).

In 1861, Clifton initially formed a savings bank for coalers, but few men earned sufficient money to have anything to save (Inquirer, 1861). This early failure ultimately led to the establishment in 1867 of the Albany Co-operative Society Ltd. This co-operative successfully reduced the overall cost of goods within the Albany and Plantagenet region, although it proved highly unpopular with the local shopkeepers. It survived until 1885 (Baskerville et al., 2022).

However, for our intrepid traveller Mr. Poore, the Albany Co-operative Society was still at least six years away, and his journey from Albany to Perth demonstrated the challenges faced by those navigating the rudimentary road between WA's only deepwater port and the colonial capital some 265 miles (426.5 km) away. In 1861 the journey took seven to eight days. Mr. Poore described the experience as follows,

"The only public conveyance is the monthly mail cart, and the intending traveller has need to provide himself with a good skin rug, and look well to his commissariat, for he has to camp at night, and is dependent for food on supplies taken in at the Sound" (Poore, 1861, p. 3).

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Mr. Poore was lucky enough to have prepared himself for the journey and had received food and travel goods from a friend. As he explained,

"Through the kindness of a friend I was well, and as I thought at the time, superabundantly supplied, but eight days jolting on a cart, with constant exposure to the open air, wonderfully quickens the appetite and assists digestion" (Poore, 1861, p.3).

He described the road between Albany and Perth as, *"a good bush track"*, although one that was frequently crossing "very rugged" sections or "deep sand". The milestones marking the distance to Perth were cut into trees along the roadside, and the trip required early morning starts, often around 2am, and continued travel into the night before making camp. The distances travelled each day were determined by the availability of water and firewood supplies. According to Mr. Poore, the countryside through which the mail cart travelled for the first 120 miles (193 km) was "very poor", comprising mostly granite rock, sandy soils and scrubby vegetation. Nevertheless, he was praiseworthy about the land further north within the Plantagenet region. As his account explains,

"In this generally unpromising region are some fertile spots, as at Mount Barker, Kojonup, Lake Matilda, and the Gordon River" (Poore, 1861, p.4).

His account of the journey goes on to describe the character of the country closer to Perth but also provides a summary of the overall state of the colony in WA in 1861. By this time WA had experienced a decade of receiving convicts and their associated military guards. As discussed earlier, the convict system brought in labour, British Colonial Office investment, and boosted the non-indigenous population by around 8,150 people (Cotter, 1967).

The convicts selected for transportation to WA were generally young and had been convicted of minor or non-violent crimes. Their skills were also assessed to provide the colony with the types of labour that were considered to be appropriate for the need of the community and the type of public and private works needed for the emerging urban and rural economies. The convict scheme was, for the time, well-managed and did much to enhance the colony (Gibbs, 2001).

Writing in 1861, Poore (1861) described the population across the colony,

"The total population of this colony, including military and prisoners, does not exceed 15,600, about half of whom are located in towns, and the remainder are scattered over an immense area, extending 600 miles from north to south, and eastward from the sea about 100 miles. There are six towns, which the number of their inhabitants, inclusive of prisoners, are as follows – Albany, 292; Bunbury, 228; Fremantle, 2,392; Guildford, 369; Perth, 3,762; York, 618. Perth, the capital, is finely situated on the river Swan – which, thus far, is a wide estuary – and about twelve miles from the sea" (Poore, 1861, p. 4).

The Perth to Albany road remained an issue for the remainder of the nineteenth century. For example, in 1883 a memorial (i.e. petition) was sent from the settlers living in the Plantagenet district seeking His Excellency, the Colonial Administrator Mr. H. T. Wrenfordsley, to take action in relation to the condition of the road,



"The memorial of the undersigned inhabitants of the town of Albany and Plantagenet District respectfully sheweth. That for some time past your Memorialists have been keenly sensible of the neglect this District has received at the hands of the Government, notwithstanding the frequent remonstrances made and promises given; and your Memorialists humbly beg the favourable consideration of the Administrator to the following resolutions and request your support in obtaining that they are unable to get by other means."

"That the Main Road between Albany and Perth has for many years past fallen into disrepair and is now in some parts entirely impassable and will in a short time require many thousands of pounds to repair what could have been done for hundreds.

- That this road is used by the overland mail, and it's feared that unless something is done before the winter sets in not only loss of property may be anticipated but life as well.*
- That the Local Road Boards have used every means in their power to prevent this deplorable waste of valuable public property by representing the matter continually to the Government, and in so many instances have they failed to receive even a reply that they, the Road Board, decided to resign in a body and the Government refusing to accept their resignation they determined not to hold further communication with the Government;*
- That when contracts have been completed contractors have not been paid, in fact so strong has been the feeling in this district, that no person will now contract, only under control and guarantee of the members of the Local Boards; and we therefore request that substantial means may be immediately placed at the disposal of the Local Road Boards for the repairs which are so much needed" (Albany Mail, 1883, p. 3).*

The memorial went into significant further detail regarding the colonial government's lack of investment in the road and communications infrastructure in the Plantagenet district, with references to the construction of a new jetty at the port of Albany, a telegraph station at Mount Barker, and a telegraph connection to the Breaksea Lighthouse. It also included a request for the construction of a railway line linking Albany to York (Albany Mail, 1883). Nevertheless, road construction and maintenance continued to plague the Plantagenet district throughout the remainder of the century.

The governance of Mount Barker and its surrounding districts took shape in 1871 when the Plantagenet Road Board was established under the *District Roads Act*. Road boards were the primary form of local government at the time, responsible for building and maintaining roads, bridges, and essential infrastructure to support the growing agricultural economy. The board played a critical role in connecting rural communities and ensuring the smooth transport of goods to markets. At first the Road Board met in Albany, but from 1899 they were held in the Bush Inn (O'Brien Planning Consultants, 1997). In 1888 the Colonial Government passed the *Roads Act*. However, it raised the size of the Road Boards' Committees from a minimum of three to a minimum of four members in order to make a quorum. This caused problems in Mount Barker due to the difficulty of ensuring that four members of the Committee could always be in attendance. It resulted in contractors not being able to be paid for their work due to the inability of getting four Committee members to the meetings (Albany Mail, 1889).

THE GREAT SOUTHERN RAILWAY

The arrival of the Great Southern Railway in 1889, along with the eastern goldfields' gold rush of the early 1890s, and the generous land grant provisions of the *Land Act 1898*, attracted more settlers to the region and Mount Barker became a significant regional transport and trade hub. In particular, the availability of free 160-acre (65 hectares) homestead farms encouraged the development of orchards, as an intensive land use (O'Brien Planning Consultants, 1997). However, it took until 1886 before the construction of the Great Southern Railway commenced, which was celebrated with simultaneous opening ceremonies held at Beverley and Albany on 20 October. This was overseen by the Governor of Western Australia Sir Frederick Napier Broome KCMG in Albany and his wife, Lady Broome (Mary Anne Barker) in Beverley. Present in Albany was the Mayor of Albany, Mr. William Grills Knight (See Figure 3). Mr. Knight made the opening address stating,

"May it please your Excellency. We, the Mayor and Councillors of the Albany municipality, on behalf of ourselves and the inhabitants of this town and the district of Plantagenet, beg to accord you a hearty welcome to our port on this, your special visit, to perform the initiatory ceremony of the greatest work ever undertaken in Albany. We beg to assure your Excellency of our loyal attachment to the British Crown and the person of Her Most Gracious Majesty Queen Victoria, and to your Excellency, Her Majesty's representative" (Albany Mail, 1886, p.2).

In his following address to the assembled crowd, the Governor responded as follows,

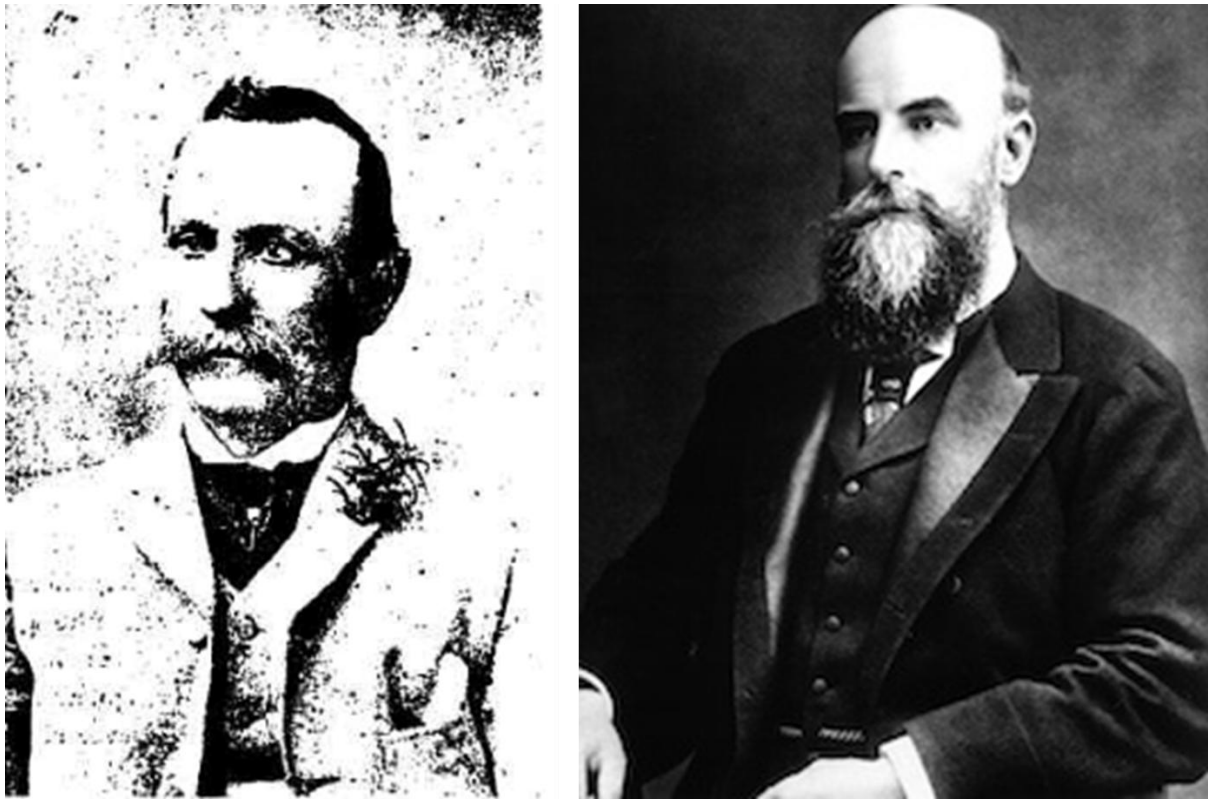
"I receive with pleasure an address expressing, on the part of the people of Albany and of this District, your loyalty to the Sovereign, and your satisfaction at the occasion which has brought me to your town. The Railway begun this day is an undertaking of vital importance. It will open the gates of Western Australia to the world, and your magnificent harbour – hitherto little more than a source of pride to the townspeople of Albany, and of convenience to the commerce of our neighbours – will become a real and active factor in the progress of the colony to which it belongs, and will acquire an immediate value to an immense District" (Albany Mail, 1886, p. 2).

After the speeches were completed, the Governor, in what was drenching rain, filled a wheelbarrow with soil and officially inaugurated the construction of the Great Southern Railway.

The construction of the Great Southern Railway was completed on 21 February 1889 at a point equidistant between Albany and Beverley. An account of the first train to use the line was published in both the *Albany Mail and King George Sound Advertiser* and the *Eastern Districts Chronical*. It describes the journey as being very smooth, and uneventful until, as they reached the Central Station, a flock of sheep ran across the line, and were hit by the train (EDC, 1889). The article described the countryside through which the railway ran, and included a passing mention of Mount Barker as it was in 1889 that was described as follows,

"Mount Barker consisted as far as we could see, of a name, a police station, and a blacksmith's shop, with the glimpse of a public house in the far distance" (EDC, 1889, p. 2).

Figure 3: William Grills Knight, Mayor of Albany (left) 1897, and Sir Frederick Napier Broome KCMG, Governor of Western Australia (right) 1889



Sources: W. G. Knight (National Library of Australia); Sir F. N. Broome (Government House WA).

A second train steamed up from Albany to meet the Beverley train at the mid-point located just south of Wagin Lake. During the opening ceremony, Mr. Powell, the Chairman of WA Land Company Ltd., which was responsible for the construction of the railway, reportedly made the following statement,

“Mr. Powell believed that this railway would do away with all jealousy between Perth and Fremantle on the one part and Albany on the other. Railways were a necessity of modern life”
(EDC, 1889, p. 2).

Mr. Powell also spoke of the challenges of raising the necessary capital to finance the railway's construction, and the rivalry that had emerged between what he called the “Swan River Party” and the Albany Plantagenet community. However, he noted that the former had been more willing to raise the necessary capital (EDC, 1889).

The Great Southern Railway was officially opened on 1 June 1889 and operated from 1886 to 1896 as a private company until it was taken over by the Western Australian Government Railways. The WA Land Company Ltd. funded the project under a land grant model receiving 12,000 acres (approx. 4,856 hectares) for each mile of rail laid, with the land selected from a corridor 40 miles (approx. 64 km) either side of the rail line (Inquirer, 1890).

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The impact of the railway on the economic and social development of towns such as Katanning, Broomhill, Tambellup, Cranbrook, Mount Barker and Woodanilling, which were stations on the line was significant. These prospered, while those, such as Kojonup, became bypassed until the development of the Albany Highway in the 1940s.

DEVELOPMENT OF THE PLANTAGENET, MOUNT BARKER AND THE FRUIT INDUSTRY

The Mount Barker townsite was gazetted in 1899, and the railway station opened the following year. The railway connected Albany to Beverley (and thence Fremantle), providing local farmers with direct access to markets and reducing their reliance on horse-drawn transport. The emerging agricultural industries brought an influx of workers, leading to the growth of the town, the establishment of schools and recreational facilities, and the development of essential services. After the disruption of the First World War a number of soldier settlers took up land in the Plantagenet Shire. On the whole, they experienced more success than soldier settlers in many other regions.

The establishment of the MBC in 1918 by orchardists in the Plantagenet Shire helped to consolidate the local fruit processing, distribution, and marketing. Unlike many other producer co-operatives that have either disappeared or demutualised, the MBC has continued to operate and evolve into a consumer co-operative serving the local community. However, the foundations of the MBC can be found in the history of the WA fruit industry, the origins of which can be traced back to the earliest settlement. This involved the planting of apple, pear, fig, and olive trees, and grape vines either brought out aboard ships with the early emigrants during 1830s and 1840s or acquired enroute at the Cape Colony in South Africa (Grasby, 1917).

The agricultural potential of the Mount Barker and Plantagenet areas was recognised by Major Lockyer as early as 1827 (Ward, 1914a). However, the establishment and recognition of the Plantagenet Shire commenced in late 1830 and early 1831. Exploration by Ensign Robert Dale, and later Assistant Surveyor Mr. Raphael Clint in 1831 discovered the Porongurup Hills and the fertile land within the Mount Barker area. Accompanied by four soldiers and two Menang guides, Mr. Clint surveyed the lands across the Plantagenet finding a mix of good soils, rugged forests, and clay flats (Keyser, 1930).

As previously discussed, settlement of the farming and pastoral land within the Plantagenet Shire commenced in 1830 with allocations of land to Dr. Alexander Collie (2,500 acres / 1,012 hectares), John Lawrence Morley (4,000 acres / 1,619 hectares), and Captain Thomas Bannister (5,903 acres / 2,389 hectares). These allotments are understood to have been in the areas of Albany and Kendenup. Following the transfer of the jurisdiction of Albany from NSW to WA, Dr. Collie was appointed as the Government Resident. He undertook several explorations into the inland areas. In 1831 Dr. Collie led a party comprising soldiers of the 63rd Regiment, and the Menang tribal leader Mokare, to discover (for the British settlers) the Kalgan River, named after the Menang word for the river (Albany Advertiser, 1936).

While the main focus of the WA rural sector during the nineteenth century was on pastoralism and wheat growing, the production of fruit, vegetables, and wine commenced as soon as the first British settlers arrived. These were primarily domestic gardens developed for food rather than

export. By 1896 only some 2,393 acres (approx. 968.4 hectares) were focused on fruit tree orchards and viticulture in WA. By 1931 this had increased to 19,354 acres (approx. 7,832.3 hectares). However, despite support for this form of agriculture there was a community prejudice against locally grown fruit. Local merchants began labelling apples, pears and oranges “Finest Imported” in order to help them sell. Despite this, from 1918 to 1920 only three cases of oranges were imported into the State, while 4,000 cases were sent to the eastern states (Western Mail, 1935).

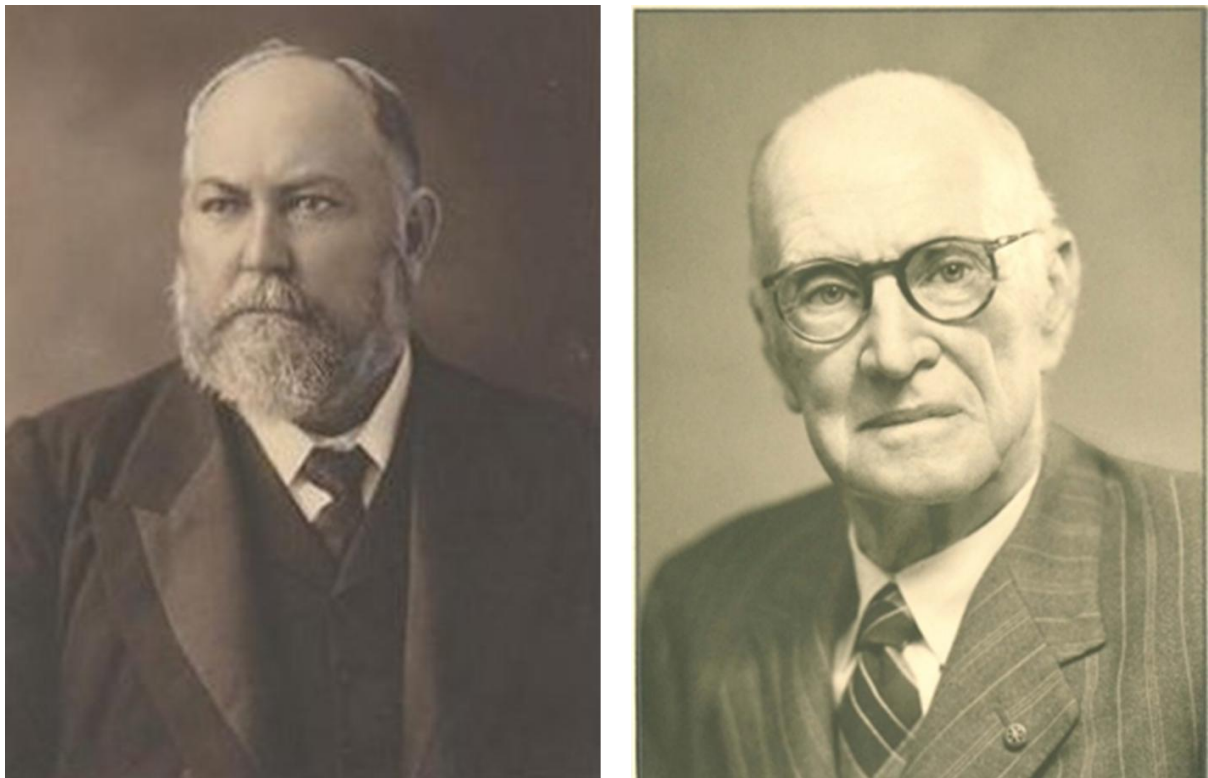
A feature of Mount Barker and the Plantagenet district was the emergence of the horticultural and viticultural industries. Higher rainfall, a cooler climate, and abundant water enabled these industries to thrive. Among the pioneers of the Mount Barker area were William and Mary Sounness. Originally from Salton-Haddington Shire, Scotland, the couple arrived in Albany in 1841. William was born in 1810 and died on 14 December 1900. Mary (nee Grey) was born in 1818 and died on 2 January 1900. They originally managed farming properties in the Kalgan River and Kojonup district for a Captain T. L. Symers, and a pastoral station at Kendenup for another settler Captain A. Y. Hassell. In 1860 they purchased a 40-acre (approx. 16.2 hectares) plot of land at Merryup, near Mount Barker (WA Museum, 2025).

The purchase of the property was made available by a land grant from the colonial government that was providing support for small holdings. Their son, William Sounness Jnr was born at Albany on 3 November 1848 and grew up on the family property. Following the death of his father he continued to develop the property expanding it into one of the largest fruit growing estates in WA. He was recognised as “the father of the apple growing industry” in the Mount Barker district (Albany Advertiser, 1915, p. 3). William Sounness Jnr married Sarah Anne Cooper and they had two sons, Albert Henry (1871-1929), and William James (1875-1951) (Family Search, 2025).

By 1930, William Sounness Jnr had expanded the family orchard at Merryup to over 155 acres (approx. 62.7 hectares). He is reported to have pioneered the commercial orchard industry in WA, and also to have been the first, or one of the first, growers in the state to have exported fruit overseas in 1889. The consignment consisted of apples and pears and was commissioned by the WA Land Company Ltd. (who built and operated the Great Southern Railway). It was sent overseas as deck cargo and reportedly arrived in England in good condition (Western Mail, 1930).

The pioneering work of settlers such as the Sounness family enabled the development of the fruit growing industry in Mount Barker and the surrounding Plantagenet Shire. By the 1890s, despite the economic impact of the gold rush within the Coolgardie and Kalgoorlie areas, the importance of agriculture remained a priority for the WA colonial government. The Colonial Treasurer (aka Premier) Sir John Forrest KCMG actively promoted the development of agricultural and pastoral industries in WA. During the period 1887 to 1891 the Royal Commission on Agriculture examined the colony’s farming practices and made recommendations for a range of practices including the use of new machinery (e.g., stump jump ploughing), the creation of agricultural schools, improved fertilisation, rail transportation, and collective marketing (Venn, 1891; Fitzpatrick, 2011).

Figure 4: Sir John Forrest KCMG (left), and Charles Walter Harper (right)



Sources: Sir John Forrest (National Library of Australia, 1900s); C. W. Harper (Wesfarmers, 1921).

In April 1893, the first conference of pastoralists, agriculturalists, and fruit growers took place, which brought together various associations representing these sectors. It was the first time that such groups had met collectively and discussed policy issues. The meeting was coordinated by the Swan District Vine and Fruit growers' Association and became an annual event providing a valuable forum through which the agricultural producers and the government policy makers could exchange views (Fitzpatrick, 2011).

The development of the fruit industry in WA was facilitated by a handful of horticulturalists who were dedicated to the creation of a local industry for commercial fruit for local consumption and potential export. The establishment of orchards grew during the 1880s and 1890s requiring increased demand for specialist knowledge (Grasby, 1917).

The need for specialist knowledge and expertise in agricultural activities led to the establishment of the Bureau of Agriculture in 1894, which later became the Department of Agriculture and Food of WA (DAFWA) in 1898. Sir John Forrest established a board of directors made up of prominent farmers. It included Charles Walter Harper, a strong advocate of viticulture and horticulture, and also of co-operative enterprise as a valuable business model. These events enabled the evolution of DAFWA and provided a strong foundation for the future development of the horticultural and viticultural sectors in Mount Barker and the Plantagenet Shire (Love, 2006).

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SUMMARISING THE EARLY HISTORY OF MOUNT BARKER

As outlined in this chapter, the establishment of the Mount Barker Co-operative Ltd. (MBC) was a product of the evolution of the settlement of the Plantagenet Shire, and the development of the fruit growing industry in that area. This had been facilitated by the role of Albany as the only deep-water port on the southwestern coast of WA. Additionally, the development of road and later rail infrastructure significantly enhanced the opportunities for settlement and the creation of the horticultural industry. By the 1890s the fruit industry in Mount Barker was established primarily as a supplement to other farming and pastoral activities (Wayfarer, 1893). However, this was to change as the start of a new century ushered in a World War and the rapid evolution of the WA Co-operative movement.

CHAPTER 2: ESTABLISHMENT: 1901-1919

The WA economy boomed during the 1880s and 1890s as a result of several goldrushes. These commenced in 1885 with the discovery of gold at Halls Creek in the Kimberley region. Although the goldfields there did not last long, they triggered an influx of people from both the eastern colonies and overseas (Wilson, Layman & Christmas, 2004). The Kimberley discovery was followed in 1888 by a gold find at Yilgarn near the modern-day town of Southern Cross. Further gold discoveries occurred in 1892 at Coolgardie, and in 1893 at Mount Charlotte near Kalgoorlie (Menck, 2022).

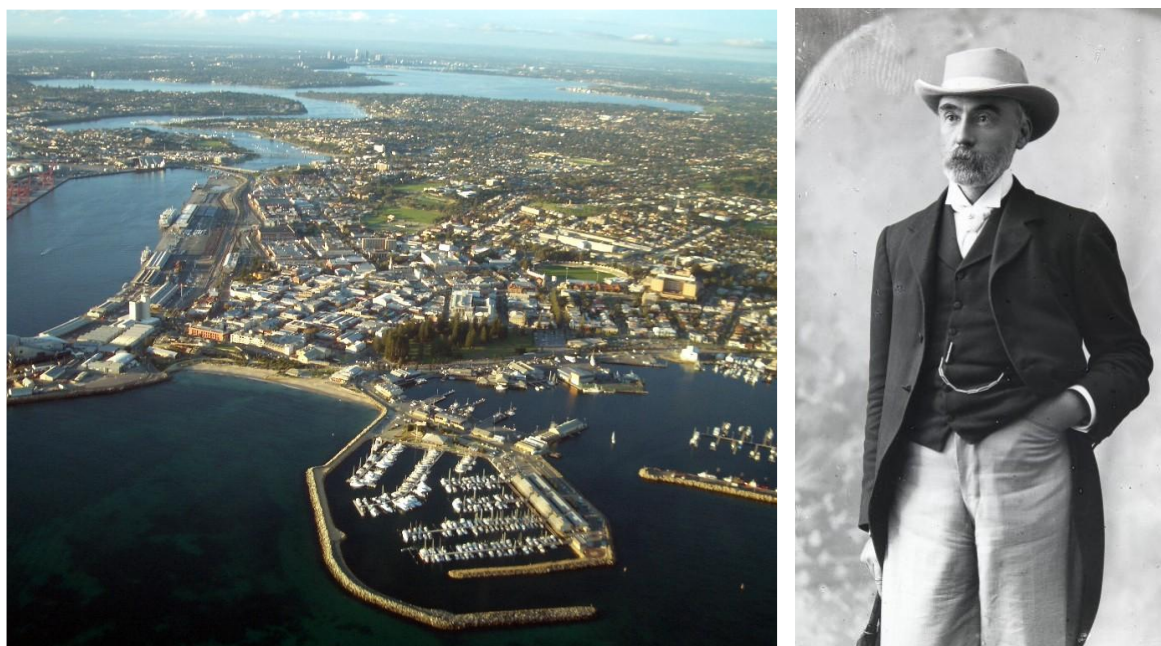
With the experience of the Victorian gold rushes of the 1850s and 1860s behind them, the colonial government of WA introduced mining laws that encouraged mining licences for well-capitalised, corporate entities, with the ability to engage in deep shaft mining operations. The aim of these laws was to deter the influx of undercapitalised gold miners who were deemed more likely to create social problems than bring in much needed investment. These laws attracted the inflow of capital from the eastern colonies, and overseas. With most of the eastern colonies in the midst of a severe recession, the WA economy was doing well. As a consequence, the population of the colony grew from 48,502 in 1890 to 179,967 by 1900. This prosperity enabled WA to invest in major infrastructure projects, which included the completion of railway and telegraph links, and the construction of a deep-water harbour at the port of Fremantle. This was designed by the Irish-born civil engineer Charles Yelverton “C.Y.” O’Connor (1843-1902) and was constructed between 1892 and 1897 (Wilson et al., 2004).

C. Y. O’Connor, serving as the general manager of railways, directed the expansion of the Great Eastern Railway, connecting Northam with the goldfield towns of Kalgoorlie and Coolgardie. Concurrently, as the engineer in chief, he was responsible for constructing the deep-water harbour at Fremantle, which significantly improved logistics and communications within WA by reducing its reliance on the port of Albany. He had the full support of Sir John Forrest during the pre-federation period. However, after 1901, with Forrest’s appointment to Federal Parliament, O’Connor encountered substantial public criticism concerning his proposal to build a water pipeline to the goldfields. This project necessitated considerable innovation and complex engineering but was successfully completed and inaugurated by Forrest on 24 January 1903. Unfortunately, the persistent public criticism, primarily from *The Sunday Times* whose coverage has been described as “vicious and defamatory”, during its construction led Mr. O’Connor to tragically end his own life. This took place on 10 March 1902, during his customary early morning horse ride along Fremantle beach (Tauman, 1988).

To illustrate the feelings that motivated C. Y. O’Connor’s suicide he left a note that reflected his despair at that time as to how the persistent public criticism over the Goldfields pipeline scheme had affected him. It read,

“The Coolgardie Scheme is alright, and I could finish it if I got a chance and protection from misrepresentation but there is no hope of that now and it is better that it should be given to some entirely new man to do who will be untrammelled by prior responsibility” (Tauman, 1988, p. 3).

Figure 5: The Port of Fremantle and Charles Yelverton O'Connor



Sources: Fremantle Harbour (Kristian Maley, 2005); C. Y. O'Connor (State Library of WA, 1897).

MOUNT BARKER PRIOR TO WORLD WAR ONE

By the first decade of the twentieth century WA was experiencing the benefits of the gold mining boom and the investment made in road, rail, port and telegraph infrastructure. However, the inflow of people attracted by the goldrushes was concentrated in the Goldfields townsites of Coolgardie and Kalgoorlie. For example, by the time of Federation in 1901 32 per cent of the State's population was living in the central and eastern districts, predominantly in the Goldfields (Wilson et al., 2004).

The importance of Albany as a deepwater port had also diminished, due in part to the opening of the Suez Canal in 1869, which led to changes to the routing of steamships and the loss of the monopoly on Royal Mail carriage by the P&O Company (Garden, 1997), and the construction of Fremantle Harbour, which positioned that port as the primary deepwater harbour in WA (Wilson et al., 2004).

Despite this, Mount Barker and the Plantagenet Shire remained vibrant communities with a focus on horticulture. The opening of the Great Southern Railway in 1889 provided reliable transportation links for the Shire and its orchards in moving fruit for export or local distribution. Additionally, the establishment of the Agricultural Commission (later DAFWA) in 1891, the foundation of the Agricultural Bank in 1895, and the expansion in 1898 of the *Homestead Act 1893*, which provided free, but conditional, land parcels, all contributed to facilitating the development of the local horticultural industry (Menck, 2022).

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In 1910 a visitor to WA, Mr. James Thomson, travelled by motor car from Perth to Mount Barker accompanied by Sir John Forrest's wife, Lady Margaret Forrest. His description of Mount Barker at that time was as follows,

"Mount Barker is an unpretentious wayside town with country resembling the Weld of Kent all around it. At a supper tendered to the visitors on the night of our arrival, there was a display of fruit and flowers that would have graced a State banquet at Windsor Castle, Buckingham Palace, or the Mansion House. Not much wonder Mount Barker fruit tops the London market" (Thomson, 1910, p. 43).

It can be seen from Mr. Thomson's report that by 1910 Mount Barker was well known for its fruit production. During 1910-1911 a delegation from the Scottish Agricultural Commission, comprising a dozen agriculturalists, visited WA and conducted a systematic tour of the State's agricultural industries, arable land, and the future potential for further development of farming. The report produced by the delegation (which was estimated to be around 300 pages in length) was published in 1911 in *The Western Mail*. In relation to Mount Barker, the report described it as *"a notable apple region"* (Western Mail, 1911, p. 17).

In more specific detail the report stated,

"Accompanied by Mr. Jacoby MLA, Mr. Price MLA, Mr. Lowrie, and Mr. Martin, manager of the Mount Barker Estate, the Commissioners made a round of visits. Their route led them through a country which has been denuded of its marketable timber, leaving a dwarf scrub. The soil is variable, black ironstone and light white sandy soils being found in close proximity. Gently rolling hills enfold the valleys, and at each turn of the road a different formation and grouping of objects reveal themselves" (Western Mail, 1911, p.17).

The report describes a visit by the delegation to an orchard owned by Mr. Herbert Robinson, where an irrigation system had just been installed in order to offset the potential lack of sufficient rainfall. The orchard was primarily focused on growing apples, pears, apricots, and plums. This visit was followed by a trip to another orchard, which was owned by a Mr. Warburton, described as, *"a recognised pioneer of fruit growing"* (Western Mail, 1911, p. 17).

Although unclear, it is likely that this was one of the ten sons of the pioneering orchardist in the Mount Barker district, George Edward Egerton-Warburton (1819-1889). It might have been either Horace Egerton-Warburton (1848-1917), or his younger brother Edward Egerton-Warburton (1867-1931). Both men lived out their years in the Plantagenet district with Horace buried in the Albany Memorial Park Cemetery, and Edward buried at St Werburgh's Chapel and Cemetery in Mount Barker (Find a grave, 2025).

According to the report the visit to Warburton's estate was described as follows,

"They found evidence of very careful cultivation. Mr Warburton's hospitality and manifest enthusiasm for orchard work rendered the hour spent at his charming old home a thorough pleasure" (Western Mail, 1911, p. 18).

Figure 6: (L to R) Neil McNeil, Horace Egerton-Warburton, & Edward Egerton-Warburton



Sources: N. McNeil (PLC Archives, 1912); H. and E. Egerton-Warburton (Just Jack, 2016; 2017)

Following the visit to the Warburton orchard, the delegation moved onto the prestigious Mount Barker Estate owned by the businessman Mr. Neil McNeil (1855-1927). Born in Dingwell, Ross-Shire Scotland, McNeil migrated with his parents to Victoria in 1860, initially living in Ballarat where he was educated and later joined his father's business, a railway construction company. After spending time in South Australia, Victoria and Tasmania, engaged in railway construction projects, he moved to WA in 1882 to construct the Jarrahdale-Bunbury and Geraldton-Mullewa railways (Birman, 1974).

In 1897 he invested in the timber industry focusing on the harvesting of jarrah for use as railway sleepers in the London underground. Amongst his many ventures was the establishment of the Mount Barker Estate. McNeil purchased the land for the estate in 1908, which comprised two land holdings, the first was a parcel of 9,000 acres (3,642 hectares) located in the Blackwood district and the second was the Mount Barker Estate, which became one of the best orchards in the southwest. The Mount Barker Estate comprised a parcel of 4,000 acres (1,619 hectares), which by 1911 had been developed with 200 acres (81 hectares) of land under cultivation. Here the focus of the estate was on the export of fruit, mainly apples and pears, for the United Kingdom (UK) (Birman, 1974).

The Scottish delegation report described McNeil's estate, comprising the areas that had been placed under cultivation, as filled with fruit trees maintained in the best condition. It seems that the delegates were quite impressed with the orchard and how well it was being maintained by the owner and its resident manager.

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As the report stated,

"They walked through the orchard, admiring the cleanliness of the ground and the heavily laden trees. A further breadth of land is being taken in, for Mr. McNeil and his nephews, who administer the orchard, have faith in the future of the fruit industry. They believe it is on a sound basis, hence the application of capital on a larger scale than usual. Abundance of land as good as theirs, they were told, lies all about Mount Barker, and for the district there is claimed the advantage of earlier ripening. Mr. McNeil and his family were very genial hosts; they entertained the Commissioners to a luncheon in a model sheep shearing shed, characteristically decorated in their honour" (Western Mail, 1911, p. 18).

It can be seen that in the early years of the twentieth century Mount Barker had become an established centre for fruit growing, and also an exporter of fruit to the UK. A survey of the WA agricultural sector published in 1911 found that the State's broadacre farming and fruit growing industries were flourishing. Mount Barker was noted for its higher rainfall (West Australian, 1911). For example, in a report on the agricultural sector of the Great Southern published in *The Western Mail* in 1914 the Mount Barker district was favourably described in the following terms,

"Mount Barker has a long, thoroughly tested, prosperous and still expanding record to its credit. It was recognised as an eligible locality for settlement in the earliest days of Western Australia's history – before even the 'Swan River Settlement' was proclaimed" (Ward, 1914b, p. 8).

WORLD WAR ONE AND THE ESTABLISHMENT OF THE MOUNT BARKER CO-OPERATIVE

The First World War, aka The Great War, broke out on 28 July 1914 and lasted until 11 November 1918. Within Australia, the war was viewed as a conflict to protect the British Empire and defeat the Central Powers comprising the Empires of Germany, Austria-Hungary, and Ottoman Turkey, plus their allies. A total of 416,809 Australians volunteered to join the 1st AIF (Australian Imperial Force), with 331,781 serving abroad (Gammage, 1981; Grey, 2001). Total Australian casualties during the war were 215,585, including 63,163 (29.3%) killed (Gammage, 1981).

Albany played a significant role within the war when many of the troops and nurses of the 1st AIF, on their way to Europe and the Middle East, assembled there prior to departing aboard a convoy of troop ships on 1 November 1914. This convoy consisted of 38 Australian troop transports (36 from Albany and 2 from Fremantle), and 10 New Zealand troop transports comprising the beginnings of what was to become the Australia and New Zealand Army Corps (ANZAC) (DVA, 2024).

The war also marked a transition for the co-operative sector in WA, moving from a limited pre-war period to an expansive post-war period. This change was significantly influenced by the activities of Westralian Farmers Ltd., commonly known as Wesfarmers (Baskerville, 2019). However, to understand the historical context of the MBC's establishment, it is useful to examine the evolution of the Co-operative movement in Western Australia. Co-operative and mutual enterprises (CMEs) were set up in Britain and Europe during the eighteenth and nineteenth centuries (Mazzarol, 2024). The CME concept was introduced to Australia during the colonial era to address economic and social issues (Patmore and Balnave, 2018).

In 1828, Sydney saw the formation of its first friendly society providing medical and pharmaceutical services (Exley, 1936). Consumer co-operatives based on the Rochdale Society model began in Brisbane, Australia in 1859 (Balnave and Patmore, 2012).

As discussed earlier, the first co-operative in WA was the Albany Co-operative Society Ltd., which lasted from 1867 until 1885. Without specific colonial legislation for Co-operatives, it was registered under the *Joint Stock Companies Ordinance 1858*. In 1869, the Perth Co-operative Society Ltd., another consumer co-operative, was established, selling mainly drapery and clothing. It lasted until 1879 when it was placed in voluntary liquidation. The Northam Co-operative Flour Mill Co. followed this Ltd. established in 1873 near York and sold in 1875 to a private owner following a series of workplace accidents (Baskerville, 2019).

Despite these challenges, the community in WA upheld a strong cooperative spirit. A major step forward was the passage of the *Co-operative and Provident Societies Act 1903* (WA) that offered a legal framework for Co-operatives. Delays to the introduction of the legislation, from 1897 to 1903, occurred due to concerns about poor financial management in the friendly societies. However, once introduced, it became one of the first Acts of this kind outside the UK within the British Empire. The new legislation codified guidelines for Co-operatives, banning banking services, requiring at least seven members, enforcing stricter governance rules, adding “Society Limited” to names, and creating a State Registrar (Baskerville, 2019).

In early twentieth century WA, a few key individuals drove the formation of co-operatives with support from organisations like the Farmers’ and Settlers’ Association (FSA), now the Western Australian Farmers’ Federation. These groups recognised that cooperative action strengthened their efforts to achieve shared goals. As discussed previously, Charles Walter Harper (1880-1956), known as ‘Walter’ (see Figure 4), was pivotal in the WA co-operative movement. As the eldest son of settlers Charles and Fanny Harper, he grew up on the family farm at Guildford, where he focused on viticulture and horticulture. The Harpers owned Woodbridge Estate and built Woodbridge House. Specialising in fruit growing, Walter managed the estate and helped establish producer co-operatives in WA during 1912-1913 (Smith, 1983; Baskerville, 2021).

Charles Walter Harper greatly influenced WA's co-operative sector by proposing the creation of Westralian Farmers Ltd. Although the FSA was mainly a political group, Harper envisioned that a co-operative company could economically benefit WA farmers. He presented this idea at an FSA meeting in March 1913 (Baskerville, 2019). The Westralian Farmers Ltd. was established on 27 June 1914 under the *Companies Act 1893* (WA). It quickly became successful, creating a network of farmer-owned co-operatives throughout the state and continued to play a pivotal role in the support of these smaller co-operatives until it was demutualised in November 1984. In 2024, it was a diversified publicly listed corporation, with over \$44.3 billion in revenue, \$27.3 billion in assets, around 120,000 employees (Wesfarmers, 2024).

The Mount Barker Co-operative Ltd. (MBC) was incorporated in 1918 by 75 local orchardists seeking to collectivise fruit packing and distribution in the district. Commercial fruit production began in the region in the 1860s and was the primary agricultural export enterprise in the Mount Barker district at the turn of the twentieth century. An important actor in the founding of the MBC was the Western Australian Fruit Growers’ Association (WAFGA) (Blackwood Times, 1916).

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At that time, the Western Australian fruit export industry was dominated by a small number of large distributors and orchardists had little market power. The WAFGA held its first executive meeting on 29 August 1911. This meeting examined a wide range of issues including the control and development of State and 'Australasian' conferences, the use of standardised fruit crates, and the reuse of second-hand crates, pre-cooling of fruit prior to export, and the development of best practices in grading and packing (West Australian, 1911).

The meeting also discussed the creation of an insurance fund that would provide protection for orchards and compensate growers for the need to destroy infected fruit trees. The meeting also discussed the introduction of Certificates of Merit for new varieties of fruit seedlings, the development of standards for the manufacture of apple cider and canning of fruit. The need for quarantine restrictions on interstate and international importation of fruit in areas afflicted by codling moth, and the appropriate destruction of garbage from ships that might carry insects and diseases. There was also discussion of the need for regular inspections of orchards by the Department of Agriculture (DAFWA). It is worth noting that C. W. Harper was actively involved in the WAFGA meeting and along with other members of the Executive Committee, Messrs C. W. Molyneux and R. Cowen, was tasked with the responsibility of revising and printing a new set of rules for the Association (West Australian, 1911).

Despite the importance of the WAFGA, the organisation was under funded and lacked sufficient representation by the fruit growers. At a meeting of the WAFGA Executive in 1916, there was concern expressed at how few fruit growers had signed up as members, even though the cost of annual membership was essentially the value of two cases of fruit. It also noted that the WAFGA worked closely with DAFWA and together the two organisations would be able to assist fruit growers to overcome issues such as the cost of processing, storing, shipping and marketing WA fruit to the UK (Blackwood Times, 1916). Against this background, the potential for the fruit industry in the State was high, across both horticulture and viticulture. As one contemporary report stated,

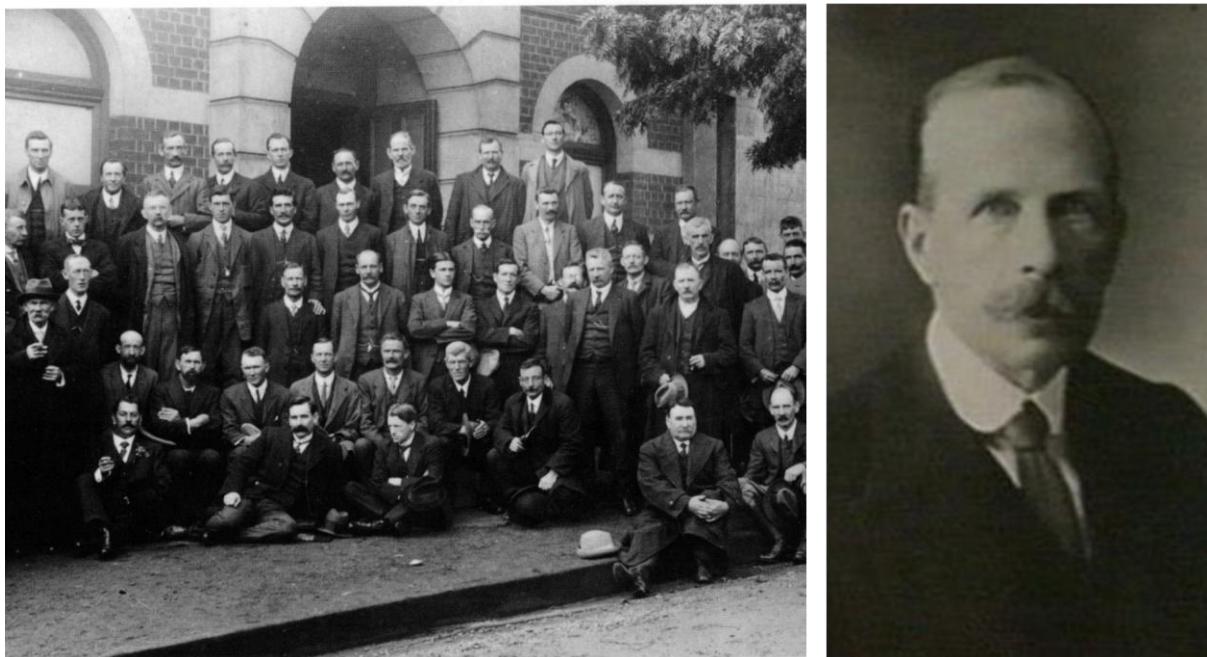
"On the right soils in such districts as Albany, Mount Barker, Bridgetown, and the cooler Southwest generally, but only under such conditions, certain varieties of apples and pears of quality unsurpassed anywhere are produced in an average abundance not exceeded in any other apple-growing country ... At no time in the history of the State has there been a better prospect before the far seeing, intelligent, industrious, well-informed fruit grower who will plant the right kinds of apples under the right conditions" (Western Mail, 1917, p. 38).

Orchardists faced high packing and transportation costs, poor access to shipping distribution and expensive and cumbersome export regulations. The orchardists in the Mount Barker district established the Mount Barker Co-operative (MBC) to gain control over the packing and distribution of their product, and cut profiteering middlemen (i.e., distributors) out of the supply chain. The primary motivation for the establishment of the MBC was to provide cool storage and fruit packing facilities in the district. Such facilities required investment in expensive technology and infrastructure, beyond the resources of an individual producer. In 1917 local farmers, William Thomas and Archibald T. Booth persuaded around half of the orchardists in the Mount Barker district to pledge funds for the construction of a cool store and packing shed (Groom and Gates, 2009).

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Figure 7: Fruit Growers' Conference 1916 and Sir William Grey Ellison-Macartney PC KCMG Governor of Western Australia



Sources: Fruit Growers' Conference (Mount Barker Co-op, 1916); Sir W. G. Ellison-Macartney (SLV, 1920)

Cooperating producers voted to establish "The Mount Barker Cool Storage Co-operative Society" in October 1917 and Memorandum and Articles of Association governing the scope of the Co-operative's activities were drawn up. The scope of activities stated in these articles was fruit packing, cool storage, fruit exports and the business of fruit and produce merchants and ancillary products and services (e.g., electricity supplies and packing case production) (Groom and Gates, 2009). Figure 7 shows the first meeting of the WAFGA in 1916 with Messrs E. Thomas, T. G. Sounness, F. H. Sounness, Archibald T. Booth, and James McNeil Martin standing, in order, in the second top row starting fourth from the left.

The Mount Barker Co-operative was incorporated on 1 May 1918 with £5,051 (approx. \$556,877 in 2024 dollars)¹ of shareholder capital and the cool store was officially opened one month later. Seven shareholders were selected to become Directors, with each Director representing one of the seven main roads in the Mount Barker district. All shareholders were allotted space in the cool store based on the number of acres they farmed. Within a decade the loan used to finance the construction of the cool store had been repaid and major improvements had been made to the original store, including the addition of a permanent power supply (Groom and Gates, 2009).

At the time of the inception of the MBC, the need for cooperation between primary producers in WA was widely acknowledged by the State Government and strongly encouraged by officials, such

¹ Reserve Bank of Australia Pre-Decimal Inflation Calculator www.rba.gov.au/calculator/annual/PreDecimal

as the Governor, His Excellency Sir William Grey Ellison-Macartney PC KCMG, who served as Governor from 1917 to 1920 (see Figure 7). Born in Dublin, Ireland in 1852, he was educated at Eton and Exeter Colleges, and Oxford (Roe, 1986). Sir William G. Ellison-Macartney was appointed Governor of Tasmania in 1912 and knighted the same year. He was the first Governor in WA to own a car and brought with him two cars and a chauffeur when he became Governor of Western Australia on April 9, 1917. His tenure was marred by tragedy in mid-1918 when his daughter Phoebe died from head injuries sustained in a horse-riding accident (Roe, 1986; Government House WA, 2025).

OPENING OF THE MOUNT BARKER COOL STORES

The Mount Barker Co-operative Cool Stores were officially opened on 2 June 1918. It was presided over by the Governor Sir William G. Ellison-Macartney who was accompanied by several dignitaries including the President of the Legislative Council, the Hon. Sir Edward Horne Wittenoom KCMG MLC (1854-1936), and several members of both the Legislative Council and Legislative Assembly. These were the Hon. James Alexander Greig MLC (South-East), and MLAs, the Hon. Herbert Robinson (Albany), Alec Thomson (Katanning), and Edward Angelo (Gascoyne). Also, present were the Chair of the MBC Mr. James McNeil Martin, and the Secretary Mr. Archibald T. Booth (Tambellup Times, 1918).

A critical piece of infrastructure, the cool stores were funded by the 84 member-shareholders of the MBC, which represented around 93 per cent of all the fruit growers in the Mount Barker district. The project was financed by the purchase of share capital by the Co-operative's members, which raised £2,000 (approx. \$220,502 in 2024 dollars), with additional funding provided by a bank loan from the Western Australian Bank, secured by loan guarantees from the growers. The initial estimated cost of the cool stores was £12,000 (approx. \$1,323,011 in 2024 dollars). Yet the final cost of construction was only £11,300 (approx. \$1,245,836 in 2024 dollars). The building work commenced on 30 January 1918 and was completed by 1 May 1918, despite several days of heavy rain. The Co-operative paid for the work in cash and only £18 (approx. \$1,985 in 2024 dollars) of interest was paid to the bank by which time the MBC was generating sufficient income to repay the loan (Albany Advertiser, 1918).

In his speech opening the cool stores, Governor Ellison-Macartney expressed his sense of pride in the investment that the fruit growers of Mount Barker had made in establishing the cool stores. Particularly, the efforts of Messrs Booth, Martin and Dunkerley, as well as the other directors of the MBC, building the cool stores, "so quickly and efficiently" (Albany Advertiser, 1919, p. 3). The speech delivered by the Governor was reported as follows,

"His Excellency stated that he was a profound believer in co-operation, and instanced the immense benefits received from the farmers' co-operative societies in Ireland. He trusted that throughout Australia co-operation would take root and flourish, as there was nothing to which co-operation could not be advantageously applied. The co-operators must not be half-hearted but must throw their hearts and souls into the movement, and he trusted that the energy and hard work manifested at Mt. Barker would continue, and that the district would progress in advance of the times, so that in the years to come the people there would be ready and fully equipped for the opportunities before them. They would undoubtedly have to overcome great difficulties until the war was over, but if complete allegiance was rendered

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to their co-operative society, they would undoubtedly reap the benefits due to them” (Albany Advertiser, 1918, p. 4).

Following the formal opening of the cool stores by the Governor, the delegation was provided with a tour of the facilities, which were located adjacent to the Mount Barker railway yards and the railway line. These facilities were described by the media at that time in the following terms,

“The fine buildings are evidence of the progressiveness of the district and must prove of inestimable value to the fruit growers. The capacity of the cool chambers is 35,000 cases, and it is estimated that certain kinds of apples may be stored for 18 months without deterioration” (Great Southern Herald, 1918, p. 2).

A full description of the cool stores was provided stating that the stores had a total capacity of 37,000 cases. The building was north of the packing shed, which had been built a couple of years previously by the WAFGA. The cool stores building was built from jarrah and consisted of an “M” roof painted white that ran parallel to the railway line. The walls were constructed from jarrah weatherboard, and each end of the building contained a verandah that was partially enclosed. A corridor 10 foot (approx. 3 metres) wide and 7 foot 4 inches (approx. 2.2 metres) high ran through the centre of the building. On each side of the corridor were three large rooms, each of 34 foot long by 36 foot wide and 10 foot high (approx. 10.4 x 11 x 3 metres). The cool rooms were sealed and insulated, and refrigeration equipment was powered by an engine-room that adjoined the main building on the western side (Albany Advertiser, 1918).

THE CO-OPERATIVE FEDERATION OF WA AND CO-OPERATIVE CONFERENCES

By 1919, with the war over, the MBC was able to focus on the development of its cool store and packing operations, while actively supporting the fruit growers in the Mount Barker district. The Co-operative was closely associated with The Co-operative Federation of Western Australia, which was formed in 1919. For example, during October 1919, its two delegates, Messrs A. T. Booth and J. McNeil Martin, travelled by train from Mount Barker to Perth to attend the Co-operative’s Conference organised by the Federation (Albany Dispatch, 1919a).

The Co-operative Conference took place on 24 October 1919 and was held in the Albany Town Hall. It was well attended, with Mr. C. W. Harper representing Westralian Farmers (Wesfarmers) Ltd., and Messrs A. T. Booth and J. M. Martin the MBC and its fruit growers. There were delegates from all the co-operatives across the Great Southern region and other related organisations (e.g., the Amalgamated Society of Railway Employees). Discussions focused on the establishment of a wholesale branch of Wesfarmers in Albany, a proposal championed by the Denmark Co-operative Society (Albany Dispatch, 1919b).

However, Mr. Booth, Secretary of the MBC expressed the view that he was placed in a difficult position. He explained that he did not know many of the delegates present at the conference, nor did he know what the actual reason for the meeting was. However, he did clearly state that in relation to the establishment of a Wesfarmers wholesale branch office in Albany, in his view it was ‘absolutely essential’ that one be established. He noted that there were 14 co-operative societies located between Albany and Wagin, and that all of these companies should be trading via Albany, rather than shipping their produce via Fremantle (Albany Dispatch, 1919b).

Mr. Booth explained that the MBC did all its own buying and selling, the Albany port was their first choice of export shipping. He noted that the business the Co-operative had transacted during the previous year had reached £20,000 (approx. \$2,205,019 in 2024 dollars). He felt that all of this produce should have been shipped via Albany. He also described how the MBC operated emphasising that their Co-operative's members did their shipping of fruit cheaper than any other. The Co-operative operated two sawmills cutting timber exclusively for the MBC in order to make the fruit crates. This generated profits for the sawmills, and jobs for their employees. He also stated that while Wesfarmers could only ever be a wholesaler in Albany, the Co-operatives could be retailers (Albany Dispatch, 1919b).

Mr. Booth was also reported as declaring the importance of keeping politics out of the business of co-operatives,

"One other thing that he wished to emphasise was that the Mt. Barker association absolutely squashed any political feeling. There could not be success in co-operation unless politics were kept away. Their Mt. Barker association had been purely a business concern, and they had no squabbles or discord. He looked forward to the time when the Westralian Farmers' Association (Wesfarmers) would open a branch in Albany" (Albany Dispatch, 1919b, p. 3).

Mr. C. W. Harper responded by saying that he had not come to Albany to provide information or guarantee specific things. Instead, he had come to listen and get information. He stated that the WA Co-operative movement was now becoming firmly established in the agricultural sector, and he was interested in the establishment of a Wesfarmers wholesale branch office in Albany. He noted that Wesfarmers was keen to decentralise and that for the co-operatives located in the Great Southern, the port of Albany was the most appropriate outlet for their exports. He also read out a letter from the Gnowangerup and Borden Co-operative Society, which stated that they had received the invitation to the Co-operative Conference at short notice, making it impossible for them to send a delegation. However, they also explained that they believed the establishment of a Wesfarmers branch office in Albany was essential to their existence (Albany Dispatch, 1919b).

The meeting also saw discussions over whether the Wesfarmers branch office would assist or hinder the operation of the Albany Butter and Trading Co. Ltd., which was represented at the conference by Mr. A. Burvill. Mr. Mather, also representing Wesfarmers, spoke of the desire by his company to support the producers from the Great Southern, and ensure that local businesses were not adversely affected. He explained that the presence of a Wesfarmers branch often raised concerns by local companies, but that when he and Mr. Harper returned to Perth, they would discuss the matter at the next board meeting (Albany Dispatch, 1919b).

Mr. C. W. Harper stated that the establishment of a Wesfarmers branch in Albany would be a positive initiative for the co-operative movement located in the Great Southern. The recent foundation of The Co-operative Federation of WA also provided a mechanism to assist the state's co-operatives. However, he also asked whether the co-operatives located in the Great Southern were willing to provide the necessary support to a Wesfarmers' branch office if one were opened in Albany. He also made the point that Wesfarmers, as a co-operative, was both a producer and consumer business. In relation to the Albany Butter and Trading Co. Ltd., he noted that it had not received sufficient support from the local producers, but it was not a co-operative and instead

was a company established by the local businesspeople from Albany. Nevertheless, Wesfarmers had promoted the company (Albany Dispatch, 1919b).

SUMMING UP THE ESTABLISHMENT YEARS

The gold mining boom years of the 1890s served as a transformative period in WA colonial history. They enabled the WA colonial government to access the financial resources to invest in major public infrastructure projects such as the construction of the deep-water harbour at Fremantle, and the Perth to Goldfields water distribution system.

The growth of the Co-operative movement within the WA farming community was a feature of these years. This was facilitated by the work of people such as Charles Walter Harper and Thomas Henry Bath who played critical roles in promoting the co-operative spirit across the state (Baskerville, 2019). It led to the foundation of the Westralian Farmers' Co-operative Ltd. (Wesfarmers) in 1914, and The Co-operative Federation of Western Australia (Co-ops WA) 1919. Together these two organisations played a critical role in the development of the WA Co-operatives sector.

As discussed in this chapter, by the outbreak of the First World War, the horticultural sector in Mount Barker and the Plantagenet Shire had grown into a significant industry. It was well funded, and competently managed, with sufficient resources to establish the MBC, build the cool stores, and repay any bank loans quickly and without incurring any significant interest charges. Further, as was revealed at the Co-operative Conference held in Albany on 24 October 1919, the MBC and its fruit growing shareholders were keen to see Albany play a much greater role as an export port than it had following the opening of the deepwater port of Fremantle.

Within the Great Southern, the MBC had, by 1919, become a leader of the co-operative movement in the region. However, as it looked forward to the opportunities and optimism of the end of the "War to end all wars", few might have predicted that what lay in front were challenging times comprising competitive markets, a Great Depression and another global war.

CHAPTER 3: DEPRESSION AND WAR AND GROWTH: 1920-1955

The period from 1920 to 1955 was a rollercoaster ride of economic booms and busts. It started with the euphoria and economic prosperity of the Roaring Twenties before folding into the agony and hardship of the Great Depression, which commenced with the collapse of the New York Stock Market in 1929 and lingered on throughout much of the 1930s. This was followed in 1939 by the outbreak of the Second World War, and the existential threat that Australia faced after Japan's entry into the war in 1941. Six years of continuous global war transformed the geopolitical landscape, and found Australia actively engaged in the Cold War with troops committed overseas once again, this time in Korea between 1950 to 1953. Throughout this turbulent period the Mount Barker Co-operative Ltd. (MBC) navigated its course, focusing on supporting local fruit growers who were its shareholders, and indirectly the local Mount Barker community.

MOUNT BARKER AND THE MBC IN THE 1920s

During the 1920s the Soldier Settler and Group Settlement schemes operated throughout the State, encouraging returned servicemen and new migrants, to take up farming. The Soldier Settler scheme helped to expand the Wheatbelt, while the Group Settlement scheme focused on the creation of dairy farms in the Southwest. Many of these farmers found themselves heavily undercapitalised, and particularly in the southwest, facing the herculean task of clearing heavily forested land. Many failed early, while others were forced off the land when the global market for agricultural products collapsed during the late-1920s in the lead up to the outbreak of the Great Depression. However, the legacy of these schemes was the establishment of sufficient wheat and dairy farmers to see these sectors grow steadily over the course of the following decades (Menck, 2022).

Overall, the 1920s was a period of growth for the WA agricultural industry. This was facilitated by the expansion of the railway network and the introduction of mechanisation in the form of motorised tractors and trucks. Additionally, there was greater access for farmers to rural finance, and the steady inflow of returned servicemen and migrants seeking to make a future in farming. The total area of land under cultivation across WA expanded significantly during the decade, even though the global prices for wheat and other food products declined due to overproduction by many nations seeking revenues to help develop their economies. Land clearing was a major issue during the decade, assisted by mechanisation (Wilson et al., 2004). Although the risk of salinity was known as early as 1907, both the government and farming community largely ignored the problem (Gaynor, 2002).

The introduction of new agricultural techniques, such as the use of subterranean clovers to help improve poor quality soils, expanded during the 1920s. There was also a transition from the use of horse drawn ploughs and associated farming equipment to motorised tractors, which had first arrived in the State in 1918, but steadily became a core part of any farm. New artificial fertilisers and irrigation systems significantly enhanced the horticulture and viticulture sectors. Market gardens no longer needed to be located in swampy land, resulting in an abandonment of the wetlands found within and around many metropolitan areas. Tropical fruit plantations, mainly bananas and pineapples were established in Carnarvon, and tomato production commenced in Geraldton (Menck, 2022).

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The Australian fruit export industry contracted in the late 1920s as a result of the slowing down of exports as the world moved towards the Great Depression. The Mount Barker Co-operative protected their shareholders by providing credit and supporting the settlement of debts through the national Farmers' Debts Adjustment program (Groom and Gates, 2009). However, at the start of the decade, the MBC was focused on the consolidation of its investments in the cool stores, and the opportunities that its shareholders anticipated as a result of the end of the First World War. In a summary of the activities taking place in Mount Barker in November 1920, mention was made of an interview with Archibald Booth, the Managing Secretary of the MBC,

"Interviewed at the end of the week with regard to the prospects of the coming season's fruit crop, Mr. A. T. Booth, of the Fruitgrowers' Co-op, stated that stone fruit generally would be plentiful, an exceptionally heavy crop being in view. Pears also promised well, the indications at present being that this particular crop would be the heaviest experienced within the district for many years past. With regard to apples, present indications were that some varieties would be shy with some orchardists and plentiful with others. Some trees, which last season were heavily laden with fruit, will, it appears, be less prolific this year. Others, that were shy last year, promise to be more productive this season. While it was yet early, said Mr. Booth, to accurately forecast the apple crop of the district, it was anticipated that the number of cases would not be less than that obtained last season" (Albany Dispatch, 1920, p. 2).

Expansion of the rural co-operative network also progressed during the 1920s, with both Wesfarmers and The Co-operative Federation of WA travelling throughout the Wheatbelt and other rural areas, promoting the economic benefits of forming farmers' co-operatives. The MBC's Managing Secretary Archibald Booth was an active participant in these events. For example, on 21 September 1920 a meeting was held at the community hall in Gnowangerup to discuss the Wesfarmers' co-operative development campaign, focused on selling shares to the farmers in order to provide Wesfarmers with sufficient financial capital to enable it to pursue its growth strategy (Gnowangerup Star, 1920).

Mr. Jolly, representing Wesfarmers, explained that his company was seeking to raise £100,000 (approx. \$8,563,179 in 2024 dollars) in order to fund its expansion into the United Kingdom, with the opening of a trading office in London. He explained to the farmers attending the meeting the history of the co-operative movement and that of Wesfarmers. In doing so, he highlighted the success of the company since its establishment in 1914, and how it was now turning over more than £1,000,000 (approx. \$85,631,792 in 2024 dollars). He also spoke of the success of the British co-operatives during the First World War, and how, in his view, co-operation was akin to the Christian principles of "bearing each other's burden and securing the benefit of all" (Gnowangerup Star, 1920, p. 2).

During his speech to the meeting, Archibald Booth spoke of the success of the MBC since its foundation in 1918. He explained that when the Co-operative was formed, the intention was only to build the cool stores, but it was soon realised that they needed to deal in merchandise, which led them to partner with Wesfarmers. During the war Wesfarmers had managed the export of their largest shipment of fruit ever sent and had done so at a rate significantly better than anything they had experienced prior to the war (Gnowangerup Star, 1920).

Mr. Booth explained the benefit of dealing with Wesfarmers by describing the financial issues. The private export agents had charged the MBC 3d per case commissioned (approx. \$1.07 in 2024 dollars) but had complained that they were still losing money. However, after the Co-operative switched to Wesfarmers, the private firms lowered their handling charge to 1½d per case in order to try to win back the MBC's business. He also noted that although Wesfarmers controlled their own business arrangements, their general policy was formulated by the growers who worked via their membership of The Co-operative Federation of WA, to which most of the co-operatives in the State were now members. He also pointed out that Wesfarmers paid an annual rebate to the MBC, which was usually reinvested in the purchase of more Wesfarmers' shares (Gnowangerup Star, 1920). This summary of the financial arrangements between the MBC and Wesfarmers showed not only the benefits to farmer-owned co-operatives in becoming shareholders in the Wesfarmers business, but also the close collaboration between Wesfarmers and MBC.

This campaign of capital raising seems to have continued into the year because Archibald Booth was also reported as attending a general meeting of the Tambellup Co-operative Company on 21 November 1920, in conjunction with a Mr. Stratton from Wesfarmers. Both men gave short speeches on the operation of co-operative stores and "other interesting matters" (Primary Producer, 1920, p. 4). However, Mr. Booth was also highly active in the market. During September 1925, he was reported to have travelled to the United Kingdom to investigate complaints over the spoilage and inconsistent packaging and labelling associated with some of the fruit exported from Australia to Britain. According to the report,

"Mr. A. T. Booth, Secretary of the Mt. Barker Fruitgrowers' Co-operative Society, who has been in Great Britain for several months, states that he saw hundreds of cases from one shipment with every apple on the outside cut or bruised by walking on the cases. It was necessary to obtain special chambers for pears, growers of which courted disaster by using unsuitable cases. One cause of inferior fruit, principally spotted and scabby apples from Tasmania. He had received complaints that blemished fruit was received without the word 'Blemished' on the cases. This was ruining Australian growers' reputation. More organisation and supervision were needed at the Australian end. Fruit from all other parts of the world arrived in uniform cases, branded uniformly, but he saw on Australian shipment packed in cases of three different sizes and shapes, while the cases were branded anyhow or anywhere. Australia, which had been shipping fruit for 30 years, was considered to be three years behind the times" (Argus, 1925, p. 17).

What this report reflects was the need for uniform national standards relating to the design, size and labelling of fruit crates. However, this was something that would challenge the Australian fruit industry and remains an issue to the present day.

On 1 August 1928 Mount Barker was host to the largest and most representative gathering of fruit growers ever held in the district to that time. It was organised by the MBC, which was named in the press report published by *The Albany Advertiser* as the "Mount Barker Fruit Growers' Society". The event was a reception for the visit of Mr. A. E. Gough, the London-based manager of the Overseas Farmers' Co-operative Federation. Leading the meeting was the MBC Chair, Mr. James McNeil Martin, and the Managing Secretary Mr. Archibald T. Booth (*Albany Advertiser*, 1928).

Figure 8: (L to R) Messrs E. Thomas, T. G. and F. H. Sounness, A. T. Booth and J. McNeil Martin



Source: Mount Barker Co-operative (1916).

Mr. Martin explained that the purpose of Mr. Gough's visit was to help promote Australian fruit and other produce within the United Kingdom. He had travelled to New Zealand and the eastern states of Australia holding similar meetings and inspecting the quality and capacity of farming production and how these industries could be better marketed into Britain. He explained that he had visited South Africa, and was impressed with their South African Fruit Exchange, which he described as "the strongest organisation of its kind in the dominions", and one that should be a role model for Australia. He also noted that during his visit to Adelaide to attend a conference that represented co-operatives from all across Australia, he had met with Mr. Booth explaining that,

"At this meeting several issues were discussed and decisions made that he hoped will be for the benefit of our Fruitgrowers in the distribution and sale of their produce. It is interesting to note that the delegates to this conference travelled in the aggregate 32,000 miles to be present from all parts of the Commonwealth" (Albany Advertiser, 1928, p. 2).

This meeting highlights the national and international collaboration that was taking place between the co-operative movements within the British Empire dominions of that era. Here the focus was not just on celebrating and promoting the co-operative principles and its spirit, but on pragmatic, economically related issues that would result in financial benefits to the producers of food and fibre who comprised the membership of the co-operative companies. By 1929 Mount Barker was a well-known and established regional town, with a strong reputation for its fruit industry. In an article published in *The Western Mail* in March of that year, a brief description of the town was provided,

"Mount Barker is 302 miles from Perth by rail, and the railway station is 830 feet above sea level. The approximate area of the road board district is 1,743 square miles, the district spreading roughly 81 miles east and west and 31 miles north and south. Neighbouring districts are Cranbrook and Gnowangerup (north), Albany (east and south), Denmark (south), and Manjimup (west). The population is estimated at 2,000 (as of June 30 last). The rainfall averages 31 inches, and last year it was 29.34 inches. The road board of nine has had Mr. E. E. Warburton as its chairman since 1907, and the secretary is Mr. Webster. Property was valued for rating in 1926-7 at £142,736 unimproved and £4,181 annual. The revenue for 1927-8 was £7,061, leaving a net deficit of £27. At present the loan bill stands at £6,700, laid out on the new hall, show ground buildings and electric light. Electricity is supplied by the Mt. Barker Fruitgrowers' Cool Storage Co-op. Society Ltd., under private concession."

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"The town is pleasing to the eye and enjoys a temperate climate. A vigorous community is revealed by various activities such as the agricultural society, which holds an annual show; the Returned Soldier's League, which functions in the War Memorial Club; a Toe H. group, and a Women's Association. The Freemasons have erected a fine temple of stone. The three churches belong to the Anglican, Methodist and Roman Catholic persuasions. Other handsome buildings are the brick railway station, about the finest country station in Western Australia, and the public hall, in the front of which space has been left for the ultimate erection of an imposing two-storey façade and wing. Facilities for football, tennis, hockey, cricket and racing are available on either of the two recreation grounds, and the town also boasts a golf course" (Western Mail, 1929, p. 49).

It can be seen that by the end of the 1920s the town of Mount Barker was both well located, but also prosperous and strongly supported by the MBC, which was supplying it with electricity from the surplus generated by its cool stores. In summary, it was a well-respected and important member of the Mount Barker community.

MOUNT BARKER AND THE MBC IN THE 1930s

The 1930s Depression severely impacted Western Australian farmers as international prices for agricultural products collapsed. Newer farmers, burdened with debt, often lost their farms despite government assistance. Those without debt survived through subsistence farming and also helped feed the needy. Farms transitioned to larger landholdings, balancing sheep for wool production and wheat cultivation. In 1933, farmers formed Co-operative Bulk Handling Ltd. (CBH), which streamlined grain handling by reducing time and costs (Mazzarol et al., 2024). Despite improvements in international markets during the mid-1930s, a drought affected the State, lasting until 1940 in the north and 1945 in the Wheatbelt. The South West region, which was less affected by the drought, recovered from the Depression sooner. The export of dried fruit expanded to include fresh produce due to advancements in refrigeration and packaging (Menck, 2022).

In April 1930 concern was raised over the appearance of apple scab or black spot, caused by the fungus, *Venturia inaequalis*, which spreads by airborne spores and survives the winter on fallen leaves (DPIRD, 2018). This outbreak was detected in the Manjimup district and evoked a prompt response from the State Superintendent of Horticulture who was considered an expert in dealing with the fungus (West Australian, 1930).

During the same year, Mr. James McNeil Martin, Chair of the MBC, was also the manager of the family-owned Mount Barker Estate orchard, comprising 196 acres (79.3 hectares) (see Figure 9). In 1930 the orchard produced just under 30,000 cases of apples, which was less than the 35,000 cases that had been grown in 1929. The Martin Brothers, who owned the estate, controlled 4,000 acres (1,618.7 hectares) of total land, with 600 acres (242.8 hectares) under grasses and clovers, plus 200 acres (80.9 hectares) partially cleared. Neil McNeil established the estate, which was purchased by James and his brother Alexander Urquhart Martin in 1928. In addition to being the Chair of the MBC, James Martin was also the President of the Fruitgrowers' Association of WA (Western Mail, 1930).

Figure 9: Mount Barker Estate Orchard 1930s



Source: Mount Barker Co-operative (1939).

Unfortunately, the Mount Barker apple crop was severely impacted during 1930 by thrip otherwise known as *Thysanoptera*, a tiny flying insect comprising around 6,000 sub-species, of which at least 900 varieties have been found in Australia (CSIRO, 2021). This insect infestation destroyed much of the apple crop. However, by November 1931 the fruit growers' fortunes had reversed and the Mount Barker district was expected to produce around 300,000 cases of apples for export. As one journalist, writing for *The West Australian* newspaper stated things, much of the success of the Mount Barker fruit growing industry was due to the work of Mr. Archibald Booth and the MBC,

"One last word, Mount Barker is especially happy in another and most important respect. Here there are no cliques, no schisms, no contention. Thanks to the type of settler and to the splendid work achieved by Mr. A. T. Booth as secretary of the Fruit Growers' Co-operative Society, the whole district pulls together as one team, pooling knowledge, working in perfect harmony and unanimity for the advancement of each and of a district particularly blessed" (West Australian, 1931, p. 12).

By 1932 the fruit export market had revived and the Mount Barker Co-operative exported over a ¼ million cases of fruit. To increase access to fruit export markets, the MBC established an office in London in partnership with Wesfarmers to manage European fruit exports, undertake market research and develop new market opportunities. As export opportunities grew, the members of the Co-operative expanded plantings (mainly the popular Granny Smith apple variety) and made increased use of the MBC's packing shed (see Figure 10) (Groom and Gates, 2009).

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Figure 10: Mount Barker Co-operative Packing Shed 1939



Source: Mount Barker Co-operative (1939).

In 1936 the central packing shed was enlarged and new apple and pear graders were installed. Later the same year the shed was extended, again with five fruit graders and three case-making machines operating to manage a record fruit crop. As the fruit export business flourished, the MBC expanded their operations in Mount Barker into the retail sector by opening a grocery store and establishing sales agencies for stock, farming implements, cars and fuel (Groom and Gates, 2009). In 1939 the Co-operative became an agent for the Orient Shipping Line promoting ocean cruises (Southern Sentinel, 1939a). This transition into retailing was to become an important strategic decision later in the Co-operative's history.

At the Annual General Meeting (AGM) of the MBC, held in the Plantagenet Hall on 2 June 1932, the situation facing the Co-operative was discussed with a large number of shareholders present. The Chair, James McNeil Martin summarised the financial performance of the Co-operative over the previous year ending in December 1931. He disclosed that the MBC had returned a net profit of £959/15/4 (approx. \$114,395 in 2024 dollars), after the payment of interest on the shareholders' loan account. A dividend of 7 per cent on the paid-up capital was also declared after the payment of taxation and transfer of remaining funds to the reserve account (Albany Advertiser, 1932).

Mr. McNeil Martin's address was followed by a report from the Managing Secretary Archibald Booth. He explained that the Co-operative had contributed 70 per cent of the total fruit exported from the port of Albany during the previous year. Out of a total of 367,566 cases of fruit exported in 1931, 250,295 cases had been sourced to the MBC. This, he noted, was a record for the Company and one that exceeded the previous record of 1920 by more than 71,000 cases. Additionally, he

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described the anxiety that had faced the Co-operative in relation to concerns over being able to secure sufficient shipping tonnage to move the fruit via Albany (Albany Advertiser, 1932).

According to Mr. Booth, the Co-operative had not wanted to move the fruit via rail from Mount Barker to Fremantle, due to cost, but also out of concern that the journey could result in the fruit being bruised and thereby arrive in England and European ports in poor condition. However, the MBC was able to secure the additional shipping required to carry the volume of fruit out of the port of Albany. He also stated that the season had seen a record 100,000 cases of fruit moved through the Co-operative's cool stores, which were completely full three times during the season (Albany Advertiser, 1932).

Archibald Booth also spoke to the meeting about the prices received from both British and European buyers. He explained that while they were satisfactory, they were lower than the previous years. In addition, he announced that the Co-operative had decided to construct a large water storage tank of 75,000 gallons (340,957 litres). This was in response to the very dry season that had impacted the cool stores the previous year resulting in the stores running out of water. This had required emergency supplies to be brought in by rail from Lake Matilda. The MBC board had therefore decided to construct a large water supply tank fabricated from reinforced concrete that it was anticipated could enable the Co-operative to maintain sufficient water to cope with any future dry periods (Albany Advertiser, 1932).

The Great Depression reached its peak in 1932 and saw almost one third of the WA workforce unemployed (Wilson et al., 2004). Despite this, the State's production of fruit continued to grow. A record of 813,915 cases of fruit were exported to the United Kingdom during the 1931-1932 season (Western Mail, 1935). New approaches to shipping fruit were also being trialled. For example, in March 1933 an "experimental" non-refrigerated shipment of fruit was undertaken from the port of Albany aboard Holland-Australia line ship *SS Djambi*. This shipment was bound for Rotterdam, and the aim was to reduce costs of shipping. However, the Managing Secretary of the MBC, Archibald Booth, noted that while the fruit supplied for the experiment was in perfect condition for the shipment, he was less sanguine about whether it would be successful later in the season when the fruit was more ripened (West Australian, 1933b).

A snapshot of the activities taking place within the MBC during the 1930s was reported in the *Albany Advertiser* in November 1935. It described the Mount Barker district in detail but made the following comments about the Co-operative,

"Statistics are dry things, and it is not necessary for us to quote long tables of acres under fruit trees, cases per tree, and so on. Enough to say that during the apple shipping season the usually quiet railway station at Mount Barker becomes a place of almost feverish industry. In the immense sheds of the Mount Barker Fruitgrowers' Co-operative Company, men toil like beavers, grading and packing apples. At one side of the shed, wagons and motor trucks pour in their cases of apples, graded, packed and labelled ready for the great markets of Europe, are loaded into railway trucks, to be hauled to Albany for shipment. Follow the waggons back to the orchards and the scene of industry is repeated. Pickers move among the trees, stripping them of their burden of apples or pears, and sending them off to the packing sheds, either on the farm or at the station. Case makers work at high pressure, transforming 'shooks' into cases at almost lightning speed."

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"... While speed is the keynote of things in Mount Barker in fruit packing time, there is no flurry about the process of transferring apples or pears from tree to ship. Fruit must be handled carefully, or its value is ruined" (Albany Advertiser, 1935, p. 36).

In 1935 the Co-operative was impacted by trade boycotts. At a well-attended meeting of grower shareholders held in the Plantagenet District Hall, the MBC Chair, James McNeil Martin, explained that Germany had imposed a boycott of fruit exports from Australia. This was due to a trade dispute between the two countries in which Berlin demanded that Australia must ensure that its trade balance with Germany must be maintained at a rate of 60 per cent to 40 per cent in favour of the Germans. This was a blow to the Mount Barker Fruitgrowers because Germany was the largest European importer of WA fruit. At the same meeting, it was announced that changes were being made to shipping quotas for fruit exports within the Commonwealth Dominions in order to avoid unnecessary competition over access to shipping. This required the growers to provide their shipping agents forecasts of anticipated export volumes in order to secure the necessary cargo space required (Southern Sentinel, 1935).

On 13 September 1937, at an extraordinary general meeting of shareholders, the MBC formally changed its name from the Mount Barker Fruitgrowers' Cool Storage Co-operative Society Ltd. to the Mount Barker Co-operative Ltd. This change of name reflected the decision by the MBC to widen its purpose from that of a Co-operative solely focused on the cool stores' operations, to one that was embracing retailing and supply of groceries, farm supplies, and general merchandise (Southern Sentinel, 1937).

As illustrated in Figure 11, by 1936 the Co-operative had a well-established retailing business that provided groceries, hardware, mercery (haberdashery) and drapery, plus fuel and agency services. It was to become an important part of the Co-operative's future when the fruit growing industry began to contract in the 1970s. As the decade came to a close, and with another war with Germany looming, the MBC was busy upgrading its facilities. In January 1939, the Co-operative commence renovations of its buildings with the addition of a 25-foot (7.6 metre) extension to the existing building. As described in a media report of the time,

"The design of the roof has been altered in contrast to the existing sheds in that the roof of the new section runs east and west and there are five imposing gables visible from the main street. The roof will consist of asbestos as it has been found from experience that this kind of roof is much cooler. Another departure has been the laying down of a cement floor" (Southern Sentinel, 1939b).

In August 1939, the MBC celebrated its twenty-first anniversary from its foundation in 1918. The celebration was held in the Plantagenet District Hall and entertainment was provided by musician Ron Moyle and his concert band, which comprised employees of Wesfarmers Ltd. Between 500 and 600 people attended and the band was well-received with its musicians putting on an impressive show. Also attending were Charles Walter Harper in his role as Chairman of Wesfarmers, and Archibald T. Booth and his wife (Mount Barker and Denmark Record, 1939). Mr. Booth had retired from his role as Managing Secretary of the Co-operative in 1936, and was replaced by Mr. H. W. Soothill, who took the title General Manager from 1937 until 1947.

Figure 11: Mount Barker Co-operative Retail Store 1936 Exterior



Source: Mount Barker Co-operative (1936).

Figure 12: Mount Barker Co-operative Retail Store 1936 Interior



Source: Mount Barker Co-operative (1936).

Figure 13: Mount Barker Co-operative Drapery Store 1936 Interior



Source: Mount Barker Co-operative (1936).

At the celebration, recognition was given to Mr. Booth for his outstanding work as the Managing Secretary of the Co-operative, plus long-term directors Messrs W. J. D. Thomas and Ted Thomas. The Chair Mr. James McNeil Martin was recognised for his twenty-one years as Chair with a gold watch that had been paid for by the members of the Co-operative, and which had been engraved with their thanks for his dedication and service (Southern Sentinel, 1939c). It should be noted that Mr. McNeil Martin was to serve on as Chair of the MBC until 1964.

MOUNT BARKER AND THE MBC IN THE 1940S

The outbreak of the Second World War in 1939 brought with it export restrictions that threatened the viability of the Australian fruit export industry. The war's import loss exposed the State's vulnerability due to a lack of local manufacturing production. During the war, local manufacturing focused on war related production such as military boots and uniforms. Rationing of food and clothing was imposed by the Federal Government from 14 May 1942, and regulated by the Rationing Commission (AWM, 2020).

The production of ammunition began in Western Australia in 1941. It focused on small arms, fuses, and shells. In 1942, the Welshpool fuse factory introduced the first precision-engineering production line in WA. Additionally, state shipbuilding yards were established at North Fremantle to support the war effort. Following the war, the Welshpool munitions factory transitioned into Chamberlain Industries, which specialised in manufacturing tractors. There was a degree of import substitution as supplies of critical materials were impacted by the war. This included local production of potash fertilisers, and pig iron, following the opening of a manufacturing plant in

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Wundowie in 1948. Another aspect of the wartime economy was the increase of women workers in factories, who engaged in metalwork, machining, and munitions production (Menck, 2022).

Figure 14: “Eat More Fruit” promotional fruit case labels 1940s



Source: Groom and Gates (2009).

The Australian government established the Australian Apple and Pear Marketing Board (AAPMB) to assist the industry. The board was established in 1938 as a mechanism for coordinating the export of Australian fruit. Under new powers of acquisition introduced in 1939, the Federal Government had the authority to issue export licences and coordinate the supply and export of fruit from the country. It was overseen by a board comprising representatives from all states. However, it was strongly opposed by many fruit growers, for example, there were major protests by growers in Victoria when the scheme was rolled out in 1940 (Age, 1940).

Despite these concerns, the Acquisition Scheme for apple and pear crops did not adversely affect the MBC, which used its receiving shed and cool stores to warehouse the produce. During the 1940s the Federal Government funded a fruit dehydration plant in Mount Barker to handle surplus fruit and started a campaign to boost local consumption (*Eat More Fruit*). This campaign dated back to the 1920s (Magar, 1925).

Nevertheless, the Co-operative, in conjunction with the WA Fruitgrowers' Association, had to fight hard with the AAPMB to secure competitive pricing. Growers were also advised to stock up with sufficient fruit cases in order to meet the demands that were anticipated from the AAPMB. Further, if they found themselves with an unwanted quantity of fruit cases, they should contact the local representatives of the AAPMB and arrange to transfer these to other growers (Southern Sentinel, 1942).

The MBC also served as a local agent for the Vauxhall motor company during the 1940s, as shown in Figure 15, where it was advertising the Vauxhall Wyvern motor car.

In September 1942, at the Annual Conference of the WA Fruitgrowers' Association Inc., which was held in Perth, the issue of the war's impact on fruit growers was discussed with the State Minister for Lands and Agriculture, The Hon. Mr. F. J. S. Wise MLA. In his introduction of the Minister to the meeting, James McNeil Martin, President of the Association, highlighted the pressures that were now being imposed on the fruit industry. Operating costs were increasing and there was a severe shortage of labour to support the orchards, in particular picking and packing the fruit (Wongan-Ballidu Budget, 1942).

This concern was raised at that time as a major issue. The war, now reaching its peak, had seen the loss of the male workforce usually engaged in this work. They were now either serving in the 2nd AIF (Australian Imperial Force), or as conscripts in the Citizen Military Forces (CMF) (NMA, 2022). To overcome this shortage of packers, the Mount Barker branch of the WA Fruitgrowers' Association (WAFGA) opened discussions with the Women's Australian National Service. That organisation had already supplied female workers to the tobacco industry to assist with picking tobacco leaves (Mount Barker and Denmark Record, 1942).

Despite export restrictions, the MBC expanded, enhancing packing facilities, cool stores, and exploring new markets in South East Asia. The MBC also opened a new central packing-shed facility in Kendenup in 1943 (Groom and Gates, 2009).

Figure 15: Advertising for Vauxhall 'Wyvern' motor car 1940



**MORE COMFORT IN THIS
NEW ROOMY 10 H.P.
WYVERN WITH ITS
97 3/4" WHEELBASE**

LOOK!
New longer wheel-
base of 97 3/4"
Wider body - 40 in.
Tidy
Patented independent
front wheel suspension
Overhead valves
Locking system
Locking headlights
Rocker
Independent rear
axle
Safety valves
New steering
New "Stabilis" type
new spring mounting

More comfort and more room too, in the
Vauxhall Wyvern for 1940. For the Vauxhall
Wyvern for 1940 has a wheelbase 15" longer and
is 2" wider than its previous model. And now the
all steel body has been thoroughly re-engineered.
No-friction ventilation, safety valves and a host
of other important features.

But that's not all. Wyvern's body contains chapter
after chapter of wonderful facts. The master-
piece in engineering. Wyvern's 10 h.p. engine with
its standing record of 45 m.p.h. by R.A.C.V. Test.
Locking headlights. Locking... Independent
front wheel mounting that absorbs all the
road's roughness.

And in the 'Wyvern' Saloon for 1940 is a marvel-
lous car. For prices are rock-bottom, even at this
time when prices everywhere are so uncertain. See
the Vauxhall 'Wyvern' for 1940 now. Plans at
all for a demonstration. Saloon... £318

VAUXHALL '14' — VAUXHALL '25'
ATTWOOD MOTORS LTD., Transport Buildings, Albany.
or Local Distributors.

MOUNT BARKER CO-OPERATIVE LIMITED.

Source: Southern Sentinel (1940a).

However, it was not all work. For example, in June 1940 the Co-operative organised a farewell party for Miss I. Sykes, an employee of the MBC, who was getting married. A couple of days later, the MBC organised a farewell party for the Co-operative's Accountant, Mr. E. Dovey. He was leaving his role in the Co-operative in order to enlist in the 2nd AIF (Southern Sentinel, 1940b).

Figure 16: Aerial view of the Mount Barker Co-operative 1949



Source: Groom & Gates (2009, p. 71).

Following the war, in 1948 the Co-operative established Copmark Pty Ltd in Singapore to increase exports to Asia (Kalgoorlie Miner, 1948). During the decade, the MBC also extended its export agreement with Wesfarmers in London under the Western Australian Co-operative Fruit Export Partnership. They also launched a new venture, Wespak Pty Ltd, in partnership with Westralian Farmers and Cooperative Wholesale Services, to wholesale locally produced fruit and vegetables to other co-operatives in the state. However, despite the flourishing fruit export business few new orchards were planted in the Mount Barker district after WWII with fruit production peaking in 1954 (Groom and Gates, 2009).

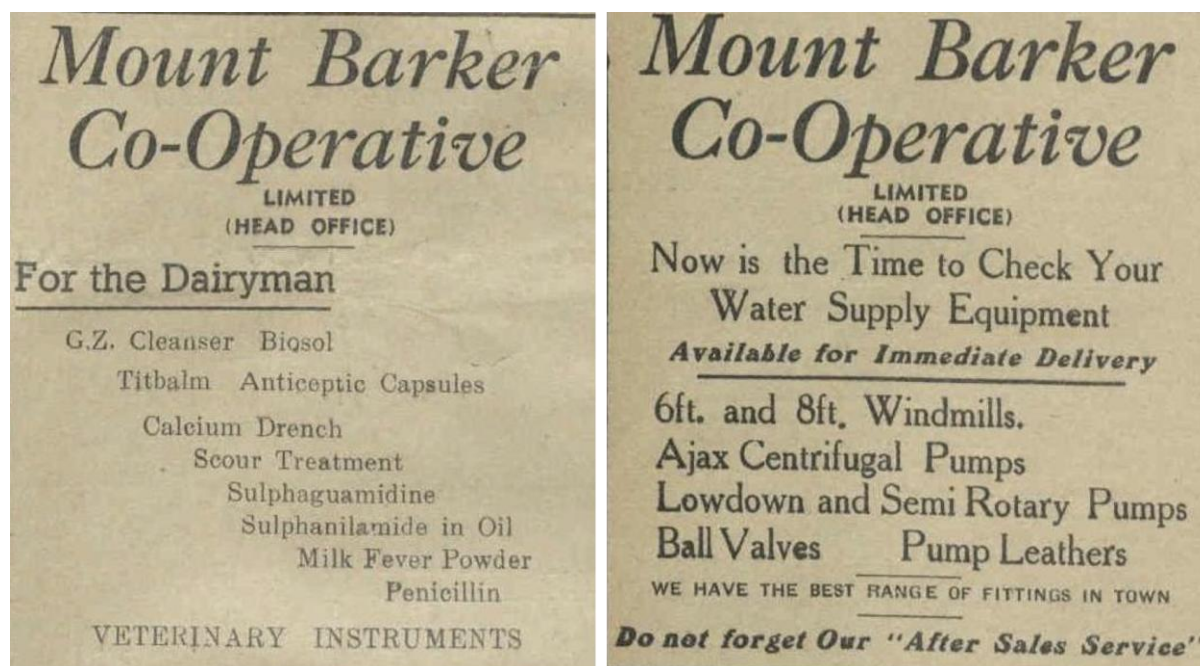
During 1947 the MBC was still experiencing labour shortages to undertake the packing of the fruit cases. Labour was eventually recruited from the Eastern States, and the supply of additional loads of fertiliser had enabled the Co-operative's members to produce bumper crops. However, while the market opportunity for exports to the United Kingdom and Europe was significant, a shortage of refrigerated ships meant that this export could not be pursued. Some fruit was transferred via ship to the Eastern States from where it was eventually shipped to Sweden. The MBC managed to get sufficient fruit packers for the 1947 season through the recruitment of workers from the Eastern States. By July, the Co-operative was able to pack over 125,000 cases at their central packing sheds, and a further 60,000 cases at the packing shed in Kendenup. (Southern Sentinel, 1947).

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The Co-operative had also widened its range of services to include farm supplies for not only fruit growers, but also dairy farmers. As shown in Figure 17, this included animal pharmaceuticals and supplements, as well as irrigation equipment. It also supplied cream separators, milking machines, firefighting equipment, pesticides, and agricultural ploughs (Southern Sentinel, 1948c, d, e, f; 1949).

Figure 17: Mount Barker Co-operative Advertising 1948



Sources: Southern Sentinel (1948a/b).

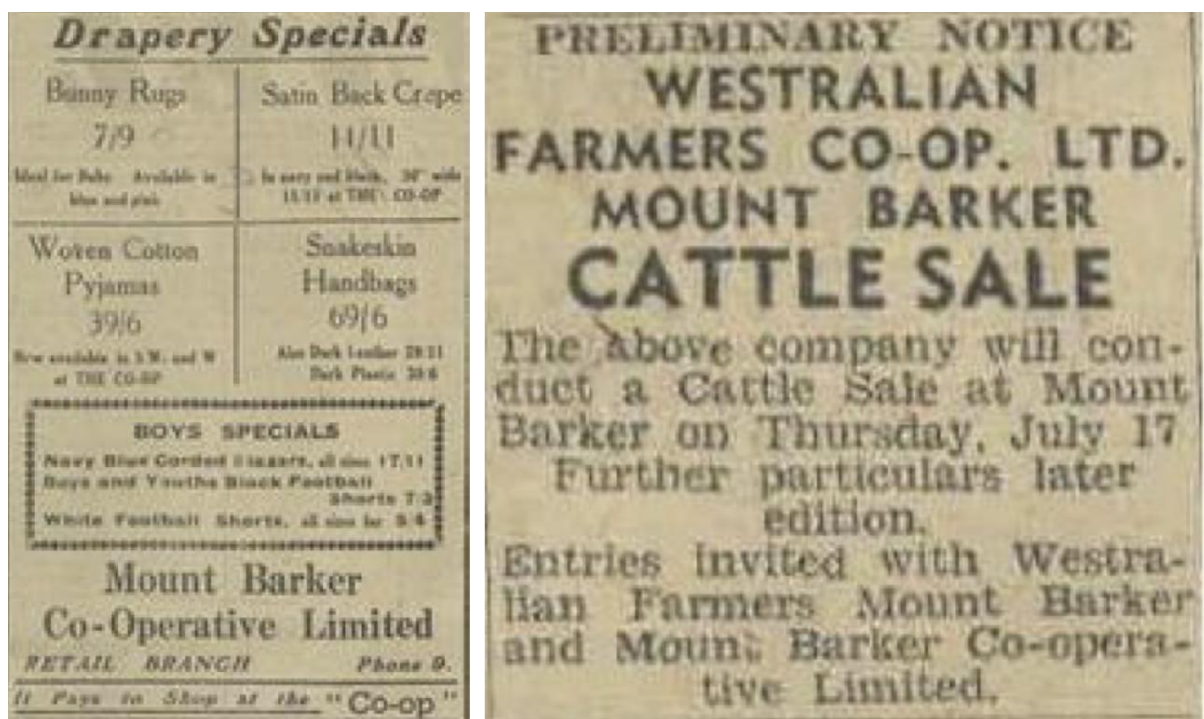
MOUNT BARKER AND THE MBC IN THE EARLY 1950S

During the 1950s the southern road network of the state expanded, facilitated by diesel-powered road building machinery. Roads began to serve new agricultural areas, and bus services started replacing regional passenger rail on most routes. Many railways were closed, and those remaining transitioned from steam to diesel locomotives. The last tram operated in 1958 and the last steam train in 1971. The government took over all private metropolitan bus services. Domestic car ownership became widespread. Post-war Perth was designed as a car-based city, with the freeway opening in stages starting from 1959 (Menck, 2022).

Following the end of the Second World War the farms and orchards in Mount Barker district began to shift from fruit to livestock and cereal production. Returned servicemen, granted land under the War Service Land Settlement Scheme, started mixed livestock and crop enterprises. Many orchardists also turned to mixed farming due to labour shortages. The MBC opened a farm merchandise store in response to increased farming activity. By the late 1940s, changes in population and land use led the Co-operative to broaden its activities. In 1950, it amended its Memorandum and Articles of Association to reflect this expanded scope and related management and capital needs (Groom and Gates, 2009).

The MBC issued £100,000 of shareholder capital (approx. \$4,528,163 in 2024 dollars) (£1 per share) in the form of 'A' and 'B' class shares (capped at 5,000 shares per member). 'A' class shares could be purchased by farmers and orchardists and 'B' class shares could be purchased by farmers or non-farming local residents. 'A' class shareholders were given voting rights and access to storage in the packing sheds, whereas 'B' class shareholders did not have voting rights or access to fruit storage facilities. However, both 'A' and 'B' class shareholders were eligible for dividends (Groom and Gates, 2009). As illustrated in Figure 18 by the early 1950s the Co-operative was offering a wide range of services to its members and the wider community. This included bunny rugs, cotton pyjamas, snakeskin handbags, boy's clothing, and satin back crape. Concurrently, it was acting as a stock agent for Wesfarmers, facilitating a cattle sale within Mount Barker.

Figure 18: Mount Barker Co-operative Advertising 1950 and 1952



Sources: Southern Sentinel (1950; 1952b).

At the 1952 AGM held on 21 February, the MBC Chair, James McNeil Martin, announced that for the first time in its 33-year history, the Co-operative had turnover of more than £250,000 (approx. \$11,320,408 in 2024 dollars). This enabled the MBC's board to issue a 5½ per cent dividend on paid-up capital, and a total cash rebate on trading, after provisioning for taxation, of £4,025 (approx. \$182,259 in 2024 dollars). He also explained that the Co-operative's 25-years of being the supplier of electricity to the town of Mount Barker was ending due to the State Electricity Commission (SEC) connecting the town to the main electricity grid. He noted that during the years that the Co-operative had supplied electricity to the community there had not been a single black out due to mechanical trouble (Southern Sentinel, 1952a).



Figure 19: Mount Barker Co-operative Advertising Orient Line Shipping 1951

Remember

Mount Barker Co-Operative Ltd.
Mount Barker

are the local Passenger Booking Agents for the Orient Line, whose splendid fleet of Mail Steamers consists of:—

ORONSAY
26,000 TONS

ORCADES
26,000 TONS

ORION
24,000 TONS

ORONTES
26,000 TONS

OTRANTO
26,000 TONS

ORMONDE
15,000 TONS

Information and literature concerning passages may be obtained from the Agency, which will arrange bookings and advise and assist you regarding passports and other travel formalities.

ORIENT LINE
to England via Suez

ORIENT STEAM NAVIGATION CO. LTD., INC. IN ENGLAND

Sources: Southern Sentinel (1951).

The AGM also involved a presentation from Mr. H. W. Soothill, a consultant to the Co-operative. He gave an overview of the outlook for the season, explaining that overall, the local level of fruit production was short. However, there was a good crop in the South West. Further, he anticipated that any shortages across the State's fruit production would be caused by a lack of cool store space. He stated that Mount Barker was not likely to be affected because of the ample cool store space that the Co-operative operated (Southern Sentinel, 1952a).

Overall, the decade of the 1950s was one of growth and diversification for the MBC. The 1951 and 1952 growing seasons were disastrous due to the impact of hail in the first year, followed by the infestation of thrip in the second year. Despite these setbacks the fruit growing industry in Mount Barker enjoyed better conditions as the years passed. The connection of Mount Barker to the main electricity grid complemented further investment by the Co-operative in power generation machinery to supply the needs of the cool stores. Any disruption of electricity supply from the SEC would be quickly replaced by the Co-operative's own diesel generators. The new electricity supply also enabled the MBC to keep one of its cool storage rooms operating continuously (Kojonup Courier, 1952).

Another feature of the 1950s was the continuous need for skilled labour. This included men to work in the packing shed and cool stores (Southern Sentinel, 1952c), and also women to work in the Co-operative's retail stores such as the drapery department (Albany Advertiser, 1953). As noted earlier, the MBC also served as an agent for the Orient Line from the 1930s and was still performing this role in the early 1950s. Figure 19 illustrates the range of Orient Line mail steamers that were visiting Albany on their way to England via the Suez Canal. The Co-operative was a booking agent for these ships, serving the Plantagenet Shire and the Great Southern region.

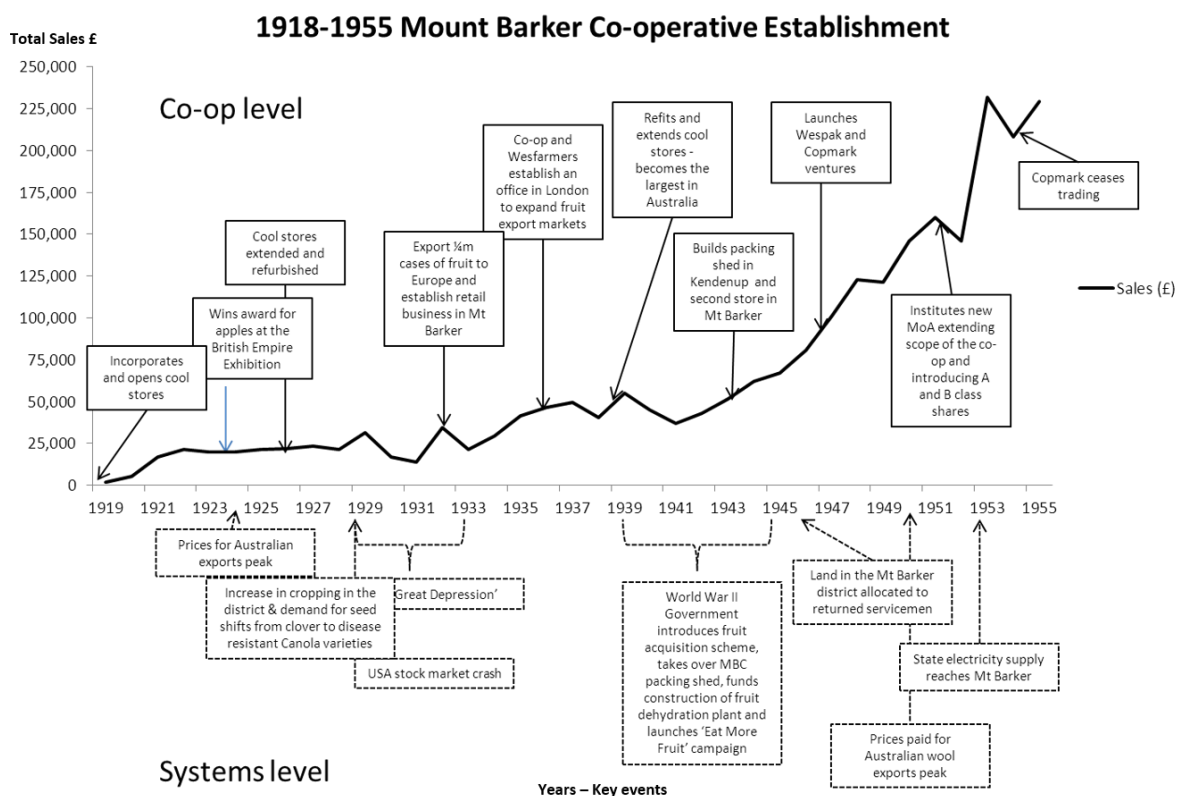
FINANCIAL PERFORMANCE OF THE MBC 1918 TO 1955

From its incorporation in 1918 to 1955, the MBC's sales increased from £2,035 (approx. \$224,361 in 2024 dollars), to over £220,000 (approx. \$9,245,000 in 2024 dollars). Despite an expanded scope of activities reflecting changes to population and farm enterprise, fruit exports remained the main source of revenue for the Co-operative in this period.

As illustrated in Figure 20, the period from its foundation in 1918 to the mid-1950s was one of steady growth. Established in the years of the First World War, the MBC navigated the peaks and troughs of the boom years of the 1920s, through the difficult times of the Great Depression, and the challenges of the Second World War. Investment in the Co-operative's cool stores and packing sheds, as well as its diversification into retailing, enabled the MBC to generate good revenue streams. This, in turn, made it possible for the Co-operative's board to issue dividends and pay cash rebates to reward member trading. Despite the turbulence caused by wars and economic depression, the MBC successfully navigated these challenges, and left the Co-operative as a profitable, well-regarded, and diversified business able to service the needs of the Mount Barker community. However, the next twenty years was to prove more difficult for the MBC.



Figure 20: Development and sales of the Mount Barker Co-operative, 1918-1955



Source: Sneddon (2012).

CHAPTER 4: VULNERABILITY: 1956-1975

The period from 1956 to 1975 saw major changes in the WA economy. This was led by the mining industry, which expanded from gold mining to a wide range of minerals particularly iron ore, nickel, bauxite, and titanium. Aviation transportation grew in scale and scope, with international, inter-state, and regional airlines operating regular flights. Road transportation was improved with the construction of all-weather highways across the state. However, it created a State economy that was highly dependent on a few specialised export industries, specifically mining and mineral processing (Wilson et al., 2004).

In 1955 the deep-water port in Cockburn Sound was opened, specifically to support the Kwinana Industrial Area that comprised the British Petroleum (BP) oil refinery (opened 1954), BHP steel mill (1954) and blast furnace (1968), Cockburn Cement Plant (1955), Alcoa Alumina Refinery (1963), CSBP superphosphate and industrial chemicals plant (1967), and WMC nickel refinery (1970). From the mid-1960s viticulture began to expand in the Mount Barker and Margaret River districts, which, by the 1970s was gaining the attention of international markets. The Ord River Irrigation Scheme was constructed between 1963 and 1971, creating Lake Argyle, which holds water equivalent to 18 to 20 Sydney Harbours. This scheme created the town of Kununurra, and a significant horticultural industry focused on tropical fruits (Menck, 2022).

During the first half of the 1970s the WA economy was impacted by a US-led decision, in 1971, to take the US dollar off the gold standard. The OPEC Oil Crisis followed in 1973-1974, when export bans to the United States and other western nations were placed by Arab nations making up the Organisation of Arab Petroleum Exporting Countries (OAPEC) in response to the Arab Israeli Yom Kippur War (1973-1974). This triggered a rise in inflation with prices rising by 18 per cent and not reducing until the early-1990s recession (Wilson et al., 2004).

MOUNT BARKER AND THE MBC IN THE LATE 1950S

By the late 1950s demand for Australian fruit in key export markets, such as Britain, was in rapid decline and a blockade of the Suez Canal in 1956 caused by the Suez Crisis involving Egypt's attempt to nationalise the canal, and a subsequent invasion by Anglo-French and Israeli forces aimed at seizing control of the canal, further damaged the Australian fruit export industry.

However, as discussed in Chapter 2, from its incorporation in 1918 to 1955, MBC sales increased significantly along with a substantial increase in the scope of its activities. This reflected the socio-economic changes taking place within the Mount Barker district and the Plantagenet Shire. The shift from a fruit packing and cool stores business to a distributor of dairy farming equipment, dairy cow supplements, and general grocery, hardware and merchandise, plus stock and land sales agents, and shipping agents were an example of this diversification.

In 1955 the Co-operative had a solid market position and Mount Barker's reputation as a leading fruit producing region was firmly established. As shown in Figure 21, the MBC employed a sizable number of local people and made a significant contribution to the social and economic well-being of the Mount Barker district.

Figure 21: Mount Barker Co-operative Staff, 1955



Back row, left to right: Mr. Garside, Eddie Douglas, [unknown], Jim Young, Harold Milton, Charlie Harris, Norm Mills, Rob Ritchie. Second row: H. Bennett, Dave Croll, Connie Tucker, Sue Adams, Josie Bruce, [unknown], Marjorie Fisher, Anne Mews, [unknown], Mal Jones. Front row: Geoff Brinklow, Bill Gorman, Stan North.
Source: Groom & Gates (2009, p. 74).

During the late 1950s the MBC was active in supplying both fruit growers and dairy farmers and offered a wide range of irrigation systems (Southern Sentinel, 1954a). It also retailed home appliances such as Lightburn washing machines. These were manufactured in South Australia by Lightburn Ltd., which also produced concrete mixers, wheelbarrows, power tools, trailers, hydraulic jacks, go-karts, and even a range of small cars known as the “Zeta”, which appeared in the 1960s. Figure 22 shows an advertisement from 1953 showing the range of Lightburn washing machines being retailed by the Co-operative.

As demand for fruit exports declined the MBC shifted its focus from fruit exports to general retailing. In 1957 the Co-operative joined the United Wholesalers Co-operative Ltd (later named Foodland) which allowed them to bulk-buy consumer goods at competitive prices. As part of their diversification plan the MBC established a farm merchandise store in Mount Barker in 1958. However, despite the Co-operative’s increasing focus on retailing, the Mount Barker district remained synonymous with apple production and in 1961 the first Apple Festival was held in the town to celebrate the community’s longstanding involvement with the fruit industry.

Figure 22: Mount Barker Co-operative Advertising washing machines 1953

INTRODUCING
The NEW washday work-saver!

ONLY £32 10/-
BUYS YOUR
LIGHTBURN Spin Dryer
...the biggest little helper you could wish for on washday!

Yes, all you have to do is turn on your clothes in a "twink" and HIGH PRESTO! They're dryer than ever dry in just a few seconds! A few minutes airing and your clothes are ready for ironing! With a LIGHTBURN SPIN DRYER there's no deep trouble to dry.

TUCKS AWAY IN A CORNER OF YOUR LAUNDRY
A convenient 21" high, the LIGHTBURN SPIN DRYER takes up less than 11 sq. ft. of laundry space! A special suction rubber mounting fastens it securely in one desired position and eliminates vibration. Just imagine drying 5 lbs. of clothes in seconds.

AUSTRALIA'S MOST EFFICIENT SPIN DRYER
It's the same as the Spin Dryer of the famous LIGHTBURN Washing Machine. Running at high speed, it spins more water from wet clothes than any other dryer and quicker too!

Whether you use it as you couldn't wish for anything better than the LIGHTBURN to dry your clothes. It's attractively finished in baked enamel, priced just as you would wish, compact enough to suit the smallest laundry... and it really dries! Dry your clothes easily, quickly, with a LIGHTBURN—the bigger little helper you could wish for on washday!

© Crown A.C. Models, £35
£2, 30, 110, 220-volt D.C. Models, £37/10/-

SEE THE LIGHTBURN SPIN DRYER AT..
MOUNT BARKER CO-OPERATIVE LTD. — RETAIL STORE

*It's New!
It's Neat!
It's Necessary!*

Yes, the BEST way to dry clothes IS WITH A **LIGHTBURN Spin Dryer**

SEE ONE TODAY AT
MT. BARKER Mt. Barker Co-op. Ltd.

Never a care about the size of your wash
BIG OR SMALL... HEAVY OR LIGHT
THE LIGHTBURN
"TAKES IT IN ITS STRIDE" ...

a full week's wash in less than an hour and really dry
Yes! this the fastest, sturdiest and most efficient of all washers, handles any sized wash in double quick-time. Makes light work of blankets, yet as gentle as a lamb with the daintiest of fabrics.

HERE'S THE SECRET OF LIGHTBURN'S EVER-INCREASING POPULARITY...

GENTLE BUT THOROUGH TUMBLER ACTION!
The softest tumbling action gets your dirty clothes and soiled linens quickly clean in minutes.

SPIN-DRIES IN SECONDS!
In 45 seconds your clothes are 90% dry. This means less time on the line, no wet-day drying problems!

ASK TO-DAY! FOR A DEMONSTRATION

LIGHTBURN CO. LIMITED
London • Bristol • Glasgow • Sydney

PAGE 2—SOUTHERN SENTINEL, SEPTEMBER 10, 1953

Source: Southern Sentinel (1953).

The Co-operative also opened its first self-service grocery section on 11 September 1953, a retailing transition that was becoming mainstream during the 1950s. In an announcement of the opening of this new innovation in retailing, the MBC declared,

"The Company extends a cordial invitation to one and all to call and see this new set-up and participate in our modern method of trading. As a special feature on our Opening Day prizes in the form of Groceries to the value of £2, £1 and 10/- will be given to cash customers whose selected number appears on the cash register machine. This machine registers the number of customers dealt with daily and three numbers have been chosen" (Southern Sentinel, 1953).

The MBC was also acting as a distributor for Horwood and Bagshaw Corn grinders, Smith Co. Spring Tyne Cultivators, and Smith Co. Merbein 3F Orchard Disc Ploughs (Southern Sentinel, 1954b). It also distributed firefighting equipment in the form of portable motorised pumps, chemical extinguishers, and knapsack firefighting equipment (Southern Sentinel, 1954c). As demand for fruit exports declined the MBC shifted its focus from fruit exports to general retailing. In 1957 the Co-operative joined the United Wholesalers Co-operative Ltd (later named Foodland) which allowed them to bulk-buy consumer goods at competitive prices. As part of their diversification plan the MBC established a farm merchandise store in Mount Barker in 1958 (Groom and Gates, 2009).

Mr. Ross H. Pickles, an apple producer from the Mount Barker district, who served on the MBC Board from 1958 until 1999, and was Chair from 1978 to 1996, recalls that when he became a Director, he was only 30 years old. The Chair, James McNeil Martin, who had been the founding Chair and was to hold the position until 1964, was a person who commanded the respect, and all the other directors were aged in their sixties. No first names were used; it was always “Mr. Martin” never “James” (Pickles, 2012).

This was a tradition that had continued on from the early years, and he too was referred to as “Mr. Pickles” in the meetings. However, after the board meetings they would all enjoy a beer or a cup of tea, and everyone also smoked. As he explained,

“In those days, can you believe it, when I first started, the general manager used to smoke 20 cigarettes from 1:30pm to 6pm, and one of the directors did the same thing. And every now and again they would open the window because you would almost keel over, and they were tailor made, they weren’t rolled. Yes, that happened for many years believe it or not. Mr. Martin never smoked, old James McNeil, but the general manager and bloke called Wally De Pledge and bloke called Frank Squire did. But they always put packets of cigarettes on the board table in front of the guy who wanted them – free packets, so they went for their lives” (Pickles, 2012, pp. 5-6).

Ross Pickles expressed the view that he was fortunate to have had the opportunity to gain experience from the likes of James McNeil Martin, Walter “Wally” De Pledge, and Max Wright while serving on the board in the late 1950s and 1960s, because they taught him how to run a board meeting and role of a Chair. As he explained,

“Well, consensus, the same old story. McNeil Martin could run a good meeting, and I had a pretty good tutoring by him for another three or four years while I was there, and he got out and a guy called Wally De Pledge took over for one year and Max Wright our next-door neighbour took over after that. I got a pretty good grounding; those guys were all pretty well on the ball. The meetings were always pretty formal” (Pickles, 2012, p. 6).

MOUNT BARKER AND THE MBC IN THE 1960S

Despite the increasing focus on retailing by the MBC the Mount Barker district remained synonymous with apple production and in 1961 the first Apple Festival was held in the town to celebrate the community’s longstanding involvement with the fruit industry (Groom and Gates, 2009). However, while food exports (other than wheat) contributed 15 per cent of WA exports in 1964-1965 it was on a steady decline as the decade progressed (Wilson et al., 2004).

In 1961, following a bumper season, apple shippers had coordinated to offer a set price to growers, which was considerably lower than the previous year’s price. This led to the WAFGA approaching the Western Australian government to establish a Royal Commission into the apple industry. The Commission was promptly established and reported in 1962, finding that the shippers had in fact acted in good faith to preserve returns for growers in the face of uncertainty, but had erred in not communicating their intent to the growers’ association, which was described as ‘a momentous blunder in the field of public relations’ (Royal Commission 1962, p.14). Data collected by the Royal Commission revealed that apple production in the Mount Barker and Albany region had declined from 443,577 bushels in 1958-1959 to just 142,858 bushels in 1959-

Co-operative Enterprise Research Unit (CERU)

From Orchards to Outlets: Mount Barker Co-operative Ltd. Serving a changing region since 1918

1960, and that there was little interest in re-planting orchards in the district, even though many of the older trees there were in decline (Royal Commission 1962, p.7).

By 1964 apple production in the Mount Barker district had declined by more than half the volumes produced at its peak in 1954 and the MBC Board sought alternative sources of income in addition to retailing. They entered the seed cleaning business in partnership with Wesfarmers and, when Wesfarmers exited the business a year later, were persuaded by local farmers to buy the seed cleaning shed and establish a seed cleaning business (Southern Seeds Limited). The establishment of Southern Seeds was timely as local farmers were moving increasingly from fruit into cereal and livestock production creating demand for new pasture and crop seed varieties. In addition to establishing Southern Seeds, the Co-operative purchased more retail space in Mount Barker to support the expansion of their retail division. In 1966 the MBC leased retail space in Mount Barker, which had been vacated by David Jones Ltd., and purchased the site in 1969 (Groom and Gates, 2009).

The establishment of the European Economic Community (EEC) in 1967 only served to worsen the situation for the fruit growers in WA and accelerated the decline of the Mount Barker fruit industry. As Ross Pickles recalls,

“As I say, when the apple industry died, the European Common Market came into vogue and the cost of shipping a case of apples... when I was a kid you would ship a case of apples over to England for five shillings and get 60 shillings a case for them. So that was the sort of money you could make. It was a very profitable industry, believe you me it was. This farm kept four families. We didn’t have any cleared land here we just the orchard. And then the costs blew out, the European Common Market came in; they didn’t want our fruit... because we exported to Sweden, Norway, Germany, England, to all those countries and they just said no, and that was that” (Pickles, 2012, p. 7).

MOUNT BARKER AND THE MBC IN THE EARLY 1970S

By the late 1960s declining fruit production in the district had made the operation of the Kendenup fruit packing shed untenable and the shed was closed in 1970. The contraction of the Australian fruit export industry continued in the early 1970s as Britain joined the European Union (EU) effectively closing off their markets to Australian produce. By 1974 less than 3,000 bushels of fruit were being grown in the Mount Barker district and the MBC sought assistance from the WAFGA and considered closing the Mount Barker packing shed (Groom and Gates, 2009).

The impact of the OPEC Oil Crisis (1973-1974) saw rising inflation and increasing unemployment across WA. This continued to plague the State’s economy throughout the 1980s and 1990s (Wilson et al., 2004). However, the viticulture and wine making industry, which had begun to establish itself in Margaret River and Mount Barker from the late 1960s, started to mature in the 1970s, with Margaret River developing an international reputation (Menck, 2022).

The MBC did not apply for an independent export licence for apples and pears in 1975 and sold the plant and equipment from the Mount Barker and Kendenup sheds. After much debate among shareholders the decision to close the Mount Barker packing shed was made at the end of 1975.

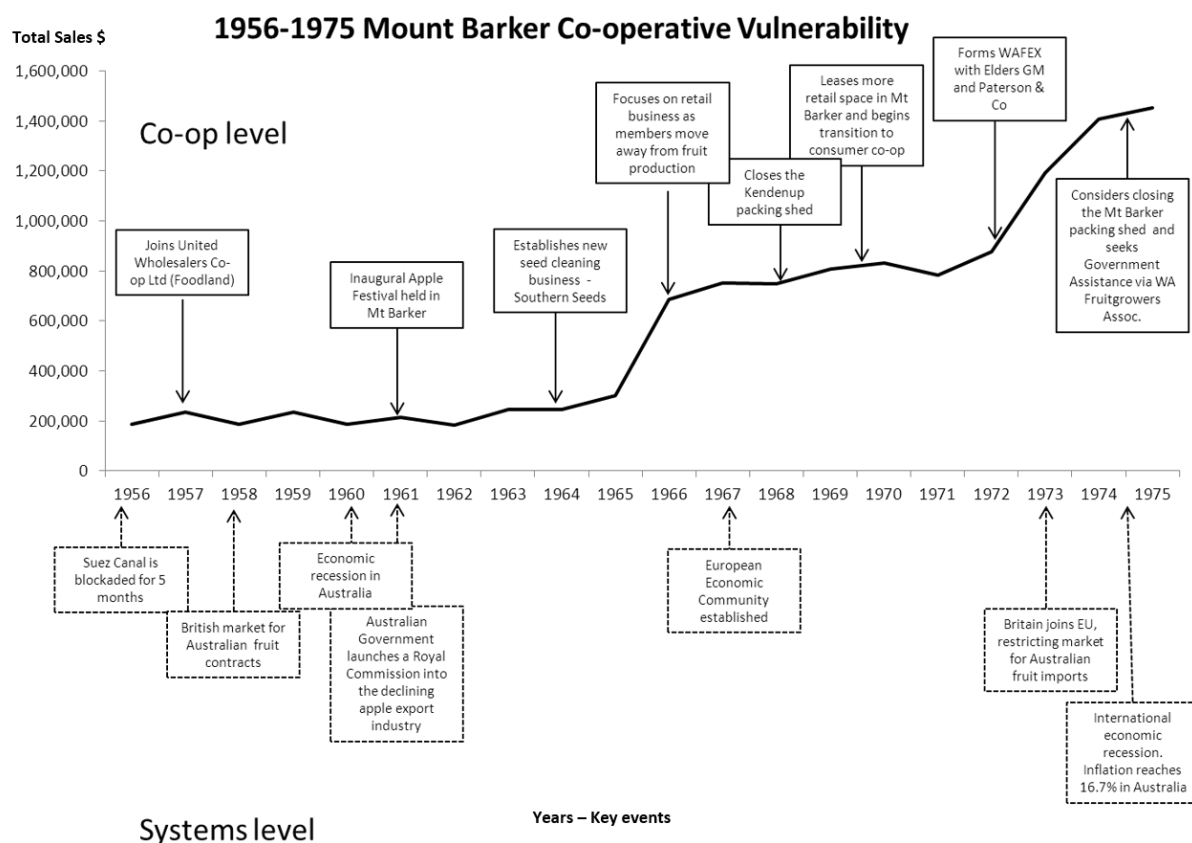
Shareholders also expressed concerns about the future of the cool stores and were advised by the Co-operative's Board that alternative uses were required for them to be viable (Groom and Gates, 2009).

The loss of income from fruit packing and storage had a significant negative impact on the financial position of the Mount Barker Co-operative at the end of this period. Although sales revenue topped \$1,400,000 in 1975 (approx. \$12,172,100 in 2024 dollars), shareholders did not receive rebates or dividends because of poor profitability and concerns about company liquidity (Groom and Gates, 2009).

FINANCIAL PERFORMANCE OF THE MBC 1956 TO 1975

As Figure 23 shows, the financial performance of the MBC over the nineteen years from 1956 to 1975 was one of relative stagnation during the late 1950s and early 1960s as the UK market for apples and pears declined, and an economic recession impacted Australia during 1960-1961 due to unfavourable balance of payments. Wool prices had fallen and imports were rising at a rapid rate leading the Federal Government to introduce measures to slow imports (RBA, 1961).

Figure 23: Development and sales of the Mount Barker Co-operative, 1956-1975



Source: Sneddon (2012).

The diversification in the Southern Seeds business in 1964 did much to stabilise the MBC's financial situation as did the transition from fruit packing, storage and export, to retailing as a primary focus. This transition from a producer to a consumer co-operative was also strategically a significant response to the entry of the UK into the EEC common market and the inevitable entry of Britain into the European Union (EU) in 1973. Where the UK had accounted for 40 per cent of all WA exports in 1954-1955, by 2001-2002 it had fallen to only 2 per cent (Wilson et al., 2004).

Although this was a challenging period for the MBC, its successful navigation of these difficult times, and the strategic shift from producer to consumer co-operative, is a testament to the leadership of the Chairs Walter De Pledge (1964-1965), A. M. "Max" Wright (1965-1973), the General Manager L. R. "Bill" Gorman (1954-1977) and the respective board members during this period.

CHAPTER 5: TRANSFORMATION: 1976-2002

Over the period 1976 to 2002 the WA economy was substantially transformed. The early 1970s saw an increase in inflation, reaching 18 per cent by 1974-1975, this high inflation continued until the global economic recession in 1990-1991. Unemployment rose throughout the 1970s, reaching 10 per cent by June 1984 and peaking at 11 per cent in the early 1990s. Unemployment declined to less than 5 per cent by 2004 (Wilson et al., 2004).

The wine making and viticulture industry that was emerging in the Margaret River and Mount Barker areas during the mid-1960s continued to develop and during the 1980s and 1990s they evolved into major wine making regions that attracted significant tourism and supported some major wineries that also engaged in exporting premium wines (Menck, 2022). While the fruit industry had declined steadily during the 1960s and 1970s, with significant impact on the MBC's operations, the dairy industry began to decline during the 1980s and 1990s due to price controls and supply quotas. These continued until 2000, when the dairy industry was deregulated and restructured. The impact on WA dairy farmers was the need for farms to become larger and more capital intensive. Many farmers sold out and left the industry (Menck, 2022).

MOUNT BARKER AND THE MBC IN THE LATE 1970S

In 1976 the MBC restated their commitment to continue to serve the local community as a community-focused consumer Co-operative despite the demise of the apple production in the district. The population of the Mount Barker district had increased rapidly over the preceding three decades from around 1,900 to 4,000 people, a population size that could potentially support a large retail outlet.

In a decisive move to transform itself from a producer to a consumer Co-operative the MBC examined the feasibility of combining grocery, hardware and drapery retail divisions into a Supermarket located in the old packing shed. Plans to transform the packing shed into a Supermarket were approved by Shareholders in 1977 along with an amendment to the Memorandum and Articles of Association to increase share capital to \$500,000 (250,000 shares at \$2 per share) (approx. \$3,415,640 in 2024 dollars).²

The MBC continued to run a cool store, though its profitability was diminishing with declining apple production, and the store was offered for sale. It continued to operate in the meantime, though in 1978 Cyclone Alby devastated the local apple crop, resulting in a severe decline in demand for cool storage and associated loss of income (MBC, 1979). In addition to the development of the new Supermarket, the shift in focus from a producer to a consumer Co-operative was reflected in the new purpose of the MBC: *to consistently provide competitively priced goods to the general public* (Groom and Gates, 2009).

As the development of the new Supermarket progressed the General Manager Mr. L. R. "Bill" Gorman, who had assumed the role from Mr. A. C. Hickling in 1954 retired in 1977. He was replaced by the Company Accountant and Secretary, Mr. Warren J. York who had been with the

² Reserve Bank of Australia Decimal Inflation Calculator www.rba.gov.au/calculator/annual/decimal

Co-op since 1969-1970.³ He assumed the role of General Manager in 1977, although his first full year was 1978. The new MBC Supermarket was opened under Mr. York's management in July 1978, and he served in the role of General Manager until 2003.

Although the Co-operative had over forty years of experience in local retailing, the new Supermarket generated competitive forces not previously experienced by the MBC. In 1979 two supermarkets in Albany were redeveloped and expanded and Perth-based merchandise firms increasingly targeted farmers in the Mount Barker district. In an attempt to respond to increasing competitive forces the MBC increased its retail product offerings, reduced prices and upgraded car parking facilities for Supermarket patrons.

Ross Pickles, former MBC Chair, recalls that the Co-operative enjoyed the loyalty of its shareholders, and he never purchased groceries from Albany. During the late 1970s the MBC was experimenting with different approaches to the management of its retailing operation. For example, the Manager of the Grocery Department, Steve Waller, introduced a cash and carry system to replace the previous model of racking up a bill with the store and paying it at the end of the month. However, many farmers failed to pay their accounts on time, hence the move to a cash payment system (Pickles, 2012).

According to Ross Pickles, the model that had inspired the cash and carry system was that being used by Tom the Cheap Grocer, a very successful grocery chain established in 1956 by Thomas Wardle. He had seen trends in supermarkets and grocery stores taking place overseas and set up the first discount grocery store in North Perth and successfully expanded the stores across WA and interstate to where he had 200 stores operating by 1971 (AFT, 2025).

MOUNT BARKER AND THE MBC IN THE 1980S

Throughout the 1980s the MBC focused on strengthening its existing business divisions whilst supporting the local economy and community. One example of the Co-operative's commitment to the local community was their refusal to relocate their fuel delivery service to Albany. The MBC argued that this was counter to their local trading philosophy and instead maintained a local fuel delivery business by purchasing from a local supplier and establishing their own fuel depot for shareholders (Groom and Gates, 2009).

Sales of clover seed declined in the early 1980s and Southern Seeds shifted their activities to processing disease resistant Canola seed varieties. The seed shed was extended to cope with additional demand. However, despite growth in the seed cleaning business, slow demand for agricultural commodities resulted in a downturn in employment in the Mount Barker district and many families leaving the area. The exodus of farming families from the district presented a new set of challenges for the MBC in terms of shareholder participation and support. The Co-operative sought to boost community engagement through campaigns encouraging shareholders and local residents to shop at the MBC's Supermarket to ensure that money continued to flow back into the community.

³ The MBC's 2004 Annual Report states that he worked for the Co-op for "nearly 34 years".

Figure 24: Mount Barker Co-operative Supermarket and Hardware 1980s



Source: Groom & Gates (2009, p. 75).

The Directors' report to the 1981 AGM urged members to:

"Help to further strengthen your Co-operative with your positive participation in its activities. Be reminded that we stated in last year's report – Your Co-operative is a community business and the profits generated by its activities are not syphoned out of the district nor do they form the income of any individual but remain LOCAL IN COMMUNITY FACILITIES AND SERVICES." (MBC, 1981, Director's report section).

By 1986 the Directors were pleased to report "the increasing acceptance by both local individuals and clubs of the Co-op as 'their Co-op', as evidenced by the number of new members and the increasing usage of the supermarket foyer by local charitable groups" (MBC, 1986).

Attendance at Annual General Meetings was also low. The 1982 Directors' report noted disappointment with the attendance at last year's AGM and declared that,

"The success of this Co-operative is largely a product of the loyalty and participation of its shareholders, and we urge each of you to register your continuing interest in the Company's activities and progress by attending this year's Annual General meeting. WE NEED YOUR INTEREST IN THE COMPANY!" (MBC, 1982, Director's report section).

The Directors also evidenced an emerging need for generational renewal, with their 1984 report urging "younger persons to assess just where they can contribute to the Mount Barker Co-operative Limited of the future" and encouraging them to attend the AGM; gratifyingly, the

number of younger shareholders attending the AGM had risen by 1986 (MBC, 1984, Director's report section; 1986).

While encouraging younger people to step up their involvement in the Co-operative, the MBC in turn decided to provide support to the region's elderly residents. In 1984 an Extraordinary Meeting of Shareholders agreed to donate \$15,000 per year for four years to provide housing for the aged in Mt Barker, through Plantagenet Village Homes (MBC, 1985). As the decade neared its end, the MBC listed the ways in which it gave back to the town, in an FAQ page at the end of the AGM papers. This reveals that the Co-op understood its value in the provision of competitively priced goods and services as well as employment for local people; returning profits locally; being a stabilising influence in the region through remaining viable in the long term; supporting local sporting and charitable organisations and initiatives; a free weekly delivery service to aged pensioners; and support for special events in Mt Barker (MBC, 1987).

As the Co-operative's retail businesses expanded its staff and stock holdings, liquidity became a critical issue. The MBC attempted to increase liquidity in the business by issuing debentures in place of dividends and putting pressure on shareholders to pay their accounts promptly. Whereas in the past MBC's credit policies were relatively relaxed, in this period a growing number of 'delinquent debtors' became a problem for management who had to improve financial control whilst maintaining positive relationships with shareholders (Groom and Gates, 2009).

As the MBC's retail businesses grew in the 1970s and 1980s the increasing dominance of the Supermarket division in the Mount Barker retail environment generated some concerns among the local community. A number of local businesses closed in the early 1980s and the MBC expanded its services in these areas to meet local demand for the goods and services. The expansion by the Co-operative into new business areas was criticised by some members of the community and the MBC Board acknowledged the need to strike a balance between growth and supporting other local businesses for the sake of the survival and stability of the town (MBC, 1983).

The last remnants of the apple packing and storage business were dismantled in 1984 with the closure of the cool stores. The MBC announced its successful transition from a producer to consumer Co-operative and a commitment to pursuing efficiency and economy across its remaining business divisions.

This focus on efficiency and economy instigated a number of investments and changes across the MBC including the purchase of a new fuel truck for farm deliveries, investment in a public weighbridge and the computerisation of the Co-operative's accounts (MBC, 1985). The Supermarket became a Foodmaster Franchise, enabling the MBC to reduce retail prices. Under the new franchise agreement retail floor space was extended to house an in-store butcher, refrigerated display and a larger range of groceries. However, as Supermarket sales increased throughout the 1980s the poor outlook for agriculture was reflected in declining farm merchandise and seed sales and a reduction in commissions paid on livestock and wool sales through the Wesfarmers Agency.

In 1986 the Co-operative amended its Memorandum and Articles of Association to increase the share capital to \$1,000,000 (500,000 shares at \$2 each) (approx. \$3,241,964 in 2024 dollars). The objective of this capital raising was to enable the MBC to re-purchase the shares of inactive shareholders who had left the district. The growing number of shareholders leaving the district and/or ceasing to trade with the Co-operative was recognised by the MBC as a potentially significant business risk.

The MBC pursued this share buyback policy throughout the late 1980s and by 1989 98 per cent of shareholders were local residents and/or customers. Whilst removing inactive shareholders from their register, the Co-operative also sought to increase the participation and support of active shareholders as it was increasingly recognised that the MBC's success depended on shareholder commitment and involvement.

In 1993 the MBC introduced a new class of shares. These 'Z' shares were sold to occasional purchasers of goods and services from the Co-operative. The decision to introduce Z shares was largely motivated by an Australian Tax Office (ATO) requirement for 90 per cent of shareholders to be trading with the Co-operative in order for the tax deductible status of rebates to be maintained (AustLII, 1936).

MOUNT BARKER AND THE MBC IN THE 1990s

At the start of the 1990s the MBC recorded its fourth consecutive year of record sales, profits and returns to shareholders. The Co-operative's substantial reserves were invested in a building program to improve its existing retail operations and to develop the Mount Barker main street (MBC, 1994). Land that had been leased from Westrail was purchased in 1998, to enable development of the southern end of the retail complex. A new merchandise division opened in 1993 and in 1996 a new computer system and EFTPOS were installed in the Supermarket and extended trading hours commenced. A 24-hour fuel facility was introduced in Mt Barker in addition to deliveries; throughout the decade the fuel business continued to grow and generate good returns.

The MBC Board was aware that other Co-ops were demutualising, not least as Wesfarmers had dramatically reduced or withdrawn commissions paid to agents (including MBC) on livestock, wool, fertiliser and insurance transactions. The 1996 Directors' report noted that:

"Privatising' seems to be a current buzz concept where the community owned organisations are sold off to parties which are preoccupied with return on capital and share prices, and where control is governed by the number of shares held. Co-operation is an alternative philosophy whereby the owners are the customers and any surplus generated by their mutual exertion or trade is distributed to the owners. Imagine your Co-operative privatised with the annual profits generated being paid to absentee owners who would naturally want profits to be maximised. How much trading rebate would you receive?" (MBC, 1996, Director's report section).

By 1990 MBC Board members had given 141 years of service between them and, although the leadership of the Co-operative had not changed substantially since the early 1970s, the MBC

sought to formalise its philosophy and corporate objective with input from shareholders. In the 1990 Report of the Directors the new corporate objective of the MBC was stated as,

“To serve the long-term interests of active shareholders” (MBC, 1991).

Although it added, “as is reasonable (perhaps imperative) that the people for whom the Co-operative exists, should decide the Co-operative’s principal objective, shareholder input is sought” (MBC, 1991 Director’s report section). The objective was endorsed at the 1991 AGM.

In the mid-1990s there were a number of changes to the MBC Board and management. Ross Pickles stepped down as Chairman and was replaced by Elwyn Vincent “Ben” Taylor. Don Stevens was appointed manager of Southern Seeds and the manager of the grocery section retired after 41 years of service. In 1995 Mrs Adams retired after 21 years as a Director and the Chairman called for young shareholders to nominate to the MBC Board. One new Board member was appointed in 1996 and four in 1999.

Chris W. Enright was one of the four new directors elected to the MBC board in 1999. A farmer, whose father and grandfather had owned and operated a fruit orchard in the Mount Barker district following the Second World War, but who had moved into grain and sheep, later became Chair of the MBC in 2003, replacing Anne Mackie. A position he held until his retirement in 2022. He recalls his first board meeting, which for him was an interesting introduction to the culture of the MBC boardroom of the 1990s. As described by Chris Enright,

“I was absolutely stunned because I had been involved in the Farmers’ Federation as well in some committees – I had been on the Wool Council of the Farmers’ Federation and I had been a chairman of the lice eradication committee run by a State thing; I had been appointed to a couple of things by the Minister to look into foot rot eradication so I had had quite a bit of experience on boards and administration and that sort of thing. When I joined the co-op, I was stunned, I was absolutely stunned.”

“We used to meet in the general manager’s office; he had a big table, and they used to meet there. I joined the board, and it was a few tables put together forming a square table; it wasn’t a very big room and so I came to my first meeting. I had been in, and you got a pretty limited amount of information before you got to the meeting and so I came in and they said Mr. Enright you’ll sit there, which was right at the end of the table. And you didn’t say anything; you weren’t asked anything; it was bloody amazing.”

“And when it came to the afternoon tea one of the office girls brought in the afternoon tea with a tea pot and cups and a cake and put it on the table at the end and the chairman said to me Mr. Enright, you’ll serve the afternoon tea. I thought this was a joke, but it wasn’t, they were serious! This is what happened! The newest member had become the bloody tea boy. I was absolutely stunned; I just couldn’t believe it” (Enright, 2012, p. 9).

It seems that the formality of the MBC boardroom and the use of the “Mr.” rather than first names that Ross Pickles recalled from his own experiences on the board in the 1950s and 1960s was still alive and well in the 1990s.

For the first time in the history of the MBC two of the Board members were not farmers. Further changes at the Board level in the early 2000s foreshadowed a significant change in the leadership

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of the Co-operative. The Chairman, Ben Taylor retired after 34 years on the board along with Mrs Mackie and Mr. Bell after 3 years. Lyn Slade joined the Board and Chris Enright became Vice Chairman.

Southern Seeds performed well throughout the 1990s despite the introduction of Plant Breeders Rights (PBR) in 1994. The MBC highlighted risks associated with the PBR in terms of increasing varieties and sales restrictions. Southern seeds sought to mitigate these risks by extending its relationships with plant breeders and modifying seed cleaning plant and equipment.

In 1997 Southern Seeds became the sole cleaner of Canola seed for Dovuro Ltd in WA. However, despite cleaning increasing volumes of canola seed in the late 1990s, Southern Seeds reported the worst trading year in its history in 2001. The MBC Board decided to close the business and transfer seed sales to its merchandise division.

A poor outlook for agricultural commodities in the Mount Barker district in this period also impacted the merchandise and stock agency divisions. Farming families continued to leave the district due to a slump in wool and livestock prices and many farms were sold or leased to tree plantation companies (MBC, 1998). In recognition of the increase in non-farming population and the MBC's transformation from a producer to a consumer Co-operative the Memorandum and Articles of Association were amended again in 2002 allowing B class shareholders to vote at AGMs.

Although incremental improvements had been made to the Supermarket throughout the 1980s and 1990s the MBC recognised that a complete revamp of the retail business was required for it to remain competitive. Redevelopment of the supermarket began in 2000 including the addition of a new car park, a fully equipped café and delicatessen, offices, staffroom and public amenities at a cost of around \$2.5 million (approx. \$4.8 million in 2024 dollars).

The new supermarket was officially opened as a Dewson's store in July 2002 by ex-Chairman Ross Pickles. However, despite the opening of the new supermarket, the MBC reported disappointing returns to shareholders. The merchandise division, in particular, struggled with poor profitability which culminated in the resignation of the division manager. Kendenup fruit grower Stephen Carter, who joined the Co-operative shortly after purchasing his farm in 1989-1990, and who became Director in 2003, recalls the MBC and its operations during the 1990s.

"As a client, so to speak, of the board, that at that point their hardware and rural supplies was combined into one business and you could not always get what you were after and it just seemed to be wandering around and not going anywhere. After they built the supermarket, it appeared as though everybody was tired from that effort or whether they thought that's all they had to do and didn't need to do any more. I am not sure that applied to some of those current board members who are still board members. I think it more likely that the board members have now gone and were of the opinion that that's all the co-op was there for was to provide a supermarket and the hardware store. Some of the others were a bit further thinkers than that and that's what attracted me to becoming a board member with a group of people could actually make some things happen" (Carter, 2012, p. 2).

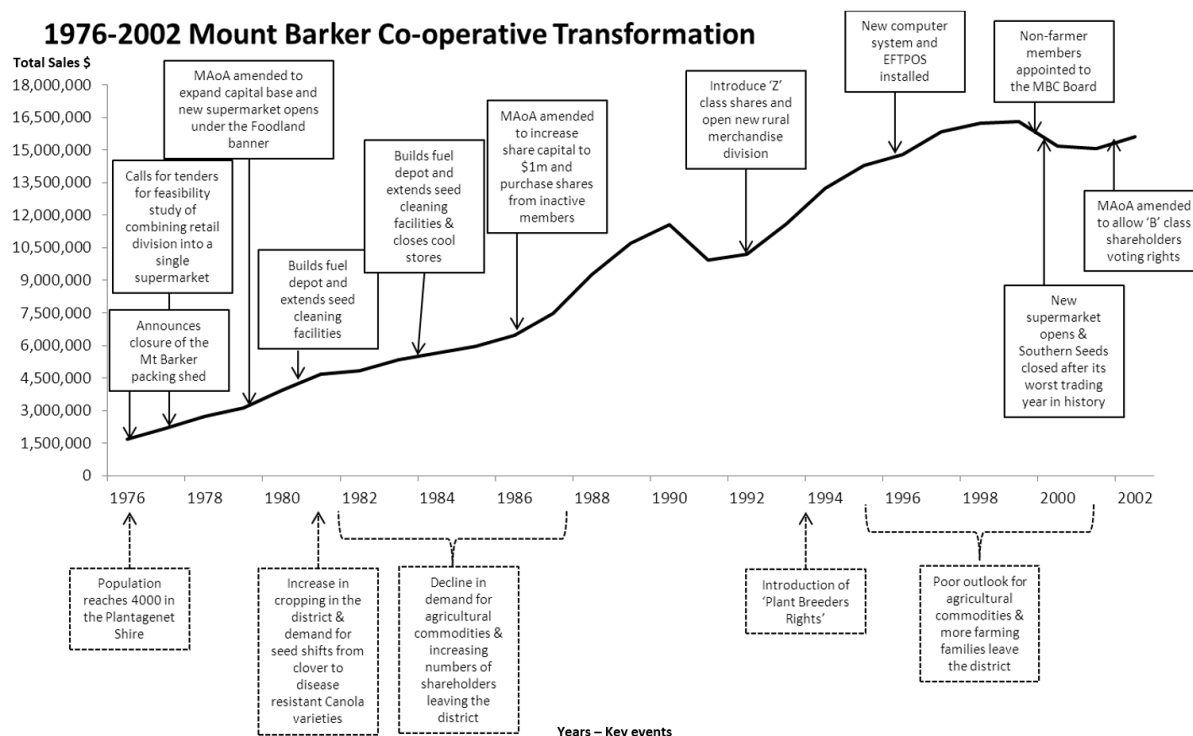
As suggested in Carter's statement, the 1990s was a significant transition period for the MBC. The move from a producer to a consumer co-operative was a process that had commenced as far back as the mid-1950s, but it took a long time to fully evolve. Both the Board and the Co-operative's management team needed to adjust to the new strategic direction that would need to be taken.

FINANCIAL PERFORMANCE OF THE MBC 1976 TO 2002

As illustrated in Figure 25 the MBC successfully navigated the transformation from a producer to a consumer Co-operative over the period from 1976 to 2002. It was a period of major social and economic changes within the rural sector as the size of the population within the farming community reduced even though the scale of the remaining farming enterprises increased. This required the Co-operative to raise additional share capital in order to buy back the shares of inactive members and widen the base of its membership to include non-farmers.

The focus on retailing, specifically that of a Supermarket and Hardware store, placed the MBC in direct competition with the larger corporate retailer such as Coles, Woolworths, and Bunnings that were operating in Albany. This was a challenge facing many of the regional Co-operatives that had been established across the WA rural communities during the years from 1914 to the 1920s. The majority of these Co-operatives were members of the Westralian Farmers Ltd. (Wesfarmers) Co-operative and functioned as its regional agents and distributors. However, the decision by Wesfarmers to demutualise in 1984, and the decline of the farming population across the agricultural and horticultural sectors of the state during the 1980s and 1990s impacted the financial viability of many of these regional Co-operatives.

Figure 25: Development and sales of the Mount Barker Co-operative, 1976-2002



Source: Sneddon (2012).

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Despite these challenges, the MBC was able to make the transition from a producer to a consumer Co-operative. Its ability to raise capital from its existing shareholders, and the broader community, demonstrated the Co-operative's ability to self-finance, and also showcased the value that its shareholders and wider community placed on the MBC's role within the Mount Barker district. However, the financial challenges experienced by the Co-operative during the 1980s and 1990s created tensions within the organisation, particularly between the MBC Board and its Executive Management team. This was to have consequences for the next phase of the Company's history.

CHAPTER 6: TRANSIENCE: 2003-2010

The period 2003 to 2010 was characterised by significant political, economic, social, technological and environmental changes. The Al Qaeda terrorist attacks on the World Trade Centre in New York, and the Pentagon in Washington DC in September 2001 ushered in a period of twenty-three years of continuous warfare referred to as the “Global War on Terror”. A few months earlier, in July 2001 the first successful artificial heart implant operation was completed. During the same year, the US Investment Bank Goldman Sachs introduced the label “BRICs” to describe the newly founded economic grouping of Brazil, Russia, India and China (Blount, 2016).

In 2003 the United States led a “Coalition of the Willing” to invade Iraq as part of the Global War on Terror. This overthrew the Government of Saddam Hussein but led to a protracted counter insurgency conflict that lasted until 2011 and resulted in the deaths of hundreds of thousands of Iraqis and left the country in ruins (Burnham et al., 2007). Australia participated in the conflict with troops from all three branches of the Australian Defence Force (ADF). This commitment lasted until 2013, involved around 17,000 Australian service personnel, and resulted in the deaths of four Australians (DVA, 2025).

Technologically the emergence of mobile telephony and the proliferation of the Internet and online services, including social media, became an integral part of both domestic and commercial life. Business models were transformed as the application of digital, mobile and computerised technologies became mainstream. This was accompanied by increasing concerns over global climate change and led to the rise of renewable energy systems, specifically solar and wind power, but also landfill gas and wave energy (Menck, 2022).

The period concluded with the onset of the Global Financial Crisis (GFC), which began in 2007 and persisted until at least 2009, with prolonged effects on economic growth in numerous countries. This event prompted scrutiny regarding the effectiveness of the global financial system (Birch, 2015). Australia's financial sector was better positioned to endure the impact of the GFC compared to its international counterparts. Banks maintained stronger reserves, and the Federal Government provided assurances on deposits and bonds, while the Reserve Bank of Australia reduced the official cash rate (RBA, 2024).

A CHANGE OF MANAGEMENT

Although the MBC had achieved record sales during the 1990s, sales revenue declined from 1999 until 2002. In a Director's Report of 25 January 2002, the financial status of the Co-operative was outlined:

“The financial results for the year ended 30 September 2001 reflect the difficult trading that was experienced by your Co-operative. As can be seen from the Profit & Loss Statement, Company sales were slightly reduced, gross margins from sales down by 16.6% to 15.6% while expenses (excluding depreciation) were reduced ... Your Co-operative is approaching a ‘mature’ phase of its growth with most assets being either new or functionally efficient. Obviously, depreciation charges are high but not being a ‘cash charge’ will not affect the liquidity of the Company. Having no debt, with cash in the bank and substantial ‘virtually cash’ shares on the Australian Stock Exchange, the Co-op faces the increasing competition of the future in a sound financial state” (MBC, 1974-2010a, 25 January 2002).

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As noted in the Directors' Report, the MBC's financial situation was stable, without debt, and with cash in the bank. However, it was facing a point of strategic change, with the level of market competition rising and the need for the Co-operative's profitability to be given specific attention. This was highlighted in the same report in the following terms,

"However, we encourage shareholders to consider closely the Profit & Loss Statement which indicates that the majority of the 'profit' accrued from 'passive' income – in other words the Co-operative's combined activities from the Supermarket, Merchandise, Fuel and Seed sections were marginally profitable" (MBC, 1974-2010a, 25 January 2002).

The 2003 Annual Report financial statements showed an operating loss of \$14,346 for FY2002 compared with a net profit of \$9,330 for the FY2001 (MBC, 2003). There were numerous reasons for this trend, and as illustrated in Figure 25, the Co-operative had experienced steady growth from the end of the 1970s to the end of the 1990s when sales revenue began to fall. The late 1990s saw demographic changes in the membership base of the MBC resulting in many farmers selling their land and leaving the District, which required repayment of their shares. This also took place at a time when the Co-operative was transitioning from a producer co-op focusing on the needs of farmers, to a consumer co-op focusing on the needs of the broader community. This transition was part of an overall change in the nature of WA agriculture during the 1980s and 1990s with a shift from smaller to larger, more mechanised, enterprises in broadacre farming, and an increase in viticulture and wine making in the Mount Barker district (Menck, 2022). The significant investment in the upgrading of the retail facilities, specifically the supermarket, also added to the Co-operative's expenses.

THE ROLE OF WARREN JOHN YORK AS GENERAL MANAGER

As stated in Chapter 4, the incumbent General Manager Warren J. York, had assumed the role following the retirement of Mr. Bill Gorman in 1977. Prior to that he had been the Co-operative's Company Accountant and Secretary from 1969/70 and was both well-known and well-liked by most of the Mount Barker community.

During his time as General Manager the Co-operative had undergone a major transformation including the building of the fuel depot, and changes to the Memorandum and Articles of Association to raise new capital for the development of the Supermarket and rural merchandise division and repurchase shares from inactive shareholders. These were significant developments and they occurred at the same time when, as noted above, the rural sector was changing in terms of the characteristics and focus of the farming community. The fruit export industry was in decline, and the broadacre farms were growing in size as farmers retired and sold out to a smaller number of more capital-intensive owners.

As General Manager Mr. York had overseen the MBC's transformation from a farmer-owned producer co-operative to a customer-focused consumer co-operative. A major feature of this work was the upgrading of the Supermarket, which had cost around \$2.5 million and included a wider range of goods, more shelf specials, a hot bread shop, deli, café, fresh food section, greater space and increased parking (MBC, 1974-2010a, 25 January 2003).

In the Annual Report for 2003 the work of Mr. York was acknowledged with the following statement,

“This marked the culmination of almost three years of extensive planning, substantial commitment and a very heavy workload by our General Manager, Mr. Warren York. Your Board records its sincere thanks to Mr. York for this dedication.” (MBC, 2003).

Warren York was a distinguished leader within the local community, and in 2007 he was awarded the Medal of the Order of Australia (OAM) for his significant service to the Mount Barker community. This included his leadership within the Co-operative as the Company Accountant and Secretary, then the General Manager, a period lasting around 34 years. The official citation reads:

“For service to the co-operative movement, and to the community of Mount Barker through a range of health, aged care, school and church organisations” (Australian Honours, 2007).

Additionally, there was his active participation in local governance and community development initiatives in the Shire of Plantagenet. He had also been a long-time supporter of local emergency services, with the Mount Barker Co-operative being recognised for its support to community volunteers. Sadly, Warren York passed away in 2010 at the age of 66 years.⁴

THE APPOINTMENT OF A NEW GENERAL MANAGER NORMAN LESLIE MILLS

Under Mr. York’s General Manager’s Service Agreement, either part was due to give notice by 28 February 2003 of their intention to renew or not to renew the agreement. It was therefore a transition point for a new manager to be appointed. As noted above, the financial position of the Co-operative was in good shape despite the declining profitability and Chair, Anne Mackie, reported in the Annual Report of 2003,

“With the completion of the Supermarket extension your Co-operative is now entering a period of consolidation with no major project planned for the near future. With the value of shares held on the Australian Stock Exchange being able to accommodate any foreseeable commitment, your Co-operative is in a comfortable financial position” (MBC, 2003).

As outlined in the Chair’s report, although the MBC’s financial status was “comfortable”, the foundation upon which this was built was the Co-operative’s “passive income” in the form of shares trading on the Australian Stock Exchange (ASX) rather than the retail operations. This coincided with the MBC Board’s decision not to renew Mr. York’s contract, a decision not easily taken, but one that the Directors believed would be in the best interests of the Co-operative for the future.⁵ The Minutes of the MBC Board are confidential and it was not possible for the specific discussions relating to the decision not to renew Mr. York’s contract to be examined. However, the interviews with the MBC Directors who were engaged in the Board meetings of 2003-2004 suggest that the decision to replace the General Manager was not a reflection on Warren York’s character or competence.

⁴ When the initial data collection for this case study occurred in 2011 Mr York had died. The researchers were not provided with contact details for his family at that time or in 2023.

⁵ Information provided by Lynette Slade, Chair of the Mount Barker Co-operative.

For example, Chris Enright, who replaced Anne Mackie as Chair in 2003, acknowledged that the replacement of Warren York was a difficult process that should not be viewed as a criticism of Mr. York as a General Manager. Speaking in 2012, while still serving as Chair, Chris Enright explained that the problem facing the Co-operative had built up over many years and reflected the way in which the MBC Board had become overly dependent on the General Manager, which resulted in the Board lacking a clear strategic vision for where the Co-operative was heading (Enright, 2012).

According to Mr. Enright, when he joined the board in 1999, there was no strategic plan in place, and virtually no formal governance systems. He acknowledged that Mr. York had made some good decisions, such as discounting for repurchasing shares, which significantly helped strengthen the Co-operative's financial situation. Speaking in 2012, while still serving as Chair, Chris Enright explained that the Board's perception that the problem facing the Co-operative had built up over many years and reflected the way the MBC Board had become overly dependent on the General Manager, which resulted in the Board lacking a clear strategic vision for where the Co-operative was heading (Enright, 2012).

The new General Manager, Mr. Norman "Norm" Leslie Mills, was appointed on the 1 September 2003, and served in the position from 2004 until 2011. Lynette "Lyn" G. Slade, who came to Mount Barker in 1974, was elected to the board of the MBC in 2002, becoming Chair in 2023. She felt that the change of management was necessary as did former MBC Director Stephen E. Carter, who expressed the view that the Co-operative was becoming more complex to manage (Slade, 2012; Carter, 2012).

At the AGM of 2004 Chris Enright, as Chair, reported the appointment of Mr. Mills as General Manager stating,

"The year has seen significant changes in management. After 23 years as General Manager Mr. Warren York's contract was not renewed. The Board of Directors acknowledges Mr. York's service to the Co-operative over a total of thirty-four years" (MBC, 2004).

In the same address, Mr. Enright explained the process that the MBC Board had undertaken in the recruitment and selection process for Mr. Mills,

"A consultant was appointed to assist the Board engage a new General Manager and following an extensive search and interview process, Mr. Norman Mills was appointed for an initial period of three years, commencing 1st September 2003, on a performance-based contract. Mr. Mills brings with him his extensive retail management experience that the Board believe will result in a new and exciting change of direction for the Co-operative, one in which the Board and Management will be a dynamic team focused on achieving rewards for shareholders. Already the Board is receiving a more informative view of the company's position in both financial reporting and possible future expenditure. Initial budgets for 2003/2004 have been set and we feel confident the results are attainable" (MBC, 2004).

However, the Minutes of the AGM held on 23 February 2004 show that Mr. York moved a Motion on Notice (which was Seconded by Mr. B. Taylor) requesting that the MBC Board confirm or deny the claims that had been made in the Directors' Report – as read by the Chair Chris Enright –

stating that the Co-operative had undertaken an “extensive search” for the new General Manager. It encompassed several specific points.

The first of these related to a Special Board Meeting that was held on 7 November 2002 at which the board decided not to renew the General Manager’s Service Agreement thereby essentially allowing the contract to expire. Second, was that the Board had decided not to inform the shareholders of the Co-operative at the AGM (held on 24 February 2003) of the decision not to renew Mr. York’s contract. Third, that only two advertisements were placed in the *West Australian* newspaper advertising the vacancy for a General Manager (published on 31 May and 7 June 2003). Fourth, that the closing date for the applications was 5pm Friday 13 June 2003. Fifth, that the first interviews took place on 27 June 2003, and the second interviews were held on 3 July 2003 (MBC, 1974-2010b, 23 February 2004).

The Chair, Mr. Enright, advised the meeting that the Board of Directors would be prepared to respond to the motion if it were carried. As the motion was carried,

“The Chairman confirmed the substance of the motion, with the exception of point 1, where notice was to be given by either party by the 28th February 2003 of intention to offer or ask for an extension of the employment contract” (MBC, 1974-2010a, 23 February 2004).

Following this declaration, Mr. York moved another motion (seconded by Mr. B. Bell) stating that, the Board should advise shareholders the date that the appointment of a General Manager was made. This too was carried, resulting in Mr. Enright, as Chair, advising that Mr. Mills was appointed General Manager from 1 September 2003 (MBC, 1974-2010a, 23 February 2004).

As reflected in these minutes, the 2004 AGM was marked by some challenging questions from Mr. York and his supporters about the way in which the Board managed the transition process in the recruitment and appointment of a new General Manager. According to Lyn Slade, the board’s decision was not a reflection on Mr. York as a person, but due to the Board’s perception that the Co-operative needed a different General Manager. Warren York had been in the role since 1977 and the environment in which it was operating had changed. She felt the meeting was “very uncomfortable” and unlike anything she had experienced before or since (Slade, 2012).

Ultimately, the decision not to renew Mr. York’s contract was made by the MBC Board. It was not a personal repudiation of Warren York as General Manager, who, as acknowledged by Chris Enright, had provided the Co-operative with many years of effective leadership and innovative ideas. Mr. York had been in the role for almost 26 years and had been contemplating retirement. Ultimately, changes in senior executive positions remains the responsibility of the Board and claims that the MBC was experiencing problems in financial reporting, strategic planning and governance systems, are as much a reflection on the professionalism of the MBC’s Board as they are of the General Manager.

By the end of the year the Board reported that they were better informed about the Co-operative’s financial position. The new management team engaged in a strategic planning process and set long term goals for the Company, as well as making improvements to corporate governance. Following the change in General Manager, the Board felt that it became more directly involved in

decision-making and strategy. This shift set a firm foundation for the MBC's subsequent long-term success in a changing business environment (Slade, 2023; Enright, 2023).

The implementation of improvements in financial reporting and retail operations, which were accompanied by a more strategically focused Board and an alignment with strong brands, resulted in a significant increase in the profitability of the MBC. Further, it is worth noting that these issues were common across many of the regional farmer-owned co-operatives that had emerged during the early years of the twentieth century.

UNDER NEW MANAGEMENT

In 2004 a number of operational changes were made including the implementation of a new Point-of-sale (POS) technology in the supermarket and a shareholder loyalty program aimed at boosting trading revenue. New staff training, shareholder feedback, administration and auditing processes were also introduced. The MBC's sales increased by 18 per cent in 2005, reflecting positive changes made to the retail and rural services divisions and the purchase of the local newsagency. According to Keith Offer, a farmer from Kendenup, who was a director of the MBC from 1988 to 2000, the Co-operative was careful not to take over existing enterprises in order to achieve monopoly status, but if no other buyers were forthcoming it would pursue opportunities, such as a newsagency, that were in the interest of the community (Offer, 2023).

As sales across the Co-operative's operations increased, its target of 90 per cent trading with shareholders was becoming increasingly difficult to achieve and it sought to grow membership by lowering the minimum number of shares required to become a member from 50 to 10 and introducing a loyalty bonus scheme. According to Keith Offer, the engagement of the shareholders by the Co-operative was always a strength. They demonstrated their interest in the Co-operative and supported it. However, as the MBC transitioned from a producer to a consumer Co-operative, a divide emerged between the "A-Class" and "B-Class" shareholders. The "A-Class" shareholders were the farmers, and possessed voting rights, while the "B-Class" shareholders did not have the right to vote. This created a division between the shareholders.

As Keith Offer explained,

"They were always interested in what was happening and they supported the co-op. A few people who probably were, called them B-class shareholders because they didn't get a vote, because of the rule was you had to be a farmer to be an A-class shareholder, to vote. Which got changed about 2002 or '03, something like that, I think, everyone gets a vote. And a lot of these big – not a lot, but some of the B-class shareholders wouldn't even go to the co-op because there's a 'them and us' sort of thing. And they'd drive to Albany to buy their groceries. And then come home again. And sometimes you'd see the Woolworths delivery truck going around town, which was a bit disappointing" (Offer, 2023, p. 3).

The Mount Barker Co-operative continued to make improvements across their business divisions in 2005 including extended trading hours and a new POS system in the hardware division and the replacement of the bulk fuel delivery truck. While it would have been more profitable to invest in a large truck, given that many members have small storage spaces it was decided to invest in a smaller truck to better be able to service the members (Enright, 2023).

Figure 26: Mount Barker Co-operative Supa IGA store



Source: Groom & Gates (2009, p. 106).

When Foodland was taken over by Metcash in 2005 the supermarket became a 'Supa IGA'. Despite initial disappointment among shareholders, this change was eventually well received because of the IGA's focus on community activities, an increased product range and competitive pricing. While most of the supermarket goods were sourced from Metcash, the Co-operative retained the right to also source and sell locally produced products. The combined hardware-rural merchandise store was not thriving, as each part lacked its own identity and it was hard to achieve alignment with a strong rural brand. As part of the general overhaul of the business, operational procedures in the Merchandise division were audited and improvements were made by splitting the business into Hardware and Rural.

In 2006 the Co-operative purchased the local 'Waterdrop Hardware' business and expanded the co-op hardware division into a larger store for home shoppers, DIY and trade professionals under the Mitre 10 banner. These improvements paid off rapidly as by 2007-2008 hardware sales had increased by 27 per cent. The Co-operative also decided to partner with Elders, who agreed that they would run the rural division for a percentage of the profit. Elders would rent premises off the Co-operative, and the MBC would promote the business and give Elders access to their member base (Enright, 2023). This new arrangement performed beyond the expectations of the Board with a 37 per cent increase in rural division sales in 2007-2008.

In order to grow, the rural division required its own premises, and a prospective site was located. It was somewhat complicated as the land was occupied by a bowling club, an old house and an old fuel depot. There was an opportunity to build units elsewhere and enable the bowling club to upgrade its playing surface, so after some deals were done the site was acquired and work

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commenced on the development of a new \$1.4 million complex for rural merchandise on Lowood Road (Slade, 2023). Renovation works also began on the old cool stores in the Mount Barker townsite to make space for future expansion of the Co-operative's retail businesses.

Norm Mills recalls that after he assumed the General Manager's role he was faced with the need to undertake some significant changes to the operation of the Co-operative's various departments. He explained that a lot of the expansion within the stores had already taken place by the time he arrived. However, the different departments were all operating independently of each other and none of them were running well. As he explained,

"The expansion had finished; they had not long finished it. It was fairly new and I think they were now keen to see things happen and they had obviously taken that challenge up of doing the expansion and expected results. They had changed over from Supa Valu to Dewsons. Foodland was still in the marketplace then before it was bought out by Metcash. Well, I think what we really needed to look at when I first got here was every department in its own right, every division in its own right. The problem was none of them was running well; that was the crux of the matter. The financial reporting was, to my way of thinking, pretty abysmal and you really didn't know where you stood" (Mills, 2012, p. 4).

To address the problem, Norm Mills focused on getting the right people into the key areas so that the financial reporting data would be timely and reliable. It was not good enough to just write good looking board papers and financial reports, they had to be accurate and based on solid evidence. He spent time reviewing all the senior management positions and replacing those who were not performing. Changes were made within the Supermarket and the Rural Services and Hardware department. He found that many of the board directors liked these managers on a personal basis, but it was more important that they were able to do the job (Mills, 2012).

The appointment of a new Financial Controller (Administrator) helped to significantly improve the financial reporting. According to Norm Mills,

"He did a great job and started to sort things out through accounts here; we implemented better systems; better IT and equipment to finalise our reporting to get that balance right; This helped us to understand the business better so we could move forward. This was a critical stage then to make sure first of all we had the right numbers together and then we could start making ideas work for ourselves. So, to make sure, first of all that our financial area was in check and see what we could afford to do and what we couldn't afford to do that way we could set some form of immediate goals for the next two to three years" (Mills, 2012, p. 5).

Changes also needed to be made to the Supermarket, and the Hardware was established as a separate department, initially under the Makit Hardware brand, then the Mitre 10 Hardware brand. The Rural Services department became the CRT Rural Services before it was taken over by Elders under agreement with the Co-operative. Additionally, changes were made to the fuel depot, which required investment in new fuel dispenser systems, and bulk fuel delivery arrangements (Mills, 2012).

Once the immediate problems were addressed, Norm Mills focused on working with the board to develop new strategic directions for the Co-operative. As he explained,

“The board required new ideas and recommendations from the offset, so that needed to happen. Also, what they wanted to see first of all was all the Co-op divisions working properly and profitably for future development to occur - that was mutual agreement. We sat down and looked at thorough strategic planning; we looked at blue skying; we looked at the whole box and dice; it was a great exercise and good to get a complete understanding of the future business needs. However, to reach the proposed targets initially we needed to get all the current divisions back working and functioning together” (Mills, 2012, p. 6).

To provide the required financial performance metrics, Norm Mills established a comprehensive set of key performance indicators (KPIs) and benchmarks. The management teams were tasked to provide the necessary data for this reporting and to do so in a timely manner. Once in place, these KPIs served as a valuable tool for the board to monitor the business and make decisions. The data helped to make the department managers aware of their own performance and each area. It also brought more control over the donations that the Co-operative was making to the community. He noted that although the Co-operative should contribute to the community, it must make sure that any donations and sponsorships were managed within a budget. This discipline was not being adhered to so it had to change (Mills, 2012).

One of the legacies of this period was the establishment of a customer store loyalty card, which was designed to encourage and reward patronage from the members and wider community, as well as providing a tangible way to demonstrate to the community of Mount Barker that the MBC was making a positive economic contribution to the district.

As Norm Mills explained in an interview in 2012,

“The message was that of a well-run business that gives positive benefits back to its members while not compromising the well-being of the business for the future. Those benefits needed to excite our members to ensure that they remain with us. That’s when we introduced the members’ loyalty card system to show them that we are going to be genuine about way we do business with them. The loyalty card is a point’s reward base system applied to the member’s purchases from the Co-op and then that member is rewarded for their loyalty by way of voucher after reaching the points required. This has now opened up a whole different avenue for the Co-op by making the card available through lower entry shareholdings which increased the number of new applications to become members of the Co-op – but it has worked well for us” (Mills, 2012, p. 9).

STEADY GROWTH AND NEW HORIZONS

The MBC reported another successful year of trading in 2008-2009 with increases in divisional sales and profitability enabling the Co-operative to make returns to shareholders and reserves. Improvements were made to the supermarket including the addition of a fast checkout lane, expansion of the customer service kiosk and a new staircase to the MBC offices. The fuel service continued to grow and the MBC planned an upgrade of fuel pumps and electronic funds transfer point of sale (EFTPOS) sales at the bowser. The Co-operative sold its newsagency to a local family, meeting its objective to retain the business in Mount Barker. Although this was a year of growth

and business development, the Co-operative also reflected on its past with the publication of 'It started with apples', a history of the Mount Barker Co-operative Ltd. and acknowledgement of the future of the district by sponsoring the Qantas Wine show to showcase Mount Barker wines.

In 2009-2010 although the Co-operative generated \$24.9 million in revenue, the directors reported on a difficult trading period with a decrease in pre-tax profits of 27.2 per cent. Supermarket sales were stagnant (increase of 0.86%); hardware sales dropped by 7.75 per cent and Elders reported a difficult trading year. In an effort to expand the retail division of the Co-operative and increase benefits to shareholders, the MBC explored the opportunity to open a retail liquor store in Mount Barker. A feasibility study to locate a new liquor store in the old cool stores was conducted by Hospitality Total Services Perth.

According to Norm Mills, the decision to move into the liquor store took several years to develop. The MBC had been giving serious consideration to collaborating with smaller local Co-operatives that had found themselves in financial difficulties. He explained that in 2004-2005 the MBC Board had considered collaborating with the Demark Co-operative Ltd. (established in 1920), which had fallen into some difficulties. A major concern for MBC was the leakage of customers when local people drove to Albany from Mount Barker to do their shopping. This usually included purchasing their liquor supplies from Albany (Mills, 2012).

Although the Denmark Co-operative collaboration did not progress, the analysis that took place in relation to the issue led to the MBC Board developing a better understanding of the liquor store and the associated issues related to it. Speaking in 2012, Norm Mills explained that the process of considering whether the Co-operative should establish a liquor store commenced from 2006 and had continued for years.

According to Norm Mills, the analysis considered not only the liquor store as a business entity, but the wider strategic role that it could play within the Mount Barker community in terms of helping to retain customer and member loyalty to the Co-operative and reduce the leakage of business to Albany. As he explained,

"We were aware of what was happening with the leakage of our customers to Albany now which is becoming critical to us is that these customers are not just going to Albany to get their liquor but whilst there yes, they will look at other avenues, they will do these other things. And with today's marketing and aggression, especially supermarket 24-hour trade and retail type trade are very aggressive, so you need to try and be like for like. So, to identify what we needed we needed to do a feasibility study on what we could do with liquor. It's a natural extension so we thought about it; we had discussions and so on, decided on having a feasibility study on the proposal and we pushed forward. We are quite excited about what we can do with that study. We have done our sums and again it comes down to financial – we have estimations what we believe is the turnover and how it is going to support the rest of the co-op business and the other businesses in town for the obvious reason. How it can sit in with this new development in the cool sheds area here and it sits in there perfectly... Prior to actually going to liquor licensing to apply for the license - that was the first part of the project, but we had done our own internal investigations which started in 2006, and it has been going for a while" (Mills, 2012, p. 15).

Figure 27: Mount Barker Co-operative Board Members, 2007



Back row, left to right: Mark Adams, Ken Clements, Stephen Carter, Warren Moore.

Front row: Keryl Enright, Chris Enright, Lyn Slade.

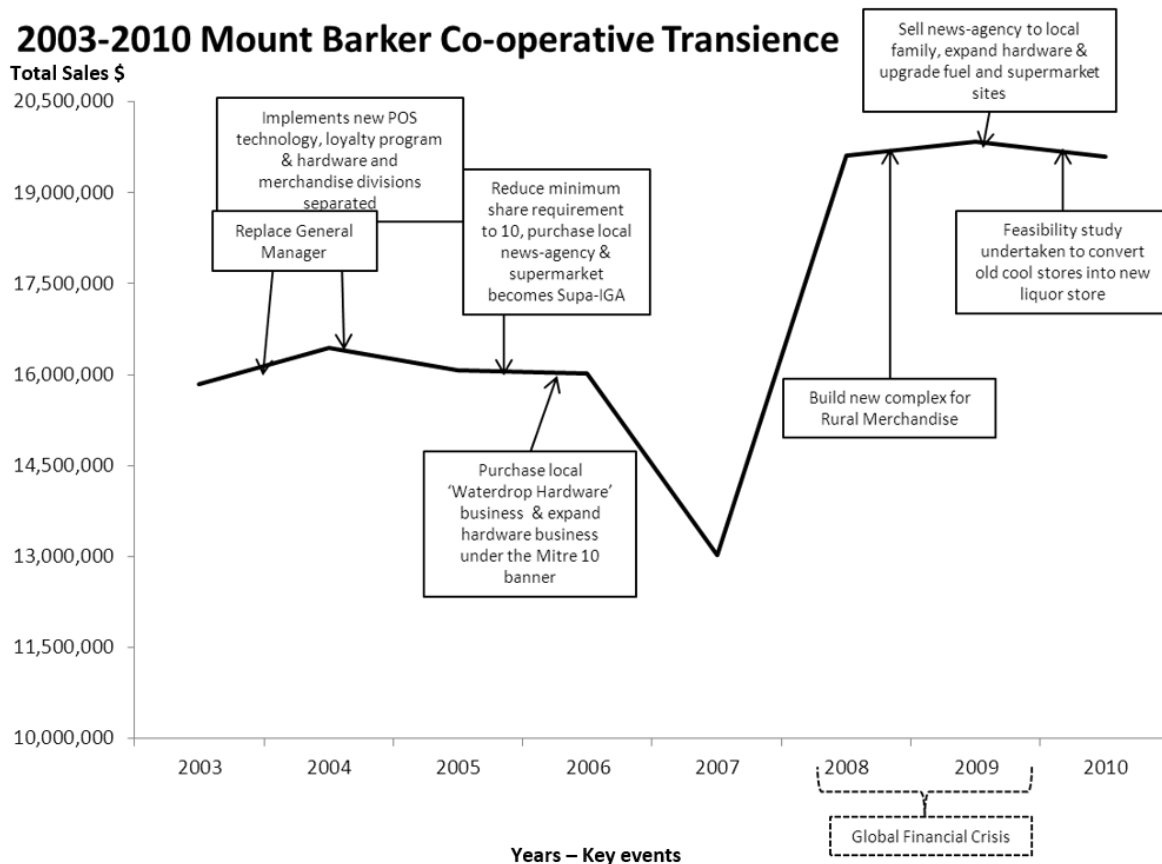
Source: Groom & Gates (2009, p. 110).

In addition to the liquor store, redevelopment of the old cool stores was proposed to include a new supermarket layout, improved range of products and services in the hardware and nursery division and improvements to fuel services. The MBC Board also considered expanding its business interests beyond the district by exploring the opportunity to collaborate with other rural consumer Co-operatives.

FINANCIAL PERFORMANCE OF THE MBC 2003 TO 2010

The 2000s were a period in which there was a complete overhaul of the business, with a new strategic plan and business review, the splitting of merchandise into rural and hardware divisions, and recruitment of new staff, including new General Manager, Norm Mills. The functionality and profitability of the supermarket was recognised as key to the business, and the member loyalty card was introduced. This set the Co-operative up for a planned period of growth and consolidation, involving upgrades to existing businesses and the addition of a new retail liquor franchise.

Figure 28: Development and sales of the Mount Barker Co-operative, 2003-2010



Source: Sneddon (2012).

The MBC entered the decade of the 2010s with a new strategic perspective, new management and associated systems, and a greater sense of self-confidence and purpose. As illustrated in Figure 28 the period from 2003 to 2010 was one of a consolidation of the changes that had been made during the previous decades from 1976 to 2002, and the transformation of the Co-operative's senior management and Board of Directors from a largely operational to a strategically focused team.

This period of "transience" was an important learning experience for the Board of Directors and one that enabled the Co-operative to move forward over the following years (e.g., 2011 to 2024) building on these foundations and taking the MBC on a pathway to becoming one of the most successful regional consumer co-operatives in Australia.

CHAPTER 7: MOVING FORWARD: 2011 TO 2024

As the 2010s began, the Global Financial Crisis's (GFC) effects lingered, with low interest rates and inflation worldwide. From 2010 to 2019, the global economy steadily recovered, especially in the latter half of the decade. Politically, it was turbulent, highlighted by the "Arab Spring" (2010-2011), which saw governments across the Arab world overthrown or challenged (History.com, 2020). This led to NATO's invasion of Libya, resulting in Muammar Gaddafi's assassination and Libya's descent into civil war (History, 2024).

The political changes in Ukraine in 2014, including the removal of President Viktor Yanukovich, led to internal conflict and resulted in Russia taking control of Crimea. These events contributed to the Russian military action in Ukraine starting in February 2022, continuing into 2025. Additionally, the United States maintained counter-terrorism operations in Iraq, Afghanistan, Pakistan, Libya, and Syria through troop deployments and aerial attacks, increasingly utilizing drones (History.com, 2023). The period saw the growth of ICT and online business models. Global internet coverage reached around 54 per cent, and smartphones, tablets, and cloud-based platforms became ubiquitous. Social media continued to grow alongside the global population, which hit 7.7 billion by 2019 (Worldometer, 2025).

In the 2010s, Australia experienced the effects of the GFC and considerable stimulus spending by Kevin Rudd's Federal Labor Government. This led to economic growth and rising incomes for many households. Rapid adoption of ICT and digital business models like Uber and Airbnb was seen. Similar to other developed nations, there was a focus on community priorities, quality of life, social inclusion, climate action, and concerns over housing costs and trust in banks (Orsmond and Maguire, 2019).

Gold production in the mining sector increased throughout the 2010s. The Boddington gold mine, 120 kilometres southeast of Perth, reopened in 2009 and became Australia's largest gold mine. By 2016-2017, mining contributed 20 per cent to WA's gross state product (GSP), valued at \$71.8 billion, and employed about 7 per cent of the workforce, including 18 per cent women. In comparison, manufacturing employed 5.6 per cent of the workforce and contributed less than 5 per cent to the GSP. Lithium mining also expanded, with a second lithium refinery planned for Kwinana in 2018 (Menck, 2022).

The 2020s began with the COVID-19 pandemic declared on March 11, 2020. This led to Australia's border closures, lockdowns, and restricted movement in Western Australia. The community faced significant impacts, including remote work, mask-wearing, vaccinations, and regular testing. It disrupted the global and Australian economies. The Morrison Government introduced JobKeeper payments for employers to pay employees unable to work and provided cash flow boosts to support small and medium businesses and not-for-profits. Supply chains were disrupted, causing shortages of goods and basic items like toilet paper, pain relievers, and disinfectants. The conflicts, technological advancements, and social trends from the 2010s persisted, with a notable increase in the adoption of Industry 4.0 systems. These include artificial intelligence (AI), augmented reality (AR), cloud computing, cryptocurrencies, online learning, contactless payments, and paperless business transactions.

MOUNT BARKER AND THE MBC IN THE 2010S

One of the Co-operative's first actions in the 2011-2024 period was to undertake the transition to the new *Co-operatives Act 2009* (WA), following approval of the new rules by members and the Registrar. One of the major changes was the requirement to eliminate inactive members. The issue of repurchasing shares from inactive members was not a new problem. As discussed in Chapter 4, the Co-operative had raised additional capital in order to repurchase the shares of members who had retired from farming and left the district. However, under the new legislation it was a requirement for the Board to remove any inactive members and in doing so redeem their shares.

The Co-operative therefore approached members who, based on their trading record, did not meet the minimum trading thresholds and asked them if they wanted to sell their shares back to the Co-operative or transfer them to someone who was active, rather than waiting and have the Co-operative compulsorily acquire the shares at a larger discount. This activity requirement was waived for community groups. However, the Co-operative's major focus in the early part of the period was the planned redevelopment of the old cool stores, to include a new modern entrance, new supermarket layout, and a liquor store. Preliminary work on this redevelopment, including the application for a liquor store license, commenced in 2011.

In 2011 the Co-operative had 2,375 active members and issued capital of \$3,690,456 (approx. \$5,155,114 in 2024 dollars) (MBC, 2011). The MBC had experienced a 7.6 per cent increase in annual turnover from \$19.6 million (approx. \$29.1 million in 2024 dollars) in FY2009-2010, to over \$21.1 million (approx. \$29.5 million in 2024 dollars) for FY2010-2011. The years had been challenging, with the rural sector grappling with drought. The most important contributor to the improved financial performance was fuel services. By comparison, Hardware sales were down 9.8 per cent, with the impact mitigated by reduced expenses (MBC, 2011).

This financial performance enabled the MBC Board to issue dividends of \$146,756 (approx. \$205,000 in 2024 dollars) on paid-up capital, trading discounts of \$255,240 (approx. \$356,539 in 2024 dollars), loyalty rewards worth \$68,207 (approx. \$95,277 in 2024 dollars), and community donations of \$36,275 (approx. \$50,672 in 2024 dollars) (MBC, 2011). This reflected the MBC's commitment to the local community. For example, the Co-operative supported the Mount Barker Community College and local sports groups, as well as a range of local community groups and initiatives through its Sponsorship and Donations program. In the 2010-2011 Director's report, Chair Chris Enright proudly noted,

"The Mount Barker Co-operative is now ranked at number 56 in the top 100 of Co-operatives, Credit Unions and Mutuals. The distribution of over \$400,000 to members, groups and organisations highlights the benefit of this co-operative to our community" (MBC, 2011, p.2).

Table 1 lists the financial performance of the MBC over the period from 2010 to 2019. As can be seen, the general trend across the decade was one of steady growth with annual turnover rising from \$19.6 million (approx. \$29.1 million in 2024 dollars) in FY2009-2010, to over \$31.7 million (approx. \$38.2 million in 2024 dollars) in FY2018-2019. More importantly, total assets rose from \$9.28 million (approx. \$13 million in 2024 dollars) in FY2009-2010, to over \$14.4 million (approx. \$17.3 million) in FY2018-2019, with equity rising equally as strongly.

Co-operative Enterprise Research Unit (CERU)

From Orchards to Outlets: Mount Barker Co-operative Ltd. Serving a changing region since 1918

Table 1: Mount Barker Co-operative Financial Performance, 2010-2019

<i>Year</i>	<i>Turnover</i>	<i>EBIT¹</i>	<i>NPAT²</i>	<i>Total Assets</i>	<i>Total Liabilities</i>	<i>Total Equity</i>
2010	\$19,604,146	\$518,838	\$215,779	\$9,283,199	\$1,019,921	\$8,263,278
2011	\$21,136,814	\$743,002	\$515,917	\$10,703,881	\$1,473,860	\$9,230,021
2012	\$23,366,641	\$735,220	\$617,146	\$11,072,497	\$1,618,133	\$9,454,364
2013	\$24,170,883	\$501,404	\$326,854	\$13,371,796	\$3,128,965	\$10,242,831
2014	\$27,671,368	\$367,798	\$337,135	\$14,397,566	\$3,809,124	\$10,588,441
2015	\$28,581,373	\$490,670	\$415,240	\$13,939,976	\$3,235,850	\$10,704,126
2016	\$29,436,951	\$813,395	\$711,641	\$13,572,225	\$2,882,490	\$10,689,735
2017	\$29,241,245	\$427,096	\$253,740	\$13,829,821	\$2,823,200	\$11,006,621
2018	\$30,605,194	\$467,891	\$270,641	\$14,273,071	\$2,889,088	\$11,383,983
2019	\$31,742,902	\$658,829	\$620,722	\$14,372,511	\$2,429,541	\$11,942,970

¹ EBIT = Earnings Before Interest and Tax. ² NPAT = Net Profit After Tax.

Sources: MBC Annual Reports (2011 to 2019).

The General manager Norm Mills retired at the end of 2011 and was singled out for special mention. As the MBC Chair Chris Enright wrote,

“The Board would like to express appreciation for the hard work and dedication of all senior management and staff members of the Co-operative over the past financial year. Special mention should be made of General Manager, Mr. Norm Mills, whose strong financial management and commitment has been instrumental in achieving such positive results in a challenging trading environment” (MBC, 2011, p. 3).

A new General Manager, Mr. Kevin Ford, was appointed in February 2012. In the Annual Report for 2012 the MBC’s Board was able to report on the establishment of a liquor store as part of a general upgrade of the Co-operative’s retailing facilities,

“The company expects to commence trading of an IGA Liquor store by the end of March 2013. The Liquor store will be part of a new retail development currently being constructed by Plantagenet Sheds & Steel and project managed by Concept Design in Albany” (MBC, 2012, p. 3).

By 2013 annual turnover had risen over the previous year, which appears to be due to the Home Improvement Division (formerly Hardware department) having enjoyed a revamp and

turnaround. However, the fuel services business, while still profitable, had been impacted by the establishment of a rival in the form of the national competitor United Petroleum, which had entered the local market with an aggressive pricing strategy. This saw it selling fuel at prices below those of Albany. To assist its fuel business, the Co-operative purchased a fuel distribution facility in Cranbrook in May 2013 (MBC, 2013).

THE ESTABLISHMENT OF THE LIQUOR STORE

It had become apparent that the supermarket, which was the core business of the Co-operative, needed upgrading to provide the Mount Barker district with a modern shopping experience. The Cellarbrations liquor store was added to the project as a complementary and profitable business, in line with the MBC's strategic goal of alignment with strong brands. However, this proved somewhat controversial in the town, being opposed by both Christian groups who questioned the need for another liquor outlet, and by existing licensed venues in Mount Barker who did not want additional competition.

This backlash involved a campaign in the local press as well as a challenge to the Co-operative's liquor license application and running an alternative candidate for election to the MBC's Board of Directors. The Co-operative responded by arguing that most modern supermarket developments included a liquor outlet, and the proposal would mean that local people would not have to drive to Albany for competitive prices. The Co-operative also engaged with local wine producers so they would appreciate the opportunity to have another local outlet keen to showcase and promote their wines (Enright, 2023).

Chris Enright, who was the Chair at that time, recalled the nature of the community opposition that faced the Co-operative over the establishment of the liquor store,

"There were predominantly two camps. There was the Christians, essentially the Methodists, and some others who just didn't think we needed another liquor store in town. There was quite a group of them, about a hundred or so. It never got nasty or anything, but they were quite opposed to it. Then there was the second group, one of the licensed venues in the town who was very proactive in trying to make sure we didn't get a licence" (Enright, 2023, p. 3).

The second group hired lawyers and launched a campaign to stop the Co-operative securing a liquor license. Chris Enright described that period and the actions of the opposition as "annoying", noting that it involved writing letters to the local media against the Co-operative, and trying to rally the community to oppose the liquor store project. However, he explained that the majority of the community did not engage in this opposition. According to Chris Enright,

"The majority of the members just thought it was rubbish, because we just held the line and went down the path that part of the redevelopment is to modernise the supermarket into a normal, modern supermarket that you would get with any retail shopping experience and that's normally associated with a liquor store" (Enright, 2023, p. 4).

Chris Enright also made the point that the arguments over there being too many liquor stores in Mount Barker at the time was false. One of the hotels that had a liquor store had closed, which had taken out the drive-through liquor store. The Co-operative's own analysis suggested that the Mount Barker district was losing around \$1.4 million (approx. \$1.96 million in 2024 dollars) to

Albany every year by having local people drive into Albany to buy their liquor supplies. There were many liquor stores in Albany and Dan Murphy's had recently opened a big-barn store there at the time. He acknowledged that it took the MBC a few years to work out the best way to run the liquor store and keep it profitable, but they soon learnt and at time of writing it was returning good profits while keeping the money local (Enright, 2023).

The supermarket redevelopment was opened in June 2013, with the new liquor store commencing trading on 1st July 2013. Over the years since that time, the Co-operative honoured its undertaking to support local wine producers, consistently stocking around a third of its total bottled wine from the local region, and running tasting afternoons on Fridays, with the MBC providing advertising as well as wine and cheese. In his report to shareholders for the financial year 2012-2013, Chris Enright, as Chair, made the following statement,

"In June 2013 we officially opened the new redevelopment which implemented a long-awaited change to the supermarket layout (most significantly a relocated front end), introduced a new liquor store (that commenced trading on the 1st July 2013) and created a modern shopping mall entry that will be enhanced with two retail tenancies. This major redevelopment was a significant undertaking by the Co-operative, and we are pleased to report was completed on time and within the expected budget after allowing for contingencies. The members in return will reap the rewards of increased contribution to future profits and a greatly improved local retail experience. The Board would also like to acknowledge the commitment and dedication of our management and staff members during the redevelopment work and thank them for their team approach that ensured the project went smoothly with minimum disruption for our customers" (MBC, 2013, p. 4).

STEADY GROWTH, PERFORMANCE AND COMMUNITY CONTRIBUTION

The Co-operative had first engaged in the fuel trade in 1981, with some changes to operations in the 1990s and 2000s. In 2013 the Co-operative expanded operations by purchasing a fuel facility in Cranbrook and installing 24-hour card-operated fuel pumps. This also increased the range of the Co-operative's truck that delivered to on-farm storage in the region. Fuel was excluded from Co-operative's discounts due to a decision that the MBC would provide fuel as cheap as possible to all customers, and members would benefit from that.

The annual report for 2013-2014 emphasised the community benefit provided by the MBC. For example, over \$3 million (approx. \$4 million in 2024 dollars) was paid to the fifty-two employees of the Co-operative by way of wages and salaries (MBC, 2014). This contribution included giving many local young people their first job experience, and provided a good, stable, working environment with diverse opportunities. This included people like Melissa Kleeman, an administrative assistant of the MBC who joined the Co-operative, fresh out of school in 1988-1989 (Kleeman, 2023), and Justine Martin, an Administrative Manager with the Co-operative's Hardware department, who also started work there after leaving school (Martin, 2023).

During the 2013-2014 financial year the Co-operative also paid \$3.7 million (approx. \$4.96 million in 2024 dollars) to local contractors to redevelop the supermarket and build the new liquor store. A total of \$250,000 (approx. \$334,964 in 2024 dollars) was paid to local suppliers of goods sold in the Co-operative's branches. Additionally, a third of the wine sold by the liquor store

was local (over 3,000 bottles), and product worth \$16,000 (approx. \$20,917 in 2024 dollars) was donated to the local food bank (MBC, 2014). For example, in the Annual Report of 2014 the Co-operative reported,

“The Mount Barker Co-operative continues to be a major contributor to the community. During last financial year the Co-op has been a major employer in the area with the equivalent of 52 fulltime employees. In excess of \$3m in wages and salaries has flowed through to the local community. During the financial year \$1.2m was spent locally engaging contractors to complete the major redevelopment of the new entrance, and the makeover of the Mitre 10 store. When combined with the \$2.5m paid to local contractors for the design and build of the new entrance, foyer, toilets, IGA liquor store and retail outlets, this represents a significant contribution to the local economy.”

“The new liquor store is providing a valuable outlet for 25 local wine producers. It is interesting to note that one in every three bottles of wine sold through the IGA Liquor store is a local wine. During the first year of operations, the sales level achieved for our local wines was over 3,000 bottles. The Co-op endeavours to source produce from local suppliers and in the 2013/14 financial year, \$250,000 was paid to local suppliers. Our retail businesses are also supplied by local freight contractors” (MBC, 2014).

In 2014 the Co-operative’s sponsorship and donation program distributed \$48,007 (approx. \$62,761 in 2024 dollars) to the community, and Co-operative facilities, particularly the new supermarket foyer, were used by many community groups for fund-raising events. This suggests that the liquor store controversy had made the MBC Board aware that there was a need to educate the community on the benefits provided by the Co-operative, which were only possible if it was able to run as a successful business enterprise (MBC, 2014).

However, as shown in Table 2, the economic contribution of the MBC was not just measured in its sponsorships and donations. The Co-operative also paid dividends, trading discounts, and loyalty rewards to its member-shareholders and customers. Over the decade from 2010 to 2019 the MBC distributed a total of just over \$4.37 million in financial benefits, or an average of \$437,173 per year. Additionally, as discussed above, the Co-operative employed local people, contracted local suppliers, and engaged with the local community.

The Cranbrook fuel depot commenced operations in November 2013 and was well-received by the local community in that Shire. This assisted with the overall increase in fuel sales for that year and meant that the Co-operative was performing well across all its divisions encompassing the Supa IGA Supermarket, Supa IGA Liquor Store, Mitre 10 Home Improvement store, Mount Barker Fuel Services, and the rural services business operated by Elders Limited (MBC, 2014).

Around this time, the Co-operative began to focus its annual reporting more on its community contributions, devoting significant space within the reports to highlighting its role in this regard. For example, in the 2015 Annual Report a major feature of the document was a summary of the MBC’s community contribution, or what was being referred to as the “Co-operative Benefit”. The Co-operative reported employing 84 full-time and part-time and casual staff, with over \$3 million in wages and salaries being paid into the community. A total of 29 local wineries supplied the shelves of the liquor store and at least \$350,000 worth of product sold in the Supermarket was

from local suppliers. Additionally, the Co-operative used local freight contractors in order to keep as much of the money circulating within the local community as possible. The MBC also continued its long tradition of providing donations of produce to the local community food bank, with \$13,000 worth of such product being donated (MBC, 2015).

Table 2: Mount Barker Co-operative Financial Distributions, 2010-2019

<i>Year</i>	<i>Dividends paid</i>	<i>Trading Discount</i>	<i>Loyalty Rewards</i>	<i>Donations</i>	<i>Total distributions</i>
2010	\$110,577	\$230,784	\$67,185	-	\$408,546
2011	\$146,756	\$255,240	\$68,207	\$36,275	\$506,487
2012	\$145,936	\$242,744	\$65,747	-	\$454,427
2013	\$144,950	\$238,462	\$70,868	\$33,996	\$488,276
2014	\$147,747	\$250,374	\$68,813	\$48,007	\$514,941
2015	\$103,571	\$235,984	\$72,930	\$45,351	\$457,836
2016	\$99,557	\$235,671	\$73,910	\$53,000	\$462,138
2017	\$81,510	\$152,595	\$79,955	\$44,060	\$358,120
2018	\$27,285	\$117,322	\$65,232	\$55,089	\$264,928
2019	\$62,336	\$286,994	\$65,364	\$41,347	\$456,041

Sources: MBC Annual Reports (2011 to 2019).

The Co-operative also provided regular support to the Mount Barker Community College, which took the form of sponsorships for uniforms and professional aprons for students enrolled in the hospitality programs and operating the college café. It also involved taking on trainees and work experience students interested in working within retailing. The Co-operative also provided support to the local Primary Schools including Cranbrook, Kendenup, Frankland, South Stirling, and Tambellup (MBC, 2015).

Following the new upgrades to the Co-operative's retail facilities sales increased by around 7 per cent within the Supermarket, although this flattened by 2014-2015 to around 2 per cent due to increased competition from the major national retailers Coles and Woolworths located in Albany. Of concern was the introduction by these two major retail chains of home delivery, a program that they commenced in Perth in 2009, and which eventually rolled out in Albany. In response, the Co-operative focused on ensuring that its Supermarket and other stores were fresh and appealing (Adams, 2023).

Supermarket sales increased immediately following the redevelopment, although they were somewhat flatter as noted above. The Co-operative was keenly aware of the competition from Coles and Woolworths in Albany, particularly after the commencement of home delivery services

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in Perth (2009) which later became a retailing option in Albany and the Plantagenet in 2020. According to MBC Director Mark Adams the Co-operative's response was to focus on the Supermarket and ensure that it remained as fresh and appealing as possible (Adams, 2023). During 2015-2016 the Co-operative invested in a replacement generator to improve the resilience of its electricity supply and avoid any power shortages. Supermarket sales remained modest through the late 2010s, with planning for a major upgrade of the store already underway. While it had been anticipated that the upgrade would occur In 2020, the impact of the COVID-19 pandemic delayed the matter until October 2021. Speaking in 2023, Mark Adams summarised the situation then being experienced by the Co-operative, and whether a home delivery service had been considered,

"We're all very determined to keep our focus on the supermarket within the board and there was no one at any time that I've been on the board that haven't had that focus. It's something that we make or break, this is what the town has to have. Without the Mount Barker Co-operative, the two big competitors would be more than happy to take our business to Albany and Mount Barker would be more like a lot of other smaller towns where they would end up with just a convenience store. Once that happened, then that'd be pretty much the demise of the town being only half an hour's drive from a major centre."

"It is always looked at ever since the day that the first Woolworths truck came up the road. We've done a lot of numbers on it, and we don't seem to be able to make it stack up financially from a business point of view, but we do see it as a threat, and we do see it as lost opportunity. If the opportunity's lost, but it's made us no money, in fact, it's come at a cost, then at what point do you say do you service those particular shareholders with a service that's a liability to the other members of the co-operative? I guess in time we may choose to go down that path."

"At the moment, our sales are going well, and we know we've still got some leakage into home delivery and click and collect as well from Albany because everybody seems to get busier and busier in this world. I've got family members who sometimes use click and collect because it's just easier to do it in Albany when they've got young kids and it's just too hard to come into the co-op and do their own shopping when childcare in this town is very limited. Yeah, it is on the forefront of our minds" (Adams, 2023, pp. 2-4).

In 2017 the MBC employed 83 full-time and part-time staff and continued its sponsorship and donations programs. Sales grew by 3 per cent overall in what was referred to as "challenging trading conditions" (MBC, 2017, p. 4). Supermarket sales rose by a modest 2 per cent, while liquor, home improvement (hardware), and bulk fuel sales all increased by 4 per cent. The Mitre 10 Home Improvement store also received the national award for the best medium sized store of the year, outperforming over 250 Mitre 10 outlets across Australia (MBC, 2017).

The year 2018 was the Centenary of the Mount Barker Co-operative and it celebrated its history and resilience in adapting to ever changing conditions. It also affirmed its view that,

"Maximising returns to members through dividends, discounts and loyalty vouchers is equally as important as investing in the business for the long-term viability of the Co-operative which enables the ongoing delivery of products, services and benefits to the members and community" (MBC, 2018, p.4).

Figure 29: Past and present Mount Barker Co-operative Directors centennial celebration



Source: Mount Barker Co-operative Annual Report (2018, p. 3).

To commemorate the centenary, the Co-operative held a family fun day on Sunday 6 May 2018, which attracted over 1,500 people in spite of cold and windy weather. An evening reception was also held on the Friday 4 May with over 80 invited guests. Other centenary activities included competitions, members' day promotions, prize draws and an 'apples for the students' promotion through which the Co-op donated equipment and gift vouchers to local schools. There was substantial community interest in a display of items from the Co-op's historical archives, curated by Pam Sounness and Camille Inifer of the Plantagenet Historical Society (MBC, 2018).

MOUNT BARKER AND THE MBC IN THE 2020s

When the COVID-19 pandemic reached WA in early 2020, a state of emergency was declared, state borders were closed and a range of restrictions were put in place. Residents were encouraged to observe social distancing, although lockdowns did not apply to the Great Southern region, and the wearing of face masks was only required from 27 January 2022.

However, many people in Mount Barker and the surrounding districts were keen to minimise their risk of exposure to the virus, especially elderly people and others at high risk. As a free service to the community, the Co-operative allowed vulnerable people to order supermarket items, which were then picked and packed by Co-operative staff and delivered by volunteers, coordinated by Sue Etherington and Empowering Plantagenet Seniors. Such orders peaked at around 60-100 per week (MBC, 2020).

The pandemic also changed consumption patterns. As people sought to shop closer to home, supermarket sales increased by 8 per cent. Instead of travelling, people engaged in DIY projects and renovations, which saw hardware sales increase by almost 14 per cent. The most dramatic increase was in liquor sales, which rose by 25 per cent, as people entertained themselves at home. The only decline in sales was in fuel, which fell by 9.25 per cent on the back of falling fuel prices, even though volumes were steady (MBC, 2020).

The focus of the Board and management diverged somewhat during the pandemic. Management was primarily concerned with how to keep the store operating within a shifting and sometimes controversial regulatory environment, particularly in relation to vaccine requirements for staff. The Board, on the other hand, was focused on compliance (Slade, 2023). There is a perception that the pandemic highlighted the value provided by the Co-operative, and people returned to support it as a result (Martin, 2023).

FINANCIAL PERFORMANCE AND COMMUNITY CONTRIBUTION OF THE MBC IN THE 2020S

Overall, the pandemic period was a challenging but successful time for the Co-operative. The 2019-2020 financial year saw a record net profit of \$1,117,333, which would be eclipsed by the 2020-2021 profit of \$1,139,445 as COVID-related disruption continued.

In 2020-2021 all trading divisions performed very well, led again by liquor with another large increase of 23.6 per cent, followed by the rural division (Elders) at 22 per cent, and Hardware at 12.1 per cent. Supermarket sales recorded another significant increase of 4.85 per cent on the previous year (MBC, 2020; 2021).

The Co-operative's membership also increased to 2,012 members in 2021, up from 1,948 in 2020. While growth in liquor and hardware returned to more usual levels of around 3.7 per cent in 2021-2022, the supermarket recorded increased sales of 6.9 per cent, exceeding the estimate provided in the business case for refurbishment, and fuel sales rose by 40.3 per cent, driven by high levels of tourist traffic at Mount Barker and Cranbrook as well as higher wholesale fuel prices.

Additionally, a new initiative for the Co-operative in this period was energy efficiency. Over the 2019 to 2022 period, average monthly electricity costs were reduced by over 25 per cent. The installation of new energy-efficient refrigeration in the supermarket was anticipated to reduce consumption further (MBC, 2022, p.9).

The financial year 2022-2023 was the best yet for the Co-operative, with total revenue up 2.2 per cent to \$40,649,389, led by liquor (up 12.52%), supermarket (up 6.82% in its first full year of trading after the refurbishment) and hardware (up 4.1%). The ongoing strong performance of the liquor store was recognised in a decision to consider the best options for refurbishing and expanding the liquor store. Growth in supermarket sales was greatest in the departments which most benefited from the refurbishment (e.g., dairy/freezer, bakery and delicatessen) (MBC, 2023). As shown in Table 3, the financial performance of the Co-operative over the period 2020 to 2024 was positive, with sales turnover rising steadily along with assets and equity.

Table 3: Mount Barker Co-operative Financial Performance, 2020-2024

<i>Year</i>	<i>Turnover</i>	<i>EBIT¹</i>	<i>NPAT²</i>	<i>Total Assets</i>	<i>Total Liabilities</i>	<i>Total Equity</i>
2020	\$33,223,180	\$1,117,333	\$825,856	\$15,687,126	\$2,862,642	\$12,824,484
2021	\$34,714,770	\$1,139,445	\$797,056	\$16,972,599	\$2,816,652	\$14,155,947
2022	\$39,521,913	\$1,472,896	\$1,161,762	\$18,165,998	\$3,310,286	\$14,855,712
2023	\$40,649,389	\$1,406,387	\$1,180,939	\$19,846,104	\$3,661,845	\$16,184,259
2024	\$41,349,830	\$1,207,872	\$960,709	\$21,086,667	\$3,589,721	\$17,496,946

¹ EBIT = Earnings Before Interest and Tax. ²NPAT = Net Profit After Tax.

Sources: MBC Annual Reports (2020 to 2024).

In 2024 the Co-operative was thriving. New members were being approved at every board meeting with a total membership of 2,317 being reported (MBC, 2024). The Co-operative was also actively networking with other co-operatives, sharing their experience to help the sector flourish (Slade, 2023). There was pride in the Co-operative's ability to provide up-to-date retail experiences in a region with a relatively small population (Martin, 2023).

The Co-operative had achieved good recognition within the community of Mount Barker district, particularly through the dividends and discounts associated with Co-operative membership. Speaking in 2023, Lyn Slade, Chair of the MBC, described the impact of dividends and discounts,

"To inject over \$700,000 into the community, in June-July, is a pretty big impact on a small country town. And people really appreciate that, and you get lots of feedback about that" (Slade, 2023, p. 6).

Table 4: Mount Barker Co-operative and Financial Distributions, 2020-2025

<i>Year</i>	<i>Dividends paid</i>	<i>Trading Discount</i>	<i>Loyalty Rewards</i>	<i>Donations</i>	<i>Total distributions</i>
2020	\$45,811	\$245,557	\$7,079	\$40,510	\$338,957
2021	\$45,066	\$255,240	\$81,716	\$61,319	\$443,341
2022	\$59,650	\$474,786	\$88,604	\$45,491	\$668,531
2023	\$88,335	\$602,520	\$107,682	\$84,855	\$883,394
2024	\$108,848	\$349,992	\$113,445	\$50,568	\$622,853

Sources: MBC Annual Reports (2020 to 2024).

Figure 30: Chair Chris Enright and Rick Wilson MP store opening, 13 October 2021



Source: Mount Barker Co-operative Annual Report (2022, p. 4).

The economic contribution of the MBC to the Mount Barker community during the period can be seen from Table 4. A total of over \$2.87 million was paid into the community across all areas of financial distribution, which amounted to an average of \$57,444 per year. Revenue from fuel sales declined by 8.74 per cent, due to reductions in the average retail price. In a time of increased inflation, the Co-operative looked at ways to reduce the cost of doing business, such as achieving a reduction in electricity costs. The Co-operative used its strong financial performance to contribute a record amount to members and the community, with \$883,394 in trading discounts, dividends, loyalty rewards, sponsorships and donations supporting 67 local groups. Beneficiaries included regional schools, Empowering Plantagenet Seniors, and the Mountains and Murals art program. The Co-operative also supported the inaugural Plantagenet Games through the organising committee, sponsoring events and coordinating Team All Stars. The annual report emphasised not only the ways in which the Co-operative gave back to the regional community, but also its commitment to showcasing and retailing local produce (MBC, 2023).

Figure 31: Mount Barker Co-operative store vegetable section, 2021



Source: Mount Barker Co-operative Annual Report (2021, p. 5).

As shown in Table 3 net profit after tax (NPAT) grew steadily from 2020 to a peak in 2023, only to decrease slightly in 2024. However, it remained difficult to engage members to educate them about the Co-operative and its principles (Adams, 2023), and this was increasingly the case as the regional population grew. As Mark Adams explained in an interview in 2023,

"There's definitely a lot further to go. Ever since I've been on the board, we struggle to communicate the benefits of the co-op to the average person in the town. I think that the loyalty that the co-op has had from its inception has come from the primary producers who fully understand the co-operative principles and the benefits. Whereas a lot of the more town orientated people they buy a membership in the co-op, not because they understand the co-op and the principles, but they understand that if they don't have a membership, they don't get a discount or they don't get a discount at the end of the year, or they don't get a dividend on their shares. I think that education is still lacking in a lot of respects there. The other thing is that a lot of those same shoppers who are members of the co-op, when they get out of the car at the car park to go shopping, they have in their mind that they're not going shopping at the co-op, they're going shopping at Mitre 10, or they're going shopping at IGA. If something happens with their experience, good or bad, it's in their mind that it's an IGA or it's a Mitre 10 experience, good or bad, and not a co-op good or bad experience" (Adams, 2023, p. 6).

When the Co-operative serviced a smaller, more close-knit farming community more members had an understanding of the Co-operative and felt like they had a say in it, while in more recent times many members see the Co-operative as a loyalty program rather than membership of a community of interest. For example, the AGMs are on the whole poorly attended. However, the

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foyer of the Co-operative's retail building is an important space for community fund-raising, though it tends to be identified with the IGA supermarket rather than the Co-operative. (Kleeman, 2023; Martin, 2023).

Figure 32: Mount Barker Co-operative Directors with past and present CEOs at the 2023 AGM



Left to right: Jodi Miller, Gary Tempany, Deb Murphy, Lyn Slade, and Mark Adams.

Source: Mount Barker Co-operative Annual Report (2024, p. 6)

The impact of the Co-operative's sponsorship program was visible through event banners, letters to the regional paper the *Plantagenet News*, and school programs (Enright, 2023; Slade, 2023). The Co-operative's sponsorships and donations program has become more structured over time, whereas it used to involve informal approaches and approvals, there is now a form and a deadline for requests (Kleeman, 2023). Along with this, there is perhaps a sense that the community has come to expect sponsorship and donations from the Co-operative, rather than appreciating its generosity (Martin, 2023).

The Co-operative is one of three organisations in the region (the other two being the Shire of Plantagenet and the Bendigo Bank) who support community organisations and initiatives for the benefit of the community as a whole. This is only possible because of the Co-operative's success as a business. This success was recognised in the Albany Chamber of Commerce & Industry's 2023 awards, in which the Mount Barker Co-operative won the award for a business with over 10 employees (AGM, 2023).

However, as the Chair of the Board Lyn Slade noted, it has been difficult to deal with banks and obtain loans as the Co-operative doesn't have an Australian Company Number (ACN). Furthermore, while membership is increasing, getting new Directors with the right skills and experience to assume a position on the Board is increasingly difficult. However, the Board continues to look for new opportunities that will strengthen the business, and benefit both members and the wider community (Slade, 2023; Enright, 2023; Adams, 2023).

The full refurbishment of the IGA Supermarket and the adjacent Cellarbrations liquor store in 2021-2022 laid the foundations for the Co-operative to continue its sales growth, with the Mitre 10 Home Improvements centre and the Mount Barker Bulk Fuel service also enjoying rising sales over the 2023-2024 trading period (MBC, 2024).

Figure 33: Mount Barker Co-operative storefront and Mitre 10 storefront, 2022



Source: Mount Barker Co-operative Annual Report (2022, p. 7).

The Co-operative continued to build on its strategy of making as much use as possible of local suppliers. For example, in the Annual Report for 2022 it stated that,

“Throughout the years the Co-operative has supported local suppliers. The Liquor store now carries wine from 50 local suppliers from the Great Southern Region including Denmark, Pemberton, Porongurup, Mount Barker, Frankland River, Kalgan, Albany and Narrikup. The store also carries products from 2 local breweries and 3 distilleries. The focus for the Liquor store throughout the year was to be known as a destination for local wines. The store now carries 330 local wines which represent 40% of the total bottled wine” (MBC, 2022, p. 8).

“The Co-operative would like to thank our local suppliers Grolicious, Alkoomi Wines (olive oil), Mt Barker Flour, Bee-Haven, Pemberton Honey, Torc (pigs ears), Free-Range Chef, Doralane, Aqua Ice, Harvey Fresh, Albany Farm Fresh Eggs, Blakes Eggs, Bannister Downs, Bevans Bait, Cape Naturaliste Dairy, Pauls Pet Foods, Mt Barker Chicken, Plantagenet Pork, Redgum Hill Orchard, Gourmet Micro Farmer, Stirling View Produce and Chatterbox Coffee” (MBC, 2022, p. 8).

THE MOUNT BARKER CO-OPERATIVE'S CONTRIBUTION TO THE COMMUNITY

By 2025 the MBC was operating as a well-managed, professional and profitable community-owned consumer co-operative. Looking forward the senior leadership of the Co-operative were not complacent. In 2023, the MBC Chair Lyn Slade was asked about her view as to how the company created wealth for its members. In response she said,

"Sponsorship and donations. And then there's the whole shopping experience. Food miles if you want to talk about like that, have to drive an extra 100km to shop there and back is not very environmentally sensible these days. But I think we do create a lot of value for members, but - and through what we do, we're very engaged in the community. I think we're pretty much a cornerstone of the community. Our biggest challenge is actually what next? That has been our biggest challenge for a while. We've been pretty successful. We've redeveloped lots of things. We've still got some more to do with fuel, which a new fuel delivery truck comes out next month. We've looked after the core business unit. So, what's the next opportunity that will benefit our members and the community? And that's something we've struggled with. And I don't think - we don't want to put anything at risk either, but I'm sure there are other opportunities, we just have to find them. And that's a challenge" (Slade, 2023, p. 13).

In relation to the overall purpose of the Co-operative and where it might be in the future, Lyn Slade responded as follows,

"It depends on what you exist for. Like, if you exist to benefit your members, I think, any of those things can benefit members. So, you solve a problem, you may benefit your members. But you can benefit your members in other ways, too. And that's financially, or by the services you provide. And I think we look at the services we provide; it may be that if we invested outside the town, we bring benefits back to the town. I think there's been talk before about amalgamation of co-ops in different country towns, but I'm not sure that that would ever work. People are very parochial about their own co-op. For Mount Barker to set up a Mount Barker co-op in another town, I don't think it would work. But you could certainly have another business opportunity in another town. But the most - some of the benefits would come back to your town. Unless there was sort of a statewide network of cooperatives that benefited their local community, I don't know, who knows what the future holds, but I think it's important to be open minded and consider any opportunities that would benefit your business. And we are - the town is, I won't say saturated with the co-op, but we certainly - we've explored lots of other business opportunities in the town. But if they don't stack up financially, then that's not going to benefit our members. We need to constantly explore those opportunities to see what will be of benefit to our members. Members may want something in the town, but if we can't make it work financially, that's a disadvantage to our co-op and to our members" (Slade, 2023, p. 14).

CHAPTER 8: APPLYING THE CONCEPTUAL RESEARCH FRAMEWORK

The conceptual framework for research into co-operative enterprise is focused on understanding the business model of the Co-operative and mutual enterprise (CME), and how it is influenced by, and in-turn influences, systems and member level factors (Mazzarol, et al., 2014).

At the systems level, which relates to the external environment, there are four major inputs (i.e., social cooperation, role of government, industry structure, natural environment), and two major outputs (i.e., economic, and social capital formation). These elements also interact with each other within the systems architecture. This views a social system as comprising six key elements (Luhmann, 1984; Mattheis, 2012):

1. *Communication* – all systems are social in nature and therefore it is essential that a system has communication between the actors within it, and between systems.
2. *Autopoiesis* – a Greek word for ‘self-creating’ or ‘self-making’, recognising that all systems must be able to replicate, adapt and evolve using communication to exchange knowledge and ideas, resulting in learning, amongst the actors within the system.
3. *Differentiation* – all systems are autopoietic systems (social structures) that operate within the wider environment and are differentiated and independent from each other.
4. *Operative closure* – each system has the ability to isolate (close) itself in order to develop its own unique systems-specific activities.
5. *Functional differentiation* – due to differentiation and operative closure, each system is able to evolve its own unique characteristics that can create functional and dysfunctional interactions between different systems within the environment.
6. *Structural couplings* – where two or more systems recognise the need to link together, they create inter-system relationships that open *structural holes* between them enabling an exchange of communication relaying ideas, information, and knowledge (Burt, 1992; 2004).

Social systems are self-forming, complex, and dynamic. They involve interaction and behaviour at the individual, group, and organisational levels, through which change is achieved within the broader environment (De Haan, 2006). The creation of social systems is generated through both formal and informal networks of individuals and organisations that have common interests, and/or resource dependencies (Jessop, 1997; Klijin & Koppenjan, 2000).

A CME is a social system and has all six attributes outlined above. It operates within a systems level environment in which all other social systems (both formal and informal) operate. These other social systems interact with the CME, and the components of its business model (e.g., purpose, profit formula, processes, resources, share structure, and governance), which influence its ability to deliver a compelling member value proposition (MVP) to its membership. Key areas of interaction are social cooperation between individuals and organisations, government legal and regulatory systems, market competition within industry structure, and the environment.

At the member level, the framework examines the four roles or “hats” that the member wears (e.g., investor, patron, owner, member of a community of purpose) (Mamouni Limnios et al., 2018). Members loyalty and commitment to the CME is influenced by how well the enterprise addresses the needs of its members (both manifest and latent) through its ability to generate and sustain a member value proposition (MVP) (Suter & Gmür, 2013).

In the following sections the methodology of the case study is explained and the history of Mount Barker Co-operative is examined with a discussion of lessons learned. A summary of these issues is in Appendix A.

METHODOLOGY

The research team dealt with Mr. Norm Mills (General Manager) in 2011/12 who facilitated access to internal reports, financial and membership data and interviewees. Secondary data from the Mount Barker Co-operative Ltd archives and reporting systems was used to formulate a timeline of critical incidents in the history of the co-op (see Appendix C).

However, access to the Board Minutes and AGM Minutes in the form of copying is not permitted as a standing process of the Mount Barker Co-operative. Information from these documents used in the case study reflect notes taken during the initial archival visit in 2011 and selected data from these reports provided to the authors by the Co-operative at our request in more recent years. This can be viewed as a limitation, although requests for specific information has been provided – “in confidence” – by the Co-operative during the data collection and analysis process undertaken in 2023-2025. Enabling clarification and validation of information provided by interviews and secondary sources.

It should be noted that while none of the other co-authors had any prior relationships with the managers and directors of the MBC, the lead author Emeritus Professor Tim Mazzarol has worked with the Co-operative and Mutal sector for many years and has had a professional engagement with the Directors and Managers of the MBC through research, executive education and conferences.

Data collection for this research was approved under UWA Human Research Ethics Office (HREO) 2022/ET000809. Approval to use the data collected during 2011/12 under HREO RA/4/1/4519 was also granted by the HREO under an amendment to the original research methodology.

Board members, members of the management team and shareholders were interviewed for this case study. The scope and focus of interviews with Board members and shareholders was holistic in order to gain an overall impression of the co-op. Interviews with the management team were focused on specific events that occurred during their tenure at the co-op. Interviews were recorded and transcribed in full. Prior to the interview, participants were sent the Participant Information form and consent form. Importantly, 2011 participants were also sent a copy of the Critical Incidents Timeline by email. At the start of each interview, the facilitator/interviewee briefly articulated the purpose of the interview and questions guiding the research.

The following people were interviewed in 2011 for this case study:

- Mr. Norm Mills (General Manager), 2003-2011.
- Mr. Christopher Wayne Enright (Chairman), 2003-2022.
- Mr. Matt Ericsson (Manager Elders),
- Mr. Peter Gatward (Retail Manager)
- Mr. Ross Pickles (Class 'A' shareholder and ex-Chairman), 1978-1996.
- Mr. Stephen Carter (Director), 2003-2011.
- Ms Sandra Perry (Director), 2008-2017.
- Ms Lynnette Gaye Slade (Director), 2002-present.
- Ms Sharon Schneider (Company Accountant),

Additional interviews were conducted in 2023:

- Ms Lynnette Gaye Slade (Chair), 2023-present.
- Mr. Christopher Wayne Enright (Past Chair), 2003-2022.
- Mr. Keith Offer (Director), 1988-2000.
- Ms Melissa Kleeman (Administrative Assistant and long-term employee).
- Ms Justine Martin (Hardware Administrative Manager and long-term employee).

ASSESSING THE CRITICAL EVENTS THAT FACED THE MOUNT BARKER CO-OPERATIVE LTD.

We analyse the behaviour of the MBC within the wider context of the conceptual framework for research into co-operative enterprise (Mazzarol, et al., 2014) below. However, this study has identified three critical events over the 106-year history of the MBC. A critical event is defined here as a contingent event that is causally important for an outcome at a specific time that has longer-term strategic consequences. It is important to summarise these events in order to provide an historical context against which the MBC can be examined using the conceptual framework. As outlined in this case study the MBC faced three critical events that risked its future viability and required strategic and operational responses from the MBC board and management to address.

FIRST CRITICAL EVENT - 1935

The first event is the purchase of Mt Barker Stores Ltd., which had entered voluntary administration as a debtor to the MBC. This was where the MBC's retail journey began, though it might have been possible for the Co-operative at this point to have foregone the opportunity for diversification and remained focused on the packing, transportation and marketing of apples. The directors decided not only to take on the retail business, but to invest in upgrading and modernising it – which has been a periodic concern for the MBC ever since.

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SECOND CRITICAL EVENT - 1964

From the mid-1950s a series of events produced a dramatic fall in the apple export industry on which the MBC relied. By 1964 apple production in the Mount Barker district had declined by more than half the volumes produced at its peak just ten years earlier. The MBC had already diversified its enterprise into retail, so it was not as exposed as it might otherwise have been but still the Board sought alternative sources of income. As farmers in the district were moving into cereal and livestock production, the MBC directors saw a market niche in provision of seed cleaning for pasture and crops. They entered this business in partnership with Wesfarmers, which exited the business a year later. At that point, MBC bought the seed cleaning shed and established a seed cleaning business, Southern Seeds Limited, which soon went on to retail and re-sell seeds. The business reached \$1m in sales by 1988 and \$3m by 2000 but then underwent a rapid decline and the decision was made not to invest further in the business. Although it was not an enduring success, the seed business along with the MBC's retail arm carried the Co-op through a difficult time.

THIRD CRITICAL EVENT – 2002/3

In 2002 the MBC Articles of Association were amended to reflect the shift from a Producer Co-op to a Consumer Co-op, with Class A (rural producers) and Class B (non-rural producers) given equal voting rights. But at this time the MBC was trading at a loss. Although it had recently invested in upgrading the supermarket, this was reliant on the Co-op's share portfolio rather than trading surplus. In 2003 the Directors moved to close Southern Seeds and controversially hired a new General Manager. The Board had become dependent on the guidance of the previous General Manager, who had been in the role for 25 years, and needed to re-gain its independence. Over 2003/04 the Board also moved to upgrade its governance, investing in new technology to improve access to financial information, and a business consultant to assist with strategic planning and review current practices. The Board developed five- and ten-year plans as well as a robust business framework. These changes stood it in good stead for the ongoing redevelopment and expansion of its retail businesses.

SYSTEMS LEVEL ANALYSIS – INPUT FACTORS

As the history of Mount Barker Co-operative Ltd. (MBC) suggests, the Co-operative's establishment was influenced by the four input factors, which continues to play a role in shaping its development over time.

SOCIAL COOPERATION

According to Mazzarol et al. (2014), for a co-operative to form, it requires support of a membership base which are drawn together in the spirit of cooperation. Moreover, for successful creation of a CME, the community must possess at least three things: i) resources (e.g., time, capital, skills); ii) mobilisation (e.g., mutual needs, common goals); and iii) motivations (e.g., desire to cooperate and sustain collaborative effort) (Birchall & Simmons, 2004).

The establishment of Mount Barker and the Plantagenet Shire drew together a pioneering community of settlers who focused on the development of the horticultural and viticultural industries. The higher rainfall, cooler climate, and suitable soils enabled the establishment of fruit orchards, which by the end of the nineteenth century were already attracting public attention.

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This horticultural community had leaders such as Herbert Robinson, George Edward Egerton-Warburton and his sons Horace and Edward, as well as the prominent entrepreneur Neil McNeil who established Mount Barker Estate at the start of the twentieth century. By the outbreak of the First World War, the fruit producers in the Mount Barker district were not only established but actively engaged in exporting produce to the United Kingdom (UK). From 1911 they also had their local branch of the Western Australian Fruit Growers' Association (WAFGA) as a catalyst or mobilising force.

The establishment of the MBC in 1918 was primarily driven by the WAFGA, which recognised the need for cooperative action in order to build a cool rooms and packing facility that was not cost efficient for individual fruit growers to undertake. Additionally, the existing packing and cool rooms storage facilities were very high, as were shipping and marketing costs for export to the UK. The local orchardists, with the support of prominent Co-operative movement leaders such as Charles Walter Harper, and the likes of Wesfarmers Ltd., were able to launch the MBC and fund its early development.

In terms of **resources** the initial 75 local orchardists from Mount Barker, which comprised around half of the total population of fruit growers in the district, were sufficient to raise the capital required to build the cool stores and packing shed facilities and then support the Co-operative with their patronage to enable it to repay banks loans and keep the business profitable.

Regarding **mobilisation** the willingness of these orchardists to join together to establish the MBC and cooperate in its development, was enhanced by the work of a small group of community leaders such as William Thomas, James McNeil Martin, and Archibald T. Booth. They actively mobilised the fruit growing community arguing the case for the Co-operative.

The **motivations** that drove the Mount Barker orchardists to cooperate and establish the MBC were primarily economic in nature. As noted, the cost of cool storage, packing, shipping and marketing of fruit had become increasingly expensive. The ability of the fruit growers to own their own processing and storage facilities, and gain greater control over the supply chain process, was a clear pathway for them to establish more competitive prices and secure greater on-farm profits. The input from Wesfarmers, which collaborated with the MBC in developing the UK market, also served as motivations for the Co-operative approach.

ROLE OF GOVERNMENT AND REGULATORY FRAMEWORK

The role of government in the creation, development, and demise of CMEs is significant. Governments can set regulatory and legislative frameworks in which co-operatives must operate, impacting their capacity to function and potential for growth.

Government support to the Mount Barker horticultural industry was a feature of the WA Colonial Administration led by Sir John Forrest KCMG, who was a strong advocate for agriculture and other rural industries. The Royal Commission on Agriculture that was conducted between 1887 and 1891, was a significant review into the agricultural activities of WA, and led to many initiatives, including the establishment of the Department of Agriculture and Food of WA (DAFWA), which was formed in 1894 as the Bureau of Agriculture, before becoming DAFWA in 1898.

The *Homestead Act, 1893* also assisted the development of the Mount Barker horticultural industry, enabling settlers to secure land at little cost, and then acquire freehold as a result of their ability to successfully develop their orchards. Additionally, the passage of the *Co-operative and Provident Societies Act 1903* (WA) laid the foundation for a well-designed co-operatives law, and a State Registrar to oversee these companies.

When the MBC was founded as the Mount Barker Cool Storage Co-operative Society Ltd., it was actively supported by the State Governor, his Excellency Sir William Grey Ellison-Macartney PC KCMG, who formally opened the new cool stores, praised the efforts of the fruit growers to work together to build the facilities, and encouraged them to co-operate.

While the Co-operative generally experienced positive support from the WA Government, the same was not always the case for the Federal Government. For example, in 1935 a trade dispute between Germany and Australia resulted in Berlin placing a trade embargo on fruit exports to Germany, which was the largest market for WA fruit in Europe at the time.

The decision by the UK to join the European Economic Community (EEC) in 1967, and then their decision to join the European Union (EU) in 1973 led to a cessation of fruit exports to the UK, which led the MBC to selling off its fruit packing equipment and facilities and not renewing its export licence by 1975. This commenced the process of transitioning the MBC from a producer to a consumer Co-operative.

With the introduction of the *Co-operatives Act 2009* (WA), the MBC had to adopt a new set of rules, and to commence a process of repurchasing shares from inactive members. The repurchase of shares from inactive members had already been a feature of the Co-operative's activities prior to the new legislation.

INDUSTRY STRUCTURE

As businesses, co-operatives are affected by the industry in which they operate. Competition is the major way in which industries can impact an organisation. Indeed, there are five elements which can influence the level of competition within an industry, including the level of competitive rivalry in the industry, the power of buyers, the power of suppliers, the threat of new market entrants, and the threat of substitution (Mazzarol et al., 2014).

The primary business focus of the MBC from its foundation in 1918 to the mid-1970s had been as a producer Co-operative. In this regard the main industry dynamics that it had had to address were those associated with the processing, packaging, storage, shipping and marketing of fruit for overseas markets, predominately the UK. In this regard, the Co-operative provided the fruit grower shareholders with enhanced bargaining power throughout the supply chain.

With the growers owning and controlling the fruit packing and cool stores, and in conjunction with Wesfarmers Ltd., the marketing and export management of fruit product to the UK, Europe and Singapore, it was possible for them to significantly increase their bargaining power between supplier and buyer. The MBC essentially removed the "middleman" from the supply chain. However, the threat of new market entrants and substitutes emerged in the late-1960s and early-

1970s with the decision by the UK to join the EEC and subsequently the EU. This effectively ended the Co-operative's ability to successfully remain a producer co-operative.

The successful transition of the MBC to a consumer co-operative took time but enabled the company to continue to serve the needs of the Mount Barker community via its retailing and other services. As this transition evolved during the 1980s onwards, the level of market competition increased, particularly from Albany, where the major national retailers had established their stores. Competition in Supermarkets, Hardware and Home Improvements, and Liquor stores, came from the major retailers based in Albany, but with occasional opposition from local retailers.

Navigating this challenge has been the focus of the MBC since the 1980s, with a recognition that it must maintain competitive retailing operations within the Mount Barker district, while also appealing to the local community to support the Co-operative by shopping locally. Additionally, the MBC has emphasised the economic contribution that it makes to the Mount Barker district. Since at least the 2010s, it has reported its payments to the community in the form of dividends, trading discounts, loyalty rewards, sponsorships and donations. Also highlighted are the local jobs that the Co-operative creates and sustains, and the proactive role that it takes in sourcing as much as possible from local suppliers and contractors.

This strategy has assisted the MBC to hold its competitive position in the Mount Barker district, and it remains focused on ensuring that its retailing operations are best in class, with their stores and employees frequently securing national awards for excellence.

NATURAL ENVIRONMENT

The environment can play an integral role in influencing a CME's strategic decision-making process. In particular, the natural environment can create high uncertainty for co-operatives, due to climate change, pollution, biodiversity loss, or the collapse of ecosystems (Mazzarol et al., 2014). These impact manager and board member decision-making, depending on how they interpret the level of threat these may pose. Indeed, there are at least three types of ecologically induced uncertainties, including uncertainty over future industry and market conditions; the inability to predict the impact of environmental change on the organisation; and the lack of knowledge about impact and the suitability of response options (Mazzarol et al., 2014).

The ability of Mount Barker district to develop an internationally competitive fruit growing and exporting industry was due to the higher rainfall, cooler climate and fertile soil conditions found in the area. Also, the close proximity of the excellent deep-water port of Albany, enabled this export trade to flourish from the end of the nineteenth century and continue until the mid-1970s. Without the natural conditions found in Mount Barker the history of the Co-operative would have been very different.

Over the years, the Co-operative was impacted by pests and disease, such as the infestation of thrip insects in 1930, which severely impacted the fruit harvest of that year. During 1951 and 1952 the fruit crop was again impacted by hail in the first year, and thrip in the second. Fortunately, the fruit growers were able to recover rapidly from these setbacks. More recently, the impact of the COVID-19 pandemic saw lockdowns during 2020-2021 that restricted movement between districts. However, in this case the impact of the natural environment in the

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form of the pandemic, was positive for the Co-operative. The travel restrictions forced the Mount Barker community to shop locally, and this helped to significantly boost the annual revenue of the Co-operative, resulting in some of the most successful trading years of its history.

ENTERPRISE LEVEL ANALYSIS – ASSESSING THE BUSINESS MODEL

The main elements of the enterprise level analysis are the purpose and member value proposition (MVP), governance, share structure, profit formula, key processes, and key resources (Mazzarol et al., 2018)

PURPOSE

The purpose refers to the strategic reason for a co-operative to exist and the value which it offers to ensure membership (Mazzarol et al., 2014). Mount Barker Co-operative's stated purpose (mission) is stated as,

"Our objective is to be a long-term sustainable business maximising benefits and opportunities for members and stakeholders" (MBC, 2024, p. 2).

The original purpose of MBC was to establish and manage the Mount Barker cool stores and associated packing rooms. This was the rationale for the original name of the MBC to be The Mount Barker Cool Storage Co-operative Society Ltd. However, in 1937 the name was changed to Mount Barker Co-operative Ltd., reflecting the decision by the MBC board, to widen the purpose of the Co-operative. This occurred prior to the UK's decision to enter the EU, but it laid the foundation for what was to become a full transition from a producer to consumer co-operative.

MEMBER VALUE PROPOSITION

Unlike a conventional investor-owned business model which requires a customer value proposition to attract a target market for a particular product, co-operatives require an MVP. (Mazzarol et al., 2014). An MVP is based around the co-operative's purpose, as this informs what attracts and retains members. Therefore, to create an effective MVP, a co-operative must determine how members understand its value and how that value is created within the business, addressing both economic and social benefits. Indeed, when a co-operative and its members' objectives are aligned, it is more efficient than an investor-owned firm (Candemir et al., 2021).

The MVP of the Co-operative during its initial years and through to the 1980s was to provide support for the local Mount Barker fruit growers, and later other farmers (e.g., dairy, grain, sheep, viticulture). This focused on the provision of the cool stores and packing sheds, as well as the export marketing services for the fruit crop. However, over time, it widened to include farm supplies, agricultural services (e.g., stock agency, insurance), and also fuel supplies, irrigation equipment (e.g., windmills, pumps, pipes), and farming machinery (ploughs, milking machines and milk separators).

Through its retail stores the Co-operative also supplied motor vehicles, washing machines, drapery, groceries, haberdashery (mercery), and a booking agency for the Orient Line's passenger ships travelling between Australia and the UK. Over time, as the MBC transitioned to a consumer co-operative, the range of services focused on supermarket, hardware, liquor store, bulk fuel supplies, and farm agency services. The MVP, while not formally stated, is now focused on the

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MBC's ability to deliver value for shareholders and loyal customers through the delivery of best-in-class retailing services, with competitive prices, and the convenience of shopping locally. In addition, the MBC has emphasised the economic contribution that it provides via employment, local suppliers sourcing, and the payment of significant distributions (e.g., dividends, trading discounts, loyalty rewards, sponsorships and donations).

With respect to the patronage role, the MBC initially attracted the loyalty of the Mount Barker fruit growers by offering the cool stores, packing sheds, and the support for shipping and marketing, which would otherwise have been more expensive for these producers. Over the years, the ability to retain the loyalty of the community as patrons has focused on the Co-operative's ability to offer competitively priced goods and services, with the benefit of shopping locally and retaining the money in the community.

In relation to the member's role as an investor, the shareholders of the MBC have always enjoyed dividend distributions and trading discounts (e.g., rebates). However, over time, the shareholders as a proportion of the total customer base, have diminished. The introduction of the shopper loyalty cards has assisted in retaining the investor hat of the non-shareholders. However, once again, the Co-operative's continuous declaration of these economic distributions to the local community are designed to appeal to a perception that by shopping with the Co-operative the customers are essentially investing in their own local community.

The owner role of members as shareholders, the original fruit growers who founded the MBC took their ownership role seriously, with attendance at the AGMs generally quite strong. Further, they were, at least in most cases, willing to purchase share capital in order to help finance the MBC in order to enable it to undertake share buybacks, and other financial initiatives. For the majority of contemporary customers of the Co-operative, the sense of ownership continues to be a work-in-progress. The COVID-19 pandemic and the forced local shopping during the lockdowns did much to engage the community and make them understand the benefit of the Co-operative. However, it is a message that needs to be communicated regularly and actively by the MBC.

The members' engagement with MBC as members of a community of purpose, the original community of purpose that motivated the early founders in 1918 was the recognition by the local fruit growers of Mount Barker that they needed to cooperate if they were to build and manage the cool stores, packing sheds, and export shipping and marketing. However, as the MBC moved from a producer to a consumer co-operative, the challenge for the Co-operative was to rebuild the sense of community of purpose for the entire Mount Barker district. This remains a work-in-progress, but the impact of the COVID-19 outbreaks, the upgrading of the Co-operative's retailing facilities, and its emphasis on keeping jobs and money in the district, has engendered a common sense of purpose within the community.

GOVERNANCE

Encompassing governance is the composition of the co-operative's board, the character and size of the management team, and how the co-operative engages with members (Mazzarol et al., 2014). The composition of the co-operative's board informs the effectiveness of its operations. In addition, whether the management team has been sourced from within or outside the co-

operative can affect the operations of the co-operative. Mazzarol et al. (2014) argues the management and board should comprise both experts in business, finance, legal issues, and marketing, while also having strong knowledge of the unique character and operations of co-operatives, the spirit of cooperation, and develop a 'collective competence' (p. 40). Indeed, this reflects Candemir et al. (2021) which argues governance informs the difference between investor-owned firms and co-operatives.

The MBC enjoyed effective and durable governance throughout much of its history. For example, the tenure of the early Boards and office holders of the Co-operative was significant. The first Chair, James McNeil Martin served in the role for 46 years (1918-1964). Max Wright spent eight years (1965-1973) in the Chair. Ross Pickles served 22 years (1974-1996), and Chris Enright nineteen years (2003-2022). Many of the Co-operative's executives also served lengthy terms. The founder Managing Secretary Archibald Booth served in the role for eighteen years. Mr. H. W. Soothill served ten years (1937-1947), Bill Gorman served twenty-three years (1954-1977), and Mr. Warren J. York twenty-six years (1977-2003).

Although lengthy tenure in key roles such as Chair and CEO can be stabilising and beneficial for organisations such as Co-operatives, there is the risk that the leadership can become complacent, or resistant to change. This seems to have been the case for where the MBC board found itself by the 1990s, with a board culture that had been established during the earlier times, and which was influenced by a long-serving Chair and CEO into becoming a potential 'rubber stamp'.

The decision not to renew the contract for Warren York created tensions within both the Board and the local community. He was well-liked and had served the Co-operative professionally for 34 years. However, in the view of the Board, the appointment of a new General Manager was needed due to the rapidly changing environment within which the Co-operative was operating. The change led to the arrival of Mr. Norman L. Mills, who, with the active participation of the Board, worked to modernise the company's financial management and reporting, and refine the overall governance systems that the board was using.

The change enabled the MBC board and management to begin a more strategic focus on the future growth of the Co-operative. From the early 2000s the MBC Board was appointing its first non-farmer directors.

PROFIT FORMULA

When considering the profit formula for a co-operative, it is important to understand although co-operatives face the same pressures of an investor-owned business, its main goal is not to maximise profits, rather, it is seeking to maximise benefits to its membership (Mazzarol et al., 2014). There are three main considerations for a co-operative's profit formula. Firstly, cost structure, which refers to the monetary consequences of the means used in the business model. Secondly, revenue model, which is how the co-operative makes money through its various revenue flows. Lastly, profit distribution policy, which is how the co-operative distributes its profits back to members (Mazzarol et al., 2014).

The early years of the MBC appear to have seen the Co-operative generating good profits. For example, the bank loan raised to fund the construction of the cool stores was paid back within a

decade, and there was sufficient funding available to upgrade the facility and install an electricity generator, which was subsequently used to provide electric power to the town of Mount Barker. All construction work was paid in cash, and the total amount of interest charged by the bank was only £18 (approx. \$1,985 in 2024 dollars).

During the period from 1918 to 1955 the Co-operative continued to generate good profitability from the fruit export business with sales rising steadily from £2,035 (approx. \$224,361 in 2024 dollars), to over £220,000 (approx. \$9,245,000 in 2024 dollars). From 1956 to 1975 the financial situation of the Co-operative became more problematic due to the decision by the UK to enter the EEC and then the EU, effectively closing down the export trade that had been a major feature of the MBC to that time. The establishment of Southern Seeds in 1964 helped stabilise the financial position of the Co-operative, although it was more an assistant to enable the transitioning from a producer to a consumer co-operative than a permanent solution.

From 1976 to 2002 the MBC navigated the transition from producer to consumer co-operative, but it occurred during a major socio-economic change within the rural community of the Mount Barker district and Plantagenet Shire. The decline in the number of farmers, and the associated decline in rural workers, meant that the Co-operative was losing shareholders, and had to raise significant new share capital from existing shareholders in order to pay out the inactive members. Nevertheless, the annual turnover rose from \$1.5 million in 1976 to around \$18 million by 2002.

Over the years from 2003 to 2010 the Co-operative consolidated the main business operations and steadily improved its financial management systems and internal accountability. This served to significantly enhance the profitability of the company. Over the period annual turnover rose from \$10 million to \$20.5 million. The period from 2010 to 2024 was one of further financial growth and a further improvement in internal operating procedures and accounting practices. During the period, the MBC saw its annual turnover rise from \$19.6 million to \$41.3 million. NPAT over the same period rose from \$215,779 to \$960,709.

RESOURCES AND PROCESSES

The key resources necessary for a sustainable co-operative are a strategic network of partners, tangible assets, and intangible assets (Mazzarol et al., 2014). The strategic network of partners comprises members and other complimentary actors with the purpose of providing value throughout the network. Tangible assets refer to physical resources required for the co-operative to function, which typically include human and financial resources, infrastructure, equipment, and business systems. Conversely, intangible assets are the core competencies of the enterprise, including the knowledge and skills required to be effective. Indeed, one major intangible resource is the capacity to unite members through aligning their individual self-interests with the collective action necessary for creating whatever 'collective good' is outlined in the co-operative's purpose (Mazzarol et al., 2014, p. 37).

Throughout its history the MBC demonstrated its ability to acquire the necessary resources developed the required processes that it needed. The initial construction of the cool stores saw the Co-operative raise the required capital from shareholders, with a bank loan, but rapidly get the facility completed and the debt repaid within record time. Over the decades, the MBC has been

able to fund the construction of its facilities, including its retail stores, drawing on retain profits and occasionally bank loans and share issues. It has always had the necessary resources, with only periods of labour shortages.

This refers to a co-operative's sustainable delivery of resources and benefits to its members (Mazzarol et al., 2014). Importantly, it must include processes which allow for member participation in the decision making, including the attendance of meetings, voting, and the recognition of member expertise. A co-operative's processes are informed by their purpose and MVP. Indeed, there are three elements of such processes which directly relate to purpose and MVP. Firstly, the distribution channel, or the means by which the co-operative communicates with its members. Secondly, relationships, which refers to the links co-operatives create and maintain between itself and members. Lastly, the value configurations, which refers to the arrangement of activities and resources (Mazzarol et al., 2014).

The processes that applied to the Co-operative during its early years as a producer co-operative ranged from the skills needed to successfully grade, pack and store the fruit produced by the shareholders on their orchards. It widened to include international marketing and shipping skills, then the retailing of a wide range of products and services. In the years following the closure of the Co-operative's fruit export business in 1975, the MBC has refocused its processes to include retailing and necessary skills required for that highly competitive market.

SYSTEMS LEVEL ANALYSIS – OUTPUT FACTORS

The two main outputs from CMEs are their ability to generate economic and social capital. Below is an assessment of the contribution Mount Barker Co-operative Ltd has made to the economic and social capital of WA.

ECONOMIC CONTRIBUTION

According to Mazzarol et al. (2014), economic capital can be measured through the creation of assets, jobs, and wealth.

Co-operatives can build economic capital through the creation of jobs. Indeed, co-operatives often employ within their local community and seek to offer opportunities to the unemployed, which is particularly valuable for regional communities (Mazzarol et al., 2014).

The economic contribution of the MBC to the Mount Barker district has been significant. Although the precise data on the contribution of Co-operative during the earlier years is not easily found, there is little doubt that the construction of the cool stores and the other activities the MBC provided to the fruit growers was significant. It certainly enabled a steady and profitable export of fruit produce from Mount Barker to the UK, Europe and Singapore for many years.

More recently, as the Co-operative has been keeping records, the size of the financial distributions that the MBC pays back to the community has increased. Over the period 2010 to 2024 the MBC paid out over \$7.3 million in dividends, trading discounts, loyalty rewards, sponsorships and donations, which amounted to an annual average of \$488,587. Additionally, the Co-operative has employed a significant number of local people and provided many of the young people in the Mount Barker district with their first employment experience.

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It should also be noted that the MBC has made a strong commitment to the use of local suppliers and contractors throughout its history. The pressure that it made to ensure that produce was exported from Albany rather than Fremantle provided employment that would not have been possible. Over the decades, the use of local contractors, and more recently the decision to buy and promote local food producers and winemakers is further evidence of the economic contribution of the Co-operative.

SOCIAL CONTRIBUTION

Co-operatives flourish in environments of high social capital (Mazzarol et al., 2014). Although social capital is difficult to measure, it refers to the interrelationship between people at individual and group levels, encompassing the concepts of trust, reciprocity, and networks. For co-operatives, trust between members and the co-operative is critical to its long-term sustainability and for the development of social capital.

Trust exists at a member-to-member level, is supported by governance and management systems which guide its operations and is reinforced by the history and culture of the co-operative (Mazzarol et al., 2014).

Reciprocity between members and between the co-operative and its members can take the form of direct, indirect, and spatial reciprocity (Mazzarol et al., 2014). Direct reciprocity refers to when individuals give and get in response to their actions. Indirect reciprocity is where an individual gives without receiving a direct benefit, however, retains some form of benefit indirectly such as enhanced reputation. Lastly, spatial reciprocity refers to the situation in which an individual can benefit from geographic proximity to a community. Indeed, stable, close-knit communities which have low member turnover are more likely to develop co-operative behaviour than those with highly transient or unstable communities (Mazzarol et al., 2014).

Effective networks are necessary for a functioning co-operative. Indeed, there are three interconnected layers at the enterprise level. Firstly, the production network layer is a vertical supply chain which links the co-operative to suppliers and customers. This supply chain informs the ways in which the co-operative can deliver value to its members. The second horizontal layer is the resource network, a series of complimentary actors providing the co-operative with a variety of supports. Finally, the social network layer consists of interpersonal relations which take place between people (Mazzarol et al., 2014).

In addition, to trust, reciprocity and networks, social capital fosters information sharing to ensure people have equal access to information which is not always guaranteed with a free and open market (Mazzarol et al., 2014). Co-operatives can address this by ensuring members have access to information so that those which may be excluded from such knowledge or resources have access to them.

KEY LESSONS FROM THE MOUNT BARKER CO-OPERATIVE LTD. CASE

The Mount Barker Co-operative has persisted as a successful enterprise through dramatic economic, technological and social changes on scales from the local to global. From its beginnings in the packing, storage, and marketing of apples, it diversified into limited general retail, then pivoted solely to an increasingly diversified array of retail enterprises as the apple export

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industry ended. The success of the MBC has resided in the Board's ability to identify new ways to meet the needs of members, particularly as the potential member base has changed.

In summary, the key lessons from the Mount Barker Co-operative Ltd case are:

- It is important for co-operative and mutual enterprises (CMEs) to maintain a clear understanding of their purpose and what it suggests are the main economic and social objectives for which they have been created.
- This purpose must be linked to a well-considered and compelling member value proposition (MVP) that responds to the memberships' manifest (e.g., openly declared) needs, while concurrently identifying and addressing latent (e.g., unstated) needs.
- CMEs should be aware that their purpose can change over time due to changes in the economic, social and/or technological context. The Board should seek to anticipate such change and consider ways in which their enterprise can continue to serve member interests in changed circumstances.
- It is essential that the enterprise is professionally managed in an efficient and prudent manner, and that the Board is comprised of directors who have the necessary strategic and management skills to provide the necessary oversight of the executive team.

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⁷ Note: Access to the AGM Minutes is also restricted, although members can access these documents upon request. Information from these documents used in the case study reflect notes taken during the initial archival visit in 2011 and selected data from these reports provided to the authors by the Co-operative at our request in more recent years.

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FIGURES

Figure 1: Shire of Plantagenet location map. Source: Shire of Plantagenet (2025).

Figure 2: SS Balclutha circa 1860s. Source: State Library of Queensland (2025), public domain.

Figure 3: William Grills Knight, Mayor of Albany, and Sir Frederick Napier Broome KCMG, Governor of Western Australia. Sources: W. G. Knight (National Library of Australia), public domain; Sir F. N. Broome (Government House WA), public domain.

Figure 4: Sir John Forrest KCMG (left), and Charles Walter Harper (right). Sources: Sir John Forrest (National Library of Australia, 1900s); C. W. Harper (Wesfarmers, 1921).

Figure 5: The Port of Fremantle and Charles Yelverton O'Connor. Sources: Fremantle Harbour (Kristian Maley, 2005); C. Y. O'Connor (State Library of WA, 1897).

Figure 6: Edward Egerton-Warburton (left) and Neil McNeil (right). Sources: E. Egerton-Warburton (Just Jack, 2017); N. McNeil (Presbyterian Ladies College Archives, 1912).

Figure 7: Fruit Growers' Conference 1916 and Sir William Grey Ellison-Macartney PC KCMG Governor of Western Australia Sources: Fruit Growers' Conference (Mt Barker Co-op, 1916); Sir W. G. Ellison-Macartney (State Library of Victoria, 1920).

Figure 8: (L to R) Messrs. E. Thomas, T. G. and F. H. Sounness, A. T. Booth and J. McNeil Martin. Source: Mt Barker Co-operative (1916).

Figure 9: Mount Barker Estate Orchard 1930s. Source: Mt Barker Co-operative (1939).

Figure 10: Mount Barker Co-operative Packing Shed 1939. Source: Mt Barker Co-operative (1939).

Figure 11: Mount Barker Co-operative Retail Store 1936 Exterior. Source: Mt Barker Co-operative (1936).

Figure 12: Mount Barker Co-operative Retail Store 1936 Interior. Source: Mt Barker Co-operative (1936).

Figure 13: "Eat More Fruit" promotional labels 1940s. Source: Groom and Gates (2009).

Figure 14: Mount Barker Co-operative Drapery Store 1936 Interior. Source: Mt Barker Co-operative (1936).

Figure 15: Advertising for Vauxhall 'Wyvern' motor car 1940. Source: Southern Sentinel (1940).

Figure 16: Aerial view of the Mount Barker Co-operative 1949. Source: Groom and Gates (2009).

Figure 17: Mount Barker Co-operative Advertising 1948 Sources: Southern Sentinel (1948a/b).

Figure 18: Mount Barker Co-operative Advertising 1950 and 1952. Sources: Southern Sentinel (1950; 1952).

Figure 19: Mount Barker Co-operative Advertising Orient Line Shipping 1951. Source: Southern Sentinel (1951).

Figure 20: Development and sales of the Mount Barker Co-operative, 1918-1955. Source: Sneddon (2012).

Figure 21: Mount Barker Co-operative Staff, 1955. Source: Groom and Gates (2009, p. 74).

Figure 22: Mount Barker Co-operative Advertising Washing Machines 1953. Source: Southern Sentinel (1953).

Figure 23: Development and sales of the Mount Barker Co-op 1956-1975. Source: Sneddon (2012).

Figure 24: Mount Barker Co-operative Supermarket and Hardware 1980s. Source: Groom & Gates (2009, p. 75).

Figure 25: Development and sales of the Mount Barker Co-op, 1976-2002. Source: Sneddon (2012).

Figure 26: Mount Barker Co-operative Supa IGA store. Source: Groom & Gates (2009, p. 106).

Figure 27: Mount Barker Co-operative Board Members, 2007. Source: Groom & Gates (2009, p. 110).

Figure 28: Development and sales of the Mount Barker Co-operative, 2003-2010. Source: Sneddon (2012).

Figure 29: Past and present Mount Barker Co-operative Directors centennial celebration: Source: Mount Barker Co-operative Annual Report (2018, p. 3).

Figure 30: Chair Chris Enright and Rick Wilson MP store opening, 13 October 2021. Source: Mount Barker Co-operative Annual Report (2022, p. 4).

Figure 31: Mount Barker Co-operative store vegetable section, 2021. Source: Mount Barker Co-operative Annual Report (2021, p. 5).

Figure 32: Mount Barker Co-operative Directors with past and present CEOs at the 2023 AGM. Source: Mount Barker Co-operative Annual Report (2024, p. 6).

Figure 33: Mount Barker Co-operative storefront and Mitre 10 storefront, 2022. Source: Mount Barker Co-operative Annual Report (2022, p. 7).

APPENDIX A: MOUNT BARKER CO-OPERATIVE LTD. WITHIN THE CME RESEARCH FRAMEWORK

Influencing Factors	Application to Mount Barker Co-operative Ltd
<i>Systems-level inputs</i>	
Social co-operation	The region was drawn together through the establishment of fruit orchards and WAFGA. The Co-operative's establishment was driven primarily by WAFGA and the economic need for building cool rooms and a packing facility. Support of WA co-operative movement leaders, in addition to the efforts of small group of community leaders such as William Thomas, James McNeil Martin and Archibald T. Booth, facilitated in the creation of Mount Barker Co-operative. The initial 75 local orchardists from Mount Barker were sufficient to raise the capital required to build the needed facilities and then support the Co-operative with their patronage to enable it to repay bank loans and keep the business profitable.
Role of government	The Royal Commission on Agriculture conducted between 1887 and 1891 was a significant review into the agricultural activities of WA and led to the establishment of the DAFWA. The <i>Homestead Act, 1893</i> assisted the development of the Mount Barker horticultural industry, enabling settlers to secure land at little cost. Additionally, the passage of the <i>Co-operative and Provident Societies Act 1903</i> (WA) laid the foundation for a well-designed co-operatives law, and a State Registrar to oversee these companies. When the Co-operative was founded, the State Governor actively supported it. Although generally experiencing positive support from the State Government, this was not always the case from the Federal Government, for example, with trade embargoes. UK joining the EEC in 1967 and the EU in 1973 led to the cessation of fruit exports to the UK, which meant the Co-operative sold off its fruit packing equipment and facilities. This commenced the process of transitioning from a producer to a consumer co-operative. Finally, the <i>Co-operatives Act 2009</i> (WA), required the adoption of a new set of rules and to commence a process of repurchasing shares from inactive members. The repurchase of shares from inactive members had already been a feature of the Co-operative's activities prior to the new legislation.
Industry structure	The Co-operative's primary focus since 1918 to the mid-1970s was as a producer co-operative. Related industry dynamics included the processing, packaging, storage, shipping and marketing of fruit for

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	overseas markets, predominately the UK. The Co-operative provided fruit grower shareholders enhanced bargaining power throughout the supply chain. This is particularly the case between supplier and buyer as the Co-operative was able to remove the “middleman” from the supply chain. However, the threat of new market entrants and substitutes emerged in the late-1960s and early-1970s with the decision by the UK to join the EEC and subsequently the EU. This effectively ended the Co-operative’s ability to successfully remain a producer co-operative. Over time MBC transitioned to a consumer co-operative. During this period of the 1980s onwards, the level of market competition increased, particularly from Albany, where the major national retailers had established their stores. Navigating this challenge has been the focus of the MBC with a recognition that it must maintain competitive retailing operations within the Mount Barker district, while also appealing to the local community to support the Co-operative by shopping locally. Additionally, the MBC has emphasised the economic contribution that it makes to the Mount Barker district. Since at least the 2010s, it has reported its payments to the community in the form of dividends, trading discounts, loyalty rewards, sponsorships and donations. Also highlighted are the local jobs that the Co-operative creates and sustains, and the proactive role that it takes in sourcing as much as possible from local suppliers and contractors.
Natural environment	The ability of Mount Barker district to develop an internationally competitive fruit growing and exporting industry was due to the higher rainfall, cooler climate and fertile soil conditions found in the area. Also, the close proximity of the excellent deep-water port of Albany, enabled this export trade to flourish from the end of the nineteenth century and continue until the mid-1970s. Over the years, the Co-operative was impacted by pests and disease, such as the infestation of thrip insects in 1930, which severely impacted the fruit harvest of that year. During 1951 and 1952 the fruit crop was again impacted by hail in the first year, and thrip in the second. Fortunately, the fruit growers were able to recover rapidly from these setbacks. More recently, the impact of the COVID-19 pandemic saw lockdowns during 2020-2021 that restricted movement between districts. However, in this case the impact of the natural environment in the form of the pandemic, was positive for the Co-operative. The travel restrictions forced the Mount Barker

	community to shop locally, and this helped to significantly boost the annual revenue of the Co-operative, resulting in some of the most successful trading years of its history.
<i>Enterprise-level factors</i>	
Purpose	The Co-operative's stated purpose is "to be a long-term sustainable business maximising benefits and opportunities for members and stakeholders." The original purpose of the MBC was to establish and manage the Mount Barker cool stores and associated packing rooms. In 1937 the Co-operative's purpose was widened in conjunction with a name change (to MBC).
Profit formula	The early years of the MBC appear to have seen the Co-operative generating good profits. During the period from 1918 to 1955 the Co-operative continued to generate good profitability from the fruit export business. From 1956 to 1975 the financial situation of the Co-operative became more problematic due to the decision by the UK to enter the EEC and then the EU, effectively closing down the export trade that had been a major feature of the MBC to that time. The establishment of Southern Seeds in 1964 helped stabilise the financial position of the Co-operative, although it was more an assistant to enable the transitioning from a producer to a consumer co-operative than a permanent solution. From 1976 to 2002 the MBC navigated the transition from producer to consumer co-operative, but it occurred during a major socio-economic change within the rural community of the Mount Barker district and Plantagenet Shire. The decline in the number of farmers, and the associated decline in rural workers, meant that the Co-operative was losing shareholders, and had to raise significant new share capital from existing shareholders in order to pay out the inactive members. From 2003 to 2010 the Co-operative consolidated the main business operations and steadily improved its financial management systems and internal accountability. This served to significantly enhance the profitability of the company. The period from 2010 to 2024 was one of further financial growth and a further improvement in internal operating procedures and accounting practices.
Processes	The processes that applied to the Co-operative during its early years as a producer co-operative ranged from the skills needed to successfully grade, pack and store the fruit produced by the shareholders on their orchards. It widened to include international

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	marketing and shipping skills, then the retailing of a wide range of products and services. In the years following the closure of the Co-operative's fruit export business in 1975, the MBC has refocused its processes to include retailing and necessary skills required for that highly competitive market.
Resources	Throughout its history the MBC demonstrated its ability to acquire the necessary resources developed the required processes that it needed. The initial construction of the cool stores saw the Co-operative raise the required capital from shareholders, with a bank loan, but rapidly get the facility completed and the debt repaid within record time. Over the decades, the MBC has been able to fund the construction of its facilities, including its retail stores, drawing on retained profits and occasionally bank loans and share issues. It has always had the necessary resources, with only periods of labour shortages.
Share structure	From the 1950s, the MBC issued "A" and "B" class shares of £1 per share, with a cap of 5,000 shares per member. "A" class shares could be purchased by farmers and orchardists and "B" class shares could be purchased by farmers or non-farming local residents. "A" class shareholders were given voting rights and access to storage in the packing sheds, whereas "B" class shareholders did not have voting rights or access to fruit storage facilities. Both "A" and "B" class shareholders were eligible for dividends. In 1993 the MBC introduced a new class of shares. These "Z" shares were sold to occasional purchasers of goods and services from the Co-operative. As the MBC transitioned from a producer to a consumer co-operative, a divide emerged between the "A-Class" and "B-Class" shareholders. The "A-Class" shareholders were the farmers, and possessed voting rights, while the "B-Class" shareholders did not have the right to vote. This created a division between the shareholders.
Governance	The MBC enjoyed effective and durable governance throughout much of its history. The tenure of the early Boards and office holders of the Co-operative was significant, and many of the Co-operative's executives also served lengthy terms. Although lengthy tenure in key roles such as Chair and CEO can be stabilising and beneficial for organisations such as Co-operatives, there is the risk that the leadership can become complacent, or resistant to change. This seems to have been the case for where the MBC board found itself by the 1990s, with a board culture that had been established during the earlier times, and which was influenced by a long-serving Chair and CEO into becoming a potential "rubber stamp". A

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	change in leadership was viewed by the Board as needed due to the rapidly changing environment and led to the arrival of Norm Mills, who, with the active participation of the board, was able to upgrade the company's financial management and reporting systems and improve the overall governance systems that the board was using. These changes enabled the MBC board and management to begin a more strategic focus on the future growth of the Co-operative. From the early 2000s the MBC Board was appointing its first non-farmer directors.
Member Value Proposition	The MVP of the Co-operative from 1918 through to the 1980s was to provide support for the local Mount Barker fruit growers, and later other farmers (e.g., dairy, grain, sheep, viticulture). This focused on the provision of the cool stores and packing sheds, as well as the export marketing services for the fruit crop. Over time it widened to include farm supplies, agricultural services, fuel supplies, irrigation equipment and farming machinery. Through its retail stores the Co-operative supplied motor vehicles, washing machines, drapery, groceries, haberdashery and a booking agency for the Orient Line's passenger ships travelling between Australia and the UK. With the transition to a consumer co-operative the range of services focused on supermarket, hardware, liquor store, bulk fuel supplies, and farm agency services. The MVP, while not formally stated, is now focused on the Co-operative's ability to deliver value for shareholders and loyal customers through the delivery of best-in-class retailing services, with competitive prices, and the convenience of shopping locally. In addition, MBC has emphasised the economic contribution it provides via employment, sourcing from local suppliers, and the payment of significant distributions.
<i>Member-level factors</i>	
Patron	The Co-operative initially attracted loyalty of the Mount Barker fruit growers by offering the cool stores, packing sheds, and support for shipping and marketing, which would otherwise have been more expensive for these producers. Over the years, retaining loyalty from the community as patrons has focused on the Co-operative's ability to offer competitively priced goods and services, with the benefit of shopping locally and retaining the money in the community.

Investor	The Co-operative's shareholders have always enjoyed dividend distributions and trading discounts (e.g., rebates). However, over time, the shareholders as a proportion of the total customer base have diminished. The introduction of the shopper loyalty cards has assisted in retaining the investor hat of the non-shareholders. However, the Co-operative's continuous declaration of these economic distributions to the local community are designed to appeal to a perception that by shopping with the Co-operative the customers are essentially investing in their own local community.
Owner	As shareholders the original fruit growers who founded the Co-operative took their ownership role seriously, with attendance at the AGMs being generally quite strong. Further, they were, at least in most cases, willing to purchase share capital to help finance the MBC in order to enable it to undertake share buybacks and other financial initiatives. For the majority of contemporary customers, the sense of ownership continues to be a work-in-progress. The COVID-19 pandemic and the forced local shopping during the lockdowns did much to engage the community and make them understand the benefit of the Co-operative. However, it is a message that needs to be communicated regularly and actively by the MBC.
Community member	The original community of purpose that motivated the early founders in 1918 was the recognition by the local fruit growers that they needed to cooperate if they were to build and manage the cool stores, packing sheds, and export shipping and marketing. However, as the MBC moved from a producer to a consumer co-operative, the challenge for the Co-operative was to rebuild the sense of community of purpose for the entire Mount Barker district. This remains a work-in-progress, but the impact of the COVID-19 outbreaks, the upgrading of the Co-operative's retailing facilities, and its emphasis on keeping jobs and money in the district, has engendered a common sense of purpose within the community.
<i>Systems-level outputs</i>	
Economic capital	The economic contribution of the MBC to the Mount Barker district has been significant. Although the precise data on the contribution of the Co-operative during the earlier years is not easily found, there is little doubt that the construction of the cool stores and the other activities the MBC provided to the fruit growers was significant. It certainly enabled a steady and profitable export of fruit produce from Mount Barker to the UK, Europe and Singapore for many years.

	More recently, as the Co-operative has been keeping records, the size of the financial distributions that the MBC pays back to the community has increased. Over the period 2010 to 2024 the MBC paid out over \$7.3 million in dividends, trading discounts, loyalty rewards, sponsorships and donations, which amounted to an annual average of \$488,587. Additionally, the Co-operative has employed a significant number of local people and provided many of the young people in the Mount Barker district with their first employment experience. It should also be noted that the MBC has made a strong commitment to the use of local suppliers and contractors throughout its history. The pressure MBC made to guarantee produce was exported from Albany rather than Fremantle provided employment which would not have been possible. Over the decades, the use of local contractors, and more recently the decision to buy and promote local food producers and winemakers is further evidence of the economic contribution of the Co-operative.
Social capital	In the early years, the MBC provided a focus for orchardists to engage in an activity that provided individual benefit through working together. The animating principles of “Co-operation, loyalty and self-help” served to generate a sense of solidarity among members, with the structure of the Board ensuring representation from areas across the district. The MBC thus cultivated spatial reciprocity across the district. During the late 1920s and 1930s, the MBC helped to sustain the local community in a range of ways. The generators powering the cool store refrigeration provided a round-the-clock electricity supply to the Mt Barker town site; this would continue until the arrival of SEC electricity in 1952. During the Depression, the MBC provided credit and wrote off debts or settled them through the Farmers’ Debts Adjustment program. As a local retailer and agent for a range of rural services, the MBC provided access to goods and services that local people would otherwise have to travel long distances for. Through these actions, the MBC built up social capital within the local community. In the 1940s the MBC provided community benefits that were not directly connected to its core business: a rest room for visiting country women and a projector for community cinema screenings. These investments were the start of a long tradition of providing material support for the local community, which would later be formalised in the community sponsorships and donations program. Such gestures served to enhance the MBC’s reputation in the community, developing social capital that would help it to weather

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periods of change or controversy. Since at least the 1950s, the MBC has also provided significant direct reciprocal benefits in the form of trading discounts, dividends, and loyalty rewards. These have served to incentivise membership and encourage loyalty as well as raising awareness of the Co-op and its activities.

Throughout its history, the MBC has developed and maintained sufficient social capital, through direct and indirect benefits to members and the wider regional community, to provide a favourable environment for its ongoing operation.

APPENDIX B: MOUNT BARKER CO-OPERATIVE LTD. DIRECTORS AND EXECUTIVES

Mount Barker Co-operative Ltd. Chairpersons

<i>Term</i>	<i>Name</i>
1918-1964	James McNeil Martin
1964-1965	Walter “Wally” De Pledge
1965-1973	A. M. “Max” Wright
1974-1996	Ross H. Pickles
1996-2000	Elwyn Vincent “Ben” Taylor
2000-2003	Anne Mackie
2003-2022	Christopher “Chris” Wayne Enright
2023-Present	Lynette “Lyn” Gaye Slade

Mount Barker Co-operative Ltd. Directors (members of the Board)

<i>Name</i>	<i>Term</i>
James McNeil Martin	1917-1964
F. H. “Frederick” Sounness	1917-1958
Archibald T. Booth	1917-1919
J. B. Steicke	1917-1918
J. “James” Enright	1917-1926
E. Thomas	1917-1921
H. Robinson	1917-1919
Edward Egerton-Warburton	1918-1924
T. Skinner	1919-1956
T. Kearsley	1919-1923
J. E. Drage	1921-1924
E. Thomas	1923-1936
L. G. A. Watson	1924-1938

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<i>Name</i>	<i>Term</i>
O. A. K. Sounness	1924-1956
J. F. Wall	1926-1929
G. N. Roberts	1929-1930
A. U. Martin	1930-1941
R. S. Wallace	1937-1958
A. De Pledge	1938-1946
Walter "Wally" De Pledge	1946-1975
A. M. "Max" Wright	1941-1977
C. B. Mitchell	1956-1961
Frank L. Squire	1956-1963
Ross H. Pickles	1958-1999
S. J. Mentha	1958-1961
J. R. Knight	1961-1966
V. Hobbs	1961-1969
J. G. "Jerry" Enright	1963-1991
Frank L. Squire	1964-1970
F. W. "Francis" Sounness	1967-1991
E. V. Taylor	1969-2003
C. C. Sandilands	1970-1988
E. M. Adams	1975-1996
P. L. Squire	1977-1997
Kieth R. Offer	1988-2000
Anne S. Mackie	1990-2003
A. G. Riggall	1991-2000
Mark Colin Adams	1996-Present
S. C. Slade	1997-2001
Christopher Wayne Enright	1999-2022
N. B. Bell	2000-2003
W. P. Spencer	2000-2003

<i>Name</i>	<i>Term</i>
Lynette Gaye Slade	2002- Present
Warren Robert Moore	2003- 2013
Stephen Ernest Carter	2003- 2011
Keryl G. Enright	2003-2008
Kenneth “Ken” Arthur Clements	2004- 2018
Sandra Perry	2008- 2017
Stuart Randell Duggin	2011-2016
Glenn Alexander Nichols	2017-Present
Dylan Thomas Parker	2018-Present
Andrew Thomas Fraser	2016-Present
Jodi Marianne Miller	2021-Present
Nial Francis Sidney Twigger	2023-Present
Chrisopher George Pavlovich	2024-Present

Mount Barker Co-operative Ltd. Executive Officers

<i>Term</i>	<i>Name</i>	<i>Job title</i>
1918-1936	Archibald T. Booth	Managing Secretary
1937-1947	H. W. Soothill	General Manager
1948-1953	A.C. Hickling	General Manager
1954-1977	L.R. "Bill" Gorman	General Manager
1977-2003	Warren John York	General Manager
2003-2011	Norman “Norm” Leslie Mills	General Manager
2012-2017	Kevin Ford	Chief Executive Officer
2017-2023	Gary Tempany	Chief Executive Officer
2023-Present	Deborah “Deb” Murphy	Chief Executive Officer

APPENDIX C: MOUNT BARKER CO-OPERATIVE LTD. HISTORICAL TIMELINE 1917-2023

<i>Dates</i>	<i>Summary of events</i>
Pre-Establishment: 1830s-1900	1835: Sir Richard Spencer buys 1,940 acres of land in Mount Barker. 1860: The first apple trees are planted in the Mount Barker district by Andrew Muir at Forest Hill. 1898: The Land Selection Act (1898) attracts farmer-settlers to the Mount Barker district; the settlement is linked to Albany and Fremantle ports by rail. 1899: The Mount Barker town site is gazetted.
Pre-Establishment: 1900-1917	1903: Mount Barker Orchardist W. Sounness (Merryup) exports the first consignment of apples to Europe from the district to meet demands for fresh fruit in Europe at the end of the winter. 1908: Fifteen commercial orchards are operating in the Mount Barker district. Apples are highly profitable in this period as the return on a bushel of apples is equivalent to the weekly wage of a farmhand. Mount Barker orchardists played a key role in forming the Fruit Growers Trading and Shipping Association of Western Australia (later renamed Associated Fruit Growers Ltd). 1910: Around seventy-five commercial orchards are operating in the Mount Barker district and a branch of the Fruit Growers Association is launched in Mount Barker. 1911: The Mount Barker branch of the Fruit Growers Association amalgamates with the Central Fruit Growers Association in Perth to form the Western Australian Fruit Growers Association to increase the political leverage of the industry. The WA Fruit Growers Association asks the Department of Agriculture to undertake experiments on pre-cool fruit and to ban the import of apples into WA. The Association develops guidelines for methods of grading and packing fruit for export. 1912: Mount Barker's apples begin to gain a reputation for quality in Europe and reach a record price per case in Germany. 1914: As a result of the outbreak of WWI, Australian orchardists lose trade with Germany and the ability to ship produce to Britain. 1916: Associated Fruit Growers build a fruit packing shed in Mount Barker and source a cheap supply of packing cases through a local saw mill. 1917: Mount Barker orchardists constrained by high packing case costs (high price of cases imposed by State saw mills), rail freight costs, limited access to

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	shipping space, lack of cold-storage facilities, expensive and cumbersome customs regulations and the control of distribution companies. Orchardists begin to organise against profiteering ‘middlemen’ in the export industry who control distribution and supplies, creating momentum for orchardists to take control of their industry through increased co-operation. Articles appear in ‘The Primary Producer’ advocating ‘Co-operation, loyalty and self-help’ among orchardists. A conference is held for the co-operative movement in WA and is attended by representatives from 40 farmer co-operatives. The Governor of WA is a strong supporter of the Co-operative movement. A lack of cool storage for fruit is major industry constraint for industry and a significant catalyst for the establishment of the Mount Barker Co-operative Ltd. Cool storage facilities required significant investment – it is a relatively new and expensive technology. Mount Barker does not have a permanent supply of electricity or access to Government funds for industry development during WWI. Therefore, the development of a packing facility is beyond the resource scope of an individual orchardist and requires pooling of both funds and expertise of a large number of producers. Mount Barker Orchardists, William Thomas and Archibald Booth, canvass farmers to support the building of a cold store in Mount Barker and gain the commitment of around 50% of local farmers to invest in the venture.
1910s	1917: A meeting of local orchardists is held on 21 October 1917 in the Mount Barker Town Hall. Local orchardists promise £2,152 to the building of a cool store. A motion that a society called ‘The Mount Barker Cool Storage Co-operative Society’ be established is carried. The first AGM of the Mount Barker Co-operative Ltd is held on November 8th and Articles of Association are drawn up. Work on the construction of the Mount Barker cool store commences in December on land leased from the WA Government Railways and Tramways. 1918: The Mount Barker Fruit-grower’s Cool Storage Co-operative Society Ltd (changed to Mount Barker Co-operative Ltd) is incorporated on 1 May with £5,051. The Articles of Association that govern the operations and scope of the MBC incorporate activities including fruit packing, cool storage, fruit exports and the business of fruit and produce merchants and ancillary products and services (e.g., electricity supplies and packing case making). The MBC Board of Directors is drawn from shareholders to represent the seven main roads in the Mount Barker district. The Mount Barker cool storage facilities are officially opened by the Governor, Sir William Ellison Macartney, on 1 June. The cool storage facility

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	costs £11,963 to build. Orchardists operating in the Mount Barker district who hold shares in the MBC are allotted space in the cool storage based on the number of acres farmed. The cool store allows a steady supply of fruit to local markets and export trade recommences in November when WWI ends.
1920s	1920: Westralian Farmers (later Wesfarmers) enter the fruit growing market and the MBC secures a commitment from them not to operate in the Mount Barker and Kendenup area. The MBC makes representations to State and Federal Parliaments, via the Council of the Co-operative Federation, to secure tax benefits for Australian farmers (changes incorporated into the Income Tax Act). 1924: The MBC wins an award for an exhibition of apples in the UK (British Empire Exhibition 1924). 1926: The cool store area is extended to manage an increase in demand. 1927: The MBC ships 108,000 cases of apples and pear to Europe and sold 52,000 cases locally. 1928: The MBC is in a strong financial position, the initial loan for the packing facilities is repaid and the auditors propose payment of bonuses to Directors. 1929: The MBC pushes the WA Fruit Growers Association to address the high cost of packing cases. Co-operatives in the fruit industry receive support from the Minister for Agriculture. Generators powering refrigeration in the cool store provide 24-hour electricity supply to the Mount Barker town site.
1930s	1930: The export market for fruit contracts during the Depression era. However, Co-operatives were able to protect farmer-shareholders by providing credit and unpaid debts are written-off or settled through the Farmers' Debts Adjustment program. 1932: The export market for fruit begins to flourish and the MBC exports over ¼ million cases of fruit. Mount Barker Stores Ltd becomes the Mount Barker Co-operative Ltd and the retail premises are extended. The MBC supports a number of agencies (Nash and Wyvern Caleche cars, Allis-Chalmers tractors, Ronaldson-Tippet spray plants, Horwood Bagshaw implements, Smith Co. ploughs, CCR petrol and oils) and the Westralian Farmers stock agent is based at the MBC retail store. 1937: The MBC and Westralian Farmers ships two thirds of the State's apple exports and use the growing volume of trade to secure cheaper shipping and chartered fruit ships.

	The MBC establishes an office in London to manage European fruit exports in partnership with Westralian Farmers Ltd., resulting in the successful development of a Scandinavian market for WA fruit. 1938: A Co-operative delegation visits Europe to study the fruit export industry and reports on potential competitive challenges from new gas cold storage systems in the UK. The MBC undertakes market research on demand for apple varieties, including Bramley's and Granny Smiths, for the British market. Fruit exports to Germany cease due to import restrictions. 1939: The MBC has assets of £35,000 pounds and turns over £175,000. Shareholders had received rebates of £25,000 pounds since the inception of the MBC. The MBC refits the packing shed and extends cool stores in order to centralise grading, packing and storage. The Mount Barker packing shed and cool store become the largest in Australia. This is the most productive season for the MBC; ½ million cases of apples are exported and Swedish pine cases are imported to meet demand driven by increasing production. The MBC sends a delegation to Singapore and Thailand to research new export markets. The Australian Apple and Pear Board (Federal Government authority) introduces an acquisition scheme to support the industry during WWII. The Government takes over the receiving shed in Mount Barker during WWII to store apples acquired under this scheme.
1940s	1941: The Federal Government reassesses their acquisition scheme and decides to continue with it in order to support cheaper and more efficient distribution of fruit. 1942: The Controller of General Food (Federal Government) finances the construction of a fruit dehydration plant in Mount Barker. A shortage of labour on orchards during WWII results in the use of Prisoners of War and the Australian Women's Land Army to pick and pack fruit. 1943: The 'Eat More Fruit' advertising campaign is launched to encourage the use of surplus fruit. 1944: The MBC builds a packing shed at Kendenup to cope with increasing production and a second cool store is built in Mount Barker under an agreement that the Government will remunerate the MBC for the cost of the new store after the war. MBC shareholders receive a bonus payment from the Westralian Farmers' stock and wool agency as the demand for wool increases.

	1946: Land in the Mount Barker district is made available to returned servicemen through the War Service Land Settlement Scheme. New settlers in the area focus primarily on wool and cereal production. 1947: The MBC disagrees with the Government valuation of the cool store built in 1944 and pushes for a higher valuation. The MBC launches a new venture, Wespak Pty Ltd, in partnership with Westralian Farmers and Cooperative Wholesale Services to wholesale fruit and vegetables to other co-ops. Copmark Pty Ltd is established in Singapore as a subsidiary of the MBC. The export agreement with Westralian Farmers in London is extended under a new Western Australian Co-operative Fruit Export Partnership. 1948: A new bulk merchandise store opens in Mount Barker to supply new farmers and MBC shareholders. New farmers in the district are offered the opportunity to purchase 'A' class shares in the MBC which give them voting rights. Many orchardists in the district purchase and clear additional land for mixed-enterprise farming, those MBC shareholders relying solely on fruit production operated smaller orchards in the Kendenup area. Lack of labour for orchards remains a major production constraint and the MBC tries to lure workers from Albany to pick fruit. 1949: MBC fruit exports extend beyond the UK into Ireland and Germany. The MBC agrees on a valuation of the cold store with the Government. The MBC assists in the development of the local community by establishing a rest room for visiting country women, buying a film projector for the community and continuing to supply power to the town site.
1950s	1950: On 20 October 1950, the MBC institutes a Memorandum and Articles of Association which state the purpose and scope of the MBC (including the acquisition of commodities/animals for disposal/distribution among shareholders; acquisition of commodities/animals from shareholders for disposal/distribution; storage, marketing, packing, processing of commodities of shareholders; rendering of services to shareholders). The Articles limits the liability of members. Capital of £100,000, divided into 100,000 shares at £1 per share. Every shareholder who is qualified to vote (i.e., A Class shareholders) has equal voting power irrespective of the number of shares held. The MBC issues 'A' class, 'B' class and 'C' class shares. 'A' class shares are sold to farmers and orchardists, 'B' class to farmers or non-farmers and 'C' class are issued as bonus shares. 'A' class shareholders have storage rights in the packing sheds, 'B' class shareholders do not. Directors have the right to transfer shares from 'A' to 'B' class if a shareholder is no longer farming (and vice versa). No more than 5,000 shares can be held per member. The MBC

	Directors can purchase members shares out of reserve fund which can then be resold or allotted. The MBC Board has seven Directors, five of which must be engaged in farming and each of which must hold at least 10 shares. The Articles allow for dividend payments to be made to shareholders. The MBC's fruit exports recover and are valued at £1 million. Mount Barker fruit became increasingly recognisable through advertising on cases and the MBC's retail activities expand to the supply the David Jones retail store. 1953: State electricity becomes available in the Mount Barker town site. The MBC invests in the conversion of building and equipment. They are the first MBC in WA to install electric forklifts and palletisation and automate the refrigeration plant. 1954: Copmark Pty Ltd (the MBC's Singapore agency) ceases trading. 1956: The Suez Canal is blockaded for five months, and fresh produce shipped via this route to Europe is discarded. 1957: The MBC becomes a member of United Wholesalers Co-operative Ltd (later named Foodland) which allowed bulk buying and competitive prices. 1958: MBC upgrades merchandise facilities on the back of healthy profits. 1959: The fruit export industry faces a shrinking overseas market demand and possible quarantine restrictions on fresh produce. The British market, the main market for WA apples, contracts.
1960s	1961: A Royal Commission is established to examine the state of the apple export industry. The Commission reports that the quality and packaging of export fruit needed to improve, Granny Smiths should be the main export variety and that mechanical handling is inefficient and shipping availability needs to be reassessed. Mount Barker's first Apple Festival is held. 1964: McNeil Martin retires as MBC chairman and is replaced by Walter De Pledge. The MBC enters the seed cleaning business; seeds are supplied by Wesfarmers who build a seed cleaning shed in Mount Barker. 1965: Wesfarmers pull out of seed cleaning in Mount Barker and local farmers pressure the MBC into buying the seed cleaning shed. The MBC establishes Southern Seeds and seed cleaning became a profitable business for the MBC. Max Wright replaces Walter De Pledge as MBC Chairman. 1966: Oversupply of apples and pears to Britain causes importers to suffer heavy losses as more orchards are planted in Europe. The MBC's efforts to

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	export to Japan are unsuccessful due to concerns about codling moth and fruit fly. Orchardists in the Mount Barker area are diversifying out of fruit as the export business declines or leaving the district altogether. The profit of the MBC declines as a result of these changes and the Board seeks alternative sources of income to fruit exports. The Board focuses its efforts on expanding retail businesses in Mount Barker and the MBC leases the building that previously housed the towns clothing and haberdashery store. 1967: After making improvements to plant and equipment and increasing production, Southern Seeds begins to buy wholesale and sell seeds on behalf of farmers. 1968: The MBC closes the Kendenup packing shed due to a lack of fruit production in the district. 1969: MBC takes up an option to purchase leased retail space in the Mount Barker town site.
1970s	1972: The MBC amalgamates with Paterson and Co and Elders GM to form Western Australian Fruit Exporters (WAFEX). Britain joins the EU, closing off markets to Australian produce. 1974: The MBC starts to address the issue of keeping or disposing of the Mount Barker packing shed. At the beginning of the year less than 3000 bushels of fruit are being grown in the district (insufficient to meet local demands let alone export) and seeks Government assistance via WA Fruitgrowers Association. In March, the MBC Board report the sale of Granny Smiths to Gulf countries and E.E.C. import restrictions facing southern hemisphere countries. In May only 956 bushels of fruit are packed in Mount Barker and there are concerns at the Board level that higher prices are paid for fruit by opposition companies. In August Messer's Eastcott, Warren and Cornwall of Westralian Fruit Exports meet with the MBC to discuss joint operations of the packing shed, however, the MBC decides to continue existing packing arrangements with Wesfarmers in the 1975 season. In September, because of a downturn in apple production the MBC decides to sell a grader from the Mount Barker plant and the overhead gantry from the Kendenup shed. The MBC writes to the Australian Wool Corporation so enquire as to whether the packing sheds could be used to store wool. The offer is declined. In November the MBC decides not to apply for an independent export licence for apples and pears because of poor export performance, however, a circular



is sent to farmers to advise that the Mount Barker packing shed will be operating in 1975.

'C' class shares are removed from the Articles of Association.

1975: Mrs Edna Adams joins the Board and is the first female Director of the MBC.

In January, the basic price for cartons of apples in the UK and Europe increases by 19%. In February, the MBC announce that they will re-explore the issue of refrigeration in the cool stores in response to a request from shareholders. Shareholders also enquired as to whether the MBC intends to close the cold stores and cease fruit operations. The Chairman stated this is not the intention of the MBC. Alternative uses of the cold stores are suggested (local fruit supplies, seed potatoes and wine).

In March, the MBC announce packing rates for the season and that they have enquired about new forms of refrigeration with the Department of Agriculture. In June, the MBC cold stores held 9,550 cases of produce, mainly potatoes.

In July 6,095 cartons of fruit are packed. In December, the MBC Board reports that there is a small amount of fruit on local orchards, most of which is malformed. The MBC Board decide to close the Mount Barker packing shed and, due to poor profitability, the MBC is unable to pay a rebate or dividend to shareholders.

1976: In February Westrail advises the MBC that the packing shed at Kendenup must be removed or the MBC must negotiate a new lease at commercial rent. Tenders are called for the disposal of the premises. In August, the Board and shareholders question the future of packing shed in Mount Barker. In November, a survey of orchardists finds that only one grower requires packing facilities. The MBC Board carries the following motion, "That the Mount Barker packing Shed be not opened for apple packing for the 1977 season".

1977: In January Swan Wool Auctions enquires about leasing the Mount Barker packing shed for 3-5 years. However, the Board reports that they are not in a position to negotiate a lease and will clarify their position in the 2-3 months. In February, a decision is made to sell the grader from the Mount Barker packing shed and move the MBC's No 1 store operations into part of the shed.

In March, plans for the development of the packing shed are developed. In June, the MBC decides to move stores No. 1 and No. 2 to the Mount Barker packing shed. In August, the MBC calls for tenders for a study of the feasibility to combine grocery, hardware, drapery mercery into the Mount Barker packing sheds.

	1978: Ross Pickles Chairman of the MBC focuses on turning the Mount Barker packing shed into a supermarket. The MBC makes the decision to retain the retail outlet in the centre of the Mount Barker town site to maintain a community and village ‘feel’ in the town. The MBC sells a cool store and retail premises and borrows \$80,000 to fund the development of the supermarket. The previous General Manager of the MBC Bill Gorman retired in 1977, passing the responsibility of developing the supermarket to Warren York (the MBC’s Secretary and Accountant) who takes over as GM. The MBC’s Memorandum of Association is amended to expand company capital of to \$500,000 divided into 250,000 shares of \$2 each. In July, the MBC sign a franchise agreement with Foodland Associated. The new MBC supermarket is opened in Mount Barker. 1979: MBC supermarket sales reach \$3.14m. The MBC experiences stiff competition from supermarkets in Albany and Perth-based farm merchandise and machinery companies.
1980s	1981: The MBC builds a fuel depot for shareholders. Sales of clover seed decline and the MBC shifts to cleaning disease resistant Canola seed varieties. The seed shed is extended and separate offices are built for Wesfarmers. Slow demand for agricultural commodities in the 1980s resulted in downturn in employment, resulting in families leaving the Mount Barker district. 1982: MBC sales reach \$4.8m, shareholders receive a 5% discount and \$250,000 is returned to them by way of cash or debentures. 1984: The MBC donates \$60,000 to Plantagenet Village Homes despite receiving some criticism of the decision from shareholders. The MBC also donates \$3,000 to the Fire Brigade and \$10,000 for a public weighbridge. 1985: The MBC encourages locals to shop with them to ensure that money continues to flow back in to the community. 1987: The MBC reports a record trading year (\$9.3m sales, \$500,000 profit) despite a drop in commissions through the Wesfarmers executive. The MBC Board describe their ‘quiet structure’ as becoming ‘increasingly resilient’ to the vagaries of the rural sector in the Directors Report. The MBC becomes part of Combined Rural Traders group to extend the range of merchandise offered to farmers. The MBC’s Memorandum of Association is amended to extend company capital to \$1m divided into 500,000 shares of \$2 each. The MBC’s Articles of Association are amended so that the MBC Board can repurchase the shares of inactive shareholders.

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	1988: MBC seed operations (Southern Seeds) reach \$1m in sales.
1990s	1990: The MBC's low levels of debt help them to avoid the constraints to funding related to high interest rates. The MBC Board celebrates their financial conservatism, committed directors and shareholders, stable management and community support. The structure of the Board reflects this commitment and stability as seven Directors had served more than 140 years between them. The MBC Memorandum of Association is amended to extend company capital to \$5m divided into 2.5m shares of \$2 each. The minimum number of shares held per member changed in Articles of Association from 5,000 to 10,000. 1991: The MBC GM restates their commitment to the interests of active shareholders and thus the affordability of consumer products. 1992: The MBC introduces a 24-fuel card facility for shareholders. 1993: The MBC wins CRT Western Region shareholder of the year award and the GM becomes Plantagenet Shire's Citizen of the Year. MBC staffing levels reach fifty. Shareholders are warned against the dangers of corporate takeovers. 1994: The introduction of Plant Breeder's Rights in 1994 means the end of registered seed growers producing seed for the Department of Agriculture. Canola seed production rights are purchased by Dovuro Pty, the MBC becomes Dovuro's representatives in WA. The MBC builds a new shed to cope with increasing seed sales. 1995: Articles of Association (article 90) amended so determine that MBC Directors hold at least 50 shares or be employed by the MBC. 1996: There are a number of changes to the MBC Board. Mrs Adams retires from the MBC Board. The MBC Articles of Association required a 75% majority of A class shareholders present at the AGM or voting by proxy. The MBC buys leased land from Westrail and fights charges brought by the ATO regarding taxation and reporting. 1997: MBC Board procedures become more formal. A postal ballot is held for the election of Board members and the MBC Board sought input from shareholders on its corporate objective. Shareholders and the Board define the purpose of the MBC as serving the long-term interests of active shareholders. The MBC Articles of Association is amended to include a purchase of shares provision. There is a move away from mixed enterprise farming in the Mount Barker into tree plantations as a result of the drop in wool and cattle prices. Shareholders express concern at the AGM about the negative impact of tree

	plantations on the MBC's business. The MBC refrained from commenting publicly on this issue, preferring instead for individual members to express their own opinions in public forums. Shareholders also raise concerns about direct competition of the MBC supermarket with Coles and Woolworths and Supermarket in Albany. Questions are also raised about local support for the MBC and the need to canvass local residents for patronage. 1998: The MBC introduces the practice of repurchasing shares at a discount from inactive shareholders. 1999: The MBC warns shareholders at the AGM that the business and competitive environment is changing and the MBC's businesses need to react effectively to these challenges. The Board suggest that this may result in a less 'personal' way of doing business with the MBC as management focus on achieving efficiencies and profitability. Article 102 is removed from the MBC's Articles of Association relating to the eligibility of retiring directors' likely re-election. At the AGM shareholders raise questions about why 'B' class shareholders are not eligible to vote. Mr. Pickles retires after 41 years of service to the MBC.
2000s	2000: The Board reports the third highest net profit in the trading history of the MBC. Supermarket sales increase marginally as the MBC continues to compete with retailers in Albany). The lowest sales in merchandise for five years are recorded as a result of slump in wool and cattle prices and an increase in tree plantations. The Manager of the Merchandise division resigns. CRT (Ruralco Limited) merges with IAMA and the range of stock in Merchandise increases. The MBC expends \$434,250 of internal capital on developing the company's property. Keith Offer and A. G. Riggall both retire from the MBC Board and the Board celebrates the long-term tenure of GMs, Managers and Board Members. The Board introduce change in MBC management from a flat structure to a more comprehensive management structure that better reflects management responsibilities. The MBC Chairman reports on the changing economic and environment in the Directors report and states, <i>"With the business environment changing so rapidly and traditional areas of income shrinking, the Co-op is revisiting its focus for the next few years. After the Supermarket extensions, the Co-op will still be debt free, owning all its assets and operating profitably, albeit at a lower level. The challenge is to evaluate what is in the best interests of our shareholders, not only for this generation, but for the next as well – a concept which although not in line with conventional wisdom, will be appreciated</i>



ultimately for its contribution to a future community. The spirit of co-operation must not be snuffed out by myopic economic rationalism" (E. V. Taylor, Chairman 27th Jan 2000).

2001: Shareholders raise questions at the AGM about the retail division becoming a Dewsons franchise and possibility of extended trading hours. The MBC Board reports that trading hours are under review but any extended hours must be economic.

The MBC writes off debts of \$17,250 related to the Finance brokers' scandal.

Seed sales became increasingly risky, sales halve and the seed plant operates at a loss. The MBC Directors report a reduction in Southern Seeds activities (sales decline from \$3m to \$1.8m in the previous reporting period); a decision is made not to invest any more money in this business.

The Directors also report a reduction in shareholder rebates, changes to the retail division accounting system, capital expenditure of \$656,000 on supermarket extensions, negotiations to trade as Dewsons, and reduced sales in Merchandise.

2002: The voting structure of the MBC is amended in the MBC's Articles of Association to reflect the shift from a producer to a consumer Co-operative. Class B shareholders (non-rural producers) are given equal voting rights as Class A shareholders. There are 3,235 Mount Barker Co-op shareholders. Mrs Slade resigns from the MBC Board.

The MBC opens the supermarket extensions and is upgraded to a Dewsons outlet (part of the Foodland brand). The MBC remains debt free and continues to donate money to local community groups. The investment in the supermarket is self-funded; the MBC's portfolio of shares is used to cover any shortfalls in funding.

The Board argues that the extension of the supermarket is a social investment in the town and that local patronage of the MBC's retail division is critical for the community to survive. The MBC registers a trading loss.

The Board report a difficult trading period and that the MBC's profits come from investments and asset sales and not from trading. The Merchandise section increases sales but at lower margins and Southern Seeds reports a difficult trading year and operating loss. Despite a difficult trading year, the MBC donates \$9,000 to local clubs and charities.

Shareholders raise a range of issues at the AGM including pricing in the supermarket, the importance of service and product availability not just cheap prices, the need for customer focus group, fuel pricing policy, the need for a more professional approach by GM and the future of southern seeds.

2003: The Board reports disappointing returns to shareholders as a result of increasing overhead costs and competition. The merchandise division

reports falling profitability and the division manager resigns. A consultant is engaged to undertake a feasibility study of Southern Seeds and the Board decides to close this division of the MBC business and sell off related plant and equipment.

Supermarket extensions, costing \$2.5m of shareholder funds, are opened under the Dewson's brand. New technology is adopted by the MBC to improve access to financial information.

Anne Mackie retires as Chair. Lyn Slade is appointed to the Board. The MBC Articles of Association (Articles 78, 79, 80, 23) are amended to give both A and B class shareholders the right to vote.

MBC Directors report on one of the most difficult periods in the recent history of the Board in respect to closing the Seed division and seeking new ventures to run in the seed shed. The General Manager's contract is not renewed after 26 years of service. A consultant is appointed to find a new GM and Norm Mills is appointed on 1 Sept 2003. Mr. Mills has extensive retail management experience.

2004: Shareholders raise concerns about the pricing of merchandise and fuel, access to the MBC carpark by general public, share buyback policy, the cost of maintaining a share register with inactive members. Shareholders express disappointment with share dividend and acknowledge the difficulties faced by the MBC Board in recent years.

The minutes of the AGM reflect difficulties associated with the replacement of the General Manager. Questions are raised by shareholders about the efficacy of the recruitment and selection process. The Chair extends the Board's apologies to the new GM for his treatment at the AGM.

The Board reports that it is receiving a more informative view of the company's financial position. A Business consultant is engaged to run a strategic planning workshop to help to focus the Board's thinking, review current practices and future ventures. The MBC Board develop a 5-to-10-year plan and a framework for a robust and successful business.

The Board resolves to make any changes necessary to meet goals whilst maintaining good corporate governance. They report low profits for the previous trading year but that significant changes by the Board have improved final results.

New Point-of-sale technology and a shareholder loyalty program are implemented in the MBC's retail business and boost trading revenue. Operational procedures are audited and improved and the Merchandise division is divided into Hardware (Mitre 10) and Rural (Elders) in order to offer competitive prices to consumers. There is an increase in MBC staff

training, feedback and auditing processes. The Mount Barker Co-operative Limited logo starts to appear on internal documentation.

2005: At the AGM, the Chairman and GM undertake to advise shareholders of the split between cash and shares paid as a rebate paid in 2004. Shareholders question the Chairman over the value of ASX shares held by the MBC (in excess of \$1m).

Other issues raised by shareholders include the removal of the Air Liquide agency, percentage of trading conducted with shareholders, the introduction of lines stocked by other businesses in town in MBC retail outlets and the policy on Sunday trading.

Metcash takes over Foodland and the Dewsons supermarket is rebranded as Supa IGA. The MBC Board report an increase in retail sales of 14.23% as a result of extended Saturday trading, the division of Merchandise into hardware and rural services and redevelopment of the rural services division. The Board implement Corporate Governance plans which include a convening a committee for Risk Management, Audit and Finance to enhance accountability and efficiency of board operations. An MBC staff training program is implemented.

The MBC persuades Bankwest to stay in Mount Barker and purchases the newsagency as a separate business to maintain a newspaper outlet and Lotto agency in the town. The MBC installs a closed-circuit TV system in partnership with the Shire and Police Department.

2006: The MBC Board reports an increase in sales of 18%. The MBC continues to target 90% trading with shareholders. The number of shares required to be an MBC member are reduced from 50 to 10 which results in an increase in applications for shares. The shareholder loyalty scheme returns \$49,412 to members.

The Board develops a strategic plan to build on successful franchise retail business which includes the development of old cool room. The MBC donates \$22,000 to local groups including the provision of school scholarships.

2007: The Board reports a 12% increase in sales and a 15% increase in gross profits from trading activities. The Chairman reports that current financial reserves are ear-marked for future redevelopment. The MBC undertakes a review of MBC properties and locations, Waterdrop Hardware Business is purchased to expand hardware offering, a new fuel truck is purchased for bulk fuel delivery, repairs are made to the cool store to allow for future development and the supermarket heating project is completed.



	The Loyalty rewards program returns \$40,674 to shareholders (2,134 shareholders). The MBC continues to provide school scholarships and support to local groups. 2008: The supermarket is the best performer in the Supa IGA group with sales of over \$12m. Mitre 10 sales increase by 27%, fuel service sales are up 24% on budget, and Rural Services sales are up 37% on budget. There are 3004 MBC shareholders. The Loyalty rewards program returns \$59,800 to shareholders. The MBC Board report the need to focus on developing a profitable, sustainable business to meet the challenges of the future and to focus on improving opportunities for members and customers to shop locally with the MBC. The MBC's Rural Services division is moved to a stand-alone site in Mount Barker. The cost of the new building is estimated at \$1.4 million. The MBC funds the book project 'It started with apples' and make donations of over \$18,000 to community groups including the medical centre and community college. 2009: The MBC Board reports a positive economic trading environment. Operating profits increase by 11.5%, supermarket sales increase by 7.45%, Mitre 10 increase by 28.66% and fuel sales increase by 12.81%. The MBC's total revenue is \$25.2m with division sales of \$19.837m. The Loyalty rewards program returns \$67,651 to shareholders. The MBC expands hardware product lines, Makes changes to the supermarket, upgrades the Fuel Services site and sells the newsagency to local families. The MBC provides funding to the Plantagenet Medical group, Fire and Emergency Centre, community college and sponsors the Qantas wine show.
2010s	2010: The MBC Board reports total revenue of \$24.9 million with divisional sales of \$19.6 million. Directors report a difficult trading period with a decrease in pre-tax profits of 27.2%, an increase in supermarket sales of 0.86%, a decrease in Mitre 10 sales of 7.75% and an increase in fuel service sales of 5.15%. The Loyalty rewards program returns \$67,185 to shareholders. The number of shareholders increases to 2,410. The MBC explores the possibility of opening a retail liquor store. Hospitality Total Services Perth conducts a feasibility study. The MBC Board plans to expand the retail business by redeveloping the old cool store. The proposed redevelopment includes a new supermarket layout, improved range of products and service in the hardware and nursery division



and improvements to fuel service. The MBC continues to provide community funding and student sponsorships.

2011: The MBC Board reports total revenue of \$21,136,814. Loyalty rewards program returned \$506,478 to members and customers via dividends, trading discounts, loyalty rewards and donations. General manager Norm Mills retires at the end of 2011, with Mr. Kevin Ford being appointed in February 2012.

2012: The MBC Board reports total revenue of \$23.4 million, with sales increasing by 3.4% – mainly due to a 12.8% increase in fuel sales. The net profit after tax (NPAT) of \$617,146. However, it showed a decrease of 30% on the previous year, mainly due to a fall in value of the co-op's financial assets. A total of \$454,427 is distributed as dividends, trading discounts, loyalty rewards and donations. The planned retail development, including a liquor store, is underway at this time.

2013: The MBC's attention at this time was focused on the retail redevelopment, which updated the supermarket layout (including a relocated front end) and a modern shopping mall entry with two retail tenancies. The redevelopment was officially opened in June 2013 and the new liquor store began trading 1st July 2013.

Revenue for the financial year was \$24.17 million, an increase of 4% on the previous year, led by hardware sales which increased by 10% and supermarket sales by 5%. NPAT was \$720,592. A total of \$488,276 is distributed as dividends, trading discounts, loyalty rewards and donations.

2014: Annual report details community benefit, including wages and salaries, local contractors, and local produce sales, as well as donations to local food bank and engagement with the high school and local community groups. This is possibly a response to the controversy over the liquor store.

The MBC employs 52 full-time employees paid >\$3 million in wages and salaries. It paid \$3.7 million to local contractors to redevelop the store and build a new liquor store. \$250,000 is paid to local suppliers, 1/3 of the wine sold is local wine (over 3,000 bottles). Product worth \$16,000 was donated to the local food bank. Donations and engagement with Mount Barker Community College, as well as student employment. MBC facilities used by many community groups for fund-raising events. \$48,007 was distributed to the community through the MBC's sponsorship and donation program.

Overall, to end 2013/4 financial year, overall sales were up 16% to over \$27.67 million, accounted for by increases in sales by the fuel division (19%), home improvement (13%) and supermarket (7%). Liquor sales were in excess of \$1m. NPAT was \$337,135.



Cranbrook fuel facility commenced trading November 2014. A total of \$514,941 is distributed as dividends, trading discounts, loyalty rewards, sponsorships and donations.

2015: The annual report is again keen to emphasise the ways in which the MBC supports the community – through wages, purchasing from local suppliers, donating to the local food bank (\$13,000 this year) and supporting the local schools.

The fuel canopy at the Mount Barker fuel installation was replaced in September 2014. Rural services arrangement with Elders continues; 92% of this trade is with MBC members.

Revenue was over \$28.58 million, with fuel sales volume growing by 10% and home improvement sales increasing by 11%. The increase in supermarket sales was less at 2%, while the Liquor division increased sales by 29%. NPAT was \$415,240.

Retail relay in Home Improvement (Mitre 10) was completed in June 2014, and grocery department in September 2014. A total of \$457,836 is distributed via dividends, trading discounts, loyalty rewards, sponsorships and donations.

2016: The annual report again emphasises community engagement, for example by providing significant local employment (85 people in this financial year), supporting Mount Barker Fair and Cranbrook Show, as well as sponsoring the Grapes and Gallops Festival and Porongurup Wine Festival.

In the 2015-2016 year the MBC donated \$10,000 to projects promoting the local wine industry. It also supported the Rotary Club (including its Christmas lunch), as well as Plantagenet Village Homes, RSL Mount Barker, Mount Barker Bowls and Sporting Club, Mount Barker Golf Club and Plantagenet Historical Society. \$53,000 was distributed through the MBC's sponsorship and donation program.

Revenue was over \$29.4 million with growth in all departments including rural services (12%), liquor (10%) and supermarket (5%). NPAT was \$711,641. The volume of fuel sales increased by 14%. Upgrades were performed on various areas of fresh food retail as well as the diesel tank at the fuel division. A replacement generator was installed to improve response to electricity supply disruptions. The co-op was also keen to invest in staff, sending CEO Kevin Ford and accountant Deb Murphy to the Co-operative Leadership course hosted by UWA and AIM. The MBC distributes \$462,138 to the community as dividends, trading discounts, loyalty payments, sponsorships and donations.

2017: The annual report states that the directors 'seek to maximise returns to members through dividends, discounts and loyalty vouchers, whilst keeping a long-term view through investing for the future.' \$44,060 was

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distributed through the MBC's sponsorship and donation program, including to local schools, sporting clubs, RSL, CWA, aged care and Mount Barker Wine Producers.

Revenue was just over \$29.24 million, up 3% on the previous year in what the report notes were 'challenging trading conditions'. NPAT was \$253,740. Liquor sales increased by 4%, supermarket sales by 2% and Mitre 10 sales by 4%. The Mitre 10 store was awarded national medium sized store of the year at the Mitre 10 conference in February. Kevin Ford completed his five years as CEO and was replaced by Gary Tempany in April 2017. A total of \$358,120 was paid out in the form of dividends, trading discounts, loyalty rewards, sponsorships and donations.

2018: The MBC celebrates its centenary. In this financial year the MBC employed 85 staff and donated \$55,089 to local groups.

Revenue continued to grow, with an increase of 4.57% to over \$30.6 million with NPAT fairly steady at \$270,641. Higher fuel prices and volumes saw fuel business sales increase by 16%. Liquor trade increased by 7% but supermarket sales were steady at a 1% increase while hardware sales decreased by 3%.

The liquor store was awarded Western Australian Liquor store of the year at the Independent Brands Australia conference. A total of \$264,928 was paid out as dividends, trading discounts, loyalty rewards, sponsorships and donations.

2019: This report celebrates 101 years of the MBC and has a historical flavour. The MBC used the centenary to:

"reflect on how the Co-operative has served the local community over that time, and to consider how best to serve the local community into the future" (p.3).

The report notes the finding that maximising returns to members (e.g. through loyalty vouchers, discounts and dividends) is as important as investing in the business for its long-term viability.

The report again reiterated the significance of the MBC as a local employer, purchaser of local goods and services, and contributor to the community through donations to schools and other local community organisations.

It is estimated that over the MBC's 100-year history, they have contributed over \$14 million to the community and members through dividends, discounts, loyalty vouchers and donations (p.5). In this financial year, \$41,347 was distributed under the community sponsorships and donations program.

The total revenue for the MBC was over \$31.7 million, up 3.79% on the previous year, with increases in sales in all departments except hardware. The greatest increases were in liquor (8.85%) and fuel (7.85%). NPAT was

	\$620,722, significantly up on the previous year. A total of \$456,041 was paid out as dividends, trading discounts, loyalty rewards, sponsorships and donations. Refurbishment of the supermarket was planned for mid-2020.
2020s	2020: Annual report commences with an overview of the MBC's support for community projects and organisations. Donations totalling \$40,510 were made to 67 local community groups. The report notes that at 30/6/2020 the MBC had 1,948 members, up from 1,913 in 2019, and employed 97 staff. This annual report also details the MBC's response to the Covid-19 pandemic. As a free service to the community, the MBC allowed eligible customers (primarily elderly and other people at high risk from Covid-19) to order supermarket items. These were then packed by MBC staff and delivered by volunteers coordinated by Sue Etherington and Empowering Plantagenet Seniors. Such orders peaked at around 60-100 per week. The MBC's sales revenue was over \$33.2 million, an increase of 4.5% on the previous year. This was buoyed by a customer preference for shopping closer to home during the pandemic, with supermarket sales up 8.1% on the 2019 result. However, this was dwarfed by the increase in liquor and hardware sales, which were up 25.2% and 14% respectively, again, due at least in part to changing consumption and activity patterns during the pandemic. Fuel price fell, resulting in a sales decline of 9.3% even though volumes were steady. NPAT was a record \$825,856. A total of \$338,957 was paid out as dividends, trading discounts, loyalty rewards, sponsorships and donations. The MBC was investing \$1.8 million into the supermarket refurbishment, scheduled to take place in late 2020 through to mid-2021. 2021: The major development of this financial year was the refurbishment of the supermarket, which was reported to have progressed on schedule; the annual report contains several images of the new fit-out. Of the items carried by the supermarket, 230 were sourced from local suppliers. Donations totalling \$61,319 were made to 73 local community groups. At this time, the MBC was employing 95 staff and there were 2,012 members, up from 1948 in 2020. Revenue was just over \$34.7 million, an increase of 4.3% on the previous year. NPAT was again high at \$797,056. All trading divisions performed very well, led by Liquor which increased by 23.6% and Elders by 22%. Supermarket sales increased by 4.85% and hardware by 12.1%. The annual report notes that 35% of the total bottled wine carried by the liquor store is locally produced. A total of \$443,341 was distributed as dividends, trading discounts, loyalty rewards, sponsorships and donations.

	The supermarket refurbishment was completed and launched in October 2021. 2022: The MBC donated a total of \$45,491 to 70 local community groups, including local schools. The MBC is also a foundation sponsor of Empowering Plantagenet Seniors, which evolved from the program to deliver groceries to seniors and vulnerable people during the COVID-19 pandemic. Member numbers grew to 2,148, up from 2,012 in 2021. The MBC employed 95 staff. Total revenue was over \$39.5 million, up 13.8% on the previous year. NPAT was again high at just over \$1.16 million. Supermarket sales increased by 6.9%, hardware by 3.7%, Liquor by 3.7% and fuel by a massive 40.3%, driven by high levels of tourist traffic at Mount Barker and Cranbrook as well as higher wholesale fuel prices. The increase in supermarket sales exceeded the estimate provided in the business case for refurbishment. In a challenging context, Elders Mount Barker increased sales turnover and earnings. The liquor store was reported as carrying 330 local wines, representing 40% of the total bottled wine retailing. A total of \$668,531 was paid out in the form of dividends, trading discounts, loyalty rewards, donations and sponsorships. One focus was control of electricity costs and over the past three years, average monthly electricity costs were reduced by over 25%. The installation of new energy efficient refrigeration in the supermarket was anticipated to reduce consumption further. 2023: The MBC achieved a total turnover of \$40.65 million with an NPAT of \$1.18 million. A total of \$883,394 was distributed in the form of dividends, trading discounts, loyalty rewards, sponsorships and donations. Deborah “Deb” Murphy was appointed CEO of the MBC in November 2023 replacing Gary Tempany. Deb had previously worked within the Co-operative in the financial administration team. 2024: The total revenue of the MBC was \$41.35 million, with an NPAT of \$960,709. The Co-operative distributed a total of \$622,853 in the form of dividends, trading discounts, loyalty rewards, sponsorships and donations. The Supermarket was the most important performer within the MBC’s business units, with fuel, hardware and liquor holding steady. Supplies were disrupted due to rail-freight problems. Membership numbers continued to grow to a total of 2,317. Christopher George Pavlovich was appointed to the Board to fill a casual vacancy.
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About the authors

Tim Mazzarol is an Emeritus Professor and Senior Honorary Research Fellow in Entrepreneurship, Innovation, Marketing and Strategy at the University of Western Australia and an affiliate Professor with the Burgundy School of Business, Groupe ESC Dijon, Bourgogne, France. He is also the Director of the Centre for Entrepreneurial Management and Innovation (CEMI), an independent initiative designed to enhance awareness of entrepreneurship, innovation, and small business management. He is also the founder Director of the Co-operative Enterprise Research Unit (CERU), a special research entity for the study of co-operative and mutual enterprises (CMEs) at the University of Western Australia. Tim is also a Qualified Practising Researcher (QPR) as recognised by the Australian Research Society (ARS). He has around 20 years of experience of collaborating with small entrepreneurial firms as well as large corporations and government agencies. He is the author of several books on entrepreneurship, small business management and innovation. He holds a PhD in Management and an MBA with distinction from Curtin University of Technology, and a Bachelor of Arts with Honours from Murdoch University, Western Australia.

Joanne Sneddon is an Associate Professor of Marketing in the UWA Business School and Co-Director of the UWA Centre for Human and Cultural Values. She was awarded her PhD at UWA in 2009. Her doctoral research examined the factors influencing the adoption and implementation of new technologies in the Australian wool industry. She has considerable experience in research, teaching and industry engagement. Her research interests and expertise are in the area of human values. She is particularly interested in the measurement of human values in adults and children and how values influence consumer and pro-social behaviour in a range of contexts. Her research has been published in over 40 international journals including *Assessment*, *Personality and Individual Differences*, *Annals of Tourism Research*, *Psychology & Marketing*, *Child Development*, and the *European Journal of Personality*.

Andrea Gaynor a Professor of History and Australian Research Council Future Fellow at The University of Western Australia. As an environmental historian, she seeks to research and tell historical stories that can spark ideas, conversations and action toward more just and sustainable societies. Her ongoing research and activism have focused on nature conservation, community-led land management, agriculture, fisheries, and urban sustainability.

Amber van Aurich is a Research Officer at the University of Western Australia where she is engaged in the UWA Business School supporting the Australian Research Council (ARC) Linkage Grant project investigating the economic and social contribution of the co-operative and mutual enterprise (CME) sector to Western Australia. She holds a Bachelor of Arts with First Class Honours from Edith Cowan University majoring in History, Politics, and International Relations. She is currently undertaking a PhD at UWA School of Humanities. Amber is experienced in qualitative research skills, including oral and local history and feminist theory.