

Collective Industry Fund

Industry sectors without a statutory levy in place may seek to establish a Collective Industry Fund (CIF), where funds are contributed by growers and managed in the same manner as a statutory levy. Industry sectors may apply to Horticulture Innovation Australia (Hort Innovation) to be recognised as a CIF based on the following criteria:

Assessment Criteria

The following criteria will be used to assess whether a CIF will be recognised and established by Hort Innovation for a sector:

- a. The voluntary levy is for a single horticultural product supported on a national basis. As with statutory levies, a CIF will not be considered by production system, supply chain activity or geographic region.
- b. The majority of industry by value, and a significant proportion of industry by volume (as assessed and determined individually by the Hort Innovation Board), voluntarily and regularly contribute to the fund.
- c. A transparent and agreed formula is used for the purpose of calculating the contribution and the contribution is collected with regular frequency. This should include a description of the method of collection (including units) and the allocation of funds to the CIF and how this is formalized with industry.
- d. A central body receives the contributions for coordination and consolidation. That body should have appropriate risk and governance systems in place. The monies are then forwarded to the appropriate Hort Innovation Fund for investment.

NB: Commonwealth matching investment for all statutory R&D levies within Pool 1 will be capped at 0.5% of an industry sector's GVP.

Implementation

- a. The industry and Hort Innovation sign the Hort Innovation Collection Fund Agreement
- b. Establish an account within Hort Innovation's financial systems to receive and manage the voluntary levies for the fund.
- c. A Strategic Investment Plan (SIP) will be reviewed or developed to meet Hort Innovation SIP guidelines. This plan should span three (3) to five (5) years and incorporate a diversity of programs that demonstrate benefit across the breadth of that industry.
- d. Investments will be made in accordance with a Strategic Investment Plan (SIP) and Horticulture Innovation procurement processes.

- e. Hort Innovation will establish a Strategic Investment Advisory Panel (SIAP) which comprises suitably qualified growers and other supply chain stakeholders from the Industry as approved in writing by Hort Innovation.
- f. The SIAP will provide strategic investment advice to Hort Innovation and oversee the Strategic Investment Plan, in accordance with its terms of reference.
- g. The CIF Collector must maintain separate, full, true and up-to-date books and records for the Agreement so that all receipts and expenditures relating to the Agreement are properly recorded and accounted for in accordance with generally-accepted Australian accounting standards (Accounting Records).
- h. Receiving of producer contributions (voluntary levies) into the fund – levies paid through the IRB/PIB will be required to be remitted through to and held by Hort Innovation with regularity.
- i. Regularity of levies paid to Hort Innovation – as the fund has no monies at the outset, the option may well be to prime the fund with a lump sum for immediate investment and then to pay regular payments compatible with when grower contributions are paid to the IRB/PIB. This aspect may need further discussion between IRB/PIB and Hort Innovation.
- j. A CIF is subject to GST on the same basis as statutory levies, so documentation relating to this process needs to be compliant with GST legislation.