

## Hort Innovation Levy Payer Workshop Outcome

Batlow RSL Club, Batlow, NSW

Monday 1 February 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 Batlow workshop.

### **Main discussion points**

#### ***Hort Innovation in general***

The query was raised regarding the removal of Industry Advisory Committees, and specifically, how Hort Innovation proposes to seek feedback from growers who are spread across the country. Concern was also raised about the funding for Industry Representative Bodies (IRBs). The presenter outlined Hort Innovation's new Strategic Investment Advisory Panels and the process for recruitment and each panel's responsibilities. The presenter also indicated IRBs could be funded through the competitive procurement process and highlighted some key examples of where IRBs have been awarded work through this process.

The Annual General Meeting (AGM) voting process was raised, regarding the initial elections of directors, with a query as to when the voting process will become more streamlined. On the same note there was concern about the "unusual voting method" for and against candidates and about growers not being able to vote on all board members. A discussion about the importance of increasing the transparency of the board process followed. The group discussed that it was important to balance member involvement with the need to get the right balance and mix of skills on the board so that it can perform its duties across a diverse portfolio of industries and interests. Hort Innovation acknowledged the feedback and this will be taken into consideration when planning the next AGM.

It was highlighted that the timeline slide in the presentation reflected July 2015 start dates instead of November 2014, and concern was raised about an apparent high rate of staff turnover at Hort Innovation in the last 12 months. The presenter acknowledged this and explained that the July 2015 date reflected when changes began being implemented. Before this time was a period of consultation and planning for the change. The presenter also outlined that although it is not unusual to experience greater turnover at times of significant change, the average turnover in the organisation was very low.

Finally, a point was raised regarding the R&D outcomes and that growers are looking for engagement and results. Hort Innovation agreed that results are important for growers to see value in their levy investment. This feedback will be taken into account when planning future communications with growers and industry.

### ***Advisory mechanism***

There were concerns that bureaucracy may be getting in the way of making decisions during the innovation funnel into procurement. The question was raised around the scrutiny of nominees and their past history for the advisory panels. On the same note, the interest in the advisory panels was high, along with the query of a cap on advisory panel costs and turnover. The presenter outlined the innovation funnel had flexibility built into it to move quickly depending on the amount of validation required on the new project concept and overall cost. The presenter also outlined the process involved in selecting the investment panels, and the costs involved in them.

The question was asked regarding the maximum value for directly procured projects, for example projects with a value of under \$40k being able to be procured directly. The position was taken that there is a need for directly procured projects in some cases but that the intention is to increase transparency and remove conflicts of interest by using an open, value for money based procurement process in most cases.

It was asked if Hort Innovation intends to meet with growers to update on advisory panels. Hort Innovation indicated that there would be ongoing communications with growers regarding advisory panel outcomes and a commitment to continue some of this communication face to face.

### ***Communications***

There was a strong focus on the membership recruitment process, and how Hort Innovation could possibly work with supply chain. It was raised that the membership form in its current state is too long with an opportunity to have a shorter version of the form with the Hort Innovation Membership team or Relationship Managers contacting the grower for an introduction and to obtain further details. Hort Innovation agreed and advised that the membership form is undergoing some "tweaking" to make it more user friendly.

The question was also asked as to whether or not Hort Innovation can get access from the government to levy payer information. There was a focus on promoting the benefits of

membership, as people are looking for viable reasons to join the organisation. It was raised that a property identification code would be beneficial in “reigning in” all growers. Hort Innovation acknowledged this and advised that due to privacy laws, details of levy paying growers are unable to be provided by the government. They advised that new messaging was being developed, promoting benefits of joining the company.

Many attendees would like to see explanatory notes for industry financial reports and R&D projects on the Hort Innovation industry web pages for those who aren’t familiar with current projects. Hort Innovation acknowledged that this would be helpful and would endeavour to include more details on the website.

Growers would like to see more communications around getting their produce overseas. There was also some concern about the communication from Hort Innovation to smaller industries with the recommendation that processes be improved so that they are on the same level as larger industries. It was proposed that direct communication with smaller industries may be required more than with larger industries. This was noted by the presenter.

The new information available on the website was discussed with feedback from some growers that it was quite valuable. It was also noted that there was an error on the website which was communicated to Hort Innovation and was rectified quickly.

Attendees were all comfortable with digital methods of communication. Attendees noted communications to industry should be to the point and outcome focussed.

### ***Pool 2 investment***

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).

It was noted that this process was not the only process being used to prioritise investment and that other factors would be considered when determining the final investment funds. The results were as follows:

| <b>Theme/Fund</b>                               | <b>‘Investment’</b> |
|---|---------------------|
| <b>Building capacity</b>                        |                     |
| Leadership and people development (established) | \$70                |
| Industry data                                   | \$5                 |
| Discovery research                              | \$50                |
| Contingency research                            | \$0                 |
| <b>Driving growth</b>                           |                     |
| Asian markets (established)                     | \$162.50            |
| Health, nutrition and food safety (established) | \$80                |
| Consumer and market insights                    | \$45                |

|                                    |          |
|------------------------------------|----------|
| New product development            | \$106.50 |
| <b>Stimulating productivity</b>    |          |
| Intensive and protected cropping   | \$0      |
| Emerging and advanced technologies | \$130    |
| Genetic improvement and breeding   | \$35     |
| Food waste                         | \$55     |
| <b>Managing risk</b>               |          |
| Fruit fly (established)            | \$370    |
| Pest and disease management        | \$45     |
| Chemical access and registration   | \$5      |
| <b>Enabling sustainability</b>     |          |
| Green cities (established)         | \$0      |
| Pollination capacity               | \$10     |
| Land, soil, water and climate      | \$5      |
| Northern Australia                 | \$0      |

## **Key takeouts for the Strategic Plan**

### ***Company operations***

- The promotion of Hort Innovation membership should focus on benefits and reasons for growers to join the company.
- Hort Innovation should provide a focus on R&D outcomes and explanatory notes for industry financial reports in order to better communicate with growers.
- Hort Innovation should evaluate the AGM voting process in order to make it a streamlined and easy process.
- Communication needs to be more regular and more transparent particularly to smaller industries.

### ***Levy investment (Pool 1)***

- Hort Innovation should be more transparent around the advisory panel process, each panel's responsibilities and recruitment process, to ensure fair and equal representation.

### ***Strategic Co-investment (Pool 2)***

- A focus on export and the Asian Markets fund was noted, as was the focus on product innovation and new technologies.

## **Attendees**

Approximately 16

## **Industry sectors represented**

Apple and Pear, Cherry, Chestnut, Nursery, Summerfruit