

Hort Innovation Levy Payer Workshop Outcome

**Mt Barker-Hahndorf Golf Club, Mt Barker, SA
Friday 29 January 2016**

Background

Horticulture Innovation Australia (Hort Innovation) has held Levy Payer Workshops nationally to assist with the development of the company's inaugural Strategic Plan, setting the strategy to 2018. The purpose of the workshops was to consult with horticulture levy payers to gain their input in shaping the company's strategy and its implementation. The strategy is also underpinned strongly by Hort Innovation's constitution and the Deed of Agreement with the Commonwealth.

Presentations were delivered at each workshop regarding company operations, particularly in relation to levy investments (Pool 1) and the Strategic Co-investment Funding Pool (Pool 2). Feedback was received at each workshop and collated into a summary. All workshop summaries will contribute towards the compilation of the company's inaugural Strategic Plan.

The summary below outlines the feedback received from attendees at the Mount Barker workshop.

Main discussion points

Hort Innovation in general

The issue was put forward that the process to claim voting entitlements is too complex. Further, the idea of a levy 'BAS' system was suggested. Hort Innovation agreed the voting process for the Annual General Meeting is seen as complicated and could be better communicated in future.

One attendee reported a negative experience when questioned by Hort Innovation staff about the validity of his claimed voting entitlements – this is inappropriate given the levy payer has signed a statutory declaration. This attendee felt scrutinised and that there was a lack of trust. The presenter acknowledged this point and an undertaking was made to look into this matter.

The question was raised as to whether there is a master list of all levy paying growers. It was explained the Levy Revenue Unit has a list, but it not available to Hort Innovation. The presenter explained that Hort Innovation does not have access to this list due to privacy issues, and that the list is not complete as it would only show who has submitted the levy (first point of sale) not the individual levy payers.

Concern was raised as to whether the 'old' cross-industry fund is no longer being reported against – questions were asked as to what happens in regards to this now? Hort Innovation confirmed the Across Horticulture levy still exists and investments are ongoing.

Concern was expressed about the loss of the previous Voluntary Contribution (VC) project funding process. This is a negative for some industries. It was explained that the new Pool 2 investment program which replaces the VC program was a response to recommendations about the need for longer term 'transformational' investments.

Advisory mechanism

The question was raised as to how cost-effective the new advisory process is, given the multiple panels? Specifically, is more money being spent on sitting fees? The comment was made that the 'old' Industry Advisory Committee (IAC) process worked well. The presenter explained the new process is cost-effective as it has the flexibility to seek advice appropriate to the need.

The links between the Strategic Investment Advisory Panel (SIAP) and tender evaluation panels was questioned. It was explained that the role of the SIAP was a more strategic role looking at reviewing the Strategic Plan and advising on investment priorities. The tender evaluation panel's role was to review specific project proposals following a specific tender process. There may be (depending on the advice required) some overlap with members of the SIAP potentially involved in the tender review process.

In regards to the intellectual property of ideas generated through the procurement process, concern was raised as to how this will be protected. Hort Innovation explained the new innovation concept pipeline takes IP into consideration and recommends that the initial process involves only a project concept, not a full proposal. Most of the intellectual property is normally included as part of full proposals in response to a specific tender. Normal IP management processes would apply at the tender stage of the procurement process.

Specifically, it was asked how advice is sought from growers. The presenter advised that growers' advice is sought at multiple stages of the procurement process starting with the Strategic Plan development, SIAP and tender review processes.

The ongoing role of Industry Representative Bodies (IRBs) was questioned, as was their funding mechanism. There is significant concern that IRBs have been excluded – and where funding is returning to IRBs, the process is too slow and some have become fragmented (the strawberry industry was provided as an example). The presenter indicated that IRBs are not being excluded from funding and are in fact continuing to be significant service providers on key projects for their respective industries. However, there are new procurement processes that require transparency in the tendering process and specific requirements in the new Hort Innovation Constitution and Statutory Funding Agreement with respect to IRBs.

It was queried as to where project applications come from. It was explained that project ideas could come from many different sources. However, the project applications would come from various service providers in response to project tenders developed through the advisory process.

Finally, the question was raised as to whether the strategic plan is truly reflective of industry priorities. It was explained that, in the short term, the existing industry strategic plans will be used as a basis for investment priorities in the absence of any other documents. However, advice on the priorities would be sought through the advisory process and specifically the SIAP. In the future the strategic plans will be updated to reflect new industry investment priorities.

Communications

It was recommended that communication in both email and hard copy formats are required (12 participants preferred email, while two preferred hard copy).

In regards to accessibility of both Milestone and Final Reports, feedback was provided that these are easier to access on (certain) IRB websites than on the Hort Innovation website. Specifically, feedback was provided that needing to apply for each report via the Hort Innovation website was a slow and cumbersome process. The recommendation was made that a 'member only' portal should be developed that provides full and immediate access to reports.

Further, the comment was made that 'people don't know what they don't know' when searching, hence a need for Hort Innovation to alert Members of relevant information.

The presenter agreed that more communication with growers is needed and these suggestions will be taken into consideration for communication to members and website developments in future.

The suggestion was made that Hort Innovation should be at R&D extension workshops and industry meetings to provide two-way communication. Further, the presence of Hort Innovation staff at events should be promoted with the example provided that Hort Innovation attended last year's 'Riverland Field Day' but attendees did not know they were there.

The opinion that levy payer meetings should be facilitated by IRBs was offered. It was commented on that these are less flexible now but will hopefully become more flexible with time.

In regards to industry conferences, it was recommended that these could be theme-specific e.g. fruit fly road show (might be related to Pool 2 funds), and/or Industry-specific (IRB to organise).

Hort Innovation acknowledged these suggestions and they will be taken into consideration in planning and attending future events.

Strategic Co-investment (Pool 2)

A process was undertaken in which each participant 'invested' a nominal \$100 across the five established and further 14 proposed funds under 'Pool 2' (the Strategic Co-investment Fund Pool). The results were as follows:

Theme/Fund	'Investment'
Building capacity	
Leadership and people development (established)	\$35
Industry data	\$45
Discovery research	\$45
Contingency research	\$15
Driving growth	
Asian markets (established)	\$230
Health, nutrition and food safety (established)	\$35
Consumer and market insights	\$145
New product development	\$40
Stimulating productivity	
Intensive and protected cropping	\$20
Emerging and advanced technologies	\$185
Genetic improvement and breeding	\$110
Food waste	\$85
Managing risk	
Fruit fly (established)	\$155
Pest and disease management	\$125
Chemical access and registration	\$115
Enabling sustainability	
Green cities (established)	\$0
Pollination capacity	\$0
Land, soil, water and climate	\$125
Northern Australia	\$0

* The votes of an IRB representative, who was unable to get to the meeting, were accepted and included in these figures.

The results of this prioritisation will be collated with those of the other workshops and taken into account by the Hort Innovation as decisions are made regarding the establishment of further funds.

Key takeouts for the Strategic Plan

Company operations

- The process to claim voting entitlements is too complex and Hort Innovation should ensure this is better communicated before the next Annual General Meeting.
- Growers require communication that targets multiple touch points, including digital and hard copy printed materials.
- Communication needs to be about research and issues that are important to growers and projects and value.
- Milestone and Final Reports need to be easily accessible on the Hort Innovation website, possibly in a 'member only' section.
- Members must be alerted when information becomes available.

Levy investment (Pool 1)

- Hort Innovation should be more transparent around the advisory panel process, the decision making, and each panel's recruitment and their cost-effectiveness.
- Hort Innovation to communicate the outcomes of the across-industry fund to ensure it continues to be reported against.

Strategic Co-investment (Pool 2)

- The high priority investment themes recommended from the meeting included Asian Markets, Emerging and Advanced Technologies, Consumer and Market Insights and Fruit Fly.
- These popular themes reflected the priorities of the industries represented, especially Cherry, Apple, and Strawberry, where developing and maintaining new markets is seen as a major industry priority.

Attendees

Approximately 14

Industry sectors represented

Apple and Pear, Cherry, Pistachio, Potato, Strawberry, Vegetable