2006

Cultural imprint project final evaluation report: Herbert cultural imprint analysis - A pathway to greater understanding and co-operation in decision making

Botha, N
Cultural Imprint Project

Final Evaluation Report

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Dr Ian Plowman

November 2007.
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Cultural Imprint Project

Final Evaluation Report

Executive Summary

In 2004, the SRDC funded ‘Cultural Imprint’ project, a collaborative joint venture between CSR Sugar, CANEGROWERS Herbert River, the Australian Mechanical Cane Harvesters Association and BSES Ltd. The objectives of the project were to:

1. Generate a cultural imprint (otherwise known as a collection of stories that describe the way a community works or doesn't work together) which targets a new level of understanding, that offers the opportunity to break the deadlocks encountered as a result of our pasts, and unlock a new future for our region and our industry.
2. Generate a series of practical facilitation tools for the region (and industry) to use that improve the likelihood of issue resolution and improve the effectiveness of how the total system works together.
3. Build capacity in the stakeholders to use a set of facilitation tools to improve the ability of the stakeholders to resolve industry issues and deepen their understanding of each others perspectives.

There are three broad sources of information that inform this final evaluation. They are formative material - anecdotal evidence collected during the course of the project (1), and summative material gathered during independently conducted interviews (2) and focus groups (3).

This final evaluation uses the Snyder Model of evaluation to assess the extent to which these objectives have been achieved. The Snyder model uses a chain of inference whereby Resources are expended in Activities which result in Effects, both intended and unintended, leading to Goals, Objectives, or Outputs on the way to achieving an Outcome or Vision. Table 1 summarises the overall evaluation findings.

The realisation of the first objective, generation of the ‘cultural imprint’, is evidenced by the ‘Bad Behaviour Busters’ workshop, attended by about 120 members of the industry and community. The ten ‘bad behaviours’ and their opposites are captured in Table 2, attached, which is offered as evidence of the achievement of this first objective.

The second objective was realised by adoption of the proprietary intervention tool, ‘Meetings without Discussion®’ (MWD), and its successful trialling on four siding rationalisation projects. This tool proved its worth in reaching outcomes not previously thought possible. A testimonial from Michael Pisano, Board Member, CANEGROWERS Herbert and feedback from each of the workshops are offered as evidence of the achievement of this objective. The transcript of an interview given on ABC radio is also offered.
The third objective of building capacity of stakeholders to use the tools to resolve industry issues and to deepen their understanding of each others issues has also been achieved. MWD was used as one of the tools that enabled improvement in CSR’s Logistics group, resulting in improved transport management and delivery of bins. Feedback from that workshop is attached. It was also used by BSES Extension Officers to conduct focus groups on cane varieties across the industry (summary report attached). It is presently being used internally within CSR management to improve meeting quality. It is also be used within Hinchinbrook Shire Council. Overall, as evidenced by interviewees and focus groups, (see attached subsidiary reports), the project has resulted in less defensiveness, greater mutual empathy, and a greater willingness by all parties in the sector to work collaboratively for the overall benefit of the industry. This is not to suggest that the fragmented value chain and pervasive mistrust identified in the 2004 cultural analysis have disappeared. They have not. However, aided by the modest goals this project set out to achieve, a difference has been made.
### Table 1: Cultural Imprint Evaluation log Frame – Summary of activities and impacts

<table>
<thead>
<tr>
<th>Level</th>
<th>Project Details</th>
<th>Evaluation reporting and findings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Resources</strong></td>
<td>Budget Direct time In-kind</td>
<td>▪ Reported elsewhere</td>
</tr>
<tr>
<td><strong>Activities</strong></td>
<td>1. Reference Group</td>
<td>▪ Reference Group established with regular meetings and e-mail contact. Data collecting, workshops and trials developed through Reference Group.</td>
</tr>
<tr>
<td></td>
<td>2. Data gathering</td>
<td>▪ Data was gathered in three ways: Informed persons interviews (35); workshops; historical analysis.</td>
</tr>
<tr>
<td></td>
<td>3. Workshop 1</td>
<td>▪ A initial workshop was run to test the findings with a cross-section of industry people.</td>
</tr>
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<td></td>
<td>4. E40 Workshop</td>
<td>▪ A second workshop was run with a small number of committed industry people who planned for a larger whole of community workshop.</td>
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<td>5. E200 workshop</td>
<td>▪ A third workshop was run with a large number of industry and community people.</td>
</tr>
<tr>
<td></td>
<td>6. Trialling tools</td>
<td>▪ Five case studies used intervention tools to deal with negative behaviours and assist in bringing about positive outcomes. These were in CSR Traffic Operations and four siding projects.</td>
</tr>
<tr>
<td></td>
<td>7. Final data collection and assessment - focus groups &amp; interviews</td>
<td>▪ Twelve informed person interviews were undertaken across industry sectors and 5 focus groups based on each sector.</td>
</tr>
</tbody>
</table>
## Cultural Imprint Project – Final Evaluation

### Players

<table>
<thead>
<tr>
<th>Role</th>
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</thead>
<tbody>
<tr>
<td>Canefarmers</td>
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<tr>
<td>Canegrowers.org</td>
</tr>
<tr>
<td>Mill – management</td>
</tr>
<tr>
<td>Mill – workers</td>
</tr>
<tr>
<td>Harvesters</td>
</tr>
<tr>
<td>Community</td>
</tr>
<tr>
<td>Women’s group</td>
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<tr>
<td>[Reference Group]</td>
</tr>
<tr>
<td>SRDC Burdekin</td>
</tr>
</tbody>
</table>

- A significant number of people across industry were involved in the project in various ways: Reference Group (CANEGROWERS; harvesting; CSR; Social Researchers; BSES, SRDC) Interviewees (50+); Workshop participants (Over 250) across all workshops, including the Women’s group; schools; media; local actors, as well as the full cross section of industry.
- Final benchmark focus groups and interviews involved 35+ people across all sectors: millers; growers; harvesters; research and extension; social observers; grower organisation.

### Effects

<table>
<thead>
<tr>
<th>Effect</th>
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<tbody>
<tr>
<td>Recognition of behaviours and issues</td>
</tr>
<tr>
<td>Challenged about own behaviours and approaches</td>
</tr>
<tr>
<td>Motivation to change actions/behaviour</td>
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<tr>
<td>Potential angst</td>
</tr>
</tbody>
</table>

- Participants at Workshop 1 participated fully and endorsed the findings of the study – as well as contributing to the further behavioural analysis.
- The support was demonstrated by the willingness of a number of industry participants to train for – and assist in the planning of - an industry wide workshop by attending the E40 workshop.
- The level of interest in the project was evidenced by the strong turnout and industry support at the E200 workshop which included local actors playing out some of the identified behaviours. Participants confirmed the ten identified ‘bad behaviours’ and generated constructive alternatives.
- A loss in momentum occurred after the workshop with a failure of promised local follow-up to occur, industry issues intruding on cross-industry relationships and a transfer of the project manager.
- The use of the intervention process, ‘Meetings without Discussion®’ was favourably viewed by key industry players and were seen to work very successfully in the case studies/trials (over potentially divisive issues such as siding placements)
- Participants in the final focus groups reported mixed reactions to the Cultural Imprint activities – a recognition of the value of better understanding of the culture; a belief that momentum was lost; and a desire for cross-sectoral leadership to take the industry forward. There was an acknowledgement of the benefits of the Meetings Without Discussion approach. Several of
the informed persons interviewed thought the Cultural Imprint project had made no difference at all. Others saw that the cultural analysis helped people to understand each other, their history, and what led to their present world view.

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Change in negative behaviour</th>
<th>Less conflict between individuals and groups</th>
<th>More open dialogue</th>
<th>Openness</th>
<th>Less blame</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The first indication of success was the strong project support and cooperation across industry representatives in the Reference Group (millers, grower organisations, harvesting group and RD&amp;E representatives) – evidenced by a meeting being deferred when some members couldn’t attend.</td>
<td>Workshop participant acknowledgement of the industry’s negative behaviours was a significant indicator of a move towards the project objectives. Participants from across the industry were prepared to discuss the issues that caused and arose from such behaviours. This was the first occasion that many of these industry members had ever had a conversation with representatives from another industry sector.</td>
<td>The industry representatives were also able to agree on case studies and alternate positive behaviours pertinent to dealing with the negative behaviours identified.</td>
<td>The case studies/trials of the intervention tools and other instances of applying those tools in the industry resulted in significant positive outcomes and a strong endorsement of the tools by those involved.</td>
<td>Representatives of the grower community from Herbert who had been involved in, and impacted by, the project were prepared to travel to the Burdekin when the results of the project were presented and discussed.</td>
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<td>The final focus groups reported some improvements in communication between growers and millers. Issues such as individual contracts and changes in sugar pricing were seen to have been a barrier to greater changes.</td>
<td>The final informed persons interviews noted that in the last three years the major shifts in relationship occurred between CSR and Canegrowers. Initially that shift was negative. Following a change in mill management, coupled with improved sugar prices, the quality of the relationship improved considerably. One of the consequences of the improved relationship is a cessation of negative media against CSR in the local paper.</td>
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| Ideals (vision)                   | More cooperation between groups | When the final informed person interviewees were asked specifically whether the Cultural Imprint Project had had any impact on behaviours within the Herbert, opinions varied. Several people thought it had made no difference at all. Others saw that the cultural analysis helped |
Higher level of trust
Oneness
Cohesion, participation, inclusiveness
Greater expression of innovativeness
Close link between industry and community
More profitable and sustainable industry
More positive cultural imprint

people to understand each other, their history, and what led to their present world view. As a result, major industry players were attempting to be open with each other, and were challenging their own and others’ old ways of thinking and acting. ‘Meetings without Discussion®’ was perceived as a valuable intervention tool that had created outcomes not previously thought possible.

- Key messages from the final benchmarked focus groups were:
  - All sectors feel strongly that the industry viability is at risk from the timber expansion – taking over sugar farms. There is sympathy for the individual growers who are taking up this option.
  - There is a lack of proactive and visionary cross-sectoral regional leadership – and this is seen as a major limitation to dealing with threats such as the timber expansion and low prices and to moving the industry forward by all sectors.
  - There are significant issues impacting on the cooperation between the CSR Organisation (nationally) and the major growers organisation CANEGROWERS – exasperated by the decisions and processes associated with changing sugar pricing arrangements. There are some positive local working relationships.
  - There are good examples of the broader industry working together on addressing technical issues in the industry.
  - There have been positive system changes – particularly in the area of cane transport.
  - Reactions to the Cultural Imprint activities have been mixed with a general belief that momentum was lost (also impacted on by tensions brought about the sugar pricing etc and a feeling by some that growers were being blamed). Positive gains were reported where Meetings without Discussion tools had been used.
  - Value adding is seen as the key to moving forward but the lack of industry leadership is seen as the main stumbling block to acting on the opportunities.

- A debrief of the Steering Committee in November 2007 noted the impacts of the project as:
  - Provided a detailed validated portrait of culture
  - Greater understanding of past impact on relationships
  - Tools for effective meetings and conversations
    - being used elsewhere
    - able to express views in safety
  - At least millers and growers both know they are losing money
- Described main issues on bottlenecks
- Some impact on improved transport system
- A group of people across sectors with insights/empathy about own behaviours and others with an impact on relationships
- (Impact on) improved sharing of information – mill – canegrowers
- Learnings about how to structure social type issues/intervention – social research on the agenda
- Accelerated/formalised better communication
- Generated some local participation and new opportunities
- Strengthened rationale for increased sponsorship of Italian festival by CSR
### Table 2: The Ten Archetypes

<table>
<thead>
<tr>
<th>The Negative Pattern</th>
<th>Example</th>
<th>Explanation</th>
<th>Example</th>
<th>The Positive Pattern</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Sweeping generalisations</strong></td>
<td>“Growers are only interested in lifestyle”</td>
<td>When I make sweeping generalisations, I am likely to overstate the case. I also deny the possibility of checking out whether or not what I say is true. When I am specific, it then becomes possible to check my facts.</td>
<td>“You can’t trust CSR”</td>
<td>“Joe keeps a very tight set of financial accounts, while Peter is more concerned about fishing.” Being specific</td>
</tr>
<tr>
<td></td>
<td>“You can’t trust CSR”</td>
<td></td>
<td>“When I make sweeping</td>
<td></td>
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<tr>
<td></td>
<td></td>
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<td></td>
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<tr>
<td></td>
<td></td>
<td>generalisations, I am likely to overstate the case. I also deny the possibility of checking out whether or not what I say is true. When I am specific, it then becomes possible to check my facts.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2. Externalising responsibility</strong></td>
<td>“When are they going to …?”</td>
<td>When I externalise responsibility I avoid any personal responsibility to address the issue. When I internalise responsibility I then am in a position to do something about the issue. Responsibility now lies where it belongs.</td>
<td>“Why don’t they …?”</td>
<td>“How can I/we …?&quot; Internalising responsibility</td>
</tr>
<tr>
<td><strong>3. Patriarchy</strong></td>
<td>“Canegrowers, CSR, the Govt. ought to …”</td>
<td>When I (or my organization) act in a patriarchal manner, I take on responsibility to solve issues that belong to others. I look after their issues for them. When I permit or seek someone else to act on my behalf, I make myself dependent upon them. If it fails, I can then blame them. When there is no patriarchy, people are responsible for themselves.</td>
<td>“We’ll look after it for you”</td>
<td>How can I/we ….? Personal responsibility</td>
</tr>
<tr>
<td>Expecting someone older, bigger or more important to look after things for me.</td>
<td>Absence of contracts between growers and harvesters.</td>
<td></td>
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</tr>
<tr>
<td><strong>4. Problem-centred thinking.</strong></td>
<td>“The reason we can’t fix this is …”</td>
<td>When I engage in problem-centred thinking, my world seems full of problems and it all becomes too hard. When I engage is solution-centred thinking.</td>
<td>“The way in which we might be able to fix this is …”</td>
<td>Solution-centred thinking</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>“The way in which we might be able to fix this is …”</td>
<td></td>
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</tbody>
</table>
thinking, it is easier to be optimistic. I can then explore different ways of solving the problem.

| 5. Distrust | Any party cautious about suggestions raised by any other party in the industry in case it is going to cost me/us.. | When I distrust another party I’m more likely not to communicate openly with them. Further, when I do communicate, I unconsciously signal that distrust, leading to a downward spiral in the relationship. When I trust another party, my communication with them is more honest and the relationship becomes more wholesome. | People take each other as they find them, regardless of differences. They assume that others are well intentioned and acting for the common good. | Trust |

| 6. Dancing the dance. | Parties being ‘nice’ to each other and avoiding saying what they are actually thinking. | When I ‘dance the dance’ I act in ways that are predicable to others. I tend not to disagree, even when I do not share the same opinion, so others do not know what I’m really thinking. The views of others are then reinforced, rather than being challenged. When I choose not to ‘dance the dance’ I’m more honest, so that other people understand what my perspective actually is. | People being forthright and open with each other, describing how they feel as well as what they think. They do this without blame or criticism. | Being honest with each other whilst being respectful. |

| 7. Minimal communication between industry sectors. | Growers and millers have few mechanisms for communication on a daily basis. | When there are limited mechanisms for communication between industry sectors and when those mechanisms involve only the industry sector leaders, the rest of the industry develops a culture of dependency upon | Growers, harvesters and millers hold a preseason meeting, a mid-season meeting and a post-season meeting to ensure everything flows | All industry sectors talk with each other openly and often, not just through their leadership but at |
its leaders and distrust between sectors. When there is frequent and open communication between sectors at many levels, people understand each others perspectives and issues get resolved before they become problems.

<table>
<thead>
<tr>
<th>8. Mismatch between desired behaviours and recognition and reward systems.</th>
<th>Harvester get paid on weight rather than on quality of cane harvested</th>
<th>The behaviour that gets rewarded is the behaviour that gets repeated. If the wrong behaviour gets rewarded that is the behaviour that gets repeated. Similarly when the desired behaviour is rewarded.</th>
<th>Harvester’s remuneration is based on them behaving in ways that are beneficial to the whole industry.</th>
<th>Direct match between desired behaviours and the rewards that encourage them.</th>
</tr>
</thead>
<tbody>
<tr>
<td>9. Business or lifestyle</td>
<td>The expectation by some older growers that past rhythms of life should be continued, with outside support. Reluctance of the grower community to get involved with the Chamber of Commerce.</td>
<td>Many producers regard what they do as a way of life, rather than as a business. Rather than be in business to make money, people make money in order to stay in business. Neither is more correct than the other. People are entitled to make the lifestyle choice as opposed to a strictly business choice provided they do not expect other parts of the industry or the government to fund and support that lifestyle. User pays.</td>
<td>People choose to live their lives as they wish, provided it is not imposing a cost or inconvenience upon others.</td>
<td>Lifestyle or business</td>
</tr>
<tr>
<td>10. Doing everything.</td>
<td>Owning my own property, owning all of the capital equipment necessary to run it, including a harvester.</td>
<td>An enterprise is actually comprised of three businesses. The first is land ownership. The second is farm management expertise. The third is farming operations, such as slashing, planting or harvesting. Each can be,</td>
<td>Deciding what my greatest skill and interest is. Am I a better land owner, perhaps a better operator, or maybe a</td>
<td>Doing only what I enjoy most and/or do best, or which gives the best value for my time and talents.</td>
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</table>
and perhaps should be, considered as separate business operations. One can be a very profitable farmer without owning any land or any operational equipment.

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<tr>
<th></th>
<th></th>
<th>better manager?</th>
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</table>
Friday 8th June 2007

Dear Ian,

Re: “Meetings Without Discussion.”

I have attended three workshops in the Herbert with you where you used your “Meetings Without Discussion” methods. These workshops were used to plan the Siding Rationalisation and upgrade in three different areas. They involved growers, CSR staff, Harvester operators, Rail crews and Traffic controllers. All three workshops resulted in agreed outcomes and plans to move forward. All this was achieved with no arguments and very little angst. In all three cases, multiple meetings had been held previously with very little or nothing achieved. In some cases, participants had walked out in sheer frustration or in anger.

Whilst participants began these workshops with little familiarity with the “tools” you taught and in some perhaps a fair degree of negativity, they responded well and adapted quickly to the new format.

All three workshops I believe have achieved outcomes that are supported by all attendees. This was an achievement I did not think possible prior to becoming familiar with your methods.

Thank you for running these workshops and if these words are of any use to you, please use them as you see fit.

Yours sincerely

Michael Pisano

Director CANEGROWERS Herbert River.
Email: m_lpisano1@bigpond.com
## Borello’s Siding Workshop Feedback

<table>
<thead>
<tr>
<th>What worked</th>
<th>What didn’t work</th>
<th>Suggestions for improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Right mix of people – growers, loco drivers, harvester operators</td>
<td>People controlling the purse strings were not here</td>
<td>Better to have a senior person from CSR there. Are they willing to make a pad and supply gravel?</td>
</tr>
<tr>
<td>Process kept the meeting on track</td>
<td>Timing too late</td>
<td></td>
</tr>
<tr>
<td>All opinions discussed and considered. Everyone had their say.</td>
<td>Scare factor – Ian Plowman - “Enrico the Hypnotist”</td>
<td>Should have organised a follow up meeting</td>
</tr>
<tr>
<td>Lots of good ideas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calm discussions in small groups – easier than trying to manage a large group</td>
<td>No one doing our work whilst we were here.</td>
<td>Shorter meeting next time</td>
</tr>
<tr>
<td>Writing things down gave us more opportunity to think</td>
<td>Didn’t see specifics of siding construction. Some facts missing – costs, survey data etc</td>
<td>Have all the facts available</td>
</tr>
<tr>
<td>Actual dates written down for things to happen</td>
<td>Time wasted educating people about siding</td>
<td></td>
</tr>
<tr>
<td>Lots of ideas generated – diverse views</td>
<td>Next steps not taken</td>
<td></td>
</tr>
<tr>
<td>Gave us a better opportunity to understand the viewpoint of others</td>
<td>Splitting of clear, focussing question. Better to spend time and resources working on a plan for this year</td>
<td>Would have been good to have someone from Council there</td>
</tr>
<tr>
<td>All previous meetings had been a waste of time. At least we made some progress here</td>
<td>Not enough commitment and resolutions from meeting</td>
<td></td>
</tr>
<tr>
<td>Everyone who should have been there was present</td>
<td>Negative people. Too many ‘buts’ from Alan Altoft</td>
<td></td>
</tr>
<tr>
<td>Splitting of group was beneficial. Can always bring two groups together again later</td>
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</tbody>
</table>
### Cassidy Siding Workshop Feedback

<table>
<thead>
<tr>
<th>What worked</th>
<th>What didn’t</th>
<th>Suggested improvements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple discussions but nothing finalised. Some good points, but some not substantiated.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual tables. The groups swapping with other tables. This caused good feedback and hearing other groups opinions.</td>
<td>The usual in a meeting – disagreements. Meeting a bit long.</td>
<td>Shorter duration. However, it was interesting.</td>
</tr>
<tr>
<td>First part of workshop – presentation of techniques and what derails discussion</td>
<td>Allowing additional options to be presented caused some people to lose faith in the process.</td>
<td>Facilitated discussion for next workshop when two options have been costed.</td>
</tr>
<tr>
<td>Good that Ian held the meeting together. Some good ideas.</td>
<td>Will the options suit everyone to get everyone to agree.</td>
<td>Very hard question.</td>
</tr>
<tr>
<td>Workshop ideas. Write down first. Sharing of ideas.</td>
<td>Perhaps meeting a little long. Some mill staff had to leave.</td>
<td>Shorter time.</td>
</tr>
<tr>
<td>Today worked very well. A group of people who normally cannot work together actually explored possible options together.</td>
<td>The length. Perhaps these things should be taken to generated options, then have a break until a later day to complete.</td>
<td></td>
</tr>
<tr>
<td>Narrowed down the options</td>
<td>Where lines are to go.</td>
<td></td>
</tr>
<tr>
<td>Introduction</td>
<td>Outcomes disappointed</td>
<td></td>
</tr>
<tr>
<td>The meeting went without argument. We have no real agreement – this will most likely fall by the wayside as lesser issues surface that have not been discussed.</td>
<td>Make the meeting shorter.</td>
<td></td>
</tr>
</tbody>
</table>
## Macknade Siding Workshop Feedback

<table>
<thead>
<tr>
<th>What worked?</th>
<th>What didn’t work?</th>
<th>Suggestions for improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>We got on good together. It was calm and constructive. We were all prepared to give.</td>
<td></td>
<td>Do the same negotiations with CSR &amp; growers contract.</td>
</tr>
<tr>
<td>Some people liked the mind games.</td>
<td></td>
<td></td>
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<tr>
<td>Good participation</td>
<td>People here again have not come forward with their real issues and concerns.</td>
<td></td>
</tr>
<tr>
<td>Meeting was good. Held together.</td>
<td>Need more options. No one option decided on.</td>
<td>More time for discussion.</td>
</tr>
<tr>
<td>The discussion we had was positive</td>
<td>Not exactly what we wanted.</td>
<td>No suggestion.</td>
</tr>
<tr>
<td>Listened to all views. Successful meeting.</td>
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<tr>
<td>The facilitator seemed to smooth a lot of concerns.</td>
<td>Hot water.</td>
<td></td>
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<tr>
<td>Getting most of the parties concerned all in the same room at the same time.</td>
<td>Lack of loco driver participation. One grower that is effected not here. Have these ideas been explored before?</td>
<td></td>
</tr>
<tr>
<td>Less arguments.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discussed calmly, and everyone had a chance to speak.</td>
<td>A little too long.</td>
<td>Get to the point quicker.</td>
</tr>
<tr>
<td>Changing tables. Changing views.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good ideas</td>
<td>We don’t know yet where the sidings are to go in.</td>
<td>More consultation with growers giving land.</td>
</tr>
</tbody>
</table>
Evaluation observations made at three siding workshops

Borello’s Siding

- Sceptics whom I thought would walk out of workshop became intrigued with process within first 20 minutes and became fully engaged
- Some people got very frustrated at first because they wanted to get straight into it rather than having a lesson on how to conduct meetings
- Initial negativity but conversations became progressively better
- When smoko was called most tables were so engaged that they did not want to break
- Group remarked over smoko that they had already held two half-day meetings which had rapidly degenerated into shouting matches where they had resolved absolutely nothing. They were confident that the progress of the workshop suggested that there would be a positive outcome.
- Process of dumping ideas onto paper and respecting everyone’s ideas. People felt it was hard to accept all the ideas and have them written down. They wanted to debate each idea. A loco driver remarked later that some of the growers’ ideas were not physically possible.
- People found it really difficult not being able to vote for their ideas. Very hard to acknowledge that others’ ideas had merit.
- Some groups found that different ideas could be combined into a composite solution. Surprisingly they were prepared to shift their positions a bit in order to accommodate suggestions from others.
- Evaluation comments were overwhelmingly positive
- Constructive comments on ‘where should we go from here?’

Cassidy Siding

- Everyone was expecting fireworks from Morellini and Castorina but nothing happened
- People felt frustrated because they knew that sidings could be improved but acknowledged that it would be difficult to resolve due to haulout access, location of people’s houses and long history of conflict
- People were attentive and did not appear to have problems with learning about the process to be used
- Peter and Darryl Morellini initially took no notice of Ian’s request for people who were related to sit at different tables. However when asked to move Darryl did not object.
- Various people commented during the break that the usual difficulties experienced at previous meetings had not surfaced. They expected the meeting to become derailed at any time
- A wide range of ideas and options were suggested. There was the odd negative comment about some ideas put forward (“That’s not possible because …”) but most people understood the process
After the voting had finished, Peter Morellini put forward an alternative idea. Others appeared to accept this deviation from the process without objection, which was surprising. I expected people to say “You can’t do that.”

Comments at the end of the workshop were that in contrast to previous attempts to reach resolution, this gathering had been a pleasurable and constructive experience.

**Macknade Siding**

- There was no shouting
- Several of the key players in the room actively engaged in the process
- The suggested and perhaps anticipated fireworks simply did not occur
- A resolution appeared to be reached by all members on some positive proposals for what could be done with Macknade siding.

Andrew Wood,
Greg Shannon
I am an outsider to the sugar industry in the Herbert, a social scientist engaged currently on two projects. The first is the SRDC-funded ‘Cultural Imprint’ project. This is a joint venture between CaneGrowers, BSES, AMCHA, and CSR. The second is helping the Herbert Resource Information Centre to develop a strategic plan for the next 10 years.

The ‘Cultural Imprint’ project began in August 2004 and will run to about August 2007. This project has three phases; (1) mapping the culture of the sugar industry in the Herbert, (2) designing interventions that will increase the good behaviours and reduce the bad behaviours, and (3) pilot those interventions on two critical projects.

The project identified a number of behaviours that were common between all of the main players in the industry. These behaviours are entrenched and unconscious. The job of the project was to identify these bad behaviours, name them, and have them confirmed by members of the industry. The logic of this approach is that we cannot manage what we do not understand.

The ‘bad behaviours’ occur at the level of the individual. When enough people do them, even unconsciously, they collectively become the culture – the way we think and act around here.

There are also lots of good behaviours, without which the industry could not exist. Examples of ‘bad behaviours’ include ‘problem-centred thinking’, ‘dependency’ – where responsibility for finding the solutions rests with someone else, and ‘negativity’.

Historically, the industry is comprised of a number of groups, several of whom, when considered in pairs, have had a long, uneasy, and sometimes adversarial relationship with each other. Given the long history of distrust, what the industry needs is a means by which non-adversarial neutral dialogue can take place.

At a project reference panel meeting, all of the cultural imprint stakeholders agreed on a simple guiding principle to move forward. That principle comes from a fable or fairy story, based in the Herbert, called ‘Wallaman the Wise’.

‘Lasting success comes to those who aim to make all of their fellow travellers successful. Do not aim to feed yourself; aim to feed those who are your fellow travellers and who depend upon you as much as you depend upon them.’

The key stakeholders have agreed upon some tools that will help put this principle into effect. They are an ‘Ableness Model’ – since all parties need to be ABLE to talk constructively with each other, in order to understand each others needs, and “Meetings without Discussion”, a set of tools to enable constructive dialogue.

The two projects, where the guiding principle will be tested and the tools applied are ‘Siding rationalisation’ and ‘Bin delivery’, both of which are very important issues in the Herbert.

Both pilot projects are being driven by CaneGrowers with the support of the other partners. Jeff Cantamessa and Michael Pisano are the initial contacts.
• Unfortunately the extended wet and the late start to the season has delayed the start of both projects. Both are expected to commence in October.

• However, there are already positive signs of progress. People are becoming increasingly aware of how their own attitudes and behaviour impact upon the culture. For example, with respect to the negativity that once commonly pervaded the community, people are starting to be publicly much more positive and to talk up the town. I was in Ingham two weeks ago and noticed a young woman in a sports jersey emblazoned with the words: Ingham – I'm lovin it here.

• With respect to ‘problem focussed thinking’, a very recent meeting between AMCHA and CSR began with the chair inviting everybody to focus on finding common solutions, not on stressing the problems. These are very positive signs, for which the Cultural Imprint might take a tiny bit of credit. However, the real credit belongs to the project partners who recognized several years ago that cooperation, not in-fighting, was necessary for everybody’s future.
**Workshop Feedback**

**CSR Logistics Group**

<table>
<thead>
<tr>
<th>What worked?</th>
<th>What didn’t?</th>
<th>Suggestions for improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>All of the processes worked</td>
<td>None</td>
<td>Good thing. Better representation of groups.</td>
</tr>
<tr>
<td>Smaller groups</td>
<td>No problems were solved</td>
<td></td>
</tr>
<tr>
<td>How to prioritise what needs to be done first.</td>
<td>Everything worked</td>
<td>People from other departments should be involved.</td>
</tr>
<tr>
<td>A new way to approach problems using tools and techniques to come to a solution. Many varied ideas thrown up from persons from different work places.</td>
<td>Not enough representation from service groups &amp; loco drivers. A bit rushed through the latter stages of the workshop.</td>
<td>Maybe over 1.5 or 2 days with smaller groups.</td>
</tr>
<tr>
<td>Got people thinking as individuals, also as groups. Everyone got to share thoughts and ideas with everyone else in the room by changing seats at various intervals.</td>
<td>I think time will tell us what didn’t work.</td>
<td>Some questions were hard to understand and could have been explained a little better.</td>
</tr>
<tr>
<td>Use of tools. Linking them.</td>
<td>Some people were still reserved.</td>
<td>Involve more people in workshop (related parties).</td>
</tr>
<tr>
<td>Communication between all groups. Discussing good and bad points; what the major issues were.</td>
<td>My main concern (work); was no discussion on how to fix up problems in the traffic office.</td>
<td>Put in individual groups and discuss. Eg TO’s on one table, Yard Controllers on one table, etc.</td>
</tr>
<tr>
<td>How to get agreement on the ‘big rocks’. How everyone got a fair go at saying their bit.</td>
<td>No real progress on any of the problems. No way of making management act on recommendations.</td>
<td>More time.</td>
</tr>
<tr>
<td>Short, quick sessions. No role plays. Worked on own problems/solutions after a few sessions. Good venue, good food.</td>
<td>Too many people. Some not interested. Not enough suggestions for ‘where to’.</td>
<td>Training for future in ‘crush mode’.</td>
</tr>
<tr>
<td>Having different people involved in the solution worked well. Tools to control introverts and extraverts.</td>
<td>More of a comment: this is the start of a journey that needs to continue to be fully effective. You have made an impact today.</td>
<td></td>
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<tr>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>Practical application of the tools learnt in dealing with real issues that affect us at work. Losing half an hour over lunch.</td>
<td>If we use this location, we’ll be very specific about timing of food distribution.</td>
<td></td>
</tr>
<tr>
<td>I believe that this was one of the better workshops that I have attended. The structure allowed exposure to (and proving of) a wide range of skills to ‘first timers’.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>For me, it was a new format for structuring meetings which seems to work well. Both introverts and extraverts get a fair go using this method – a good thing.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voting system for topics to be discussed. Changing tables</td>
<td>Keeping people focussed on problems that we in the room could resolve. Some participants had very little involvement, both at the table level and room level.</td>
<td></td>
</tr>
<tr>
<td>Relaxed environment allowed people to be open and honest. Everyone at a venue together appears to have created a more unified group.</td>
<td>More time to work on issues with more detail.</td>
<td></td>
</tr>
<tr>
<td>The examples: eg yellow and green cards/puzzles were excellent. Really got the thinking processes going. Bringing everybody to participate, share, and vote on solutions was good. We could have spent some more time on the caps. I do realize that there was a lot of material to cover.</td>
<td>For people like myself probably prefer more visual aids. There is no better way to show (rocks) using a practical exercise.</td>
<td></td>
</tr>
<tr>
<td>Learning new tools to apply to my work area. Identify core problems and ideas so can be easily acted upon</td>
<td>Core issues in my work area will not be addressed. It was fine.</td>
<td></td>
</tr>
</tbody>
</table>
### Cultural Imprint Project – Final Evaluation

<table>
<thead>
<tr>
<th>New ideas in getting information across and time limit on talking.</th>
<th>The problems of work-related stress, no harmony, did not raise its ugly head.</th>
<th>Less time. Too long. People became figidity.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Everybody had input throughout the day.</td>
<td>The real issue did not come out.</td>
<td></td>
</tr>
<tr>
<td>The tools. Things you can use in everyday life, as well as at work.</td>
<td>Was a bit long. Became difficult to stay focussed.</td>
<td>Shouldn’t have more than 1 hour of continuous absorption of information.</td>
</tr>
<tr>
<td>All people had a say that were here.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>With the ball and timer, everybody had a say and were not interrupted by others speaking over them.</td>
<td>At this stage, it can’t be said what didn’t work until we start to see if improvements are made and are working.</td>
<td>Remains to be seen, as above, if any suggestions are to be made.</td>
</tr>
<tr>
<td>Phases of dialogue. Ball and hourglass technique.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frank discussion. Honest views of various topics.</td>
<td>We have no commitment from our managers. This workshop effectively removed any responsibility from them which shouldn’t be the case – they hold the last cards.</td>
<td>Process is good as it is.</td>
</tr>
<tr>
<td>Brainstorming, Prioritizing, narrowing down ideas.</td>
<td></td>
<td>Involve people from other service providers.</td>
</tr>
<tr>
<td>The process for problem solving.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The process and format for meetings was of great value. In fact, the majority of ideas were excellent if embraced and implemented in good faith.</td>
<td>The culture of CSR won’t allow this to work. It is too career oriented, bigoted, biased, and cash-strapped to allow it. It will be back to business as usual.</td>
<td>I don’t know.</td>
</tr>
</tbody>
</table>
Ian Plowman – Feedback report  
Burdekin - 17th May 2007  
[Note: Some content on MWD removed]

Duncan Payne  
BSES Bundaberg  
Extension Officer  
Whole farm planning for the management of varieties

Project Chief Investigators:  
Barry Croft, BSES Plant Pathologist;  
Mike Cox, BSES Plant Breeder

Project Extension Officers:  
Duncan Payne, BSES Bundaberg  
David Millard, BSES Burdekin

Report:

Background  
Duncan Payne and Dave Millard attended the Ian Plowman facilitation and focus group workshop on the 17th May 2007, to gain experience and confidence in group facilitation work. Our current project involves the establishment of grower focus groups throughout the cane growing regions of QLD & NSW, to obtain feedback from growers on their current variety selection procedures, which will be used in the design of a web-based decision support tool for the whole farm management of varieties.

Because of the vast area involved, the Northern & Central regions will be facilitated by Dave Millard and the Southern & NSW regions facilitated by Duncan Payne. Potentially, 14 mill regions have been targeted throughout the two states, with 1-4 groups per region being established, according to the grower’s willingness to participate in each region.

Therefore the experiences gained from the Plowman workshop will hopefully go a long way in supporting the success of the grower focus groups, which will determine the overall success of the project.

Usefulness of the Plowman workshop  
As a result of the workshop, we have redesigned the workbooks to be used in the focus groups and have also changed the format of the focus groups. The workbook received a massive transformation, with ideas learned through the Plowman workshop. Five focus groups have taken place in Bundaberg and Burdekin since the workshop and the facilitation methods learned have been implemented in all successfully.

Conclusion  
As you can see, I did not disagree with much that Ian Plowman taught us in the workshop and I found that the majority of the information was extremely interesting and refreshing from the fact that I had not been taught it before. I hope to attend future courses along these lines as I feel one can never stop learning new techniques.
Focus group Reports

‘Herbert Cultural Imprint Analysis Project’  
SRDC

Ingham, November 2007

5 Focus Groups

Facilitators – Neels Botha & Jeff Coutts
Recorder – Robyn Coutts
Summary and Key Messages

These reports are a result of a series of 5 focus groups run at the conclusion of the SRDC funded Cultural Imprint Analysis project. The focus groups aimed to look at changes in the industry situation, issues and attitudes over the life of the project and to enable insights into future projects that could benefit the industry in the Herbert.

Overall Key Messages.
- All sectors feel strongly that the industry viability is at risk from the timber expansion or Managed Investment Schemes (MIS) – taking over sugar farms. There is sympathy for the individual growers who are taking up this option. Fluctuating and low sugar prices also continue to be of real concern.
- There is a lack of proactive and visionary cross-sectoral regional leadership – and this is seen as a major limitation to dealing with threats such as the timber expansion and low prices and to moving the industry forward by all sectors.
- There are significant issues impacting on the cooperation between the CSR Organisation (nationally) and the major growers organisation CANEGROWERS – exacerbated by the decisions and processes associated with changing sugar pricing arrangements. There are some positive local working relationships.
- There are good examples of the broader industry working together on addressing technical issues in the industry.
- There have been positive system changes – particularly in the area of cane transport.
- Reactions to the Cultural Imprint activities have been mixed with a general belief that momentum was lost (also impacted on by tensions brought about the sugar pricing etc and a feeling by some that growers were being blamed). Positive gains were reported through the use of meeting without discussion tools in specific situations.
- Value adding is seen as the key to moving forward but the lack of industry leadership seen as the main stumbling block to acting on the opportunities.

Millers
- The sustainability of the industry and growers is under threat.
- Emerging land use change opportunities like growing trees are seen as a threat to industry as it may erode tonnage below mill requirements.
- There are many examples of working together in the industry in the Herbert.
- The CI activities and workshops were seen to have had some impacts and generated a lot of energy, but lost momentum and should have been followed up.
- There are several actions the industry could take to move forward.

Grower Organisation Representatives
- There appears to be a significant gap between the CANEGROWERS organisation and CSR as an organisation – although there were positive interactions with local management.
- The sustainability of the industry and growers is perceived to be under threat from prices and the encroaching timber industry eroding tonnage below mill requirements.
There were some examples of working together in the industry in the Herbert – particularly in relation to harvesting.

The CI activities and workshops were seen to have had some early impacts and generated a lot of energy, but lost momentum and should have been followed up. There was some feeling that growers were blamed for industry problems.

There are several actions the industry could take to move forward including improving the RIB/RAG process and pursing value adding opportunities.

Harvesters/Growers

- There is a high level of insecurity in the industry – a particular problem for harvesters who have a high level of investment in machinery with no guaranteed long-term contracts and facing a contracting industry.
- The emerging ‘tree industry’ is seen as both a threat to industry capacity and viability as well as an opportunity to galvanise parties to work more closely together.
- Value adding is generally seen as an opportunity missed and a key way forward.
- There is a perceived lack of industry leadership and vision for the future – and how to get there.
- The CI activities and workshops were seen to have provided a good opportunity to raise issues but lack of drivers and incentives resulted in lack of action.

RD&E

- There is a general concern about the fluctuating and generally low sugar prices.
- The encroaching timber industry is seen as a threat to industry viability – across sectors.
- There is a strong view that the industry lacks effective cross-sectoral leadership and a vision into the future.
- The industry was seen to work very well together in addressing technical issues – but not in addressing the hard structural issues.
- There were mixed responses to the effect of the CI workshops which was seen to be compounded by personality/cross sector issues. The meetings without discussion tools were viewed as being effective.
- Overcoming the socialistic culture where good growers did not receive the benefits for their work and the risk-averse culture were seen is critical to moving into the future.

Social Observers

- The current price of sugar and spiraling costs creates an attitude amongst growers of “What’s the point?” which results in a sliding confidence in the industry.
- The introduction of the ‘tree industry’ into the Herbert region is a two-edged sword – it provides an attractive out for growers who are struggling but it contributes to the “slow erosion of the sugar industry” in the region.
- There was a belief that the industry was working better together with improved communication.
- There were some concerns about industry leadership - with a need for industry leaders to be positive and to use more initiative in decision making for the future.
- The future merger of RAG/RIB was seen as a possible source of leadership – although there were some concerns about the proposed make-up.
- Innovation and diversification was seen as needed for survival (eg. Ethanol)
Women have a significant contributing role to play in the Herbert
Herbert Focus Groups November 2007

Millers

Facilitator:  Jeff Coutts
Recorder:     Neels Botha; Robbie Coutts
Participants: 8 mill staff in management positions.

Main messages

- The sustainability of the industry and growers is under threat.
- Emerging land use change opportunities like growing trees are seen as a threat to industry as it may erode tonnage below mill requirements.
- There are many examples of working together in the industry in the Herbert.
- The CI activities and workshops were seen to have had some impacts and generated a lot of energy, but lost momentum and should have been followed up.
- There are several actions the industry could take to move forward.

Issues facing the industry

Industry and grower sustainability
Sustainability is an important overarching theme and a term used by two of the participants. One participant said that “industry sustainability is the main threat…” and another mentioned “grower sustainability” as an important threat to the sugar industry. This perceived poor sustainability was said to be strongly influenced by historical factors such as “old infrastructure…technology is 100 years old, nothing has changed…costs of assets and maintaining it…” But current decisions and global influences also play a role “low world sugar price…value of Aussie dollar increased and higher costs…lack of political will to support…retaining low cost production. …mill not investing in innovation.”

Retaining human capability in the sugar industry
The mining industry pays workers higher wages than the sugar industry can afford. Hence the mill struggles to retain human capacity “labour rotation….ability to pay workers vs the mines.” Several participants said that the ability of the mill to bear the costs of training staff and then losing them to other industries is an issue of growing concern for mill managers. One participant discussed how the mill does not get sufficient applications for work and for doing apprenticeship training. Another participant said that these negative “perceptions need to be managed (by industry) to help solve the human capability issue.

There was a general feeling that there is also a “negative view of the industry…and the consequence is that…young kids look for opportunities elsewhere, outside the industry. This creates a “succession problem.”

Attitudes
Growers operate under changing business conditions and several participants emphasised that “commercial arrangements are foreign to growers…can they understand new commercial arrangements?”
At a different level one participant explained that an unresolved issue is who owns what?...that...millers are seen as more well-off than others. Growers, so some of mill staff said, believe that the mill makes a lot of money off their backs. One participant said that they...have to be honest with these people, dishonesty created angst before. One participant pointed out that...people feel besieged..., that they feel trapped in the industry with very few if any other options but to grow cane. The average...age of growers is high...and that influences their perceptions and attitudes.

One participant discussed growers’ attitudes and said they were not willing to take any risks, that there is a risk-averse culture among them and that they have a...victim mentality.

Land use change
Cane land is now being purchased for investment purposes involving other land use options for cane land and...trees...have now become a major concern for the industry. “Trees” was mentioned as an issue by half the participants but it was not elaborated on. The millers were concerned about it and raised it as an issue but did not discuss it at length.

Environmental concerns
A participant expressed concern about the industry not having a...small environment imprint and another talked about...environmental pressures on the (great barrier) reef and how people viewed it. This issues was not discussed in any detail, but was mentioned as important now and of growing importance in the future.

Industry working together

Necessity is the mother of invention, we have to work together...said one of the participants. There was a general feeling that, although not perfect, working together was easier for the industry and that things have changed. One participant said...there are signs of changes in adversarial relationships, people realise more that they have to work together...we talk more openly now. Millers realise more that growers struggle more than they thought before. There is still an undercurrent of adversarial stuff going on; emotional, but the level of conversations with growers is different from 6 years ago. Its better, there is a normal tone, more respect.

The millers gave several examples where the industry worked and are still working together. In some cases there was spontaneous collaboration, for example: a harvesting grouping that came together around a harvester was self organised, this is totally new after 100 years; a grower initiated SRDC funded project of a harvester grouping that brought together all stakeholders to improve the value chain through better industry arrangements.

In another case the collaboration came about because of a vacuum that developed in the value chain, for example; the mill withdrew its cane inspectors and today in its place there is the HCPS (Herbert Cane Productivity Services) with its activities that include high tech solutions like GPS systems.

In several other cases the collaborations were driven by a particular stakeholder in the industry, for example: siding upgrades that were growers’ driven; community workshops;
RIB (Regional Industry Body) and RAG (Regional Advisory Group) that headed a capacity building program for 18 months trying to improve industry sustainability; the SRI lean initiatives/principles that covered mill maintenance and equipment; the ICB project which involved more than 100 people.

RAG was helpful in that...it facilitated access to funding...enabled conversations for example a strategic plan for the Herbert. Its impact though...is questionable...RAG membership is based on politics...RAG concludes in May 2008 and its evolution will be interesting. They are talking about involving the community in going forward. This is a big change.

There was also a...water quality monitoring SRDC funded project in which growers self monitor on-farm water quality, now other districts look at it. They use simple technologies and it may become a core part of farming. This shows a the pro-active stance of industry.

CSR is now also getting involved in the community for example by...sponsoring the Italian festival and by putting more money into other activities.

Impact of CI Workshops and activities

Generally millers had different views about the impact of the CI workshops and activities. On a positive note one participant explained how he changed because of the workshops and other CI activities...I was defensive before, now I present (growers with) facts. Then they ask questions. I follow a more inclusive approach. I have changed in the last couple of years. I have a paternal relationship with the mill, so my first inclination is to react back.

The same participant also said that...the Imprint helped me to understand some of the behaviours in the mill. Understand people’s responses...how to deal with employees in change management.

Another said...there is lot more information flowing (between the mill and growers), and the necessity for it is driving it.

There was an acknowledgement that the millers have become more understanding of the growers...millers realise more that growers struggle more than they thought before.

Growers now get a greater bin allocation than before, up to 110% of what they ask for, and they...feel looked after.

One participant said that because of the Plowman workshops, 2 agreements have been reached and two more are being discussed, growers adopted practices...emotions are controlled.

In terms of the Shire Hall meeting, one participant indicated that he was...surprised about younger ones’ outlook – it was fresh. And...they probably expected something to follow on.
One participant was of the opinion that...workshops were good...people were amazed at how well the researchers understood them. People didn’t like to hear about their own behaviour. (It’s a) pity we could not follow up. (Remember) the context of the (CSR Manager) factor and other (things). The industry could not deal with everything...It’s a pity it dissipated at the time.

The workshops...were great, however they came in short bursts. They should have been followed up. Why don’t initiatives stick?

There was general agreement that...a lot of energy was generated on the day, but the energy started to die.  One view was that CANEGROWERS did not cooperate in some areas.

On the other hand, another miller reported that he heard someone say the workshops were...bollocks... and another said...they were a bit weird, this stuff. His view is that the...young girls didn’t ‘connect’.

A participant felt that the CI workshops took place...in isolation from other things.

**Looking to the future**

In considering what needed to happen to take the industry positively into the future, there were a range of views. One participant felt that...we (the industry) have to change the way we see ourselves. Herbert is a land of opportunity. Another said...we should stop thinking of ourselves as victims...fight with providing clear information. Another believed that the views of the mill and the growers have to be...aligned. They should know what we’ve done. Another participant called it...greater info sharing...taking ownership.

There was feeling that the industry...operated in a vacuum for a long time...and that...leadership is needed. Another said...we need external people in positions of influence.

Three participants believed that diversification is a possibility...sugar cane is more than storage for sugar...diversification of income stream (for the mill). Another talked about...co-generation...looking at opportunities to improve efficiencies...taking risks.

One participant felt that...here is a 2-4 generation of history and that it won’t change overnight, it’s a long term process. Start with the young ones at school. Massive change is required. How long do we have? It’s a big job.

Another participant mentioned that...we should think about us as a ‘total Herbert’...vertical integration (trees).
Herbert Focus Groups November 2007
Grower Organisation

Facilitator: Jeff Coutts
Recorder: Neels Botha; Robyn Coutts
Participants: 4 CANEGROWERS representatives

Main messages

- There appears to be a significant gap between the CANEGROWERS organisation and CSR as an organisation – although there were positive interactions with local management.
- The sustainability of the industry and growers is perceived to be under threat from prices and the encroaching timber industry eroding tonnage below mill requirements.
- There were some examples of working together in the industry in the Herbert – particularly in relation to harvesting.
- The CI activities and workshops were seen to have had some early impacts and generated a lot of energy, but lost momentum and should have been followed up. There was some feeling that growers were blamed for industry problems.
- There are several actions the industry could take to move forward including improving the RIB/RAG process and pursing value adding opportunities.

Issues facing the industry

Not working together
There appears to be a chasm between CANEGROWERS (CG) and CSR as an organisation as evident in the range of comments made…CSR has treated growers like second class citizens…CSR’s rules…CSR’s commitment is the problem…CSR has a monopoly…the infrastructure is old…CSR had an option to buy a sugar farm but didn’t - that sent the wrong signal to growers…CSR approached government to force growers to grow cane. A…culture of resistance to change…was said to prevail in the industry, and that…people don’t trust CSR. A number of criticisms were made about previous CSR management. A participant summarised the relationship between CG and CSR as….we’re not working together.

A distinction was made, however, between local mill management and head office. While there was a generally positive view about relations with the local management, participants did not show any trust in ‘CSR Sydney’…the bean counters.

Examples were given of perceived cost shifting from the mill to growers…less sidings…farmers have to pay…don’t see any share of the profit. The removal of cane inspectors was also given as an example of cost shifting. There was a view expressed that CSR…went behind collective backs, undermined cane growers and transferred costs to growers.

It was pointed out that there had been a critical change in sugar pricing policy in relation to QSL. One participant felt very strongly that CG has been…locked out of discussions and now out of the price arrangements… It was felt that CSR gained advantage at the
expense of the growers. This was seen by all participants as against the notion of the industry working together.

There was a view expressed that millers had pushed for deregulation to get rid of acquisition. It was pointed out that it took some growers more than 2 years to sign individual contracts and that...lots of farmers have problems with contracts.

 Concern was also expressed by one participant about CSR’s efficiency...their throughput is now less than 10 years ago...growers have to carry the risks...sharing of profit is not happening...

**Human capabilities**
A particular issue for two of the participants was the age of cane growers...a lot of farmers are 70 years old, they can’t understand (the new) contracts.

The availability of labour was also mentioned as an issue for the industry. Labour is scare and expensive.

**Forestry**
In terms of land use change, the participants felt that...‘trees’...are a bigger issue for the mill than for growers. Yet they raised a concern about sugar production...will there be enough land left to keep milling going? Participants are committed to the industry...I want to stay in the industry. The way in which productive cane land is being sold to foresters has been commented on by participants...trees will influence sugar infrastructure, rails and transport...

**Smut**
A cane fungal disease, smut, was mentioned by the participants as a current issue in the Herbert.

**Impact of CI Workshops and activities**
Participants felt there were positive and negative aspects to the CI workshops and activities. We were on a positive upturn (after the meetings), but we’re not where we want to be...we’re working with a partner with different drivers and motivations...but) we are working with the present regime. The issues raised earlier in relation to sugar pricing were seen as factors that prevented a ready flow on of positive relationships.

Transport was raised as one area that was seen to have shown improvement...reliability of transport is better this year. A preference was raised for more 11 tonne bins.

Mistrust between CG and CSR was evident when it was said...CSR was helping themselves, for example pricing...CSR’s culture has been like this for 100 years, so my parents say... One participant also mentioned that...growers were abused at the community workshop, blamed for not wanting to change.

There was a general view that there were good relationships between harvesters and CG...we are happy with harvesters, they can harvest a high tonnage in a short time...SRDC projects...with Andrew Wood are good...water quality monitoring...automatisation and season length...decisions are made locally...
Looking to the future

In terms of looking to the future, there was a general feeling that confidence and morale needs to be improved. In particular…*CSR have to change their attitude*… The view was also expressed that transport reliability had to further improve and that run down machinery needed replacement.

There was consensus that…*industry has to sit at the table and work it out*…

In terms of science, new varieties especially those that are resistant to smut were seen as important…*BSES is making progress…they are getting back to basics*…

*Improved RIB structure, with RAG, working with others*…was mentioned as a way forward.

Other value adding opportunities, such as ethanol and carbon trading, were seen to have a role in the future of the industry. This was seen to make for a more sustainable industry.
Herbert Focus Groups November 2007
Harvesters/Growers

Facilitator: Neels Botha
Recorder: Jeff Coutts
Participants: 4 – all harvesters as well as growers.

Main messages
- There is a high level of insecurity in the industry – a particular problem for harvesters who have a high level of investment in machinery with no guaranteed long-term contracts and facing a contracting industry.
- The emerging ‘tree industry’ is seen as both a threat to industry capacity and viability as well as an opportunity to galvanise parties to work more closely together.
- Value adding is generally seen as an opportunity missed and a key way forward.
- There is a perceived lack of industry leadership and vision for the future – and how to get there.
- The CI activities and workshops were seen to have provided a good opportunity to raise issues but lack of drivers and incentives resulted in lack of action.

Issues facing the industry

Insecurity
All participants saw the high level of insecurity in the industry as the main issue facing them as harvesters and growers…we don’t know where we are going anymore…don’t have control of the industry anymore. Carrying the high costs of harvesting equipment, maintenance and staff training is seen to be very risky in a climate of rising costs, increasing difficulties/costs with insurance, threats from the ‘tree industry’ and loss of labour to the mines…have had harvesting groups fold. Another threat was raised of feedlotters…looking to purchase 200,000 tonne @$5 more/tonne than CSR is paying. One participant pointed out that harvesters and growers were responding to the need to be more efficient…but all I can do is work more hours…we cannot go anywhere else.

The lack of formal on-going contracts for harvesters was generally seen as a key issue for the security of the harvesting industry…the day the season finishes, contracts with harvesters finish…the mill is telling growers to change harvesting groups by end of February.

Threat from forestry
It was pointed out that cane land was being purchased to be planted to trees for investment, and that despite the perceived lower prices…some people are selling up…grabbing the money and running. Some participants pointed out that they could understand growers taking this option…not just people in financial difficulty…also those with no kids – just wanted to get out. As one participant put it…trees have given another option. The concerns lay with the…loss of good (cane-growing) ground close to infrastructure (sidings)...and reducing the hectares of cane for harvesting and sugar production. There was an expectation of a lot more farms going to trees in January next year.
Lack of value adding
There was a general awareness that the competition from other countries has increased
with these other industries working together to develop value-adding opportunities. An
example was given of the Argentineans who were making paper with cane fibre. This
was in contrast to what was happening locally. As one participant put it…ours is not a
joint venture with millers – but it needs to be. Another participant stated…every second
we don't go into value-adding of everything, we go a day further behind. A comment
was that...for mills to value add there has to be some assistance for capital investment
because...why would CSR spend money on capital?

Lack of industry leadership
It was stated by one participant that the Queensland sugar industry doesn’t have a five
year plan...our industry leaders said you can’t have such a plan. One perspective was
that the federal government money had been wasted – by not being directed to
developing value-adding opportunities. Another suggested that...if CSR asked growers
to buy into a joint ethanol plant, the place would go crazy...but CSR would never do it.
In the face of the tree threat, one participant argued that...the industry could have been
smarter....although another pointed out that...it was quick – within 3 months it was on
top of us. A comment was made that...the industry needed better thinking. Another
comment was that...how can you create a structure/environment looking at doing
something else? – the mill looks to its own interests.

Environmental concerns
A participant expressed concern that...if there as a change in government [paranoid
about the reef]...the industry will have a lot of problems – it will come as a cost...but
because we’re exporters we can’t pass on the extra costs. Others felt that the industry
was not getting the credit due for being...the most environmentally friendly agricultural
industry....green cane trash blanketing, minimum till, water quality monitoring – not
getting credit, not promoting. Another pointed to the evidence from reef cores
that...there have been sediments going out to the reef for years.

Smut
Smut was raised as an issue affecting the industry – resulting in loss to growers and
harvesters...4-5 growers each day are reporting smut....80% of varieties are
susceptible...even resistant varieties are susceptible after 3 retoums.

Industry working together
There was a general feeling that the industry worked well on the operational – or
technical – side of the industry...but that’s as far as it goes...all good except on the
business side. Examples were given of use of the federal funding towards such things
as buying GPS systems and promoting controlled traffic, although it was pointed out
that...other broadacre industries had been doing this for years...and we only started this
because there were $ attached.

There was some feeling that CSR supported projects where they had most to gain, for
example: promoting GPS systems because they don’t want to spend money in cane
inspectors; and improved drainage to lift productivity.
A view was expressed that the threat of the tree industry may be a driver for CSR and the industry to work closer together…need a shock – like the trees. It was suggested that things were…changing a bit this year – CSR has lost land…there are now alternatives.

**Impact of CI Workshops and activities**

Not all participants attended the workshops. One view was that workshops were good in that…everyone aired their feelings, had good ideas…but…nothing changed – no money…went into the filing cabinet. One participant pointed out that people didn’t change because…there were no drivers, no incentives – and a lack of vision for where we will be in 10 years.

**Looking to the future**

In considering what needed to happen to take the industry positively into the future, value adding in its various forms was raised as the key ingredient…promoting renewable energy…deals with Coles or Woolworths re plastic bags.

Concern was expressed by one participant about a vision put forward by an industry leader of smaller farms with growers working off-farm during the week and running the farm on weekends…that’s not a business – that’s a hobby! Another participant pointed to the advantage of being able to run the cane business by phone.
Herbert Focus Groups November 2007
Research and Extension

Facilitator: Neels Botha
Recorders: Jeff Coutts/Robyn Coutts
Participants: 5 participants – BSES/HCPSL

Main messages

- There is a general concern about the fluctuating and generally low sugar prices.
- The encroaching timber industry is seen as a threat to industry viability – across sectors.
- There is a strong view that the industry lacks effective cross-sectoral leadership and a vision into the future.
- The industry was seen to work very well together in addressing technical issues – but not in addressing the hard structural issues.
- There were mixed responses to the effect of the CI workshops which was seen to be compounded by personality/cross sector issues. The meetings without discussion tools were viewed as being effective.
- Overcoming the socialistic culture where good growers did not receive the benefits for their work and the risk-averse culture were seen is critical to moving into the future.

Issues facing the industry

Economics and productivity
All participants considered that the low sugar price was seen as a key issue for the industry...*need reasonable return on investment*. A participant pointed out that the price is fluctuating through the year – rather than having yearly trends. There was some concern expressed about the lack of the industry to have made the productivity gains foreshadowed in the Hildebran (?) report...*there is an inability to benchmark and control practices in the field*. One view was that there was scope for 20% increase in production.

Leadership
It was noted by one participant that a lot of leadership (about new ways of doing things) came from the bottom-up (BSES/HCPSL/Growers) rather than ‘higher’ levels. The lack of direction was seen to result in a lag time for innovation...*lots of little things are happening but it takes a long time for the broader industry to know about it*.

There was a general feeling that lack of leadership was an issue in the industry...*there is no vision...no plan*. One participant argued that there was a lack of understanding about the interdependence of the industry...*our competitors are much more integrated – they have a vision*. Another point was that the industry lacked...*charismatic...transformational leadership...like Branson*. There was some discussion about previous a CSR manager who...*although creating some conflict, did show interest in BSES and canegrowers and was aware of the needs of the broader industry...and was working towards a broader goal...and was optimistic*. One noted that (he)...*pushed...*
paradigms…but left 3 years too early. Another participant reported that a grower had said…we need (CSR Manager) to work for us!

Industry politics (poor relationships between stakeholders) was raised as contributing to this lack of leadership and lack of the industry moving forward. One comment was that leaders were reluctant to back something until it proved to be accepted and successful – an example of not taking risks. As another participant put it…they want to see which way it falls first. A comment was made that…Industry politics are very tiring.

Value adding
Macro-economic issues were seen by some to flow through to management decisions resulting in a risk-averse attitude when it came to investment in value adding opportunities.

Timber
The impact of having cane land being bought up for timber was raised by most participants as a major issue confronting the industry in terms of its impact in affecting the viability of the industry…affecting mill throughput…and cogen and ethanol potential. It was pointed out by a participant that this also affected the viability of harvesting operations where there was little security and high investment for the mainly younger group of grower-harvesters in this sector.

It was noted by one participant that 100,000 hectares have been lost to the industry with another 400,000 expected to go to timber over the next year.

Aging grower population
A couple of participants raised the issue of the aging grower population – which also affected the interest in selling up to timber. Another pointed out that it was increasingly difficult to keep the younger group of (potential) growers. One consequence raised was that many older growers were not interested in innovation…don’t want to go into debt – this is why trees are taking off! The lack of strong leadership and vision was seen by one participant as a reason why the industry wasn’t attracting the younger group.

Industry working together
Technical issues
There was a general agreement that the industry worked well together addressing technical issues…the industry is happy to talk about technical matters. An example given was that HCPSL meetings – a monthly group meeting of a range of stakeholders (CANEGROWERS as an observer)…this is the only area where everyone takes their hats off. The 4 R&D groups were seen to be working reasonably well although…sometimes the whole picture is not seen (for example, a variety might grow well but not be good for milling)…which causes problems across industry groups. It was noted that this is an example of blame shifting that occurs a lot within the industry.

The HRIC technology levy driving precision farming was seen as operating well and example of working well together. The Field to Factory project was another example raised of working well…even though the initial meetings were antagonistic.
There was the view that the ‘grass-roots’ relationships between BSES and growers was always good – although this was affected by decisions made at a higher level. It was suggested that industry saw the recommendations in the Hildebrand report as a directive rather than options which…caused a wedge between BSES and growers. The comment was made that after a (3 year) rocky period…things had improved over the last 4 months.

**Structural issues**

Examples were given by a participant of failures in the industry to work together on issues such as industry structures such as farm clusters…when is was raised a few years ago there were even death threats….but we have evolved since then…after the initial shock.

There was a view expressed that…RIB fell apart after (CSR manager) pissed CANEGROWERS off. There was a general view that the industry politics prevented the RIB from tackling the hard topics.

Having two organisations working together in the same building – BSES and the Productivity Services – was seen to be an example of success in working together. It was noted that BSES recently invited CSR management to visit and this had occurred – a good example of working together.

**Impact of CI Workshops and activities**

There were mixed views about the role and impact of the CI workshops….some people were happy with it and felt enlightened…but there was a fear of it. A view was that the CANEGROWERS was anti-(CSR Manager) which brought in a personal element to it. Another noted that some saw it as a CSR initiative which worked against it.

A couple of participants commented on the value of the meeting without discussion approaches introduced by Ian Plowman as a process to trial…these have shaken the industry up a bit. One participant said that he was using some of these tools in meetings he was running and that….they were working well.

One participant noted…we saw some change, but then it went back to how it was. Another suggested that the (CSR Manager) had a lot to do with helping to change behaviours.

**Looking to the future**

There was some optimism expressed by one participant that having…2 new younger members on CANEGROWERS board…was a positive step in developing leadership and taking the organisation forward.

Moving further towards precision agriculture was seen by some participants as a way forward for the industry.

Overcoming the ‘socialistic culture’ where everyone was treated the same was seen by some as an important element of moving forward - for example harvesting practices
…where good growers don’t gain. Similarly overcoming the attitude of…better to do nothing so as to avoid conflict…was raised as critical.
Herbert Focus Groups November 2007
Social Observers

Facilitator: Jeff Coutts
Recorders: Robyn Coutts & Neels Botha
Participants: 4 (3 females, 1 male) members of the broader community

Main Messages

- The current price of sugar and spiraling costs creates an attitude amongst growers of “What’s the point?” which results in a sliding confidence in the industry.
- The introduction of the ‘tree industry’ into the Herbert region is a two-edged sword – it provides an attractive out for growers who are struggling but it contributes to the “slow erosion of the sugar industry” in the region.
- There was a belief that the industry was working better together with improved communication.
- There were some concerns about industry leadership - with a need for industry leaders to be positive and to use more initiative in decision making for the future.
- The future merger of RAG/RIB was seen as a possible source of leadership – although there were some concerns about the proposed make-up/membership.
- Innovation and diversification was seen as needed for survival (eg. Ethanol)
- Women play a significant contributing role in the Herbert; challenge is to recognise this role and contribution, and raise the profile of women.

Issues facing the industry

Lack of confidence in the Industry

The issue of low sugar prices was cited by all participants as a major reason for growers having low confidence in the future of the local sugar industry. One participant (who is a grower) highlighted the prevalent attitude of growers as ... What are we doing this for? This lack of confidence was seen as a contributing factor to potential workers moving away from the Herbert to pursue jobs in the mining industry. Financially, this is a far more attractive proposition and it has become more acceptable to take up this kind of lifestyle. Two participants also commented that an increasing number of potential workers choose to work in Townsville even though they live in Ingham. This attitude of being able to...do other things apart from sugar... is reflective of a distancing of locals from the local industry.

It was also suggested that the...relationship baggage...between organizations in the industry contributed to young people not wanting to be part of it.

“Tree Industry” and Managed Investment Schemes (MIS)

The timber industry is becoming an attractive proposition to many growers as they can escape the pressures of ...market forces and spiraling costs...and are ...happy to sell to trees. The fatalistic comment...if it’s converted to timber – it is!... perhaps reflects the attitude of the broader community.
One participant suggested that the timber industry had taken on the persona of...bogey men...and that ...the Sugar Industry appears to be concerned about the unknown.

This new ‘threat’ did stir action from the Canegrowers Herbert. Attempts have been made, by CG, this includes the drawing up, and request for Council to adopt a temporary law to ban sales (of cane farms to managed investment schemes) for one year. Participants also suggested that the timber threat may actually have a positive effect on the traditional strained relationship between the Canegrower organization and CSR. The new timber growers may make a relationship change...and...may be the glue to bring the sugar industry together.

One participant highlighted the fact that the industry (through RAG in conjunction with UQ) was taking a proactive step in an effort to examine the impact of the trees on the social and economic climate of the Herbert. RAG has put in/ asked for a quote to do this study.

Industry leadership
The participants made significant comments about the role of leadership for the future of the Herbert sugar industry.

The decision makers in the sugar industry are struggling to hang onto the way they have always done it...and that they are ...desperate to keep power. This was seen as ...a sign of desperation... in the changing face of the industry.

For the Herbert to progress, participants suggested that the leadership needed:
- to be of high quality;
- to be innovative and strategic;
- to be positive and energetic;
- to take initiatives (eg ethanol stands out...as a particular issue ); and
- to improve upper level relationships.

It was suggested that if there should be...rewards for those who exhibit quality leadership. The nature of these rewards was not examined. It was seen that currently, only those who posture aggressively in public, and promote ‘us and them’, are the ones who are rewarded with election, re-election, and appointment

Innovation and diversification
Innovation and diversification ties in very closely with the perceived need for quality leadership. Several participants suggested that diversification was a necessity for the survival of the sugar industry. Give ethanol a go!...captured the most logical form of diversification that could impact positively in the Herbert. An adventurous approach of branching out into other things was seen as a possible way of moving forward positively. We ...don’t have to hang onto what we’ve had...summed up this feeling.

Because there are opportunities and possibilities for innovation and diversification, the need for the right kind of leadership was seen as paramount.

The role of women
It was agreed that there is definitely an opportunity within the sugar industry for women to take on more roles. Women have so much to contribute and there is an opportunity for
women to enter the industry. Not only are there opportunities, but it was suggested that women ...want to be part of the industry. This has been precipitated by men taking jobs in the mining sector and would not have been as acceptable or available 5 years ago.

Industry working together
It was agreed by the participants that the industry generally is working together ...better than what was in place. Previous communication had been ...reactive and emotional... but there had been improvements so that communication was now seen to be more productive as different areas of the industry could see what other areas were doing.

Communication between the millers, growers and harvesters was seen to be working quite well. One participant said that ...the results are there to see... and that a whole system approach was a first and had contributed to better communication. A specific example was cited where the HCPSL Herbert Cane Productivity Services assists the harvesting sector through the use of advanced technology which has only just become available.

**RAG and RIB**
The question was raised as to whether or not these 2 groups had provided leadership within the industry. Participants admitted that they didn’t ...know much about RAG and the average person wouldn’t know about it...and that they had...no idea of their role. RAG was seen to...keep a low profile because of politics.

RIB and RAG, in 2008, will merge to create a new body but one participant’s concern was that ...it could be ineffectual from the outset if the membership is overly political...needs wider membership, and to be outward looking. It was thought that the focus of this new group should include a community and environmental base but one participant raised the question as to what a community focus actually means. It was agreed that the role of this new body would need to be well defined, and membership based on skills and diversity of talents, not only on ‘representation’...this is the mistake which is often made in new groups in the Herbert, and contributes to the heavy politicization of the sugar industry.

**Impact of CI Workshops and activities**
In some areas of the industry, CI was seen as ...not popular and caused affront. Participants suggested that the industry and community were not...ready for what they found out about themselves... and that ...linking arms didn’t happen. It was noted that one group did not want any more input from CI.

But despite this, participants also perceived that the impact of the CI project had made a positive impact in some areas. It had been noted by one participant that CSR was now using techniques (eg. Tool Kit) to help to...develop relationships differently...and had...changed the way they operated with growers. It was suggested that there is now evidence that the industry is pulling together (which may not necessarily be visible to the community) which...came from what they learnt. Although changes were perceived as...not big...it was encouraging as there was referral to the study.

It was concluded that there are changes happening and that CI may have contributed to these, but that it is...a slow process. A view was that...it was too early for most. The industry needed time for the early adopters to embed desired positive behaviours first,
before wider industry begins to notice the benefits. Only then will the wider industry take up the learnings and positive cooperative behaviours as well.

**Looking to the future**

Communication was seen as a key element to drive positive change in the industry in the future. Coupled with this, the need for quality leadership was pinpointed as another driver towards positive future outcomes. The need to look beyond the way the industry has always operated was also seen as a lifeline for the future - innovative diversification…Courageous, outward looking leadership across the whole value chain – growers, harvesting, milling, extension, research, marketing.

All this was clearly placed in the context that it…takes time for people to get accustomed to change…but as one participant concluded…time is not on our side.
Summary Final Interviews

In mid 2004, the SRDC-funded ‘Herbert Cultural Imprint Analysis’ was initiated. The intent of the project was to gain an understanding of the culture within the Herbert, and then design and introduce interventions that might result in a beneficial shift.

As part of the initial analysis, 35 face-to-face interviews were conducted. Those interviews were analysed to provide an understanding of the prevailing culture.

In the final evaluation of the project, interviews were again conducted as part of an evaluation to see what cultural shifts, if any, had occurred. This report summarises the issues raised in those interviews.

The groups perceived to have the best relationships are the growers and harvesters. Growers are often also harvesters or their sons are harvesters. Harvesters are relatively small enterprises who identify with each other against the common ‘enemy’, the mill. The consequences of the relationship are (a) that they communicate relatively effectively with each other, (b) that the harvesters can influence more efficient farm layouts for mutual benefit, and yet (c) on the downside, being comfortable with each other and having a common enemy produces a reluctance to change practices.

Canegrowers and CSR are perceived to have a better relationship than in the past. This improved relationship is perceived to be a function of changed management in the mill coupled with better communications and infrastructure in traffic operations.

Favourable comment was made about the relationship between growers and their agronomic support, namely BSES and HCPSL.

The groups perceived to have the worst relationship with each other are Canegrowers and CSR. Whilst the millers are more business-like and trying to maximize return to their shareholders, Canegrowers were seen as short-term in their focus and not strategic. Decision makers within Canegrowers make decisions which are perceived to be based on social consequences for the decision-makers rather than on business principles. This lack of harmony creates mistrust and undermines overall confidence in the future, including perhaps the mill’s investment decisions. Lack of interaction between most of the players enables that mistrust to fester.

Tensions were also perceived between Canegrowers and ACFA, between growers and harvesters, between Canegrowers and Council, even between growers themselves. A new tension is looming between the sugar industry and managed investment schemes.

The mistrust and tensions within and between industry sectors has a number of broad consequences. First, there is a culture of blame-shifting, where, no matter what happens, someone else is responsible. This causes people to be cautious, secretive, closed and suspicious in their dealings with others. This in turn limits open communication and the possibility of collaborative solution-finding.
In the last three years the major shifts in relationship occurred between CSR and Canegrowers. Initially that shift was negative. Following a change in mill management, coupled with improved sugar prices, the quality of the relationship improved considerably. One of the consequences of the improved relationship is a cessation of negative media against CSR in the local paper.

There has also been a perceived shift, in a negative direction, between Canegrowers and their members. As conditions deteriorate, growers increasingly look for someone to resolve their problems. Further, larger growers are starting to question the value they are getting from their now voluntary levy.

Shifts within the relationships in the sugar industry are going on all the time. There are multiple causes of this constant state of flux, including weather, sugar prices, industry politics and personalities. Shifts were perceived within CSR with new management and willingness to invest, within Canegrowers with the arrival of several younger new Board members, and within harvesting with the introduction of yield monitoring. One area where it was commonly agreed there had been no shift at all is in value-adding.

The greatest issue facing the sugar industry in the Herbert is undoubtedly the price of sugar. A new challenge has also presented itself, namely the acquisition, or possibility of acquisition, by managed investment schemes of productive sugar-producing land to plant trees. Labour shortages are a major complaint, as are overall costs, general lack of confidence in the industry, and the absence of value-adding.

When asked what was stopping the industry moving forward, interviewees offered a number of opinions; foremost among those was a lack of strategic leadership. In addition they mentioned ongoing lack of industry cohesion, labour costs, and a general infectious negative attitude.

Adjectives offered ranged from the positive end of the spectrum to the negative. They included terms like challenging, hopeful, exciting, sweet and sour, pensive, risk averse, impoverished, immature, nervous, uncertain, ailing and depressed. Miller interviewees were more positive about the industry and its future than were others.

There was about an equal split between those who would recommend a career in the sugar industry from those that would not. The optimists saw immense opportunities for talented young people to take over from older industry figures. The qualification was that young people would need patience, their rewards would come slowly, and that those rewards may not be financial. Other interviewees thought that a career in the sugar industry for young people would be problematic and that there were better opportunities elsewhere.

Until probed, none of the interviewees offered the observation that the Cultural Imprint Project had been a catalyst for change. When interviews were asked specifically whether the Cultural Imprint Project had had any impact on behaviours within the Herbert,
opinions varied. Several people thought it had made no difference at all. Others saw that the cultural analysis helped people to understand each other, their history, and what led to their present world view. As a result major industry players were attempting to be open with each other, and were challenging their own and others’ old ways of thinking and acting. ‘Meetings without Discussion’ was perceived as a valuable intervention tool that had created outcomes not previously thought possible.

Several interviewees offered suggestions as to how the Cultural Imprint Project might have gained more traction. More might have been achieved if the industry leaders had given the project a greater profile. Rather than just being captured in impersonal text, the creation of stories, theatre and visual images would all have helped bring the research into more accessible realms. However, there was a broadly held opinion that members of the Herbert sugar community are much more receptive now to the Cultural Imprint lessons and interventions that they may have been earlier. It is somewhat regrettable that, when all of the groundwork has been done and the lessons clearly learned through this final evaluation, the project comes to an end. It would be beneficial if, in true action research style, a subsequent project could breathe life into all that has been learned.

Ian Plowman,
November 2007.
Interview Report

Introduction:

In mid 2004, a group of Herbert sugar industry leaders initiated the SRDC-funded ‘Herbert Cultural Imprint Analysis: A pathway to greater understanding and co-operation in decision-making. The intent of the project was to (a) gain an understanding of the drivers and consequences of culture within the Herbert, (b) design interventions that would shift the culture to a more positive footing, where that was deemed desirable, and (c) trial those interventions and then embed them in new behaviours.

As part of the initial analysis, 35 face-to-face interviews were conducted. The interviewees were ‘wise owls’, people identified by the community, and who came from one of the following sectors: millers, growers, harvesters, research and extension, and social observers. Those interviews were then analysed to provide an understanding of the prevailing cultural drivers.

In the final evaluation of the project, a smaller-scale replication of these interviews was conducted to see what cultural shifts, if any, had occurred. Twelve interviewees came from the same five sectors as before. This report summarises the issues raised in those interviews. Quotations, expressed in italics, each are tagged with their source: millers (m), growers (g), harvesters (h), research and extension (r&e), and social observers (so).

Question 1: There are a number of different groups in this industry. These include growers, millers, harvesters, etc. (a) Which groups have the best relationship with each other? (b) Why do those groups get along well? (c) What are the consequences of this for the industry today?

The groups perceived to have the best relationships are the growers and harvesters. This relationship was mentioned positively by five of the twelve interviewees. One reason they get on so well is that often growers are also harvesters or that their sons are harvesters. Another reason is that they are each relatively small enterprises who identify with each other against the common ‘enemy’, the mill. The consequences of their relatively close relationship are (a) that they are able to communicate relatively effectively with each other, (b) that the harvesters can influence more efficient farm layouts for mutual benefit, and yet (c) on the downside, being comfortable with each other and having a common enemy produces a reluctance to change practices.

Some illustrative quotes follow:

My view is that we really do have a very shallow and fickle relationship with the industry players. The major impact I think is that at the end of the day it is such a fractious relationship and we finish up with a non-economic outcome. And we don’t know how to get together and stay together. We just don’t seem to have the people handling skills or that common vision of where we want to go. (r&e)
I imagine there are probably more common denominators in the growers and the harvesters where there's a number of growers who are directly involved in harvester ownership and there's also a number of growers or members of the growers' families who are directly involved with harvesting or employees of harvesting practices. (h)

I suppose those groups get along better than getting along with the millers probably because they see themselves as being on the same side of the fence or in the same part of the value chain whereas the miller is processing the crop. (g)

Why the harvesters and the growers and their relationship is good is because in a lot of cases they're the same person. And if they're not the same person, there's a closeness there because they've got to hate someone. The person they probably hate is usually the miller. (r&e)

They need to foster good relationships with each other in an effort to contain costs. The grower needs the harvester to keep costs at a minimum. This sector has the ability to pass on costs such as rising fuel, as they have done this year, and the grower can do nothing but accept it. Likewise, the harvester needs good support from the grower as they need to get bigger in order to stay in business and they need to attract better rather than the poorer farms, in order to achieve this. The harvester needs to have a good reputation as far as the job is concerned so that people involved tend to be more tolerant of each other. (m)

In days gone by, the farmer being the employer had the stick. Now costs have forced that around the other way, that the harvester is now dictating the tune. And in many cases the growers have been forced to look at their farming practices to suit the harvesting sector. (m)

The harvester spends more time turning on the headlands and things like that rather than cutting cane and they are passing these costs on. So the farmers have to change. At the same time the harvesting sector has had to change because in days gone by the farmer never took a lot of notice of what harvesters were doing. The farmer wasn't even there when they were cutting the cane. Now you find there is a bit more supervision of the harvesting sector by the grower. Not in all cases, but it is getting to be that way. Therefore they're finding they've have had to work in more with each other so the relationships there have improved. (m)

Probably that we're going to stay doing the same things the same way. Probably going to be a lot slower to change, to get things to probably be a little bit more innovative across the whole value chain and that probably could be a detriment. (g)

I suppose the consequences of that – there's some positive consequences out of that because there's a fair bit of understanding. They understand each other fairly well. I suppose that some of the negative consequences of that are that they tend to gang up against the miller on expectations of what the mill should be doing for harvesters and, in turn, for farmers. (m)
Two respondents mentioned a positive relationship between CSR and CANEGROWERS. This positive relationship was perceived to be fairly recent and was a function of (a) a change of senior management at the mill (b) an investment by the mill in transport maintenance and infrastructure and consequent improved service, and (c) an improvement in the nature and frequency of dialogue between the mill and CANEGROWERS.

I think that growers are still sceptical of CSR but with their present management team, it keeps bringing us closer together while a previous management was driving us apart. I'm feeling we're getting closer together. (h/g)

On the cane supplying transport side, they've come to the party and now they give us – how many bins are delivered for a day and how many are returned and all that sort of stuff. So they're really open about – like, [named manager’s] team are really open. (g/h)

We get a lot of co-operation with [named manager]. With CSR we're doing a bit with sugar marketing and sugar pricing with [named person] and that seems to be going really well. (g/h)

I think the millers and the growers have the best relationship and the reason for that is that we rely on each other so heavily that it's a bit like a marriage I suppose. You're going to have some bad times and you're going to have some good times. And you may not always agree but, you know what? If you want to make it work, you're there for the long term. (m)

Why do we get on so well? I don't think we do get on well all the time but we're always at the table trying to thrash it out and that is what a relationship is all about. We always go back to the table, we never actually turn our backs on each other and spit the dummy and not go back. So it is a relationship but it doesn't have to be good all the time. (g)

Three interviewees identified a positive relationship between Herbert Cane Productivity Services Limited and BSES on the one hand and growers on the other. That relationship is positive because these two R&D bodies provide the production services that growers need. In consequence, growers are able to participate in agronomic best practice. On the downside, the positive relationship keeps farmers more focussed on operational matters than strategic ones.

And what we're heading for is going to be the best outcome for the whole industry right across the value chain of the sugar industry anyway. It'll be precision farming and precision harvesting and yield monitoring. Essentially what we're trying to do is to maintain sustainable levels by possibly reducing farming costs whilst maintaining current levels of productivity. (r&e)

There are a couple of consequences. One of them is that the operational matters, as far as varieties, research and so on, is very well done in the Herbert, I think. Another
consequence is that the sugar industry remains in that comfort zone where they do things well – operational, day-to-day matters – and because its comfortable there's little long-range or strategic or structural change in the whole industry because that's not a comfort zone and its not in that operational day-to-day stuff. So it's got a two sided effect in the consequences for the industry today. So the long-term or more strategic stuff tends to get neglected. We're not terribly good at it and we're quite good at varieties, fertilisation, run-off, water quality. We're really hitting our straps with that sort of stuff, but they are operational matters. (so)

Other positive relationships identified by at least one interviewee include:

- the mill and very large growers. My view of the larger growers is that there's more business orientation with those bigger guys which seems to be more aligned with the way we as millers operate as well. Also the larger guys, the people that are running those enterprises don’t seem to have the history or the baggage with them. They’ve got business plans, they work very closely with their banks and their accountants and they understand cash flow, they understand capital, capital depreciation. (m)

It's the bigger operations that are also talking about forward pricing, being able to manage risk. And this is the first time it's been offered in the industry, just like the wheat growers and the cotton growers who are able to hedge a proportion of their product. That's been offered to the growers for next year's crop and once again it's those younger, bigger operators that are looking at that, whereas the smaller, older ones, they all say, "Why have we changed the rules? Let's go back to where QSL does it all for us. I haven't got time to be on the Internet, I haven't got time to do this." (m)

- the mill and R&D bodies. The researchers seem to be, with their training of years of scientific background, they're output focused, outcome focused. So we're very much outcome focused ourselves and it seems to be going pretty well. (m)

- HCPSL and harvesters. With the new precision farming technologies introduced by HCPSL, these impact considerably on the harvesters, who are the recipients and beneficiaries of this technology. It's a totally new relationship, the relationship between HCPSL and the harvesters and so far is working very well. We have to appeal to those guys to do the right thing by us and in turn they get stuff from us. The consequences of the relationship are increased production efficiencies. We think that variable price harvesting based on ground preparation, crop size, row length will mean the growers that do the best, they pay the least to get their cane cut. (r&e)

- HCPSL as a partnership entity owned by millers and growers. HCPSL in itself is a partnership between the growers and the millers and there's no example of a better partnership in the Herbert sugar industry than that particular partnership. (r&e).

Question 2: (a) Are there any groups in the industry that do not get along so well? (b) Why do those groups not get along well? (c) What are the consequences of this for the industry today?
Millers and Growers. The relationship mentioned by eight interviewees as being the least harmonious is between millers and growers. Sometimes the mentions were about the CANEGROWERS organization, at other times they were about the growers themselves. Reasons given for this difficult relationship, and the consequences, included the following:

(i) that each is marching to the beat of a different drum. Whilst the millers are endeavouring to promote an efficient business that gives return to their shareholders, CANEGROWERS were seen as short-term in their focus and not strategic. Because the mill and CANEGROWERS are the two major players in the industry, their lack of harmony undermines overall confidence in the future. There is a perception that millers and CANEGROWERS have a much greater appreciation of the need to work together, though they do not yet know how to do it.

CSR and CANEGROWERS, over the last few years, moved well and truly apart by the fact that we were pressing for changes. We had some personality issues. That gap has been closed up again to a certain extent. (m)

CSR has sort of withdrawn from engaging in the community and just saying, well, we’re going to run our milling business as efficiently as possible and the CANEGROWERS basically haven’t changed and I don’t thing in general the CANEGROWERS necessarily exist to promote long term viability in the industry. They’re a very short term – they have a very short-term focus. (r&e)

The millers want best financial outcomes, as do the CANEGROWERS organisation for their members, but they’re mutually exclusive because the best financial outcomes for the growers would be, for example, to continue to go along with having a cane payment system that’s based on a mill average system which obviously grossly disadvantages, in the beginning of the season, those guys who have to harvest when it’s wet. (r&e)

All the mill wants is everybody to fill the bins up as quickly as possible and take them to the mill. (r&e)

I think that the consequences are that we’re not moving forward as rapidly as we should be. Because the two organisations still don’t get along well, there’s a loss of confidence by the average grower on the ground. They can see that the industry isn’t moving forward as quickly as it should be and it hasn’t got the plans in place to address some of the local or the global challenges, so that results in a lack of confidence at the grass roots level. (r&e)

I think that if the attitude stays, it adds to the threat, I think, to long-term industry sustainability. How do I put this? There is an awareness of the symbiotic reliance that they have to have on each other to remain. Without farmers, the mills don’t have a business, without a mill the farmer doesn’t have a business. But it doesn’t appear to be that obvious yet, that needy to each party yet, that they put aside all the petty prejudices.
that have been there for about 130 years. The CANEGROWERS organisation probably started as a union, and a well needed one because CSR did ride around on a white horse with pith helmets and – but times have changed and we’ve marched on and I think basically, maybe fundamentally, their protectionism for the growers hasn’t. (so)

I think I can detect anyway a better mutual understanding that they need to work together to retain industry sustainability but I see no significant signs of that happening yet. (r&e)

(ii) a slightly different view is that whilst the mill is driven by business decisions, both growers and harvesters are more driven by the social consequences of their decisions. Those who make major decisions in the mill are not locals and therefore do not have to consider the personal societal implications of their decisions. Growers and harvesters do. The consequence of concern about what others might think is that it consumes considerable industry energy, often without gain.

I think also the miller has a very different focus in the manner in which they manage business. They’re very business focussed. Social impacts don’t really have a significant influence on their business compared to, say, the growing and harvesting sector where there are some social issues that impact on their business. So the miller has really a strictly business focus. So if it’s not making money, they don’t do it, whereas the growing and harvesting sector considers some of the social impacts: what happens if I do this, how will that affect my community, how will that affect other people that I work with? So that social conscience probably sits more in the growing and the harvesting sectors and it doesn’t sit as much in the miller sector and that’s because the milling sector is run by a corporate company that doesn’t live and reside in the town. The management of the mill often has not grown up in the town, it doesn’t have a lot of involvement in the social fabric of the town. They tend to be more isolated. And there’s a historical part of that as well where the mill people did isolate themselves. That’s probably carried through to modern day where there is an ‘us – them’ mentality. (so)

CSR is the entity people love to hate and in any sort of immature, unequal relationship you’ve got to find someone to hate or revile as the cause of all your problems. (so)

Another thing that has probably prevented us from moving forward in some of the technology areas where we actually could make some of the advancements, is that everyone’s worried about what everyone else thinks. …….And we spend a lot of time in dialogue talking to each other and making each other feel good, and when we get out the room, we do what we like. (r&e)

Look at Brazil, look at South Africa. The businesses that move forward are those that work together, stay together and have a single focus on what they want to do. And at the moment we don’t have that. We have multiple focuses on what we want to do. And that’s actually a big negative in our industry. If a portion of the industry, and it might be the miller or the grower choose to go in a particular direction, they have to either grab the other one and be screaming and yelling and drag them along the way, or it just doesn’t happen.(r&e)
I think that’s probably one of the issues that puts our industry at biggest risk, is that relationship. The politics are putting our industry at risk, preventing us from moving forward and actually competing with the Brazils and those countries. Those countries, their businesses are vertically integrated businesses. They own and manage everything. And they don’t have to manage all the feel good stuff in between all the layers. They’re just, “this is the decision, this is the company rule, get on with the job” whereas we have to make everyone feel good and have a lot of dialogue in the process to do that and sometimes we achieve nothing. (r&e)

(iii) smaller older growers and their relationship with the mill is perceived as often more problematic than is the relationship with larger or younger growers. Larger growers often have a stronger business orientation, whilst younger growers are less influenced by history and better educated. These differences have recently come to the fore in discussions over sidings.

When we go and talked to the guys who’ve been there all their lives and they're small holdings, we seem to come up against insurmountable issues, whereas we go and talk to some of the big guys, they say, yep, sign up, let's go. (m)

(iv) Mistrust underpins much of the division between millers and growers. The millers are perceived as making a profit at the expense of growers. One of the consequences of this mistrust is ‘blame-shifting’, whereby, whenever there are adverse consequences, somebody else must be to blame. This attitude absolves individuals or organizations from any responsibility for fixing or addressing the issue. The result is a tendency to stalemate.

The reason appears to remain in the age old concept that the miller is profiting at the expense of the grower. This mistrust has been passed down through generations and won’t go away easily. There have been many attempts in recent years to annul this fear through different initiatives but these are still looked at with suspicion and people here tend to look for someone that is always trying to put it over the other. (r&e)

When you try and do new things there's always – the miller is just trying to take a bigger slice of the action and trying to move costs from them to us. (m)

There's still a lot of baggage that's carried on over the years and I suppose because of the age of growers..., a lot of the growers are in the older age group and they still remember the experiences they've had with millers 30 or 40 years ago where it was very dictatorial. That's changed but a lot of growers don't see that and there's still a lot of mistrust. Some of it maybe still grounded in reason, some of it's not. (so)

I think one of the things that annoyed me about this [CI] project at first was that it was perceived that the farmers were the only ones that have the cultural problem. I'm not saying the farmers don't have a cultural problem; I'd be the first to admit they have got a cultural problem. I think the whole industry has got a cultural problem. And I can think
of quite a number of people involved in the milling area that have got a cultural problem, starting from [senior CSRI manager] down, who have been around for awhile. I can burr them up very quickly because he still hangs on to the past and I still don't believe that they have accepted that they've got sometimes a bit of a cultural problem and they need to look at things a little differently. They could really make their job a lot easier and they could probably do a lot better at their job if they had just a slightly different approach. (g)

I think the whole industry's got a cultural problem. That's what I think. It always frustrates me when we go and talk to the millers in different areas and negotiate, I still find that, especially when you're dealing with the older guard, that they're still expecting you to have a go at them. I would just love to be able to sit at a table and talk to them openly and honestly and say, "Well, you know, I can understand what you're saying, you can understand what I'm saying, let's be fair dinkum about trying to find a solution." You're always guarded because you're not sure that - they expect that you're trying to put it over them, so they're always guarded. They're using the same thinking. And I find that from [senior CSRI manager] down. He still thinks that way, I find, that when he's dealing with growers he's already got a mindset that "these guys are going to have a go at me at this" and "I'm going to stand on that." How you change that I don't know. (g)

It's when something happened it's always one side's fault. Instead of saying it's an event of nature or act of God or something that you just can't do much about it ends up being – like if the mill finishes late, it's not because of the weather, it's because the mill broke down. Well in reality it's a bit of both. A late finish means late returns, you lose half a million tons because they don't come good the next year. And that's equated back to the mill's fault whereas last year we had half a metre of rain in September. A one in 300 year event! (m)

Also it takes the onus off yourself. You say, "Oh, it's their fault. Has nothing changed?" Without being controversial, I think many growers put the same crap on their own representatives and us. Because the point is the growers are at the end of the line, they're the price takers and they've got very little control over the price of their products and that's a pretty tough place to be. So if things go wrong we've got to throw it back on somebody. (r&e)

(v) One of the reasons for the gulf between millers and growers is the absence of any interaction. In the past, the mill employed cane inspectors who visited growers, inspected the quality of their cane, and told them when to cut. Though the relationship between cane inspectors and growers was seldom warm, it did provide interaction between individual growers and the mill. Now, those individual growers have no personal contact at all with any mill representatives. Their only contact is (a) electronic, for the minority who are computer literate, (b) via their representative organization, CANEGROWERS, or (c) via their harvesters who have to liaise with the mill’s traffic operations.
CANEGROWERS themselves have limited contact with the mill, which is very resource lean. Phone contact between CANEGROWERS is perceived as sometimes problematic, since the mill staff are often inexperienced and cannot provide the answers.

These days, generally speaking, most growers would never talk to anybody in the mill for the whole season because they don’t have the people on the ground they used to have. Years ago, that would have been six or seven or seven or eight cane inspectors who visited farms on a daily basis and they were out there talking to the harvester but also talking to the growers. That contact’s completely gone and the only contact – well, there’s no contact growers have. A lot of growers don’t have much contact with personal contact with mills at all. Their only contact now would be a mail out. People who’ve got computers get their results overnight with computers. A lot of growers still don’t have computers. And a lot of growers would get their information through their harvester guys. So, again, some of the growers would get their information through CANEGROWERS. (g)

Like even I have trouble ringing up the mill because they’re such a skinny resource. And a couple of people who have got to answer the phone, in all fairness, have a fairly shallow understanding. They’re just the face. A lot of the experience is gone. (g)

You could build a bigger pie but the problem you’ve got is that you’ve got CSR, that is one enemy on one side, and on the other side you’ve got 700 or 800 individual businesses. (r&e)

I think the consequences of that are that it's very, very difficult to have a very good relationship without better communication and understanding. I think that's one of the big barriers, I suppose, we have with the millers is the results or the way they perform. There's no personal information coming out and interaction. (g)

We keep talking about how we can try to improve the relationships but it's hard work when you don't have much communication or understanding. We've been trying through CANEGROWERS to get a lot more information out. We put it out in a weekly report now through the emails and, again, that's only available to growers who've got it [email]. A fair few have got it but not everybody. And we do try and give out as much information as possible. And in all fairness I think the new CSR management here is giving us more information that we can put out which we didn't have a couple of years ago. There's an increase in information but as far as personal contact with the mill, it's very, very small. It's very easy to have a lot of rumours and a lot of wrong stories around the place because of that. (g)

One of the perceived overall consequences of the acrimonious relationship between millers and growers is that it potentially effects the miller’s investment decisions. It is perceived that millers would rather invest where the relationship is more harmonious, and that, on this basis, it may have cost the Herbert already.
The consequence of this for the industry in this district could be a district where CSR, or any other mill owner that may acquire it, directs capital expansion into other districts which are more readily willing to work together to achieve viability. We have already seen the cogen directed away from here to the Burdekin. Not of course for these reasons only but the Burdekin has a much more stable crop size than this place. But you have got to say that the attitude of the growers here did nothing to help secure a plant for this district, the growers being the growers, their executive and the lot. The sooner the parties all wake up that they need each other and work together, the better off we would all be. At the moment people are paying lip service to working together when in fact it’s not happening in reality. (m)

CANEGROWERS and ACFA. Two respondents mentioned that CANEGROWERS and ACFA have a difficult relationship with each other. The tension between them is perceived to be caused by lack of understanding of each other’s imperatives and a distinct difference in size. The consequences of this tension between the two organizations is that the industry is not seen to be talking with one voice.

I noticed that CANEGROWERS and the ACFA – Australian Cane Farms Association – don’t get on. I think in each of those groups it’s about a trust and an understanding of each others' imperatives. Neither really understands each others imperatives. I think they think they do. That’s why I think they don’t get on. They think they understand each other's imperatives but they don’t. CANEGROWERS is a large organisation. ACFA is quite small. It's sort of unequal numerically. And unequal partnerships sour relationships very quickly. (m)

I think that we’re seen as not talking with one voice. We’ve really got to talk as one industry and that’s the big thing. (h)

The other area I’ve seen in the last three years is about three years ago we actually moved away having one contract covering all growers. That created the opportunity for groups of growers to come together and, as a result, (inaudible) and we’ve seen a split away from CANEGROWERS Organisation to ACFA. ACFA inspired it. Indeed, one other person's now got a separate contract apart from just those people. So there’s been a shift there because they certainly don’t share the goal of CANEGROWERS and they don’t share the way CANEGROWERS chose to treat their growers. (m)

Growers and harvesters. Two respondents also mentioned a difficult relationship that growers and harvesters sometimes had. The origins are historic, founded in the days of itinerant canecutters working for more affluent growers. Even today, when a harvesting operation can equal the value of a farm, the relationship is unequal, without formal contractual relationships that give legal protection to a harvester.

The grower has the land, he has the ability to grow whatever cane he wants, to do whatever he wants with that paddock. So I suppose he has the ability to make his own decisions whereas the harvester operator has to go out, make friendships, probably pat some people on the shoulder that they may not like. They’re actually price takers. And
it’s up to the grower, I suppose, to say “Hey, you know what? I can screw that bloke over there. I know he’s in a bit of bother” because we have too many harvesters in the district. The growers know it and they can actually use that as leverage. If I was a harvester operator – I know some of them personally – they feel as though they’re always on the receiving end of whatever’s happening. They feel as though they’re at the bottom of the food chain if you like. (r&e)

Harvesters and farmers, now that is a totally unequal partnership. It's a commercial agreement without, until this year or last year, any kind of formal contracts. It belonged centuries ago, that sort of unequal partnership. (so)

The harvesters versus farmers, "do the job and get out", I've written. CANEGROWERS believe they are the industry and there's no long term co-operation and trust being built into the relationships with harvesters. (so)

I think also CANEGROWERS and the Harvesters Association don’t have a shared vision of those organisations. They’ve both seen some pushing apart because again, as much as anything, personalities. (so)

CANEGROWERS and Council. In the Herbert community, two organizations whose relationship is sometimes tested are CANEGROWERS and Council. In the past, given that Hinchinbrook was largely a single industry community, Councillors were generally cane growers. So the CANEGROWERS organization and Council had similar orientations and the capacity to influence each other. Today, with the Shire having a broader social and commercial base, the influence on Council by CANEGROWERS is less than it was.

There's no unequal partnership there. That has to do with CANEGROWERS appearing to have a sense of entitlement in what the Council does and doesn't do, the decisions Council makes, because traditionally the Council was made up of a majority of cane growers, which is pretty natural in a single industry town. It would be unusual to have a Council full of pharmacists – you know. That's not always the case now and CANEGROWERS finds that a bit of a rub. There is some frustration in Council with the secretiveness and a sense of entitlement of CANEGROWERS organisation. (so)

Sugar industry and Managed Investment Schemes (trees). Many interviewees mentioned the growing tension between the sugar industry and managed investment schemes, on which much more will be said later. These two industries were potentially in competition for land, though the medium to longer term financial and social consequences for each would be considerably different.

I suppose we haven’t actually had the face of the timber industry. We can’t look in the whites of their eyes yet. Obviously that’s the next tension, with that group of people I would think. And I suppose I’m going on what I’ve seen in other communities as well; when a threat actually comes into the community, that’ll really polarise opinions and it’ll
manifest itself in schools and clubs like APEX and Rotary and the like. I can see that coming. (r&e)

One of the less obvious, though deep-seated divisions lies between members of the sugar community and all those other citizens of the Shire who are not directly involved in the industry. There is some envy, though not a lot of sympathy, by the non-sugar community for the sugar community.

Actually, there are a surprising number of what I call ‘barbeque opinions’ where people say, “This sugar industry, how does that work?” They’re not offering criticism but, of course, if someone from the sugar industry is there, it’s quickly sort of seen as criticism: “Oh, you wouldn’t know” or “that’s the way we’ve always done it.” So the person is generally silenced. I think people probably would seek to have input more if they knew how dependent they were on the sugar industry. And people in the sugar industry say to me, “Yes, but if they only knew this town would die if it wasn’t for the sugar industry.” And I said, “Do you keep telling them that or do you tell them how things are run so they can take an active interest and support you”. (so)

Actually privately people are gleeful – people were gleeful when the industry was on a downturn and there were people going broke and they said it serves them right. That tells me that the sugar industry hasn’t even engaged its own townspeople living alongside them; neighbour to neighbour, sometimes family member and family member. So the sugar industry has never listened to those who weren’t in the club. And so, when things were bad and they asked for help, people said, “I don’t think so.” (so)

Growers. Two interviewees commented upon the inherent distrust between growers.

They don’t trust each other and there is still in this place unfortunately the attitude that “he’s going to get more benefit than me”. And that’s not good. They mistrust each other. It's something terrible. The extent of it here has really opened my eyes with this sidings project. I always knew it was there but I didn’t realise how bad it really is. And yet you can’t tar everybody with the same brush. (m)

And it's a case there where there are probably two or three families there that have a long, deep past; a very savage past actually. Even violence involved with families gone by. Those things – very hard to bury the hatchet in those areas and very difficult people to deal with because they’re all reasonable farmers in their own right too so they get a bit of power behind them so they can push around a little bit. They’re not going to stand down to anybody and it's very, very difficult. And even if they are hurting financially, they're not going to let themselves give an advantage to that bastard that they just can’t stand. That's the worst part about it but that's human nature. (g)

Overall, the mistrust and tensions within and between industry sectors has a number of broad consequences. First, there is a culture of blame-shifting, where, no matter what happens, someone else is responsible. In turn, this causes people to be cautious,
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secretive, closed and suspicious in their dealings with others. This in turn limits open communication and the possibility of collaborative solution-finding.

There’s a lot of blame shifting happening in the industry from time to time. (r&e)

One of the consequences is a culture of gate keeping and watchfulness. It’s not necessarily individuals, although there are some outstanding examples of that. I have to say there are also some outstanding examples of the opposite; that is, people quite open to change. Yeah, gate keeping as a culture. There's withholding information, there's little sharing and little face-to-face or demonstrations and the demonisation of the enemy. Because you don't have enough face-to-face time, it's easy to demonise people. And there's evidence in my opinion of the consequences and issues. There's very poor engagement skills or wish to engage. So the engagement skills are sort of withering. (r&e)

Question 3: (a) In the last three years or so, have there been any shifts in the relationships between the major stakeholder groups in the sugar industry in the Herbert? (b) What has been the nature of those shifts? (c) Why do you think those shifts have occurred? Please give examples.

Though this question asked about shifts in relationships between stakeholder groups, interviewees responded by commenting on perceived shifts of any sort. In the last three years, shifts are perceived to have occurred in almost every facet of the industry. In some cases those shifts were within industry bodies; in other cases they were between industry bodies; and in yet other cases there were outside influences. All of these shifts impact directly or indirectly on relationships.

Where comment was made under this question to shifts within the industry or particular industry bodies, those comments have been reported under Question 4, following.

Miller/Canegrower relationships. At least half of the interviewees commented on an improved relationship between CSR and CANEGROWERS. In 2005/6, relationships were at their lowest ebb. An improvement in cane prices coupled with a change in mill management led to a much brighter and open relationship. CSR was also seen to be investing in infrastructure, maintenance, communication systems and improved traffic operations. All of these signalled to the broader community that CSR was willing to invest in the future of the industry.

A former general manager was the CSR manager in the chair when relationships were at a low ebb. The new CSR manager has a different operating style. He had the distinct advantage of (a) arriving as prices improved, (b) having married a local cane farmer’s daughter, and (c) he set about building a more positive relationship with the CANEGROWERS organization.

There has been a shift in the relationship between the major stakeholders, mainly between growers and miller. It may have been more at higher [executive] level. I think
at that representation level, people see the need that we must work together, we must find better ways of doing things. I have to say the change of management locally has been a big plus in moving that relationship forward. The previous management was not very conducive to building a relationship. It was the dark ages pretty much. It'd been a long time before I'd seen that adversarial attitude. Now, with a different manager, I think we see a change in the relationship. (g)

Since [former general manager] has left it's a lot better. [That former manager] had his own agenda and he'd go out and try and get his own agenda by bypassing CANEGROWERS. [The new mill manager], we're doing things together and that makes a big difference. We're achieving stuff; before we were fighting each other. Neither party's never going to be totally happy with what they get because each party is running a commercial enterprise and you've really got to be there to look after your membership or your shareholders. So I think that the relationship with [the new manager] the relationship is 100 per cent better. (g)

For the last two years – actually three or four years ago our relationship was very strained but I can see in the last year and a half that it's improved immensely. The reason for that, I believe is we've gone through a complete cycle of great sugar prices and now we're back down to struggling again. But I also believe the leadership that [new manager] has actually brought in has been the sort of relief valve if you like. It was at a crescendo two years ago and it was just an impasse. And I think [new manager], given that he's actually married to a CANEGROWERS daughter and he's seen to be someone who actually tells the truth and won't screw the natural grower, he's trusted. And I can see a definite improvement in relationships. (g)

With the previous management the relationship really just vortexed down. Whereas after the change, it was a long hard struggle to get there but I really felt as though it was a buoyant mood across the whole. Negotiation was fairly buoyant. And then [new manager] did bring a new dimension into it I suppose. [The change in management] ....was the icebreaker, if you like. Something had to give and I think the fact that [the former manager] moved on - he brought a lot into this district by the way - but that was probably the thing that was needed to move it to the next level. (g)

I've noticed is that there is more interaction between mill management and members of the [CANEGROWERS] Board. [New manager] made a deliberate effort to build a one on one relationship with CANEGROWERS management. So they've formed a strong relationship. [Mill manager] who works on those protocols adheres to it religiously, which is reporting every week and being very open. And CANEGROWERS have got to respond within a week. So now we're on the high moral ground. Whenever CANEGROWERS management fails, we say "What's happening? Do you need a hand?" And the executive themselves are noticing that there's a dramatic change in the way we're doing our business. We're understanding a situation more than before, rather than going out there and saying flatly 'no'. It's now about understanding. Sometimes we still say 'no' but that is not our first response. My measure of that this year not once since the crushing and even leading up to the crushing, which was during our negotiation of a
contract, not once were there negative articles in the paper. Not from CANEGROWERS or harvesting bodies or anyone. And we're now into week 14 of our crush. So I haven't seen anything in the paper to date. When you have the social functions, people that have nothing to do with the industry are saying, "What's happened to you? There's nothing in the paper anymore." (m)

Why have the shifts occurred? I guess it's the work we've been doing to understand more about the principles around the value chain. The flow mapping, process mapping. It's understanding those processes more and recognizing that whatever you do in your little compartment has a flow on effect that can be both positive or negative. In our industry there's been so much looking after our own patch that we really maximised that part but, Jesus Christ, we stuffed up on either side of us really bad. And the other guy then maximises his bit and stuffs up the other part. So it's about understanding [the consequences of our actions for others]. At the moment not all the time do you say, "Yeah, I understand. I'm going to work with you." It's just "I understand." And some people are still saying, "I'm still going to stuff things up" but they understand. (m)

I think there's definitely an improvement between the mill and growers and I think part of that's down to personnel changes and I think part of it is down to some of the projects that are going on. I always remember a meeting we had at the Royal Hotel – and this is no disrespect to any previous manager – but (new manager) was able to get up and it was obviously a bit of psychology because he said, "The last time I was in this room was for my wedding reception at The Royal Hotel" and straight away people's shoulder's shifted, their breathing changed. "He's one of us. He married a local girl. He got married here. He's not from Sydney, Melbourne, Brisbane. He hasn't come up here to do a job on us. He's got a kid in school here." So to me that is a major shift. I think that with the bigger bins, the siding rationalisation, I think people are seeing that they're trying. (r&e)

The change in CSR management is talking about everything on a more positive note. I've got nothing against [previous manager] personally. He came into a very tough environment, a very low price environment. He had his goals, he had his methods and he would have felt that this area had to change and his way to change it was to really try and push the envelope. And he told me a number of times, he's probably going to be the least liked bastard in the district. And I reminded him a couple of times that he achieved that goal. And he did become the least liked bastard, for different reasons. But it doesn't take long for people when they're feeling down and out to have a bit of a feeding frenzy. And if he's going to turn himself into the bait, well, that's what he became. And I suppose whether it's good luck or good management or whatever happened, he got shifted. Another guy came along with a different temperament, a different approach, had the luck on his side that prices were picking up and all that sort of stuff. So he was looked upon more positively. He had a different way of approaching things, was a lot more open and communicative, more open and admitting what was happening and what wasn't happening. (g)

However, one interviewee saw the change in management in a quite different light.
Within the milling group: when this project started, the milling group had different leadership which at times challenged the paradigms of the industry but also was attempting to do things differently and work with the industry in certain areas. The current management has become very insular and don't engage with the industry as much and within three years that's quite noticeable. We've had a change in mill management. Personalities – they're nice people – but the mill management, you can't get anything out of them. They've closed the doors, closed the shops and they don't talk to anyone anymore. [New manager] is non-confrontational and very quiet. I'm not saying they're bad in their jobs but [new manager’s] non-confrontation, that's probably good for the growing side because they didn't want someone who challenges and confronts them. To move the industry forward and grow the industry and push the boundaries and challenge and do things differently, [previous manager] was better at doing that. At times it was painful but he was better doing it. My personal view is [previous manager] wasn't here long enough. He needed another three or four years here to fulfil what we needed to do and he wasn't here long enough. In some ways I actually think CANEGROWERS thought they had a victory when [previous manager] moved on because they then got someone who was quiet and wouldn't challenge their processes. (r&e)

In addition to the change in management, other factors aligned to improve the relationship between millers, CANEGROWERS, and growers in general. These include a positive shift in sugar prices, a willingness by CSR to invest in bigger bins, maintenance, siding upgrades and improved communication in traffic operations.

I'd say there's been a shift towards the positive probably because of a couple of reasons. There's been a positive shift in the relationships, yes. There's no doubt about that. And I think it has been because of a couple of different factors at least anyway. One being that in '05, '06 the price picked up. So that engenders better spirits and everybody starts to feel a bit better about everything and everyone gets a little bit more forgiving and less, you know, demanding and all that sort of stuff. It was complicated but last year with the bad weather we had and a very late season, lucky we had that high price scenario last year which dampened that atmosphere. And then again, because of the positive economic returns, CSR, I think eventually realised that they had to spend some more money. And that was starting to be spent. And all those things generally led to people seeing things on the ground and more bins being bought and more money being expended on the mill. There's still the knockers and there always will be the knockers but generally speaking there definitely has been a positive shift to the communication relationship generally, I'd say, in all circles. (m)

The transport issue seems to have eased a bit. Newer bins and some of the new people they've put in place. I think there's been a real focus on maintenance, on locos and trying to train some drivers and overall mills have been a little slower than they were last year. The weather's been very kind to them. So with a bit of luck and a bit of good management, things have been generally better this year than they were last year. So that's eased the pain. (h)
Also the millers have been able to come in their side and actually supply transport infrastructure. We've been able to actually rationalise some of our sidings. (h)

CANEGROWERS and growers. Several interviewees perceived a level of tension between growers and their representative organization, CANEGROWERS. This tension comes from two quarters. First from larger, more business-oriented growers, who pay substantial membership levies, yet perceive they may not be getting value for their money. Second, from the smaller older growers, who have expectations that CANEGROWERS cannot meet.

*There's actually cane growers, the farmers who grows the cane and then CANEGROWERS as in the organisation. At the moment there's a rift starting up. I can see the cracks starting up here and I actually raised this with CANEGROWERS management yesterday afternoon. The growers are depressed or probably more frustrated that they can see there're not a lot of avenues for them at the moment and subsequently the blame has to go to somebody. And the CANEGROWERS organisation is it. And if it's not them it's usually their R & D providers. There is a rift starting. You can see the cracks are starting in CANEGROWERS and I think some of their members are starting to see CANEGROWERS as reactive not proactive and that's really come in a bad light. I talk to growers all the time - I am a grower as well - but talking to growers all the time you can see that they're getting frustrated: What am I paying them for? What representation? Why can't we have opportunities to move down to value adding? Who's representing us at that senior level in Canberra, knocking on doors, getting people to notice us? (r&e/g)*

Given the average age of the grower being – I think it's about 60 or thereabouts, the opportunity that's now been given to the growers to exit, to retire, given a lot of kids aren't wanting to continue. The opportunity that timber is actually offering them now, I'm seeing at CANEGROWERS, there's a bit of tension within the ranks in that they really can't tell their older growers, "Don't sell" because this is a great opportunity for them but at the same time - and not saying that - it's going to impact on the sugar side of the Herbert. The macro view if you like. So there's a bit of tension there in that they sit at the table and they can't actually say to their members, "Don't sell because that's bad for the industry and we could actually close a mill if we don't have the crop" so there's a bit of tension developing. (r&e)

*I've seen the younger growers, and this term "younger" is between 30 and 50 – the younger growers openly questioning the value of their organisation. And what's happening is that – once again I go back to these people, they're operating from 30,000 ton up to 100,000 ton. That's big money for the corporation or the CANEGROWERS executive and they're having lots of one-on-ones with these guys and what services can they provide and there's all those conversations happening behind the scenes. because they've got to pay on a per ton basis. So a 100,000 ton grower is paid on a per ton basis which is the same as a 3,000 ton grower. Dollar per ton. So let's say if it's a dollar per ton, for 3,000 ton paying 3,000 bucks, this guy's paying 100,000 bucks. This guy's saying, "What am I getting?" From their perspective they've seen the 3,000 ton guy*
getting a lot of air play and a lot of services and saying, "What am I getting?" There's a lot of one-on-one's. There are some of the older people trying to marginalise those people out there. So it'll be interesting to see how it plays out – the big operators - whether they'll get beaten into submission or they'll continue forward with their questioning process. (r&e)

In response, some people from CANEGROWERS, not knowing how to handle this, will go out there and say, "Who are you to question the organisation? We've built it on blood sweat and tears and you're just a Johnny-come-lately. Get back in your box." You've got to be in the collective so we can maximise the outcomes for everybody and these guys here are saying, "I believe I'm big and ugly enough myself. I can talk the talk. I've got experts behind me; I've got lawyers, accountants, financial planners." Some of these guys are also going outside of BSES or the official structures to get agricultural advice. (r&e)

**Miller and harvesters:** In late 2006, the mill paid close attention to the effectiveness of its traffic operations. Improvements in communication, some changes of personnel, and investment in infrastructure by CSR all improved the miller/harvester relationship. A wet season and smaller crop in 2007 has also eased the pressure on the relationship.

This year, there seems to be a much better relationship between the harvester and the miller because poor crop, no rush, no stress. Nobody's in a hurry. There is no urgency there and that, from a traffic point of view, is not putting pressure on traffic; from the field sector point of view, they are getting their bins at a much more reasonable time and a more reliable time than before. This year is a year of pretty high sugar, so the mill’s only just managing 1000 ton an hour here and 500 ton an hour at Macknade, which is, again, not putting pressure on the system. (m)

**Growers and harvesters.** On this topic opinions differed. One interviewee perceived that the harvesters and their leadership continued to be adversarial and to focus on minor issues rather than address the bigger more strategic issues. In contrast, another interviewee perceived there was a shift in attitude and that the growing and harvesting fraternity were beginning to entertain the idea of longer harvesting hours and longer season length.

Harvesters as a whole and the growers get along fine but there's probably a little bit of – I don't know how to put it diplomatically but the leader of the Harvesting Association is not very – he's not flexible. He doesn't seem to want to find bridges or different ways of doing things. He's still adopting the old adversarial style. And personally I find it very difficult to work with that attitude and there seems to be almost a complete lack of understanding of the big issues. They're [the harvesters] too grounded in minor symptoms rather than the problem. The same thing with the grass roots growers and harvesters on a day-to-day basis. It's those little bread and butter issues like late bins or the mill break downs or they get told one thing and they don't deliver. It does get very hard when you try new things and it doesn't deliver because it just adds that degree of
difficulty for the next time you want to change something because you're trying to drag all the baggage behind. (m)

I think within the grower, harvester ranks, the extended harvesting hours discussion that's been ongoing for quite a number of years, I think it's actually gaining some momentum in that other regions are actually now doing it. So going from a 6am to a 6pm cut and also going to, say, 19 hours a day, it doesn't have been agreed to but I'm seeing that people are sort of realising that we do have to change to actually survive, as reluctantly as it may be. And also the traditional 21 and a half week season. Other regions such as Mackay now are actually right on the cusp of actually going to the longer season lengths. And some of the growers I was actually talking to have resigned themselves to the fact that they've got to change. (r&e)

Question 4: (a) In the last three years or so, have there been any shifts in the relationships within any of the major stakeholder groups in the sugar industry in the Herbert? (b) What has been the nature of those shifts? (c) Why do you think those shifts have occurred? Please give examples.

Note that some of the comments reported below were made under Question 3 above, though they are reported here, since they are more appropriately about shifts ‘within’.

In general. Shifts in the relationships within the sugar industry are going on all the time. There are multiple causes of this constant state of flux, including weather, sugar prices, industry politics and personalities. One interviewee provides a clear synopsis of the dynamics over the past three years.

I think it would be fair comment to say that the relationships between the major stakeholders in the Herbert are constantly in motion. Each year brings forward different issues that have a bearing on relationships and therefore have different consequences for everyone. Two years ago we saw the miller go through a fairly rough period with the infrastructure supported the operation, mainly loco fleet, was seen to be constantly broken down and this put pressure on all the parties. The grower in the same year saw the profit of CSR sugar publicised and then accused the company of not putting capital into the factory to make it function effectively. Even though the problem lay outside the limits of the factory itself, the relationship became very strained and a big push for performance guarantee money ensued, adding fuel to the fire. Last year another set of circumstances arose with wet weather playing a major role in extending the season until close to Christmas. The mill, again, was accused of breaking down and became the villain, even though, apart from a couple of major breakdowns, it performed quite well. A rather damaging media campaign was put in place which further strained relationships. The grower representative forgot about the rain, they put their hand out for more Performance Guarantee money. (m)

In 2006, the relationship between the harvester and the miller deteriorated with the media campaign. Even though the bin weight, which directly affects the mill, the crushing rate and the bin loadings and hence delivery times, was so poor, it was [seen
as] solely their [the mill’s] own doing. But the harvesting sector would not shoulder any responsibility for this, it was the mill. What they were doing, they were getting out there and rushing to fill the bins. And they were saying “We're waiting.” Of course they are waiting. They’re only putting three ton in a four ton bin. That gets back to the mill which is doing a crushing rate of say 1100 ton an hour. So it has to tip more bins to achieve the same weight. Therefore, it takes longer to get the empty bins ready to deliver back to the field. Now those guys were claiming they had to rush to fill the bins because they were waiting for the bins and the bins were late getting there. But when you really look at it the weight of the bins that they were given overnight and they didn’t wait for are the same as the bins that they got when they did wait for them. So you know it is quite obvious that they weren’t following harvesting best practices and it’s quite obvious that there was no supervision by the growers. But, rather, the mill became the villain again. (m)

This year things are much more relaxed at present due to a few factors. One, the locos are running quite well and deliveries are quite reasonable, time wise. They have additional big bins in their fleet which is a major improvement and the crop is not as good as was estimated and therefore there is less pressure on all of them. (m)

Other commentators think that the shifts that have occurred have been without great consequence.

I don’t’ think they’ve been shifts that have moved us forward in a meaningful way. There has been some shifts in that when the industry deregulated the players were forced together to negotiate agreements if you like. So they have been forced closer together but the shifts have been fairly meaningless in terms of willingness to take risks and progress the industry. There have been shifts but they’ve been so minor they haven’t amounted to anything. (r&e)

Several commentators noted that the industry, supported by the recent higher sugar prices, had shown a willingness to invest in itself and to take responsibility for its own issues.

There have been some shifts where the industry has invested in itself. (h)

And the industry, it is starting to take some risks and because of that it’s starting to gain confidence. Some of the examples are funding of the HRIC, funding of precision agriculture, the rapid adoption of ripener, the application of ripeners which has been a huge step forward. So all those are examples of risk taking. (r&e)

I think the other thing that’s happened is the industry is starting to look outside its own backyard for better ways of doing things. And although you’ve still got that adversarial relationship in the background, there are things starting to happen. The industry is taking joint responsibility for some of its problems. (r&e)

In some areas we’ve made some advancements; in some areas we’ve made no advancements; in some areas we’ve actually gone backwards. I think probably one area
where we've made some advancements - we've had the opportunity to look at our season length. It's been pretty good to have stakeholders sit together and discuss something at length and try to achieve something. Out of that project we've got some of the harvesting infrastructure changes where we're harvesting differently. We're shifting harvesters across geographical areas now to try to harness and capture sugar where it is. (m)

If you start the benchmark three years ago, I think all the relationships between harvesters and growers and millers and growers and millers and harvesters and all the various combinations of that, generally, have improved. I think if anything out of all this there has been an increase in understanding. There has been an effort there to try and increase the communication all round. There's been more acceptance by millers that there is a problem there and they really need to try and do something about it. I think harvesters and millers, generally speaking, can see that millers are generally trying to do things within limitations. There are people that are starting to accept that whereas some people will never accept anything but that's just the nature. Generally speaking, I believe that overall relationships have improved. (r&e)

[Why the shift has occurred]. It's a combination of even things like this, I suppose. It was pretty savage there and a number of people in different areas took it upon themselves to sort of sit down and say, "Okay, it's no good to just keep throwing stones. We really need to try and work together, try and find ways to try and improve things." And I think some people have really shown some good leadership. They've gone out there and in their own little way got involved in different groups; mix and mingle. The groups have been a combination of a lot of different people. You've got people that are willing to sort of start trying to work together and I think generally those little cores or groups are starting to build up little bits of relationships around the place and generally give you a more positive feeling. And I suppose when you do get a negative feeling it's not hard now to find somebody who might say, "That's just not quite right. You need to know the facts" where three or four years ago, everyone used to say, "Yeah, it's just no good." (m)

One area where interviewees agreed no progress had been made is value-adding.

In relation to value adding by-products, I don't think we're anywhere. We haven't gone anywhere. And the scary part is if you look globally Argentina, Venezuela, the Brazils of the world and the Caribbean nations are all moving to ethanol base and energy base crops and we're not doing anything. (r&e)

Lots of talk about value adding, ethanol, this and that but nothing's happening. And people, they keep being told that sugar cane's got a lot more in it than sugar and it should be worth a lot more. They get very frustrated. Someone's not coming up with an answer saying, "Okay, instead of $20 a ton, this cane could be worth $30. It can actually add value to it because of this and that and that." There's a lot of talk about it but no one is coming home with the goods and people are getting very frustrated. (g)

And the ethanol, it's not there at the moment, we imagine. That's what we're being told. Then you get different stories about companies have too higher hurdles to go into it and
the longer they wait the harder it is to hit the hurdles. It's always easier and wiser in hindsight but I believe that one of CSR's mistakes, if you want to call it a mistake, is that 15 years ago they looked at a lot of these alternatives. I've got a friend of mine who worked for CSR at that time - and even refined - sugar looked at that co-generation. They're doing a bit of ethanol but they looked at wax, they looked at a few different things. But they had a very high hurdle, a very high hurdle of return and they were still doing reasonably well out of sugar. (r&e)

There didn't seem to be the people or whatever it was with the willingness to go out there and venture into some of that stuff. I think if they would have done that 15 years ago, that would have paid good dividends now. I would have had some of those value adding things established and they'd be paying reasonable sort of dividends now and being worthwhile, value adding. The trouble is that when they look at it now because of the costs, it is much more expensive to get in and much more risky. It's an opportunity that's been lost. (g)

It's interesting to look at the whole issue of green energy and green fuel. The sugar industry hasn't been put in the equation at the moment. The grain industry has, but the sugar industry has kind of been pushed to the edge. The sugar industry should have been the first one in there. From a science perspective, it is a C4 plant, it is the best carbon harvester that we have. We've got four carbons as opposed to three carbons with a serial crop. So for locking carbon and for carbon harnessing, sugar is the best in the world. The technology already exists in Brazil to make ethanol and run cars on it and we keep arguing about getting green energy and having clean coal. Clean coal is a long way away, ethanol can be done today. And we don't have people representing – that's what the growers are saying, we don't have people representing our views, opinions and actually doing those things and moving us forward. In saying that, everyone wants to sit in their own little world and be comfortable. (r&e)

We need to cook a new pie and the new pie needs to be bigger because currently, financially, we don't have enough money to maintain our industry in the current shape or form. So we need to make a new pie and the only way we can do that is if we're actually in bed together and we actually share in the whole. And that's all the value adding. Whatever we choose to do, we're going to have to do it together. We can't do it in isolation from each other because it's just not going to happen. (r&e)

We might say we are going to run it [the industry] as one business and we are going to do things together. Three years ago, there was the opportunity of cogeneration. When you looked at the financial returns, most of it stacked in favour of the millers and there was very little in it for the growers. To engage the growing side to be involved they've got to be a stakeholder or have involvement in that. If there's no involvement, there's no commitment plain and simple. If you want people to engage, you've got to involve them. (r&e)

I'm actually surveying the growers right now in the wrap up of the season-length project and the growers said they're happy to look at value adding opportunities if they can
invest in it or be a part of it to be engaged. But at the moment, if there's no engagement, no involvement, they're not going to do anything different to what they do now because financially they'll be worse off. In some cases they'll be worse off. In some cases they might make more. Generally they'll be worse off. So that's why we need to look at making a new pie. (r&e)

The industry is still perceived to be fragmented, with segments of the industry pursuing sectoral interests at a cost to the whole. The recent arrival of managed investment schemes is starting to act as a catalyst that may galvanize the sectors of the industry into working together.

And at the moment we're trying to lobby governments as individual groups. We should be as one unified voice, called the Australian sugar industry, lobbying governments collectively not as individuals. At the moment we sit in different camps. CSR's got their little pie and they're saying, "You're not having anymore of mine." And we see the growers sitting in there saying, "I've got my little pie, you're not having mine" and they argue over the couple of little cents. We're not going to remain as an industry if we keep arguing about the cents. We need to make dollars and we're not at that stage at the moment. We need to really think about how we can do it. (so)

In the last six months, given the tree issue is sort of coming on to the radar, I see a lot of the groups in the Herbert now actually at barbeques and whatever talking about that and thinking, well, hang on, we're all on the same side. And if we're going to survive here we have to start to align ourselves. And that's affected everyone, not just the immediate people like growers, millers, harvesters but local businesses, schools, the services clubs. Everyone's actually saying is this good for the Herbert? And if we're going to fight it off, we've got to do it together. (r&e)

One observer believes the industry might be moving from an immature dependency stage, where many players in the industry are passive, and waiting to be told what to do; it is now moving towards a more mature phase where individuals are willing to make decisions that are more business-like.

I see a loss of innocence in the industry. The infantilisation of the industry, I believe, is turning around so that rather than a whole lot of mewling infants wanting milk, so many growers I see now say, "We can't go on the way we've been going. .......People are making individual business decisions which many of them have never done in the past. They've been sort of told what to do, when to plant, how much this will cost and then they just wrote out cheques in the slack season. It was certainly a baby way to do business. But I see a change in that, a sort of a loss of innocence. And when people say, "Well, we might as well get on with it and find out what's happening in the sugar market." Maturity. (so)

The mill. A view widely shared by interviewees is that there have been considerable changes in the mill. First, there has been an obvious upward shift in morale within the mill as a result of changes in senior management. Second, and conversely, the
uncertainty in the sugar industry and the seasonal employment it offers is under assault from the opportunities in the resources sector. This has resulted in losses of experienced staff and the probability of more.

The change in management has also resulted in improvements in relationships with outside parties, as well as a willingness to invest in infrastructure.

The average grower is still very sceptical of CSR. Even though CSR has got their act together a bit – well, the cane supplying transport is running a lot better than it has for a few years but their milling throughput is down. So the average grower is still saying they haven't really changed but I've seen a lot of change. They are trying to improve. Why their milling performance is down, I don't know but you've got to remember that previous management have spent no money on maintenance and now to come back to a standard is going to take a lot of money. (r&e)

I do know there is real leadership being shown in both the CANEGROWERS board and the CSR company. I know of probably half a dozen people at CSR who have said – you know, it's sort of hate the boss and be caught in this awful bind where you live in this town and everyone hates you because you work for CSR, hating your bosses because you say they won't upgrade the mill and this awful stress level. And there's about half a dozen that I know who've said, "We can't go on like this. Let's find a different way to do it." They're happy in their work. It would have been impossible five or six years ago because they would've been brought down. They just would have been brought down, saying "That's not what you do around here." Nowadays there's more thinking. There's newer people in Ingham. There's also just a new wave. I put it down to sea change or tree change as well. (so)

Internally within CSR in the Herbert? We've gone through a restructure this year again. That in itself has actually put some pressure internally on people and also – we'll talk about this shortly – the skills shortage, how that's impacted on us. And especially with some of our other capital projects and also the maintenance project, the clamps that actually they did put on to that. So some of the expectations of some of the employees within the two mills. They've been becoming a little bit disillusioned and looking externally for futures as opposed to, hey, are we going to be here for the medium to longer term? So I suppose they're really looking towards us to actually provide that leadership. (m)

I think with the amount of money that's being offered externally now and you don't have to actually even leave the Herbert, you can fly in and fly out. So your wife and family can stay here and enjoy the best of both worlds. If you had to pull the whole family out, that's a little bit different but now it's right on the doorstep. So what I'm seeing within CSR is some of the longer term employees, 20 to 30 year serving employees, seriously looking at exiting. And that's just happened in the last I suppose month. Some of the people I wouldn't have thought would have gone. And those opinion leaders now are the ones that it's just a crack in the door and it'll be a flood. So we're desperately trying to battle not only the remuneration that's being offered out west at present but also used the things
that we have to offer such as lifestyle and that type of thing. So we're learning how to
market ourselves to our own employees a little bit better than what we've done in the
past. (m)

The mill, a change of management there. [Several years ago] a lot of mill staff, lower to
middle management in the mill, not in the CSR organisation, their level of low morale
surprised me. I was constantly amazed at how badly these people were feeling. They had
no pride in the company, they had no pride in the jobs they were doing. And I used to
come away from that week thinking, "Why are these people still going to work? Why
don't they look for work somewhere else?" Since then there's been a change in top level
management of CSR. (g)

Locally there's been a change in local management. I haven't had a lot of contact with
these people but I've had a small amount of contact with them. It has changed. That low
morale in that management is a lot less. They seem a lot happier but they're doing a lot
more work than they used to because now people are carrying two or three roles and
they're getting very stressed about it but they're getting through it. And I haven't had that
self-defeating attitude that they had with themselves and with the mill. So I think in that
group there's been a slight change. (so)

There has been a change in management style which reflects a more diplomatic approach
to bargaining. It appears to be a more open book effort than previously. The previous
manager here was given a specific task of building better grower relationships.
Unfortunately this effort was seen as trying to tell us how to grow cane and was therefore
doomed to fail from the start. The current manager's role seems to be more along the
lines of pushing the sustainability barrow. There have been recent initiatives put in place
or phased in such as the grower input into sugar marketing on their own behalf. I think a
lot of them don't understand it and they are distancing themselves a bit from it, but they
can see that the opportunity exists there. The mill's not trying to put it over you, you can
come and have input into your own future. A lot of them are frightened of it and are
staying away from it. But the thing is it's there, it's out in the open. And I think that is
sort of getting a better hearing that what [previous manager] tried to do with
productivity, pushing productivity, which was seen as telling them what they should be
doing, you know? (r&e)

Inside the mill, too, they have also increased the capital expenditure and they have
channelled a fair bit of money into areas like the loco fleet and the bin fleet and that has
definitely helped. The street talk outside is saying, "You're only replacing what was
damaged or destroyed." But in fact we are replacing them with big bins which are very,
very expensive and they are much more efficient, for the harvesting sector, in loading
them at the siding and much more efficient for us. They are much more stable on the line.
(m)

I haven't used names but let's say the previous Regional Manager was at the stage where
he was bluntly trying to get CANEGROWERS to understand the inevitable, it had to
happen now. And of course there was a lot of resistance, a lot of throwing of hands in
the air. We now have a new regional manager talking some changes but he's not quite as strong on it. And there's the issue of how the hell do we change? We can't see how. (g)

**CANEGROWERS Board:** Most interviewees commented on a positive change perceived within CANEGROWERS Board. A more conciliatory attitude, a willingness to challenge the common untested rhetoric, and the introduction of some new and younger Board members has all helped.

Some CANEGROWERS board members have taken up the challenge of whole of industry reform, siding rationalisation as an example. I have seen some CANEGROWERS board members actually challenging, when speaking in public local groups, and saying, "Why shouldn't we try it?" It's very brave particularly when some of your livelihood depends on your CANEGROWERS board member fees. That's quite brave because you might not get re-elected. There's more trust. They're talking. And why do I think those shifts have occurred? I think the downturn has meant that intelligence and not rhetoric has entered the arena. I'm not saying that previous cane growers or sugar industry leaders in general have been unintelligent. I'm just saying that real intelligence about the situation at hand rather than just rhetoric is emerging. (so)

We've just had a [CANEGROWERS] election five or six months ago and there have been actually some new younger members join the team –the are under 45 - and you can see that there are some slight changes. Those new ones have actually brought some new ideas. And they're also questioning now some of the things that we've had to do in the past and saying, "Well, we need to probably look at doing it differently." There are two of them actually. They're the main two. They can also see that there is a strain starting to be put on their organisation, that their members want something different. (g)

The growers - unfortunately, there is growing dissatisfaction with their leadership, the leadership of the growing executive and their manager. This dissatisfaction has become very vocal and very common. They don't seem to do anything about it except complain about it but everywhere you go when you talk about the CANEGROWERS, straight away there is a negative talk about the manager more than anybody. Recent election of a local executive has seen young blood come on to the board and hopefully this will bring a change of attitude with it. We have fellows like [named person] and [named person] and those fellows on there who are probably the guys that are going to lead the district down the way. So far they have done quite good work with us. I am very thankful, too, for the help that I have been given by them fellows, which we wouldn't have got from the old executive.(r&e)

CANEGROWERS, I believe, are also going through a culture shift with a change in personnel. There's a couple of younger guys on there and I think those two young guys make a huge difference. I reckon there's a lot of hope there. Not that the other guys are doing anything wrong just that times are changing. (g)

In CANEGROWERS, we had an election earlier this year so we had a number of reps retire and we've got some new ones in. We've got a couple of young ones in. We've got
one that's very, very good. There is a different way of looking at something with these new people, which is good. (g)

Growers: Issues putting pressure on growers are economics, increasing average age and the accompanying inability to adapt, disinterest or inability of younger people to stay in the industry, and, for some, the newly arrived option of selling out to managed investment schemes. These issues threaten the whole industry.

On the other part of the fence, the prices have gone down again. I just sense that generally speaking, the self-esteem of a lot of growers is probably lower now than it was in the tough times in the early 2000s. They were pretty savage then and then things picked up and everyone thought, this is great, we're going to get two or three years. All the experts were saying they're going to be two or three good years and everyone started to get relaxed and started to say, "Well, we're going to get our debts down. This is not a bad business after all." And then, bang, she crashed straight away. We keep talking about the average age of farmers and I think now the reality's starting to really hit. (m)

This downturn again – fertiliser prices are just going through the roof, costs are just going up all the time and there's a lot of these growers that are getting into their sixties and some of them into their seventies. And I think the superannuation bloody law changes and the tree people coming around the place and putting a benchmark on prices which are higher than they were in the low times a couple of years ago. People are now starting to re-think their future and are really starting to think, "I've just about had a gutful of this. I'm not going to live much longer." A lot of my family's moved on. There are a lot of opportunities around the place. In Townsville, Mackay, all those places, there's lots of good opportunities. So I really can't see a future for a lot of people and I really feel that it's not going to take much to tip a few people out at the moment. (m)

Then there are other growers who want to stay in the industry and they're very frustrated at the moment. There's still a core of young people and middle aged growers that really want to make a go of it. And I think they feel very frustrated that they're not making money. The costs are killing them, the prices are coming down. (m)

I think within the grower group at the moment, they're pretty depressed. We've got a very depressed grower group and that depression's probably come because of the low commodity prices. I think the depression also is because I think the realisation is at the moment they have nothing else other than sugar crystal and in the short to medium term there doesn't appear to be anything else on the horizon for them. So there's really no options at the moment for them. And in saying that, if you're depressed you're not going to grow your business. You either stagnate or close down. And some parts of our region are actually worse than others. (so)

Even last night we had a meeting on cane pricing where growers have the ability now to price their own cane. A lot of the growers don't want that. "No, no, just leave it in the hands of QSL. You guys do it, whatever you think's right." And that's the attitude. So when things go wrong we get blamed. If things aren't right, "Why aren't you fixing it?"
And I try and tell people it's not our job, that we're just there to put things in place for you to make your choices and your decisions. (g)

I think in the past there's probably a culture that's grown up over the years with a regulated industry where everything was done for them. Now they feel that everything that happens to them is because of someone else and that attitude is very difficult to change. This is not everyone because there are a lot of growers out there that don't think that way, but there are still a lot that do. (so)

**Harvesting.** Issues impacting on harvesters include (i) data loggers, which conveys exactly where harvesters are and for how long, thereby creating a more level playing field and curtailing ‘game playing’ that previously occurred, (ii) a shift in mind set by some harvesters resulting in a more conciliatory relationship with traffic operations in the mill, and (iii) loss of business as some farmers sell out to managed investment schemes. The consequence is loss to the industry of some younger more entrepreneurial people it can least afford to lose.

Because of the hardware hanging off their machines, they – and these are the GPS data loggers which we use to determine where harvesters have been and how wide an area and what areas they've harvested rather than the old fellows, the guys in the field. The harvesting sector is now very aware that we know, in fact, where they've been. They can't hope on a cane inspector from the field not picking that block up that they've cut because there's an advantage in harvesters not letting the mill know every single block they've cut because then the mill will continue to think, "He's still got X number of tons to cut" and give him bins accordingly. And then all of a sudden a week before the due finish date of the season they've only got 10 per cent left to cut instead of 15. They finish two days earlier than everybody else. It's a game they play. That game was their view on the world. Well, they can't play that game now. So their view of the world now is they either have to actually mechanically cheat to pull the plug on those data loggers, for which there is now a penalty, or they have to have a view of the world where they need to just play the game absolutely straight and rely on an equity system to get them to finish evenly if that happens to be important to them. (r&e)

Certainly the harvest management meetings that I'm required to attend now, you get a lot more of "what do you think" type questions rather than the old method which used to be many years ago and for many years of "are we going to do this?" with the mill saying, "I don't care" or the mill saying, "Well, tell me what you want to do and I'll do it" meaning that it was unpopular, you've told me what to do. And now there's a lot more of "what do you think of that? Is that okay? Shall we do that?" Not a lot, not a lot, but a bit. I think that's more in part, though, due to the new system that's in place rather than a fundamental shift of individual company philosophy or organisational philosophies. I think a lot of that also is due to personalities; different mill managers, different people, rather than again different or major philosophical changes within the organisations themselves. (r&e)
The areas where we now have tree companies actively involved which is Abergowrie, Stone River. The issues are worse there where we've now got guys who actually have service industries like planter contractors, harvesting contractors. They've outlaid a lot of money in the last few years to build businesses up in those areas and now may financially hit the wall or have trouble meeting their repayments because they've lost area. Their client base is gone; not shrinking, gone. In some cases it's gone overnight. And the disappointing part is some of the younger guys which were the innovative guys who've actually put their neck out on the line and did the things to move forward are the ones who are going to be chopped because they're in areas where they might have invested a heap of money in harvesting infrastructure, knowing that they'd have cane for awhile, and within 12 months they'll have half of the area for their harvest and subsequently they can't meet their repayments. And they'll then make a decision to either stay in the industry or exit. In those cases they're probably not the people we want to exit. They're the ones that we want to really keep. They're the risk takers. They're the ones who have really gone out on a limb to do it. And at the moment we don't support any of them in putting in any infrastructure for them. And that means contracts between harvesters and growers, there's no contracts there, there's no financial security for those guys. (r&e)

In the harvesting side, I haven't detected any change at all. It's still the same attitude as always. (r&e)

**HCPSL.** A number of interviewees commented on the recently strengthen role of Herbert Cane Productivity Services Limited. This R&D body is a joint venture between CSR and all growers, with a 50/50 funding split. Two years ago, the harvest coordination and monitoring function, previously carried out by CSR, was transferred to HCPSL, along with three staff. At the same time, the HCPSL undertook a project a GPS-based yield monitoring system with harvesters. Despite some initial teething problems, the new arrangements seem to be positively regarded by all.

*It's*[the industry]* jointy funding a five cents per ton levy to provide new information technologies – precision agriculture – which is being driven by HCPSL. (r&e)

Well, obviously there's been a significant shift between HCPSL and the millers and that's because the millers have now contracted us to manage their harvest for them. The field officers were all taken out of the field. There are now two and they both work for HCPSL. And so from our perspective, we realised that to maintain security of funding we took over the cane consignment and harvest management processes using technology. I think that the philosophy of the millers was to cause a sharing of the costs of cane consignment etcetera between the millers and the growers. Prior to that it was all funded by the millers. And in sharing that cost, they save themselves well over a million dollars a year, plus what remains to be paid is now paid half by the growers. And for HCPSL, it added three members to our staff and it's made us a lot busier but helped us to grow. And I think perhaps at the end of the day the industry may well benefit from that relationship between us and the harvesters rather than continue to have absolutely no
relationship between the harvesters and the millers with the cane growers in the middle. (r&e)

Another big thing that's happened is this harvester management system the prod board have instigated which is a massive thing for them to do. It's very brave of them. They coped a pizzling for it particularly because the technology in some regards has let them down. But what a brave move and instead of being applauded, they've been condemned and that's wrong. ....No one else has got this. It's great. " Mackay's getting it now. And one thing that they've done, even though I didn't like it, they got [named person] to leave BSES and go to the prod board and he's making a massive difference because he's one of the locals and I think he is single-handedly making things happen with that harvest management system. Without him, it may have taken a lot longer to do. (r&e)

Well, HCPSL have gone through what I believe is a massive cultural change. They're now quite a senior body in the industry because they've got funding. They're doing this harvester management system, they're probably the only body that could do it. You couldn't get CANEGROWERS to do it. CSR moved away from it when they had cane inspectors. They've effectively thrown it back to the industry and prod board picked up the slack and I think that's a massive cultural change for prod board. While I'm an observer on the board, I applaud them for what they've done. They've taken on a very difficult task and, yeah, I think it's a pretty massive cultural shift for that organisation. (r&e)

BSES. The BSES received little mention from interviewees. It has undergone substantial change in emphasis in the last two years, placing it on a more commercial footing. During the adjustment, a number of experienced personnel were lost. According to one staff member interviewed, the result is positive.

For ourselves (BSES) there's been, again, personnel change due to economics. People leave for better paying jobs. BSES has had a massive cultural shift and a change of structure. A much better one now, I believe. Much better, much freer. I know myself I've got much more hope in my own future with BSES than I had a year ago and that affects how you perform within the industry because the rest of the industry ends up blaming you if something goes wrong and you couldn't do it because you're answering to a system that's flawed and that's all been fixed. That's something I'm very pleased about. (r&e)

Question 5: (a) Apart from sugar prices, what, in your opinion, are the most critical issues facing the sugar industry in the Herbert today? (b) What needs to happen to improve it? What is stopping that happening now?

People generally agreed that price was the major issue that confronted the industry. Low prices play a role in a host of other issues emerging. They included a lack of shared vision, the absence of value adding, low grower confidence in the industry, inability to attract and retain labour, and the threat of MIS. Among those, the threat of loss of productive land to trees planted by managed investment schemes ranked highest.
I'm finding it very hard to separate sugar prices from anything. Sugar prices to me is the real crux of the matter. The industry, I feel as though it's on a knife edge and solely at sugar prices. Sugar prices, the Australian dollar, it's getting very hard to see past that and a lot of people are considering their futures because of that. The issue that we're facing locally is MIS. They're starting to buy farms. I don't know how much of a threat that's going to be but talking to the growers that are selling, they decided there's no future in the industry for them on a purely commercial basis. They love the industry, they love doing what they're doing and they love being on the land but they've just seen the bottom line on what they earn and if they sold to a tree company and put that money in the bank just at basic bank interest rates, they'd be making more money. So they're saying, "I don't have to work. I can make more money. I'll go and look for a part-time job somewhere." (g)

So the crisis that's facing the Herbert at this stage is just that. There's hardly any money in it. To try and find another critical issue other than economic, I don't think there's anything up there really. Environmental issues I feel we've got really well covered. I think we handle our impact on the environment very well. Finding diversification opportunities, there's a few there but economics is the thing that's playing on that part and I've thought that if we had a complete change in representation of growers and harvesters, would it make any difference? I don't believe it would. There's nothing at this stage that's going to help things more than – that are economic. (so)

I think probably the summary of that is that we don't have a shared vision and I think to a certain extent a lot of the individuals do not accept that we've have got to become masters of our own destiny. They believe that they can knock on a government door here or an agency door there and have a lot of our problems solved for us. The government is increasingly pushing away from us but that's a valid position for a government to take. (so)

What needs to happen to improve that? I really don't know. I have a deep personal belief that growers have a very brave attitude that basically the whole of society, including some of the structures in Brisbane are simply there to service their needs and when things aren't going right then the people serving need to change, not the growers. It's sad to say that but that's an experience that I have built up over some years. (so)

Trees are either an opportunity or a threat, whichever way you want to look at it. They're certainly a threat in terms of short-term production but they may provide an opportunity in other ways that aren't yet apparent. It's pretty brutal stuff but you could argue a case that if the trees reduce the level of production to the extent that we're left with one viable and highly efficient mill in the Herbert which was operating for an optimum season length, it could provide the opportunity for value adding which is not currently there. It may give us a higher utilisation of our capital which would mean that we would have one mill with a bright future rather than two with a shaky future. (r&e)

It [the acquisition of land for trees] is certainly becoming a big issue. The transition over the next three years will be cane land being lost. The people that are losing it, if you like,
actually profiting by finding there is an alternative land use that is going to be reasonably lucrative to take up offers of a change. And indeed the loser is simply going to be the miller who loses all the productive potential, on top of the crop. We'll lose our margin which will start threatening the way we can approach maintenance and capital. Change is going to happen and they happen quickly. People won't believe me because they don't understand it's the cane land we're losing. (m)

The trees we've got to live with. I've got the attitude that is somebody wants to get out and that's the way that they're going to get out, you can't stop them. In a lot of cases, that's people's superannuation. Trees are going to be a problem and trees might make the whole industry collapse and we might all go to trees but you're not going to be able to stop it. The trees are here and there's nothing you're going to do about it but there are other ways that I think we can maximise our efficiency which we're not doing because we don't want to work with each other. (r&e)

We've got a new competitor on the horizon. You've got the tree people so you've got competition from non-sugar industry and land users for that land. (h)

The most critical issue in the Herbert today is the acquisition of good farm land for trees. These tax avoidance companies have unlimited tax concessions which allow them to buy good farming land at a price which seems to be good at present times of low sugar prices. The farming community is ageing in the Herbert and the mines are drawing the young people away with good income offerings. Those choosing to sell are taking advantage of an offer to exit the industry with a pocket full of cash while the opportunity exists. One can't blame them in a way. If they don't grasp this offering at the moment, then it may go away and the older fellows are looking around and saying "Well, what's going to happen to us if prices continue like they are?" They're going to be forced to die on the land and end up depleting their own resources so quite a lot of them are getting out. (so)

It could happen that one mill will close depending on just how wide-spread this becomes because it's only just started here. A lot of the growers that have put up their hand to sell, mind you, have got nothing as this point in time. There are a lot of people that have indicated that they're talking to these tree people that have signed an agreement which binds them for two years. So it will be a couple of years down the track before we see the full extent of what is going to happen here. (m)

Land viability (trees). Sugar prices and the threat of outside industries coming in and filling a need. Someone's going to come along with a bucket of money and offer it to a seventy year old grower. Why wouldn't he sell? Why wouldn't he say, "I'm not interested in the farm". It's sheer madness for him to stay. He can keep house, keep his shed, have an acre or two to play in and bank $2 million, good luck to him. Ideally, if the mill or the growers or someone could get together and create a system where they're buying the land for future farmers to buy, if that could happen, that would be far better. I think that's the biggest threat to the industry, losing production land. In the past tree companies and the State Government have come along and bought land. They've bought
land that's non cane land and they've cleared this land of pine trees. These new guys, they're coming in and buying existing production land where all the work has been done to set it up. They're buying a ready made system. And that land will be out of cane production for 20 years at least. So it's a threat to the mill viability, see? (r&e)

In a funny sort of way, some of the growers are better off because there'll be less bin drops. They may get their bins on time because there are less farms in between but then they go to town and do their shopping, the old shop keeper, he's going to cop it in the neck. Less people. And the school, you know? It's a flow on effect. (r&e)

Go to Kingaroy and Nanango. Go and have a look at those areas. There are not a lot of jobs and not a lot of people left in those areas and subsequently when the people left, so did the services. Nanango was a dairy area. It's now a tree area. Their social fabric doesn't exist anymore, well, it exists in a different form but it's had an impact. Also social economic status of those areas is actually, in some cases, declined. Look at western Tasmania. (r&e)

The jobs are low paid, low income jobs. They usually tend to be male based in a lot of cases, very little opportunity for females in low skilled type professions whereas in the sugar industry we actually offer a range of skills and professions. It is so frustrating. I come home from overseas just seeing what opportunities others have and to come home and be an Australian and be told that we have to play on a level playing field. When we're trying compete, we're not playing on a level playing field. To see the opportunities that others have been given which we haven't had, and we call ourselves the lucky country. In some ways I prefer to be in the industry because we might have a nice, safe lifestyle where we can raise our children and that's an advantage, but from a business side, the advantages aren't there anymore for us, not from agriculture. And that's frustrating because you know that you can do it and you know that you can do it well. (r&e)

One of the other threats in the industry at the moment is the MIS schemes. They're a real threat to people. There's a fair bit of talk about it but I think a lot of people are concerned about where this all goes and how far does it go and where does it end. And the tricky bit about this is they're not going to buy all the land but how much are they going to buy? It's all critical mass. Every ton they buy now is the cream. Say for a miller, if you're crushing five million tons of cane and you lose 500,000 ton, that 500,000 ton is a very high profit margin for the present infrastructure. How far back do you go before you say, "Well, I'm in la-la land. I'm either not big enough for both Macknade and Victoria - I'm too big just to have one mill but too small to have two mills." Some of the other growers are all starting to think, "Where's this all going to leave me? Where's the company going to go?" Some of the people are thinking about getting out saying, "Gee, I'd be better off getting out now because I know for sure I've got out and I've got my price. If I wait too long and they don't want it anymore, the rest of the land won't be worth as much." (h)
It's a new game that's happened very quickly in this district. We've never had this threat before and it's only happened this year. It's just happened very quickly. There's several farms now been sold to trees. From nothing, all of a sudden trees have moved in and bought several farms. I think psychologically it caused a bit of concern to a lot of people in the industry. And some growers see it as an opportunity. They see it as something that's underpinning their land sales, giving them an option to get out, that they didn't have before, but it's not going to be for everybody. (g)

What spooked the local industry was when the managed investment funds moved in. Initially they were offering big, big money and there was doom and gloom everywhere and when are you going to shut Macknade Mill because you're gone now. Now what's happened is MIS is out there but the big prices aren't there. They're smart business people. There are offering just that little bit more than what the neighbour could afford to pay to grow cane. Very smart business. And the take up is very slow. (m)

The best crop for us here is sugar cane and we are losing land to trees because of the tax benefits. That all adds to that low level of confidence. The feeling that there is an uneven playing field, that the scales are weighed to those people because of tax reforms that they can take advantage of in terms of planting trees because of the carbon ratings and all that sort of stuff. And I think that stops this grit you need to hang on to your own land and your own business. (r&e)

Also from a milling perspective, there's no security now for the millers either. They're going to lose cane [due to the MIS incursion]. So it goes right through. Also it goes through to our communities where the community doesn't have money coming in and there's also the loss of potential for the future. If we want to go to value add by proxy we need X tons of cane and we're not going to have that volume anymore to do it. So, yeah, it has a big spin off. (r&e)

Other than sugar prices and the threat of managed investment schemes, the next most frequently perceived threat is the difficulty in attracting and retaining skilled labour. Several issues combine to create this problem. First is the unionisation of the mill workforce which is perceived to limit its flexibility. Second is the fact that sugar is a seasonal industry offering seasonal employment. Third is the fact that wages payable in the sugar industry are underpinned by the sugar price, which is in decline. In direct competition for the sugar industry labour force is the resources sector which is non-seasonal and is enjoying a boom, with commensurate wages. Fourth is a culture that historically and contemporarily has been more conducive to competitive working relationships than to cooperative working relationships. Fifth is the leakage to bigger centres. All of these factors erode the workforce.

I think work practices within the industry are not sustainable. Particularly in the factory. I just don’t know whether a highly unionised workforce is going to be responsive enough to meet the long-term challenges. (so)
Labour certainly is a general pressure that's thrown on us that's increased. But of course nothing happens to the revenue line apart from the fact that we're losing a little bit because of the exchange rate becoming less and less able. Certainly the quality of labour is an issue because we are finding a lot of the better quality trades people realised [the opportunities] and have gone to the mines in other parts of Australia. (m)

Labour is a big problem but again it's how do you get the best people when you can only offer them six months of the year work? The people that want to work, want to work for 12 months of the year, want to get a home loan, want to settle down. We're a seasonal industry. (g)

We're going through it at the moment. We've got a harvester and this could be our last year we're harvesting because we're only a small group and the hassle of getting labour and people to turn up and people wrecking stuff. (h/g)

The skills shortage and the labour and the impact on not only the mills but also the growing and harvesting community with the cost of labour and the external pressure of labour dollars. We're trying to compete on a playing field that we probably can't afford to have present under the present rules of engagement. I think that's the pressure that's actually coming on all the groups at exactly the same time. We'd love to actually offer more money but whether we can actually afford to do that and stay in business in the medium to longer term, I suppose that's what we're all questioning at present. (m)

We don't want to work with each other. We don't want to put up with it. (h)

Labour is an issue. It started to really show up this year. Harvesting labour. Mill labour is, I think, the tightest it's been this year ever and that's caused an increase in costs and we've had to pay all our harvester guys more money this year to hang on to them. And we haven't got – overall we wouldn't have the same quality of harvester labour as we had in years gone by. There's still some very good people out there but a few of the people I've had to pick up have just had no experience at all and it's difficult. It's a job that looks easy but it's got a fair bit of responsibility with some expensive equipment. And I suppose the mill's the same. That's been one of the problems with their transport system, is the quality of labour they have there. The quality of labour they have in their mills, they've got a lot of experienced people in their mills who have a lot of experience and understand when things go wrong. They're all challenges to the industry. When you're finding it hard to make a dollar and the profit margins are skinny, they're all things that can add to your cost pretty quickly. So it's not overall the atmosphere, for me anyway. It's probably more challenging now than it's been for a long time as far as the enjoyment in the game goes, as far as getting some satisfaction out of the game because you can't rely on anything anymore. The margins are very fine. While you're doing it and you're healthy enough to do it yourself it's fine but there's going to come a point in time where things have got to move on. A lot of the young families are all moving away because they've got much better opportunities elsewhere; more consistent bloody incomes and a much better lifestyle. (h/g)
At the moment I look around I know the calibre of people we employ. On our transport side, the calibre of person who is getting less, lower. You see it in the harvesting sector. They are all squawking out there about some of the people they have got, they have had to employ because there is no one else because they have all gone to the mines. And, of course, this comes at a cost too because the machinery is not cheap and no more is ours but that is what’s happening here. Last year they put an initiative forward in the mill here, they paid the electricians $100 a week more, just a straight out payment to keep them, even though $100 a week is only $5,000 a year, it’s enough that if you are looking at going to the mines and you are tossing up whether you stay at home with your family and work locally or go away to get the money, it's enough to say, “Oh well, I'll stop here.” It’s happened. But in doing that it has also opened a can of worms to the other trades and following the trades to the AWU sector. They’re saying “What’s going on here?” (m)

The fellows we get, they see CSR - over the years it's been seen as a milking cow - and they come there and they think, "This is Christmas here." Because you can’t supervise people out on the track, they go out there and all they're interested in is overtime. They don’t really care whether they do the job efficiently or not. That’s all part of our problems. (m)

Labour is a problem, and that's the same thing, we just can’t afford to pay labour. People are starting to do things a little differently. It's taken a long time. Harvesters are probably the ones that are feeling it, and the mills. Growers, not so much because growers try and do things themselves. A couple of growers are starting to rationalise their capital by sharing it and that's happening a little bit more to help labour and capital costs and machinery. So there's a lot of that going on. So people are doing more for themselves. (r&e)

I know that the mills having a lot of trouble finding labour. Just talked to [mill manager] yesterday and he said on the transport side, they're losing one person a week. And they're having to replace them with unskilled people. So not only are they losing the labour but they're losing that skill base. (h)

Harvesters, the same thing. I know a neighbour of mine has employed two people from Victoria this year just in machinery driving. They've found it really good. They've actually bought houses up in the mountains. So people are looking at going further afield to find labour, going into the drought areas of Australia where people are without work to try and employ them here. So, yeah, labour is a problem. (g)

Unfortunately we still see everybody and his dog going to Townsville every week and doing their shopping there. Townsville, it's not very far away. And the other thing too, of course, all the sons and daughters going to the mines and buying houses in Townsville so Mom and Dad go down to Townsville. (h)

Industry costs were perceived as one of the major issues holding the industry back.
There's a big cost associated with harvesting and at the moment we probably do stuff that costs us too much money. (h)

And international demand for ethanol has placed a lot of pressure on countries like the United States in particular to produce grain for the production of ethanol. And so that is reflected in very high prices because of the competition for urea and urea is the artificial form of nitrogen that's used almost exclusively in the sugar industry. And that's a bit of an added burden to them and it's completely out of the hands of any growers. (r&e)

Overall lack of confidence was also perceived to be one of the key issues influencing the industry in the Herbert.

Our sugar price is the nucleus of the whole set up. That drives a lot of behaviour by far. You saw it last year. When the sugar price went up behaviours just changed from negative to positive and it's just all driven by sugar price. I suppose the improvement I see this time is, with the sugar price coming down, is that there's a number of people who, for different reasons, have improved their behaviour for better or worse. So there is a core of people out there that are easier to speak to and relate to. (m)

The other critical issue – and I really mean this – is the low level of confidence in the long-term sustainability of the industry because I guess if you can't see yourself being able to continue to afford the lifestyle of being a farmer, and I think more importantly, you can't have your own progeny continuing on with the family business on the family land, that lack of confidence will probably – well, it's a pretty handy precursor to you being of a mind to sell the asset. And all that is happening at the time and I guess when the non-sugar industry land users, largely the tree companies, are in town right now buying up cane land. It's a big issue here. (so)

I think that people's emotional state is probably the single most important feature in terms of how they act and what they do when it comes to buying land, or selling land and right now I can tell you there are a lot of farmers – I had one in the office this morning who is 65 I think and he hates the idea of selling but can't see any other way out. Its pretty hard to set this issue apart from sugar price because of the general cost of growing the crop relative to returns. You can't continue to wear negative returns trying to maintain a business which, at the end of it all, either has to provide enough cash for you to put into a super fund or for it to be your super fund. And I think that a lot of farmers are starting to see that now. So that's a bit sad. (m)

Depending on who you talk to in the Herbert, a lot of people don't believe that but I think they're actually putting their heads in the sand at present because we've always done – you'll hear words in the Herbert like, "Well, geez, prices have been good in the past and they've been bad and the weather's coming and the weather's gone but, you know, what if we stick it out?" (so)

Growers are risk averse. They are reluctant to initiate new methods or ideas, unless others are also doing it. Rather they look to what others are doing and follow suit. In fact
this is a characteristic that pervades the Herbert generally. Other stories include copying the negativity of radio chatter and the rapid adoption of wheely bins.

And growers down here actually look north and south for some leadership as well. So that's growers. Someone's got to take the first step unfortunately and it can't be us. It's got to be safety within the decision. (m)

The absence of value adding was perceived as a drawback.

Slowness to take up value adding." By value adding I mean ethanol of course but other ways of using the sugar cane plant. (h)

To make the industry more viable, to combat the threat of managed investment schemes in the Herbert, and to make the industry more attractive overall, interviewees saw hope in diversification, value adding and fostering further investment.

We need a steep change in this industry in productivity and whether it's going to be genetically modified. Eventually genetically modified cane could be accepted and that could increase your capacity to grow larger volumes at a lower cost. That's one way of keeping the dogs off the door but it's not going to be the small family farm anymore. You're going to have to evolve to large-scale operations some how and how those structures are going to be, they don't know. I think we don't appreciate that they're not going to be like they are now. They're going to be different. (g)

If the price of sugar was better, then people would be keeping the land for sugar because it's better income. Sure, CSR are always looking at purchasing mills and buying land - that was the one way around it. The other thing we were looking at at a meeting is that the DPI is looking at perhaps alternate cropping temporarily to keep that land under agricultural production, particularly in the Burdekin they were looking at cotton or another crop. It may not be cane but at least it's not trees. It's still an annual crop not a perennial. Long term perennial crops aren't going to build you a town. Then you harvest it once and it won't harvest after nine years thinning out and the rest at 20 years. (r&e)

Well, they're the same things that have been around for a long time; economies of scale in the growing and the milling side of things. (h)

We have to have productivity improvements which we call variety by soil analysis. The industry needs to move towards variable rate application of inputs. Obviously we've got to look at value adding. (r&e)

The biggest thing is maximising milling, harvesting and farming, making the most efficiency of everything. That's the biggest thing at the moment. (r&e)

[We need to be thinking about] cogen and biofuels. Carbon credits, carbon credit trading, all that sort of stuff is going to be around for the next 50 years. It's going to be a big thing. In 20 years time some of these tree plantation things will start to fail and so
the circle will go round again in my view. Trees take in carbon dioxide very, very slowly but they don't create any in its growing for 20 years, only when it's been harvested. Sugar cane, you mow headlands, you run tractors up and down and all over the place. The milling process itself is not so bad because it's being fuelled by the gas, the biofuel, but every other thing is fuelled by petrol or mostly by diesel. (r&e)

It's all about the value chain integration. We get that right, we'll be able then to understand that, okay, the prices go up and down, how to maximise what we're doing and then the impact on each other. To me you can do that and still have the different ownership parts. You can still do that. Now, does everyone else see it that way? I'm sure that as you become transparent and understand [each other's needs], you're able to work out models and techniques and formulas to work all that out. Now what the industry's done for example – it just happened last week – they formed the Australian Sugar Industry Association and that's growers and millers and that's the one voice that's going to go to government. Before you had Australian Sugar Milling Council, the millers, you had CANEGROWERS and then you had the mini-me, ACFA. So now we've got ASIA. (m)

So that's been formed and the way they're working under ASIA in the regions is the Regional Industry Board. The Regional Industry Board prior to the Government rescue package of 2004 was just miller, grower and harvesters and we had our first meeting last week to reconvene this process and we're talking about grower, miller, harvesters, local government, researchers in that forum. And then also formalise and maybe even incorporate that body as sort of a regional representation of ASIA. I guess it was just in the formulation phase last week, saying, "Okay, this was the old RIB. Who was on there? This is the new RIB. How will we set it up? And we had up there those people I mentioned. We also had Chamber of Commerce, individual business people. We had the Council but then we also said, "Do we have other community representation? Do we have educators?" Then we said, "Okay, if we incorporate everybody, it'll be this big a group and would they be interested in coming if we meet once a month?" So then we started to say, "Well, should we have a core group and then maybe once a quarter have a bigger group coming together and say, okay, let's revisit the strategic plan and then let the core industry group go out and do the so-called tactics." So we're still formulating. (m)

I think that what needs to happen to improve that situation is look at diversification, maximise the use of whatever infrastructure you have in place. Obviously if we could have a 40 week harvesting season you have a far better chance for producing co-gen and that sort of stuff. I think the industry needs to look very, very seriously at producing biofuels for co-gen. Don't forget that it's well known knowledge that it's a lot easier to breed sugar cane for sheer biomass than it is for sugar. When you produce sugar, you're striking a balance. You put too much fertilizer and the plant keeps growing and doesn't ripen, you don't get sugar. I'm not a plant breeder but ... [I understand] ... that it's a lot easier just to breed sugar cane for biomass and use that biomass to produce biofuels. You might do a couple of crushes and take some sugar out but then you use the pulp and
the bagasse for a renewable source of energy. And that is in addition to the production of sucrose, of course. (r&e)

We need to cook a new pie. We don't need to make the pie bigger, the current pie, we need to cook a new pie. If we're going to use the same pie, we've got the same problems. We need to cook a new pie. In saying that we need to look at every aspect of our business and rejig it, redo it and look at other opportunities. The value adding opportunities, they're sitting there. And I've raised this already in the CANEGROWERS arena, if the milling side don't want to do it with the growers then the growers should go and do it with someone else. So go and knock and everybody's door, Dupont, Dow and the Monsanto's and knock on their door, or whoever it maybe, and say, "We're here and we want to do business with you" and then bring them to the table. That way we can have a bigger pie. Or engage the milling groups and work together to actually make the new pie. (r&e)

What else needs to happen to improve it? Value adding, we really need to get involved. If you have a look globally around the world, value adding is where everyone is going and we need to achieve that by actually grouping together and lobbying governments. If you have a look at most of the sugar industries around the world which are progressive at the moment or moving forward, they have a platform – a governmental platform – for either an ethanol industry, a paper industry or whatever it is. They have government support. And it doesn't necessarily mean financial support. It could be infrastructure, you support road infrastructure or legislation support. We don't appear to have a lot of that available to us at the moment and the only way we can do that is if we actually knock on the doors on the Parliamentarians and actually do that and we have to do that as one voice. At the moment they see us as individuals pushing our own barrows. We need to stand up and say, "This is the way we wish to move our industry and this is what we want to do." At the moment I can't see that happening. We also need the partnering of groups and joining together millers, growers, harvesters. I think that also goes between the growers and the harvesters at the moment. (r&e)

And what we've done as the miller, because in years to come land is going to be precious so these guys, I know they're sitting on a trough at the moment but land, if they can make a worthwhile living for themselves, the next generation or the generation after are going to be very wealthy people, whoever holds the land. We as a miller, we're just buckets of bolts. Without cane we're nothing. So what we've introduced are two schemes. One is to encourage new land to be put under cane and that's $400 a hectare. So if you've got a block of land, never grown cane, go and plant cane and we'll help you with the establishment costs. If it's in an area where the MIS people are active and you're the people wanting to buy that block next door, we'll help you to the tune of whilst the prices are low on top of what you get paid normally is $2.50 a ton of cane for three years. That's a graduating scale so if the price goes up, that incentive drops out until it eventually gets to zero but because the prices are very low and depressed at the moment, well, it's $2.50 on top of your cane price. So a bit of a rear guard action on the ground. And then of course the industry's also talking about politics, change the tax laws, all that sort of stuff. (m)
And the siding project. That's just showing that we're still going. Even after the MIS people showed up, we're still building sidings, we haven't stopped. We're also doing other things out there which are passing loops and main line upgrades. So we're still out there doing that. And to them that's visible. Sometimes it's not visible, what we do in the factory to upgrade. (m)

What needs to happen is, in my opinion only of course, is the mill to demonstrate that it has confidence in the future of the industry by either making land acquisitions for itself or a public announcement that it intends to stay in the industry. At the moment the place is alive with rumours that CSR intends to exit the Herbert. Who knows? You get these rumours floating about this place, a new rumour every couple of weeks here, and the last lot we know a journalist picked up on something that a member of the board said a couple of months ago. The twist that they put on it was saying CSR was going, which isn't what he said at all. (h)

There could also be something done to value add to the industry. It would be fair comment to say that economical constraints are impeding progress in these directions at present. No company is going to invest big capital in an ailing industry. Who knows what's around the corner? Our people in marketing are not confident in the short to mid-term if we have good prices and upper level management has to make the decision based on that. So, I really think the economic climate is dictating at the moment what's going to happen here. (m)

Financially I think we're at the tipping point. If we have another one or two really bad years, we're actually going to tip some of the growers over and they'll either leave or they'll realise that they're going to have to join with the milling groups. I think the milling groups have already realised that they're going to have to work with the growers but to what level, I don't think they'll anticipate that. They know they've got to work with them at some level but I think they've underestimated how much they're going to have to work with them and basically it's going to be like a marriage. They're going to have to be in bed together doing everything and that's really what they're going to need to do or else they're not going to supply us. (m)

We can actually have an integration of our business. ..... I think if you have a look at running it as one business, I think probably the biggest worry for growers is the loss of ownership of land. There's nothing to say that they can't own land. Why can't it be pooled and put together and managed as a unit. And they still own their land, they can still live on their farm and they can still do those things. And the same thing from the milling side - in an ideal world, we value everything and we put it all together and we start again. (r&e)

From this day forth, let's do something different" because the way we're going at the moment, we've got nothing. We've got no money. Our return on investment is low. We can't attract people to come to work for our industry. We can't retain the people we have in our industry and we can't keep going the way we are. We need to really refocus and in
some cases, we might have some casualties along the way but so be it. If we lose some people, we lose them because they might be the ones that really need to lose. (g)

One interview suggested that the way costs and rewards were shared was holding the industry back, and that an alternate sharing formula was needed to build optimism and commitment.

I think the other issue is the current price of our product which isn't the sugar price but how we structure our pricing payment for millers. It's not the actual sugar price, it's the price for millers at the moment. It's growers get X amount, millers get X amount and there's not a lot of opportunities at the moment to actually do anything different in the pricing between the two parties. Probably a good example is Mackay where they've actually put everything together and they run it as one per millers and growers. Everyone shares in all the good times and in all the bad times. If you can set that rule, it then allows you to actually move forward and say, "Okay, if we can invest in a value add by-product processing plant, we share it. This is the percentage and this is what we get out of it together." (g)

When asked what was stopping the industry moving forward, interviewees offered a number of opinions; foremost among those was a lack of strategic leadership. In addition they mentioned ongoing lack of industry cohesion, labour costs, and a general infectious negative attitude.

And I think that what is stopping that happening now, I'm absolutely convinced is an utter lack of industry leadership, cohesive industry leadership. I think we have some splendid individuals here at the Herbert who really try their hardest to do the best that they can. And I think in the back of their minds for the industry as a whole. Initially at first we all hope to do the best for our respective organisations, the ones that sign the pay check, but you hope that reflects on the industry as a whole. But none of that ever manifests itself in true leadership that is (a) inspiring to the industry stakeholders, and (b) producing a result for the industry stakeholders. (g)

I’ve actually got on the phone [to a number of industry leaders] and said, “We have a problem here. Let’s try to work through and try to make something different here.” “Hey, we need to pull this together. We need to do something differently here because if we don’t we’re going to lose area. We’re going to lose cane. We’re going to lose all these technical skills we want to keep. That’s all up for grabs now. It’s all going.” And what reaction did I get from these leaders? Mixed. Some are in denial. The ones that are in denial are probably the ones I’m most frustrated with, but I don’t think I can move them anyway. (r&e)

I think at the moment we've still got this – the growing side sitting in one arena and the millers sitting in one arena saying, "This is my pie and this is what I'll have and you're not allowed to have any of it." Really we need to pull them together and discuss it. And I think if we don’t do it then, we'll lose our productive cane lands to other cropping industries like the trees and the cattle. We won't be viable. That's why those areas are
going to trees now, the growers don't see it viable to stay in production and their
neighbouring farmers can't afford to buy them out, to maintain the area and production.
So subsequently we'll lose everything that way. If we don't pull it together soon our
industry will shrink. (r&e)

I think leaders are too focussed on production, crop cycles, immediate operational
matters. I think a decision has to be made by the sugar industry about which side of the
fence they're going to come down on about farming as a lifestyle not a business. Whether
you like it or not, once you come down on one side or the other then you can argue and
work with all your might to make it work that way but right now farmers on the one hand
say "No, no. (so)

It's not a lifestyle or anything like that" and yet they'll defend to the death that lifestyle.
So they're seen by much like the rest of Australia anyway as, first of all, mendicant but
they also don't present well, as though they're not truly in tune with what they really are.
What sort of industry are we? So I think it's time that the sugar industry grew up and
decided if we are a lifestyle farming community and it's a wonderful place to live, follow
up on the things that make that possible. But if you also try to say, "No, no, we run our
farms as a business" the evidence is not there. So I think the industry - particularly the
leaders - need to make a decision on that. (so)

[Talking about current industry leadership] There's probably a relationship, a direct
relationship between the level of influence and the level of benefit with the status quo.
And that's quite a dangerous relationship. If your level of influence is very, very high and
you have no personal interest in keeping things the way they are, that's a really good
thing because you can get a lot of things done. It's got a lot of leverage. But if you know
the change will do you out of a job, lessen your influence, all the lovely things that you've
gotten used to, then it takes a very brave and unusual person to go against that. (so)

Another thing is people like to be recognised and remembered and so on and some
people, sad to say, allow recognition to come their way when they don't deserve it and
don't correct the impression. So real leadership, I think, needs to be almost invisible and
to accept that. It doesn't mean there aren't pangs and you think, "Oh, dear. That was my
idea." I think if you keep your mind on what the result is – what is your result, have you
achieved your result? If the answer's yes, just walk away. (so)

The pressure was always there but now it's coming from within. Many people are saying
that whining just won't do anymore; that's sort of whining culture of supplication to the
rest of Australia to give us money because we deserve it. What needs to happen to
improve it? Education, simple business principles about inputs and outcomes, financial
and business maturity of growers, harvesters and suppliers - less so with the last, of
course. (so)

And what's stopping it happening now is a reluctance to let go of a world that isn't there
anymore, just no longer exists. (so)
What is stopping it happening now? Money. CSR actually were in a bidding war for one farm and got locked out. The tree companies offered more. The tax incentives the Federal Government's got in place is not going to change that overnight. They want trees. (r&e)

So what's stopping it from happening now is the labour. Our biggest challenge, I think, is competing in the labour market and being able to actually offer something other than dollars, it's a package. And I think we're all starting to realise that now. (m)

But also I think there's negativity that we've really brought down on ourselves over the last several years has backfired on us. I believe that it hasn't served us well. Well, we feed on it like a bit of a frenzy, don't we? And I think we really did that in the early 2000s, we really spiralled downwards with relationships, negativity towards the industry really got nasty. I think that body language, that public message out there said, "This industry is on the nose, who'd really want to work in it? As soon as you put your head up there, you're going to get criticised. There are plenty of opportunities at other places. Why would I want to hang around here?" That hurt us as an industry because we sort of got a perception out there that we're on the nose. There was a lot of publicity about our sugar rescue package and the industry was doomed on a broad scale. And in the district there was a lot of negative people about CSR and growers and this and that and we paid for a bit of that. It cost us. In a way CANEGROWERS does a great job and has served well but I suppose one of the ways that I sometimes think about it is that CANEGROWERS sometimes uses that type of behaviour to give itself strength. And you can understand that happening. I think it went a bit too far. (g)

If you ever get the opportunity to listen to the CB radios in the mornings on the harvester crews, most conversations start in a negative vibe. "Why aren't we doing this?" and "How come we're not getting that?" Not much positive stuff happens. What I find really interesting, and I've seen it time and time again, just say you break the district into five transport sections. Really, when you nail them down, there was generally only one section that was copping the worst end of the deliveries because – like, you'd be delivering to five sections in a day, one section is going to get there's last. So if there are problems, that section, generally speaking, was always going to be Home Hill. Four out of five times it was being Home Hill. They were getting late bins, late, late, late. What I really found interesting, and a few of us found interesting, was after awhile all these guys were talking on the radio as if they were getting late bins. And they weren't but they were being very negative and saying, "Things are bad" and this and that but it was only happening to these guys [at Home Hill]. They [harvester crews from other areas] were all going out in sympathy in a way but they were all talking themselves down that they're all being hard done by and they really weren't. (g)

Question 6: What adjectives would best describe the industry today?

Adjectives offered ranged from the positive end of the spectrum to the negative. Miller interviewees were more positive about the industry and its future than were others.
Challenging, huge opportunity. We need to paint a picture for people of what the future can actually hold, being able to visualise what the future for the Herbert would be if we could only do things a little bit different. (m)

The picture from a CSR point of view, what I would see, given the infrastructure that we already have to capitalise off it: two sugar mills; one large one, one small one. We know the weather's going to be variable, it always has been, it always will be. The sugar price is going to be variable. There's going to be external pressures from people like the tree industry, from cotton etcetera. What I would like to see is that we have an industry that's variable enough to actually move from year to year to actually head off those pressures. In other words, if we do have a two and a half or three million ton crop as opposed to a five million ton crop because of a major rain event in one year, sure, we don’t have to actually start Macknade but we can absorb all the permanent employees into the larger mill and give those people the confidence not to actually sell their house and leave because next year it'll be a five million ton crop again. Be able to give those people the confidence to move from one mill to another without the world caving in. We're battling three generations of employees' perceptions and culture that, "Hey I've been at Macknade or I've been at Victoria Mill for my whole life and my father has and my father's father. And you know what, if I went to Victoria …., we need to actually encourage and be able to paint the picture of, hey, it's always going to be tough in weather, dollars etcetera but you know what? We've actually got something that can shield us from that and that's the ability to actually do things differently and be variable with the way we actually run our mills. (m)

It's hopeful, it's exciting. I guess that's the phase part. You look at others around and, what's their adjective? It's doomed. It's time to get out. Words to that effect are coming out from people. So you've got that contrast. As long as the people with the positive views outweigh the negatives, we'll go ahead. (m)

Sweet and sour probably. It’s sweet in the way that the relationship between growers and mills, I think, is better. And it’s sour because of the sugar price. With [mill management] and them I think the relationship is a lot better but the sugar price is the problem. You can say input costs but if the sugar price was at a decent level – you can’t do anything about the input costs, we are on a world parity. (h)

Pensive. People are doing a lot of soul searching as I mentioned earlier. I feel it's precarious. There's a degree of pessimism out there. There's still a bit of optimism. People are reading things and there is light. Brazil, for instance, making more ethanol so they're actually exporting less sugar than they were last year. India is probably the sole reason we haven't got a good price because they've just grown so much sugar this past season but that may change with the prices. So next year there is optimism that the price is going to pick up. On the diversification side, the States are starting to mandate ethanol. I can see New South Wales with a two per cent mandate. I think Queensland’s mandate is due to come in in a couple of year's time, three years time. So sugar in five to seven years may play a part in that sort of thing. There's a bit of optimism that co-
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generation may play a part in the mix as well. So there is still a little bit of optimism out there. (r&e)

I think risk averse, impoverished, immature, unionised. I don’t know whether you’d say they were totally bereft of leadership because there are some examples where leadership is starting to creep in but I think most people would say that there is a lack of leadership. (so)

It's challenging and not very satisfying at the moment. I think there's real doubt about the future of this industry. I think it's going to be tough for the people to stay in it. I think there's a living to be made but it's going to be tough and it's not going to be for everybody. People are going to have to adjust in the way they live with this industry and what they expect out of it. To be fully employed in it you need to be fairly big. Otherwise – and a lot of people are doing this, they're getting alternate incomes and farming as a part-time interest, really and you can survive. But it's not easy. It's definitely different to what it used to be. (so)

I think nervous probably, uncertain. A lot of growers I know in their late 40s are starting to think we're going to have to work part-time or we already are working part-time. We want to keep the farm because of the kids, in case they want it or their father still owns it and we want to keep it in the family. They knew this is a cycle up and down and you might get $28 one year and $23 the next it'll be all right. Or $24. 3 x 24 every year from that. And it's costing you $20 to grow it. A small farm is only earning $15,000 to $20,000 a year. You end up working off the farm and keeping the farm as a home. It's an uncertain future at the moment, I think. (g)

Uncertain, unconfident and ailing. The young people are leaving. The older growers are selling for trees or exiting. There are groups of growers that have indicated that they want to stay in the industry. I believe they don't know anything else anyway. But when you see the old people wanting to go and the younger people leaving, that's what I call “ailing.” And the people that are selling – I'll go back to the tree people - the people that are selling for trees know down the track it's going to hurt this district, it's going to hurt the town, it's going to hurt the mill. The mill will just mothball, one, if needs be. That's already in the pipeline. Anything under 4.2 million, Macknade will be switch on, switch off. So they know all of this is up front but they're not prepared to take the chance that one day prices will improve. That's why I use the word “ailing.” Rather a lack of confidence, I suppose. (g)

Well, it's depressed. It's currently not viable. It's lacking in confidence and I believe it lacks a long-term plan or vision for the future. Why after all these years don't we have a plan to deal with low prices? Why don’t we have a plan to deal with low prices? We certainly know they exist. Have you ever seen a sugar price graph. (r&e)

Contracting, declining, aimless, ageing. The way that aging seems to be unfolding is that the average age of our cane growers is increasing. There also seems to be a reluctance for the younger generation to be particularly interested in the industry. I think they're
seeing that their fathers should do one thing and that is get out and retire instead of trying to run a farm at 65 or 70 years old. A reasonable proportion of our growers are in excess of 65 and at a time of life when a lot of other people able to take a their superannuation and have a reasonably comfortable retirement. Mum and Dad are still trying to run the farm in the hope that they can sell it. Family don’t want to take it over or take it over without massive borrowings. It’s a serious consequences that I know we’ve been feeling for a while and the government try to put a little bit of scratching around the edge to try and improve the package to transition out of the industry but I don’t think it’s working. (g)

Political, sometimes insular and depressed. (r&e)

There is too much political infighting between the groups, between the millers and the growers and the growers and the harvesters and the harvesters and the millers and also within their R & D-organisations as well. We’re one industry, we’ve got one goal – to make money. I know there’s some social impacts in there as well but ultimately if we don’t make money we don’t survive and at the moment, the politics of our industry consumes too much of our time. We spend too much time talking and not enough action. It’s well and good to communicate but it has to be effective communication where we actually listen to one another whereas at the moment we talk but we’re not actually communicating. (r&e)

The insular component is that we tend to be insular in our own little areas at the moment. We tend to see ourselves as millers, growers, harvesting, or R&D. We are one industry. We need to be one industry and we can’t afford to be insular and being insular as well means that we don’t actually transfer information or technology between each other which actually can help us develop or grow our business and make that pie bigger. We tend to sit in our own little dung heaps and not want to share stuff. “I don’t want to tell him what I’m doing because he might use that against me.” There’s not a lot of transparency in the industry. (r&e)

They’re depressed – and I think I’ve touched on that – because of the low sugar price, low commodity price and now the tree people moving in. And from the growing side, the lack of opportunities that they can see to get into value adding. That’s causing the depression. They just see no way out, so subsequently they just get out of the industry. I think the depression in the industry is because we have people exiting the industry. What I’m noticing in those areas where the tree guys are active, you’ve now all of a sudden got this group of growers in these areas that are depressed and they’re all feeding off each other. And it’s like a disease. It’s all spreading and they’re all getting depressed and they’re all feeding off each other. It’s as if we’re might as well close the doors and walk away. One of the local businesses is saying, “What are you wasting your time putting all these yield monitors on the harvesters? The tree guys are going to take over and we’re not going to have these guys.” I said, “Well, if we have that opinion we might as well close the door and walk away now.” We might as well walk away now and forget about it all. Walk away close the door and let’s go and do something else. Stop the pain and
just go. And I think at the moment that's really – we need someone within the industry to actually try to curtail some of that feeding and its getting really serious. (g)

Small, shrinking, inward looking, less and less relevant to food and energy technology today. And I think politically unable to grasp the fact that sugar is a small player. (so)

The sugar cane industry is definitely very operations based and that's fine, there's nothing wrong with that. I'm just saying if that's all the industry is then it's doomed. (so)

**Question 7: Would you recommend, to a young person, that they start a career in this industry? Why/Why not?**

Opinions here covered the spectrum. They also differed, depending on which sector of the industry was being referred to. A number of interviewees qualified their positive comments on the industry as a career for young people by stressing that success in the industry requires enduring patience.

Yes I would. We need their help. We need to see some of these younger people with different skills but we certainly want them to be resilient. Unfortunately, not too many of them want to stay in a job or an industry for a longer period of time than three years. There seems to be a very strong trend throughout Australian working; instead of being long and loyal in a company, like me, it's get yourself a promotion you go and sell yourself to the rest of the world. Recycle yourself through other industries and get a promotion that way. (r&e)

Yes, because sugar cane is sweet grass that has near limitless potential as a carbon sink, fibre producer, value added food and material source. So I would recommend it but that person would come in at either a level or a place in the industry that is tiny but growing. So rather than recommend someone buy a cane harvester and start harvesting cane, perhaps not. Buy a sugar cane farm, perhaps, perhaps not but have some skills in technology, chemistry, business management and co-operative management of a whole lot of farms, I'd say yes. Walk in to the industry with your ideas and I think it's got limitless potential. (so)

If you're only in a job for finance or advancement, you wouldn't stay in agriculture. If you're in it for job satisfaction and lifestyle and just feeling good about the work you're doing day to day, yeah, there's a huge future because it is a satisfying work. Helping a farmer growing a crop, I can't think of anything better. If you're asking for big bucks and the bright lights, don't move to Ingham. (r&e)

Yes. Whether you become a tradesman or a professional that's just finished uni, the milling gives you the experience and the exposure which is all about applying your trade, getting relationships built and that's all portable, even if you're a tradesman, so, yes. And Ingham's a great community to live in. There's nowhere else where in half-an-hour and you're on the Reef fishing. So in the mill, yes, very much so. In the farming as a young person – I guess if we're talking about a young person taking over the business, I'd
say yes again in the context that it's about – and this is where I guess our generation has got this quandary with the new generation – delayed gratification. The new generation needs everything now, needs everything modern now. (m)

Yes, cane farming, yes in the context that you purchase a small enterprise, say, 5,000, 10,000 ton, hold a second job until you get on your feet and then start building on your volume and getting up to 20,000 to 50,000 ton and then you're on a very good wicket. But that means a young person is committing for 20, 30 years. I don't know if people have got that time frame in their heads now days. What did they tell me? Generation Y, X – what are up to, Generation Z? Or was it Generation Y? They just move on every two to five years, so agricultural pursuit is going to be an issue for young people. (g)

So we need people that have that longer term mindset in agricultural communities because I guess from where I sit it's probably going to be a similar issue across the whole country if we're looking for young people to be business owners. It's going to be supply and demand and what you'll find then is that corporations will start moving in, which is happening in your fresh food, wheat, cattle. So they'll move in and they'll also find a way to make a buck. (g)

I've been in the industry for most of my working life. I've got a teenage son and I would recommend to him as opposed to going to university to do an apprenticeship but also to do a cadetship at exactly the same time. So get the degree but also get a practical piece of paper in his back pocket as well, being an apprenticeship in the sugar industry. So I looked at that question and I thought to myself I would recommend to my son to do that so there must be a bit of confidence in the industry. So, yes, I would. (m)

People who work in the sugar industry, and from a CSR point of view, are highly sought after in the mines and the like. I've just lost a guy of 37 years experience at Macknade who actually leaves on Friday and he's going to Phosphate Hill. The thing is, he's telling me that there's about another half a dozen people from Macknade at Phosphate Hill now and that the jobs that they're in are the ones that have power out there. In other words it's mini Macknade. (m)

And all the apprentices that we're actually putting through, they're actually getting phone calls in August and September in the final year and that's from as far afield as Perth. So people look very highly at the people that we're actually putting through the industry. And when you look at the sugar mills now, we're so diverse. We generate electricity into the grid – this is from an electrical point of view now – so we're power generators. We're down to the electronics, telecommunication with locos and break vans etcetera. From a mechanical point of view we're machiners and turners. Fabrication wise, we've got boiler makers. We're very rounded, given the experience provided within the mills as opposed to some of the sweatshops. (m)

The answer is ‘yes’. There are a few reasons: the old will leave the industry, those who can't survive in the industry will leave or they'll die. All the old ones will die. And what I'd say to a young person is just sit and wait, because it is coming. We've got an aging
industry and we've also got an industry that is going to have to make a hell of a lot of changes in the next couple of years and if you're prepared to sit and wait and actually ride with that there's a big opportunity there for you. We're going to need to have people who drive harvesting gear. We're going to need to have people who are the new R&D people of our industry. We're going to have to have growers who manage large farming areas and the technology and that's going to be the challenge. And that's going to be the thing that really drives us and keeps us going and brings people in, that we can show that we're advanced. And I think from a world standard we are advanced. We can do it. We've done it before and we can do it again and we're doing it now. (r&e)

As an industry we can be a very visionary industry and innovative and have cutting edge technology to actually give us that next incremental gain but we've got to keep doing it. I think one other thing is that it's not just the age of the industry it's the mindset of the industry that's going to have to change. If you're prepared to wait in the next years it's going to change, it's going to be forced anyway. Probably the best word of advice is be patient, watch this square. (r&e)

If you want to make $100,000 or $120,000, go to the mines. But if you want to be in agriculture, just watch this square because we can do it and the old ones are going to die. They're not going to be here. (r&e)

It will probably be in some cases part-time farmers where they have a profession outside the farm. And the farmers, if they are full-time on then farm, they'll be multi-skilled or have tertiary qualifications or other credentials as well. The education and skill level would be at a different level than we've ever used in the industry. It won't be just go to school, become a farmer and be a farmer. It'll be people who have agricultural backgrounds, computing backgrounds, degrees, other trades, whatever. And that's dynamic, that's going to be great because it'll mean that we have a different faces in our industry with people who with totally different - whereas at the moment we tend to have a certain mould. (so)

And I'd like to be positive as well. I actually think our crop has untapped potential. We're sitting on the next oil – I look at a crop now and I see that's our next oil well. And it might be the oil well for ethanol, it might be the oil well to make bioplastics or something like that. The rest of the world's realising but Australia hasn't realised it yet. (r&e)

In the field of research I'd say probably ‘no’ just because there are internal problems with some of the organisations. In milling I'd say ‘no’ basically because it is very difficult to make a difference with CSR's culture, very difficult. And in growing I would say, 'yes', there is a future there mainly because new technologies and farming systems will offer opportunities to lower costs and increase production. So there is something there still in the growing sector I believe but in the others, ‘no’. (r&e)

Not at this stage, no. I don't think there's enough income there compared to what they can do at the mines. Unless you're prepared to be adaptable – I've got a 480 acre farm
and I grow 12,000 ton of cane. That wouldn't be a living for a family today. Because the average family wants to live on $70,000, $80,000 a year. On 12,000 ton, you're looking at probably $6 a ton out of that profit on top of your costs to get a living. I'm fortunate I'm involved with CANEGROWERS. I get a bit from there and I went into the share market a long time ago and I've done well so I've got other income streams which doesn't worry me. But a guy starting young from nothing, what's he got? (g)

Not in the sugar industry as such unless researching for alternatives and I don't think you'd want to be employed by the sugar industry to do that. I think, to be honest, you'd need to be an applied scientist being paid from outside the industry to make sure the industry continued in one form or another to continue because there is no long-term security. I don't believe, in the industry. So if you're being paid by somebody else to steer the industry out of the mire and find a way for it to continue to exist - hard to find a better land use remember for the Herbert River district. (r&e)

Not at present. This industry is in a state of stagnation due to low sugar prices which reflects the wages and salaries on offer not only to the field sector but also in the mills. The mills today are uncompetitive in the labour market with the mines drawing the young people away. The mineral boom has also had the added effect of outpricing everything from land, houses and general costs of living here. So the people on lesser wages are struggling to meet their commitments. The rural sector in sugar has always been a poor payer and is now paying the price. I have told my own boys to keep away from sugar. (m)

As a young person now, I wouldn't recommend he go out there and buy 100 acres. You just can’t do that. The only opportunity for young people are people who are involved in family set-ups that have already got a fairly large farming enterprise and they work on that and eventually take it over and move on and grow with that. There's an opportunity for young people there but they've really got to know what they're doing. I really don't know whether structures of farms are going to go in the future, whether it's going to be a lot of part-time farmers – and I don't see that happening. In the long-term there's probably going to be some more large enterprises around the place. There could be some more millers owning some cane land, some other companies owning it and having people working for them. (g)

There are probably going to be opportunities for people to work but not own. The young people want to be involved in the industry but not be the traditional owners of the land. With good managers and the right size and scale there could be reasonably lucrative sort of jobs. (h)

No, I wouldn't recommend they start a career in the industry. There are too many other opportunities out there. I've got two children and a son-in-law all working outside the industry, all doing extremely well. These kids are making more money than a cane farm with an investment well in excess of $1 million. And the opportunities are there. They're getting job offers all the time and they're not doing anything really specialised. (m)
Question 8: Who, in your opinion, should take responsibility for the ongoing health of this industry?

Some interviewees took a global perspective and recognized that the future of the industry was largely in the hands of international markets and regulatory mechanisms. Others saw responsibility as needing to reside with the local industry players while others saw the importance of broadening the strategic expertise.

I think we need a board or a group of professionals, not necessarily from within the industry, who can offer advice, who are empowered to steer the industry. (r&e)

I've had the opportunity to travel globally and view sugar industries and I have acquaintances outside of the sugar industry in other pursuits but also in other businesses. Sometimes the best thing is to actually get some of them and bring them into our industry and tell us what we're not doing. (r&e)

Growers, millers, government, townspeople who don't believe they have anything to do with the sugar industry, scientists, food manufacturers and research, like CSIRO and SRDC, of course. (so)

Townspeople, they don't have enough voice. As a matter of fact people are laughed at if they sort of think, "Well, I'll put my hand up for CANEGROWERS." Unless you own a cane farm, have run a cane farm, have experience in actually growing sugar cane, you won't get on that Board. People believe that you have to have served your time, that you have to have been involved in the sugar industry to be able to comment. I think it's evidence that it's inward looking, that it's like a huddle of kids in a playground. If a new kid comes up and says: "What are you doing? What's happening here?" "It's all right. We're just growing sugar cane. You can go about your business." It's very closed and inward looking so that new, fresh ideas don't ever find a way in, or very rarely. And if they do, people are sort of troublemakers – "What would they know? This is the way we do things." (so)

So, no, townspeople don't have nearly enough say or comment. And there are some – not an awful lot but there are some who, with information, would be able to make some very good comment and have some really good input but, no, the invitation is never there because you need that badge. You need to have that membership [by being in the industry]. (so)

It's really out of our control. Really, both millers and growers are doing the best for what they've got but it's China, it's the boom in China, it's Commonwealth Government policies to do with world parity pricing for fertiliser and oil and not to mandate ethanol. It's all that big picture stuff. It's all the stuff that we've got no control over. And you know how things can turn around. You look at wheat now, they just raised the pool price by $100 a ton today but there's no wheat in the market. And it's all that. And if we didn't have so much sugar and the price come up, it's like somebody said today, 10 cents a
pound is not all that bad for sugar if we had a 75 cent or 70 cent Australian dollar but not a 90 cent Australian dollar. And that's out of the control of growers. (h)

One could look at the government and ask why not subsidise the product as they do in the U.S. or mandate a percentage of ethanol blend and fuel as they do in Brazil? The government does have some questions to answer but greed seems to be the flavour of the term in Canberra at present. But in saying that we must also remember this industry has had very good times and prices in the past and must accept downturns as part of the cycle. Just how long a downturn becomes will determine the future of the industry in the Herbert. I can't honestly sit here and say the farmers are masters of their own destiny, they're not. Price is indicative to everything. The mill's the same. No price, they're not going to spend the money. They're not going to inject capital if there is no return for the shareholders. That's how it goes. (r&e)

The government, I don't really think the government are interested in sugar. They make these grants from time to time to make it look good, to make it look as though they're being supportive but at the same time look what they've done for the tree people. They've opened the gate there. They haven't opened the same gate to anybody else. (r&e)

So I think Canberra has got a bit to answer for but I don't think that the whole of the blame lies there. Like, the industry has to come to terms with the fact it's never had to deal with something like Brazil. Nobody three or four years ago would ever have thought of paying what we are paying for fuel which has a huge impact on the millers. The fertilizer prices that the growers are being forced to pay now are absolutely ridiculous. That's when you can get it. And yeah, the whole of the cost structure of everything is soaring while the price for the product is not, it's slumping. (h)

I don't think there is any doubt that we all collectively have to take responsibility, every stakeholder. But I just don't know how to get that ball started. You really can't rely on any other people to do it. We're not going to do anything about it in a more constructive way than we have to. We're not going to be around for long. (m)

Everybody that's involved in it, all stakeholders. There's a variation in the levels of responsibility no doubt, but everybody. There's no outs in this. In my view it's like an army. If you've lost a battle because of poor performance by soldiers in the trenches, don't blame the soldiers, matey. They're partly to blame, sure. Where was their motivation and so where were the lieutenants and the bloody captains and the majors and the generals? If you lose a battle where the odds are even and you had every chance of winning it, it's everybody's fault but you need to start at the top and work your way down. (g)

I think everyone at some point has to take some responsibility and that's right through the stakeholders and the service providers. Ultimately, at the end of the day, it's the stakeholders who are the industry. The service providers are our service and without the stakeholders, [growers and millers] they don't exist. In saying that, in the future they may not be the only stakeholders. If a bioplastics operator comes they may become the
stakeholder as well. But at the moment they're the two stakeholders that we have. These are the people who, when the market goes up, benefit and when the market goes down they benefit. For the service providers it's much more flat. (r&e)

As a collective, the growers are the primary ones. They're the ones that grow the crop. They've got to work things. There's got to be a future industry. And by 'growers' I don't just mean cane growers. There must be some way that you can get the growers and millers together in a non-political sense. The prod board's the closest I've seen. The prod board's one area where everybody comes together for a common good. HRIC is another one. Because they are neutral. Neutral. CSR, CANEGROWERS, they're there for a common cause. If you can translate that into, let's have a think about the future industry, let's get some overseas investment, let's do something different. It's got to be a combination of growers, millers with harvesters and research companies in the mix there somewhere and agribusiness as well. (r&e)

The political answer is ‘all of us’ but I really believe that CSR being a corporate should be taking the lead at least. In other words, if CSR are going to – if we have a medium to long term future from a corporate perspective in the Herbert or the sugar industry, we should be saying, ‘Hey, we're going to invest heavily and we're going to bring everyone else on board with us.’ Not pull them by the nose but at least show the corporate leadership. Seriously, the political answer there is we all have to be on board, on the bus, to make it go faster. (g)

Individuals at whatever level. ‘If it has to be it's up to me’ at whatever level I can effectively work at. (h)

Everyone's. I suppose all stakeholders have got some responsibility towards the health of the industry. I think that's an area where whether we like it or not this industry needs the other stakeholders to perform. The growers have got be able to perform efficiently and productively. The millers have got be able to perform efficiently and productively. The harvesters have got to perform and all the service industries have got to perform. I suppose when you're looking at your own operation you should be thinking about, okay, I'm doing things to make my operation as efficient and effective as I can but am I hindering the other stakeholders or am I enhancing their efficiency and productivity? So overall we can be a neat, tidy unit. There are still a lot of people who feel that they can run their own ship and be neat and tidy and everyone else has just got to fall into line where I just want to do my own thing and bugger everybody else. I think that's the thing that's got to change. (m)

Individuals. There's nothing that can fix the industry up more than the person themselves. I've run into it just recently with a very large grower in the industry, in the local Herbert, where he completely – I'm not sure where his thinking is at at the moment, I think he's under a lot of pressure with staffing and low prices, wondering where he's going and he's blaming the representation for not making things better. And we get this a lot. Talking to growers, the government should do something, the mills should do something, CANEGROWERS should do something. I haven't yet come across a grower
that will say, "I've got to do something different" or "I can do this." All our job is is to put things in place for them to make their own decisions. But they seem to want us to make all the decisions for them. (g)

Question 9: This interview comes towards the end of the Cultural Imprint Project, which has run over the past three years. The project has involved quite a number of people putting in a fair level of time and commitment. What return do you see we have got on that investment?

In the main, interviewees thought that the Cultural Imprint project had not made a major obvious impact that was directly attributable. However, they had noticed changes in behaviour, such as industry stakeholders interacting more frequently, more cooperatively and for industry benefit. The intervention that was chosen to address some of the less desirable industry behaviours was regarded as very valuable.

I think on the surface you may not see a return but I think deep down it made a lot of people think that the whole district was behaving badly and that we need to change. So I think there has been a return but it's not obvious. It's probably not obvious in terms of behaviours but I think some of the outcomes are becoming better because the people may still be behaving badly but they realise we have to get an outcome and move forward. And the behaviours are not as personal. They're still not good but I think we have moved on a bit. (m)

It depends on how you measure success and return on investment. But if you have someone like [CANEGROWERS Board Member] standing up at a public, very large gathering of all mostly male, many politically sensitised people, as an elected member of CANEGROWERS with his next election coming up to say, "What we've been doing doesn't seem to have been working so well for us. Let's try something different" - that to me is a tremendous turnaround and I believe [the Board member's] turnaround or his thinking is partly due to his own intelligence. He can be a difficult customer, a prickly customer, but he's seen the value in "Let's talk about it". And there are others in CSR and CANEGROWERS - everywhere I see what I call the friendly glow of sympathetic campfires and that wasn't the case before Cultural Imprint. (so)

I think it sensitised people at first to criticism and it was the worst thing in the world [our first CI report]. "How dare they come and tell us what's wrong." .... And I'll be very frank with you, our CEO and one of my fellow councillors said, "Don't shoot the messenger". And I thought that was very telling because I don't think they would have said that before they were alerted to Cultural Imprint and what it means. And I have to say that whenever I go anywhere and maybe dozens of times now when I mention Cultural Imprint or I'm asked to explain it in a few words, I say to people that in any culture, and particularly in ours, if you really, really study why people speak to each other the way they do, think about each other the way they do and treat each other – why do we treat each other that way and you really investigate the basis for that, go back in history, why is our culture imprinting us this way, you're halfway there to solving any
problems that you have and everyone in the room usually nods in agreement and says, "That stands to reason." (so)

As far as your diffusion factor goes, I don't believe because of what the Cultural Imprint has told me and also personal observation, that we were diffusion ready [before]. I don't believe that this society, this area, was diffusion ready. I believe it is now. (so)

I've just got to go back and say that things didn't really change until management changed. And that's all I can say. As much as he was one of the guys that instigated it [the Cultural Imprint Project], he was still going off on his own tangent. And it's harsh to criticise somebody but that's the way I see it. Since that's changed, I think we've come a lot closer together. How do you put a dollar figure on it? I don't think you can. (g)

I don't know. I suspect not. And I suspect there may be a couple of reasons for that. There certainly won't be for the people who are part of the project and those who participated in the project in terms of their efforts. People in the Herbert really do try hard. We're not lazy. I think a couple of things happened. It may have been the right vehicle. I remember going to the first couple of meetings and there was a lot of optimism generated for the potential of things and mindsets to change as part of the cultural program to help in understanding the culture of the problem, the culture of the people, the culture of the behaviour of everything in a community. I think the situation [since] got a bit worse. (r&e)

I don't think I see much change at all as a result of it. I was lucky enough to participate in a couple of things and I think the efforts of trying to show people we are where we are, that we have our ways of approaching things. To take it up [the CI findings] might actually take them to a different place. But I don't see a lot of changed behaviour there. I think there are a number that are trying and there are others that are just happy to fall back into the old ways. And it comes down to we just seem to lack quality leaders and people who know how to act reasonably. We don't know how to accept outcomes and ideas. It doesn't seem to be falling into place. People would rather stand back and throw things at it [the CI project]. (r&e)

I also think that there were one or two maybe prime movers and shakers that left and so I think some of the momentum may have fallen. Before I made really knowledgeable comment on that I'd like to read what the final report has to say. I don't know if, for example, as part of that program, that you're going to end up with a document that tells you, yes, it's possible to change this mindset, no, it's possible not to change this mindset. Or there would be benefit if everybody could be swung around to think this way, currently we think the focus is a bit left of centre or whatever. I don't know. I base what I said on, to a large degree, how little that I've heard spoken of it. (r&e)

I honestly don't know, but currently, not much. (g)
Why you might think you might not have made much mileage [from the CI project] is because you'll get people that don't want to accept it. They know that you're talking about them but it's not really my problem, it's someone else's problem. (m)

If the whole Cultural Imprint for whatever dollars that were put into it by SRDC, which is half-funded by the Commonwealth Government of course, if that resulted in a more optimistic outlook by some growers and some other people, not necessarily growers, that are involved in the industry, the whole thing was probably worthwhile. But I don't know if that has. To me a person's more optimistic outlook which may have a long-term impact on the industry is probably worth a million dollars, particularly if that person turns out to be a leader. (r&e)

In some areas no impact at all. In some areas, yes, it has made an impact within small groups but in the wider picture, we've still got the main problems there and that miller – grower relationship hasn't changed. (h)

In the small areas it's [the CI project] actually made people stand up and think about what they're doing and what impacts in certain areas. That's been an interesting one because people now think of not just themselves as much. (m)

I think from a personal point of view that what I've found from the work is that you tend to pinch yourself and look at things a little bit differently as opposed to the stereotyping that we've actually done in the past. Say miller versus grower, grower hates miller because they did something 50 years ago and that type of thing. So when you hear something like that now personally – and I know other people do as well – they'll tend to look at things with a bit more of an open mind and think, "Well, why are they saying that" as opposed to "Well, that's what they say all the time and that'll never change." So I suppose its given us another perspective. A bit more tolerance. (m)

And that's not just from a millers point of view but I know some of the growers, for instance – I won't say the name but some of the younger growers that I talk to outside of work really believe that if they want to be here for the longer term, that we've got to change. That they're actually seeing that they've got to convince their parents, or the older people in the farming community, that they've got to change. They're seeing that as a challenge and sometimes its just too great. And they're thinking, shit, you know, it's just as easy for me to actually head out west as a grower as well. So what's Cultural Imprint done? It's given us a more rounded view on how we see the world within the Herbert. (m)

Whenever there's a disaster or crisis, people tend to go back to old behaviours. 

........That makes it all the more important to just pause and reflect and say, "What have we learned? What was our lesson?" (so)

I can only go from a personal perspective and that is embracing the philosophy of it [the CI project]. Well, understanding, that was one, and then embracing the philosophy of inclusiveness and then, of course, using the tools and sometimes I've done it really well
and sometimes I've done it very poorly, has helped me to stay – what do you call it, third person – to stay engaged in the process. My hackles go up as well. Not engage in the emotional discussion that goes on and be able to do it very detached. And me personally, I guess it's enabled me to retain sanity and all those things that you do as a person: retain sanity, sleep, enjoy life and not get weighed down. In doing that, as others see the individual do it, I see glimpses of that happening with my team as well. I've also been able to have conversations with my team about it and talk about more engagement and process and not get caught up in the emotion. (m)

I'm disappointed with some of the lead investigators – no, is it principal investigators – that put all this [the CI project] together. Maybe you make excuses that they are very busy or so forth but –.. So that's disappointing. From my point of view [named person], to me – talking about people – who's a very big disappointment. [Another named person], whether he's picked up any of the techniques which has allowed him to get on to bigger and better things. [named person] has come a long way as a person. He's picked up heaps and so it's great to see him out there and being effective as a leader. So, yeah, that's a positive. Very much so. (so)

You've also got some community leaders that have picked up on it and are doing great things out in the community which is not associated with sugar but for the community. I guess the leading light there is [named person] and the work that she's done in getting the skate park going for the kids, things like that and getting people enthused and getting that going, getting people into public life and also corporate life, work like that. Like everything in the beginning, that's tireless, thankless activity but she seems to be getting a momentum going so that's great. (m)

I think it [the CI project] serves to make each sector more aware of where the other sector stands. People know what affects them and they know what their costs are. They know how to deal with their own little empire. They look at the mill and say, "Oh, yeah, this is making plenty of money, that thing there" but they don't understand what's going on inside. The harvesting sector, we all look at them and say they're the only ones at the moment making money because they can pass their costs on. And indeed they are making money. Now what this whole thing has done in this district is opened the book [In other words, the Cultural Imprint Project has increased transparency]. Before, you couldn't get a grower's costs out of him. You couldn't get it. Now they're willing to share their costs and things like that with you. The miller's more down the line of open book. The harvesting sector, well, no one still knows what they make in profit but it's easy to work out because most of the growers own the harvesters now anyway. (r&e)

I think the Cultural Imprint Project itself - like when we had them in the Shire Hall, those sessions there, that really helped in a better understanding of where everybody else sits. (h)

From our point of view I think it [the cultural imprint project] has helped. It has helped to put things on the table. We would never have sat around the table like that before with
the grower and harvester guys and the shopkeeper and the mayor. You wouldn't have done that. (m)

I think it comes down to the individuals. There are individuals who are a good lot to have and some of them are industry leaders, you know, [named person] and those sort of guys, CSR guys. I think there's a flow-on effect [from the CI project]. I don't think you'll see the full effect in a few weeks. It's a bit like a fertiliser response. You don't whack it on and see a response in three days. There's definitely going to be a flow-on effect. Even the people who are rubbing the project are thinking about it. If they've got time to say it's a load of crap, they must be aware of it (inaudible). I think eventually the flow-on effect has got to come through. And I think the economics are driving it. We've got to work together. We've got to have a mill, we've got to have growers. You can't have one without the other. And eventually we're going to have to sort something out for the future of the industry. And I think Cultural Imprint is part of that. Like I said, I don't know if you'll see the full effect. I think it will be ongoing. (r&e)

I suppose in a round about way it [the CI project] definitely has a contribution in the improved relationships because I know a number of people that have been involved in this project have stuck their necks out in different arenas, more in some than others. And I suppose that rubbed off on other people, too, and there maybe other people also that haven't been involved in this project but it starts to rub off on other people and other people start to see it positively or try to see it positively and generally try to understand and try and get involved in groups. I think it was the beginning of least season there was this willingness to get involved. A lot of groups - a lot of meetings were being held around the place. (so)

It's hard to measure the dollar terms but, as I said, overall I think we've got an improvement. Look at the siding projects, how they've evolved. First, when they were announced, there was a reasonable amount of negativity about it all. "CSR's got a handout. Why should we get involved in that? All they want to do is pull sidings out"; all the things why they shouldn't be going it. But then – and I think this is all part of this business – there was a few people who got hold of this project, growers and some miller fellers and that, and they got out there and started saying, "Look, this is an opportunity" So people started to think a little bit differently. And now its started to grow and my forecast is that it was slow picking up, hard getting groups of growers to agree and this and that but as we move closer to the deadline, all of a sudden there's going to be a stream "Pick me, pick me because otherwise I'm going to miss out." (m)

The other thing is even if it hasn't changed anything as yet, it's raised the awareness of this. I don't know if I'm making myself clear but people are now aware that there is such a beast as 'culture'. What's happened in the past, why people think what they think now is because of what's happened in the past. I think more people are aware of it. And sometimes I'll catch myself or I can see other people will catch themselves with a thought or expanding on a thought and realise, hang on – and they might rethink it. So it's changing perception. (m)
I think if you were thinking it was only a success if we're now in a new place, I don't think we are in a new place. I think we're at the stage where there is a new place, there is an old place and gradually it may be improving. (r&e)

CSR had a workshop, how to improve the interface between cane transport and harvesters and all that. And some of that stuff is starting to come through now. There's been a willingness to do that sort of stuff that there wasn't [before]. Generally people are a lot happier with the cane supply and transport side of things. There's no qualms there. Now the problem is milling performance. So I think there's been big improvements. I think we've got to just try and keep going. But on the cane supply and transport interface with harvesters, there's been a big improvement. [Note, this CSR Traffic Operations workshop, though officially outside of the Cultural Imprint Project, was inspired by our earlier Cultural Imprint work, giving it credibility in the eyes of the stakeholders]. (g)

There was an instance where I spoke to someone and was surprised at a reference they made about a meeting that was taking place-- this referred to [mill manager] -- and the words were "Oh, he's gone to a meeting where you learn to have a meeting without talking" and said in such a way as, you know, it carried a bit of disdain as if to say, "What the hell are we talking about here?" And that came from someone fairly senior in the industry and as soon as I heard it I just thought to myself, 'Here we go'. (r&e)

All I've only really become involved with are the 'Meetings without Discussion". Those alone have probably been worth it. (g)

The only thing that I've been involved with the Cultural Imprint is that leading to our discussion that you had with the rail siding. I come to one of those [workshops]. I wasn't involved in anything else. [At the siding meeting] I thought you had people there that had different views and whatever but everybody was prepared – the beauty about it, everybody put their ideas up and people were prepared to go and look at different things to get things done which hasn't happened before. And what it does, it brings loco crews and mill people and growers and harvesters together to talk about each point of view. You might think it's a good idea as a farmer that we do it this way but then the loco driver might have a different idea or there might be too much of a gradient and they can't push the bins back. That's what it does, it brings everybody together. And that's the big merit of it. And everybody gets their say. And nobody argues with anybody. (h)

The one I was at [siding workshop], apparently that's going ahead. I was really impressed. (m)

Interviewees were invited to comment on how we might have got more leverage from the Cultural Imprint Project.

The other thing that I was critical about – not criticising but I was critical about and the project had no control over this – I believe we probably had too many traditional people involved in it. You shouldn't have the [senior R&D person] or the [senior grower rep] or the [senior grower rep] or any of those people. We're all tired. Everybody expects
something out of us and really I wonder how capable we are of producing something for anybody. The problem, I believe, lies in some of those more obscure people out there in the industry that have never been given a chance to have their say. They won't speak up at meetings. Now Ingham is a surprising place. The number of doctors, major scientists, really high achieving technologist that have come out of this little township with Italian-originated people is incredible. It has a lot of very, very highly intellectual, capable people here. And those guys have always been massively important innovators in harvesting machinery, farming machinery and all that sort of stuff. There are a lot of them still out there. We never got a chance to listen to them. [Note, although this is the opinion of this interviewee, our early analysis took into account the opinions of a broad cross-section of people through interviews and focus groups.] (r&e)

I think a lot of the initiatives, not just Cultural Imprint but a lot of the initiatives that we actually embark on that don't work is because it seems to be a fad and there's no longevity to it. So to answer the question about what we could do differently is to probably sustain that discussion formally for longer and then if it's like chewing peas, you have to chew it 20 times or 27 times. And I think that's one of the reasons why some of our initiatives actually fail, especially with CSR, is because its seen as faddish. And the non-believers in that will use that as an offensive thing back to the person trying to bring a new initiative in, saying I told you so, it wouldn't work. But if you can actually keep something in people's face for a lot longer and actually just get past that hurdle, it then becomes part of life as opposed to something that's just a fad. (m)

I think what we've got to do is - the story telling is something that can be positive or negative and you've found that it can be a sustaining way of actually communicating. And with Cultural Imprint, what we could probably do is maybe get the stories and maybe even go visual. I think with what you just said about getting to the kids, there are some of the older generation that you could spend a lot of time and effort trying to change people's minds, why would you even bother? Get into the raw material – the kids – and not push them in a direction but say, hey, this is what this place could look like. Offer a vision, an alternative. (r&e)

Done differently? I guess if I stay on the same thing, it's the principal investigators being at the forefront, not allowing the researchers to make the running and being the front man or the public face of the whole project. The local leaders in my mind should have been out there. (so)

To get more traction? Yeah, that's right because the written word only captures a certain portion of the community and then there should have been visual and interactive. (g)

Conclusion.

The twelve interviews reveal that the culture of the sugar industry is still very rich. Though there has been some improvement in relationships between key stakeholders, those shifts are not great. The historical underpinning differences, and the resulting mistrust, are still present.
Since 2004, power has shifted away from the mill to the growers. The arrival of managed investment schemes now provides growers with choice and presents the mill with a substantial potential threat. In the face of poor sugar prices, higher production costs, labour shortages, and an overall pessimism, selling out begins to look attractive to some growers.

It is noteworthy that none of the twelve interviewees directly mentioned the Cultural Imprint Project as the catalyst for any change. In fact the CI project was not mentioned at all, until it was specifically raised in the final question. There are two reasons for this. First, the invitation to interviews and all but the last question did not mention the CI project. Second, most of the sugar industry in the Herbert was not involved in the early data capture; and most did not attend the three workshops that were conducted, the most recent of which was May 2005. The project has received no media coverage in the last two years, since it has largely been dormant. The ‘Meetings without Discussion’ interventions, though they logically flowed from the analysis, were not seen to be connected to the Cultural Imprint Project. In fact, we were specifically warned not to make any connection.

Yet, when the connection was made, a number of interviewees acknowledged that the Cultural Imprint Project had left its mark.

The SRDC-funded Cultural Imprint Project has provided insights into why particular industry sectors act the way they do. Increased understanding has led to some improvement in relationships and to a willingness by the mill to invest. The ‘Meetings without Discussion’ intervention is viewed positively as a vehicle that can produce outcomes not previously thought possible.

It is somewhat regrettable that, when all of the groundwork has been done and the lessons clearly learned through this final evaluation, the project comes to an end. It would be beneficial if, in true action research style, a subsequent project could breathe life into all that has been learned.

My thanks go to the twelve interviewees for their frank and insightful comments. Any errors or omissions are my own.

Ian Plowman,
1st November 2007.