

A Co-operative Success Story for IYC2012

Avoca, in Central Victoria, 181km from Melbourne, sits at the intersection of the Sunraysia Highway from Ballarat to Mildura, and the Pyrenees Highway, from Castlemaine to Hamilton. The population in 2012 is around 1,100 in the town and 1,500 in the district. In the mid 1990s it was in serious decline, having suffered the closure of passenger rail services in 1979 after 103 years, and closure of the Court House in 1979 after 120 years. The only significant development in 1979 was a new Catholic Church, replacing the one built 107 years earlier.

In the early 1990s the Shires of Avoca, Lexton and Ripon were amalgamated into Pyrenees Shire, headquartered in Beaufort, on the opposite side of the Great Dividing Ranges. Most of the Council infrastructure was transferred to Beaufort, leaving the Avoca Town Hall and Shire Offices disused, and the locals feeling disenfranchised. The population was down to around 800 and shrinking, and local businesses were becoming unprofitable and closing. There had been three banks in Avoca, but only one remained. There were around 90 houses in the township on the market, some having been for sale for years without attracting any interest. This resulted in property values reaching a low ebb, further depressing the economy of the district. In 1997 a three-bedroom house on two acres near the town centre changed hands for \$25,000!

In 1998 the last remaining Bank in Avoca downgraded to agency status, open for short hours on three days per week. This sparked a group of concerned locals to form a steering committee to investigate the possibility of getting a franchise for Bendigo Bank Community Bank, as Rupanyup/Minyip had recently done. In December, 1998 the Avoca District Co-operative Ltd was formed, and raised \$245,000 from 230 shareholders to purchase the franchise for the 6th community bank branch of Bendigo Bank. (In 2012 there are almost 300 community bank branches all around Australia) The banking chamber of the former Westpac Bank was leased, staff recruited, and the bank opened for business on 16th February, 1999.

Within a few months of the new bank opening, houses started selling for double the prices they may have achieved a year or two earlier. Substantial premises in High Street which had changed hands for around \$100,000 in the early 1990s were now selling for \$250,000. New houses commenced springing up, and are still doing so, with the result that a shortage of available residential land is looming. A new Industrial Estate was opened, and a majority of the lots have been sold, with a number of new industries being attracted to the town. This will flourish even more strongly if and when the State Government honours promises made to connect Avoca to the Natural Gas network.

Also within a few months of the Avoca District Co-op Ltd commencing business, two other new co-operatives were formed in the district. The Pyrenees Store Co-operative Ltd at Lexton took over the licence to operate the Lexton Post Office, and the Pyrenees Hay Processors Co-operative Ltd constructed a plant to prepare oaten hay for export overseas. All three of these Co-operatives are now flourishing in this International Year of Co-operatives 2012, and are members of Co-operatives Victoria, the apex body for the State.

The Avoca and Beaufort Community Bank branches of Bendigo Bank are the ONLY banks in the whole of Pyrenees Shire, and are both very profitable. In 2006 the Avoca District Co-op Ltd purchased the Bendigo Bank franchise for Maryborough, and this is also becoming very profitable, despite being one of six banks in that town. In 2011 the Avoca District Co-op took control of the Bendigo Bank Agency in St Arnaud, with a view to growing it into a Community Bank branch in a few years time. November, 2011 saw the Co-operative's AGM approving a Board recommendation of a 3-for-5 bonus share issue plus a 15% fully-franked dividend. Over the past decade our local communities have also benefited from the Co-operative's employment of 11 people, plus distribution of a share of the profits in the order of \$250,000 in sponsorships, grants, etc., to local community-based organisations, so the **big banks have really done the whole district a favour by closing their branches!**