

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

The Connection, Shepparton, Vic  
Thursday 27 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 Shepparton workshop.

### **Main discussion points**

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

Discussion was had around the process of Hort Innovation's new innovation concept pipeline, most specifically the step-by-step progress of a concept from submission to contract. Attendees were interested in the communication around a concept's progress, and the people and panels associated with the progress and assessment of a concept submission. The need for transparency in every stage of this process was highlighted as important to attendees, to ensure grower confidence in levy investment and overall understanding of the system.

Further suggestions were made in relation to the sharing of submitted concepts with the wider industry, rather than only with the industry's Strategic Investment Advisory Panel members. The horticulture sector in the Netherlands was mentioned as an example of transparency, with reference to how information is shared freely amongst growers and the benefits of this to their industry. It was suggested this type of sharing could extend to those who may wish to fund or develop the idea (e.g. state departments), to allow for an 'open forum' and incubation of ideas, particularly the availability of those concepts that do not move to becoming projects in the first instance. The propensity to share information could be dependent on the structure and nature of the industry, e.g. export or domestic focus. Hort Innovation explained the new innovation concept pipeline process in more detail

addressing these questions, and agreed that a higher level of transparency and sharing has its benefits and is possible in the future.

It was also asked if concepts were actively sourced externally or submitted to Hort Innovation via the Concept Proposal Form only. The presenter said that concepts are received via the Concept Proposal Form and acknowledged the suggestion of active sourcing as a valuable suggestion for consideration. It was further noted that the strategic planning process, which involves broad consultation with industry, is generally the most important source of investment ideas.

It was noted that horticulture R&D should be grower-driven. This feedback was acknowledged by the presenter and it was noted that whilst Hort Innovation has direct legal responsibility for the investments it makes, it has built in grower advice throughout the innovation pipeline from strategic planning to project execution and delivery. It was discussed that the strategic planning process is a key opportunity for all growers to have a say in the direction of the R&D of industries at the outset of the investment cycle and grower advice is intrinsic throughout the procurement process.

### *Advisory mechanism*

The selection process for the Strategic Investment Advisory Panels (SIAP) was discussed and how there can be a surety that the advice is representative and commercial aspects are understood. An example was given – if 20 people apply for a position on a panel and they are all inappropriate, then what happens? It was noted that a number of industries are unsure that the appropriate people are representing them on the Strategic Investment Advisory Panels. These points were acknowledged by the presenter and it was agreed that it is not possible to always get the right people. However, it was noted that the selection process was open and transparent and allowed any grower to apply to participate on the panels. Although the panels are skills based, the selection process also aims to ensure that there is good representation of different sectors, geographic areas and commercial growers of different size.

Reference was made to when Hort Innovation was first established and there was talk of regional panels and possible multi-industry panels. It was asked if Hort Innovation has now removed that idea or is it still being considered? Attendees were also interested in how much interest there had been in the recruitment of the advisory panel members. The presenter responded by explaining the idea around regional and multiple industry panels was not applicable to Pool 1 levy industries and would not be progressed. Each industry will have its own SIAP. Hort Innovation advised there had been a high level of interest by growers in the advisory panel recruitment process. For most industries, more applications were received than positions available on the panel, hence interviews were conducted with most candidates to ensure the best possible SIAP would be appointed.

There were observations about the structure of the panels, most specifically why there are three different panels in the innovation pipeline process, and how Hort Innovation will keep people engaged if they have to be involved at three levels. It was highlighted that people

can get committee/consultation fatigue so a flexible approach is encouraged. This was acknowledged by the presenter. It was also noted that the level of involvement in the advisory process, after the initial SIAP meeting, is optional and not as onerous. Hort Innovation also acknowledged the need to move more quickly at times.

There was a recommendation for terms of reference to be developed for the Strategic Investment Advisory Panels, for transparency and for setting the expectations of panel members. Hort Innovation acknowledged the importance of terms of reference and noted these were under development.

Further questions included the length of the term for the advisory panel members, if panels would cover a group of industries (e.g. tropicals, temperate etc.) or would be similar to the old HAL model of individual industries, if small industries with limited growers were going to be represented, and how panel members will be able to rotate if the industry is very small. These questions were addressed by the presenter, noting the term would likely be two or three years, with the possibility of two or three terms, with refreshment of two panel members every year if possible, which would likely occur through the course of retirement. It was reiterated that each Pool 1 industry would have its own SIAP and there would be one expert panel for each separate fund in Pool 2.

### *Communications*

It was discussed that Hort Innovation needs to communicate with growers about who they are and what they do, and to demonstrate the value that the company and its investments bring to horticulture and specific industries. For small industries, some said communication to growers via the Industry Representative Body (IRB) works well and the best method is usually dependent on the industry. Hort Innovation acknowledged and agreed with this point. There were some contrary views with the example of the canning fruit industry communication being poor and not going beyond the Canning Fruit Industry Council of Australia (CFICA). It was said that communications should extend to grower associations.

It was suggested that in order to communicate well with growers and get constructive feedback, Hort Innovation events need to go to where the growers are (e.g. Cobram growers meet at the Italian Club, Future Orchards meetings, chemical company days, local grower association meetings), and collaborate with other communication vehicles and industry events where possible. Other suggested ways to communicate were new technology platforms, especially with younger growers, via Twitter, Facebook, and YouTube. Hort Innovation acknowledged these suggestions and they will be taken into consideration for future Hort Innovation communications.

Attendees recommended that to ensure engagements are succinct as possible and aggregated, and include a point of interest for growers, that Hort Innovation should address the question – ‘What’s in it for me?’ and also ask growers what they want to hear about

before going to talk to them. Hort Innovation acknowledged and agreed that tailored information is desirable and is possible in the future with more input from growers.

It was suggested the Hort Innovation website should offer a list of all research projects in the industry and across all industries, and feature the capability to search across industries and across issues/topics (e.g. soils). Recommendations included the presentation of information ensuring accessibility to growers, e.g. media summaries with a clear 'what does it mean for me?' and the full report if the grower wants to dig deeper, as well as regular updates for maintaining interest and awareness. This could include growers having the ability to subscribe to updates on any project, provided every two months or so. Hort Innovation acknowledged these suggestions and they will be taken into consideration for future Hort Innovation communications.

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

Following a brief presentation on the Strategic Co-investment Fund Pool (Pool 2), attendees asked why Hort Innovation has already moved ahead with five funds, and queried the relevance of the Green Cities fund to the rest of horticulture. It was suggested that there would be value in mapping stakeholders to funds to help explain the benefit to certain industries (primary and secondary beneficiaries). It was noted that the five funds prioritised to date had received strong support in the consultation process to date and also had co-investment interest.

Discussions were had around the clarity and transparency of Pool 2 and that levy funds are not generally going to be targeted towards Pool 2 unless the industry advises so.

It was suggested that the Hort Innovation Board could encourage proponents to make and demonstrate linkages across different strategic co-investment funds (e.g. 'Leadership' is needed to grow 'Asian markets'). With reference to the 'Leadership' fund, it was said that young people need to be encouraged to participate more in the horticulture industry.

These suggestions were acknowledged by the presenter. An undertaking was made to look into these recommendations to ensure the transparency of each fund, their benefits and linkages are better communicated to industry.

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 results were as follows:

<b>Theme/Fund</b>	<b>'Investment'</b>
<b>Building capacity</b>	
Leadership and people development (established)	\$90
Industry data	\$40
Discovery research	\$40
Contingency research	\$20
<b>Driving growth</b>	
Asian markets (established)	\$75
Health, nutrition and food safety (established)	\$30

Consumer and market insights	\$0
New product development	\$10
<b>Stimulating productivity</b>	
Intensive and protected cropping	\$40
Emerging and advanced technologies	\$25
Genetic improvement and breeding	\$0
Food waste	\$20
<b>Managing risk</b>	
Fruit fly (established)	\$40
Pest and disease management	\$20
Chemical access and registration	\$40
<b>Enabling sustainability</b>	
Green cities (established)	\$0
Pollination capacity	\$20
Land, soil, water and climate	\$70
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 to ensure the new innovation concept pipeline process is to be communicated to industry in a more transparent and detailed manner.
- The ideas and concepts submitted via the new innovation concept pipeline should be shared with industry and other stakeholders to allow for an 'open forum' and incubation of ideas.
- Hort Innovation should better demonstrate the value that they bring to horticulture growers and specific industries in their communications.
- Hort Innovation to consider its communication to be more industry-specific, with greater input from growers and industry, and incorporate useful data with more resources and useful tools that share relevant information.

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

- Hort Innovation to better communicate the obligations, activities and outcomes of each industry's advisory panel and their meetings.
- Hort Innovation to ensure the selection process for the Strategic Investment Advisory Panels is open and transparent and allows for good representation of different sectors and geographic areas.

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

- The Leadership and People Development fund received the greatest support, followed closely by Asian Markets and Land, Soil, Water and Climate.
- Intensive and protected cropping attracted relatively more support than it did at other workshops, probably reflecting the mix of industries present – which (conversely) resulted in no support for Green cities or northern Australia.

### **Attendees**

Seven

### **Industry sectors represented**

Apple and Pear, Canning Fruit, Processing Tomato, Protected Cropping