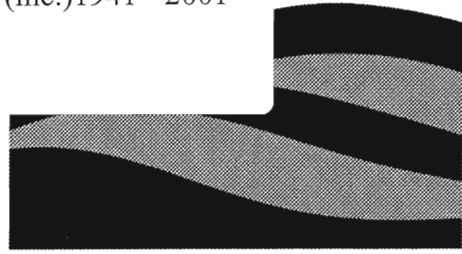


Vincent, John (2001)

Federated farmers of New Zealand (inc.)1941 - 2001



**FEDERATED
FARMERS**
OF NEW ZEALAND (INC)

**FEDERATED FARMERS
OF NEW ZEALAND[Inc.]
1941 to 2001**

JOHN F VINCENT

2001
Project for Kelloggs Rural Leadership Program

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INTRODUCTION

When trying to think of a subject for my project during the Kellogg Leadership Program, I became aware of the lack of knowledge of Federated Farmers by some of the attendees on the program with me. Although there was wide awareness of the organisation's existence and some of the work undertaken by Federated Farmers by all on the course, there was a lack of understanding of the structure and of the networking of Federated Farmers. So I decided to do my project on the structure and history of Federated Farmers.

Federated Farmers, as the voice of the farming community has an important role in ensuring that the aspirations of rural people are effectively conveyed to the nation's policy makers and that agricultural industry remains profitable for the individual farmer and productive for the nation as a whole.

I believe that over the last fifty years Federated Farmers has successfully carried out its objectives of protecting and fostering the interests of the rural community. However times are continually changing and it is important that the federation constantly reassess the structure and methods of operation in the light of changing conditions. The Federation must at all times ensure that the Federation can and does accurately reflect the views of its members. Federated Farmers needs to be structured and staffed in such a way that it can efficiently and effectively give effect to the views of the members.

Over the fifty years of Federated Farmers there has been many changes within the organisation as they have changed to meet the demands of progress.

EXECUTIVE SUMMARY

Federated Farmers is one of the nations leading sector organisations, Federated Farmers represents over 16,000 farming and rural family members throughout New Zealand.

A network of 24 provinces, together with associated area networks or branches, provides a locally based, democratic organisation that gives farmers a collective voice nationally and within each region.

The Federation also maintains six industry groups, representing the specific interests of, Meat & Fibre Producers, Dairy Farmers of NZ, South Island High Country and Grains Council. Rural Butchers Mohair New Zealand Inc,

Affiliated to Federated Farmers are six interest groups they are:

- National Beekeepers' Association of NZ Inc.
- NZ Berryfruit Growers' Federation
- NZ Pork Industry Board
- NZ Vegetable & Potato Growers' Federation Inc.
- Northland Federated Farmers
- Rural Women New Zealand.

Federated Farmers is a member of the Land User Forum, a group of rural organisations. The seven other members are:

- N.Z. Association of Small Farmers Inc
- NZ Berryfruit Growers Federation
- N.Z. Grape Growers Council Inc
- NZ Pork Industry Board
- NZ Vegetable and Potato Growers Federation Inc
- Rural Women NZ
- Young Farmer's Club

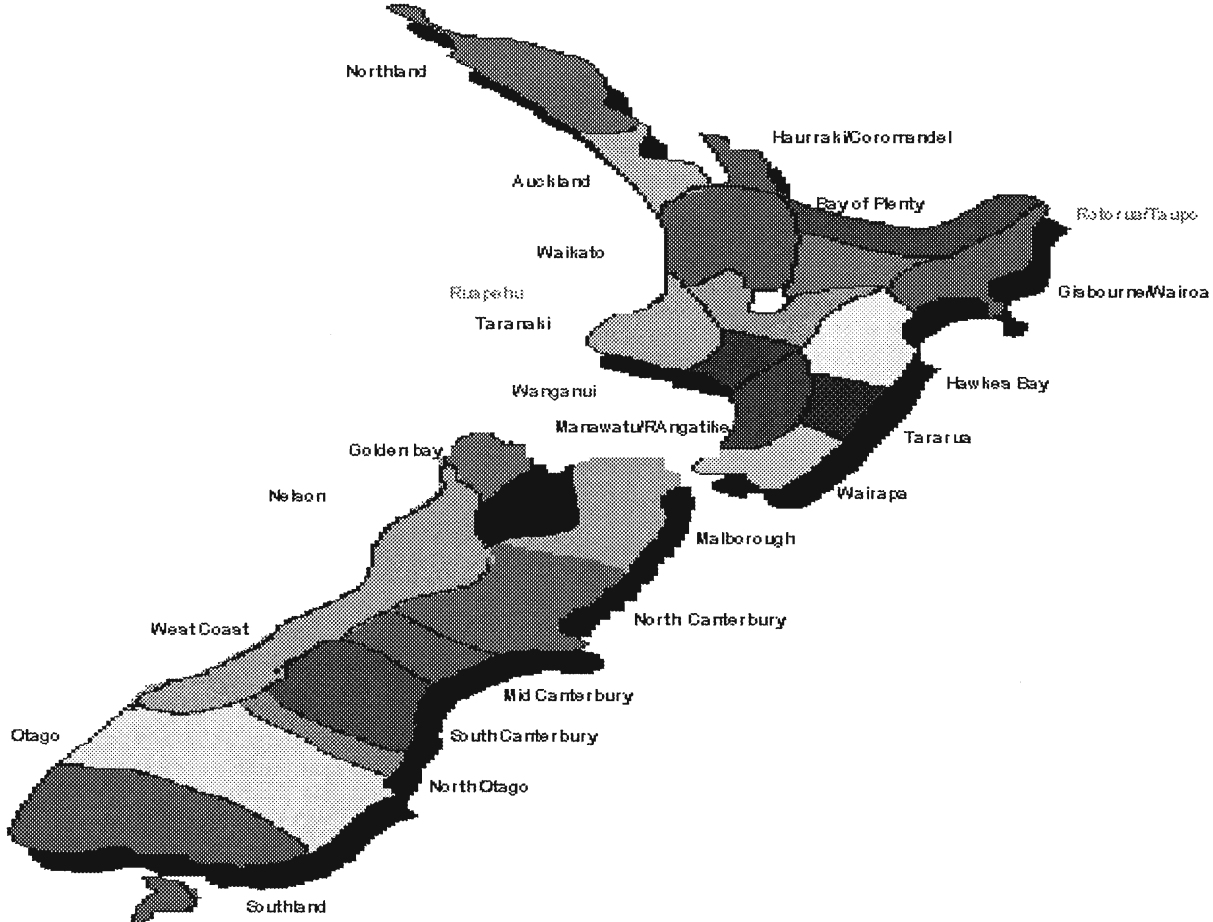
The Federation is governed by a National Council that meets twice a year, and a National Board that meets by-monthly.

Policy development, advocacy, lobbying and legal advice are services available to members at the end of the 0800 number. Administration is

mainly centralised in Hamilton, supported by Palmerston North and Dunedin.

Federated Farmers is also affiliated to the International Federation of Agricultural Producers, a worldwide group of farming organisations

Present Structure of Federated Farmers



MISSION STATEMENT

The mission of Federated Farmers of New Zealand (Inc) is to:
“To add value to the business of farming for our members.”

HOW FEDERATED FARMERS STARTED

The first Dominion Conference of F.F was held in Wellington on October 1st 1946.

This followed years of effort to establish a unified organisation encompassing all New Zealand farmers. In the late 1930s and the early war years greater Government involvement in primary production and produce marketing stimulated greater involvement of the various farming organisations in political lobbying, and showed the need for an undivided influential primary producers voice.

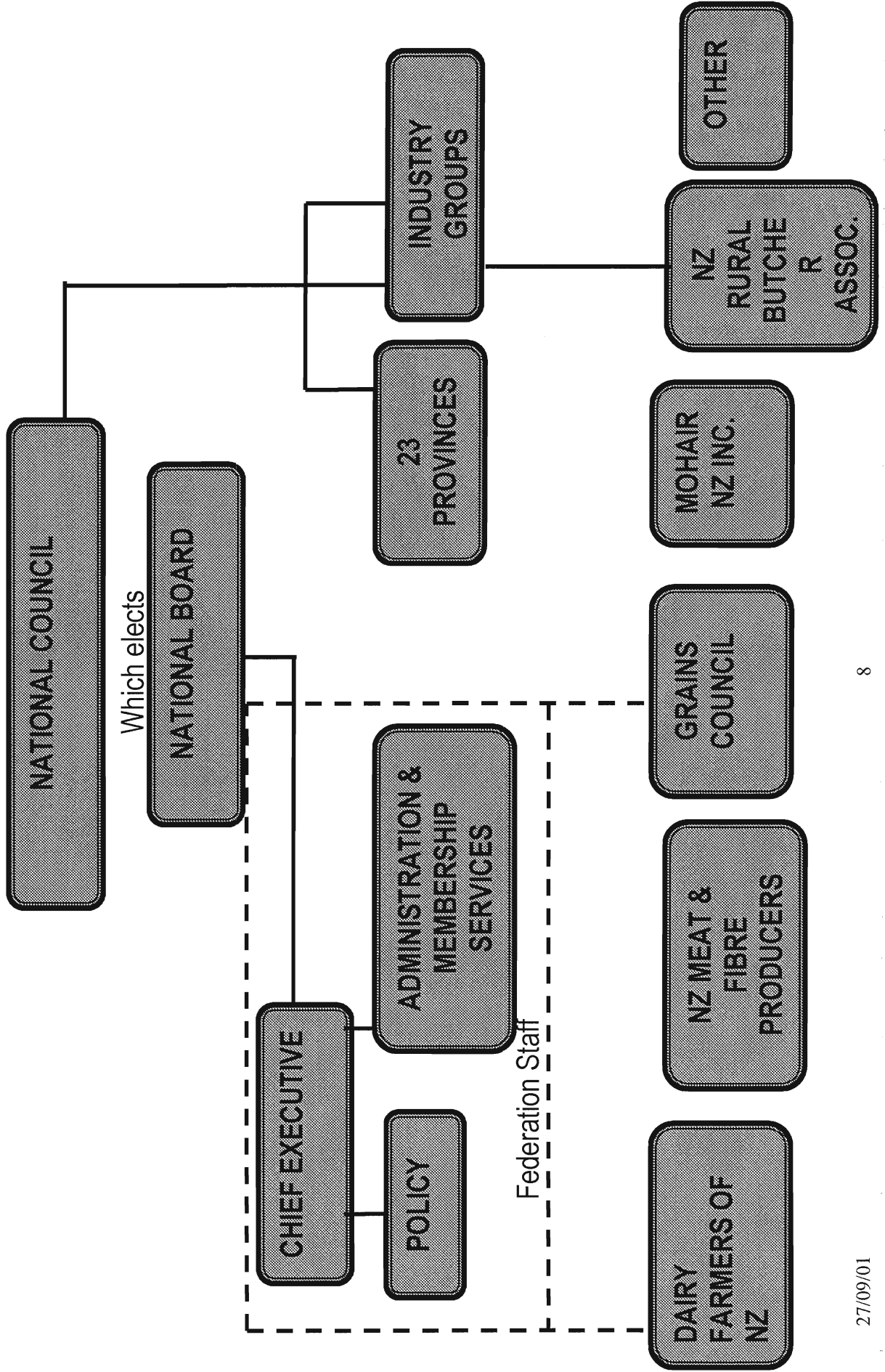
This led to the formation in 1941 of the Farmers Federation. A loosely knit group of fourteen producer organisations, including the New Zealand Farmers Union and the NZ Sheepowners' Federation. In 1944 the Sheepowners Federation and the Dairy Producers Association together with the other bodies in the Farmers Federation agreed to join to establish a new organisation.

Separate commodity councils were to be created at provincial and national level for each produce section, with an overall dominion council to operate as the controlling body.

After protracted negotiations agreement was finally reached on the constitution of Federated Farmers of New Zealand [Inc] which then allowed the organisation to be officially established in 1946.

HOW WE WORK FOR YOU

Members elect Provincial representatives, who attend



OBJECTS AND POWERS OF FEDERATED FARMERS

The original object and powers were well summarised in the first constitution in rule [2]

Which was as follows:

The objects and powers of the Federation are to protect, to foster and to advance the interest of all farmers and of farming generally and to do all things necessary for or incidental or ancillary to the protection, fostering or advancement of the interest of such farmers and farming and to have all the powers necessary for or incidental or ancillary to the achievement of such objects.

Note: this differs from the present powers of F.F. that refers to the present Objects of Federated Farmers which is.

The objects of the Federation are to add value to the business of farming and to protect, to foster and to advance the interest of its members and farming generally.

FUNDING

Prior to 1973 National Office funding had been reliant on an annual ex grantia payment from the three Producer Boards [Meat, Wool and Dairy].

Then in 1973 Section 84a[1] of the Meat Amendment Act 1993, declared that the proceeds from the meat levy shall be used for the purpose of assisting that body defray expenses incurred or to be incurred in carrying on such of the activities of its head office as the Minister from time to time specifies.

The meat levy collection was compulsory and was thus collected from all slaughtered stock proceeds owing to members and non members alike [see tab1] Justification of the compulsory nature of a levy was mainly based on the 'public good' argument. 'Public good' was defined in the Federated Farmers policy handbook 1996 as Goods and services for which it is generally difficult or impossible to stop those who refuse to pay still enjoying the benefits

Table 1.

STOCK LEVY RATE 1995

CLASS	CENTS PER KILOGRAME
Lambs	.0315
Sheep	.0315
Pigs	.0184
Calves	.42
Cows	.6825
Cattle	.315
Goats	.0315

Source F.F. Operational plan and budget [1995-96]
In the last full year of collecting the meat levy [01 June 1994-01 June 95]
Federated Farmers received \$2,284,917, [F.F. Financial report 1995]

It was estimated by FF that the average levy paid by each farmer in 1995 was \$79.00

To supplement the funding of the national office activities over and above the levy monies collected, each of the 24 Provinces [incorporated Societies] paid a capitation on a per member basis to National office [see appendix 1]

The 1994 / 1995 financial year \$624,846 of capitation monies was collected. NB. To balance the loss of the compulsory levy in 1996 the national capitation was increased from \$30.50 per member to \$90.00 to collect a budgeted \$1,803,000 [see later discussion p11]

THE REMOVAL OF THE MEAT LEVY

By 1991 questions were being asked of Federated Farmers regarding the compulsory levy, especially in the light of their support for labour market reform, under the heading Employment Contracts Bill, the minutes of the National Executive Committee, 11 March 1991 recorded that: 'the committee noted that the Federation presented its submission on Thursday

[to the select committee] 7th March and that much of the discussion revolved around justification of the Federations meat levy [p2]

During the period of the fourth Labour Government [1984] and National after 1990, Federated Farmers found itself in a compromising position regarding the levy. The organisation was being seen to support a 'deregulation frenzy' based on an 'ideology premised on individualism, laissez-faire economics and free market' [Harbridge and Honeybone.1996p 425].

As far back as 1990 Federated Farmers elected representatives were giving some regard to the free loader issue and the provision of member only services and commercial benefit. At the 1990 Annual Conference the Otago Province tabled a remit calling for the organisation to provide "...tangible commercial privileges to its bona fide members". (Annual Conference minutes, July 1990, p.12.) The remit was lost, but as soon after the conference as the October 1990 National Council meeting the issue of tangible benefits was again being debated when an outside consultant, Mr Ron Wood, "facilitated a discussion during which the Federation's structure, functions and aspects of membership were explored". (National Council minutes, October 1990, p.12.)

The provision of a wider array of services and benefits to members was further discussed at a National level in 1992 (National Executive minutes April, 1992, p.22), when the Tararua Province promoted the idea of a "Rural Advocacy and Referral Service". The Tararua initiative grew into a joint venture discussion paper between the provinces of Tararua and Wairarapa entitled "Federated Farmers Tomorrow-the Shape of Things to Come". In it, the authors argued for the need to "... link the needs, concerns and future prospects of rural people with the provision of appropriate care and action. this objective would be achieved by resourcing provincial offices to enable them to deliver to members a full time quality and accessible service of facilitation, advocacy and referral by inter relating the total spectrum of expertise and skills available". (Cottrill & Grieve 1992, p.4.) The paper called for a greater field presence and a closer and much more visible relationship with grass roots members. It also highlighted a 31.5% decline in national membership over the previous ten years.

The April 1992 National Council embraced the Tararua/Wairarapa proposal and passed a resolution that: "the Council endorse the concept put forward by the Tararua and Wairarapa Provinces and that the executive Committee progress the concept on a national basis". (1992, p.18.) Other initiatives for change soon followed; the most important being a document called "Future Feds", based on research carried out by Communication Trumps Ltd., and endorsed by the Federation's National Council in February 1993. "Future Feds" was a blueprint for the future development of the organisation (p, 1). While much of the discussion in Federated Farmers at the time revolved around the provision of services to members, it is important to note that the Future Feds document clearly stated a desire for Federated Farmers to "...maintain its position as the dominant lobby group". More recently, in the "Chief Executive's Review" (Annual Report, 1995) the lobbying role has been again emphasised: "The Federation strongly believes that its core business is representation and advocacy on behalf of its farming family members" (1995, p.7.)

Staff and elected members agree that in retrospect the internal debate over the removal of the levy mainly revolved around ideology and consistency of policy, with the free loader and public good issue being given little regard. As recent as the Federation's 1995 Annual Report this ideological stance is still being justified: "It (Federated Farmers) has also practiced what it preached by placing its fate firmly in the hands of subscription-paying farmers".

The Federation's economist during that period recalls that the dropping of the levy was in part a response to external criticism, and a desire by the Federation to appear consistent in both its internal and external policies relating to compulsory unionism. He agreed that it was important to be consistent, but that perhaps the Federation did overlook the difficulty of attracting funding when the "public good" nature of the services provided by the Federation are effectively available to all farmers irrespective of whether they are members or not. "From an economist's point of view if the bulk of the benefits we provide are so called public good then a compulsory levy is a legitimate funding method. The alternative is to provide exclusive membership benefits in addition to the traditional advocacy and representative services, so that farmers are compelled to become members to receive those benefits".

A discussion paper prepared by the provinces of Tararua and Wairarapa calling for a greater degree of discrete member only services to counter the perceived free loader problem, commented that: "*Irreparable damage would be done to the Federation's image if it opted for the commodity levy but failed to achieve sufficient support for it*" (Cottrill & Grieve, 1992, p.2.) The discussion paper argued that the provinces were disadvantaged by the collection of the meat levy in so much as farmers did not understand that the levy money was used solely for the funding of "Head Office". It was difficult, they said, to convince farmers to join a province for the limited services provided over and above the political lobbying role funded by the levies.

At the 48th Annual Conference of Federated Farmers, July 1993, the Federation had its final debate regarding the compulsory levy. Moved and seconded by delegates from the Waikato Province, an amendment to a motion moved by North Canterbury was put, which stated: "*That Federated Farmers adopt the proposal of funding based on voluntary subscription*". (Annual Conference minutes 1993, p.18.) The amendment was carried.

Conference debate had been backgrounded by a report tabled by Roger's and Partners who had been commissioned to audit and analyse the performance of the provinces. In speaking to the report Roger's and Partners director Mr Graham Roger's: "The Federation is a mature organisation exhibiting classical signs of decline. If it is to be rejuvenated, it needs to be challenged to consider new ideas, values and assumptions". (Annual Conference minutes, 1993, p.6.).

FUTURE FEDS

Closer provincial Co-operation was encouraged, and one of the initiatives that sprang from the "Future Feds" document was the hiring by National Office of Resource Management Policy Analysts, shared between provinces. These new specialist employees were domiciled in the provinces with the task of preparing submissions on Regional and District Plans under the Resource Management Act 1991. Funding of these positions was from what was referred to as "Future Feds funding", essentially the use of tagged National Office reserves to be used for the facilitation and funding of new approved initiatives. The National Executive minutes (August 1993) refer to discussions with eight provinces regarding the Policy Analyst's positions and across boundary Co-operation. (The Federations 1996 Business Plan allowed for \$104,605 to be spent on Future Feds initiatives.)

Prior to the November 1993 National Council meeting the National Office Chief Executive (Mr Theo Simeonidis) circulated a draft Strategic Plan to the Provinces for comment, which included "Must Do, Should Do and Could Do" priorities. At the National Council meeting Mr Simeonidis stressed the need for frank discussion and debate on the Strategic Plan and that everything the organisation did had to be challenged "...as we can not afford the luxury of retaining sacred cows for no valid reason". National Council minutes, November 1993, p.3.) Other points raised and debated were: a need to not only respond to members, but to demonstrate leadership; the possibility of amalgamation of Provinces; the need for an open consultative process of debating the future strategic direction of the organisation; that the major issue facing the organisation was a financial one in respect of the compulsory meat levy ceasing from 1 January 1996.

The 1994 National Conference was presented with a discussion document that called on the delegates to address a number of fundamental questions, which were debated in six working groups. The working groups reported their recommendations to the full conference, which in turn moved that the recommendations be consolidated into a discussion paper and be circulated to the Provinces for further comment, and reported back to the November National Council meeting

At the November 1994 National Council meeting ten key decisions were agreed upon: they were:

- 1/ Reduction in council meetings (from four to two).
- 2/ Reduction in the number of producer section meetings (Meat & Wool, Dairy and Arable)
- 3/ Increase in political advocacy, legal support services and policy determination at National level.
- 4/ Increase in public relations and leadership training activities, especially directed to provincial level.
- 5/ Retain present level of elected representation and participation at National executive level.
- 6/ Static level of international advocacy.
- 7/ Development of service provisions to members.
- 8/ Information transfer to reflect an increase in quality and decrease in quantity.
- 9/ Electronic medium to be used more for information transfer.
- 10/ Increase in National capitation to \$90 in one jump.

The increase of National capitation from \$30.50 to \$90 was a significant issue. The meat levy funding cut required the organisation to internalise an income reduction of \$2,284,917. The 195% increase in capitation was budgeted to collect \$1,718,400 in 1996, an increase from 1994/1995 of \$1,093,554. In spite of the increase in capitation income, National Office were still faced with a drop in annual income of \$566,517 that could be directly attributed to the loss of the meat levy, which was reflected in the budgeted consolidated deficit for 1996 (assuming 19,760 members) of \$101,609. (F.F. Business Plan, 1996) The capitation increase impacted strongly on the Provinces, requiring them to increase their subscriptions on

average from \$173 in 1995 to \$240 in 1996 (39%), which was predicted by National Office to have a -5% effect on 1996 membership.

By June 1995 the interest in closer inter provincial Co-operation and alliances, which one provincial staff member referred to as a “gradual unfreezing of rabid parochialism”, was wide spread. The staff member referred to this period as. . “hopefully the start of the complete break down of a crazy federal system of 24 individual parliaments, daily replicating each others efforts right across the country”.

The National Executive minutes (June: 1995) record that five southern North Island Provinces were considering the sharing of resources. It was resolved that management should work with the Provinces concerned to develop a process through which this closer Co-operation could be developed.

The period from July 1993 until November 1995 had been one of adjusting to the prospect of the Federation having discretion over its own decisions, and not being affected by environmental factors such as the compulsory levy, which in the past had curtailed their choice of alternatives.

On 7 September 1995 Federated Farmers released a Terms of Reference paper headed: *Review of Federated Farmers' Service Delivery and Infrastructure*. According to the Terms of Reference the Purpose of the review was to:

Undertake an in-depth analysis of Federated Farmers' current infrastructure and standards of service delivery to its members, and to recommend the infrastructure which will be necessary to most efficiently and cost effective and deliver the appropriate levels and standard's of service delivery which reflect Federated Farmers' commitment to customer service”.

THE ERNST & YOUNG REPORT

The consulting firm of Ernst & Young was commissioned to undertake the review and their findings and recommendations were presented to National Council on 15 November 1995. Ernst & Young recommended that Federated Farmers should organise its future business around four major processes, which comprised:

Two Core Value Added Service Delivery Processes:

- Political process
- Member Service Process

Two Business Support Processes:

- Business Management Process
- New Member Process

The Ernest & Young report said that the separating of the Federation's member services into two Core Service Delivery Processes would make a clear distinction between the political process of the organisation, which benefits all of the rural community and could not be restricted to members only (public good), and the delivery of distinct member services which is on a one to one basis.

Other recommendations made in the 82-page report included:
(1995 current practices in brackets)

- A National data base (data bases were held by individual Provinces and jealously guarded).
- A National Staff infrastructure (the individual provinces employed their own staff, as did National Office).

- Uniform base subscription (each individual Province set their own subscription levels).
- One centralised Processing Centre (each individual Province undertook its own processing)

The report recommended a two “wave “ approach; the first wave was to test the proposed changes by the forming of pilot groups of Provinces. Once the systems as per the report were in place and working in the pilot group, they would be rolled out across the organisation in a second “wave”.

The two wave concept was endorsed by National Council with the following motion: “That the Federation move forward and embark on a change management process driven by small pilot groups on a regional basis in Top of the South and the Southern North Island”. National Council minutes, 1995 p.10.)

It had only taken a period of eight weeks, from when the Terms of Reference for the Service Delivery Infrastructure Review were approved to the release of the report to National Council, to stimulate more debate and to affect a greater climate of change and urgency in the organisation than had been achieved in the proceeding two years.

The minutes of the National Executive, December 1995, record that the initial meetings of the Top of the South (TOTS) and Bottom of the North (BON) Provinces had taken place and that because of the small critical mass (860 members) in the TOTS grouping of four Provinces there was merit in TOTS and BON working together. The meeting also considered the possible appointment of a part time independent facilitator to work with the pilot groups and National Office. An appointment was subsequently made, Mr Doug Matheson, who was National President of the New Zealand Institute of Management and a former Director of I.B.M. New Zealand Ltd.

The appointment of Doug Matheson was significant, as he exercised considerable influence in the role of “change agent”, and was a respected independent professional in an advisory capacity.

In the period from November 1995 to August 1996 a series of Pilot Project meetings were held, which culminated in the formation of the Central Region of eight co-operating Provinces (2,900 members). Implementation was planned for 1st January 1997. The Co-operating Provinces would share a Central Administration Office in Palmerston North and the Central Region will provide to all of its members an 0800 number help desk, Policy Specialists in Resource Management and Industrial Relations and a field presence through Field Officers. A centralised database will be located in Palmerston North for the eight provinces. All staff will be employed by the Central Region rather than the individual Provinces, and will be responsible to the National C.E.O. through a Regional Manager.

This went ahead with the eight Provinces and was called the G.8.

The Provinces were:

Ruapehu

Tararua

Manawatu/Rangitiki

Wanganui

Hawkes Bay

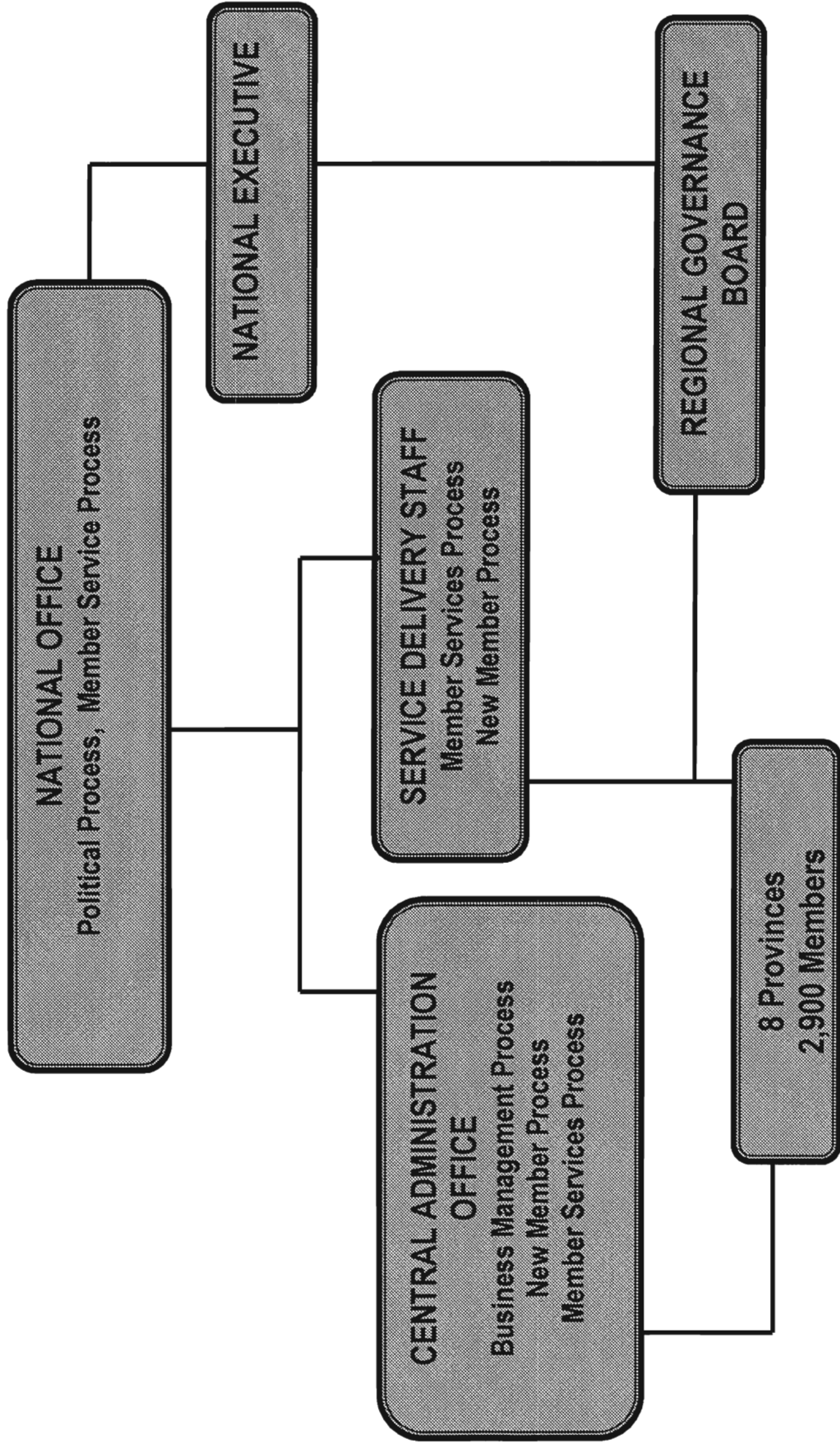
Marlborough

Nelson

West Coast

While not all of the Ernst & Young report recommendations were universally accepted by Federated Farmers Provinces and members, and recognition must be given to the change management that went before it, it has been the single most significant catalyst for change in recent Federated Farmer's history.

CENTRAL REGIONAL STRUCTURE

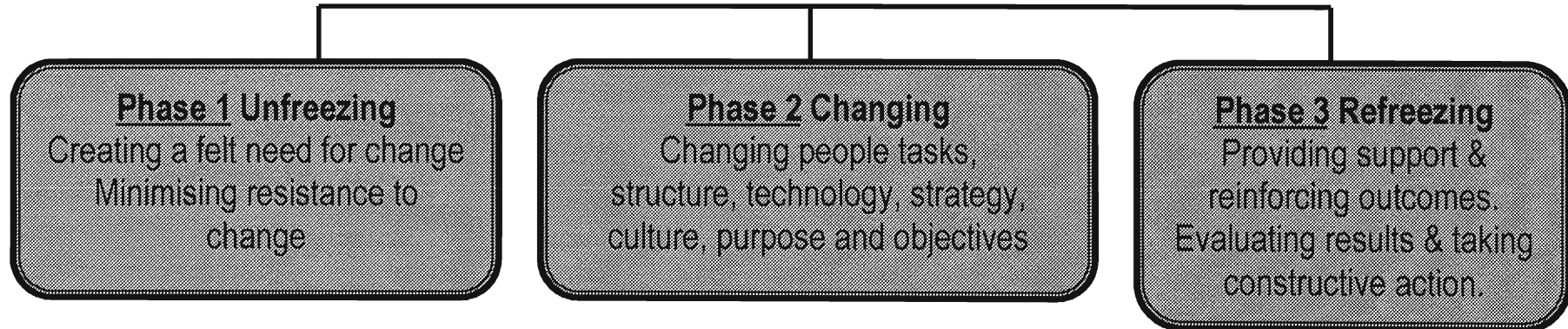


THE CLOSING OF AN ERA AND AN ERA OF CHANGE

Lewin (Schermerhorn, 1986), recommends that any planned change effort be broken into three phases:

Flow Chart No 2 – The Closing of an Era

Lewin's Three Phases of Change



THE CLOSING OF AN ERA AND AN ERA OF CHANGE

When measured against Lewin's model of change, by the time of the move from compulsory levy funding to total voluntary funding (01 January 1996), Federated Farmers had demonstrated that the organisation had a broad understanding of the first two phases, and that mostly the unfreezing phase was complete. Although the Central Region pilot project only involves 14.5% of the total membership, and its success as a project was still to be evaluated, it has demonstrated willingness in the organisation to embrace all of Lewin's "Changing Phase" criteria. It seems that the Ernst & Young "wave" effect was an accurate assessment of the change process that would take place, and that while parts of the organisation will soon move into the refreezing phase, other parts have not started, or were still implementing change.

There were also signs of a change in ideology. At the 1996 National Conference a paper was presented entitled "Industrial Relations/ Employment Policy", which was an attempt to change the Federation's Industrial Relations Employment policy to support the abolition of the Minimum Wage Act and both the Employment Tribunal and Employment Court. (F.F. National Conference Programme, 1996) A resolution to adopt the discussion paper was rejected by the conference delegates.

Doug Matheson points to the recent expansion of the National Executive from the President, two Vice Presidents and the three commodity section Chairpersons to include three elected regional representatives as the start of a restructuring of how Federated Farmers organise governance. The then National President of Federated Farmers, Malcolm Bailey, agreed. He criticised what he terms the "elevator" system of progression from holding Provincial positions through to becoming part of the National Executive. Bailey favoured a Board structure which members are appointed to through direct member elections, but stressed that change must be driven by the members in this regard, and not by the President.

The Auckland President, Penny Webster was an advocate of unified Federated Farmers with the human resource and administration functions being centralised into one centre rather than into several regions. Bailey hypothesised that if this did happen, then the political structure would probably readjust in a similar fashion.

For some time there had been a reluctance in Federated Farmers to scrutinise the wider issue of how democracy is conducted inside the organisation, but the scene by now was well set for what would probably be the third wave of change.

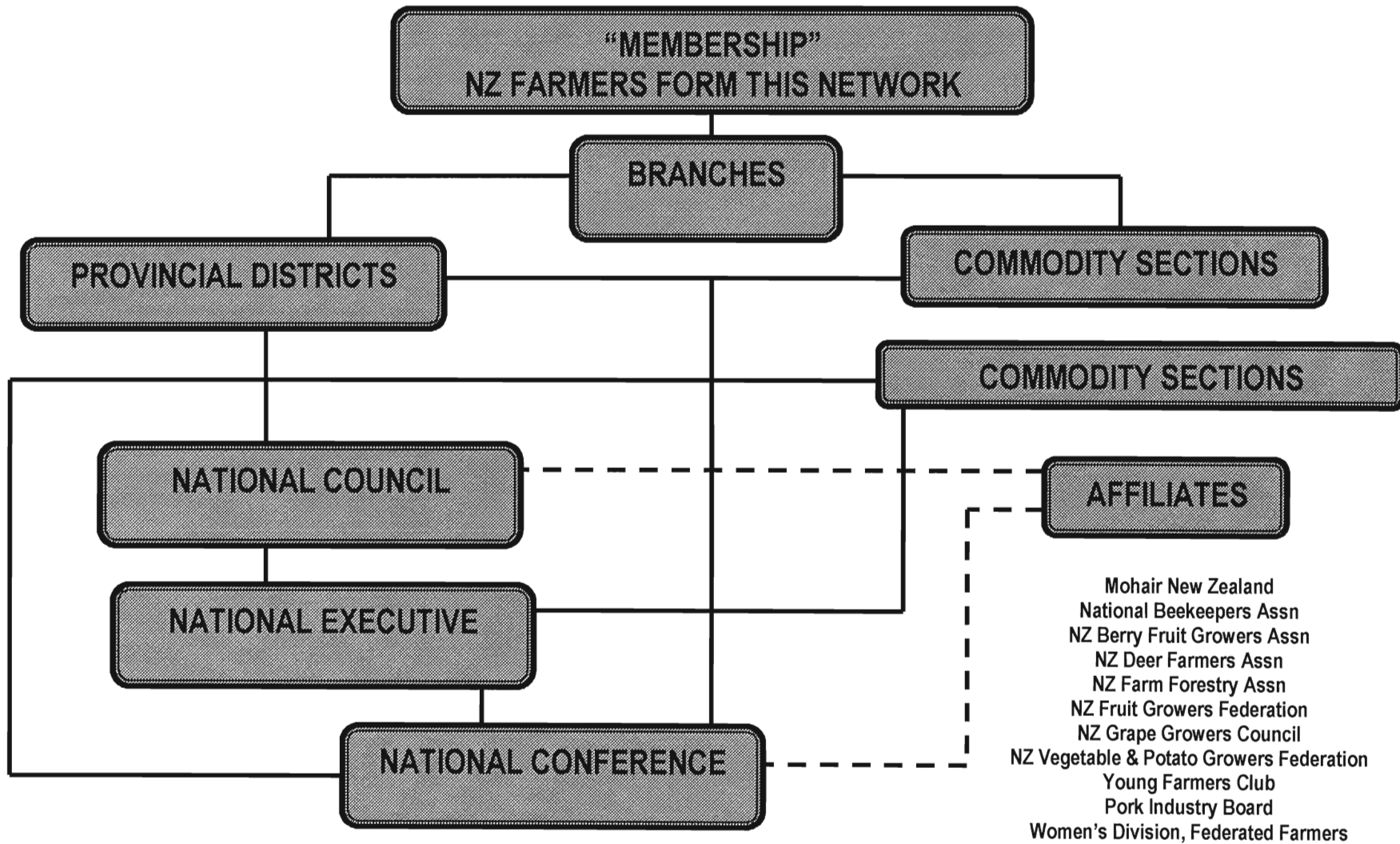
GREATER REPRESENTATION

Federated Farmers also looked to forge closer links with their eight affiliates. (NZFF Business Plan, 1996) After a cooling off period following the decision to go it alone in 1993, the Federated Farmers' National Office CEO, Theo Simeonidis, reports renewed interest in a all embracing primary producer umbrella group. The affiliates are currently meeting by-monthly as a Land User Forum, and will debate a discussion paper prepared by Simeonidis in a workshop late September 1996. Simeonidis said that it was not the intention of the umbrella group proposal to rob the associates of their identity, but it was effort to redress the fractionalisation of representation caused by the recent expanded diversification of land use. He argues that there is potential for further synergies to create a unified and cohesive lobbying force for primary producers.

Federated Farmers' National President at the time Malcolm Bailey saw an umbrella group as vital in the new M.M.P. environment, and pointed to attacks made on the Federation by Winston Peters for not representing the views of all farmers as a signal for the need of a larger, more representative lobby group.

Bailey suggested that a larger umbrella group could use their collective leverage on the more generic political issues, such as the economy, and individual sector groups under the umbrella would attend to the more industry specific issues. This could mean Federated Farmers losing its name and identity altogether, he said.

Federated Farmers Structure Prior to Re-Structuring



WHERE FEDERATED FARMERS ARE NOW

With the success of the (BON) which has become known as the G8 and the realisation by delegates for the need for change within the organisation if it was to remain a strong lobby group,

Delegates at the 1997 National Conference held on 18&19 November the National Council agreed to start towards implementation of the new regime as from 19th November and written conformation was requested from them to the CEO by Wednesday 26 November 1997 and the following resolution was put forward and passed:

“That capititation, for those Provinces who do not wish to be fully integrated by 1st January 1998, be \$130 +GST per Full Time Equivalent.

(Full Time Equivalent is the subscription income of the Province divided by the landowner subscription)

This set in motion one of the biggest changes for the organisation for some time. The idea was to restructure the organisation from the top down, instead of bottom up as it was at the time. (see flowchart No 3)

UNITED ORGANIZATION

Twenty three Provinces joined the new structure, that is structured from the top down and driven by a National Board and its CEO .All provinces, except Northland joined. Northland still remains out side the National Federated Farmers organisation. Northland wished to go it alone and not contribute to the National Federated Farmers. Under the terms and conditions laid down by National Council or the discussions that followed with the National Board and Presidents over the years since.The last proposal was not accepted by Northland Federated Farmers earlier this year.

STAFF

Federated Farmers of New Zealand now employ all staff. All the administration is now done in Hamilton in what was Waikato Federated Farmers office. F.F N.Z now rent space from WFF. There is also two policy staff based in the Hamilton office.

There are approximately 25 policy staff based around the country at regional offices and in the Wellington office.

Wellington is the head office the CEO is based there also the legal adviser and Executive Director of policy and other policy staff.

At the time of restructuring WFF employed 9 staff this consisted of a CEO, Commercial Manager, Policy Analyst, Field Rep, Section Assistant and administration staff. Now WFF don't employ any staff, the services are provided by FFNZ.

SUBSCRIPTION

Federated Farmers now has a national subscription that is set by the National Council. [See attached] where as before each region offF set there own subscription and then contributed to running of National Office

SUBSCRIPTION RATES

FARM OWNER & LESSORS	\$290 + GST	= \$326.25
50/50 SHAREMILKERS	\$240 + GST	= \$270.00
VARIABLE ORDER SHAREMILKERS MANAGERS EMPLOYEES SMALL FARMS	\$165+ GST	=\$185.62
RETIRED [not land owners]	\$120+ GST	=\$135.00

FUNDING OF PROVINCES

Now National Office funds the provinces on a Full Time Equivalent [FTE] this is the membership dollars in the provinces divided by the full subscription.

See budget 2001.

MEMBERSHIP

Under the new structure FF membership is growing.

Quote from Tony Sinclair, CEO, and report to Conference July 2001 – “Federated Farmers continued to move from strength to strength in 2000. Our membership grew by more than 6% and by end of year stood at 16,107”.

There is pride in the organisation and people want to be members. Also they see that as the rural population becomes an even smaller minority of NZs population they see it is more important than ever for they're to be a strong lobby group to represent the rural people. See NB survey.

I believe that the recent restructuring of NZ FF was overdue but has set the organisation up well to cope with the demands that will be made of it by the members that they represent.

RECOGNITION OF FEDERATED FARMERS

A survey result published in the December 2000 edition of the National Business Review gave clear evidence of Federated Farmers as a lead lobby Organisation. This U.R.M. poll found that 66% of New Zealanders who knew about the Federation thought that it did an excellent 'or good job representing its members .Of those who offered an opinion 87% thought that the federation did an; excellent or good job. Federated Farmers rating came in ahead of Greenpeace, and the Employers' Federation.

This feedback reinforces the Federations View that there activities are focussed and do deliver 'Value to the Business of Farming for their Members.

GOVERNANCE IN THE FUTURE

There is still a need for further restructuring within the Governance of F.F. and the possibility of amalgamation of provinces. This was referred to in 'The Future Feds' document.

Quote: "There needs to be a refinement [THE THIRD WAVE] of the Province that represent members but there is a reluctance to let go of the old structure within the Provinces".

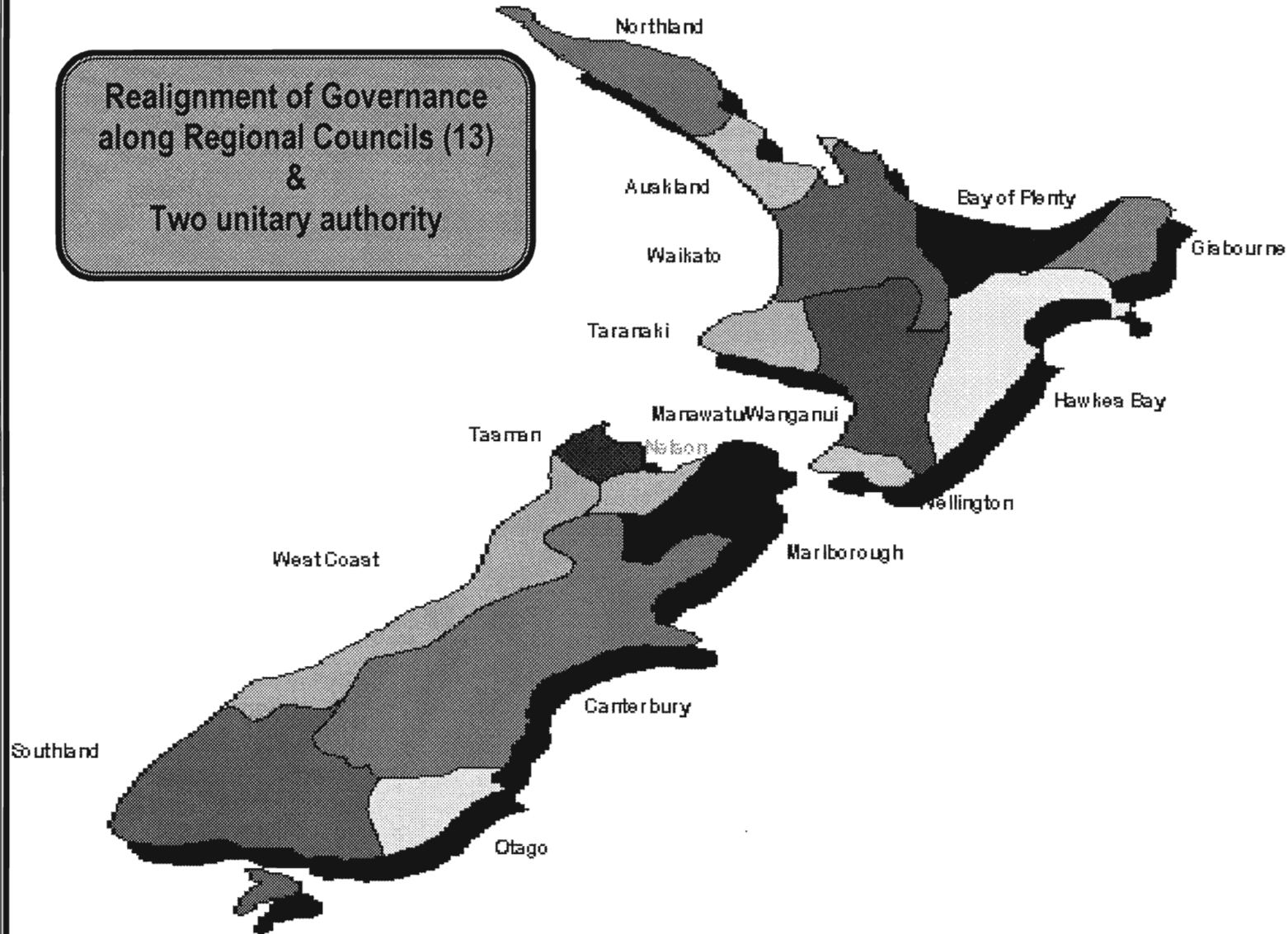
As people no longer wish to attend meetings, as they did in the past, and Provinces struggle to get people to take on the leadership roles it is only a matter of time and there will be no choice but for Provinces to change the way they operate. What is important is that the needs of the members are met.

Perhaps in the future we may have a structure something along the lines of the G8 Provinces that were recommended by the Ernest and Young report or the 15 outlined in the Governance Draft Options Paper dated August 1998. This is in the future and this change must be led by those Provinces that it will affect the most.

Flow Chart No 6– FF Option Structure

Federated Farmers Option Structure

**Realignment of Governance
along Regional Councils (13)
&
Two unitary authority**



CONCLUSIONS

Since Federated Farmers started in 1946 at the first Dominion Conference held in Wellington on the 1st October. There have been many changes made to the origination as they have endeavoured to meet the challenge of representation of the rural sector at the time.

Throughout the changes the organisation has continued to be a well-respected organisation by the farming community they represent and the organisations they lobbied against.

One of biggest changes was the removal of the meat levy funding; this then lead to a change in philosophy as they became a member focused organisation. This also was the catalyst for their restructuring that took place in 1997.

THE FUTURE

The challenge for the organisation in the future will be governance representation. Because of the time commitment on these people there are less in the position to be able to undertake the lead at district and provincial level but it is essential to have the members to drive the issues.

REPRESENTATION

Without a doubt there is a need for such an organisation to represent farmers now more than ever. Farmers have become a minority group within the N.Z. population and it will continue to decline. Yet there is continued focus on the activities that farmers undertake. Whether it is animal welfare, landscape, GMO, council rates or land management issues there is an ever increasing focus on farming.

FREERIDE

The fact that much of the work that Federated Farmers does for its members also has a benefit to farmers that are not members, will always be an issue that will have to deal with as the subscription is discretionary spending and it is easy for a farmer to say that he will get the benefit of Federated Farmers whether he is a member or not. The fact is that if every one thought that the organisation would soon not exist.

NORTHLAND

At present Northland remains outside the national organisation. Northland does not contribute financially to the organisation at all. Many see Northland getting the biggest free ride of all.

Perhaps the biggest challenge facing F.F. is to be able to say that they represent every region of N.Z. At the moment they cannot say that because Northland Federated Farmers is outside of the National Federated Farmers. Many believe that they are the biggest free riders of all, as they don't contribute financially to the organisation, yet benefit from the goodwill of F.F. and the Central Government lobbying by the National FF.

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