



Annual Operating Plan 2016/17

Making the decisions today
to better shape tomorrow.



**Horticulture
Innovation**
Australia

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About Hort Innovation

Horticulture Innovation Australia (Hort Innovation) is committed to delivering short-term activities that make progress towards longer-term outcomes for industry.

Overview

Hort Innovation invests in research and development (R&D) and marketing to increase the productivity, farm gate profitability and global competitiveness of Australian horticultural industries. Hort Innovation is the listener, translator, facilitator, driver and enabler between the needs of industry and the capabilities of science and marketing. Our unique position enables us to take an overarching view of horticulture and recognise opportunities where there is commonality across industries or for the industry as a whole.

We work with others to ensure that we access the best available information in setting short- and long-term priorities. Investment decisions are made through the engagement with people and organisations that have the best knowledge, experience and capacity. We listen to their ideas and opinions and work with them to manage the best outcome for growers and the horticulture supply chain.

These activities will lead horticulture on a pathway to innovation. At the same time we are investing in opportunity, and so have an appetite for taking the appropriate risks that this entails.

Our three areas of activity

Setting the foundation for investment decision-making.

Each year Hort Innovation invests around \$100 million, raised from grower levies, other contributions from industry, and Australian Government funds, in applied and strategic research, development, extension and marketing (RDE&M). Hort Innovation strives for better results for growers by focusing on three areas of activity as described below.

R&D that has a positive short- and long-term impact

Innovation is key to the future success of Australian horticulture. It sits at the heart of R&D that seeks to make the big gains in productivity improvements and economic growth through the development and implementation of new technologies and science.

Hort Innovation's investment approach in R&D will take the form of short-term projects that have less technical risk, as well as long-range transformational R&D that has the potential to make a significant impact.

Hort Innovation's short-term investment in R&D will seek to stimulate ongoing incremental improvements. These are more likely to be industry specific and therefore will primarily be funded from industry levies and government funds. R&D that is longer-term, higher in ambition and risk, and transformational will, when successful, bring wide industry benefit and will be funded from government and co-investment funds.

This diversification in our R&D investment portfolio will better position Australian horticulture to recognise and act on new future opportunities.

The Strategic Plan sets out the roadmap for the next three years and will be executed through Hort Innovation's three pillars of strategic intent:

- Communicate and listen to stakeholders
- Deliver on investments
- Develop our culture and leadership.

Marketing that grows industries

For industries that have marketing levies, Hort Innovation invests in campaigns that encourage people to buy, eat, grow and enjoy more horticultural products.

Working with industry, we develop the strategy and work with communication partners to create and implement campaigns that have a measurable impact across all mediums.

Hort Innovation helps industries that pay marketing levies to develop marketing campaigns that deliver the best value for their investments. Primarily these campaigns focus on domestic market development by linking consumer trends to the unique characteristics of horticulture products, including positive human nutrition.

In addition to supporting individual industries, Hort Innovation has a role in taking a big picture view to ensure industry campaigns work in harmony and use integrated approaches to leverage off each other.

Building new market opportunities

We work closely with Australian horticulture growers to develop export opportunities and build markets overseas where consumers recognise value and appreciate quality, premium products. This is a new area of focus under Hort Innovation's [Constitution](#) and recognises the opportunities for growth both domestically and abroad.

When it comes to the export market, Australia does not have the production capacity in most industries to be a supplier of quantity (with exceptions such as some temperate fruit and nut industries). The main opportunity for Australian horticulture is to export premium, quality fresh food. It is our ambition to build recognition of Australian horticulture products as standing for taste, quality, clean, green, proximity, and premium produce. To do this we must strive to present our products in a unified way across all our marketing efforts, export initiatives, and in trade conversations and negotiations.

Structure

Making sure we have the right people in the right place, at the right time, and with the right skills.

Operational essentials

Hort Innovation's organisational structure has been designed to position our staff and assets to most effectively carry out our strategic activities.

While Hort Innovation's head office is based in Sydney, we also have a permanent presence interstate in both Melbourne and Brisbane. The company currently has 74 employees who provide national industry coverage across the strategic portfolio of activities of stakeholder engagement, as well as research, marketing and investments; while managing the corporate environment within finance, procurement, IT, human resources, good governance, and risk management.



Hort Innovation's organisational structure aligns directly to how we make decisions that deliver on our strategic priorities.

Hort Innovation is committed to fostering a culture of safety and providing a safe and healthy place to work for all of our employees, contractors, visitors and other non-employees. Hort Innovation has implemented a robust Workplace Health & Safety Program consisting of training, policies, procedures, emergency personnel and equipment to minimise workplace safety risks and ensure the wellbeing of our people and those around us.

Operations guided by independent industry oversight

Hort Innovation's Board is skills-based and currently comprises nine non-executive Directors:

- Two Directors elected by voting members of Hort Innovation at the 2015 Annual General Meeting (AGM)
- Two Directors appointed by non-retiring members of the Hort Innovation Board following the 2015 AGM
- Three former Horticulture Australia Limited Directors (HAL Nominees) and
- Two Directors appointed to the Board by the Minister for Agriculture and Water Resources, the Hon. Barnaby Joyce (Minister's Nominees).

Hort Innovation's Constitution requires that, in 2016, five Directors retire from the Board, three of these being HAL Nominees and two being Minister's Nominees. Accordingly there is a need for the recruitment of five Directors in 2016. Retiring Directors may nominate for re-election. Refer to the [Horticulture Innovation Australia Director applicant information pack](#) published on our website for further information.

The Board meets seven to eight times a year for Board and strategy meetings. Board meetings are usually held at Hort Innovation's head office in Sydney, although a number of meetings may be held each year at locations around Australia. In addition to Board meetings, Directors may sit on Board sub-committees including the Investment Committee, Audit & Risk Committee, and Remuneration & Appointments Committee, which usually meet four to five times per year. Hort Innovation Directors may attend associated industry events and meetings such as industry forums. These events and meetings will often be held outside the Sydney area.

Setting up for success

Hort Innovation has undertaken a major transformation program during the last 18 months. Fundamental changes have occurred in the stakeholder and ownership structure and in the investment and funding models that define Hort Innovation. The focus has been on redesigning the structure and function to align with the new Constitution and the Statutory Funding Agreement with the Australian Government, setting up the company for success.

In the latter part of 2015/16, the company began laying the foundations of process and systems technologies that will take us into the future. These new technologies drive our innovation and investment process and increase our ability to leverage stakeholder contact information. We continue to upgrade our capacity and capability to create more transparency in our processes and in our reporting. This enables us to face the future –next year and beyond – with enthusiasm and confidence to meet the accountabilities we have set and the expectations that go with this. The year ahead will see the end of the implementation of our new funding model, processes and systems, and the embedding of a business-as-usual environment built on a commitment to continuous improvement based on experience and the valuable feedback of our stakeholders.

A partnership approach: collaboration across RDCs and with the Australian Government

The partnership approach speaks to the unique relationship that the Research and Development Corporation (RDC) model holds with government. Matching and leveraged public funds work together with industry dollars to address market failure and deliver against whole-of-industry, shared priorities that are also in the interests of public good.

Collaborating with other RDCs

Hort Innovation currently works with other RDCs and organisations on cross-sectoral strategies and will continue to do this. Part of this includes the horticulture component of the National Climate Change Research Strategy for Primary Industries (CCRSPI), the National Soil Research, Development & Extension Strategy, Plant Biosecurity strategies and the National Water Use in Agriculture RD&E Strategy. Hort Innovation will work closely with horticultural industries to consider how each strategy provides opportunity for cross-sectoral investment that aligns with industry priorities.

Two projects to be led by Hort Innovation were approved for funding in June 2016 (approximately \$23 million over the life-span of the projects) as part of the second round of the Australian Government's Rural R&D for Profit program. Additionally, another four projects (approximately \$33 million over the life-span of the projects) led by other RDCs and being supported by Hort Innovation (through levy funding, in-kind and participation in steering committees) were also successful in this round.

Lead RDC	Project name
Hort Innovation	National centre for post-harvest disinfestation research on Mediterranean fruit fly (Australian Medfly R&D Centre)*
Hort Innovation	Advanced production systems for the temperate nut crop industries.
Cotton Research and Development Corporation	Accelerating precision agriculture to decision agriculture
Wine Australia	Digital technologies for dynamic management of disease, stress and yield
Cotton Research and Development Corporation	More profit from nitrogen: enhancing the nutrient use efficiency of intensive cropping and pasture systems
Rural Industries Research and Development Corporation	Securing pollination for more productive agriculture

*Project approved, pending Ministerial press release

Hort Innovation is committed to rural RDC collaboration and supports all the opportunities to do so by being part of a number of business meetings and collaboration forums including:

CEO and Chairs: The CEO and Chairs meet at least four times a year to discuss across RDC collaboration, joint projects and investigation of further system efficiencies.

Communications Managers: The Communications Managers network through quarterly meetings, across the invited 15 RDC organisation members. These communication professionals come together to discuss and work collectively on important cross-communication issues. This includes a dialogue on collaboration across the RDC model, and opportunities to create consistent, shared narrative and best practice principles.

The structure of the RDC model sets alignment to a common goal – *to deliver core research outcomes for the respective rural industries* – that creates a chain of good will, and with that, a strength in collaboration and sharing for the betterment of rural Australia.

Monitoring and evaluation representatives: The Rural RDCs are collaborating on performance monitoring and evaluation. An Impact Assessment Working Group was convened in March this year to progress a project to update the published impact assessment work across the Rural RDCs. This group will meet at least twice in the coming year. Additionally, the project will develop a framework for future impact assessment and reporting. The Working Group provides the Rural RDCs with the opportunity to share their approaches to evaluation and lessons learnt.

Business Managers: Business Managers meet three times a year. The purpose is to collaborate and discuss issues of common interest. By sharing information, the duplication of effort is lessened as the experiences of other RDCs are built upon.

IT Managers: IT Managers now have meetings that occur the day before each of the Business Managers meetings, provided they have a sufficient agenda of items to discuss.

Additionally, Hort Innovation is a participant sponsor of the National Plant Biosecurity RD&E Strategy Implementation Committee. This mechanism aims to improve the RD&E underpinning the plant biosecurity system in Australia through the identification of RD&E system gaps and inefficiencies. This committee provides areas for improvement and recommendations to Hort Innovation as to cross-sectoral investment opportunities.

1. Aligning with Australian Government priorities

The use of Australian Government funds for public good and for building a solid foundation for supporting the future sustainability of rural industries, communities, environment and business.

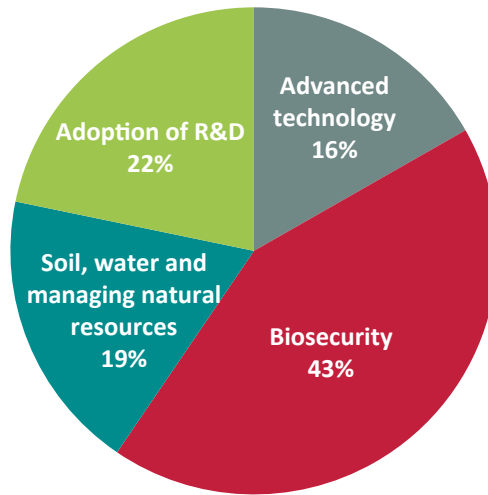
Hort Innovation's priority areas for RDE&M investment reflect both the needs of individual industries (which each set their own priorities through their individual Strategic Investment Plans), and the necessity for research that addresses cross-industry challenges and opportunities of strategic and long-term importance to the industry. Therefore, industry-wide strategic planning must express priorities and actions at a broader level more just at commodity-specific industries. In addition, priority areas are framed and guided by the Australian Government's Rural RD&E Priorities outlined in the *Agricultural Competitiveness White Paper*, and its National Science and Research Priorities.

Following extensive consultation in July 2015, the Australian Government announced new Rural RD&E Priorities: advanced technology; biosecurity; oil, water and managing natural resources; and adoption of R&D.

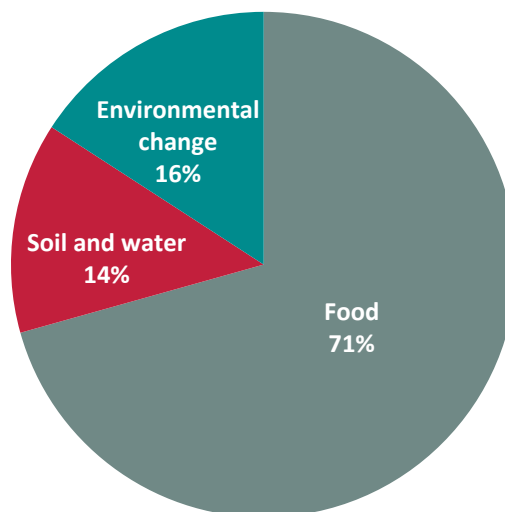
The priorities are consistent with the overarching National Science and Research Priorities, which were announced in May 2015. Those that are relevant to horticulture include: food; foil and water; and environmental change. Hort Innovation considered both sets of priorities closely during the development of our own Strategic Plan. As part of our Funding Agreement with the Australian Government, we will report on our expenditure and achievements in relation to both the new Rural RD&E Priorities, and the overarching National Science and Research Priorities through our Annual Operating Plan.

Hort Innovation's investment priorities alignment to the Australian Government's National Science and Research Priorities are shown in the following diagrams.

Rural RD&E Priorities



National Science and Research Priorities



In developing a balanced portfolio, consistent with Australian Government priorities and appropriate to the horticulture sector, Hort Innovation consulted widely during 2015 to identify, develop and refine investment priorities across levy (Pool 1) and co-investment (Pool 2) funding pools.

Membership

Hort Innovation is the grower-owned industry services body for Australian horticulture – membership is what our company is built on. One of our focuses is to ensure we are constantly engaged with our current members, whilst continually encouraging new membership.

Hort Innovation exists to create benefit for all growers and the horticulture supply chain. We had approximately 1900 members at the beginning of 2016. Our members receive information on what is happening with the company, how they can be involved and how they can have a say in the future investments for their industry. Membership is free and we are committed to providing value to members, ensuring communications are relevant, and making available multiple opportunities for them to engage with the company.

Levy paying growers can also choose to become voting members of Hort Innovation. This gives them a direct say through the power to vote at our Annual General Meeting (AGM) and we are actively encouraging levy paying growers to do this.

Our current voting members represent more than 40 per cent of the annual total horticulture levies paid.

Consultation

Hort Innovation is committed to investing for the balanced interest of the horticulture industry. The views, interests and ideas from growers and the supply chain are fundamental to getting the direction right. Hort Innovation listens, translates, plans, tests, and then acts upon the collaboration of these shared interests.

The Hort Innovation Board is accountable to growers and the Australian Government for the functioning of the company and the investments that it makes. To do this it relies heavily on input from its various stakeholders with respect to the operations of the company, the investments that are made and managed within the funds, and on other key issues of concern to the Australian horticulture sector.

Consultation for Levy (Pool 1) investment priorities

Hort Innovation has established an advisory system for levy investment that places growers as the primary source of advice. We have put in place 26 Strategic Investment Advisory Panels (SIAPs), each aligned to a levy paying industry.

SIAP's provide transparent and robust investment advice. Each panel has clearly defined Terms of Reference and is guided by the strategic priorities set out in the current Strategic Investment Plan (SIP) for its industry. Based upon appropriate skills criteria, panellists were appointed to ensure that suitably qualified levy payers populate each panel. Panels also include Industry Representative Body (IRB) representation on the respective industry panel, and where applicable, a lead agency representative from within the National Horticulture Research Network (NHRN). These panels involve around 300 people from across horticulture and Hort Innovation is likely to conduct around 60 advisory panel meetings throughout the 2016/17n financial year.

One of the initial tasks for SIAPs in 2016/17 is to review the existing SIPs by industry. The panels will validate existing plans and/or recommend changes for which endorsement will be sought from the wider grower community for each industry.



Hort Innovation is the grower-owned industry services body for Australian Horticulture. The company is the vehicle but it's growers that set the course.

To do this, Hort Innovation will run an appropriate consultation process for each industry sector; taking into account its size, geographical spread, diversity of growers and the nature of supply chains, including export potential and intensity. The methods of consultation will vary depending on the industry needs and may include:

- Levy payer workshops
- Sponsorship, attendance and presentations at industry conferences
- Online feedback facilities through the website
- Workshops with relevant researchers
- Opportunities to provide comment on the draft SIPs before finalisation.

A rolling schedule has been developed for the review of all SIPs throughout the 2016/17 financial year.

Consultation for Co-investment (Pool 2) investment priorities

In determining the funding priorities for co-investment, a broad consultation process was conducted with stakeholders that involved the publication and circulation of a consultation paper that profiled the most significant issues facing Australian horticulture. In response, more than 100 written submissions were received, along with supplementary feedback that was provided through direct stakeholder contact. A summary of this feedback was shared online and through regional grower meetings and workshops during the 2015/16 financial year.

To date, six funds have been established based upon the importance of the investment priority, the potential for attracting co-investment, and building on existing investment initiatives.

The established funds are: Leadership and People Development Fund; Asian Markets Fund; Fruit Fly Fund; Green Cities Fund; Health, Nutrition and Food Safety Fund; and Pollination Fund.

An expert advisory panel is in place for each fund to assist Hort Innovation in guiding the investments within each co-investment fund. Hort Innovation will continue to take on feedback from its ongoing consultation program when considering the establishment of new funds.

General consultation

Throughout the 2016/17 financial year Hort Innovation will undertake an ongoing program of engagement with its stakeholders. A significant proportion of this will be conducted face-to-face by the Board and management.

Wherever practical, Hort Innovation will seek to partner regional grower groups, IRBs and others to maximise opportunities for connecting with our stakeholders at forums and locations where they would ordinarily come together. This includes events such as field days, workshops, regional meetings and conferences.

Hort Innovation is committed to an ongoing dialogue with stakeholders through an engagement program of meeting with representative bodies such as Voice of Horticulture and industry specific IRBs; state and regional grower groups such as PMA Australia-New Zealand Limited (PMA A-NZ) and Australian Horticulture Exporters' Association (AHEA); the supply chain such as retail supermarkets and Central Markets of Australia Association (CMAA); our delivery partners and the research community such as state research agencies, CSIRO, National Horticultural Research Network (NHRN), the Australian Government and other industry agencies such Plant Health Australia (PHA) and the CRC network.

Corporate strategies and activities

To deliver on tomorrow, we are committed to today.

Corporate strategies

To successfully fulfil the role of the company, we are committed to three pillars of strategic intent: communicate and listen to stakeholders; deliver on investments; and develop our culture and leadership.

These corporate strategies are geared towards creating a culture – both inside and outside of the company – of building capability and capacity. Hort Innovation recognises that the strength of the company and of the industry comes from people and is committed to working internally, with members and growers to help build the human capital required for success.

1. Communicate and listen to stakeholders

Communication is a key function of our operations. Our audiences include our direct stakeholders – growers, the Australian Government, co-investors, the horticulture supply chain, the wider horticulture industry and our delivery partners – as well as the wider agricultural sector, and the Australian public.

To reach them – with different messages of different complexity – we use a wide range of communication channels. We are believers in the traditional power of face-to-face communication – so the cornerstone of our connection with growers will always be meeting growers in key growing districts, on their turf. We are also modern communicators, working in an industry that straddles tradition and innovation, so we will use newly available tools and mediums to better understand the needs of our audiences and to reach them where they are, at the most suitable times and in ways that best fit the purpose.

We are collaborative and consultative with our stakeholders, particularly in relation to setting the priorities for investments and the operations of the company. We are progressing advisory panels for our levy and co-investments, and rely heavily on the rich guidance they provide.

The innovation and procurement processes that are essential in making the investment decision are underpinned by the input that we seek out from growers and other experts within our stakeholder environment.

We are committed to building stakeholder confidence and trust through transparency. We will continually improve our reporting framework so that information on our investments (what they are and what their outcomes) is available with the regularity and accessibility that suits stakeholders – especially growers.

2. Deliver on investments

Hort Innovation strives to deliver value in all of the investments we make by delivering R&D that meets growers' needs and increases adoption. By understanding industries' needs and by having appropriate operational structures and resources that allow us to invest with good governance and efficiency, Hort Innovation has the ability to invest in R&D that meets the day-to-day realities of growers, thereby increasing the degree to which R&D is adopted.

Commercial interests will often limit access to R&D through prohibitive pricing structures, or withholding to gain competitive advantage. We make our R&D available to the entire growing community across horticulture, spreading the benefits of R&D to all growers and industries. We are helping innovations happen sooner because we have the capacity to work directly with our delivery partners and growers to solve critical issues and challenges that would otherwise be delayed because of commercial interests and considerations.

Hort Innovation works in collaboration with industries to strategically invest in marketing campaigns and other activities that aim to encourage people to buy, eat, grow and enjoy more horticultural products, and helping growers maximise their returns. Hort Innovation helps industries to develop export opportunities by investing in key R&D to gain or maintain market access to build overseas demand.

3. Develop our culture and leadership

We aim to support the development of leadership in horticulture through our investments, through our actions, and through our relationships. We want to set the highest standards in agriculture in the delivery and adoption of RDE&M. We want to support leadership in the industry through our investments in capacity building, succession planning and education. We see leadership as an outcome that all of our stakeholders are invested in.

Excited by our new role as a grower-owned company, we are reinvigorating our internal culture to produce a 'can do' culture that is accountable, collaborative and high performing. Our people work with our stakeholders and each other through cooperative relationships so that they both develop to their full potential and deliver the required results.

Turning activities into outcomes

The three pillars of strategic intent for Hort Innovation have been established to give structure to the way we govern the company. They are the framework to channel transparency and accountability of our actions, making sure what we say and what we do are the same thing.

These activities in turn provide a guiding light to the path of delivering investments that both stimulate individual sectors through levy investments (Pool 1), and transform the industry by seeding longer-term, whole-of-horticulture benefiting projects through strategic co-investment (Pool 2).

The next section takes the elements of Hort Innovation's Strategic Plan and turns the strategic narrative into a tangible, transparent snapshot of how Hort Innovation will convert activities into outcomes.

1. Strategic corporate activities

To deliver our corporate strategies and investment priorities in the 2016/17 financial year, the following activities and actions will take place.

Communicate and listen to stakeholders	
Key Performance Indicators	
<p>Stakeholder survey – Quantitative, measuring level of industry penetration and sentiment, measuring top grower sentiment and performance evaluation, setting the baseline data for improvement.</p> <p>Feedback/complaints – Quantity and resolution times.</p> <p>Engagement measures – Digital monitoring and website statistics.</p>	
Activities	2016/17 financial year actions
<p>Communications strategy – Implement a holistic communications strategy to link all face-to-face and other channel communications together in one plan.</p>	<ul style="list-style-type: none"> • Implement the communications strategy that aligns target audiences with content through face-to-face, digital, print media, with appropriate regularity, including: <ul style="list-style-type: none"> ○ Face-to-face engagement – audience tailored key messages that will be delivered one-to-one (through the Relationship Managers) and one to many through participation at industry events ○ Online engagement – digital solutions for grower information, knowledge sharing, community building ○ Outreach engagement – telling the story through journalism via credible, enthusiastic ambassadors • Conduct a baseline stakeholder survey during the first quarter • Expand communications delivery technologies to growers to include a dynamic reporting framework • Statistically monitor stakeholder engagement and utilise data to continuously improve communications delivery across all channels • Report and publish: <ul style="list-style-type: none"> ○ the financial position of all investment funds quarterly ○ the status of 2015/16 investments within each fund during the first quarter ○ project final reports • Enhance the company website to deliver greater transparency in the provision of information about the company, its investment strategies and operational execution, funds management and procurement, investment outcomes and performance.
<p>Brand content – Develop consistent content, messages and guidelines for use externally on the value we deliver and 'what it means to be part of horticulture and Hort Innovation'.</p>	<ul style="list-style-type: none"> • Develop formal guidelines and work with delivery partners to ensure that communication content generated by investments acknowledge Hort Innovation and the Australian Government • Develop and implement an engagement plan to work more closely with industry-specific communication programs to ensure messaging and brand identity is complementary of the RDC model and Hort Innovation • Implement policy and activity programs that seek to enhance corporate identity through the interaction with media, strategic partnerships and key influencers.

<p>Advisory mechanism – Implement and manage a successful fit-for-purpose advisory mechanism, panels and process to seek advice and inform investments in RDE&M.</p>	<ul style="list-style-type: none"> • Develop outputs process for turning advice into action • Seek feedback to improve the process • Use advisory mechanism as first advice point for concepts from investment funnel • Ensure learning and continual improvements between advisory mechanisms are shared • Provide feedback to panel on the progress of investment concepts and ideas • Finalise the implementation of the company's mechanism and process for seeking investment and procurement advice from industry through the established panel network • Conduct a minimum of two panel advisory meetings for each levy fund • Develop industry endorsed Strategic Investment Plans for all levy funds • Develop appropriate governance and support infrastructure to enable the efficient and effective operations of all advisory panels • Conduct annual performance reviews of advisory panels for purposes of continuous improvement • Ensure that external communications regarding the operations and effectiveness of all advisory panels provide an appropriate level of information and transparency.
<p>Consultation process – Manage and deliver a process to communicate and seek input from the wider population of growers (outside the advisory mechanism) in both face-to-face and digital formats. Publish outputs to feedback events.</p>	<ul style="list-style-type: none"> • Execute consultation with stakeholders at three basic levels: <ul style="list-style-type: none"> ○ One-to-one: A series of targeted face-to-face meetings with major growers and major supply chain entities in the horticulture industry and within each industry sector ○ One-to-few (20–100): Undertake a series of regional events to create a forum for sharing levy investment status and outcomes, R&D and marketing updates and listening to feedback from growers, members and other stakeholders ○ One-to-many (1000+): Develop and implement an online system that enables polling, discussion groups and consultation with all growers or by industry segment.
<p>Membership – Manage membership application processes including allocating voting rights and managing processes at the AGM.</p>	<ul style="list-style-type: none"> • Promote and encourage membership growth through the development and execution of a membership strategy • Stream and improve member experience in voting verification and voting procedures for eligible voting members.
<p>Feedback mechanism – Develop and manage a feedback, complaints and continuous improvement process to listen, investigate root causes, and learn from our feedback.</p>	<ul style="list-style-type: none"> • Develop continuous improvement process in consultation with risk team • Embed feedback process into the workflow system of the company to enable better management, tracking and reporting of stakeholder feedback • Establish a framework for the internal review and reporting of feedback to enhance the company's management of risk and as an information source for the improvement of service delivery.

<p>New systems – Implement and optimise the new Customer Relationship Management (CRM) and reporting systems to use information to improve the quality of relationships and communication.</p>	<ul style="list-style-type: none"> • Scope the appropriate reporting requirements and ensure these are available for meaningful reporting • Complete rollout of CRM, fine-tune functionality to meet changing business needs • Increase integration with business processes to ensure greater adoption • Implement a company-wide discipline for the capture and management of stakeholder and contact data through the system's procedures and integrity, and staff training • Explore and develop an online searchable reporting tool for public accessibility to final reports • Use CRM to better target and deliver Hort Innovation communications to our various stakeholders.
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<h2>Deliver on investments</h2>	
<h3>Key Performance Indicators</h3>	
<p>Investment capacity – Maximise investments spend and pipeline of forecast investment/innovation. Process times – Efficiency of investment process and turnaround times. Procurement effectiveness – Value-for-money achievement through competitive processes. Baselines – Year-one establishment of baselines for future assessment.</p>	
<h3>Activities</h3>	<h3>2016/17 financial year actions</h3>
<p>Two-pool fund management model – Implement and manage a levy (Pool 1) and co-investment (Pool 2) fund-based investment process to enable strategic funds, increased investment discipline and focus on industry research and marketing.</p>	<ul style="list-style-type: none"> • Continue support of the fund management model through providing a collaborative environment that has transparent workflow systems and reporting. • Communicate the different investment characteristics, criteria and process for investment in Pool 1 and Pool 2 • Seek out non-government co-investment funds to add to the critical mass in Pool 2.
<p>Co-investment (Pool 2) funds – Establish co-investment funds up to their capacity of investments and seed new funds in line with consultation based on market demand and investment capacity.</p>	<ul style="list-style-type: none"> • Prospect, identify and groom new co-investors and matching sources • New Pool 2 funds announced when investment capacity and legacy contractual arrangements allow • Expert Advisory Panels review initial co-investments and provide formal future advice as to the direction of the Pool 2 funds.
<p>Strategic Investment Plans (SIPs) – Implement and manage a process to establish and review SIPs for all funds.</p>	<ul style="list-style-type: none"> • Annual portfolio reviews of each of the Pool 2 funds to provide guidance for Pool 2 investment planning process • Establish industry endorsed SIPs for all funds through broad based grower consultation • Execute the outcomes of the SIP process.

<p>Procurement process – Implement and manage a new procurement process for greater transparency and contestability to deliver improved value for money.</p>	<ul style="list-style-type: none"> • Continue staff education and training to refine procurement procedures • Further extend the working process of the procurement process to co-investors in both investment pools • Continue to refine and improve contracting arrangements and transactional cost • Fit-for-purpose contracts in place and disseminated to potential co-investors in both investment pools • Ongoing review of contracts where required • Extend procurement process to corporate expenditure.
<p>Evaluation framework – Implement a monitoring and evaluation framework at all levels of investment (project, fund and corporation).</p>	<ul style="list-style-type: none"> • Monitoring and evaluation integrated fully into all investments and investment clusters such that is 'Standard Operating Procedure'. Demonstration of practice change and return on investment (ROI) will be part of this.
<p>Innovation process – Build an end-to-end innovation funnel process that encourages concepts and develops them into investments through a robust process of advice, analysis and decision-making.</p>	<ul style="list-style-type: none"> • Further disseminate and explain the innovation funnel and the processes and interaction points for the research community and wider industry • Seek feedback to improve the process and refine workflow processes where required • Define requirements, accountabilities and protocols for each stage, including process for moving investment oversight from Pool 2 Relationship Managers to Research Managers • Clearly articulate this process internally and externally.
<p>Portfolio compliance – Ensure current and future portfolios remain compliant against the new Statutory Funding Agreement (SFA).</p>	<ul style="list-style-type: none"> • Internal processes to ensure the SFA is the key guiding principle in the investment approval process through a number of checkpoints • All investments in alignment with national RD&E priorities.
<p>Market access and trade – Build and manage a new function that engages with industry and overseas stakeholders and delivers tangible growth-to-export value.</p>	<ul style="list-style-type: none"> • Conduct a series of facilitated meetings and consultations to engage all market access/ trade stakeholders • Continue to refine the new trade function so that it has the agility to react to domestic and overseas changes. Provide multiple engagement opportunities with industry and overseas stakeholders • Provide expert advice to Hort Innovation and the Commonwealth Government through the industry Trade Advisory Panel (iTAP) and Trade Assessments Panel (TAP) • Make accessible a new market access template for all stakeholders • All horticultural industries under the <i>Australia Fresh</i> umbrella at trade events in Asia • All industries having up-to-date export strategies so that an all-of-horticulture trade strategy can be developed as a future industry roadmap.
<p>Systems to support delivery of investments – Implement upgraded systems across finance, procurement and innovation workflow.</p>	<ul style="list-style-type: none"> • Optimise processes to support new finance system • Implement expense management system • Implement greater integration of workflow systems with document management, finance and reporting systems to ensure efficiency, accuracy and transparency.

Develop our culture and leadership	
Key Performance Indicators	
<p>Hort innovation culture and engagement survey – Pulse survey to evaluate overall culture health and sentiment.</p> <p>Hort Innovation leadership performance – Develop measures and metrics to indicate leadership is on track and performing well.</p> <p>Horticulture industry leadership – Capacity building through the investment of the co-investment leadership fund.</p> <p>External survey – Assess sentiment towards Hort Innovation's leadership and culture.</p>	
Activities	2016/17 financial year actions
<p>High-performance culture – Implement the HR Strategy to achieve delivery on our commitment to key stakeholders, and achieve our vision of growing the future of Australia's horticulture industries through our people.</p>	<ul style="list-style-type: none"> • Commence leadership styles work with senior staff and integrate action planning into staff Personal Development Goals • Design and launch Behavioural Capabilities Framework and embed in performance management process and other HR tools • Deepen and extend performance manager capability and resources and launch refreshed performance management system with clear responsibilities and outcomes for each employee • Deliver talent and succession planning sessions to map successors for critical roles and identify top talent for acceleration • Build and ensure a strong employee value proposition for the retention and attraction of appropriately skilled employees through a commercially aligned reward and benefits framework • Conduct ongoing Workplace Health & Safety compliance review.
<p>Innovation and brand – Develop guidelines and key messages for use internally on 'What it means to be part of horticulture and Hort Innovation'.</p>	<ul style="list-style-type: none"> • Explore and develop a blueprint for employment brand and Employee Value Proposition by talent segment • Roll out visual identity and design guidelines for use of Hort Innovation's brand in both internal and external applications.
<p>External leadership – Seek opportunities to invest in the capacity of industry leadership through our levy and co-investment funds, including industry awards and programs.</p>	<ul style="list-style-type: none"> • Engage through the various Pool 1 and Pool 2 advisory panels subject matter experts that provide independent advice to Hort Innovation Relationship and Fund Managers • Investigate major partnership opportunities that align to and profile Hort Innovation • Facilitate opportunities for networking to build more comprehensive networks across horticulture.
<p>Diversity and citizenship – Develop and implement a diversity policy for Hort Innovation and our investments to lead the industry by example, and implement initiatives that demonstrate our participation in the RDC and wider research community.</p>	<ul style="list-style-type: none"> • Ensure alignment with National Science and National RD&E framework • Inclusion of other RDCs in strategic investments • In part, focus on Pool 2 investments that aim to develop technologies and practices that benefit not only horticulture, but have applicability across plant industries.

<p>Risk frameworks and internal audit – Manage the company’s risk strategy and internal audit frameworks to support our teams and protect our performance.</p>	<ul style="list-style-type: none"> • Conduct internal training for all management and staff on risk management and systems of good governance • Conduct regular review and updating of the Board risk register and all departmental risk registers to identify any new risks or alteration in risk ratings from time to time • Implement the Internal Audit Plan 2016/17 which allocates areas for review on a risk basis, to enhance the management of risk throughout all areas of operation • Regular and detailed reporting to the Audit & Risk Committee and Board of the risk profile of the company and the manner in which risks are being actively managed in operations • Lead the development of suitable policies and procedures throughout the company to guide operations • Conduct regular review and updating of the Board risk register and all departmental risk registers to identify any new risks or alteration in risk ratings from time to time • Ensure involvement of Hort Innovation staff at all levels in the identification and management of risk • Regular review of the fraud risk framework and reporting to the Audit & Risk Committee • Training of all management and staff on the identification of fraudulent activity and the Hort Innovation reporting and whistle blower framework • Conduct internal training for all management and staff on risk management and systems of good governance • Annually review Hort Innovation’s Risk Management Policy & Framework to ensure fitness for purpose • Conduct an annual review of the Board risk register with the Audit & Risk Committee to refresh the relevance of the register as against the risks faced by Hort Innovation from time to time.
<p>Board and AGM – Support our Board with transparent reporting to ensure risks are managed and optimal decisions are made. Implement a compliant AGM and voting process to ensure eligible voting members can ‘have their say’ on the leadership of Hort Innovation.</p>	<ul style="list-style-type: none"> • Regularly review applications as against Constitutional requirements to ensure eligibility, and timely registration of eligible members on the member register • Review the annual reporting (statutory declaration) process required of grower members to provide a compliant but user-friendly method of validation of voting eligibility and allocation of voting rights • Provide assistance to grower members in completion of their annual reporting (statutory declaration) process by way of website accessible guidelines and access to direct assistance when required • Conduct an audit of voting rights to enhance the validity of voting rights allocation • Develop a voting system that is compliant, user-friendly and facilitates participation in the voting process by the widest possible cross-section of eligible voting members • Provide tailored communication to eligible voting members, and website accessible guidelines, to assist in the exercise of voting rights.

	<ul style="list-style-type: none">• Conduct a skills-based and robust recruitment process for Director applicants, maximising opportunities for the enhancement of diversity of representation on the Board• Facilitate robust deliberations by the Director Nomination Committee of Director applications, and formulation of a skills-based short-list of candidates for election by voting members• Conduct the processes for election and appointment of Directors in a transparent and compliant manner• Conduct a thorough induction of new Directors to enhance their immediate contribution to the Board.
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Financial forecast

Investments that deliver industry outcomes

The table below details the overall income and expenditure forecast expected within the [Deed of Agreement](#) term. A conservative 1 per cent annual growth has been estimated in levy income, which has also been reflected in levy expenditure forecast. Note that this is a forecast based on historical averages. Co-investment income is expected to grow substantially over the term due to the company's new focus on this area.

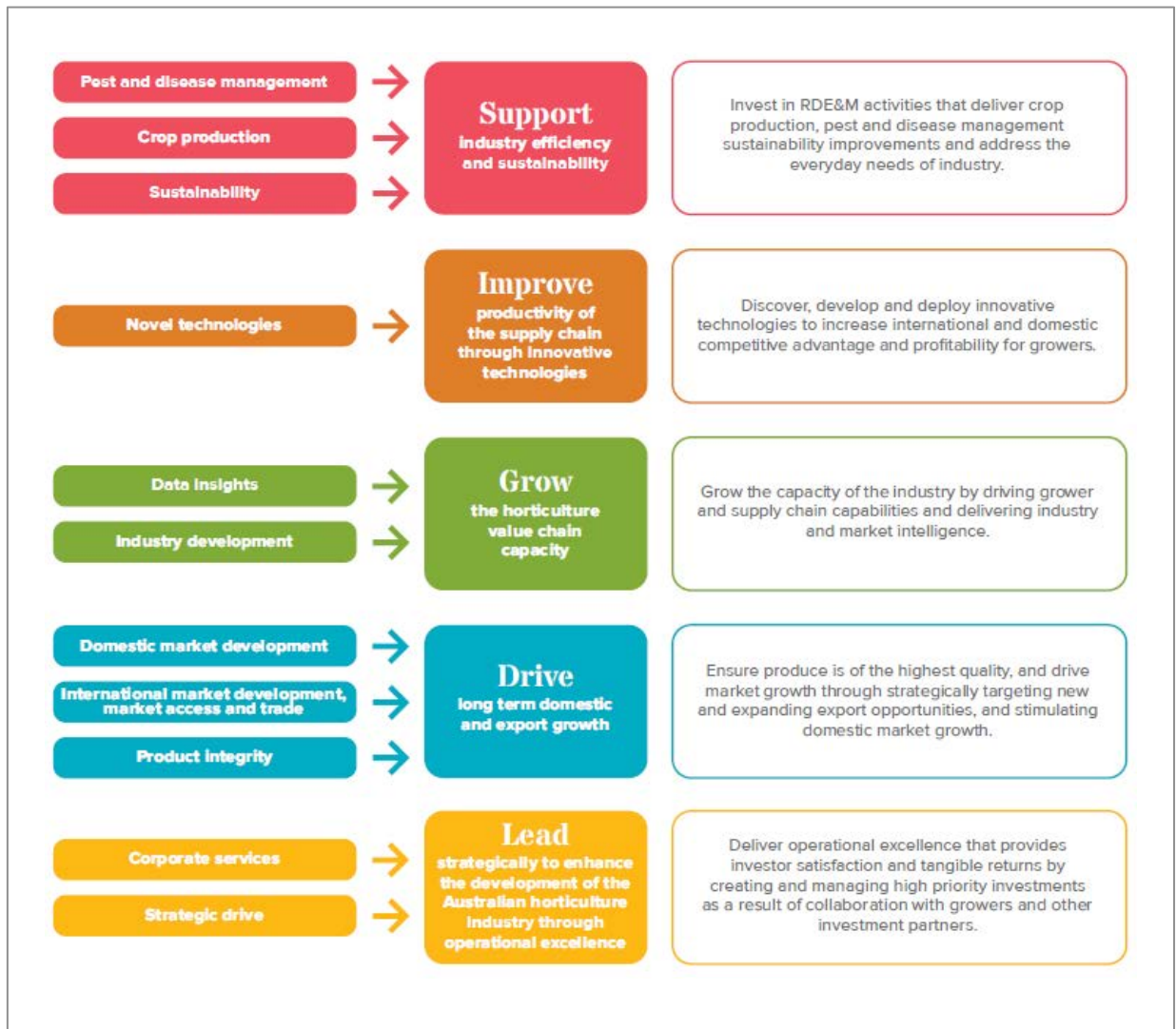
	2016/17 (\$ millions)	2017/18 (\$ millions)	2018/19 (\$ millions)
Income			
Levy	51.3	51.8	52.3
Co-investment	16.6	19.1	20.9
Commonwealth funds	46.0	47.4	49.7
Other income	1.7	1.7	1.8
Total income before reserves transfers	115.6	120.0	124.6
Transfer from/(to) industry reserves	1.0	-	(0.1)
Total Income	116.5	120.0	124.5
Expenditure			
Program expenditure – Pool 1	65.7	66.3	67.0
Program expenditure – Pool 2	34.3	36.7	40.2
Total program expenditure	100.0	103.0	107.2
Levy collection costs	1.5	1.6	1.6
Corporate expenditure	15.1	15.4	15.7
Total expenditure	116.6	120.0	124.5
Net income for the year	-	-	-

Hort Innovation's investment priorities

Hort Innovation has eleven cross-sectoral investment themes as its priority that strives to achieve five strategic outcomes for the horticulture industry:

- 1 **Support** efficiency and sustainability
- 2 **Improve** productivity of supply chain via innovative technology
- 3 **Grow** the Hort value chain capacity
- 4 **Drive** long-term domestic and export growth
- 5 **Lead** strategy to enhance the industry through operational excellence.

The relationship between the five investment priorities and industry outcomes

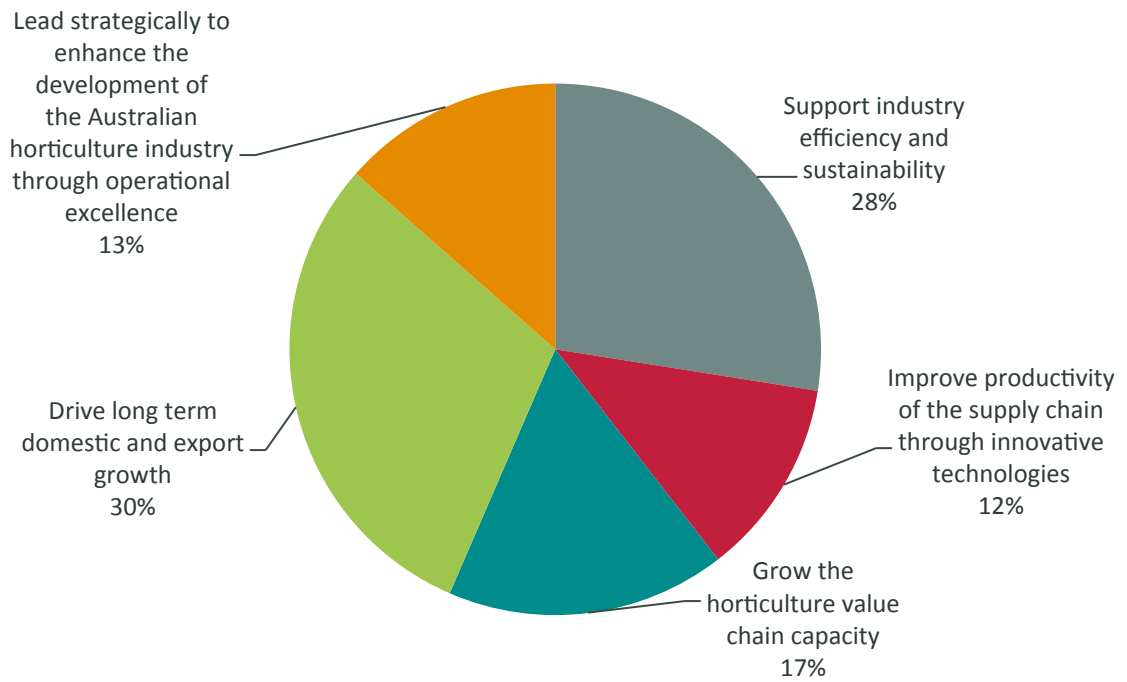


Balanced portfolio

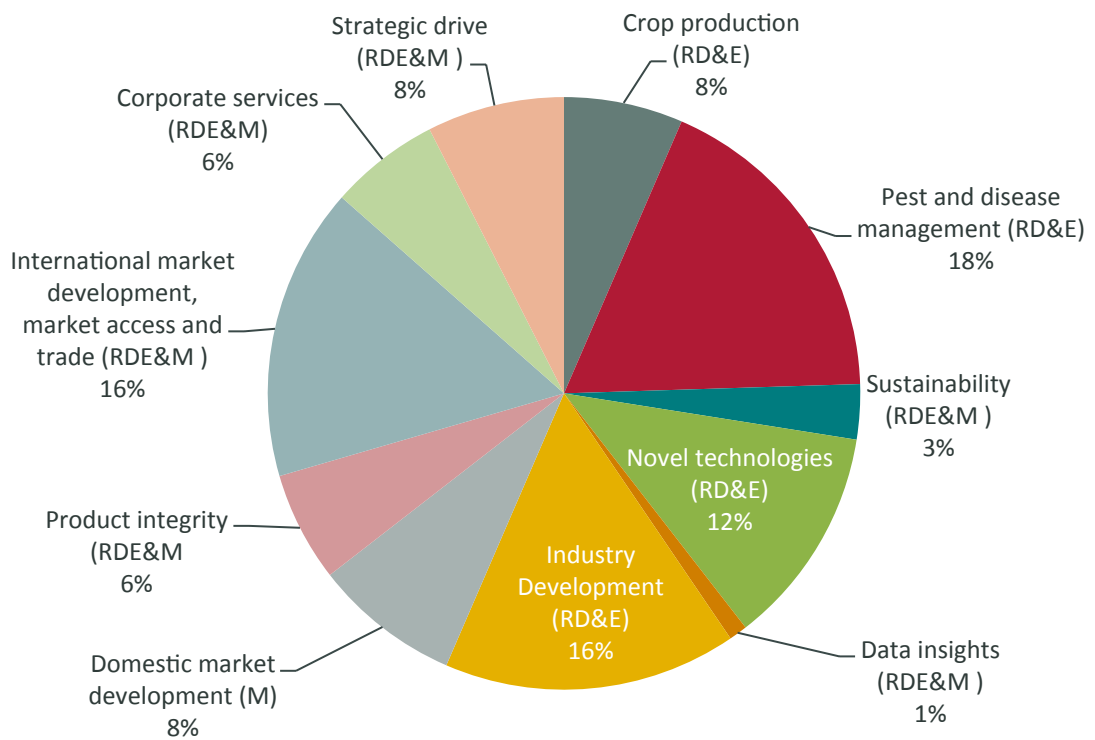
Hort Innovation is committed to ensuring it invests, manages and participates in a balanced portfolio of RDE&M activities with an appropriate mix of low- to high-risk and short- to long-term investments that are appropriate to the industry, whilst providing the best possible return on investment.

The following diagrams represent the approximate 2016/17 financial year investment proportions in terms of investment priorities and cross-sectoral investment themes.

Hort Innovation investment priorities



Cross-sectoral investments themes



R = research D = development E = extension M = marketing

Key investment outcomes

R&D key outcomes for projects ending in the 2016/17 financial year

As an illustration of the key outcomes, the second of two tables describes some of the key projects that will reach their final reporting milestone in the next 12 months. The investments represent the highest value projects and approximately a third of our investment portfolio.

A summary of activity aligned to Hort Innovation's key investment themes include:

Cross-sectoral investment themes	Key outcomes summary
Crop production (RD&E)	Investments conclude to make progress towards increased crop production performance through pollination, seeding new varieties, and further control of pest and disease incursions. Higher yield and potential increased profitability is expected. R&D in crop production projects also deliver potential extended harvest windows for certain product and strategic advice on the chemical control strategies.
Data insights (RDE&M)	Data insights are used to drive innovation through the efficacy of chemical use, benchmarking data for product improvements, increase crop production, as well as understanding weather, consumer and market behaviour trends.
Industry development (RD&E)	Industry development activities have delivered engagement with science on the ground through industry roadshows, field days, conferences, expos and trade shows. Sharing results of research has laid the foundation for knowledge transfer, translation of science into action, collective understanding and approach to problem solving, as well as greater collaboration and connectivity among growers. Value adding to business through capability and capacity building supports more empowered decision making on farm and opens greater opportunity for self-reliance.
International market development, market access and trade (RDE&M)	Opening, maintaining and expanding export opportunities to support industry competitiveness mandated investments in RDE&M. Such investments returned greater understanding of market requirements and protocols, coupled with a deeper appreciation of supply-chain and in-market buyer demands. This was matched with a program of work that linked networks and unlocked opportunities to nurture international relations and diplomacy.
Novel technologies (RD&E)	Investments seek to use advancements in technology and techniques to improve production and supply of horticulture products. Projects described below include the improvement of weather forecasting for the vegetable industry and improving predictive models for crop testing.
Pest and disease management (RD&E)	Pest and disease control R&D investment outcomes look to deliver comprehensive management strategies that maintain and/or increase access to biosecurity sensitive markets and increase profitability on farm. Better control and management of fruit fly maintains a key focus for activities that support control outcomes.
Product integrity (RDE&M)	Investments are targeting improvement in the quality of horticulture products to consumers. Projects include reduced marking in supply of mangoes, increasing consumer confidence in quality of olive oil products and improving environmental management to improve quality of vegetable products.

Pollination as a controlling factor in almond yield

AL14004

The project will provide a basis for understanding the economic costs (dollars spent, risk of reduced yield) and benefits (dollars saved, improved productivity and harvest quality) arising from different pollination management strategies. The driver for this area of research is that pollination fees are a significant cost (approximately \$13 million across the almond industry in one year) and the number of hives currently each season is high (approximately \$180,000).

Also, new pests and diseases such as Varroa mite could create hive shortages that will require growers to adopt practices that maximise benefits whilst using fewer hives. The research will reduce the risk of lost productivity from poor pollination outcomes by 20 per cent.

Now! In Season

AM15000

Now! In Season is a multi-industry, multi-country integrated retailer education program designed to leverage individual market requirements while maintaining efficiencies and gained by provision of consistent messaging and collateral across multiple markets. The objective for *Now! In Season* is to inform buyers of the advantages of quality, safe and healthy Australian horticulture products in the psyche of each market by delivering consistent messaging to the retail and whole sector over a longer period of education and training than has previously been engaged in these markets.

Southern hemisphere competitors (including New Zealand, South Africa and South America) value proposition continue to highlight that Australia cannot simply depend on proximity to the market and a clean, green, healthy image to maintain and grow market share. Indeed market share has been eroded in most markets and active promotional activities designed to build and maintain Australian fruits and vegetables market share is required.

To build on the success of the pilot program of *Now! In Season* for pears, table grapes, stone fruit and citrus delivered in 2015 across a combination of Thailand, the Philippines, Indonesia, China, Japan and USA an extension of the project to other industries and additional countries was proposed for late 2015 and 2016.

The 2015 campaign was designed to demonstrate the potential to promote Australian fruit to consumers as premium quality, healthy and safe, with integrated in-store promotions and a multifaceted media campaigns and launches timed to promote various Australian fresh produce at peak quality and availability in market.

The program delivers synergies and efficiencies that are achieved as a result of a coordinated approach to market development and promotional activities. Recent experience indicates that with a modest budget and cooperation between State Governments, HIAL, Austrade and Peak Industry bodies more substantial and effective promotional impact can be achieved than by the individual entities operating in isolation.

A range of activities will be conducted including but not limited to:

- Training for in store staff regarding seasonality, merchandising, storage requirements of the various horticulture produce categories
- Market 'roadshow' demonstrations targeting key decision makers to increase awareness of Australian horticulture produce
- High-profile launch events including international and domestic dignitaries.
- Targeted networking activities with key stakeholders.

The long-term outputs from the *Now! In Season* program include:

- Increased and sustained market share of Australian horticulture produce
- Increased capability of industry to anticipate, respond and more effectively deliver to market requirements.
- Global markets actively seek Australia as a supplier of quality, safe, healthy and nutritious products.
- Relationships developed with local retailers, importers, growers and industry bodies.
- Consistent market collateral and messaging that can be utilised across multiple markets.

The success of the program will be measured based on trade outcomes, number of retail chains involved and feedback from key stakeholders.

<p>Understanding apple and pear production systems in a changing climate</p> <p>AP12029</p> <p>Australian apple and pear growers, pome fruit researchers and apple and pear industry consultants will have a greater understanding of the likelihood of predicted climate change and the potential impacts and adaptation strategies by the conclusion of the project. It is anticipated that this knowledge will allow growers to make more informed decisions about investment in and the future directions of their orchard businesses.</p>
<p>Australian avocado benchmarking program development rounds II and III</p> <p>AV13003</p> <p>Provision of comprehensive industry benchmarking data which will guide growers on best practice and enable them to identify areas of improvement to ensure optimal business outcomes and decisions. The results will allow industry and Hort Innovation to identify areas where ongoing R&D investment is required and to also enable measurement of the impact of R&D practice for grower and industry performance.</p>
<p>Integrated approach for control of foliar diseases in strawberry runner nurseries and management of chemical resistance</p> <p>BS13004</p> <p>This project will contribute to:</p> <ul style="list-style-type: none"> • Development of data set on the effectiveness of test fungicides to control foliar diseases in commercial strawberry runner nursery fields in Australia • Development of an integrated chemical control strategy to be used in a resistance management program across the runner nursery level and at a national level factoring in the fruit production sector of the industry.
<p>Evaluating new citrus varieties 2013–2017</p> <p>CT12026</p> <p>This project provides timely, objective varietal performance data available to citrus growers to help select the variety, rootstock and environment in which to establish a new citrus development or redevelop existing plantings in meeting both domestic and export demand. An additional benefit is providing juice quality and production data on new orange varieties with the potential to diversify the current processing orange production matrix and improve fresh style juice.</p> <p>Examples of these outcomes are already being realised as new citrus varieties, independently evaluated under local conditions are available for citrus growers to diversify their planting mix – commercial production on three varieties evaluated in the program – Nectar, Gold Nugget and Tango mandarins in 2015; a commercial crop produced on Orri mandarin in 2016 and Eureka SL lemon has been established as new plantings. Also, the Australian juice industry has two new processing oranges available for the May to July maturity period.</p>
<p>Increasing market access, profitability and sustain-ability through integrated approaches to fungal disease control</p> <p>CT13020</p> <p>This project will contribute to:</p> <ul style="list-style-type: none"> • Generation of fungicide efficacy data for postharvest fungicides against <i>Phyllosticta citricarpa</i> • Reducing the impact of EBS by assisting the screening of citrus hybrids for resistance to EBS • Reducing the costs of fungal diseases like EBS and CBS by production of efficacy data and use patterns for fungicides against these diseases.
<p>Custard Apple roadshow 2016</p> <p>CU15700</p> <p>The Custard Apple roadshow offers the opportunity to inspect various horticultural techniques and technologies in practice. This will provide industry participants with better access to the knowledge and advice that will add value to their business.</p>

<p>Manipulating mango flowering to extend harvest window</p> <p>MG12012</p> <p>The key outcomes of this research project will be in assisting growers to spread the harvest window on a property to increase efficiency of picking staff and processing facilities and therefore reducing the risk caused by packing shed and supply chain breakdown by spreading the harvest over a longer interval. This could then lead to reducing the supply peak during the middle and later part of the season, increasing wholesale prices and economic returns to growers.</p>
<p>New fruit fly systems for mangoes and market access</p> <p>MG12017</p> <ol style="list-style-type: none"> 1 Enhanced ability for the Australian mango industry to maintain and increase its access into fruit fly sensitive markets 2 Improved understanding of fruit fly risk for untreated Darwin and Katherine region mangoes, and of the potential to reduce these risks by various control measures in the orchard and/or in packing sheds. 3 Better linkages and coordination between fruit fly research effort for the benefit of the Australian mango industry.
<p>Improving consumer appeal of Honey Gold mango by reducing under skin browning and red lenticel discolouration</p> <p>MG13016</p> <p>Improved profitability of Honey Gold supply chain members by:</p> <ul style="list-style-type: none"> • Reduced incidence of USB to a minor level • Reduction of lenticel marking in cooler and wetter areas • Increased uses for out-of-grade fruit • Potential for broader industry improvement (i.e. other cultivars) because of a better understanding of USB, causes of downgrades, practical demonstration of downgrade analysis, improved inserts, and additional uses of non-premium grade fruit.
<p>Area-wide integrated pest management using the sterile insect technique to control the Queensland fruit fly – SITplus</p> <p>MT13040</p> <p>A recommendation on the use of the current sterile <i>B. tryoni</i> strain (which includes females) in stonefruit orchards:</p> <ul style="list-style-type: none"> • Reduction in the number of wild flies trapped over consecutive seasons • Reduction in fruit fly populations to below economic thresholds using Area Wide IPM • Reduction in pesticide use • Reduced secondary pest outbreaks and associated control costs • Protecting the environment and the health of farm workers which leads to savings in public health and environmental costs through reduced insecticide residues in fruit, water reservoirs and soil • Strengthened research and development support of the stonefruit industry.
<p>2016 National mushroom conference</p> <p>MU15700</p> <p>The overall outcomes of the conference will be to provide access to new information that will assist the industry to continue growing and to enhance the operation of individual mushroom businesses across Australia.</p>

Australian olive industry code of practice implementation

OL13007

The overall outcome of the project is enhanced consumer confidence in Australian extra virgin olive oil (EVOO) products. The project will achieve this by providing a mechanism to certify Australian EVOO products and therefore underpin consumer confidence in Australian EVOO products and help secure higher prices for Australian olive oil. Other outcomes are:

- Improvement in olive industry skills and capacity through accredited training modules.
- Compliance with Australian Standards and Australian Consumer Law.

2014, 2015 and 2016 national olive industry conference and trade exhibition

OL13700

The national conference empowers members of the industry to make better business decisions with the aim to improve the performance, profitability and competitiveness of their operation.

Essential work to facilitate increased exports to China, removing roadblocks and enhancing competitive advantage

OL14003

Australia's share of the Chinese market for EVOO has halved in recent years. Barriers to growth for producers include an incomplete understanding not only of import and export protocols but also of technical and laboratory testing requirements. Further uncertainties have been introduced by new Chinese standards for phthalate content. This project aims to address these barriers, to facilitate Australian exports.

A report detailing a prioritised methodology that enables growers to track when and where phthalates might be entering their production chain. The report, along with avoidance recommendations will be incorporated into an Export Handbook.

The expected measurable benefits and respective outcomes of the programme are:

- Engage with producers to develop the Export Certification Platform – number of producers engaged during the roadshows
- Consumer research testing – percentage of surveyed consumers who believe that the proposed competitive advantages will have positive benefits for the Australian olive oil industry
- Export requirements to China – number of shipments from program participants rejected at Chinese ports during the previous year
- Phthalate zero tolerance program – number of export batches found to exceed DEHP 1.5ppm
- Laboratory Services, Australia – 'subsequent batch' lab testing cost as percentage of 'initial batch' lab testing cost
- Export code of practice – number of growers signed up to the Export Code of Practice
- Export handbook and training – number of growers trained for China export
- Enable partner technologies – number of partners signed up the program with key technologies verified application of proprietary technologies designed and implemented
- Sister laboratory in China – number of samples tested against AS5264-2011.

Persimmon field day 2016

PR15700

The Persimmon field day 2016 program will bring together growers from across Australia to update them on recent advances in research and management of this crop. In particular, this event with focus on the key issues for the persimmon industry relating to improving fruit quality, minimising pest and disease and increasing postharvest storage life of the fruit in order to increase market penetration for both domestic and export markets. The information sharing between researchers and delegates will improve production and inspiration which can lead to improvements in crop productivity and quality.

An insight to the Chinese table grape industry: part 3

TG14700

Growers and exporters gain an enhanced understanding of Chinese and Japanese market requirements for table grapes and cultural considerations for undertaking business in the country. The study tours gives access to specific market opportunities and establishes key business relationships with Chinese and Japanese buyers.

<p>EnviroVeg program for promoting environmental best practice in the Australian vegetable industry</p> <p>VG12008</p> <ul style="list-style-type: none"> • Transition of EnviroVeg into a program that aligns with an existing quality assurance program • A comprehensive evaluation of the role of the EnviroVeg program in influencing growers to undertake best environmental management practice as part of profitable vegetable production • Improved awareness and of environmental biosecurity issues within the Australian vegetable and potato industries • Improved public perception of the environmental responsibility of the Australian vegetable industry within the broader community.
<p>Consumer and market program for the vegetable industry</p> <p>Consumer and market program for the vegetable industry (Project Harvest) – Stage 2</p> <p>VG12078 & VG14060</p> <p>These sister projects – jointly known as ‘Project Harvest’ (one tracking 16 vegetables and the other 12 vegetables) – provide the Australian vegetable industry with access to information and insights that will assist them to better understand consumer attitudes and perceptions to fresh vegetables. Monthly reporting against category health benchmarks (for example importance, satisfaction, future purchase intention) provides vegetable growing businesses and industry with knowledge that can be used to inform business decisions. Specifically, opportunities and issues at retail, long-term trends, global product launches including vegetables as an ingredient, awareness of consumer needs, perceptions on produce quality, awareness of current and expected future usage, and triggers and barriers to purchase.</p>
<p>New end-point treatment solutions to control fruit fly 1 (Child of VG13023)</p> <p>VG13043</p> <ul style="list-style-type: none"> • Development of methods and protocols for new technologies (low-pressure systems and fumigant delivery systems) • Opening of new domestic and export trade protocols based on low-pressure disinfestation methods.
<p>Financial performance of Australian vegetable farms 2013–14 to 2015–16</p> <p>VG13068</p> <p>Completion of three annual surveys of vegetable farm financial performance. The results from the surveys (and those from preceding projects) will produce useful data that can be utilised for a range of industry and policy making requirements that will ultimately drive industry and grower productivity, profitability and global competitiveness.</p>
<p>Improved skill for regional climate in the ACCESS-based POAMA model</p> <p>VG13092</p> <p>Improved accuracy and finer spatial resolution for multi-week and seasonal forecasts for vegetable industry growing regions with explicit forecast uncertainty and expected accuracy estimated based on hindcasts.</p>

Vegetable industry market access and development program

VG13097

- 1 Reverse trade missions
 - Facilitation of critical export networks between Australian growers and industry leaders in Asia-Pacific
 - Export market development of Asia-Pacific markets for fresh vegetables, critical to the ongoing profitability of the Australian industry
 - A professionally run vegetable experience for delegation members, in-line with best practice for comparable familiarisation tours and international trade delegations
 - Showcase the high quality of Australian vegetables to Asian buyers, with particular reference to the world-class research and development completed by the industry.
- 2 Developing international vegetable export opportunities
 - Communications of the qualities of Australian produce to representatives from key emerging fresh produce markets
 - The facilitation of networking between leading growers and industry representatives with international industry representatives
 - Assistance with the long-term increase in vegetable exports by Australian growers, as outlined as a goal in the vegetable industry's Strategic Investment Plan
 - Showcase the high quality of Australian vegetables to Asian and Middle Eastern buyers, with particular reference to the world-class research and development completed by the industry.
- 3 Market access policy and procedure
 - To reduce and remove market barriers for trade in Australian vegetables
 - To provide various forms of market access assistance to potential and actual vegetable exporters
 - To represent the market access-related interests of growers to government
 - Act as the interface between the international agencies and vegetable growers
 - To review and track the export performance of various vegetable commodities and identify market constraints
 - To suggest, guide and facilitate strategies and roadmaps that provide direction for the vegetable industry on matters of market access policy and procedure.
- 4 Broader trade and export industry participation
 - Maintain continuous dialogue and build relationships with trade and export industry
 - Ensure growers are linked to relevant organisations to access market development opportunities.
- 5 Communication and development of information database
 - Create awareness about market access and development and make growers understand that it is one of the most crucial instruments for industry growth and market expansion
 - Increased confidence for Australian growers to export to key Asian markets by providing access to the people and knowledge necessary to export vegetables
 - Enhanced understanding of export requirements and existing support available for export development
 - Increase the interest in exporting and confidence for growers to develop international business opportunities
 - Reduce the existing hesitation that exists in the industry by reducing the unknowns in the process and providing support to the industry
 - Provide an opportunity for growers to access technical expertise to assist them in their export activities through seminars and communications activities.

Demographic research for the vegetable industry – phase 2

VG15019

This project provides the Australian vegetable industry with expert analysis and insights generated from the interrogation of Homescan Data to better understand their product in the complex and highly competitive market place of 'food'. Analysis and insights helps the industry better understand their current and future customer and channel to market. The project contributes to increasing consumer and market knowledge within the industry, helping businesses and industry make decisions required to increase consumption and grow sales.

Vegetable industry participation in the South Australian Government trade mission to SE Asia 2016

VG15075

- A greater understanding of the market requirements, supply chains and buyer requirements in key export markets such as Singapore and Malaysia
- An opportunity to communicate industry needs to in-market AUSTRADE staff, and South Australian government officials to guide future government investment and resource delivery
- An opportunity to see first-hand the supply chain infrastructure in international markets to better understand the logistics requirements.

Improving productivity of fruiting solanaceous crops through area wide management of insect vectored viruses in Bowen

VT13003

This project will contribute to:

- Development of a model that can be used to predict the development of onion stunt in Australian onion paddocks and can also be used as a platform to develop predictive testing for further diseases
- An onion rotation crop plan for management of onion stunt
- Production of 'Onion stunt – best practice management' and 'Best practice for soil borne diseases of onions' guides available to growers through Onions Australia website.

R&D projects commencing in the 2016/17 financial year

The second table provides examples of new investments that are likely to be put forward for investment in the next 12 months (subject to investment approval).

The commentary directly below is for illustration purposes as examples of our range of investments that cover priorities such as:

Cross-sectoral Investment themes	Key outcomes summary
Crop production (RD&E)	New technologies for the precision for fertiliser use in fruit and nut production.
Industry development (RD&E)	Capacity building through face-to-face engagement on R&D updates will be used to stimulate discussion and increase collaboration among peers.
International market development, market access and trade (RDE&M)	Critical to the future growth of horticulture is the understanding and development of export markets. Investments include understanding export processes and collecting high quality data on viability in Asian markets. Also investments focused on coordinating activities across industries particularly at trade shows, identifying long-term opportunities for vegetables and developing specific market opportunities such as Japan.
Pest and disease management (RD&E)	Improved commercial solutions for the control of thrips in cherry production through the selection and timing of chemical applications, and the adoption of integrated pest management practices for the sustainable production of macadamias.
Product integrity (RDE&M)	Investments aim to improve actual and perceptions of quality in the horticulture supply chain. Food scares for example, can rapidly destroy profitability in most industries. Projects range from improvement of quality and reputation to export markets to Asia, development of 'cool supply chain' techniques for avocados, reduction in contamination and developing standards for international markets.

Asian market intelligence and data

AM15005

In a highly competitive global market, success depends on understanding the market and identifying opportunities by drawing on well-articulated and actionable insights.

Once insights have been identified that information can be used to position horticulture products and brands more effectively than our competitors and allows the industry to capture more value along the supply chain and in-market.

High quality information and data regarding a range of market variables is therefore an essential component to industry's ability to respond to market requirements, as well as expand into new markets and retain market share in existing markets.

The objective of this program is the development of actionable insights through in-depth research into market requirements and trends in high value and high growth Asian markets.

Key objectives of the program include:

- Delivery of clear, robust, auditable direction on the reality of Asian horticultural demand to Australian firms, stakeholders and investors
- Identification of new information on Asian market trends applicable to the Australian horticultural industry and new insights that will enhance brand loyalty and purchasing of Australian premium produce and products
- Discovery of new innovation opportunities and high value growth initiatives which build demand for Australia's horticulture products in emerging export markets and market segments
- Development of concepts for future project development for each industry, to satisfy the most important drivers of purchase in the Asian countries investigated. Examples include new varieties, new products, new packaging, new food safety/authenticity assurance mechanisms
- Increased industry collaboration to deliver benefits to industries that may not be achieved on their own
- Alignment with industry export strategy priorities and Hort Innovation's Trade Strategy
- A more strategic approach to activities to provide more value and relevance to each industry and regions
- Potential cost savings and efficiencies by reducing duplication of activities in target markets.

Business growth for Asian markets

AM15006

In a highly competitive global market, success depends on understanding the market and identifying opportunities by drawing on well-articulated and actionable insights. Before a business can take advantage of these insights they must have the capabilities to understand the required export procedures, processes and best business practices so that they can confidently and actively pursue opportunities in Asian markets. Key objectives of the program include:

- Increased grower confidence and capability with export markets
- Promoting interest of the young and attracting talent to the sector
- Development of a network where growers seek support; increased peer-to-peer collaboration
- Bigger, better collaborative projects between farmer peers for Asian opportunities
- A clear export to Asia journey for businesses to undertake and experience business growth
- Preparation of a sustained pipeline of potentially investable companies
- A robust innovation pipeline of ideas and products for launch in markets.

Australia Fresh collaborative market development program

AM15003

- The *Australia Fresh* collaborative market development program is an investment program for regional, state or commodity specific organisations responsible for the market development of Australian horticulture produce
- This project will support organisations to create customer loyalty and sustainable market growth through investment that presents a collaborative and united 'horticulture food basket' through aligned programs to the overarching *Australia Fresh* program
- The Program will be open to Australian market development organisations that wish to collaborate with Hort Innovation in the development and implementation of an effective mix of market development activities that deliver measureable results for their industry
- The project will build awareness of Australian horticulture in overseas markets that will deliver benefits for participating industries through the provision of trade missions, trade shows, study tours and the hosting overseas visitors, as required
- The project will facilitate the following broad outcomes delivered through the *Australia Fresh* platform:
 - Joint-industry collaboration that will deliver benefits to industry that may not be otherwise possible
 - Strategic approach to market development activities
 - Potential cost savings and efficiencies using service providers through existing networks.

Supply chain monitoring and modeling

AM15002

The key objective of the project is to increase the value and profitability of Australian horticulture exports by improving the 'freshness', consistency and reputation of Australia's exports into Asia. This will be achieved by:

- Using internationally best monitoring systems of storage and transport environments (e.g. temperature, gases, volatiles) around products and monitoring of actual product condition, for example e-nose, to identify improvement strategies to increasingly meet consumer demand for product quality
- Implementing predictive models of product quality at outturn to allow rapid decision-making that will maximise marketing opportunities and minimise quality loss
- Based on the above, and using value chain principles and participatory learning, develop and implement effective, targeted chain improvement strategies and systems based on postharvest environment and product monitoring and real time feedback and advice
- Initially working in depth with at least one chain in each three to six commodity groups as case studies to confirm and demonstrate the benefit/cost of the above approaches
- Up-skill established providers to offer the information and services to interested chains on a long-term commercial basis.

Supply chain quality improvement – cool chain best practice adoption

AV15010

- Adoption of best practice in cool chain management and postharvest handling across all sectors of Australian avocado supply chains from orchard to retail
- Reduction in incidence of body rots and other quality defects in avocado fruit
- Awareness across the supply chain of factors that predispose fruit to quality defects.

Banana industry congress 2017

BA16000

The Banana industry congress 2017 will provide the opportunity for outputs of R&D programs to be presented and discussed with levy payers, to stimulate discussion and learning. It will also inform and inspire delegates so they have a clearer understanding of technical industry issues and required actions for sustainability and profitability of the industry.

Thrips species in NSW cherries and the timing of associated ring russet injury

CY16000

- The identification of the thrips species causing russet ring damage, resulting in the development of commercial recommendations for chemical selection and timing to effect a reduction in thrips damage and therefore associated losses due to *Alternaria* fruit rot
- Improvement in grower understanding of thrips species present and timing in NSW cherry orchards which will inform better choice and timing of chemical management options for the pest.

More profit from nitrogen: enhancing the nutrient use efficiency of cherry production

CY16001

NB this and MG16000 as part of a greater Rural R&D for Profit project being managed by CRDC. There will be extensive collaboration between the two horticulture-focused projects as well as with projects focusing on dairy, cotton and sugar.

The project will demonstrate that more efficient use of soil N resources and N fertiliser inputs is possible through a greatly enhanced knowledge of the N cycle and management of N losses. The research will demonstrate and provide new technologies for how precision fertiliser use in cherry crops can realise fruit production potentials and reduce soil water and nutrient inputs, leading to improved farm gate profits. These improved soil management strategies will provide industries with new fertiliser technologies and information to better manage soil water and nutrient inputs. The insights and management recommendations will be directly applicable to production regions across Australia.

Developing cost benefit analysis tools and business case methodology to promote the case for urban green space

GC15000

The overall project objective is to develop cost benefit analysis tools and monetisation methods that can be used by local government and industry to clearly articulate the benefits of urban green space.

Which plant where, when and why database for growing urban green space

GC15002

The project will identify a diversity of appropriate plant species/varieties including annual & perennial flowering plants, shrubs, trees and turf for green spaces, based on their attributes, climatic tolerance and future climate scenarios, in relation to appropriate planting conditions.

Plant attributes will include heat tolerance and water-use efficiency, as well as growth form, biodiversity values, allergen city and influence on air quality.

This project will enhance the value of the horticultural industry by delivery of an interactive online tool underpinned by robust evidence-based research and a national best practice technical design guide that brings together existing guides, to enable users, such as local government and practitioners, to find the right plant species for the right green space in the right location under current and future climates.

Greener cities, healthier lives – measuring the wider social benefits

GC15005

The project will provide the first systematic analysis of green space and health from birth through to old age. It will involve five key research themes:

- 1 An analysis of pregnancy outcomes in relation to green space and air pollution – an Australian first study and the largest in the world
- 2 The first insights into green space and educational achievement
- 3 The impact of green space on mental health and chronic disease – an Australian first
- 4 An analysis of hospital admissions in relation to urban green space.
- 5 An analysis of older adults and their preferences in relation to green space.

Global horticultural masterclass

LP15001

Under this investment, up to 30 selected industry leaders each year will be exposed to a nine month program of learning focused on global trends in agriculture and horticulture, international business, innovation, value chains, and governance and risk. The project is being led by the University of Tasmania with input from Wageningen Academy in the Netherlands and Lincoln University in New Zealand. The program is best described as a mini – MBA and will be delivered via face-to-face and online learning. There is no other program of this nature in the Australian training landscape.

Attracting new entrants into Australian horticulture

LP15006

This program is a national university scholarship and graduate employment scheme. Under this scheme, horticultural businesses will co-invest with Hort Innovation to award up to six \$8,000 scholarships to final year university students from a range of disciplines each year.

Scholarship recipients will be required to undertake an industry internship with co-investing businesses. These same businesses will have the opportunity to employ the students following graduation, again under a co-investment scheme.

This cohort of newly employed graduates will participate in a five-day face-to-face leadership program in their first year of employment, delivering benefits to both the individual.

National PHD scholarship scheme

LP15007

Under this program, up to six PhD scholarships will be offered to students from universities across Australia. The scholarships will be advertised to students from a range of disciplines to attract a new pool of leading researchers to the horticulture industry. All PhD level research undertaken must be cross industry focused and must be transformative in nature. All people involved in this scheme will come together every two years for leadership training and industry networking.

An IPM program for the Australian macadamia industry

MC15014

The intended outcomes will increase:

- adaptive, effective and participatory research collaborations for IPM of macadamias
- knowledge about arthropod pests on macadamias
- cost-effective, sustainable and integrated management of arthropod pests
- skill of scouts and consultants providing advice to macadamia growers
- adoption of IPM for macadamia growers.

More profit from nitrogen: enhancing the nutrient use efficiency of mango production

MG16000

NB this and CY16001 as part of a greater Rural R&D for Profit project being managed by CRDC. NB this and MG16000 as part of a greater Rural R&D for Profit project being managed by CRDC. There will be extensive collaboration between the two horticulture-focused projects as well as with projects focusing on dairy, cotton and sugar.

The project will demonstrate that more efficient use of soil N resources and N fertiliser inputs is possible through a greatly enhanced knowledge of the N cycle and management of N losses. The research will demonstrate and provide new technologies for how precision fertiliser use in mango crops can realise fruit production potentials and reduce soil water and nutrient inputs, leading to improved farm gate profits. These improved soil management strategies will provide industries with new fertilizer technologies and information to better manage soil water and nutrient inputs. The insights and management recommendations will be directly applicable to production regions across Australia.

International olive council – technical committee

OL15002

The main benefits of participating in this meeting for the Australian olive industry will be to provide access to new proposed analytical methods and/or limits before they become part of international regulations. This will allow chemists to analyse Australian oils to ensure that the changes do not constitute Technical Barriers to Trade for Australian oils. Australia's accredited laboratories will be better prepared to continue achieving international accreditations (i.e. IOC), which will benefit Australian growers using them to certify their products. The Australian industry will have inside information about new research, trends in nutritional guidelines, etc. that may be suitable to promote EVOO in Australia.

Improving safety of vegetable produce through on farm sanitation, including electrolysed oxidising water

VG15068

Electrolysed oxidising (EO) water is used during postharvest but has not been used to any extent for treating preharvest water. It has potential for minimising risk of contamination by food borne pathogens and the outcome from this project will be validation of its effectiveness and application relative to other sanitisers and protocols for its use on-farm.

Vegetable export strategy

VG15052

- The creation of a single, authoritative resource identifying vegetable industry export priorities
- Identification of the long-term strategic export objectives for the vegetable industry
- Identification and prioritisation of key export markets and key export commodities to guide investment of effort over a two-year time-horizon
- Identification and ranking of market access and market improvement priorities for each market and each commodity
- Identification of market development priorities by market, and by commodity
- Production of business cases for submission to the Trade Assessments Panel for each ranked priority.

Export development of Australian vegetables to Japan

VG15074

- Industry seminars and articles in industry publications such as Hort Innovation communication channels and AUSVEG's weekly update and Trade Talk as well as state vegetable newsletters
- Snapshots featuring key findings from each phase of the project similar to what was developed for VG13048
- Project committee and grower meetings to facilitate collaboration between growers and participation in the project
- Development and implementation of promotional and branding material and activities in collaboration with key customers in Japan which is based on consumer research
- One inward and one outbound visits in collaboration with the project committee, Australia Fresh and growers and key Japanese customers.

Marketing outcomes for the 2016/17 financial year

The following marketing investment portfolios illustrate the types of activities, outputs and impact that our marketing investments will focus on in the next 12 months. From infield promotions to television and digital campaigns, the marketing investments by our marketing levy industries cover the span of consumer marketing channels. The investments under these portfolios cover deliverables aligned to our domestic market development investment theme, funded in full by the marketing levy.

<p>Apple</p> <p>New television commercial and integrated marketing campaign partnering with Netball Australia; key influencers and innovation in the retail merchandising program to increase presence of apples on snacking occasions. Supported by social media, state-based events and varietal education programs.</p>
<p>Avocado</p> <p>Demonstrate the versatility of avocados by providing inspirational ideas around how to use them – focusing on driving the breakfast and lunch occasions. Three bursts of television advertising using the ‘Love that avocado feeling’ commercial – supported through digital advertising, social media, key influencers and co-promotional opportunities with complementary businesses and brands.</p>
<p>Banana</p> <p>Australian Bananas will continue to build on snacking moments, by establishing the benefits of ‘Nature’s Non-stop Energy Snack’ in consumer’s current lifestyle. Similarly we will also continue to grow usage opportunities and further cement Australian Bananas position as the number one snack food.</p> <p>The campaign will deliver a consistent media presence throughout the year using channels such as television, out-of-home (transit, shopping centres) digital advertising and social media, against the target market of people 25–39 and families with a child 12 years or under.</p> <p>The plan also includes below the line communications such as website maintenance; athletic event sampling; public relations (PR); industry and community events; school programs; ambassador Billy Slater; merchandise and retail support through point-of-sale (POS) and promotions.</p>
<p>Cherry</p> <p>Promoting the ‘100 Days of Cherries’ campaign with activities prior to the Christmas peak by undertaking activities such as state-based marketing and the Sydney Markets summerfruit festival at Darling Harbour. Drive urgency of purchase through the season using retail, POS, advertising, in-store promotions and sampling, and building export opportunities by participating in the <i>Now in Season</i>.</p>
<p>Chestnut</p> <p>Activity has included public relations and media activities such as a season launch, website improvements, and attendance regional events. Also, the chestnut industry will leverage Stefano Manfredi as an ambassador to generate interest in the product and help improve consumer education around using, storing and preparing chestnuts.</p>
<p>Citrus</p> <p>Participation in the <i>Now In Season</i> program, delivering retail promotions in key strategic markets in Asia. Key activities include consumer and media events, PR, in-store promotions and sampling. Key citrus growers and exporters will be assisted to attend international trade fairs inline with the Hort Innovation’s trade strategy. Domestically, the citrus industry will partner with Fruit Juice Australia in PR activities to counteract the decrease in juice consumption.</p>
<p>Custard Apple</p> <p>Messaging for Custard Apples in 2017 will build upon previous years efforts and be delivered by PR activities and a social media campaign.</p>

<p>Dried Grape</p> <p>An export focus aimed at maintaining key European markets such as Germany, and activity aimed at opening up new opportunities in Asian markets. Main channel is as an ingredient for the Foodservice channel.</p>
<p>Lychee</p> <p>An integrated PR and retail campaign, including point of sale, using the successful 'Love from Lychees' campaign, aimed at building awareness and demand for lychees.</p>
<p>Macadamia</p> <p>In the 2016/17 financial year, the macadamia industry marketing plan builds on the previous five-year strategic plan. It restates the importance of macadamias being positioned as a premium product, and that Australia needs to leverage its strengths to capitalise on its competitive advantages. Continuation of support to supply chains by investing in market development activities to promote messaging and leverage the total program investment by seeking greater engagement with program activities.</p>
<p>Mango</p> <p>The key areas of marketing activity and focus for the 2016/17 marketing program are: engaging the supply chain to build interest, excitement and understanding of the mango industry; launching the start of the season with events such as the 'Auction' and the 'Bondi Mango Mess-tival'. Facebook and Instagram will be used to extend audience reach and engagement. POS will be distributed to support retail promotions, throughout summer. Asian and US exports will be supported with delegations at key points in the season.</p>
<p>Mushroom</p> <p>An integrated marketing program that will amplify the newly created assets including television advertising and digital billboards outside major supermarkets, supported by a significant digital campaign. In-store cooking demonstrations and a presence at major events across the country, aim to give confidence to consumers to use mushrooms in more meals, more often. The program will show them how to add mushrooms to their everyday cooking repertoire, to make them both healthier and tastier. Also supported by PR and social media.</p>
<p>Nursery</p> <p>The 2020 Vision will continue a strong focus on 'influencing the influencers,' particularly local governments and developers, to provide tools and a network that can increase the amount of green space. The program this year will also benchmark the improvement in green space coverage over the last three years. Consumers will also be engaged with school 'how-to' guides; a retail nursery kit; and the development of an app, that based on research, can give feedback on how green your home environment is.</p>
<p>Onion</p> <p>An integrated campaign leveraging health messaging and PR targeting influential food bloggers and websites. In-store presence will be supported by a solid cooking demonstration program.</p>
<p>Papaya</p> <p>Consumer education through in-store demonstrations and key events to drive trial of papaya.</p>
<p>Passionfruit</p> <p>An integrated awareness program of PR, social media, in-store sampling, point of sale, merchandising and education. Inspirational recipes and applications are used to showcase how to 'finish the dish' with passionfruit.</p>
<p>Pear</p> <p>Focus on increasing snacking and everyday cooking occasions to drive volume through major retailers by integrating health messaging and partnering with complimentary brands. PR via health media publications, a social and digital campaign, and POS at retail will all be used.</p>
<p>Persimmon</p> <p>Awareness program using key influencers, social media and traditional media to drive trial of Persimmons.</p>

Pineapple

A campaign refresh using social media, events and PR to improve consumer understanding of pineapple seasonality, and to inspire consumers with ideas on how to use pineapples.

Raspberry and Blackberry

A PR program focussed on sharing the health information of berries with health professionals and nutritionists, and extended to include social media and key bloggers.

Summerfruit

Season launch activities such as the Sydney Markets Summerfruit Festival at Darling Harbour – supported by additional PR and media activities to promote the start of the season. Support volume throughout the season by focusing on retail advertising and POS, social media and PR. Continue to grow the export market by participating in *Now in Season* and supporting exporters through co-promotional activities. Australian nectarines will be launched into China through a dedicated market launch activity in conjunction with Austrade.

Sweetpotato

The first year of the marketing levy will feature consumer research undertaken to inform the new strategic marketing plan. Expected activities will focus on increasing the usage of sweetpotato through demonstrating versatility, flavour and health benefits to consumers.

Table Grape

Continue to grow export opportunities predominately in retail across Asia and the Middle East. The domestic program will focus on quality improvement programs to grow volume and value.

Turf

Social media and PR campaign to support seasonal usage ideas and care for turf.

International trade events for the 2016/17 financial year

Australia Fresh will lead Australia's attendance at three events during the 2016/17 financial year:

<p>Asia Fruit Logistica in Hong Kong 7–9 September 2016</p> <ul style="list-style-type: none">• 360 sqm pavilion – 30 per cent larger than last year• 27 exhibitors participating including 12 new businesses, eight of which are exporters – doubling the participation of exporters from last year and first time AusVeg will be under the <i>Australia Fresh</i> banner.
<p>Fruit and Vegetable Fair, Beijing China 30 October – 1 November 2016</p> <ul style="list-style-type: none">• Recalibrating pavilion size in light of other opportunities in China for <i>Australia Fresh</i>• Approx 80-90 sqm.
<p>World of Perishables, Dubai 13–15 November 2016</p> <ul style="list-style-type: none">• Largest fresh produce expo in the Middle East• First time at this event• 90 sqm.

Other events *Australia Fresh* is considering participating include: I-Fresh Shanghai China (14–16 November 2016); Gulf Foods, Dubai (26–28 February 2017); Food Ex Japan, Tokyo (7-10 March 2017) and Food & Hotel Asia, Jakarta Indonesia (5– 8 April 2017). It is expected these additional events (excluding I-Fresh) will be led by Food Innovation Australia Ltd with support from the *Australia Fresh* team.

The outcomes expected from participating at these events include:

- Increase the value and volume of horticulture exports across collaborative commodities and regions
- Position Australia as a producer and exporter of high quality produce which delivers on commitments of both required quality and volume
- Support the building and maintenance of commercial relationships by providing an avenue for horticulture exporters to profile their Australian produce
- Sharing resources to create a larger, more unified presence in international markets
- More joint-industry collaboration to deliver benefits to industries that may not be achieved on their own
- Alignment with industry Export Strategy priorities and Hort Innovation's Trade Strategy
- A more strategic approach to activities to provide more value and relevance to each industry and regions
- Potential cost savings and efficiencies by reducing duplication of activities in target markets.

Corporate Governance Statement

Horticulture Innovation Australia Limited (Hort Innovation) is the industry services body for the Australian horticultural industries, as declared by the Minister for Agriculture and Water Resources under the *Horticulture Marketing and Research and Development Services Act 2000 (Cth)*.

Hort Innovation is responsible for managing and investing the levy funds received from levy payers for the benefit of 33 horticultural commodities, and matching eligible research and development contributions from the Australian Government, for the benefit of Australian horticultural industries and the Australian community. As such, Hort Innovation partners with the Australian Government to deliver marketing, research and development services to horticultural levy payers.

Hort Innovation is not an industry representative body and does not set or execute policy on behalf of horticultural industries, nor participate in any agri-political activities.

Hort Innovation invests in research and development, and marketing to increase the productivity, farm gate profitability and global competitiveness of Australian horticultural industries. The Hort Innovation Board sets the strategic direction of the company, within the requirements of the Hort Innovation [Constitution](#), the [Deed of Agreement](#) with the Australian Government (Statutory Funding Agreement, the *Horticulture Marketing and Research and Development Services Act 2000 (Cth)* *Horticulture Marketing and Research and Development Services Act 2000 (Cth)*, and the *Corporations Act 2001 (Cth)*).

The Hort Innovation Board and management are committed to the implementation of corporate governance measures that enhance performance and ensure compliance by Hort Innovation with expectations of accountability required by all applicable legislation, regulations, and guidelines such as the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, as required by the Australian Government.

The Hort Innovation Board has established three Board subcommittees that act to guide the company, including the Investments Committee whose charter is to oversee investment of the horticultural levy funds. These committees assist the Board to implement, monitor and enforce appropriate corporate governance throughout the company.

The Hort Innovation Board delegates responsibility for the management of the company to the Chief Executive Officer.

The Hort Innovation Board and Management are dedicated to transparency in operating on behalf of Australian horticultural growers. It is always our intention to ensure that the way in which Hort Innovation operates and invests levy dollars is readily understood and trusted by our stakeholders. We seek to provide transparency through:

- Openly communicating our policies and procedures for making investment decisions, and the mechanics of the SIAP and investment evaluation processes, including arms length recruitment for key advisory and governance bodies
- Making clear the skills required to become a Director of Hort Innovation, to promote understanding of the calibre of Board the Company values and requires to properly fulfil its responsibilities as the industry services body for Australian horticulture
- Reporting on investment performance and the position of industry levy funds on a regular basis.

Although details of individual decisions made and operational details are often confidential, Hort Innovation is committed to providing all information possible to keep our stakeholders informed and confident that its operations follow best corporate governance practice.