

## Hort Innovation Levy Payer Workshop Outcome

Glass House Mountains Sports Club, Glass House Mountains, Qld  
Friday 5 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 Glass House Mountain workshop.

### Main discussion points

#### *Hort Innovation in general*

The general feedback was tabled that growers don't have a clear understanding of Hort Innovation's model or purpose. Further, the comment was made that "no one asked us if we wanted to own Hort Innovation – we are too busy to help run this grower-owned RDC". It was stated that the Industry Representative Bodies (IRBs) are best placed to run Hort Innovation and the question was raised in regards to the new model as to whether Hort Innovation takes advice from growers or IRBs also. The presenter acknowledged this feedback and open lines of communication need to continue regarding the new investment model and the company's new role. A summary of the ACIL Allen review recommendations was presented, along with key changes in the transition from HAL to Hort Innovation to clarify the new company's models and purpose.

The comment was made that 'everybody hates change' and Hort Innovation needs to make levy payers comfortable with the changes – as it stands now, many don't know or understand the system and hence, don't trust it. In relation to this, the view was also provided that "we all need to move forward and make the most of the new model". It was acknowledged that some growers and industry members are still unsure of the changes and what it means for them. Hort Innovation agreed that more communication around the

transition was/is required. As stated above, key changes in the transition from HAL to Hort Innovation to clarify the new company's models and purpose were presented and discussed to endeavour to clarify and communicate these changes.

It was claimed that levy renewal is at serious risk, and will be largely determined by whether growers have their Industry Development Officers (IDOs), with this needing to be prioritised by Hort Innovation. The question was raised as to how long "all this going to take to finalise", with further questioning about whether the percentage of R&D and marketing levy has changed.

The recommendation was tabled that industries need to be reinvigorated through the younger generation.

It was claimed that Hort Innovation costs more to run than HAL did, with a lack of transparency and that levy payers need to see some results.

The need for the two mechanisms (funding pools) was questioned as was the inclusion of the retail sector in Hort Innovation's processes, in specific what Hort Innovation is doing to work with retailers.

### *Advisory mechanism*

The question was raised as to how Hort Innovation will contact levy payers with the point made that the help of IRBs to do this will be necessary. It was noted that IRBs find it hard enough to engage with growers with the example provided that the strawberry IRB doesn't know many of its growers. Hence it was advised that there must be a strategy to engage levy payers as there is a lot of competition when it comes to engaging growers and 'double dipping' must be avoided. Many growers already know their IRB and don't want to have to deal with both Hort Innovation and the IRB. The presenter acknowledged this point and agreed it is important for Hort Innovation to work with the IRBs regarding communications, and be clear about the different roles that Hort Innovation and the IRBs play. It was also highlighted that IRB representatives are directly involved in the advisory process. Specific examples of industries where IRBs weren't involved in the advisory process were raised by the forum and Hort Innovation clarified that this was not the case and that they were involved in this process during the interim advisory phase.

It was advised that the selection criteria for advisory panels exclude a lot of growers.

With regards to IRBs and panels, there was question as to whether 1–2 IRBs on each panel is a set number. It was questioned as to how growers get nominated for advisory panels and highlighted that industry need to know who is representing them and to ascertain that there is no conflict of interest.

The comment was made that talented people are needed on the advisory panels to get good results, with the recommendation to headhunt the best people for the job if the best are not forthcoming – with the point that Hort Innovation shouldn't necessarily settle for those who nominate.

The claim was made that Hort Innovation does not realise how much people do without getting any funding to assist.

There was some support for the tender process as it drives efficiencies and competition, whilst noting there must be transparency about the ideas coming from growers.

Questions were asked about the new innovation concept pipeline, including if someone can submit an idea and get something approved without industry support, and how does the person who submits the idea get input into the industry investment plan. It was suggested that every grower should be sent the proposals for comment relevant to their industries – that is the only way Hort Innovation will get feedback.

Additional questions around the concept pipeline focussed on the management of the projects, as there was an understanding that the IRBs managed the Hort Innovation projects in the past. Comments were made that attendees do not want to repeat research that has been done before and it is important to get the process right and to ensure no duplication with overseas R&D.

Further, attendees wanted to know once the projects are completed and how Hort Innovation delivers the extension of the project outcomes. This comment was made with overwhelming support for IDOs, who often have 10–15 years training, and the fear that some industries may lose knowledge and how extension capacity will be maintained if IDOs disappear. The stability of IDOs was noted as critical and needs to be resolved. Attendees were also interested if the funding for projects such as IDOs come from individual levies or across the board, as industries can no longer support the IDO for extension activities through their levies. Specific mention was made to the turf levy needing review as funding is needed for IDOs.

### *Communications*

It was discussed that Hort Innovation needs to communicate more simple and targeted messages to growers. It was suggested that growers and members should be able to select what information they receive from Hort Innovation, with access to more project summaries, providing recommendations – this is the most important outcome – and links and contacts for further information.

Some attendees suggested that industry-relevant information, presented briefly and in dot point form would be of benefit to growers as they are time poor. The comment was made that Hort Innovation communication is long-winded and the language could be more 'grower-speak' rather than 'corporate speak'.

Attendees also reiterated the importance of transparency from Hort Innovation.

Further, it was noted that IRBs are motivated to communicate by their members, as some do not want to hear from Hort Innovation directly. Some said they would prefer Hort Innovation to communicate through IRBs, and said that IDOs are a critical conduit for information (in and out of Hort Innovation) for many industries.

It was noted that IRB meetings (e.g. those held by macadamias) are much better attended than Hort Innovation meetings.

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

Following a brief presentation on the Strategic Co-investment Fund Pool (Pool 2), the following points/questions were raised:

- \$40 million is not a lot for R&D activities, despite the claims.
- Will projects always go to tender, or will a co-investor (e.g. a state agency) do the project?
- Who will be on the Pool 2 panels?
- Are we paying for Pool 2 with our levy funds? We don't understand Pool 2 funding.
- Import risks, would they sit in contingency research fund?
- What are the timeframes for the remainder of funds to be established?
- If levy payers put levy funds into a breeding project then what guarantee do we have for IP?
- Nursery has no IDO to look after minor use anymore.

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)	\$305
Industry data	\$10
Discovery research	\$170
Contingency research	\$60
<b>Driving growth</b>	
Asian markets (established)	\$130
Health, nutrition and food safety (established)	\$60
Consumer and market insights	\$135
New product development	\$65
<b>Stimulating productivity</b>	
Intensive and protected cropping	\$70
Emerging and advanced technologies	\$185
Genetic improvement and breeding	\$85
Food waste	\$60
<b>Managing risk</b>	
Fruit fly (established)	\$0
Pest and disease management	\$660
Chemical access and registration	\$525
<b>Enabling sustainability</b>	
Green cities (established)	\$75
Pollination capacity	\$55

Land, soil, water and climate	\$295
Northern Australia	\$0

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***

- Hort Innovation communication needs to be about research and issues that are important to growers, including project outcomes and direct value to growers.
- Growers require communication that targets multiple touch points, while at the same time is filtered to reduce the number of communications and duplications.
- Hort Innovation should increase communication around the transition from HAL, from all perspectives including R&D in general and individual projects.

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

- Hort Innovation should be more transparent around the advisory panel process, each panel's responsibilities and the recruitment process, to ensure fair and equal representation. The members of these panels should also be communicated broadly.

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

- Pest and Disease Management, Chemical Access and Registration, Leadership and People Development and Land, Soil, Water and Climate received the greatest support. This pattern is consistent with that of other workshops.

### **Attendees**

Approximately 34

### **Industry sectors represented**

Avocado, Citrus, Macadamia, Nursery, Passionfruit, Pineapple, Strawberry, Summerfruit, Tomato – Fresh & Processing, Turf, Vegetable