

# SINGLE GROWER ORGANISATION



# **GOAL –**

- **A single grower organisation to represent the growers initially of KCGO, PCGO, ICGO and other growers in the Burdekin District**
- **Opportunity for future expansion into other districts.**
- **Achieve the maximum tonnes and membership under the one organisation.**
- **Pooling of resources, achieving scales of economy and expanding services to growers.**
- **Financial sustainability.**
- **Continue the benefits achieved by BDCG – for example: collectively negotiating with Wilmar Sugar; lobbying at Local, State and Federal Government levels.**
- **Asset protection.**

# **VISION STATEMENT**

**Recognising a unique opportunity to establish a single grower organisation that will: bring together the skills, expertise and resources of existing grower collectives and individual growers to form an industry body which is free of government funding; that fiercely advocates externally for the best interests of its members; and internally, coordinates the provision of internal and external services that seek to optimise the productivity, sustainability and profitability of its members.**

# **MEMORANDUM OF UNDERSTANDING (MOU)**

- **Executed on 7 August 2019.**
- **Objective – investigate merger of KCGO, PCGO and ICGO to be a single grower organisation and enhancing BDCG role.**
- **MOU included a commitment to –**
  - **Identifying issues which would inhibit and/or prevent the objective.**
  - **Investigating solutions to issues identified.**
  - **Negotiating a Memorandum of Agreement (MOA) with timeframes for unification.**
  - **Delivering principles to underpin the investigation process.**
  - **Joint Grower Meeting by 30 September 2019.**
- **MOU - no legally binding obligations**
- **MOA would have legally binding obligations.**

# **TIMETABLE**

<b>Joint Grower Meeting #1</b>	<b>27 September 2019</b>
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<b>Joint Grower Meeting #2</b>	<b>31 October 2019</b>
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<b>Joint Grower Meeting #3</b>	<b>29 November 2019</b>
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<b>MOA Signed</b>	<b>6 December 2019</b>
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<b>Nominee Directors appointed</b>	<b>1 March 2020</b>
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<b>Independent Director appointed</b>	<b>20 March 2020</b>
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<b>Constitution prepared</b>	<b>31 March 2020</b>
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<b>New Entity formed</b>	<b>1 April 2020</b>
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<b>Full implementation</b>	<b>31 December 2020</b>
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# COMPANY

Proposed –

- **Name:** Burdekin District Combined Growers Limited (name change?).
- **ABN:** same ABN as BDCG.
- **Company:** Not for Profit, Limited by Guarantee and Non-Government funded.
- Grower Organisation **and** Bargaining Representative.

# COMPANY STRUCTURE

## BOARD – TRANSITIONAL

<b>Number of Directors</b>	Minimum – 6 Maximum – 10 (including 1 independent)
<b>Appointment of Directors</b>	KCGO – nominates 2 PCGO – nominates 2 ICGO – nominates 2 Board – may appoint Independent Director
<b>Term of Directors</b>	2-year term - 1 April 2020 to 30 April 2022
<b>Independent Director</b>	Term determined by the Board – up to 1 year with option of re-appointment
<b>Chair</b>	Elected by Board

# BOARD - POST 2 YEARS

<b>Number of Directors</b>	Minimum – 5 Maximum – 10 (including 1 independent)
<b>Appointment of Directors</b>	Elected by all of the members Board – may appoint Independent Director
<b>Term of Directors</b>	3-year term - 1 May 2022 - 30 April 2025 Maximum of 3 consecutive terms
<b>Independent Director</b>	Term determined by the Board – up to 1 year with the option of re-appointment
<b>Chair</b>	Elected by Board



# **MEMBERS**

<b>Class A</b>	<b>Existing 3 collectives</b> <b>KCGO, PCGO, ICGO</b>
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<b>Class B</b>	<b>Sugar cane growers</b>
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<b>Class C</b>	<b>Growers of other crops</b> <b>(voluntary)</b>
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# **MEMBERSHIP FEES / LEVIES**

## **Classes of Membership**

- **Class A – by unanimous support of the three collectives (should BDCG require capital).**
- **Class B – will be determined by the members – a poll of the members at General Meeting.**
- **Class C – to be determined by the board (dependent upon the number of members, the fees/levies available and the services that will be offered to other crop growers.**

# **MEMBERSHIP FEES / LEVIES**

## **Class B - membership fees / levies - Options**

**Members will be polled – to nominate from a number of options which have not been fully considered yet but which may include:**

- **Levies on capped tonnes of cane**
- **Levies on all tonnes of cane**
- **Levies on a sliding scale of tonnes of cane**

**For example -**

**up to 50,000;**

**between 50,001 and 100,000 tonnes;**

**over 100,000 tonnes.**

# ASSET PROTECTION

- **The three organisations to retain ownership of their respective assets (buildings, seed plot farms, shares and cash).**
- **Objective – the assets to be protected and not owned by the bargaining representative entity.**
- **Issues with stamp duty and capital gains tax on the transfer of assets (real property – farms and buildings - and STL shares).**

# QUESTIONS



**NEXT MEETING - scheduled to be held 31 October 2019**



# **27 SEPTEMBER JOINT FORUM GROWER FEEDBACK**

- **Post Transitional Boards – Directors should be elected on a zonal basis.**
- **Directors and Managers should obtain a broad understanding of issues in all areas**
- **Growers should pay a separate compulsory levy on all land used for alternate income cropping**
- **Could be a challenge to get Wilmar to collect on a Land Area (Hectare) basis**
- **Could new Board appoint more than 1 independent Director?**  
[No - 1 only proposed at this stage but could be increased at a cost]
- **Support for uncapped fees - otherwise small grower, with lesser capacity to pay, subsidising big grower**
- **Proposed changes supported so as to attract new members**
- **Will each Collective's Members be consulted for approval of MOA?**  
[Yes – each Collective's Boards and Members required to approve]