



Australian Citrus Industry

*INDUSTRY DEVELOPMENT
NEEDS ASSESSMENT &
RECOMMENDATIONS*

*Prepared for Horticulture Australia Ltd
and the Australian Citrus industry by*

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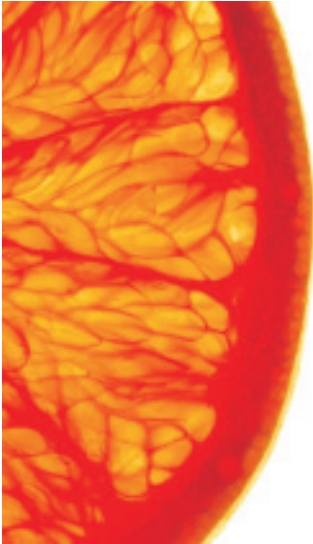
Terms

DAFF	Commonwealth Department of Agriculture, Forestry and Fisheries
GMMD	General Manager, Market Development
GMC	General Manager, Communications
HAL	Horticulture Australia Ltd
IAC	Citrus Industry Advisory Committee
IDM	Industry Development Manager
IDO	Industry Development Officer
IDNA	Industry Development Needs Assessment
PIB	Peak Industry Body (e.g. Citrus Australia Ltd)
VC	Voluntary Contribution



This Industry Development Needs Analysis and preparation of the report and plan were managed through Horticulture Australia Ltd and funded by the Citrus Levy with matching contribution from the Federal Government

Executive Summary



Definitions and Introduction

'Industry Development' is defined by Horticulture Australia Ltd (HAL) as:

"The process of informing and empowering those in horticulture to make better business decisions"

and an 'industry' (for the purposes of levy programs and this project) is described in legislation as:

"horticultural industry means any industry carried on in Australia in connection with:

- *producing horticultural products by growing, harvesting or processing horticultural products; or*
- *marketing and any other handling, storing, transporting, processing or supplying of horticultural products"*

HAL is requiring all levy paying industries to undergo a formal and structured process of Industry Development Needs Assessment (IDNA) as they develop plans for Industry Development activities and projects, going forward.

This report documents that process for the Australian Citrus Industry and provides observations and specific recommendations for consideration by the Citrus IAC and HAL.

The process used

An 8-step process (incorporating considerable input across industry) was used in carrying out the IDNA and preparing this report:

1. Meetings with representatives of major regional associations
2. A series of individual in-depth interviews with key people in and associated with the industry:
3. An on-line and mail survey of all Citrus growers – with over 300 participating.
4. Individual in-depth interviews with 18 leaders in the supply chain, including packers, marketers/agents and exporters.
5. Preparation of information and materials for the planning workshop; and stimulus materials for workshop participants to read beforehand.
6. A 1.5 day IDNA planning workshop in Sydney involving leaders from the industry's regional and national associations.
7. Two further meetings in August and September
8. Draft, review and finalisation of this IDNA Report and Recommendations.

Key issues and influences

A number of overarching issues are relevant to Industry Development activity in Citrus and have influenced this report and recommendations. They are explained in some detail in the report, but are summarised here as:

The industry's national strategic plan sets the focus

The new national strategic plan focuses the industry (and places strong emphasis) on market and market development priorities. Therefore the Industry Development plan and activities must reflect this. This means a very clear shift away from the previous emphasis on production-related activities and projects.

Citrus – one industry or numerous

In many respects Citrus is not one industry, but many. It can be segmented by product, region, season, market focus etc.

Industry Development activities must take this into account as different groups will have different needs. Adoption of a 'category management' approach is essential.

A time of significant change

The industry is undergoing significant change in aspects such as farm size, new varieties planted, export market access and varying levels of regional support.

Tracking these changes and flexibility to adjust programs, will be important to effective Industry Development programs

Building a stronger national/regional relationship and shared vision

For industry participants to get the best from the Industry Development program the regional and national associations must work well together. A culture of respect and trust; and a shared vision for the future will help foster this sound working relationship.

Management resources at the appropriate level – and accountable

For too long, management of Industry Development projects has been under-resourced – with consequent challenges in coordination, communication and successful implementation.

Appropriate senior personnel must be put in place to manage and drive the Industry Development program.

National levy funding inadequate for the task

The funds generated by the Citrus levy are simply not enough to deliver the industry's Strategic Plan. With cost increases, the real value of the citrus levy has slipped considerably in recent years.

The industry must seriously consider putting the case for a levy increase to growers and if supported, to the Commonwealth government.

A complex mix of current activity

The current Industry Development program is a complex mix of projects, various funding sources and management structures. It has grown almost project-by-project with each one viewed and managed independently.

There is significant potential for a much more program-based and holistic approach; that will see synergies established across the different projects and better allocation of resources.

Potential for communications and information overload

With over 18 magazines and newsletters; 8 web sites; a national conference and regional forums and numerous other communications the industry is in great danger of communications overload.

The time is right to carry out a comprehensive audit and needs analysis to then devise a more efficient (and probably overall less costly) communications structure.

National Conference – Opportunity to align and extend

The industry's annual national conference is popular and well-attended. But attendance is mostly 'regulars'. With a greater emphasis now on aligning the conference with the Strategic Plan, it is wise to consider strategies to 'extend' the information from the Conference to a much wider audience.

Where-to with 'Cittgroups'?

Cittgroups have run in various formats since the late 1990's and their beneficial impact over that time is not doubted. But levy and government matching funding is not intended to support ongoing or 'permanent' activity. Furthermore, the industry's national Strategic Plan calls for more and increased focus right along the supply chain, and less at the pre-farm-gate, production level.

If a Cittgroup (or Cittgroup-type activities) is considered a necessary to support growers in a region then it must in future be funded by them or by their regional association



Industry data and information management

The collection, analysis and reporting of key data is a critical process for any industry. Reliable data on plantings, crop forecast, product flow through the supply chain and sales by market and prices are just some of the essential requirements if the industry is to maximise returns and manage product supply.

The Industry Development program, working closely with the regional associations, must be responsible for this vital area.

Capacity building and leadership development

To ensure good industry management and governance, there is a strong need for a continuing supply of leaders (and some say, young leaders) with specific skills.

To meet this need, Citrus must take a pro-active approach by

- Actively identifying a pool of potential leaders, well in advance.
- Encouraging the participation of those identified by promoting the benefits of leadership; appealing to the ego; providing incentive etc
- Providing a pathway to leadership that may include entry-level involvement; training, mentoring etc.
- Ensuring leaders (potential and existing) have the required governance and other training to ensure they are effective and discharge their legal and other responsibilities appropriately.

This is all legitimate and essential Industry Development activity.

Specific Recommendations

Arising from the IDNA process are 5 specific recommendations:

Establish a new national Industry Development management structure

Recommendation 1

As a matter of urgency, develop the Position Description and all associated documentation and then proceed to the new 'National Industry Development Manager'

Facilitate (only where actively sought) regionally based and funded Industry Development Officers.

Recommendation 2

Citrus Australia and regional associations work together to establish, where required, VC funded IDO positions.

Address the funding issue

Recommendation 3

Citrus Australia formally open discussions with industry bodies and HAL to determine if a process to increase the national levy is warranted; and if so, get it underway as soon as possible.

Adopt a program-based approach to Industry Development planning and management

Recommendation 4

That the Citrus IAC endorse and adopt an overall program-based approach to the management of Industry Development activity; and that.

Ensure appropriate management resource

Recommendation 5

That the IAC and Citrus Australia put in place the personnel and infrastructure to implement the program approach.

Introduction and Background



What is 'Industry Development'?

HAL defines 'Industry Development' as:

"The process of informing and empowering those in horticulture to make better business decisions"

It's about building the capacity of people and businesses in the industry to do a better job and be more profitable. Industry Development can cover a wide range of activities, including (but not limited to):

- Encouraging the adoption of improved production practices.
- Extending' the findings and outcomes of research and development activities (both those funded under the industry's levy program and through other means)
- Training courses, field trips, study tours, conferences – so long as they can be shown to be building capacity and empowering those in horticulture to make better business decisions
- Communications – such as newsletters, magazines, web sites etc, again - so long as they can be shown to be building capacity and empowering those in horticulture to make better business decisions.
- Gathering and disseminating information about the industry in Australia and overseas including, for example, industry structure; production; processing; markets; and trends.
- Programs to provide essential business and market information to industry participants
- Enhancing the skills of an industry's leaders.
- Mentoring and skills development

A sound and well-structured Industry Development (or capacity building) program is critical to the development of every horticultural industry, no matter what its maturity, size or structure

The scope for industry development activities is broad and has much potential. It is for this reason that industries must be rigorous in determining and prioritising what to do and how it should be undertaken and managed – for greatest benefit to levy payers and the industry.

What is an industry?

The relevant Commonwealth legislation defines a horticulture industry as:

"horticultural industry means any industry carried on in Australia in connection with:

- producing horticultural products by growing, harvesting or processing horticultural products; or
- marketing and any other handling, storing, transporting, processing or supplying of horticultural products"

So for Citrus, it is clear that R&D activity (including Industry Development) can extend beyond production, to the important sectors of packing, wholesaling, retail and export – so long as the activity can be shown to be of benefit to the horticultural produce (i.e. Citrus) and ultimately, the levy payer.

Why undertake this Industry Development Needs Analysis?

The Board of Horticulture Australia Ltd (HAL) has directed that all horticultural industries with levy and/or VC programs operated through HAL must undertake a rigorous Industry Development Needs Assessment and prepare a new Industry Development plan. The IDNA and its resulting plan must be aligned with the industry's Strategic Plan (see next section).

The aim is to ensure that:

- The most appropriate Industry Development project choices are made for each industry;
- That all Industry Development activity contributes directly to achievement of the objectives in the industry's national Strategic Plan; and

That funds are wisely spent and accountable to both levy payers and the Australian Government.

The process used

A comprehensive process was used in the IDNA and preparing this document. The process was consistent with the Industry Development Needs Assessment Guidelines and Tools issued by HAL. Overall, it was felt by the Steering Committee and HAL that wide consultation in preparing this IDNA was essential. The process involved:

1. Meetings with representatives of:
 - Citrus Growers of South Australia and SA Citrus Industry Development Board, together.
 - Murray Valley Citrus Board
 - Riverina Citrus.
 - WA Citrus Growers
2. Individual in-depth interviews with:
 - Judith Damiani, CEO Citrus Australia
 - Sandra Donnarumma – Consultant working for Citrus Australia
 - John Fennell & Peter Willmott, Primary Industries and Resources SA.
 - Sandra Hardy, Citigroup co-ordinator Coastal NSW
 - Simon Powell – IDO, Qld
 - Chris Simpson, EO Qld Citrus Growers
 - Kim Thiel – IDO, SA

3. An on-line and mail survey of all Citrus growers – with over 300 participating.
4. Individual in-depth interviews with 18 leading people in the supply chain, including packers, marketers/agents and exporters.
5. Preparation of information and materials for the planning workshop; and stimulus materials for workshop participants to read beforehand.
6. A 1.5 day IDNA planning workshop in Sydney.
(see list of participants following)
7. Two further meetings in August and September
8. Draft, review and finalisation of this IDNA Report and Recommendations.

The project was overseen by a Steering Committee comprising:

- Tania Chapman, Director Citrus Australia
- Judith Damiani, CEO, Citrus Australia
- Kelly Jones, Chair, Citrus Australia
- Michael McMahon, Director Citrus Australia
- Kevin Parr, Director, Citrus Australia
- Ross Skinner, HAL Industry Manager

An important acknowledgement

It is important to that we acknowledge the valuable participation of the participants in the IDNA planning workshop. Drawn from across the industry's production sector, the group were constructive and frank in their deliberations.

It is the consultant's strong view that all participants were positive in their approach, putting aside past differences and showing a unified whole-of-industry approach. The result was very productive.

Workshop members were:

- Kent Andrew, Chairman, Citrus Growers of SA
- Frank Battistel, Chairman, Riverina Citrus
- Judith Damiani, CEO Citrus Australia
- Jan Denham, Chair, Murray Valley Citrus Board
- Nathan Hancock, IDO WA and representing WA Citrus Growers
- Kelly Jones, Chairman (then Deputy Chairman), Citrus Australia
- Scott Macdonald, CEO, Riverina Citrus
- Kevin Parr, Director, Citrus Australia
- Trevor Radloff, Deputy Chair, Murray Valley Citrus Board
- Ross Skinner, Industry Manager, HAL
- Peter Walker, Chairman, South Australian Citrus Industry Development Board



Note: Throughout the report certain sections appear in *italics*. These are where the consultants specific comment is provided or implications explained.

Linking with the Strategic Plan

It is a requirement that all Industry Development activity be directly linked and accountable to an industry's national Strategic Plan.

The Citrus industry has a current national Strategic Plan, '*Creating our future: A national strategy for the citrus industry 2006-2011*'; and a further strategic planning document, '*Aligning levy investment with the Citrus Industry Strategic Plan*', which was produced in 2007. Copies of both documents are available from ACL.

In both, four separate Strategic Imperatives are identified:

- 1. Increase consumer demand for Australian Citrus**
- 2. Improve industry competitiveness**
- 3. Improve industry communication and information systems**
- 4. Enhance the capability and leadership of the industry.**

In each, Industry Development activity has a part to play.

Within the four imperatives are 13 separate strategies; and under them, 38 separate strategic goals.

Overall, this is a plan which steers the industry and its investments to a much more market-focussed approach than in the past.

An additional component for Citrus Australia

The industry's PIB, Citrus Australia has endorsed and adopted the Strategic Plan. In doing so they added a fifth element:

5. The Company

This encompasses the management and development of the national association and its vital role in advocacy and agripolitical and community presence.

It is well-understood that this fifth element is not part of the Levy or matched-funding program. However it is listed here as a number of the Industry Development projects proposed (such as communications activity) must work and be managed alongside it. Overall, it is a plan which steers the industry to a much more market-focussed approach than before.

This is a bold and far-reaching plan which places much responsibility on Citrus Australia and calls for significant resources for implementation. However the plan has some limitations that were there highlighted and discussed at the IDNA planning workshop, principally:

- The plan is action-oriented and does not adequately focus on the outcomes required.*
- Specific and measurable objectives are needed.*
- The overall structure is good, however some more detail and background would help put it in context.*

- *There seems to be no direct connection between the plan and the significant work done by regional associations and groups (however see later note about changes since the workshop)*
- *While it sets goals (though not measurable) there is need for a further level (an Action Plan) which details exactly what is to be done – and by when.*
- *Without some budgeting information, there is no indication if the plan can be achieved within the current level of levy collection and VC projects. Indeed some in the workshop felt it could not.*
- *The plan draws no connection to the current substantial number of Industry Development activities and projects. However this may be because most of those projects commenced before the plan was prepared.*



Input to the IDNA Process

This IDNA process has had the benefit of considerable input. Following is a summary and comment with some key points highlighted. More detailed reports are available.

Meetings with regional associations

The consultant met with representatives of Citrus Growers of South Australia and SA Citrus Industry Development Board, together; Murray Valley Citrus Board, Riverina Citrus and WA Citrus Growers. Each meeting was very productive and participants did not hold-back. While sometimes critical, it was clear that the groups just want the whole industry to "get on with it" and do the best for growers.

Some specific observations are:

- Each regional association appears to be operating professionally and doing a good job for their growers.
- Each is proud of their structure, history and work and each group appears to be well-supported by its growers.
- Industry Development Officers/Cittgroup Coordinators are considered to be very important by each group. They are a vital interface between the regional association and its grower members. The 'legs and arms'.
- That said, there was considerable concern over the future of the IDO network and the Cittgroups project, and whether it still had the support of both Citrus Australia and HAL.
- At the time of the meetings, there was a degree of scepticism toward Citrus Australia. The formation of Citrus Australia and its efforts to strengthen its position and standing in the industry, were seen by some, as a threat to the regional groups. There was a criticism of Citrus Australia's communications and relationships with the regional bodies and a 'them and us' feeling was evident.
- However, there was, understanding that the industry must have a national PIB but a general feeling that it and the regional associations should be able to get on better together.
- Overall, the groups saw the benefit of the IDNA process, generally supported the concept and appreciated the opportunity to be involved. Each one asked to be kept informed of progress.



Photo: Courtesy Ramzi Hashisho

It is important to note that in recent times, and in particular since the IDNA planning workshop, there appears to have been a marked shift in the relationships between Citrus Australia and the regional associations. There's a growing willingness to work together; to understand and value the role of each other; and to clearly identify who is responsible for what.

This is very positive for the industry as a whole and will be well-received at all levels.

It is the consultants view that an industry as large, spread and diverse as Citrus must have both national and regional structures for sound management and representation. And both need to be strong and viable for growers and the overall industry to benefit most. The key to this lies in:

- 1. Identifying and agreeing what are the functions and responsibilities at each level;*
- 2. Having separate strategic plans but with clear synergies;*
- 3. Ensuring both levels are adequately resourced.*
- 4. Trust, goodwill and very good communication.*

Individual in-depth interviews with IDO's and Cittgroup Co-ordinators

These interviews were very productive. The IDO's/coordinators are all working actively according to their respective projects and with the exception of one, report positively on the outcomes of their work.

Some specific comments are:

- Each IDO/Cittgroup coordinator is working within their own separate project. There is little or no national co-ordination and therefore only minimal 'team' feeling.
- Meetings of IDO's are infrequent and regular communication between them is fragmented. So there is little opportunity for them to take any kind of national approach, learn from each other, compare experiences, undertake joint professional development etc.
- There is a high degree of uncertainty and some frustration about their future. Projects have been extended (in some cases more than once) and at the time of the interviews, they had little indication what the future might hold.
- Each IDO is working closely with their employer regional organisation. There is little or no obvious linkage between their work and the national Strategic Plan.
- There seemed to be an underlying (and sometimes expressed) feeling that Citrus Australia was intending to do away with IDO's.

Each of the IDO's/Coordinators impressed as keen and committed to the industry, though there was some feeling of frustration.

The situation for the IDO's must be uncomfortable and even distressing. The sooner they can be given some clarity regarding their future employment, the better for them and their work.

Grower Survey

It was decided to conduct a national survey of growers to gather information how they obtain information relative to their business; what more information they sought and levels of internet use.

More than 300 responded (a good result for surveys of this type and more than had been expected). They were given the option of completing a hard-copy survey or on-line and, a bit surprisingly, the vast majority opted for the written response.

A separate and full report of the results is available, but for the purposes of this report, some of the key findings are:

- A strong 85% consider *Australian Citrus News* 'Somewhat' or 'Extremely' useful in providing information on production related matters.
- Other forms of delivery also considered valuable were mostly regional/local, such as Workshops, Field Days, Citigroup meetings etc.
- The Citrus Australia web site, and other web sites in Australia and overseas were not favoured, with between 38% and 57% of growers saying they do not use these at all.
- Almost 30% of growers said they have no contact at all with an IDO.
- Looking at sources for non-production related information about the industry, markets, government policy etc; again *Australian Citrus News* was highest with 76%; followed by *Regional association magazines and communications* at 56% and *Suppliers* at 52%.
- Asked what topics they would like more information about, the preference was strongly for on-farm related practices and also government support programs. Crop forecasting information was high on their list too. Much less sought were fields such as *Business Management* and *Staff sourcing, employment and management*.
- Interestingly, half of all growers in the survey say they are accessing the web either *Regularly throughout the day* or *Once or twice a day*. This is pretty positive and strengthens the argument to use electronic media for information and communications.
- 35% said they would be *Very interested* to receive newsletters and industry information by email. And 44% are keen to receive important information and alerts by email. 103 of the 306 growers participating provided their email address.

We sought to gather some information about farm size (to get a feeling for the cross-section of growers participating in the survey). The results were:

41%	Under 10 hectares
42%	11-50 hectares
9%	50-100 hectares
8%	over 100 hectares

Looking at the age of those participating in the survey:

5%	Under 35 years
32%	36-49 years
46%	50-65 years
17%	Over 65 years



Surveys such as this are very useful and should be undertaken on a regular basis, tracking change over time. Some observations are:

- *Australian Citrus News seems to be a respected and valuable communications medium.*
- *It is not surprising that growers seek mostly information that relates to on-farm matters – but that does not mean that it should be an Industry Development priority.*
- *It's also not surprising they like the medium of workshops, field days and meetings for getting information. They are used to this, it works, and it's a valuable social interaction (especially at a time when some growers are under great financial and other strain).*
- *The level of internet familiarity is heartening, for such a mature industry. This can be built-upon.*
- *The age structure of the growers is a concern, but no surprise. At a national and regional level, the industry should be looking at the implications of this, over say the next 10-20 years and developing strategies now, to deal with any identified risks.*

In-depth interviews with supply-chain participants.

To provide a wider industry perspective, a series of in-depth interviews were conducted with 18 major businesses in the supply chain. That is, businesses involved in packing, marketing./wholesaling and export.

A detailed report of the findings is available. Key comments relevant to this report are:

- They get information about the industry in Australia and overseas mainly from:
 - ▶ *Australian Citrus News*
 - ▶ *Asia Fruit*
 - ▶ Regional associations
 - ▶ *FreshPlaza.com*
- The information they most want is:
 - ▶ Crop size, volume, trends etc (very important and mentioned by all)
 - ▶ Market trends in Australia and overseas
 - ▶ World supply and trends
 - ▶ Changes in export regulations and protocols.
- They mainly get information on crop forecasts etc from their own networks and to a lesser extent, regional associations
- Similarly, they mainly get information on local markets (i.e. volumes sold by region and trends) from their own networks – but say they would like a better, more reliable source.
- For information on overseas markets, they go again to:
 - ▶ Own networks
 - ▶ *World Citrus News*
 - ▶ PMA web site
 - ▶ *Asia Fruit*
 - ▶ *The Packer*

- For information on consumer profile, preferences and trends, they say they have little and are limited to Woolworths and Coles and their own customers
- Asked where they get information on the industry structures and activities, they really know very little
- When asked what more information would help them do better in their business they highlight:
 - An easy-to-read regular overview of markets
 - Better profiling and crop forecasts by region – regularly
 - More information about what consumers want – and don't want.
 - Export – what % is being shipped worldwide
 - Details of promotions and results of effectiveness.
 - And especially, total throughput in Australia by market, variety and forecast. That is, packed, stored, in transit etc.
- Asked to highlight other industries from whom Citrus can learn, they mentioned:
 - Avocados – with the Infocado market information program; their promotion campaigns and general communications
 - Zespri (NZ) – for their category management approach
- Asked what are the industry's (supply chain) challenges right now, they said:
 - Export market access
 - No national identity or structure
 - Need for coordination of exporters “so not fighting amongst ourselves”
 - Oversupply
- And asked what the major opportunities for the industry are, they said:
 - More and stronger promotion here and overseas
 - A category management approach
 - Working together to get rid of the fragmentation and infighting (in industry associations)

From this research the picture is clear and unambiguous. Supply chain operators are after much more and better information upon which they can make decisions. This is a definite Industry Development area and given the strategic plan's market orientation, it must be a priority.

Of particular concern, was the often-expressed frustration with the industry's infighting and association corporate egos. It is fair to say that the general feeling among many of those interviewed was that the associations should “stop fighting, get together and get on with the job they are paid for”

Key Issues Influencing this Report & Recommendations



In carrying out this IDNA a number of issues have been identified which have a strong bearing on the recommendations that follow. They are listed here, not in priority order. However for clarity, they are grouped as either relating to Structure and Policy, or Project/Program.

Structural & Policy

The national strategic plan sets the focus

The new national strategic plan focuses the industry squarely on market and market development priorities. It says that the industry's vision (of "a more profitable Australian Citrus industry") will be achieved through:

- Greater attention to what adds (and what destroys) value, right along the supply chain;
- Identifying and building new markets;
- Improving communication and information-provision across the industry; and
- Building the industry's capacity to manage and fund its activities.

Industry Development activities must be directly aligned to achieving the industry's national Strategic Plan. So, the new focus of the plan must be reflected in the levy and matched-funded industry development activities. Putting it bluntly, the focus must now be on everything that can be done to build markets and profitability, right along the supply chain – and not so much on pre farm-gate issues and activities.

Citrus - One industry . . . or numerous

From the perspective of levies, PIB administration, representation and for agripolitical purposes, the Citrus is considered to be one, large industry. Yet for many practical purposes, particularly related to marketing, market development and communications Citrus might be considered multiple industries. The industry is segmented in various ways, such as:

- Growing regions (as evidenced by the various regional associations)
- Citrus type or variety (e.g. Oranges [Valencia, Navel etc], Lemons, Mandarins, Grapefruit, Lime etc)
- Market focus (such as own-state, Australian domestic, export; or fresh market and juicing).

This industry segmentation must be carefully considered in both industry communications and the vital area of market development and marketing. In the latter, adoption of a strong 'category management' approach (with the categories being based on Citrus type) is essential.

Industry in a process of significant change

Similarly, the industry is not homogeneous in its maturity and regional characteristics. For example:

- In some areas there are considerable new plantings with growers showing faith in industry growth; while in others the conditions are so tough that trees are being removed and growers leaving the industry.
- The various regions have differing levels of regional association support and some are reviewing how this should be handled in the future.
- In certain areas farms are getting larger while the number of growers reduces.
- Overall, production of Navel oranges and mandarins is on the increase, while Valencias are decreasing.
- Market access to other countries has improved, however overall exports have not grown.

There are two issues to consider here:

- *Industry communications (both content and delivery) needs to take these changes into account.*
- *Maintenance of a comprehensive industry database (of growers, crops, business size, others in the supply chain etc) is very important. And the task has the potential to become confused if there are numerous 'industry' databases (e.g. managed by regional associations, the PIB, government departments etc)*

Use Industry Development to build stronger national/regional relationship and shared vision.

Industry Development activities and projects can work for significant benefit both at a regional and national level. But for that to happen there must be a culture of trust and shared vision.

The real spirit of co-operation shown by national and regional leaders at the planning workshop can be built upon. It must.

- *Good communication, continuously will be a key.*
- *Where new national Industry Development projects are developed, the regional associations should be consulted, their opinions sought and where appropriate, their active involvement secured.*
- *The national association can do much to assist the regional groups to put together their own Industry Development projects and activities, ensuring that they work in synergy with (and not duplicating) national activity.*

There are recommendations in this report which call upon the associations to work together for combined benefit. This will require:

- *A spirit of cooperation and goodwill (which will be well received at all levels in the industry); and*
- *To some degree, putting aside the drive of corporate and personal ego.*

Industry Development must be professionally managed at the national level – and accountable

To date, the industry has poorly-resourced the overall management of its Industry Development activities and function. Much of the responsibility has rested with the CEO of Citrus Australia, at a time when that role has many and varied other responsibilities. Or sometimes there has been a view that a project itself would have an in-built management and accountability.

An industry as diverse and large as Citrus; with such regional differences; and facing such significant challenges must allocate adequate resources to managing its affairs and activities. There must be a structure which provides overall management and coordination of Industry Development and which is held accountable for the outcomes expected.

National levy funding inadequate for the task

The funds available (through the national levy mechanism) are very limited, particularly given the size, importance and value of the Australian Citrus industry. Citrus national levy collected, as a % of GVP of produce, is amongst the lowest of all the horticultural industries.

This limited budget must direct planners (the IAC) to focus on a small number of activities/projects for maximum benefit. It is always tempting to spend small amounts on many different and worthy projects. But focus will lead to a more distinct benefit and good 'runs on the board'.

At the same time, the industry must look again at its levy and other resourcing and if appropriate, put in train the mechanism to seek industry and government approval for a levy increase.

Project/Program

A complex mix of current activity

The industry's current Industry Development program is a complex mix of projects, various funding sources and management structures. It has grown almost project-by-project with each one viewed and managed independently.

There is significant potential for a much more program-based and holistic approach that will see synergies established across the different projects and better allocation of resources.



Potential for communications and information overload

Citrus is served by a staggering matrix of communications tools. A quick and not comprehensive, count (see Appendix 2) reveals:

- 18 Magazines, newsletters, fax bulletins or e-newsletters
- 8 different web sites
- One national conference, and a host of regional forums, meetings and workshops

And all this, without counting communications to growers and others in the industry from suppliers, Federal government departments, State and Territory DPI's and local authorities (such as water supply etc).

Frankly it's a very complex and possibly overwhelming mix of communications channels. One can easily see how individual messages may get lost; or the recipients (growers) feel they are in information overload. There must also be instances of duplication.

It is in the industry's interests to take a step-back now, look at this plethora of communications; and see if there is a better and more cost-efficient way it can be handled. But such a review can not be a 'nationally imposed' process. It must be conducted nationally, but involving all relevant parties.

National Conference – an opportunity to align and extend

There's an inordinate amount of work involved in organising a national conference for any large horticultural industry. It can take-up valuable management resources for many weeks.

Additionally, many industries find that the conference participants are mostly the same, year after year. While they may represent the majority of production volume, they are possibly not the people the industry most needs to get its R&D and Marketing messages to.

That said however, it is clear that there is strong networking and social value to these national conferences and that many in the industry consider the national conference very worthwhile.

Lastly, if funded via levy and/or a VC matching project it is imperative that there be a strong link to achieving the objectives in the national strategic plan.

It is appropriate that the industry look again at the purpose, outcomes and cost (financial and executive time) of its annual national conference to ensure the industry is getting the best possible outcome. Consideration could be given to strategies that will better 'extend' the content of conference sessions to a wider group.

Where-to with 'Cittgroups'?

Cittgroups have been running (in the various forms and under various managers/coordinators since the late 1990's. Their primary role is to provide regionally-specific support and assistance to grower groups. And this support relates particularly to the extension and adoption of R & D projects.

Beyond the practical on-farm outcomes, there can be no doubt about the 'social' good of grower groups meeting, talking and working together – particularly at times when the industry and individuals are under intense business and sometimes personal stresses.

However two facts remain clear:

1. Levy and government matching funding is not intended to support ongoing or 'permanent' activity. In fact, such funding is meant to facilitate either:
 - The answer to a specific problem or opportunity (as identified in the industry's national strategic plan); or
 - Capacity building in the industry, so that an activity or function can ultimately be taken-over, managed and funded by the industry (or users) themselves.
2. As highlighted earlier, the industry's national Strategic Plan calls for more and increased focus right along the supply chain, and less at the pre-farm-gate, production level

The time for Cittgroups to be funded via either levy or matched funding has passed. It can no longer be justified.

With a significant majority of the industry's production in the hands of a small number of growers, it cannot be argued that there is market failure in this area. And the Market Failure test must be applied to each and every project or activity considered for levy and matched funding.

That is not to say that there is no-longer a role for Cittgroup-type activities (e.g. meetings, workshops, training etc) to be undertaken. Region-by-region analysis may show that some growers are still need this type of support. The point is, that it can no-longer be funded by the national levy program.

If a Cittgroup is considered a necessary to support growers in a region then it must in future be funded by them or by their regional association. Note that such activity may be able to be incorporated into a locally driven VC-funded IDO project (see Recommendation 2)

Industry Data and Information Management – Essential for planning and strategy

The collection, analysis and reporting of key data is a critical process for any industry. Reliable data on plantings, crop forecast, product flow through the supply chain and sales by market and prices are just some of the essential requirements if the industry is to maximise returns and manage product supply.

Similarly, overall market and production information in Australia and overseas can facilitate sound decision making for the industry as a whole and individual operators.

But someone or some organisation has to be responsible. Responsible for:

- Understanding exactly what information is needed.
- Setting up structures and processes to gather and analyse the information.
- Providing the results in a timely manner and in a form that can be easily understood and auctioned.

There appear to be a number of programs that gather and report some of this information. But nothing comprehensive and national has been established.

For any industry wanting to build alliance with its supply chain and have good understanding and control of its own market, this information is essential.

The industry appears to have wrestled with this in the past and the development and launch of the 'Infocitrus' program, with only limited adoption and success, is a clear example of the challenges.

If the industry is serious about adopting a market-driven approach and extracting the best value from the market for levy payers, then this important area must be fixed. And like so many others, it will not be done by Citrus Australia alone. Nor will it be achieved only by appointing consultants. It must have the underpinning, strong support of the national and regional bodies – or it will fail again.

Capacity-building and leadership development

In years gone by industries could rely on 'elder statesmen' to assume industry leadership roles and generally there would be regular flow. An unofficial network in the industry would source these leaders and encourage them to step-up.

Times have changed and for many reasons, participation on industry boards and committees no longer holds the same attraction and perhaps the altruistic motive has diminished. Nevertheless, there remains a strong need for leaders (and some say, young leaders) with specific skills.

To meet this need industries must take a pro-active approach. That is, rather than simply waiting for people to volunteer (and hoping they are the right people with appropriate skills) industry associations and groups must:

- Actively identify a pool of potential leaders, well in advance.
- Encourage the participation of those identified by promoting the benefits of leadership; appealing to the ego; providing incentive etc
- Provide a pathway to leadership that may include entry-level involvement; training, mentoring etc.
- Ensure leaders (potential and existing) have the required governance and other training to ensure they are effective and discharge their legal and other responsibilities appropriately.

With the exception of a program in the Riverina (which is due to finish in July next year) the Citrus industry does not appear to have any structured leadership development and training program. This is a deficiency in the industry's top-level management and should be addressed.



Future Industry Development - Specific Recommendations



Industry Development Management

In moving forward with Industry Development management the following 3 specific recommendations need to be considered by the Citrus IAC and HAL.

Establish a new national Industry Development management structure

At the Industry Development planning workshop, the group agreed that there was need for a much better process of management of the Citrus industry's national Industry Development program and projects. This improved management would:

- Ensure all projects are directly aligned with the national strategic plan.
- Oversee the contracting (or employment) related to all Industry Development projects and their ongoing management and accountability.
- Be held accountable for the delivery of the outcomes of the projects.
- Be the primary contact for the regional associations in relation to Industry Development.
- Report directly to the CEO of Citrus Australia and provide regular reports to the Citrus Australia Board and, as agreed, to the regional associations.

The workshop group considered 5 different management models. It was agreed that one based on a program approach with centralised management was the best fit. This model calls for:

1. Employment of a senior manager to oversee all national Industry Development activities/projects.
2. Determination of a small number of high-priority projects/activities that are directly aligned with the Strategic Plan.
3. Delivery of those projects in the most cost-efficient manner. That is, contracting, consultancy or employment of specialised personnel, whatever is considered most appropriate.
4. Utilising whatever communications strategies are considered most efficient, within each project. That is, to not be limited by or bound to, existing communications vehicles.
5. Good relationship and communications with all regional associations and other industry sectors.

Further comments in relation to this model are:

- The new role must be a senior management position and filled by a person who will quickly gain the industry's confidence and respect.
- To recruit the right person, a competitive remuneration package must be offered.
- While having the manager located with Citrus Australia in Mildura would be preferable, it should not be mandatory. If an outstanding person is available in Adelaide, Melbourne or Sydney, but not wanting to re-locate, this should not prevent their selection.
- The position title is important. 'Industry Development Manager' is too generic and loaded with pre-conceptions of what Industry Development used to be. It is recommended that a title be chosen which more-accurately reflects the work the person is to do and the outcomes expected. 'Manager, Market & Business Development' is a suggestion.
- In considering who should undertake the priority projects and activities, the Regional associations should, where appropriate, be given the opportunity to competitively tender.
- As the industry is to be carefully determining Industry Development projects and outcomes required, these be handled by direct commissioning (following competitive tender) rather than via the HAL 'industry call'.

Separately from this report, recommendations in relation to the Position description, recruitment and remuneration have been supplied to Citrus Australia and HAL by the consultant.

RECOMMENDATION 1

As a matter of urgency, develop the Position Description and all associated documentation and then proceed to the new national Industry Development manager (title 'General Manager Market Development')

Facilitate (only where actively sought) regionally based and funded Industry Development Officers.

As mentioned earlier, it is proposed that the employment and overall management of any Industry Development Officers be fully devolved to the relevant regional associations. No national levy funding would be available for these roles.

If the association wishes, application could be made to HAL for the Industry Development Officer to be funded via a VC project, with the VC contribution coming from the regional association. It must be recognised however, that any project such as this, which attracts Commonwealth matching funds, has to be aligned with the Citrus industry's national strategic plan. The regional association must be able to show that the work the IDO will be doing will be contributing to achievement of the national Strategic Plan.

Citrus Australia should provide support to assist those regional associations that wish to go down the VC path, such as:

- Assistance with the HAL application:
- Support when the project comes to the IAC for consideration; and
- Guidance on the process of recruiting and employment.

It is suggested that the situation of multi-party funding of the VC be avoided. This very often leads to confusion over responsibility, authority and work allocation.

RECOMMENDATION 2

Citrus Australia and regional associations work together to establish, where required, VC funded IDO positions.

Addressing the funding issue

There can be no doubt that the Citrus industry's ability to do the best job in implementing its very comprehensive Strategic Plan is limited by available funding. This applies across the plan, but especially in the area of Industry Development.

There is a case for increased funding and this could be achieved through an increase in the national levy. For this, a very comprehensive program of consultation must be undertaken; followed by a formal ballot; and if the ballot is successful, followed by a submission to government and finally legislative change. This whole process could take 18-36 months and so the sooner commenced, the better.



RECOMMENDATION 3

Citrus Australia formally open discussions with industry bodies and HAL to determine if a process to increase the national levy is warranted; and if so, get it underway as soon as possible.

Industry Development Activities

For Industry Development activity a further 2 specific recommendations should be considered by the Citrus IAC and HAL.

Adopt a program-based approach

To maximise cost-efficiency and avoid a project-by-project approach it is strongly recommended that the industry adopt an overall program-based approach to future Industry Development activity. This approach provides good management and accountability through:

- ▶ An overall strategic focus across a number of projects
- ▶ Clear management accountability and responsibility. One manager is responsible for delivery of a whole program – no matter how many projects, contractors or employees may be involved.
- ▶ Specific objectives for the program can be established, aligning with the industry's national strategic plan.
- ▶ Individual projects can deliver benefits across a number of different programs (see Appendix 1).

Other considerations in this approach are:

- ▶ Annual operating plans can and should be developed for each program area.
- ▶ Working cooperatively with and involvement of the regional associations should be the aim in each program
- ▶ Where required, each program to have access to an advisory group. Note that it is not suggested that a formal committee is established for each program area, But rather that the manager should be able to draw upon specialist skills and input, as needed.
- ▶ Program managers to report to the IAC on a regular basis on the delivery of their Program area(s).

It is proposed that there be four separate program areas:

- 1. *Market Development***
- 2. *Information and Data Management***
- 3. *Communications***
- 4. *Leadership and Governance***

Managers Responsible

Working closely with HAL professionals, the industry's new General Manager, Market Development (GMMD) will be responsible for delivery of the Market Development, Information Management programs.

The General Manager, Market Development will also be responsible for delivery of the Leadership and Governance program, this time in close consultation with Citrus Australia's CEO and CEO's of the major regional associations.

The Communications program will be the responsibility of a newly created senior management role of, General Manager, Communications (GMC) (see further detail under the Communications Program.

RECOMMENDATIONS

- 4. That the Citrus IAC endorse and adopt an overall program-based approach to the management of Industry Development activity; and that**
- 5. That the IAC and Citrus Australia put in place the personnel and infrastructure to implement the program approach.**



Program Outlines



1. MARKET DEVELOPMENT PROGRAM

Introduction

Domestic and Export market development (and promotion) are two of the high-priority areas identified in the industry's national Strategic Plan and reflect the much-increased focus on markets and marketing activity.

It is recognised that the industry and individual businesses have already done excellent work in Market Development, particularly in export.

Development of both the domestic and export markets is very much influenced by the segmented nature of the Citrus industry (as described earlier) and both call for an overall 'category management' approach.

Scope of the program

This program must:

1. Identify and analyse potential new markets drawing considerably on data and intelligence generated in the Information Management program.
2. Analyse existing markets and their potential for growth.
3. Carefully and with sound process, establish priorities from 1 and 2 above
4. Secure the involvement of stakeholders in market development and marketing activities in the identified priority areas/markets
5. Develop and test and refine marketing/promotional activity
6. Implement marketing and market development strategies
7. Measure and report on results, sales and returns to industry.

It should be noted that all of the activities above, with the exception of the actual development and implementation of sales-generating marketing activity, can be funded from the matched R&D levy and VC's or a combination of both. Testing of marketing activity and reporting on that testing can be considered R&D.

Of course, some or all of the activities that can qualify as R&D may be funded from the Marketing component of the levy, but will not attract matching Commonwealth contribution

Management and Accountability

The program to be:

- Managed by the industry's General Manager, Market Development.
- Supported, as needed, by the input of selected industry personnel
- The program should have its own implementation plan, prepared by the GMMD and approved by the IAC.
- GMMD to report on a quarterly basis to the IAC on progress in implementing the plan highlighting specific achievements and issues to be addressed.

Important considerations

Product supply information

Essential to any market development program is trusted and up-to-date information on product supply. That is, crop forecasts by region, variety, size, quality etc.

This information will be drawn from work undertaken in the Information Management program

Quality Standards

Reliable supply of consistently high quality fruit is a key component of successful market development. The use of quality standards systems and processes must be considered.

Involvement of supply chain

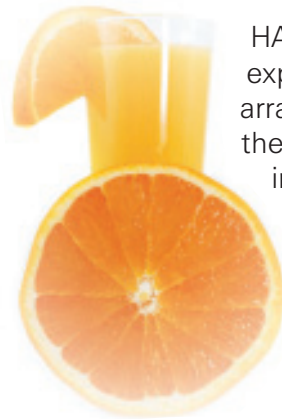
More than any other, this program will live or die on the willing participation and support of operators in the supply chain. Those actually in the business of selling the fruit.

Much attention will need to be paid to securing their trust and participation – and this will take time.

Involvement of regional associations

Similarly, the regional associations will have an important part to play. Their information, contacts and experience in this area must be tapped. And they need to feel shared ownership of the program.

HAL's role



HAL has specialist staff with considerable experience in market access, export marketing and domestic market programs. Under the new working arrangements between HAL and industries, the method of charging for these services is still being developed. But what seems clear is that industries are not obliged to use only HAL for these services (if they ever were). It is possible for the industry to contract-out projects or tasks to skilled professionals in the private sector.

Export market access

HAL does have much experience and an important role to play in the area of Export market access.

2. INFORMATION & DATA MANAGEMENT PROGRAM

Introduction

This program takes a holistic, industry-wide view of information and data generation and management. It aims to:

- Identify what information or data is needed by which groups in the industry. This task links directly with the proposed *Market Development Program*.
- Determine how that information should be collected analysed and reported; and
- Deliver the information and importantly, measure its use and value to the user. At this point, the Information and Data management program links directly with the proposed *Communications Program*.

However this is not an open book. Naturally resources are limited so an important element of the program is the rigorous prioritisation of information needs and delivery.

Scope of the program

The information and data management program must be the umbrella under which all the industry's information needs are managed. So it includes, but is not limited to:

- Plantings by region and variety.
- Crop forecasts
- Product movement through the supply chain including by market, price and product.
- Market information, characteristics and segmentation.
- Market and consumer research
- Industry participant database including growers, by size; exporters, importers, market agents; suppliers etc. We are not talking here about a simple database of names and addresses, but something much more approaching a commercial CRM (Contact Relationship Management) program.

Management and Accountability

The program to be:

- Managed by the industry's General Manager, Market Development.
- Supported, as needed, by the input of selected industry personnel
- The program should have its own implementation plan, prepared by the GMMD and approved by the IAC.
- GMMD to report on a quarterly basis to the IAC on progress in implementing the plan highlighting specific achievements and issues to be addressed.

Important considerations

Take account of past and current work

Various projects and activities in this area have been undertaken or are underway both at a national and regional level. For example, the 'Infocitrus' program operates well and seems to be delivering value for the Queensland Mandarin industry. Yet it has not won sufficient support in all other areas to make it viable and valuable to them too.

Learning from this past experience is essential. The reasons why other information collection and reporting programs are operating successfully or are not, need to be understood.

Work together for cost-efficiency

Linked with the above point is the need to work together for maximum cost efficiency and to ensure effort is not duplicated. Regional associations have their own data collection, information management and databases. This is not a case of 'national' coming in and taking-over. Rather it should be a process of working together with all bodies to craft the best possible program scheme.

Start with a thorough audit & gap analysis

It will be important to start with a thorough audit covering:

- What information is collected and reported now; how it is collected, reliability of the information and how and to whom it is reported.
- What databases are currently held, what they contain, how reliable is the information they contain and how is that information used.
- What are the prioritised information and database needs of the various organisations and sectors of the industry.
- How information is currently reported and how it might be in future.

Regularly review to ensure value is being delivered

Gathering information and reporting it can sometimes be a self-fulfilling function. The industry must not be in the business of gathering and reporting information just for the sake of it or because something is "nice to know". It is not the 'output' (i.e. reports and communications) that is important, but rather, the 'outcome'. That is, to what use is the information being put and how much value is it adding to the business and profitability of the users.

Market and Consumer Research

Often-times the area of market and consumer research is seen as something separate and more linked to the promotion and marketing programs themselves. But in fact market and consumer research is inextricably linked with the other components of this program and should be managed within it.

3. COMMUNICATIONS PROGRAM

Introduction

Currently the industry is using an almost overwhelming mix of communications 'vehicles' to deliver information to industry participants. For just 3,000 growers and say 300 other businesses in the supply chain there are:

- More than 18 magazines, newsletters, fax bulletins or e-newsletters produced by regional and national associations and IDO's
- 8 different web sites
- One national annual conference, and a host of national and regional forums, meetings and workshops
- Citrus-specific publications, meetings, workshops and web sites produced by numerous State and Commonwealth government departments.
- Product bulletins, newsletters, workshops, field days, and other communications produced by suppliers to the industry.

This is an overwhelming situation and its effectiveness and cost-efficiency must be seriously questioned. One must ask, what level of grower resources are going into this complex communications infrastructure; and is it money wisely spent?

No doubt everyone producing a newsletter, fax, email, web site, workshop or meeting thinks it is important. But each one has the potential to become lost in the mass.

Frankly, there must be a better way to serve the industry and ensure they have access to the information they need, easily and swiftly.



Scope of the program

This program aims to:

1. Working closely with the regional associations, conduct a thorough audit of information needs and current strategies and tools. This audit will not just list the various communications vehicles but very importantly, evaluate their effectiveness in terms of message, audience and adoption.
2. Based on the findings of the audit, develop, with regional associations and other stakeholders a new whole-of-industry communications strategy and plan.
3. Implement the plan, over time.
4. Measure effectiveness and impact, and adjust where necessary.

The scope of the Communications program should be wide, covering all forms of communication – e.g. printed, electronic, group and personal. It includes Conferences, meetings and forums.

Management and Accountability

Management

A dedicated, senior manager must oversee this vital area. It is too important to be a part of the Citrus Australia CEO's responsibility; or to be delegated to a more junior communications officer or even a communications consultant.

This program is pivotal to the industry's effectiveness – for what use is Market Development activity; or Information and Data Management; or local activity, events and news - if the detail and results are not communicated effectively to those that need to know.

For this reason, it is strongly recommended that the industry consider the appointment of a national General Manager, Communications. Note that while this role should be employed through Citrus Australia, their role and direction is primarily, whole-of-industry.

Industry Input

As with the other Program areas the Communications program must be able to draw on the input of others already working in this area. Importantly, the regional associations should be partners in this programs

Operation

- The program should have its own implementation plan, prepared by the GM,C and approved by the IAC.
- GMC to report on a quarterly basis to the IAC on progress in implementing the plan highlighting specific achievements and issues to be addressed.

Some observations on the National Conference

Developing and running a national industry conference generally takes a huge amount of work over some months before and after. In fact annual conference planning usually starts immediately the previous one ends.

While there are acknowledged social and networking benefits from conferences the HAL funding guidelines are requiring direct linkage with strategic plan objectives. Furthermore, there is a strong need to better 'extend' the information from a national conference to a much wider audience in the industry.

It is proposed that the Citrus industry develop strategies to deliver the valuable content of national conference sessions to a much wider audience than the 250 – 300 generally regular attendees.

Such extension may be able to be handled as a separate HAL project. And given the extended audience, the businesses that usually financially support the national conference may similarly support these extension strategies by means of sponsorship.

Important considerations

Take account of work already done

Two related national studies have already been conducted:

- Australian Citrus Industry – Communications Strategy 2006
- Stakeholder Engagement and Communications Strategy – 2009

Both of these were essentially Citrus Australia-driven projects, but do have content and findings that can inform this program.

Similarly, there may be studies or reviews conducted at a regional level that should be referred to.

Lastly, the national grower survey and individual interviews conducted with leaders in the supply chain (both conducted as part of this IDNA) will provide valuable information too.

A two-way needs analysis is the essential starting point

In conducting the needs analysis, it is vital to view the task from two perspectives:

- What is the information that will help each sector of the industry make better business decisions; and
- What is the information that we (the industry) have that we feel needs to be communicated – and to whom. In this regard we might consider:
 - Results and recommendations from R & D projects
 - Information arising from the Market Development and Information Management programs
 - Government policies and programs
 - Experience or learnings from other industries in Australia and overseas.

Use the web – wisely

There's clear evidence from the surveys conducted in conjunction with the IDNA that there is good potential to use the web and electronic communications - for a certain and growing proportion of the industry.

This is good. Putting information on the web is cost-efficient and simple and it puts into the hands of the recipient, the responsibility for accessing, considering and then downloading if they wish. Much, less paper sent to people who might never read it.

Be pragmatic

While it may be 'nice' and inclusive to want to communicate with everyone, the fact is that only a certain proportion of the industry want to receive information and want to take action. They are the ones that deserve the focus and attention.

Sometimes valuable time and money can be wasted trying to 'inform' and help those that don't really want to be assisted.

It takes time

What is proposed in this program will take time to implement, particularly if current communications strategies and programs are to be altered.

A realistic expectation and plan for implementation is essential.

4. LEADERSHIP AND GOVERNANCE PROGRAM

Introduction

The demands on industry associations and in particular their boards and committees are becoming greater by the year. Corporate governance requirements increase and change; and not-for-profits and associations come under increasing scrutiny.

Add to this a contracting industry and significant time pressures, and it becomes harder and harder to source high-quality candidates to take on industry leadership roles.

So the solution is for industry to manage and promote a pro-active capacity building program.



Scope of the program

The program is to be run nationally, for the benefit of all associations, and will:

- Identify and attract new leaders, particularly the young
- Provide them with the training and incentive needed to be effective leaders.
- Support all boards and committees with appropriate governance training to help ensure they fulfil their responsibilities and minimise risk.

It will have the active participation of Citrus Australia and all participating regional associations.

Management and Accountability

This program is managed by the GMMD and supported by an ad-hoc advisory group (note – not a formal management or advisory committee) comprising:

- Chairman, Citrus Australia; and
- Chairman or CEO of each of the major (and participating) regional associations.

The GMMD may retain the services of an external Board and corporate governance advisor if considered necessary.

GMMD will report on a quarterly basis to the IAC on progress in implementation of the program, highlighting particular challenges and successes.

Important considerations

Value to the individual

Industry supported leadership development and training can have very significant personal and professional benefit for the individuals participating. The skills they acquire are valuable in their own business and professional lives. This personal payoff can motivate people to become involved and should be promoted.

Build on past experience

The program should take full regard and draw on the experience of similar projects run by a number of regional associations.

Don't re-invent

There is no need to re-invent the wheel here. Specialist consultants and others have already developed governance training programs tailored to associations and organisations

In addition, other horticulture industries (like Bananas and Vegetables) run similar programs and adaption of these might be a possibility

A 'pathway' to leadership

The program must incorporate and show its participants that there is a pathway to leadership in the industry. That their first involvement may be as part of a consultative committee or similar, but that they can move on up the leadership ladder as their skills and availability permit.

Linked to this is an active program of succession planning for the industry's boards and committees.

Consider mentoring

A simple but structured mentoring program can be an important component of new-leader development. This should be considered.

Projects, Administration, Funding & Budgets



Introduction & the HAL project process

Each of the four programs will be delivered via a mix of projects that can be managed through the HAL process. This gives access to matching Commonwealth funds for all projects (or the parts of projects) that fall within the HAL definition of R&D – and much of what is proposed here does.

- Project applications will be developed by Citrus Australia, on behalf of the industry.
- They will then be considered by the Citrus IAC – in the context of the industry's national strategic plan and this IDNA.

If supported by the IAC, the project is then evaluated by HAL and if supported, approved for funding.

- Note that any project with a total matched value of less than \$500,000 is considered and approved at the HAL Executive level. Projects in excess of \$500,000 are considered by the full HAL Board or a Board sub-committee.

Cross-Program projects

As will be seen (and illustrated in the Project Matrix provided as Appendix 1) a number of the projects have application across a number of the four programs. This is logical and good, because it provides direct connection between the different projects.

Any support groups

This report suggests that some informal advisory groups may be established on a needs basis to provide valuable industry input. These are not formal advisory or management committees. Their task is, as requested, to provide advice and opinion for the program, so that it delivers the best possible result for the industry.

Any costs for operation of any such groups should be included in the relevant program budget

Maximising budget by leveraging contributions

The Citrus industry is relatively poorly resourced in terms of its national R&D and Marketing levy collections. Therefore it makes good sense to leverage whatever other funds may be available to support the program via matching VC.

For example, if a project to regularly deliver accurate market data to growers and others in the industry attracted:

- Contribution from regional associations because their members would benefit; and
- A corporate sponsor (say a chemical supplier) because they saw merit in being associated with something that will assist their customers

then the contributions of both could be matched by Commonwealth funds under a VC project (so long as the project is supported by the IAC and approved by HAL).



Project Outlines

A series of brief project outlines have been prepared for consideration. See Appendix 3. These are only suggestions and would need to be further refined, preferably by the executive responsible, and then considered by the various stakeholders, the relevant Advisory Committees and the IAC.

In particular, budgets are preliminary estimates and a more detailed costing would be required. In addition, a year-by-year budget analysis will help in annual budget setting.



APPENDICES

1. *Project and Program Area Matrix*
2. *Schedule of Communications*
3. *Project Outlines*