

# Funding to grow leadership in the flower industry

The flower industry has been successful in obtaining funding from the federal Department of Agriculture and Water Resources to undertake a project which will reduce fragmentation, build leadership skills and improve communication within the Australian cut flower industry.

The grant funding was offered under the Leadership in Agricultural Industries Fund program, which supports initiatives that develop leadership capabilities and capacity with an aim to strengthen the long-term viability of agricultural industries. During the *Growing leadership in the Australian flower industry* project, the Flower Association will work with the Flower Growers Group of New South Wales, Flowers Victoria and WildFlowers Australia to roll out a leadership training package via six regional training events that will focus on governance, financial management, strategy development and risk management. Practical online information tools and articles in *Australian Flower*

*Industry* magazine on industry governance will be additional outputs from the project. Another highlight will be a national leadership training and networking event aimed at the next generation of industry leaders and led by current industry leaders and leadership consultants and trainers. This will target the skills and knowledge of young people to support the development of a capable set of new leaders to ensure a strong future for the industry.

Next steps will include the formation of a steering committee consisting of one board representative and one staff member from each participating organisation, to meet regularly throughout the program. Updates on progress of the project will be provided in future issues of the magazine. For further information on the project or to get involved, contact the project leader Shane Holborn. 🐦

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## Order gatherer conduct reported to ACCC

The Flower Association has been working with industry members from across the country in an effort to address some of the issues that online order gatherers have presented to the industry.

An order gatherer (OG) is a company that has an online presence only. Although order gathering is a legitimate business model and presents the industry with the opportunity to sell more flowers through diversified sales channels, some OGs are employing unscrupulous, and in some cases what we believe to be illegal and anti-competitive, business behaviour to increase their promotional reach and market share.

Feedback from a group of independent florist shop owners was solicited to provide examples of misleading practices of OGs that they were aware of, or had experienced. The allegations fell into two main categories: activity that was misleading and likely to be illegal, and activity that was considered unconscionable.

The submission listed the following points specifically:

1. Misleading advertising based on location searches - claiming they are a florist business based in a suburb when they are not actually located in that suburb, and in some cases have no physical shop front at all.
2. False address claims - claiming physical street addresses on their websites indicating that they are a local, bricks-and-mortar establishment, when a visit to that location reveals that sometimes it is an empty block of land, a council park or other businesses or offices.

3. Manipulating the Google business listings - when an OG's website is listed in the Google My Business listing of an actual local florist, as well as using someone else's business name in their Google ad. The OGs create a fake listing in Google AdWords under the legitimate florist's business name, which links to the OG's website only. The listing then appears above the genuine listing in an online search.

4. High, undisclosed commission rates - reports of rates of 40 to 65 per cent, misleading consumers that they will get 100% value from their order.

Online flower ordering is a large and expanding part of the commercial flower industry. It is a legitimate way to do business, and the industry accepts that online order gathering is a legitimate business model. Many OGs are upfront about their business model and state to their customers that they are an online sales portal and that their products are arranged and delivered through a network of florist shops. The process of reviewing the practices of some OGs is not designed to stop or impede that business model in any way. It is, however, the goal of this process to ensure that our consumers can make purchasing decisions from an informed position, based on honest information provided by all retailers.

We have requested that the ACCC's investigation into the widespread conduct as described above should result in a tightening of the regulations in the way online flower sellers operate. 🐦

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