



# Citrus Australia Ltd

## Q & A

**30 September 2008**

### **Establishing Citrus Australia**

**Q:** What does it take for Citrus Australia to be established?

**A:** A majority (75%) vote by delegates in favour of the establishment of Citrus Australia is required at the special general meeting being held on 14 October 2008 for the new organisation to replace ACG. You should indicate your voting preference to your local delegate.

**Q:** What happens then?

**A:** Should the vote be successful, ACG will finalise its wind-up procedures on 31 October 2008 and the new organisation, Citrus Australia Ltd, will begin operating on 1 November 2008.

Citrus Australia will then take over operations as the peak industry body representing Australian citrus growers, and will seek subscriptions for membership.


### **The Citrus Australia Board**

**Q:** How many Directors will there be on the Board of Citrus Australia?

**A:** The Board will be comprised of seven Directors, with a minimum of four Directors being growers.

**Q:** How were the initial Directors of Citrus Australia selected?

**A:** The Board of ACG established an independent Director Selection Committee to oversee the advertising, interview and selection process for the seven Directors for the Citrus Australia Board.



**Q:** Who are the initial Directors appointed to the Board of Citrus Australia?

**A:** The initial Board of Citrus Australia is to be comprised as follows:

**Tania Chapman**

Tania has a citrus and grape growing business in the Sunraysia region. She also has a business that provides specialised bookkeeping services to horticulturalists in the Sunraysia region. In addition she has held the positions of secretary to the Sunraysia Table Grape Growers Association and the Murray Valley Table Grape Growers Council. Tania holds a diploma of accounting.

**Kevin Cock**

Kevin has a citrus growing business in the Sunraysia region and is a current director and vice president of ACG. He has extensive experience in citrus production over the past 40 years and has been an active representative of the industry through a variety of industry committees and boards, media relations and government and trade delegations, and in advancing industry policy issues with government.

**Greg Dhnaram**

Greg will join the Board as an independent Director and brings expertise in retailing and fresh produce. He is an experienced manager with strong communication skills. Greg has 30 years experience in retail through a variety of senior roles with Woolworths Australia. He is presently chief executive officer of Favco Group, a fruit and vegetable marketing company.

**Kelly Jones**

Kelly will join the Board as an independent Director and brings expertise in business management, information technology, project and change management and finance. She has had a long career in senior management or consulting roles with ANZ Bank, MLC, NAB, Westpac, Deutsche Bank and IBM. Kelly was formerly a director of the National Information and Communications Technology Australia (NICTA), holds a bachelor of science degree, an MBA and is a member of the Australian Institute of Company Directors.

**Michael McMahon**

Michael is the managing partner of Abbotsleigh Citrus, a large citrus growing business in Queensland. The business grows, packs, transports and markets its own produce within Australia and overseas. Michael brings a young person's perspective and experience from outside the citrus industry, including time in the family's mixed farm business which includes grain, cotton and cattle production. He holds a bachelor of commerce degree and is a member of the Queensland Citrus Growers Promotions Committee and a director of Gin Gin Fruit and Vegetable Growers.

### **Kevin Parr**

Kevin's business is one of the largest citrus growing operations in Australia and the largest in Queensland. He has 30 years of experience in citrus growing, packing, exporting and marketing. Kevin has extensive experience in industry leadership roles, and is a current director of ACG and a board member and treasurer of Queensland Citrus Growers Inc. He is also chairman of Sweetee Citrus and managing director of Central Fruit Packers, a horticultural packing enterprise in the Central Burnett.

### **Michele Phillips**

Michele will join the Board as an independent Director and brings strong marketing and board expertise. She has 20 years experience working in Australia and Asia in both strategic and operational marketing roles for major firms including Electrolux Asia Pacific, Nestle Australia/NZ, Kellogg Australia and Kimberly-Clark Asia Pacific. Michele is the president and chair of a company that manufactures and markets a range of branded consumer food products and is executive director of a private equity firm. Her family owns a fruit farm in the Tweed Valley. She holds a bachelor of business degree and an MBA and is a member of the Australian Institute of Company Directors.

**Q:** I am a Riverina grower – will I be represented?

**A:** Yes – all seven Directors are legally required to represent Australian citrus growers and in particular its Grower Members.


You are encouraged to join direct as a Grower Member with voting entitlements. There will also be numerous opportunities to become involved with the committees that need to be set up to advise the national Board, and regional forums that Citrus Australia will conduct each year.

**Q:** What other regional presence will there be?

**A:** Citrus Australia will maintain a regional presence throughout its transitional phase by 1) utilising existing ACG staff and office space in Mildura and 2) establishing regional advisory committees and accepting reasonable ongoing commitments (including staff and office space) where region/state citrus bodies willingly cease to operate. Citrus Australia will also work collaboratively with any region/state citrus body that joins as an affiliate member or through mutual arrangement.

**Q:** How will Directors be elected to the Board of Citrus Australia?

**A:** Grower Members will have the right to elect Directors at each AGM. They will also be entitled to vote on certain fundamental matters such as the alteration of the Constitution, winding up of the company and the approval of committee



members. Grower Members are also able to nominate for the Board of Citrus Australia.

**Q:** What will happen to the Directors of Citrus Australia at the company's first AGM?

**A:** Two Directors shall retire at Citrus Australia's first AGM (in 2009), by agreement or by lot, and shall be eligible for re-election.

### **Committees**

**Q:** Will the national committees be based on issues or varieties?

**A:** The Citrus Australia Board will be responsible for setting up these committees based on the needs of the industry and its grower members. The Board will appoint people to these committees on a skills basis. People who are appointed to a committee with delegated powers must be confirmed by grower members at the next AGM.

**Q:** What about the regional advisory committees?

The Citrus Australia Board will be responsible for setting up regional advisory committees as a transitional measure in areas where the regional/state grower body has voluntarily wound-up and transferred its undertaking and operations to Citrus Australia.

Citrus Australia will continue to work with existing regional/state grower bodies during the transitional period.

**Q:** I am Murray Valley grower – what happens to Sunraysia Citrus Growers and the Murray Valley Citrus Board?

**A:** The special resolution does not apply to any other organisation other than ACG (stage 1) so all regional/state grower bodies and state statutory bodies will continue to exist and work with Citrus Australia throughout the transitional period.

Some regional/state organisations have indicated their intentions under the proposed restructure while others will 'wait and see'. Only grower members of those regional/state bodies can make changes to their Constitutions.

## **Joining Citrus Australia**

**Q:** How do I join Citrus Australia?

**A:** An application form to join the new organisation, Citrus Australia is contained in the Information Memorandum that all citrus growers should have received. The Information Memorandum is also contained on the ACG website.

**Q:** What are the membership fees of Citrus Australia?

**A:** Grower members will pay a membership fee each financial year. The initial annual membership fee of Citrus Australia Ltd for Grower Members will be \$20 per hectare, with a minimum fee of \$100 and for Affiliates, the fee will be \$250.

**Q:** Will it cost more to join Citrus Australia than ACG?

**A:** The special resolution will only require the transfer of ACG's undertaking and operations to Citrus Australia. The intention is to transfer the current complex system of contributions to ACG (approx. \$0.50/t) to a more simple, accountable and direct membership system (\$20/ha, min \$100)


There may be some differences based on individual circumstances but overall growers should not pay more in total than they currently are.

The second stage will address the contributions and operations of other regional/state based grower-funded organisations. The outcomes will ultimately depend on the new Board, its grower members and continued deliberations between the organisations involved.

During the transition to the new organisation, arrangements will be in place for growers who choose to join Citrus Australia to ensure they are recognised for prior or current payments to ACG or for the benefit of ACG (made through various means including through their Grower Bodies, statutory bodies or packinghouse), relating to the 2008-09 Financial Year, and to ensure growers do not pay more in total than they currently are.

Each membership application will be considered by the Citrus Australia Board, at which time such prior or current payments to ACG or for the benefit of ACG will be recognised, along with any special circumstances, noting voting entitlements are based on each dollar paid in membership fees.

In South Australia, growers who have remitted the \$0.50 (exclusive of GST) per tonne contribution to CGSA for services provided by ACG (collected via packinghouse by PIRSA), for all or part of the 2008-09 Financial Year, will need to demonstrate this amount on the Citrus Australia membership application form (attached to this Memorandum). This amount will be deducted from the total



2008-09 membership fee due to Citrus Australia. CGSA will be encouraged to join as an Affiliate.

In the Murray Valley, growers who have remitted the \$0.50 (exclusive of GST) per tonne contribution to ACG for services provided by ACG (via their packinghouse or Murray Valley Citrus Board) , for all or part of the 2008-09 Financial Year, will need to demonstrate this amount on the Citrus Australia membership application form. This amount will then be deducted from the total 2008-09 membership fee due to Citrus Australia. SCG and MMCG will be encouraged to join as Affiliates.

In Queensland, citrus growers are encouraged to continue QCG membership. Upon the consent of the individual grower, part of their subscription payment to QCG will include membership fees to Citrus Australia. All assets and liabilities of QCG are expected to be transferred to Citrus Australia by July 2009, including staff, at which time a Citrus Australia regional advisory committee (established in consultation with QCG) will ensure the Citrus Australia Board is advised with respect to ongoing projects/obligations, programs and quarantined funds transferred to Citrus Australia by QCG.

In the Riverina, growers have benefited by services delivered via a Service Agreement between ACG and Riverina Citrus, funded through their state statutory levy. This is expected to continue, with the Service Agreement being transferred to Citrus Australia until it comes to an end in March 2009. After that point, growers can choose to join Citrus Australia direct. This may be facilitated by an equivalent reduction in the Riverina citrus state statutory levy.

In WA, growers have contributed through their state statutory “fee for service” through WAFGA’s membership of ACG. This arrangement will cease on 31 October 2008 (though WAFGA will be encouraged to join as an Affiliate of Citrus Australia) and growers will be encouraged to join Citrus Australia direct upon the equivalent reduction in their state statutory fee for service.