1627. There are clearly inconsistencies in the industry view that post harvest R&D resources have declined. There is other evidence that while total resources may have declined, work has been more closely focussed to those sectors, such as berries, which are tightly organised, politically active and able to communicate their needs.

1628. The message is quite clearly that, as discussed in the earlier section on Research, industry sectors need to organise better their approaches to research providers and research providers need to develop better techno-commercial interfaces with specific industry sectors and people in them.

1629. Future needs are clear; there must be an upgrading of post harvest handling techniques if the industry and its sectors are to develop over the next 10 years. The export potential of many sectors is restricted due to problems past the farm-gate.

1630. A more resource effective approach is required by Government. Obviously the cost of post harvest R&D is a concern, especially the range of specific post harvest techniques needed for the diverse sectors of the industry.

1631. The need for standardisation of post harvest handling techniques is generally recognised by the industry, but there is little evidence of sustained programmes in practice. For instance, there have been real efforts in the past to standardise packaging and yet the proliferation of carton sizes in the industry is alarming. Standardisation of cartons and packages has occurred in overseas industries much to the direct and indirect benefit of the producers. Whilst Australia's difficult and in some cases different distribution systems dictate the techniques we need to use, it is the marketplace which determines the requirements. This message needs to be continually pushed in the industry.

1632. The establishment at NHC of an applied research facility bringing together all the necessary resources for post harvest R&D will clearly produce major benefit to the industry.

Transport

1633. Transport is always seriously understated as an issue in horticulture. It is usually included in post harvest handling, but deserves special recognition because of its importance in maintaining quality, as well as its high direct cost to the industry in Australia.

1634. The Australian industry is physically well serviced by road, air and sea transport considering the size of the country and relatively low total population. However, efficiency considerations and scheduling within the transport industry creates many unique problems for the horticultural industry and its sectors.

1635. Product handling, unit loads, routing and timetables are all indirect cost to quality and customer satisfaction. The answers to the problems, however, are complex. The marketing skills required for horticulture involve a close working relationship with transport operators, in terms of both post harvest handling and business association.

1636. Many examples from overseas are cited by the Australian industry where transport operations are more attuned to horticultural products. The cutflower road and air freight facilities in Holland and the USA citrus exports to Japan and SE Asia are just two specific examples. These relationships are principally volume derived and dedicated services are now major marketing advantages. How these can be emulated in Australia is a matter of industry and sector culture in the first place. Specifically the transport industry must have confidence in the horticultural industry's future direction for the investment in equipment and services to be made.

1637. In the interim, the industry and its sectors must develop post harvest handling techniques which fit the available transport system. Standardised packages and unit loads such as road pallets and air container stowage which protect the product are fundamental along with some temporary form of temperature management for perishable product, if it is not provided. This technology is available in Australia and overseas, but not always re-inforced in the industry due to inadequate post harvest management attention.

1638. More specifically, the cut flower sector has a very serious disadvantage in export and also to a lesser extent in domestic markets in that it is unable at present to use containerised loads. This results in both very much higher freight costs (approximately double for international air freight) and increased risks of damage and deterioration during transport.

1639. This inability to use containers derives from the lack of any central consolidation point, such as a wholesale market, where container loads can be consolidated between a number of growers and export orders even can be topped up. Industry workshops and transport operators have confirmed that export freight forwarder facilities attached to a wholesale flower market with associated quarantine arrangements, eg at NHC, would make a major contribution to the cut flower sector's export capabilities.

Pricing & Cost Competitiveness

1640. The farm cost pressure on Australian horticulture is a serious and potential constraint to the development of the industry. Innovative production techniques, continued mechanisation and new technology will be needed and must be effectively implemented for the various sectors to improve their cost competitiveness. These improvements are usually capital intensive and will bring additional financial burdens to existing enterprises. Investment incentives and availability of risk capital are important issues to the industry.

1641. A further problem is the declining availability, increasing cost and low productivity of harvest labour.

1642. The cost competitiveness of the Australian industry in comparison to other world industries is a concern for export development and import replacement. More efficient, or lower cost countries, particularly those in the Southern Hemisphere (such as South Africa, Zimbabwe, Chile), who compete with us for the Northern Hemisphere out of season market, pose a real threat to many sectors in Victoria. The lack of a thorough understanding of our competitors' strengths is a barrier to these sectors.

1643. The concept of value added products in the horticultural industry is real. Again, the identification of these opportunities is a problem to many sectors. A strong economic and market analysis group within the industry is needed in Victoria to continually search for new markets where our industry's strengths outweigh our cost disadvantages.

Wholesale & Retail Markets

1644. The centralised approach to fruit and vegetable markets has worked effectively for the industry in Victoria and Australia. Despite the world wide threat to centralised markets in the 1970's which was brought on by the emergence of supermarket retail outlets, a central market is still preferred by the industry for fruit and vegetables and increasingly for cut flowers as the physical point of transfer and as the means of price determination in relation to supply/demand and quality. The threat of electronic selling is the next hurdle.

1645. A key issue in the effectiveness of central markets for horticultural products is their perishability and the impact of this on both their short and long term supply/demand and hence price relationships. Products which cannot be stored for long periods and even stored products can suffer quality problems. Prices for these products can be volatile and very seasonal. Trends can often be hidden, especially when there are several intermediaries. The short term signals from buyers and consumers are not always conveyed to growers nor accepted by them, even if received.

1646. A market venue is traditionally the area for price determination where short and medium term trends are evident. This has been true for the fruit, vegetable and nursery sectors in Victoria, even though over 35% of trade in the fruit and vegetable sectors, and much more in the nursery, by-passes the various market systems. The cutflower sector price in Victoria is less market related since less than 10% of the produce is presently handled through the market. This is a problem to cutflower growers.

Ornamentals and Other Nursery Products

1647. Wholesale markets for ornamental and other nursery products are provided commercially through Plantmark Pty Ltd at Lyndhurst near Dandenong and through the Nurserymens' Association of Victoria monthly market at Caribbean Gardens at Scoresby.

1648. The industry generally appears to be well satisfied with the style and frequency of these markets. However their relocation or consolidation to become a weekly market or even daily at NHC is likely to be supported if grower costs are not increased and the additional revenue from leasing space is available to support related facilities such as a wholesale flower market.

Fruit and Vegetables

1649. Growers in these sectors see scope for improvement in the operation of the Melbourne Wholesale Fruit and Vegetable Trust wholesale market in Footscray Road, but do not see need or benefit from location to another site such as NHC.

Cut Flowers

1650. The Sydney Flower Market at the Flemington Fruit and Vegetable Markets is a centralised dedicated system which accounts for 70% of cutflowers sold in NSW. The Brisbane Flower Market has been set up adjacent to the central fruit and vegetable market at Rocklea with an estimated 35% of trade moving through the market. This share is building as the Queensland market expands and is higher than initial trade forecasts when the market first opened in 1981. In Melbourne, less than 10% of flower production is sold through the Footscray Road market. In effect the latter market primarily services the needs of fruiterers and related retailers who also sell flowers.

1651. As a result, the industry is heavily overserviced in its distribution with van runs operated by individual grower groups and wholesalers criss-crossing the metropolitan area.

1652. The hours of operation, market access and availability, facilities and the need for a separate more defined area of operations are cited by the Victorian cutflower sector as major limitations to improving sales through the Footscray market.

1653. Growers are also concerned at the environmental conditions in a market shared with fruit growers; both truck fumes and ethylene from apple treatment have serious and deleterious effects on flower quality.

1654. A further disadvantage of the present market that arises from the lack of volume of quality produce and of consolidation and container packing facilities is that the industry has no central point for consolidation, inspection, packing and containerisation of export orders.

1655. The industry sees an urgent need for a dedicated wholesale cut flower market (to include cut flowers, indoor plants and flowering pots) similar to the Sydney Flemington market which also provides the means and facilities for export order consolidation and containerisation.

1656. The development of a stronger central market by the Victorian cutflower industry has been advocated by the Victorian Farmer Federation (VFF), Flowergrower Group over the past five years. As well as the potential for increased sales, the real potential lies in improved and more efficient distribution. The cost savings in servicing wholesalers and retailers is likely to be significant in economic terms. The relative cost/benefit of the alternatives, that is improvements to the existing market, or the development of a new market with an export role is the issue.

1657. NHC provides a major opportunity for such a market and associated facility.

Retail Markets

1658. Generally retail facilities are seen by all sectors to be more than adequate. The case for retail facilities at NHC relate to:

(a) the potential to generate additional revenue for the Centre, consistent with overall NHC objectives;

(b) specialist sectoral needs.

1659. A particular concern arises that new varieties presented by NHC as demonstrations should also be available for sale through a limited specialist retail facility. The concern was that the NHC should be able to meet visitors' expectations raised by such new varieties in terms of direct sales.

XVII PROMOTION

1701. The industry as a whole does not adequately promote itself, although several of the sectors are well organised in Australia and on overseas markets.

1702. The primary promotional activities in the horticulture industry are directed towards sales through product and brand development. The general promotional activities of product safety and nutrition, as well as consumer education and usage, are interwoven into specific campaigns, but are not often treated separately on a commodity or industry basis. These are discussed in the next section.

1703. The problem of promotional funding is being addressed in many sectors. New sectors particularly need support on an industry basis. A strong industry promotional body is needed but is not always acceptable to the industry. Any such body needs to sell itself to the industry as well as promoting to consumers. The recently formed Australian Horticultural Corporation ("AHC") appears to be the best options for many of these sectors. Whether the AHC is the best option for all sectors is a question of industry structure and AHC expertise and management as much as sector need.

1704. The development of a more mature attitude in the industry should be encouraged. An "industry culture" is essential to its success. This has been achieved in the Victorian table grape sector since the early 1980's. Both individual businesses and the horticultural industry generally have gained from the united approach in the table grape sector. Promotion of the overall sector's development played an important role, but fundamentally the production, post harvest handling and marketplace opportunities were already in place to produce top quality table grapes for export market. These steps have improved the sector's standing in the domestic trade as well.

1705. The pome fruit and citrus fruit sectors are well organised through the Australian Horticultural Corporation ("AHC") to fund product and industry promotions. The nursery sector has recently joined the AHC and is thus poised to promote itself more effectively. The berry fruit industry has become better organised, although there is an inherent product differentiation, for instance between blueberries and strawberries. Various State berry, fruit organisations have undertaken specific market related promotions over the past three years.

1706. The cutflower industry is becoming better organised to undertake promotional activities in Australia and overseas through several industry bodies. Recent UK experience shows the possibility of doubling cut flower per capita consumption by effective marketing and promotion. There is scope to explore the potential effect of a similar campaign in Australia; this is a challenge to the industry with a potential benefit many times that available from likely increases in export.

1707. The promotion issue is not only a question of strategic and specific campaigns, but also of equitable funding. In the fruit and vegetable sectors, State statutory authorities, such as Queensland's Committee of Direction ("COD"), have run major campaigns on a wide range of sector commodities over many years. These have been possible through legislative funding arrangements. NSW and Victoria are following COD's initiatives with compulsory levies through the Market Produce Act. Whilst the nursery sector is now better positioned through the AHC, the cutflower sector needs better arrangements. In addition, new crops and sectors find it difficult to develop promotional campaigns during the establishment phase.

1708. A facility such as the NHC with several hundred thousand visitors a year (discussed in Report No 2 - Detailed Business Plans) offers an outstanding opportunity to the industry to organise cost effective promotion on issues of potential importance to both industry sectors and to individual growers.

Product Safety and Nutrition

1709. Food safety and nutrition have become important issues over the last 10 years in an ever increasing consumer conscious market place. This is important to the fresh and preserved fruit and vegetable sectors since product attributes have been one of their strong points. However, benefits have not always been built upon nor re-inforced with the consumer. An indifferent generic approach by the fresh fruit and vegetable sectors in particular has been a case of missed opportunity for improved sales.

1710. There is equally a greater need to provide information to and work with key decision makers and intermediaries, such as doctors, nutritionists and media food writers and presenters, on safety and nutrition issues. This has been a major promotional success area for the dairy and the red meat industry. Even the wine sector has responded with low alcohol wines and improved techniques with traditional table wines. This sector through such promotion is perceived to have developed a responsible approach.

1711. Vegetable consumption has shown only a low growth rate per annum over recent years (Exhibit 10.2, page 84) given changing attitudes to nutrition in the country. There is scope to increase this growth rate by better education and promotion. This area of promotion requires effective co-ordination across the industry at State and National levels.

1712. Product safety in the nursery and cutflower sectors is emerging as an important issue. The use of chemicals for pest and disease control can present problems with consumers, if strict controls are not adhered to in the production and distribution cycle. These sectors must continue to address these problems in the interest of their consumers.

1713. The Victorian horticultural industry has a fragmented approach to product safety and nutrition. Many different agencies and organisations are involved in this area from the Garden Advisory Centre at Burnley to the State Government Laboratories. A more centralised and managed approach is strongly indicated. We would expect this to be facilitated by having one centre or focus for the industry such as NHC.

Variety and Quality

1714. Promotion is no substitute for product variety and quality. The marketing skills of individual enterprises and encouragement by sectors through quality assurance programmes will advance the products' acceptance and the overall standing of the sector. Quality management issues have already been discussed. This section will therefore concentrate on variety related issues.

1715. At the core of product differentiation in horticulture is the plant variety. People firstly choose a variety because it is familiar and they have confidence that it will meet their needs. They may also choose a variety because it is in fashion or because it is a new and possibly heavily promoted product. At the same time DARA survey work has shown that for much horticultural produce, consumers are unaware of product varieties or varietal differences, pointing to the importance of consumer education.

1716. The producer under PVR legislation has a further and important interest in a variety that he develops since it becomes his intellectual property.

1717. Issues identified in this study include:

(a) the need to accurately identify and if necessary certify what a variety is and whether it is novel (ie patentable under PVR);

(b) market research to establish which varieties are required by which markets; for example, specific Northern Hemisphere flower markets are primarily only interested out of season in a limited number of varieties which they traditionally produce in their own season;

(c) new variety development to improve decorative, production, storage life or transport handling characteristics;

(d) field trialling of new cultivars to produce understanding of the necessary growing and post harvest practices to achieve cost effectively the market potential from a given variety;

(e) scope for demonstration to potential purchasers.

Variety Identification and Certification

1718. The need for independent facilities for variety identification and certification have already been discussed. This is seen as a priority need and possibly future role for NHC.

Market Research

1719. We have earlier referred to the need for better understanding of market needs. Variety development and improvement needs to be closely related to understanding of market needs.

New Variety Development

1720. This is at the core of the industry's future development. It requires effective integration of growers' practical experience with the best biotechnology research support than can be economically justified. Such support needs to be market and grower rather than citation and publication driven.

Trialling

1721. Trialling is essential to establish good growing and quality management practice. While initial work can be done at a research facility, ultimately trials have to be moved out into a commercial growing environment ie on grower properties. There is little benefit from establishing trialling at a centre such as NHC except where this is attached to a research facility or is for demonstration and/or consumer evaluation purposes. The land area required and the diversity of soil and climate types are unlikely to be available at NHC.

Demonstration

1722. Our study suggests that NHC can have a useful role in demonstration "trialling" of new varieties and thus helping to better assess consumer responses. The industry sees this as a significant area of need at present.

Consumer and User Education

1723. Growers in most sectors expressed concern at the fragmentation and paucity of opportunities for consumer and user education. Such education needs to be considered under a number of headings:

(a) retailers;

(b) amateur and other gardeners;

(c) consumers of fruit and vegetables;

(d) flower users and arrangers.

Retailers

1724. Florists and other flower retailers such as supermarkets have established TAFE courses at Box Hill and Holmesglen. Good access to wholesale flower markets and NHC demonstration gardens will be of value to these courses, but as practical experience rather than for NHC to become the primary venue for such education. NHC market facility can also be of some practical value to retailers who conduct their training in-house.

Amateur Gardeners

1725. Amateur gardeners are deluged with electronic media, books and periodicals which they avidly consume. Media presenters will benefit from the variety of specialist gardens proposed for NHC. There will be a myriad of new opportunities for organisations like the Royal Horticultural Society ("RHS") to use NHC to assist their members. The underlying needs are hard to define and impossible to quantify as many first require creation of awareness of that need by the consumer, a perennial problem in market introduction of new consumer products.

1726. Home garden courses could certainly be offered at Wantirna. Numbers of participants in Burnley run courses range from a few hundred per year to in excess of two thousand, depending on the types of courses offered. Any such programmes must not undermine the offerings of Outer Eastern or Holmesglen Colleges of TAFE. An NHC based "management group" including all the above could be established to facilitate these courses.

1727. One of the most important identified specific needs is for a horticulture library easily accessible to the public. Present conditions of access limit the utility of the Herbarium and Burnley libraries to other than professionals and specialists.

1728. The RHS already has in storage a collection of serials and books capable of forming the nucleus of such a library.

1729. From the community point of view, the existence of the NHC will be particularly important in:

(a) encouraging more participation in gardening as an outdoor recreation;

(b) facilitating education on health and safety issues, eg on chemical use and residues, through posters and other displays and associated information services.

Fruit and Vegetable Growers

1730. Growers are concerned to better educate consumers both on nutrition issues and on safety issues, eg lack of pesticide residues.

1731. The benefit of NHC to them will be to have access to a captive audience of NHC visitors and to have a metropolitan focus for their educational and promotional activities.

Flower Users and Arrangers

1732. Flower arrangement courses take place all over Melbourne almost all the time. NHC will add a new venue which has potential access to a wide range of plant material. It is unlikely to be a substitute for existing courses.

XVIII SUPPORT INDUSTRIES

1801. Many industries are heavily dependent on horticulture. They have a continuing need to promote and to educate users in the scope and productive use of their products. The building industry has been prepared to fund and has seen the benefits from its Building Development Display centre. However, because of the lack of data, no attempt has been made to quantify horticulture support industry needs and potential benefits.

1802. The NHC will provide access to two types of customers and potential customers:

(a) gardeners and other visitors;

(b) growers and retailers.

Gardeners and Other Visitors

1803. NHC facilities, such as product displays, and events such as Graden Weeks can potentially be of greater cost effectiveness if on a developed site with a large and regular flow of visitors. Such a site also can provide the venue for specific promotions and new product launches. These opportunities are assessed in detail in Report No 2, Business Plans.

Growers and Retailers

1804. Associated with any wholesale flower market and any other nursery product wholesaling facilities will be the opportunity to sell direct to selling growers and to buying retailers. Adequate provision needs to be made for the associated warehousing, trading and banking facilities.

Transport

1805. Most freight operations in the transport business do not not cater generally for the perishable products sector. The need for specialised freight forwarders and handling systems is paramount. This could be handled on a sector basis rather than the industry as a whole. However, there are opportunities for post harvest compatible products and sectors to work together.

1806. Whilst freight consolidation is essentially an element of post harvest handling, the smaller and newer sectors of the industry see a need for consolidation of produce by a number of growers, wholesalers, or exporters to achieve unit loads, economy of scale and improve buyer satisfaction. This is even an issue from time to time in larger sectors such as pome fruit and citrus fruit, where sea charter operations have been undertaken.

1807. There have been several examples of air and seafreight consolidation over the years; citrus fruit to the Middle East, fruits and vegetables to South East Asia and pome fruit to the USA. However, these operations have not continued due to any one of a number of factors such as lack of grower commitment, seasonal fluctuations in production, financial viability of the operation or market demand. In several instances, a market-glut which occurred and lack of adequate storage facilities in the marketplace led to poorer than expected returns.

1808. The real problem with many of these operations is the lack of a planned approach to the program. It is not only a matter of freight consolidation but also a marketing exercise involving an integration of grower, freight operator and buyer. This can be very difficult to achieve, both operationally and business wise.

SECTION D

NHC ROLE AND POTENTIAL BENEFIT

XIX POTENTIAL ROLE OF NHC

1901. From the activity scope set out in our brief, we developed a conceptual model based on the earlier studies which shows two strong foci of interest for any NHC development:

(a) industry and growers;

(b) gardeners generally and the public.

1902. The model was illustrated in Exhibit 2.1. It shows those facilities that primarily relate to one focus and those that could be shared by both types of users.

Industry Needs

1903. The foregoing industry analysis, supported by extensive consultation with people representing industry and potential public user interests, identified a number of facilities, services and resources where there are needs for enhancement or improvement if the industry is to realise its full potential in Victoria (Exhibit 13.1). The implication of these needs in relation to identified market opportunities has been discussed in Chapters XIII to XVIII.

1904. The next step was to review each of the identified needs and make a judgement whether these activities in whole or part might either possibly (one W) or desirably (two Ws) be located at NHC.

1905. At this stage we have made no assumptions nor have we attempted to assess these options in terms of financial or funding viability.

1906. The possible "desirability" of activities for location at NHC has been overlaid in **Exhibit 19.1** on the earlier chart setting out needs for enhancement.

1907. At the same time, the consultants reviewed earlier studies and identified activities which may be required to improve the financial viability of the project, even if like nursery product retailing, they are already well provided elsewhere or are not seen by the industry to be priority needs.

1908. In explanation, we have summarised needs perceived by industry and needs identified in analysis of potential interview data on a sector by sector basis using two criteria:

(a) **need** for additional activity, facilities and resources, specifically whether there is just "**some need**" or whether there is a "**priority need**";

(b) **potential for location at NHC**, specifically whether it is just "**possible**" or is "**desirable**"; the criteria for "desirable" here related to industry perceived needs rather than to purely commercial considerations of financial viability.

1909. We now comment on the outcomes of this analysis under these headings:

(a) new activities and facilities that meet **priority needs** and are also **desirable** at NHC; // WW

(b) activities that meet **priority needs** and which it might be **possible** to locate at NHC; // W

(c) activities and facilities that meet a level of **some need** (but are not priority needs) and are also **desirable** at NHC; / WW

(d) activities which meet a level of **some need** and might **possibly** be located at NHC. / W

INDUSTRY ELEMENTS

Ehibit 19.1

SHEET 1

Drivers and Barriers	**Amenity Horticulture**	**Home Gardening**	**Cut Flowers**	**Ornamental & Other Plants**	**Fruit & Vegetables**	**Horticulture Inputs & Services**	**Horticulture Product Processing**
1. Knowledge Related							
1.1 Information Access	✓✓ WW	✓✓ WW	✓✓ WW	✓✓ W	✓ W	✓ W	✓ W
1.2 Training & Education	✓ W	✓✓ WW	✓✓ WW	✓✓ WW	✓ W	✓ W	✓
1.3 Testing: Soil, Diagnostics etc	✓✓ W	✓ WW	✓✓ WW	✓✓ WW	✓✓ W	✓ W	✓
1.4 New Variety Development	✓ W	✓ W	✓✓ W	✓✓ W	✓ W	W	
1.5 Applied Research	✓ W	✓ WW	✓✓ WW	✓✓ WW	✓✓ W	✓ W	✓ W
1.6 Advanced Biotechnology Research	✓ W		✓ W	✓ W	✓ W	✓ W	✓ W
2. Regulatory							
2.1 Quality Certification	✓ W	✓ W	✓✓ W	✓✓ W	✓ W		
2.2 Variety Testing/Certification	W	✓ W	✓✓ W	✓✓ W	✓ W		
2.3 Quarantine: Import	✓		✓✓	✓✓ W	✓	✓	
Interstate			✓ WW	✓ W	✓		
Export			✓✓ WW	✓ W			
2.4 Physical, Chemical, Biological Testing			✓✓ WW	✓✓ W	✓ W	✓ W	
2.5 Supporting Technical Services: eg Pesticides, Fumigation			✓✓ WW	✓✓ W	✓ W		

LEGEND:

1. Need for additional activity, facilities and/or resources	✓ some need ✓✓ priority need
2. Potential for location at NHC Wantirna	W possible WW desirable

This legend also applies to Sheet 2.

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INDUSTRY ELEMENTS

Ehibit 19.2
SHEET 2

Drivers and Barriers	**Amenity Horticulture**	**Home Gardening**	**Cut Flowers**	**Ornamental & Other Plants**	**Fruit & Vegetables**	**Horticulture Inputs & Services**	**Horticulture Product Processing**
3. Market & Distribution							
3.1 Market Data							
Domestic	W	✓ WW	✓✓ WW	✓✓ W		✓ W	
Export	✓		✓✓ WW	✓ W		✓	
3.2 Meeting Market Needs							
Varieties	W	✓ WW	✓✓ W	✓✓ W	✓ W	✓	✓ W
Pricing/Cost Competitiveness	✓		✓✓ W	W		✓✓	✓✓
Quality			✓✓ W	✓ W	✓✓ W		
Transport			✓✓ WW	✓	✓✓	✓	
3.3 Wholesale Market			✓✓ WW	W		WW	W
3.4 Retail Sales		✓ WW	W	W	✓ W	WW	
4. Promotion							
4.1 Food Safety and Nutrition					✓✓ W		
4.2 Variety and Quality		✓✓ WW	✓✓ WW	✓✓ W	✓ W	W	
4.3 Demonstration and Consumer Education		✓✓ WW	✓✓ W	✓ WW	✓✓ W	✓	
4.4 Improving Consumer Product							
Usage:					✓ W		
Food		✓ WW				W	
Ornamentals		✓✓ WW	✓ W	✓ WW		WW	
5. Support Industries							
5.1 Grower Inputs and Services							
Transport			✓✓ WW				
Retailer Ancilliaries			✓✓ WW	W			
Other			W	W		W	

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Priority Need and Desirable at NHC

1910. These needs include:

(a) **knowledge related needs** in all their facets for home gardening, the cut flower and to a slightly lesser extent ornamental and other nursery products sectors; the exception is new variety development where there are views that the land area may be inadequate or unsuitable and the associated trialling is better done on the growers farms. The needs include:

- (i) information access;
- (ii) training and education;
- (iii) testing, particularly diagnostics;
- (iv) applied research;

(b) **regulatory needs** in relation to the "flowers" sector; these particularly relate to quarantine for interstate and export and the associated testing and supporting technical services;

(c) **market and distribution needs** in relation to cut flower market data, wholesale marketing and the ability to consolidated and containerise export and interstate orders;

(d) **promotion needs** for the home gardening cut flowers and ornamental and other nursery products sectors in terms of varieties, product quality and improving customer product usage;

(e) **support industry needs** of the cut flowers sector particularly in relation to transport, interstate and export, and flower retailer ancilliary sales.

Priority Need and Possible at NHC

1911. These needs include:

(a) **knowledge related needs** in relation to new variety development for the cut flower and nursery products sectors, and testing (soil and diagnostic) and applied research for the amenity horticulture and fruit and vegetable sectors;

(b) **regulatory needs** in relation to variety identification and certification and to testing and supporting technical services for export of nursery products, quarantine inspection and testing in relation to ornamentals and other nursery products;

(c) **market and distribution needs** include work on new variety introduction and on quality management to meet market needs for the cut flowers and fruit and vegetable sector, improvement of cost competitiveness for the cut flowers sector, facility for retail sales to home gardeners;

(d) **promotion needs** include food safety and nutrition to the public and demonstration and consumer education in relation to the fruit and vegetables sector.

Some Need and Desirable at NHC

1912. These needs include:

(a) knowledge related needs in relation to home gardening soil and diagnostic testing and applied research;

(b) regulatory in relation to interstate quarantine;

(c) market and distribution in relation to home gardening market data and retail sales;

(d) promotion in relation to ornamentals: consumer education and improving product usage.

Some Need and Possible at NHC

1913. These needs include:

(a) **knowledge related needs**, in relation to amenity horticulture and advanced biotechnology research, new variety development for fruit and vegetables, applied research for the horticulture inputs and product processing sectors.

(b) **regulatory needs** in relation to quality certification and quarantine related testing for other than the cut flowers sector;

(c) **market and distribution needs**, including market data in relation to nursery products and amenity horticulture, work on varieties to meet market needs in the amenity horticulture and fruit and vegetables sectors, specialised retail sales of fruit and vegetables to support demonstration of new varieties, improving customer product usage for cut flowers (many other facilities for this exist elsewhere).

Relevance to NHC Components

1914. Industry needs and NHC possibilities are next discussed in relation to NHC components identified in the consultant brief:

1. Original Home for Horticulture Proposal
2. Horticulture Retail Facilities
3. Hospitality Facilities (Food and Beverages)
4. Education Facilities
5. Horticultural Industry Park
6. Wholesale Flower Market and Distribution Centre
7. Government Horticultural Services
8. Advanced Horticultural Research Facility.

Original Home For Horticulture Proposal

1915. As conceived, this component involves:

(a) display and recreational gardens;
(b) exhibition facilities;
(c) accommodation for societies;
(d) public information and education facilities.

1916. Melbourne has no one place where a home gardener can see a wide range of mature plants in real garden settings. Melbourne also lacks a central point with public access to a horticultural library and information facilities. The industry lacks a central point at which it can display both plants and other related products in real garden and mature growth situations under conditions which allow continuing changes to be made to reflect changing market opportunities and new product development. Other venues such as the Botanical Gardens comprise relatively more permanent and unchanging material.

1917. Certain sectors of the industry have specific needs to display new varieties, including ornamentals and fruit. Other sectors need increased cost effective opportunities for consumer education both in the scope and effective use of their products and on health and nutrition issues, including chemical residues.

1918. Generally the industry needs a focus for its interaction with its various publics.

1919. The importance of these focussed public access horticulture facilities relates first to the importance of raising the quality expectations of the domestic consumer earlier identified as central to improving competitive advantage.

1920. At the same time it recognises that the major growth opportunities in horticulture and some of the major threats relate to domestic rather than export markets. For example:

(a) the estimated total value of amenity horticulture in Victoria of $1 billion dollars;

(b) consumer expenditure of over $200 million on home gardening supplies;

(c) both (a) and (b) are key drivers to the ornamentals sector;

(d) potential to double per capita consumption of cut flowers, an extra $50 million sales;

(e) threats to sections of the fruit industry from chemical residue issues in a situation where future production in some sectors will outstrip domestic demand;

(f) potential for significant additional growth in vegetable per capita consumption.

1921. The industry relevance of the Home For Horticulture proposals is that the key to the future of the industry is that greater success in the domestic market is much more significant in total than improved export.

1922. The gardens and trialling areas will also provide a very valuable facility for practical training both of apprentices and of VCAH higher degree students. This is of great interest to Outer Eastern TAFE. They thus contribute to an important educational objective.

Horticulture Retail Facilities

1923. While the industry, given the number of retail nurseries already operating in Victoria, does not see the need for a major plant retailing facility at Wantirna, the revenue potential from such a facility may be important as a contribution to the underwriting of "Home For Horticulture" facilities and activities.

1924. Apart from such commercial realities, there are specialist retailing needs that can contribute more directly to primary industry objectives:

(a) a specialist garden shop, as at Wisley in the UK which sells books and other media material, educational videos, specialist garden tools, clothing etc;

(b) specialist plant retail facilities associated with specific permanent or temporary displays oriented to the promotion of new varieties;

(c) order taking facilities eg for bulk bulb orders.

Hospitality Facilities (Food and Beverages)

1925. Primarily these will produce revenue from servicing the needs of the visiting public or industry people on business at the site.

1926. There is at the same time an opportunity to use the public related facilities to involve new fruit and vegetable products and new ways of preparing them eg a top vegetarian restaurant.

Education Facilities

1927. We have already commented on the value of the gardens for practical apprenticeship training.

1928. The other educational needs to which NHC will contribute include:

(a) industry education:

(i) facilities for the practical component of supervisor and specialist technical short course training;

(ii) co-ordination and marketing of specialist industry continuing education;

(iii) if a major research facility is included, as a base to support VCAH Masters and other higher degree programmes;

(b) consumer education:

(i) as a venue for practically oriented, one or two day or shorter specialist courses for home gardeners;

(ii) in association with neighbouring facilities, as the venue for weekend courses;

(iii) by providing opportunities for industry sectors to communicate on health, nutrition and safety issues with the large volume of visitors to the NHC.

Horticultural Industry Park

1929. This facility can be considered under two headings:

(a) permanent or semi-permanent product display;

(b) industry office and/or trading facilities.

1930. The commercial contribution of both types of park relate to broad domestic and export industry support objectives. Such facilities need to be addressed in terms both of industry need and commercial and financial contribution.

1931. They derive from primary general public and industry related facilities at the site and have little self standing justification in their own right.

Wholesale Flower (and Plant) Market and Distribution Centre

1932. This is the core attractive element for the commercial industry. Without this facility there will be little to attract growers and industry suppliers to the NHC.

1933. However, it is also a high priority need of the cut flower sector (including flowering pots and indoor plants) and has a similar potential to replace existing wholesale plant and nursery product markets both as an attractive NHC revenue earner and as an improved market facility.

1934. A wholesale market will make a very significant contribution to two priority needs of the cut flower sector:

(a) a dedicated market with an environment conducive to the development of domestic markets for cut flowers - a major market opportunity;

(b) as a point of consolidation for containerised export shipments of cut flowers;

(c) "a place where industry people go regularly for meaningful commercial reasons".

1935. The latter role is supported both by flower growers and by transport industry flower specialists.

1936. NHC role in plant wholesaling is essentially an add-on to the flower market. It is attractive as much for the revenue that it generates and retains to support overall industry needs as for the need for better market facilities.

Government Horticulture Services

1937. Industry needs are clearly focussed on:

(a) **more responsive diagnostic services**, supported by problem solving and applied research where necessary;

(b) more responsive approaches to **quarantine;**

(c) support for **new variety development**, identification and certification for PVR purposes;

(d) **post harvest improvement**, including packaging and development of new varieties with better post harvest attributes;

(e) **information access** (involving where necessary skilled intermediaries) and assistance in its use (extension);

(f) research supportive to the development of **new procedures to meet overseas quarantine and general access requirements.**

1938. A key concern is that government activities in these areas are excessively fragmented. Therefore we interpret the industry's first preference is to have one point of access to the full range of these services. This is certainly of relevance to the proposed NHC site:

(a) sufficient land is available;

(b) if the Home For Horiculture and the wholesale market go ahead, it will become the focus for growers, support industries and consumers.

1939. However if the wholesale market does not go ahead, there will be much less attraction to growers to come to NHC. The relevance of the NHC site is then restricted to land availability and possibly to "Home For Horticulture" gardens. In these latter circumstances, other locations may be more attractive.

1940. The main NHC focus of consumer and general public as opposed to industry needs will be on government services involved in information, testing and education. This points to the potential benefits of relocating the Burnley Garden Advisory Service to NHC.

Advanced Horticultural Research Facilities

1941. Even if the full NHC proposal goes ahead and it becomes the focus for government services to horticulture listed above, there are divided views about the relevance of Wantirna as the site for an advanced horticultural research facility. The industry sees a need for this and has a preference for its juxtaposition to diagnostic and other applied R&D facilities if they are to be located at NHC. However DARA research managers are concerned about the viability of a more limited "horticulture research institute" as opposed to a larger "plant research institute".

1942. An alternative could be to develop a horticulture research institute as an add on to VCAH eg a satellite of VCAH on the Wantirna site, upgrading VCAH research and higher degree capabilities.

1943. We conclude that the NHC site is relevant and the space is available. However ultimately decisions on what to locate where will involve much broader public policy issue than this study seeks to address.