



**Hort
Innovation**

Annual performance meeting

Hort Innovation presentation to
Department of Agriculture, Fisheries and Forestry

June 2023

Our investment portfolio

As at June 15, 2023



\$525M

total investments



427

active projects



133

delivery partners

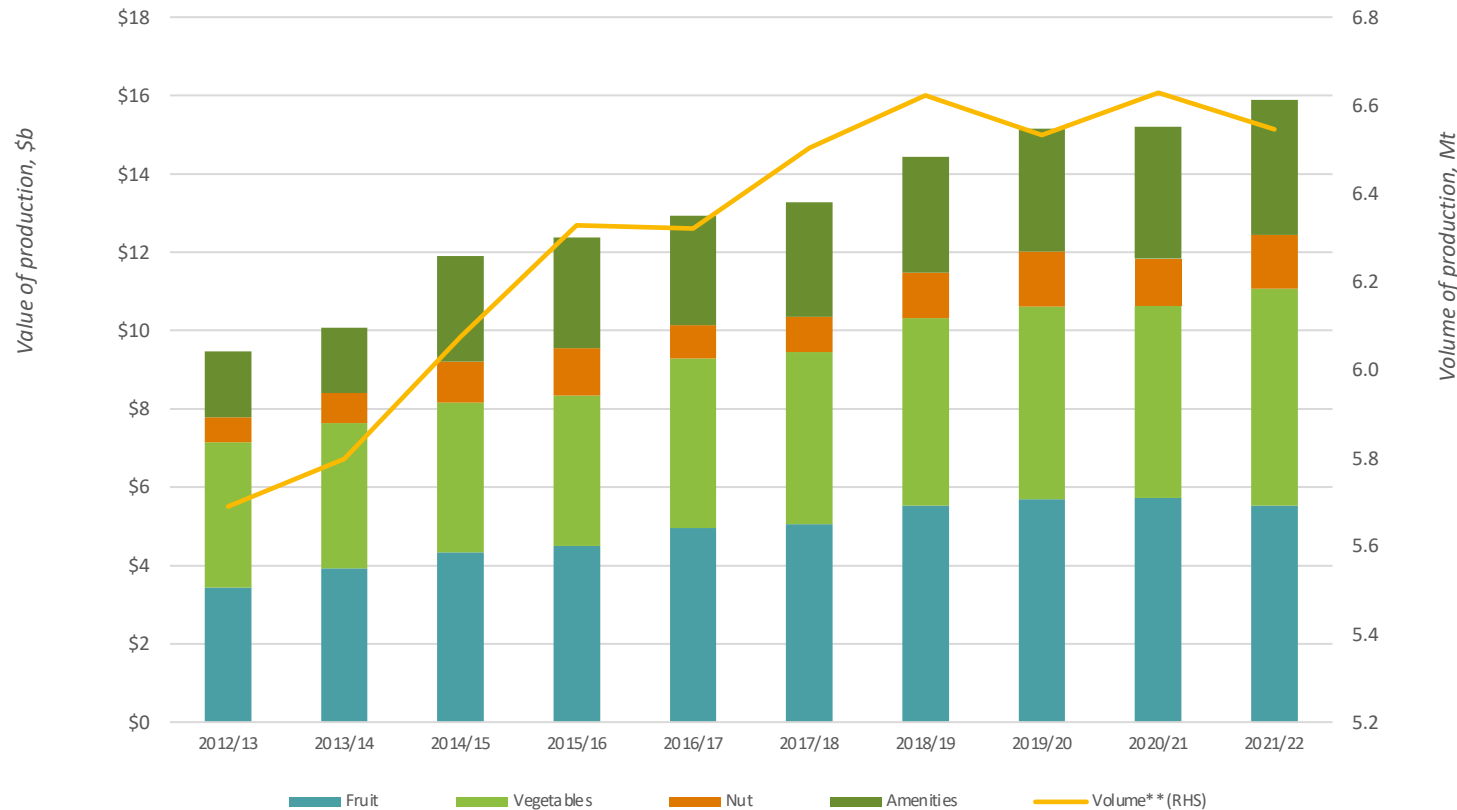


37

industries

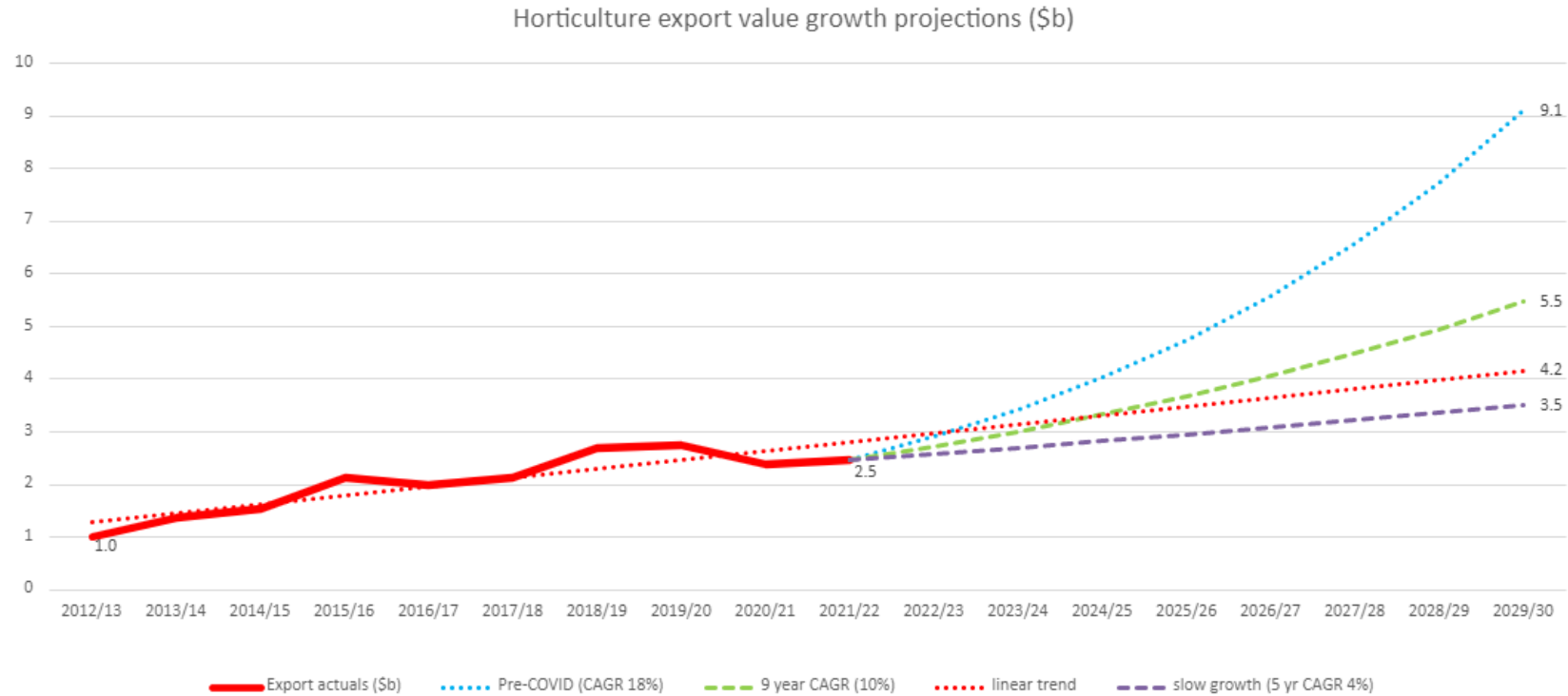
Australian horticulture by the numbers

Horticulture production 2012/13 to 2021/22



| | 2021/22 Value \$B | % change from 2020/21 | 9-year CAGR* |
|-----------|-------------------|-----------------------|--------------|
| Total | \$15,899.64 | 4.3% | 5.9% |
| Fruit | \$5,521.9 | -3.6% | 5.4% |
| Veg | \$5,542.5 | 12.9% | 4.6% |
| Nuts | \$1,387.5 | 16.0% | 9.0% |
| Amenities | \$3,447.7 | 2.2% | 8.3% |

Australian horticulture by the numbers



By the end of the decade there could be a 500,000 tonne gap between what we produce and consume *(Source: Internal modelling – based on current trade patterns)*

Export is not only a domain of opportunity and reward, but is important to manage the risks to growers from this oversupply scenario

The Hort Innovation Strategy 2024-2026



OUR VISION

A prosperous and sustainable Australian horticulture industry built on innovation

OUR STRATEGIC IMPERATIVES

Enhance and safeguard supply

- **PRIORITY 1.1**
Lead world-class innovation to ensure Australian horticulture is globally competitive
- **PRIORITY 1.2**
Partner with industry on their sustainability priorities and research needs to support social and environmental stewardship
- **PRIORITY 1.3**
Excel in breakthrough research to strengthen industry's readiness for existing and emerging opportunities and threats
- **PRIORITY 1.4**
Collaborate with industry to bolster resilience and future-proof supply chain disruptions

Accelerate local and global demand

- **PRIORITY 2.1**
Access and expand high-value markets to deliver profitability and sustainability for industry
- **PRIORITY 2.2**
Drive consumption through high-impact, evidence-based domestic and export marketing campaigns
- **PRIORITY 2.3**
Deliver valuable data and insights that transform decision making
- **PRIORITY 2.4**
Advance solutions to reduce and utilise waste to deliver new revenue streams for growers

Maximise and diversify investments

- **PRIORITY 3.1**
Partner with industry to deliver Annual Investment Plans ensuring industry levy-funded projects deliver impact at scale
- **PRIORITY 3.2**
Build strategic partnerships to deliver bigger, bolder investments in innovation for Australian horticulture
- **PRIORITY 3.3**
Create a flexible investment framework attracting new partners and alternative funding resources

Make the culture thrive

- **PRIORITY 4.1**
Collaborative and customer focused
- **PRIORITY 4.2**
High performance, inclusive culture
- **PRIORITY 4.3**
Empower our people
- **PRIORITY 4.4**
Invest in industry capability

Work simply and effectively

- **PRIORITY 5.1**
Quality compliance and governance
- **PRIORITY 5.2**
Transparent relationships
- **PRIORITY 5.3**
Minimise complexity

OUR ROLE

We advance Australia's \$16 billion horticulture industry by investing in research and development, marketing and trade to build a prosperous and sustainable future for growers.

We partner with Australian and international co-investors including government, leading science, technology, and consumer strategy experts to anticipate future challenges and opportunities.

Our role is to capture value from the investments we make to benefit all levy payers.

OUR GOALS

- **Foster collaborative relationships** – stakeholder engagement > 60 per cent
- **Strong teamwork and shared purpose** – employee engagement > 70 per cent
- **Deliver real impact for growers** – Benefit Cost Ratio > 5:1
- **Live our values** – focus on our customers and innovation
- **Satisfaction with service** – partner and member rating > 60 per cent
- **Execute for industry** – Strategic Investment Plans delivered on time and on budget
- **Help grow value** – preference for Australian horticulture in key markets
- **Be ambitious** – 100 per cent annual investment target and attract new partners

OUR GUIDING VALUES

- **Growth**
- **Innovation**
- **Courage**
- **Collaboration**

Hort Innovation
horticulture.com.au



Performance principle 1

Stakeholder engagement

Stakeholder engagement

1.1 Strategy prioritisation and development processes include appropriate consultation plans, that are based on the *Best Practice Guide to Stakeholder Consultation*

- The *Stakeholder engagement and consultation framework* now underpins all of Hort Innovation's activities with our wide stakeholder base
- Application of the *Framework* includes consultation on current/ongoing initiatives, and seeking opportunities to explore emerging issues and co-design new initiatives
- An Engagement Leadership Group has been established to govern and steer the stakeholder program



Stakeholder engagement

1.1 Strategy prioritisation and development processes include appropriate consultation plans, that are based on the *Best Practice Guide to Stakeholder Consultation*

Stakeholder consultation plan for the Hort Innovation Strategy 2024-2026

- Purpose: to hear feedback and seek clarity that where we are about to focus at the priority-level is valuable and contributes in a meaningful way to our shared aspirations for Australian horticulture
- Feedback sought from 260+ stakeholders via online survey
- High-level questions at this stage, to be developed further with key stakeholders, addressing strategic alignment, program effectiveness, customer experience, and opportunities to collaborate.
- Feedback considered and discussed with providers
- Moving to finalise the Strategy 2024-2026 (including to provide to DAFF)

The image shows a screenshot of a feedback form titled "Hort Innovation Strategy 2024-2026 feedback form". The form is displayed on a wooden-textured background. At the top, there is a green header with the "Hort Innovation" logo. Below the header, the title "Hort Innovation Strategy 2024-2026 feedback form" is prominently displayed. The form is divided into sections, with "Section 1" indicated at the top. The questions and their corresponding radio button options are as follows:

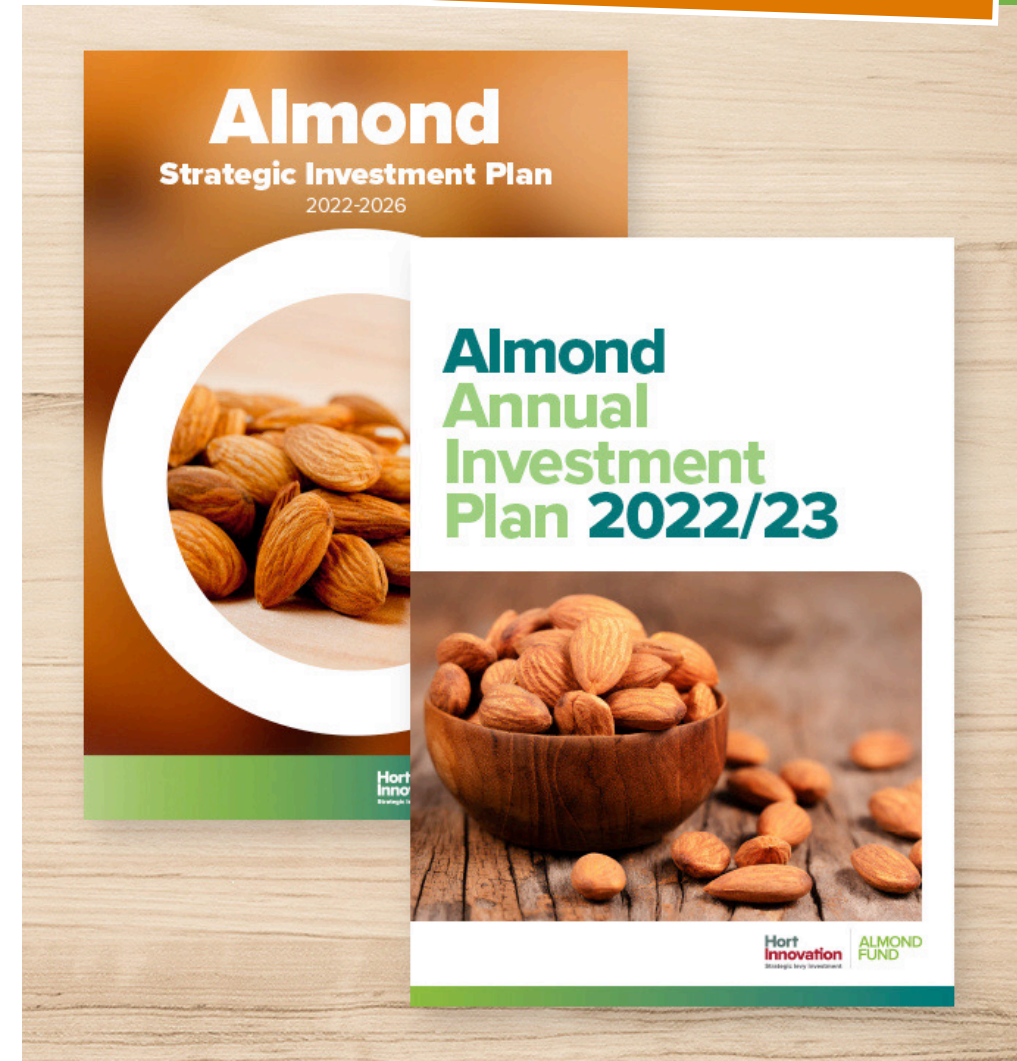
- 1. Is it clear what Hort Innovation wants to achieve?
 - Clear
 - Somewhat clear
 - Neutral
 - Somewhat unclear
 - Very unclear
- 2. Do our strategic priorities match up to what you expect from us?
 - Yes
 - Mostly
 - Somewhat
 - No
- 3. Is our strategic focus aligned with your organisation's own goals and priorities?
 - Yes
 - Mostly
 - Somewhat
 - No
- 4. What are the most important elements of the Strategy that you would have us focus on?
 - Enter your answer
- 5. What initiatives in the Strategy would you like an opportunity to collaborate and co-design with us?

Stakeholder engagement

1.2 Demonstrated industry stakeholder engagement in the identification of RD&E priorities and activities consistent with the consultation plan in 1.1

- 33 Strategic Investment Plans (SIPs) 2022-2026 are available on the Hort Innovation website
- We are on track to deliver Annual Investment Plans (AIPs) for 2023/24 by end of July and include financial information. Hort Innovation is moving towards “live” reporting and away from hard copy publications
- An AIP is developed for each levy fund each year by Hort Innovation, and is informed by the SIP and industry consultation, and then discussed with the industry advisory panel for feedback and prioritisation
- For the past two years we have been trialling AIP templates; after seeking feedback from industry participants, we have now developed a user-friendly AIP template, which will be launched in July 2023
- In developing the 2023/24 AIPs, a total of 33 industry-representative advisory panel members (239 panel members) have been consulted across 58 meetings that prioritised 80 research, development and extension and 27 marketing investment recommendations (as at 26 May 2023)
- The AIPs are published on Hort Innovation’s website each year and industry stakeholders are notified via Hort Innovation’s established communication channels

RESPONDING TO DAFF FEEDBACK AT 2021/22 PERFORMANCE REVIEW:
Presentation of accurate financial forecast information in levy fund Annual Investment Plans to increase transparency



Stakeholder engagement

1.3 Demonstrated incorporation of industry stakeholder feedback on RD&E priorities and activities. Where incorporation is not possible, demonstration of feedback to a stakeholder/s on why incorporation was not possible

Reset and refresh of advisory mechanisms

Purpose:

To improve trust, engagement, advice, outcomes and impacts

Method:

- Partnership approach with industry
- Co-design process to develop advice mechanisms that are fit for purpose for that industry and meet our governance requirements, set out clearly in MOUs
- Hort Innovation valued DAFF's participation in the 'Reset and Refresh' process (as member of the Working Group in 2022)

Results:

- 24 industries refreshed their current advice mechanisms and 13 industries with reset/new advice mechanisms
- On track for all MOUs to be in place by end of July 2023

RESPONDING TO DAFF FEEDBACK AT 2021/2222 PERFORMANCE REVIEW:
Stakeholder engagement across the lifecycle of RD&E and marketing activities, with a focus on responsive, transparent, accessible, straightforward, well planned and fit for purpose engagement

Memorandum of Understanding between Hort Innovation and Summerfruit Australia Ltd

March 2023



Summerfruit AUSTRALIA Hort Innovation

Stakeholder engagement

1.3 Demonstrated incorporation of industry stakeholder feedback on RD&E priorities and activities. Where incorporation is not possible, demonstration of feedback to a stakeholder/s on why incorporation was not possible

Collaborative approach to planning marketing investments

- Drawing on data to make evidence-based investments that are jointly planned with industry
- Ensures we are working in partnership with industry to determine how best to invest the levy to address their marketing ambitions
- *“The data-driven approach sets solid foundations and a solid approach to put forward for endorsement” – Avocado marketing planning session feedback*

Updates to CRM and managing feedback

- Updates made to our CRM system
- Further improvements to management of feedback through our new Industry Service & Delivery Team (with the number of industry-facing positions now doubled)

RESPONDING TO DAFF FEEDBACK AT 2021/22 PERFORMANCE REVIEW:
Stakeholder engagement across the lifecycle of RD&E and marketing activities, with a focus on responsive, transparent, accessible, straightforward, well planned and fit for purpose engagement



Performance principle 2

**Research, development,
extension and marketing**

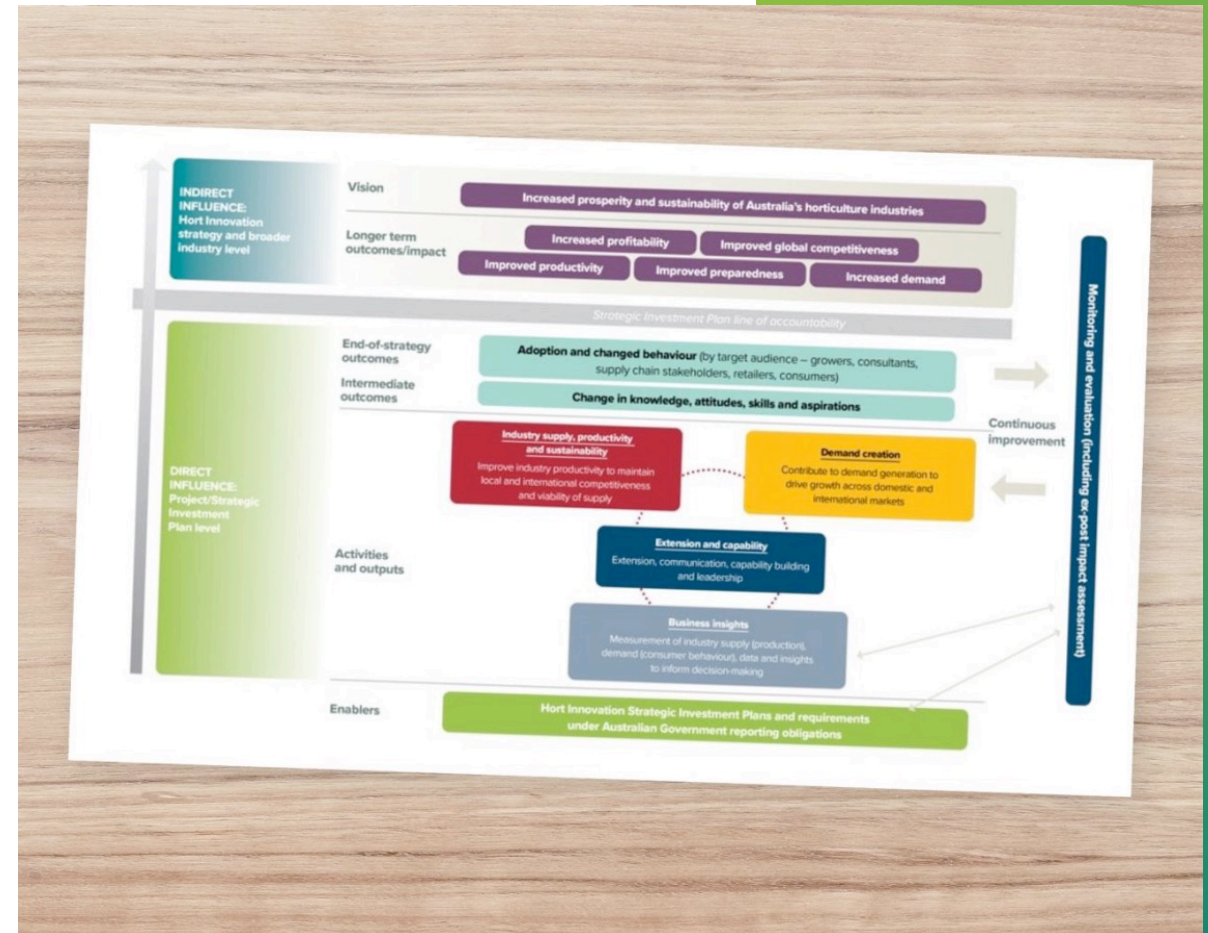
Research, development, extension and marketing

2.1 RDC investments align with strategic plans and have demonstrated outcomes to levy payers and taxpayers, including through growth in the industry, increased profitability of producers, commercialisation, access to new markets

All investments are aligned to SIPs and use program logic to indicate how they contribute to longer-term outcomes:

- Demand creation
- Industry supply, productivity and sustainability
- Extension and capability
- Business insights to inform evidence-based investment decisions

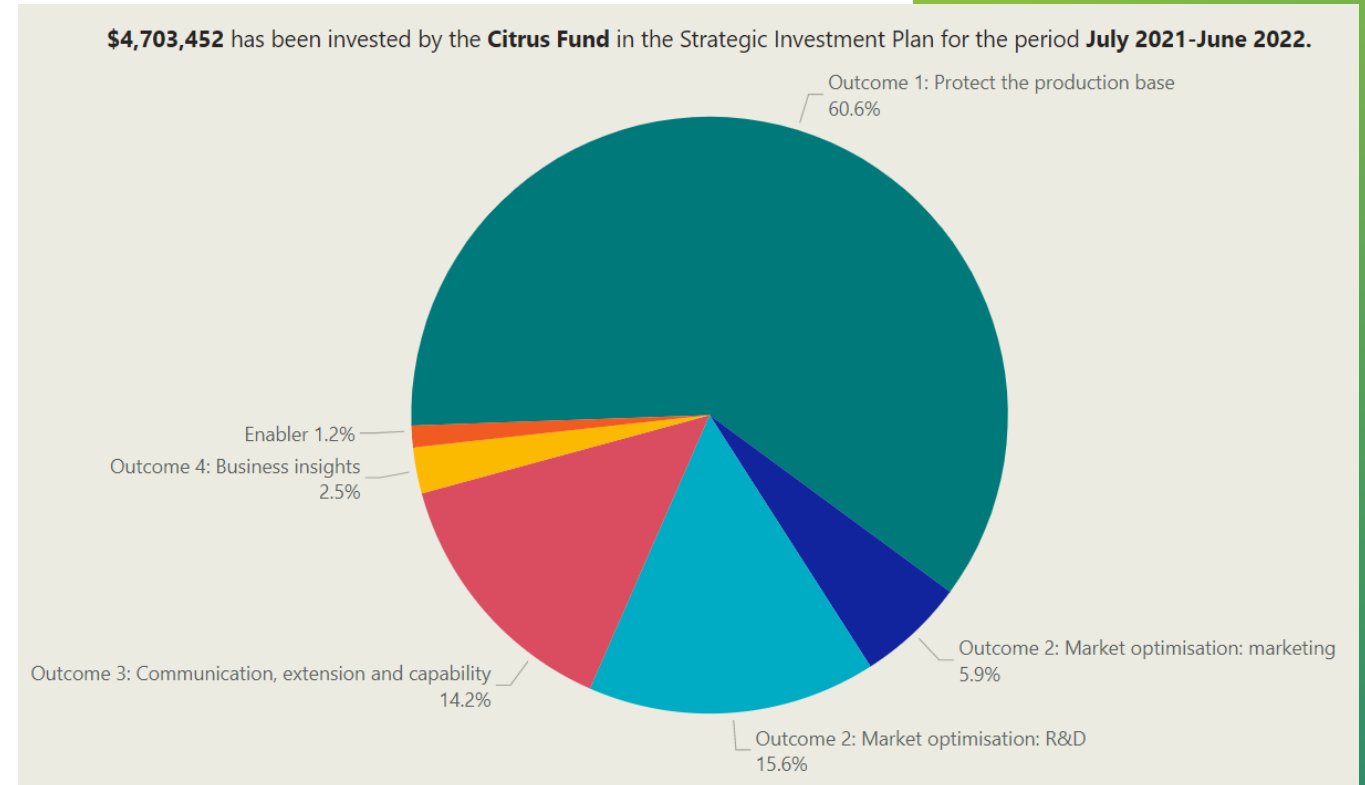
Our Investment Committee will be focusing on a balanced investment portfolio and enhancing our impact assessments in 2023/24



Research, development, extension and marketing

2.1 RDC investments align with strategic plans and have demonstrated outcomes to levy payers and taxpayers, including through growth in the industry, increased profitability of producers, commercialisation, access to new markets

- SIP Performance Reports are undertaken for a selection of industries to analyse progress made towards achieving the outcomes, strategies and key performance indicators (KPIs) of the SIP
- They assist in identifying gaps and opportunities for future investment
- Results provided to the advisory panel to inform evidence-based investment decisions (e.g., moving from domestic marketing to international marketing)



Research, development, extension and marketing

Access to new markets

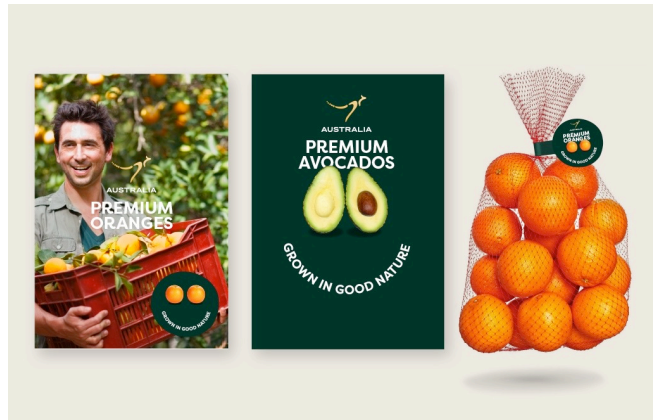
- New avocado market access to India and Thailand announced in March and May, underpinned by long-term investments by Hort Innovation to develop phytosanitary data that demonstrates the health and safety of Australian Hass avocados
- New access is further supported by investments in developing an avocados export strategy and a trade development project, including an outbound mission to the Indian market and helping growers prepare market access applications

RESPONDING TO DAFF FEEDBACK AT 2021/22 PERFORMANCE REVIEW:
Prioritisation of RD&E and marketing and industry development activities that aid technical market access, support export growth and biosecurity incursion preparedness

Research, development, extension and marketing

Access to new markets

- Australian horticulture's export marketing campaign, *Grown in Good Nature*, was developed in consultation with industry and in partnership with Austrade and launched at Asia Fruit Logistica in Bangkok in November 2022
- The branding is now used across industry trade events



RESPONDING TO DAFF FEEDBACK AT 2021/22 PERFORMANCE REVIEW:
Prioritisation of RD&E and marketing and industry development activities that aid technical market access, support export growth and biosecurity incursion preparedness



Research, development, extension and marketing

Profitability

Opportunities to improve labour use efficiency through automation and improved management practices

Identifying opportunities to improve labour use efficiency in the rubus industry through automation and improved management practices.

At the project's conclusion, a range of materials will be made available to growers that describe possible solutions appropriate for the Australian rubus industry.

Project value: \$0.2M

Novel microbiome technologies to increase profitability for Australian horticulture

Developing and deploying new microbiome technologies that will increase the yield, and therefore profitability, of annual and perennial Australian horticultural crops.

Project value: \$1.4M



Research, development, extension and marketing

Productivity

Managing mangoes for future climates

Through the support of a PhD candidate, this project will investigate management options that mango growers can use to maintain productivity in the face of changing climates. A calculator will be developed for grower use with the input of local temperatures and different management practice scenarios to forecast both flowering time and harvest windows.

Project value: \$0.12M

Soil wealth and integrated crop protection – phase 3

The Soil Wealth and Integrated Crop Protection program assists melon, potato and vegetable growers to improve the management of their soil and crop health, to drive their productivity, profitability and sustainability on-farm.

The project includes focus on optimising inputs for healthy soils and crops, and profitable vegetable businesses. Increasing skills in the effective use of nutrients, water, chemicals and other resources (e.g., plastic to minimise waste) will assist vegetable growers to maintain market advantage and demonstrate sustainability.

Project value: \$5.2M



Research, development, extension and marketing

Competitiveness

Australian horticulture international demand creation

This investment delivered insights into what the international consumer wants across 13 priority markets for the Australian horticulture sector.

A comprehensive understanding of what drives consumer demand and decision-making is required to guide export strategies and improve Australia's success and competitiveness in selling to international partners.

Project value: \$2.2M (over 90 per cent of funds from ATMAC grant via DAFF)

Building an advanced genomics platform for Australian horticulture

Accelerating genetic improvements in banana, custard apple, papaya, passionfruit, and pineapple by deploying cutting-edge technology that greatly expands the genetic resources available and reduces the timelines typical of traditional crop breeding programs.

Project value: \$13.3M

13 markets included in *Understanding International Consumer Demand* study



USA



UK



Singapore



India



Japan



Hong Kong



South Korea



Malaysia



UAE



Qatar



Taiwan



Vietnam



Indonesia

Research, development, extension and marketing

Preparedness

A gene technology platform for disease resistance in horticultural tree crops (Huanglongbing and Xylella)

An investment into trial tree immunisations that protect Australia's horticulture industries against the deadly Xylella and Huanglongbing (HLB) diseases. The trial will begin with citrus and table grapes, and will explore opportunities for this technology in almonds, avocados, olives and summerfruit.

Project value: \$8.7M

Landscape approach to improve Australian horticultural preparedness and resilience to agri-pest challenges

This project will involve working with stakeholders in a pilot area to develop a risk matrix for a range of pests and crops indicating industry preparedness and potential gaps in management, extension, and adoption. The project will also explore partnerships with relevant indigenous groups to incorporate First Nations knowledge and experience in managing areas on a landscape scale.

Project value: estimated \$7.9M

RESPONDING TO DAFF FEEDBACK AT 2021/22 PERFORMANCE REVIEW:
Prioritisation of RD&E and marketing and industry development activities that aid technical market access, support export growth and biosecurity incursion preparedness



Research, development, extension and marketing

Commercialisation

Advancing the delivery of national mapping applications and tools

Positioning Australia's avocado industry as world leaders in the sector, by delivering growers commercial tools for improved yield forecasting and mapping from the orchard block to the national scale.

Project value: \$0.6M

The business of pollen collection in horticulture

Reviewing artificial pollination technologies and collection methods and developing a business case for artificial pollination in Australia. Due to increasing difficulty in achieving successful pollination in several Australian crops, and the uncertainty in the future supply of honey bees for crop pollination, the horticulture sector requires an understanding of artificial pollination options.

Project value: \$0.5M

National strawberry varietal improvement program

Developing and commercially releasing superior strawberry varieties for targeted environments, including temperate, subtropical, and Mediterranean-growing regions. These efforts ensure that the Australian strawberry industry will have access to improved, locally-adapted varieties in the future.

In 2021/22, varieties from the Australian Strawberry Breeding Program (ASBP), including varieties from this project and previous projects, captured 47 per cent of the national market, with a farm gate value of approximately \$218M and approximately \$600K in royalties per year.

Project value: \$4.5M

Research, development, extension and marketing

2.2 Levy payers who participate in RDC-supported extension and adoption programs: gain new knowledge or new information to improve their long-term profitability, productivity, competitiveness and preparedness; intend to make or have made changes to existing practices by adopting the outcomes of R&D

Capturing the real and potential benefits and costs of on-farm biosecurity measures

Quantifying the everyday benefits of on-farm biosecurity practices so that recommendations can be made on how to develop fit for purpose extension that incentivise vegetable and melon growers to adopt appropriate biosecurity measures. The increased adoption of biosecurity practices will result in decreases in the establishment and spread of endemic and exotic pests between and on vegetable and melon farms, minimise the need for pesticide inputs, improve compliance with quality assurance programs and market access requirements, and increase long-term profits for growers, due to pest control and business continuity under an incursion scenario.

Project value: \$0.2M

National banana development and extension program

Helping deliver the outcomes of levy-funded and other R&D back to the banana industry, to help growers access and implement new information, technologies and approaches, and make better decisions for their businesses.

Project value: \$1.9M



“The biosecurity field events, information and resources made available to our industry through this program, enable us to make informed decisions about what will work best for our business by incorporating others’ knowledge and experiences”.

Andrew Serra is a third-generation grower working at his family business, Serra Farming, growing Cavendish bananas for 10 years and Hass and Shepard avocados for eight years.



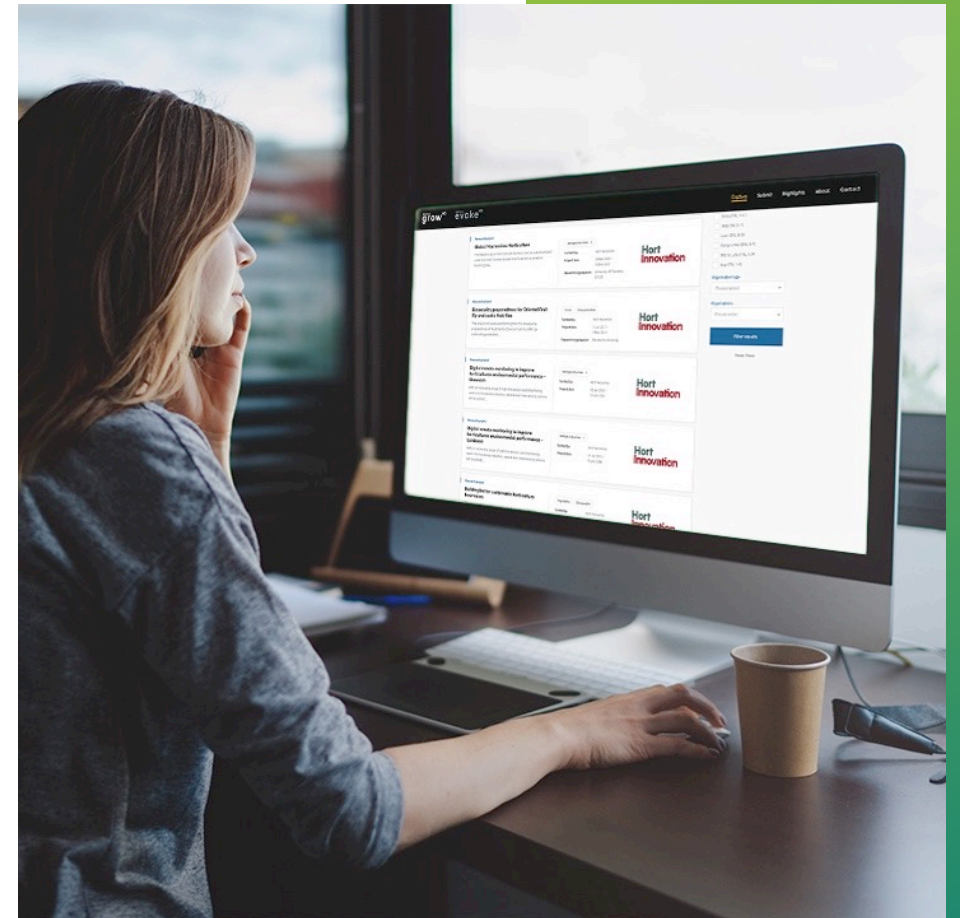
Performance principle 3

Collaboration

Collaboration

3.1 Completed, current and future R&D including commercialisation opportunities accessible through the grow^{AG} platform

- We have continued to support the grow^{AG} platform including 354 research projects, one commercial opportunity, and one enquiry relating to commercial ventures
- Negotiated three commercial licenses/agreements in 2022/23
 - RNAi tree vaccine technology – A gene technology platform for disease resistance in horticultural tree crops (Huanglongbing and Xylella)
 - Light blocking and light-shifting technology – Glasshouse Films project part of Hort Innovation’s investment in the Future Food Systems CRC
 - Mango auto harvester technology – Multi-scale monitoring tools for managing Australian tree crops
- Hort Innovation has continued active participation in the ENRI Forum, CRRDC, Evoke^{AG} event, AIA and provided in-kind support to the Drought Resilience Adoption and Innovation Hubs



Collaboration

3.2 Number and quantum of cross-industry and cross-sector RD&E investments available

Hort Innovation currently funds 30 multi-industry projects with a total value of \$42.5M and works with fellow RDCs on more than 12 cross-sector projects (as at 15 June 2023)

Joint-RDC community trust program

Hort Innovation invested in this collaborative program of research involving 11 RDCs, the NFF and NSW DPI exploring the relationship between industries and the social context in which they operate to support an industry-level response to addressing community trust

Effective fall armyworm pheromone blends for improving monitoring and population estimation in Australia

Collaborating with GRDC on a project to improve trapping efficiency using adaptable, region-specific pheromone blends for effecting monitoring and control of fall armyworm. The project will also determine a commercial pathway for implementation of technologies developed during the project

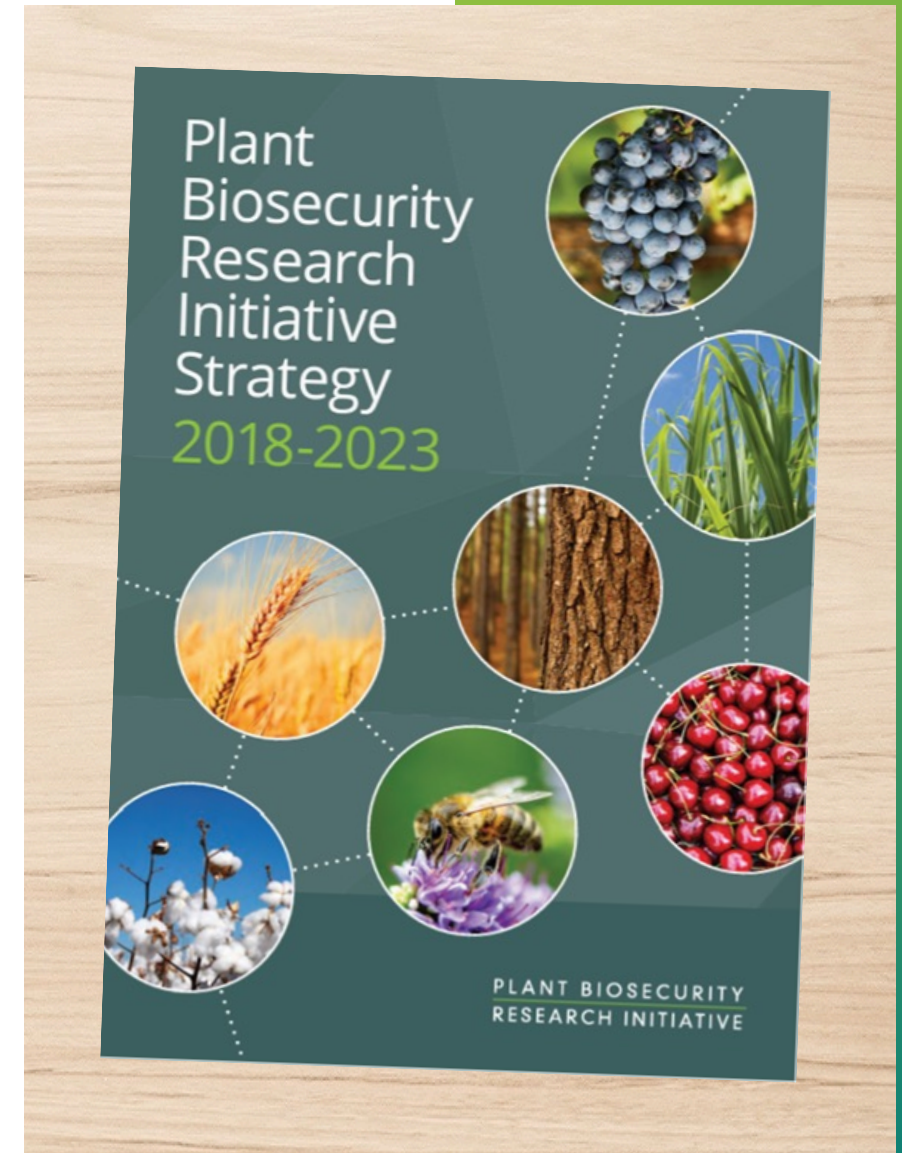
Know and Show Your Carbon Footprint

We worked with Agricultural Innovation Australia on *Know and Show Your Carbon Footprint*. This initiative will see the an easy-to-access cross-commodity platform be developed that will help growers to have a better understanding of baseline carbon emissions and residual footprint for their entire enterprise

Collaboration

Plant Biosecurity Research Initiative (PBRI)

- Hort Innovation is the host member organisation for the PBRI, a trusted collaboration of seven plant RDCs, DAFF and PHA, leveraging funds and expertise in biosecurity to create greater impact for plant industries
- Prioritises cross-sectoral innovation for co-investment which minimising duplication of investment and enables larger, higher impact R&D projects
- Since 2017, PBRI has collectively invested in research projects worth \$67.4M against six key focus areas including 'Preparedness' and 'Surveillance'
- The PBRI facilitated the exchange of indigenous knowledge and engagement with First Nations people through supporting Zac Sowden, an indigenous ranger from the Gulf of Carpentaria, to attend and present to the International Congress of Biological Invasions in Christchurch, May 1-4, 2023



Collaboration

Hort Frontiers strategic partnership initiative

- Hort Frontiers invests funds from a wide range of co-investors, as well as Australian Government contributions
- Hort Frontiers projects need to benefit all of horticulture to be considered as suitable investments
- Horticulture levy funds can also be invested through Hort Frontiers. This is done only with advice from an individual industry's advice panel
- Expert advisory panels made up of industry participants, delivery partners and other experts provide impartial assessment and commercially-relevant scrutiny of research proposals
- A refresh of Hort Frontiers is underway to align to the four key investment themes identified by Hort Innovation's *Australian-grown Horticulture Sustainability Framework*. New investment funds are being established to address identified needs, and the existing Hort Frontiers funds are being repositioned to sit under the four investment themes: Nourish & Nurture; People & Enterprise; Planet & Resources; Less waste.

RESPONDING TO DAFF FEEDBACK AT 2021/22 PERFORMANCE REVIEW:
Stakeholder engagement in the identification of cross-industry and cross-sector RD&E and marketing collaboration opportunities



Collaboration

National collaboration on market access R&D

Over \$100M invested/under negotiation in 2022/23 for market access R&D to modernise phytosanitary risk management, align states and territories, and coordinate at a national level market access strategies, initiatives and broader R&D



Collaboration

Australian Food & Wine Collaboration

- Hort Innovation is leading this collaboration with rural RDCs, commodity peak bodies across five sectors and leverages industry-government partnerships with DAFF, Austrade, and DFAT
- The Australian Food & Wine Collaboration recognises the need to have a coordinated and common approach to how Australian agriculture is presented in key markets
- The gala event *Taste the Wonders* held in Bangkok in November 2022 was attended by 160 Thai food importers, government representatives and food influencers
- 78 per cent agreed the event was helpful in extending knowledge of Australian food and wine. Over 92 per cent were very or extremely satisfied with the event.





Performance principle 4

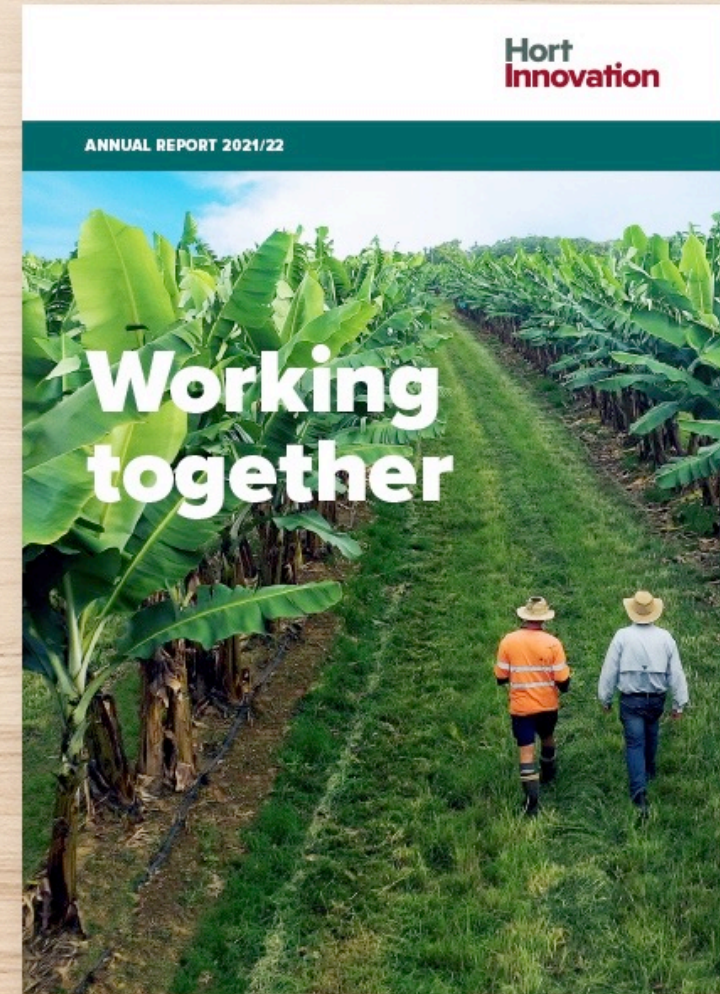


Governance

Governance

4.1 Ongoing oversight, planning and reporting of investment activities is done in accordance with legislative and Australian Government requirements and timeframes

- Hort Innovation adopts best corporate governance practice drawing upon the Australian Institute of Company Directors Not-For-Profit Governance Principles, as appropriate for its governance structure as a non-listed, not-for-profit corporation
- The governance documents and practices in respect of the Directors, the Board and its operations that are in place are listed from page 95 of our Annual Report 2021/22
- Independent Governance Review has been completed and recommendations are being implemented
- Worked with DAFF to commence the Independent Review of Performance 2018-2023 in 2022/23



Governance

4.2 Demonstrated management of financial and non-financial risk with legislative and Australian Government requirements and timeframes

- A risk management process aligned to ISO31000:2018 is in place to address strategic, emerging and operational risks with update reports provided to the Audit & Risk Committee at each of the Committee meetings
- A new Risk Management Committee
- A new Investment Strategy and Accountability Group (ISAG)
- The new Hort Innovation Strategy will lead to a re-evaluation of our risk appetite and the level of capacity needed to manage it
- Working with DAFF on the modernising levies legislation project

| Hort Innovation risk landscape and policies | | |
|---|-------------------------------------|---|
| Board and Board Committees | Board Charter | Charter of the Committees of the Board |
| Management reporting | Strategic planning | Operational/functional planning |
| Financial policies and procedures | Fraud control plan | IT policies and procedures |
| Procurement and contract management | Insurance | Internal Audit Plan |
| External audit | Code of Conduct and Business Ethics | Performance management processes |
| Privacy Manual and Confidentiality Guidelines | WH&S system | Intellectual Property Policy and IP Management Plan |
| Delegations of authority | Legal advisory | Employee manual and compliance training |

Governance

4.3 Relevant policies and procedures adopted and implemented (e.g., privacy, etc.)

- Mandatory compliance training across the team and testing of policy compliance (e.g., phishing exercises)
- Internal audit by external provider of cyber security policies and procedures
- New/updated policies in place: EEO; Anti bullying; Harassment and discrimination; Code of conduct and business ethics; Cybersecurity; Whistleblower; Corporate travel; Leave; Flexible working (Working from home)
- Internal audit of privacy policy and procedures in the first quarter of 2023/24

These courses must be completed within the first month of employment with Hort Innovation:

- Cybersecurity – phishing foundations
- Driver safety
- Conflict of interest
- Privacy awareness
- Modern slavery
- Flexible working (Working from home)
- Discrimination and EEO
- Fraud and corruption awareness
- Work health and safety awareness
- Information disclosures for whistleblowers.

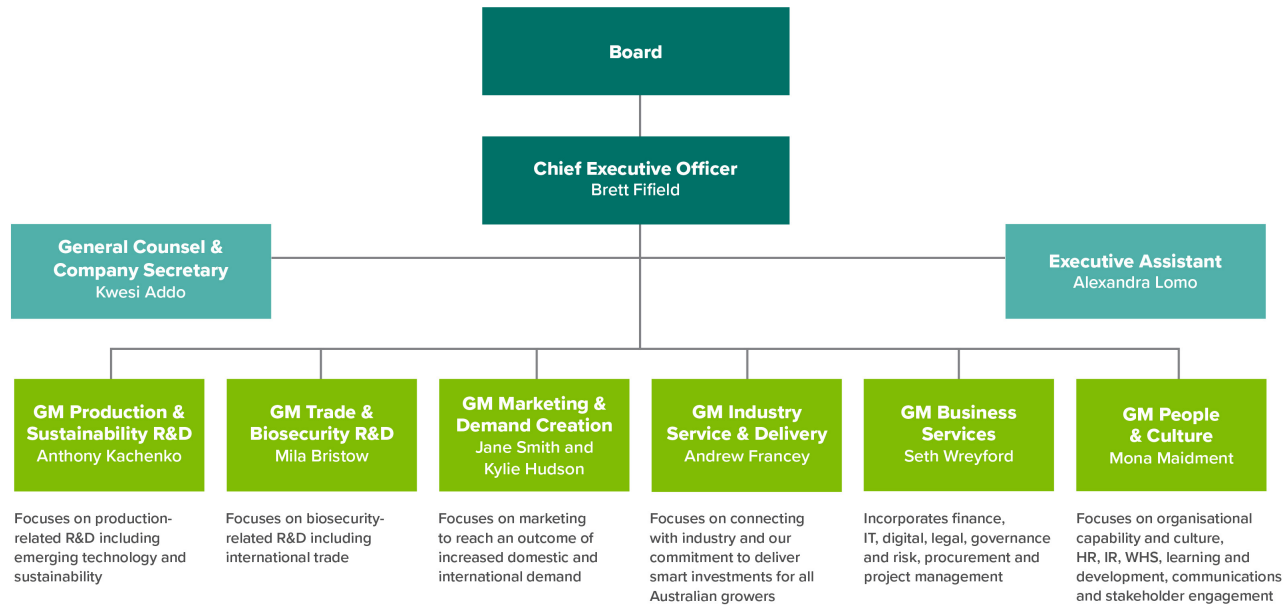
Governance

4.4 Non-financial resources implemented effectively (human resources, IT, IP, etc.)

- New organisational structure from November 1, 2022 – aligned to industry priorities
- New employee induction program has been launched: *Sprout*
- New financial management system goes live in Q1 2023/24: *FinOps*
- New enterprise social media platform implemented across company to foster collaboration: *Workplace*
- Staff retention has improved – turnover has changed from 36 per cent (Nov 2021) to 21 per cent (April 2023)

Hort Innovation Leadership Team

As at June 2023



Governance

Project Max

- Independent review of internal investment lifecycle and business processes and project level monitoring and evaluation (Deloitte)
- 16 recommendations under five themes, and 80 opportunities to improve our current state
- 100 per cent of quick wins already delivered; 62 per cent of mid-term opportunities delivered; 29 per cent of long-term initiatives delivered (as at 15 June), including:
 - Key system enhancements to improve functionality and reporting capabilities (FinOps project in progress and streamlining of our Hive investment management system and Delivery Partner Portal to increase efficiency)
 - Set up new employees and existing staff for success through *Sprout*, our new onboarding framework and launch of our new investment management training resources site including step by step videos, plus rhythm of refresher training sessions
 - Improved delivery partner training tools

RESPONDING TO DAFF FEEDBACK AT 2021/22 PERFORMANCE REVIEW:
Continued effort in procurement and contract management processes to increase efficiency



Governance

Review of marketing program delivery

- Consultation process undertaken to make recommendations to improve satisfaction and marketing program delivery
- Industry consultation informed recommendations, including a presentation to 60 industry participants, feedback sessions with 30 industry participants and an online survey

| Recommended change | Action |
|--|---|
| Adopt a customer-first mentality | <ul style="list-style-type: none"> • Just do it! Making sure it is felt with every interaction • MLT involved in all key interactions to lead by example |
| Adopt a joined-up planning approach | <ul style="list-style-type: none"> • Two-day workshops completed for eight industries for 2022/23 and 2023/24 plans • 10 smaller levy funds also had collaborative consultation sessions • All endorsed by advisory panels |
| Evidence-based (EB) marketing via Ehrenberg Bass laws of growth | <ul style="list-style-type: none"> • EB training undertaken by 36 marketing staff and industry representatives w/c May 9, 2022 • Formed the basis of common understanding for workshops |
| Full marketing mix to drive both consideration and conversion | <ul style="list-style-type: none"> • Trained on the evidence of its importance as part of EB • Shifted the dial in 2022/23 planning |
| Elevated category, retailer and shopper marketing capability | <ul style="list-style-type: none"> • Hired specialist retail and international skills within marketing to ensure focus and expertise |
| Standardised best practice data sources and testing methodologies | <ul style="list-style-type: none"> • Hired specialist skills within marketing • Established best practice methodology for creative testing, new methodology to evaluate PR and social media |
| A tiered resourcing model that accounts for size of investment | <ul style="list-style-type: none"> • Centralised marketing support for smaller levy investments into one team to better enable efficiencies in service delivery • Implemented 2022/23 fit-for-purpose brand planning |
| Shift balance of international trade investment towards trade-facing marketing programs and any remaining B2C on digital/e-commerce | <ul style="list-style-type: none"> • Ran three collaborative international market development workshops; received great industry feedback and endorsed marketing plans in line with recommendations |



Performance principle 5

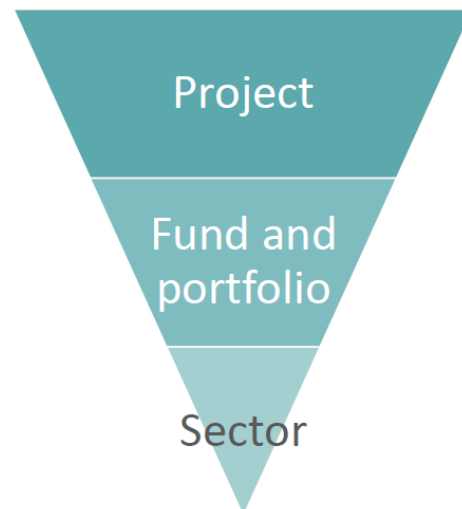
Monitoring and evaluation

Monitoring and evaluation

5.1 Impact (cost-benefit) assessment of a broad cross-section of RD&E (and marketing) investments undertaken annually

- Each year, Hort Innovation evaluates the impact of our levy-funded R&D investments
- A random sample of 15 investments representing a cross section of our R&D portfolio are assessed by an independent economist using the CRRDC methodology
- Result: 4.3 benefit-cost ratio of the investments – an increase from previous year’s result of 4.07

M&E toolkit

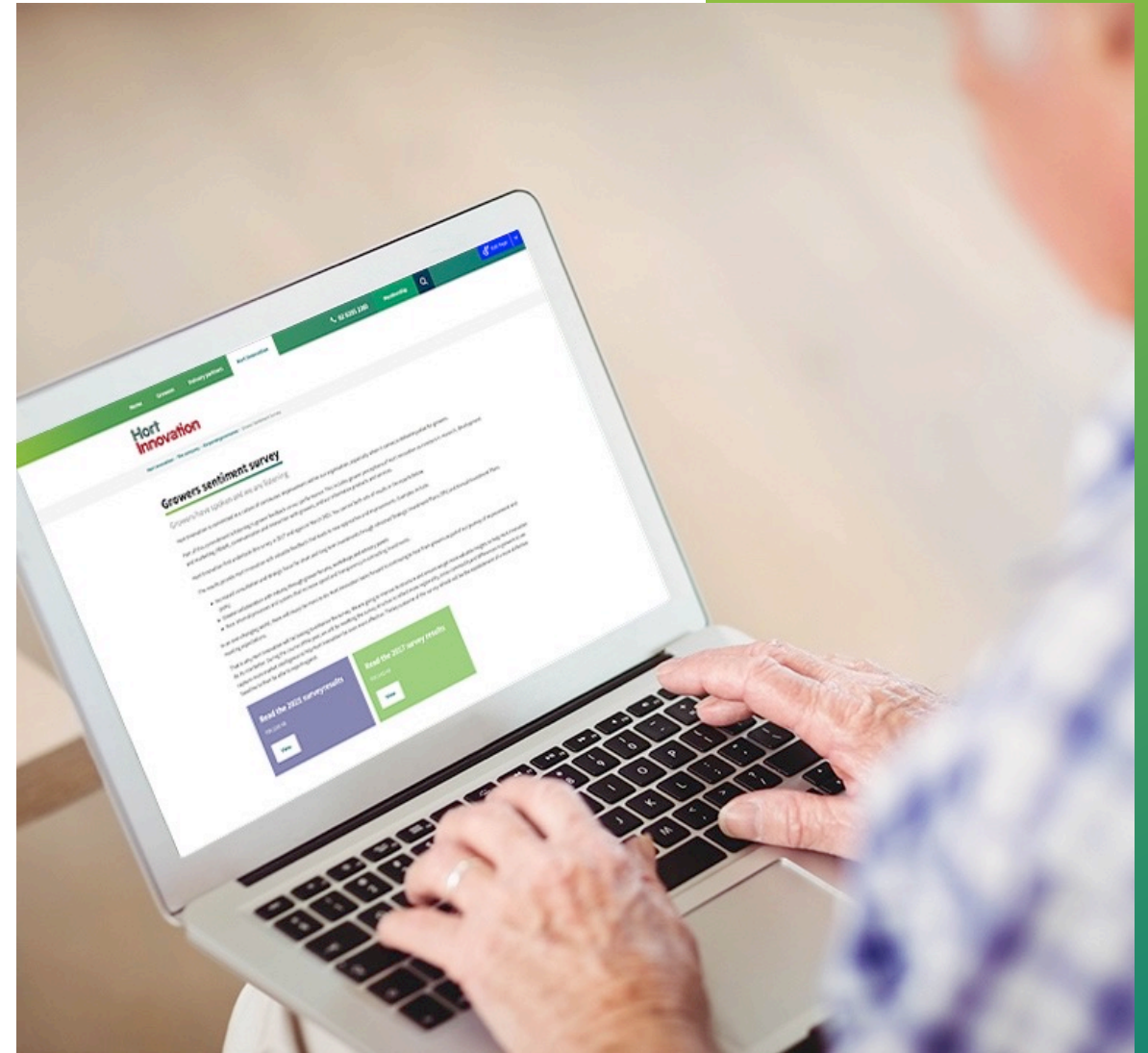


| | Impact / M&E |
|-----------------------|---|
| Project | Project M&E plans – outcomes/outputs Guided by reporting templates |
| | Independent project reviews |
| | BCA (randomised) |
| Fund / SIP | Performance report/gap analysis |
| | Cluster BCA |
| | Data (consumer, production and trade) |
| Portfolio | Portfolio management by owner |
| | One-off reviews |
| Overall sector | Data (consumer, production and trade) |
| | Sentiment surveys |
| | Aggregate BCA |

Monitoring and evaluation

5.2 Demonstrated consideration of and response to outcomes of monitoring and evaluation processes

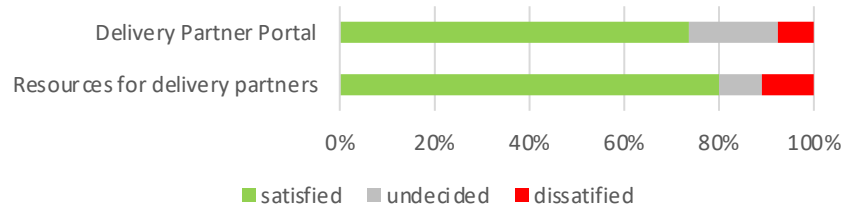
- Hort Innovation undertakes a regular Grower Sentiment Survey – includes grower perceptions of Hort Innovation as investors in research, development, marketing, communication; interaction with growers, and our information products and service
- We plan to undertake further quantitative research into grower awareness and sentiment, in conjunction with qualitative research with key stakeholders
- Translating stakeholder insights into actionable and measurable improvements is a key focus for the new Engagement Leadership Group
- The new Strategy prioritises data and evaluation under Imperative 5 – *Working simply and effectively*



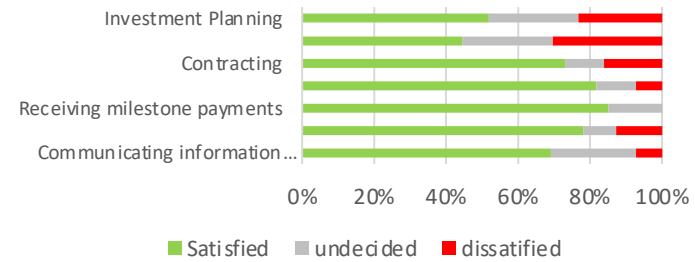
Delivery Partner Pulse Survey summary (2022/23)

The Delivery Partner Pulse Survey, which measures the level of satisfaction with Hort Innovation processes, systems and resources was generally positive

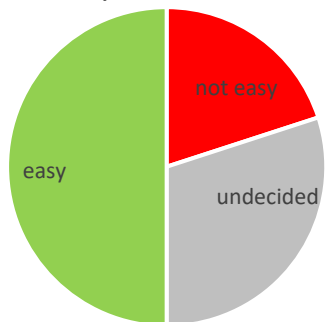
Satisfaction with resources



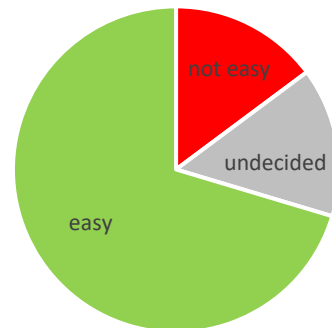
Percentage satisfied with interactions with Hort Innovation



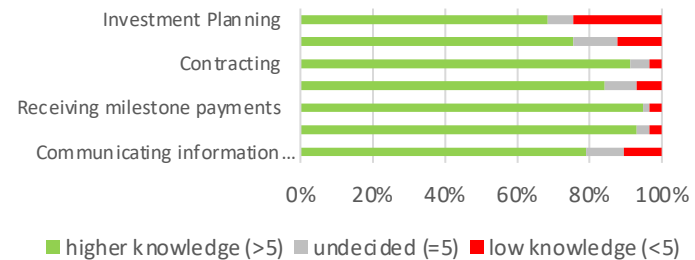
Does Hort Innovation collaborate well with other organisations and stakeholders?



Is Hort Innovation easy to work with?



Knowledge about Hort Innovation's project management



Marketing Survey summary

(November 2022)

Hort Innovation surveyed the top 10 SIAPs, to measure the level of satisfaction with our marketing function and the results were positive and improving

Recognition of the shift

- 40 per cent feel more involved
- 83 per cent are satisfied with 2022/23 marketing plans

Ownership and endorsement of marketing plans by industry has increased significantly

- 83 per cent feel they have influenced their industry's marketing plan
- 94 per cent feel they now have ownership and will endorse the marketing plan amongst peers

Accountability, communication and measurement of plans and performance improved YOY

- 91 per cent are satisfied that clear metrics are in place to measure performance

Monitoring and evaluation

5.3 Transparent communication to stakeholders (including government) on the impacts and benefits of the RD&E (and marketing) activities

- Our Communications Team maintained a regular flow of information to our stakeholders through the website, media, social media, e-newsletters, as well as face-to-face events, including *Growing Innovation* (monthly update) and quarterly *Impact Update*
- Project summaries and final reports are added to the Hort Innovation website throughout the year
- Company and levy fund annual reports are available on the Hort Innovation website
- A portfolio of 21 industry-specific communication programs worth over \$4.85M each year, which produce around 21 websites, 64 magazines, 358+ e-newsletters and 48 social media platforms
- The Industry Trade Connect Forum
- Regular engagement with the Government



Continuous improvement: the shape of things to come

Focus areas for financial year 2024

- The ‘bigger things’ – larger, more transformational research
- Moving from a ‘projects’ to a ‘programs of work’ approach to investments
- Embedding a ‘customer first’ and partnership approach with industry including through our new and refreshed advisory mechanisms
- Positioning our team and systems to deliver on the new Strategy e.g., accountability, reporting, training and development, new collaborative ways of working
- Continuous improvements identified in Independent Review of Performance
- Constitutional change (including prior consultation with the Minister)



**Hort
Innovation**

Thank you