

## **Hort Innovation Levy Payer Workshop Outcome**

Palmerston Sports/RSL Club, Darwin, NT

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 Darwin workshop.

### **Main discussion points**

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

There was discussion around the removal of the Voluntary Contribution (VC) mechanism and comments around how well the model worked with HAL. This was supplemented with commentary around the mango and nursery industries and how they relied on the VC mechanism. Clarity was sought regarding how co-investment options can be accessed now with the new Hort Innovation business model. This comment was noted by the presenter and further reference to Strategic Co-investment (Pool 2) criteria was provided. It was also noted that Industry Representative Bodies (IRBs) have the opportunity to provide paid services to Hort Innovation through a competitive process.

It was suggested that greater resourcing could be put to lobbying and less to R&D, particularly around market access and labour, as they are major issues for northern Australia. Discussion followed around the role of Hort Innovation and its requirement to spend levy and matching government funds only on eligible R&D. It was recommended that all R&D should have a business focus. Attendees were reminded that levy payers can influence Pool 2 investment areas and in doing so could provide data to support advocacy activities. These points were acknowledged by the presenter and were included in the collation of feedback. Further explanation about Hort Innovation's role was provided and it was pointed out that it is the role of the Voice of Horticulture and the IRBs to lobby the government not Hort Innovation.

Discussion was also had regarding levies and how they are facing sunset clauses within the next two years. There was concern that levies will cease to exist due to the perceived slowness and lack of impact of R&D. Hort Innovation will continue to work with those industries that have a levy or Collective Industry Fund in place.

### *Advisory mechanism*

The ability for grower engagement in advisory panels was noted as a huge challenge by some attendees. There was some concern that the growers most willing and capable of making an industry contribution are often on the IRB, and these people are excluded from the Hort Innovation advisory process as a consequence. However, not all in the room wished to see the advisory input to Hort Innovation channelled through their IRB because the efficacy of IRBs varies across industries. It was noted that horticulture is diverse and the full spectrum of engagement be it with Hort Innovation or IRBs is present across the diverse group of industries. Hort Innovation has an obligation to take independent advice from growers.

Reference was made about growers not always communicating their needs with the IRB (or Hort Innovation) and the need for them to take responsibility for not doing so. The different methods of communication and reliance on email when everyone is busy were noted. Hort Innovation is reviewing the communication tools currently used including the website.

Furthermore, it was mentioned that many growers do not understand the distinction between the roles of Hort Innovation and their IRB. This was acknowledged by the presenter.

### *Communications*

Communication with the Vietnamese population (noting they make up more than 20 percent of Northern Territory mango growers) was brought up, with references to the difficulties and challenges with reaching them and questions about how Hort Innovation should best engage with this group. Hort Innovation acknowledged this issue has been presented by the Australian Mango Industry Association (AMIA) and will be discussed with the Strategic Investment Advisory Panel.

Attendees recognised the difficulty in getting growers through the door for the Levy Payer Workshops. To ensure grower engagement, it was recommended that Hort Innovation should address the question – ‘What’s in it for me?’ and explain what growers are getting for their levy. Hort Innovation responded that this view is paramount to demonstrating value for growers with their levy investment. All investment will be underpinned by a monitoring and evaluation framework. It was noted that framework has been developed and will apply to different aspects of the organisation and its investments, including industry levy fund programs.

It was suggested that Hort Innovation address two levels of communication, being technical information for growers and ‘Your levy at work’ – ‘show me where I’m getting a return on my investment’. This was noted and will be fed back to the Hort Innovation Communication team.

For growers, time is short and information overload is a problem. Technology and internet access was discussed and it was noted that many growers are not internet-savvy, with access being poor in some areas, and some growers having poor English. To address this, it was generally agreed that a mix of industry-specific newsletter (monthly) and face-to-face is preferred. Hort Innovation is reviewing the communication tools currently used including the website and noted the preference and idea to have face-to-face opportunity with different regions in northern Australia.

The face-to-face activity was supported in terms of field days, sessions at conferences on 'how your levy works' could be of benefit (acknowledging some conferences can be expensive and difficult to get to), the suggestion of an annual conference/field day tailored to the industry and free to growers. Other examples included the example of the small study group model that existed for the mango industry which worked well and should be reconsidered. Suggestions were made around working with local associations, NT Farmers and influential growers for best results. The suggestion as made and generally agreed that Hort Innovation should have a 'NT representative' who would be based in the NT or visit periodically and call on farms / host events.

Hort Innovation acknowledged these recommendations and points, and agreed that communications to industry can be more tailored in future. Hort Innovation will take this feedback into consideration for future communications.

### ***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:

<b>Theme/Fund</b>	<b>'Investment'</b>
<b>Building capacity</b>	
Leadership and people development (established)	\$35
Industry data	\$80
Discovery research	\$5
Contingency research	\$5
<b>Driving growth</b>	
Asian markets (established)	\$20*
Health, nutrition and food safety (established)	\$31
Consumer and market insights	\$1
New product development	\$0
<b>Stimulating productivity</b>	
Intensive and protected cropping	\$0
Emerging and advanced technologies	\$40
Genetic improvement and breeding	\$20
Food waste	\$40
<b>Managing risk</b>	
Fruit fly (established)	\$70
Pest and disease management	\$60

Chemical access and registration	\$50
<b>Enabling sustainability</b>	
Green cities (established)	\$60
Pollination capacity	\$30
Land, soil, water and climate	\$80
Northern Australia	\$175

\* Asian Markets received one vote of '-\$2000', but this was not counted.

The results of the vote will be collated with those of the other Levy Payer Workshops and taken into account by the Hort Innovation Board and management as decisions are made regarding the establishment of further funds.

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

### ***Company operations***

- Communication needs to be tailored and relevant with content customised for growers, including those with non-English speaking background.
- Hort Innovation needs to further explain the distinction between itself and the IRB and both organisation's roles and responsibilities.
- Communication needs to have a focus on demonstrating how levies are invested for the benefit for growers.
- IRBs, grower associations and face to face activity need to be included in Hort Innovation's communication approach.

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

- Hort Innovation should clearly communicate the advisory panel process to ensure it is transparent and well-reported to industry.

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

- The Northern Australia fund received its highest level of support at the Darwin workshop.
- Industry Data and Land, Soil, Water and Climate were also strongly supported, as were the three risk management funds (Fruit Fly, Pest and Disease Management and Chemical Access and Registration), the latter reflecting the challenge of managing plant pests in the Northern Territory.
- Green Cities also received relatively strong support due to the presence of the nursery industry.

## **Attendees**

Eight

## **Industry sectors represented**

Mango, Nursery