

Working together



The Hort Innovation Annual Report 2021/22 is for our members, levy payers and other horticulture sector stakeholders, as well as the Department of Agriculture, Fisheries and Forestry (DAFF).

The theme of this year's report is '*working together*' which celebrates how Hort Innovation works with its partners to drive productivity and profitability for Australian growers, and demand for Australian produce.

This 2021/22 Annual Report demonstrates our progress against the Hort Innovation Strategy 2019-2023 and provides a snapshot of the activities and achievements that drove value and outcomes for the nation's horticulture sector.

Hort Innovation acknowledges the traditional custodians throughout Australia and their connections to land, water and community.

We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.



Hort
Innovation

ANNUAL REPORT 2021/22



ON THE COVER

Bartle Frere Bananas (pictured) is one of four trial sites incorporating the latest technology to improve productivity while reducing costs and minimising each operation's environmental footprint.

This project will provide detailed examples to the broader horticulture sector about the effectiveness of establishing remote monitoring and data analytics to support horticulture's environmental performance.

The project is largely funded through a \$2.9 million Landcare Smart Farming Partnerships Program grant supported by the Australian Government. Through this grant and some levy contributions, the funding is allowing us to work with partners to give growers tools to boost their sustainability credentials.

The project is a collaboration between Hort Innovation, Applied Horticultural Research, Freshcare, Hitachi, Landcare and industry bodies Greenlife Industry Australia, AUSVEG, the Australian Banana Growers' Council, the Australian Macadamia Society and Growcom.

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Our 2021/22 Annual Report is structured around the five performance principles that underpin our funding agreement with the Australian Government, which you can read more about on p104.

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WELCOME

This section provides an overview of who Hort Innovation is and what we do on behalf of the horticulture sector. You'll find out about our key achievements and proudest moments of 2021/22, as well as what we're looking forward to.

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37 industry-specific reports complement this Company Annual Report to provide information on your industry's investments and outcomes in 2021/22. Download your Fund Annual Report from www.horticulture.com.au/annual-report-portal.

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WE COLLABORATE WITH A NETWORK OF PARTNERS

Hort Innovation works with a rich network of partners to deliver investments and outcomes for Australian horticulture. In this section, you can explore our relationship with the Government, how we work with Australia's other Rural Research and Development Corporations, how we engage with our project Delivery Partners and more.

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WE MEASURE OUR PERFORMANCE

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WE GOVERN OUR PEOPLE AND PROCESSES

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PLUS, SEE THE FINANCIAL REPORT from p109

This section delivers our formal reporting, including the Directors' Report for 2021/22 and the company's full financial report.

Who we are

As the grower-owned, not-for-profit Research and Development Corporation for Australian horticulture, each year Hort Innovation invests millions of dollars into critical R&D, extension, marketing and international trade initiatives. We're extremely proud of the work we do to drive productivity, profitability and demand for Australian growers, and for the horticulture sector at large.

OUR STRATEGY

The Hort Innovation strategy 2019-2023 defines our purpose, activities and goals.

OUR PURPOSE

Hort Innovation exists to drive a prosperous and healthy Australia by providing the best knowledge and solutions to create a world-class horticulture sector.

WHAT WE DO

Hort Innovation connects growers to consumers to drive demand, and we invest in solutions to improve productivity, preparedness and competitiveness. Combined, these initiatives increase the sustainability and prosperity of Australia's horticulture industries.

OUR GOALS

Hort Innovation is committed to sustainable growth in horticulture with the overarching aim of increasing the sector's value to \$20 billion by 2030.

We are doing this by:

- Supporting domestic and global growth in demand
- Supporting profitable and collaborative industries
- Delivering world-class innovation, knowledge and networks.

OUR AREAS OF FOCUS

The company's strategy centres around three key pillars:

- 1. Drive knowledge and innovation into horticulture industries**
Hort Innovation strives to deliver and facilitate communication and extension that has a positive impact on business decisions and enhances practices on farm.
- 2. Deliver the highest value R&D, marketing and trade investments across industries, for now and into the future**
In particular, we're committed to delivering more investments that address all-of-horticulture opportunities and challenges.

3. Enable activities that drive all strategic imperatives

We're dedicated to delivering the talent, culture, processes and systems that are needed to increase value for levy-paying growers.

OUR FUNDING

Hort Innovation's work is funded by statutory and voluntary industry levies, co-investment dollars that we broker from a range of partners, grant support that we apply for throughout the year, and Australian Government contributions. Other funding sources can also come into play, including royalties and the company's centralised strategic levy reserves.

In 2021/22, Hort Innovation used two primary funding and investment models: one for strategic levy investments and one for investments within our Hort Frontiers strategic partnership initiative.

LEVY FUNDING

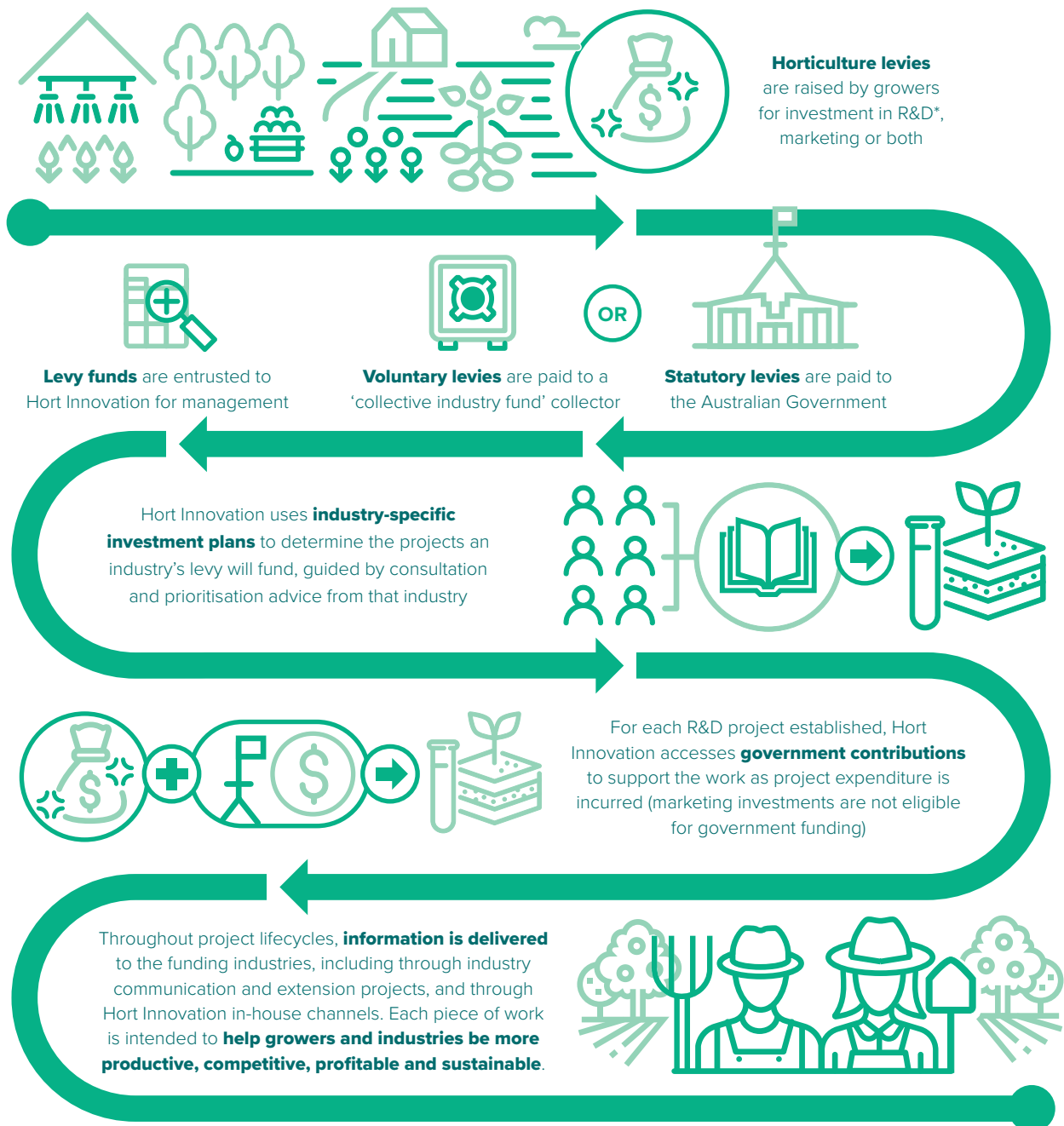
Levy funding is the core model for Hort Innovation’s work, involving the investment of statutory or voluntary industry levies, together with Australian Government contributions (where applicable), into R&D, marketing, international trade, data and insights, extension and communication efforts. Levy investments are specific to each industry’s needs, but multi-industry

projects can collaborate across multiple commodities for maximum efficiency and impact.

Hort Innovation doesn’t set or directly collect levies. Individual horticulture industries choose whether or not to have a levy and determine how (or if) their levy is split for investment between R&D and marketing. Levies can be ‘statutory levies’ through the Department of Agriculture, Fisheries and Forestry

(DAFF), or ‘voluntary levies’ through an approved ‘collective industry fund’ (CIF) arrangement with Hort Innovation. Industries with a voluntary levy include almond, blueberry, pistachio, processing tomato and pyrethrum.

Industry may have other levies that are not managed by Hort Innovation, such as biosecurity levies that are passed onto Plant Health Australia.



* Encapsulating extension and international trade

HORT FRONTIERS FUNDING

Hort Frontiers is our co-investment model, through which we fund investments through strategic partnership money sought, brokered and combined with Australian Government contributions. Projects funded in this way are generally longer-term, cross-industry investments focused on complex areas critical for the future of the horticulture sector.

Hort Frontiers co-investment partners range from commercial businesses to research agencies, education

institutions and government departments. Based on industry advice, statutory and voluntary levy funds can also be invested in Hort Frontiers projects.

There are four investment themes in Hort Frontiers, based on opportunities identified in Hort Innovation's *Australian-grown Horticulture Sustainability Framework*:

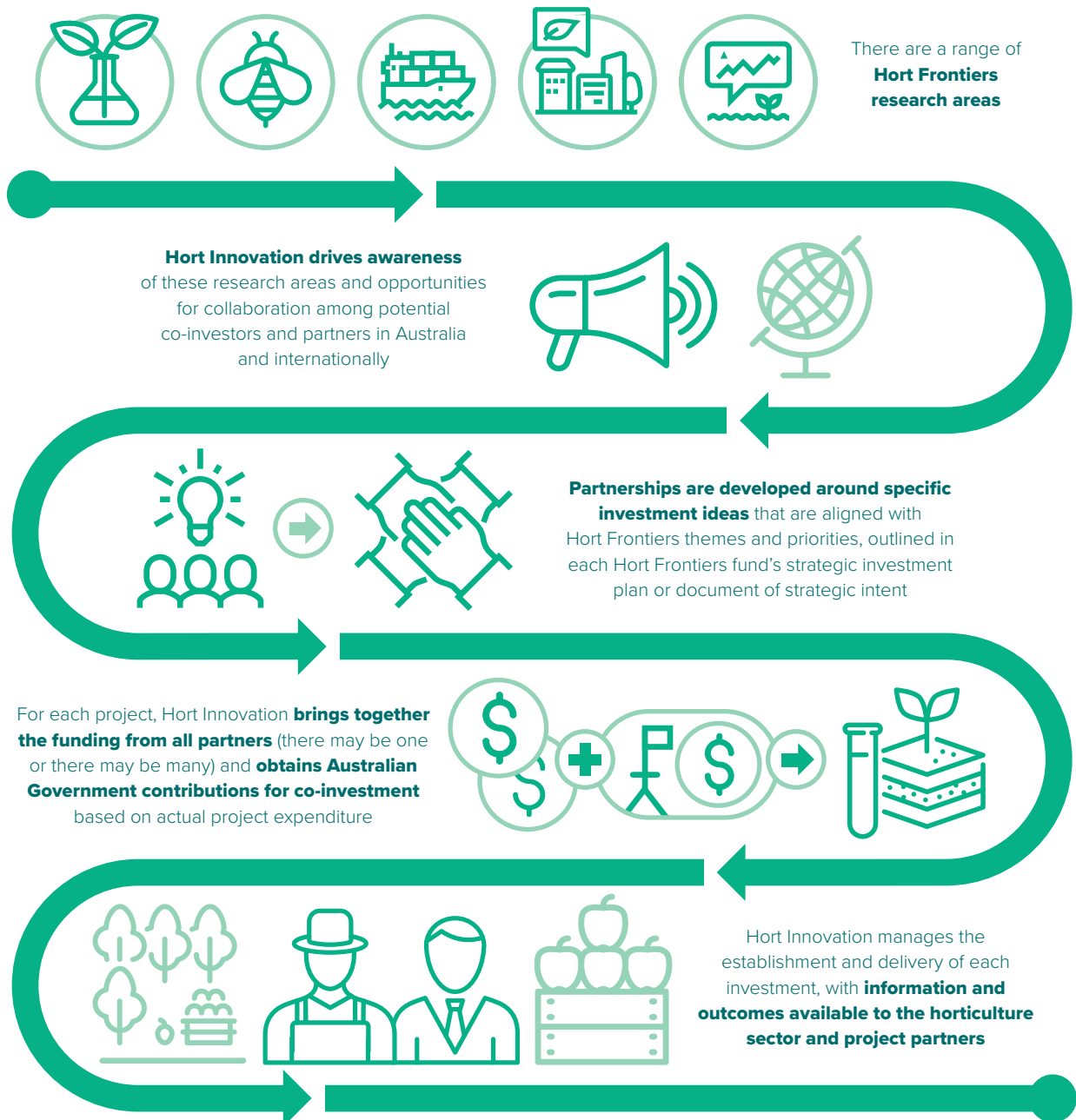
- Nourish & Nurture
- People & Enterprise

- Planet & Resources
- Less waste.

The seven Hort Frontiers Funds are aligned with one of the four investment themes.

While project partners may differ in their reasons for investing, they will all share a common goal, and all projects are for the benefit of Australian horticulture.

Learn more at www.horticulture.com.au/hort-frontiers.





As part of Hort Innovation's Productivity, Irrigation, Pests and Soils Program, growers around the country were asked to bury a pair of 100 per cent cotton undies on their farm. By burying undies, growers were able to learn more about the soil biology on their property and how much biological activity is happening under the surface. Find out more about the research at www.horticulture.com.au/apple-and-pear.

OUR HISTORY

The Australian Government established Hort Innovation in 2014. We're an unlisted public company limited by guarantee and the declared industry services body for horticulture under the Horticulture Marketing and Research and Development Services Act 2000. We transitioned to a grower-owned company from the former Horticulture Australia Limited (HAL), which operated between 2001 and 2014.

On 24 June 2020, we signed a new Deed of Agreement with the Department of Agriculture, Fisheries and Forestry (DAFF). The new agreement takes a 'principles-based' approach to Hort Innovation's operations, instead of a compliance approach. You can read more on [p104](#).

Since 2014, our company structure has evolved to meet the needs of the horticulture sector based on consultation with industry. You can see our current organisational structure on [p96](#).

OUR MEMBERSHIP

All horticulture levy payers are invited to become members of the company they own. Hort Innovation membership is free but not automatic – businesses must apply at www.horticulture.com.au/sign-up.

Importantly, members can apply for voting entitlements ahead of each year's Annual General Meeting – giving them a direct say on the leadership of Hort Innovation and the rules governing the company.

At the end of the 2021/22 period, Hort Innovation had 2,220 members.

Executive summary

In 2021/22, Hort Innovation worked in close collaboration with our stakeholders to deliver value for the horticulture sector through our investments.

2021/22 was another challenging year for the horticulture sector with continued disruption caused by the COVID-19 pandemic, significant flooding events across the country impacting the supply of fresh produce and threats to our biosecurity such as the recent incursion of varroa mite. The horticulture sector continues to show resilience in the face of adverse circumstances, and Hort Innovation endeavours to support industry wherever we can.

Despite the challenges, we delivered value for industry through a strong year of investment – we invested more than \$125.9m in levies, Australian Government contributions, grants and co-investment. This included some \$41.2m worth of investments in our Hort Frontiers strategic partnership initiative and other non-levy projects.

We managed a diverse range of investments across our R&D, marketing, international trade, data and insights, extension and communications teams. With 490 active R&D levy-funded projects in 2021/22 and 24 marketing programs, our staff worked tirelessly to ensure our investments were delivering value for industry. You can read about this year's achievements and progress from [p21](#).

We engaged with the sector and the Australian Government to ensure our activities responded to levy payer needs. For example, in 2021/22, a significant step change was made in the way we approach our marketing investments and this was done in close consultation and collaboration with industry. You can read more on [p32](#).

A key focus of our year was our initiative to reset and refresh the Hort Innovation advisory mechanism and to establish clear roles and responsibilities for us, commodity Peak Industry Bodies and Government. This initiative will continue to be a priority in 2022/23. Read more on [p54](#).

Underpinning all this great work for growers were internal efforts to improve the delivery of our investments and make our processes more efficient. The Delivery Partner Portal was launched this year as a one-stop shop for all the activities relating to project management. This Portal is already improving project management efficiency across the business and has been well-received by our 150+ Delivery Partners.

You can read more about Hort Innovation's work throughout this Annual Report and 37 industry-specific Fund Annual Reports that provide a snapshot of activity in each Fund. The Fund Annual Reports are available at www.horticulture.com.au/annual-report-portal.

Our attention now turns to the year ahead, where we will continue to drive outcomes for our levy payers and focus our efforts on initiatives to improve our delivery for stakeholders.

Soon we will be developing our new Company Strategy to set the direction for Hort Innovation over the next three years. This process will involve consultation with our growers and stakeholders. It will also be informed by the findings of any Independent Review of Performance, at the request of the Australian Government under our Statutory Funding Agreement.



A major initiative in 2021/22 has been our Reset and Refresh initiative, providing opportunity to collaboratively explore roles and responsibilities in the investment process, and to rethink a shared approach to industry advice. While there is still much work to be done, significant progress has been possible due to the constructive and engaged approach taken by all parties involved.

To ensure Hort Innovation is well positioned to support the sustainable success of the Australian horticulture industry, heightened focus has been adopted on four key themes: culture and capability, stakeholder relations, organisational effectiveness and strategy. We are excited by the benefits this focused approach will bring.

In April 2022 we welcomed Brett Fifield to the role of Chief Executive Officer following the departure of Matt Brand. The Board and I would like to thank all team members for their support during this transition period. We are thrilled that Brett Fifield has joined us in the CEO role and are looking forward to the positive impact we believe he will have on Hort Innovation.”

Julie Bird
Hort Innovation Chair



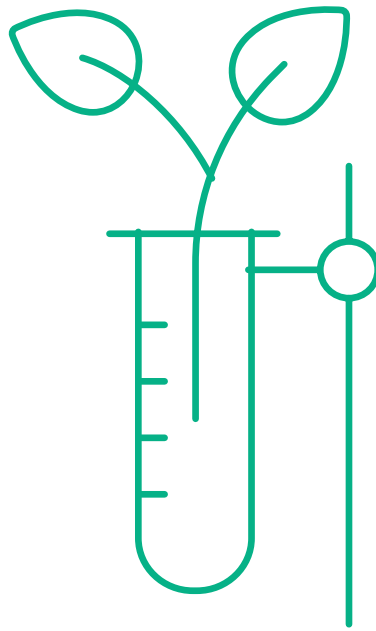
It is a privilege taking on the role of Chief Executive Officer at Hort Innovation. Over the past couple of months, I've spent as much time as possible on the ground with growers, commodity Peak Industry Bodies and industry representatives, seeing and hearing from much of Australian horticulture. There is no doubt the opportunities for Australian horticulture are boundless, and therefore so too are the possibilities for Hort Innovation. By working closely with our growers, partners and Government, I'm looking forward to leading a Hort Innovation team that works and connects with industry, listens and acts.

We are also focused on improving our performance as an industry service provider with a sharp focus on continuous improvement across the company. We are refreshing how we receive advice and insight from industry to allow us to make timely and relevant investments that address the challenges of today and prepare horticulture for the future. We are also diving into our processes and systems to identify ways to improve and ensure our stakeholders, including delivery partners, have a consistently smooth experience working with us.”

I look forward to our investment portfolio across research and development, marketing, international trade, data and insights, extension and communications helping Australian horticulture secure a profitable and sustainable future.”

Brett Fifield
Hort Innovation Chief Executive Officer

2021/22 by the numbers



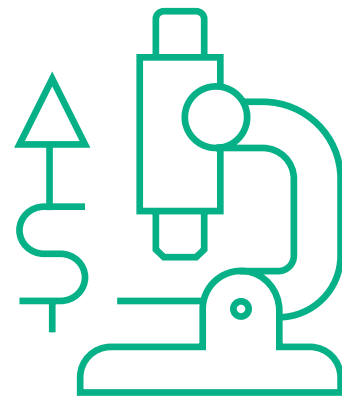
\$56.8M

invested in strategic levy R&D



\$5.2M

in investments involving grant funding,
as part of non-levy expenditure



490

R&D project investments



\$41.2M

invested in Hort Frontiers and non-levy R&D initiatives



\$22.7M

invested in strategic levy marketing programs



24

industry-specific, levy-funded marketing programs



4.3 to 1

average benefit to cost ratio of R&D projects, as revealed in our 2021/22 impact assessments



15

of our industries had investments related to international trade in 2021/22

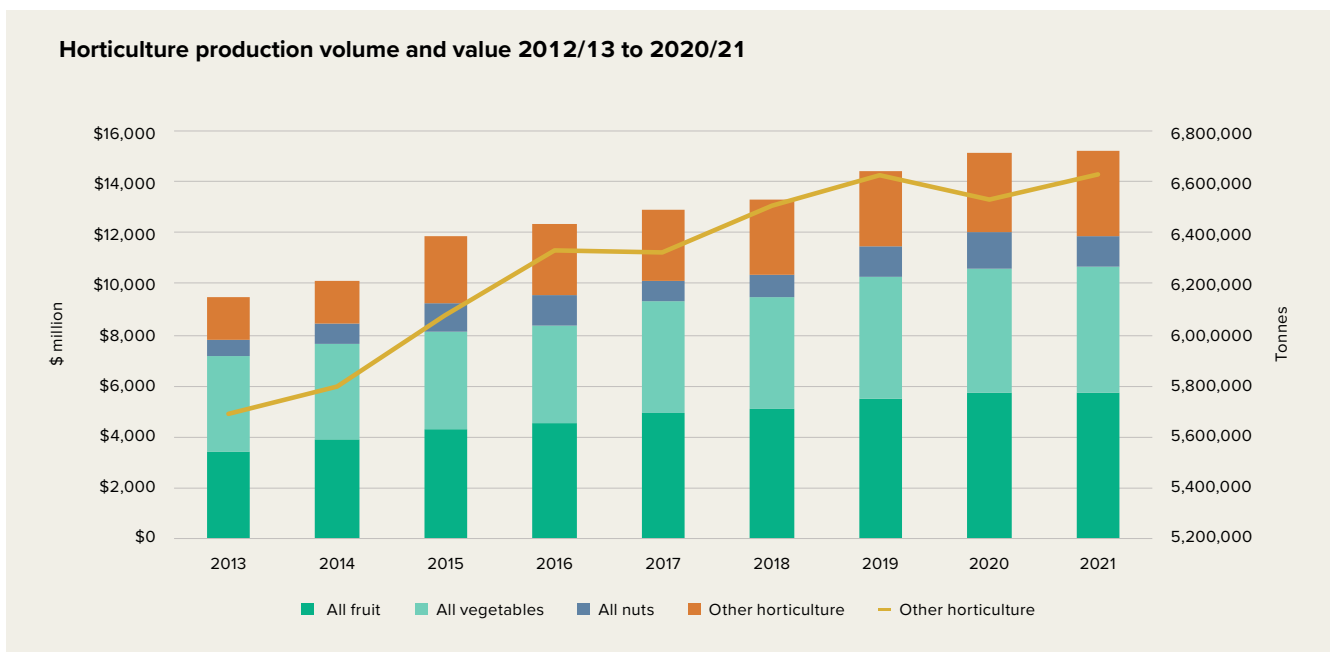


100%

of key performance indicators in our company strategy completed or on track in 2021/22

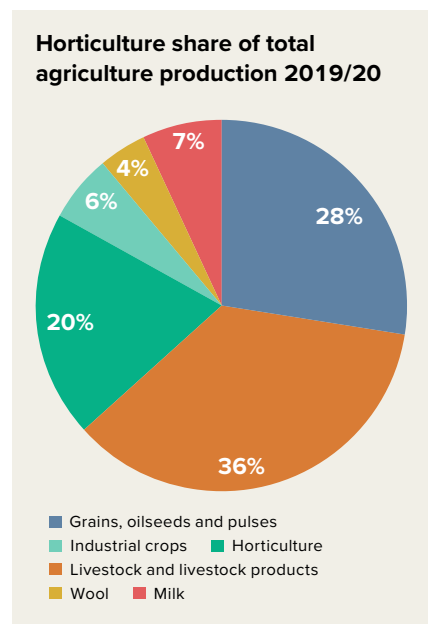
Our sector

Horticulture is the third-largest agricultural sector, accounting for 18 per cent of total agricultural production in 2020/21. Horticulture is also fast-growing, with a production value increase of 23 per cent over the past five years. As you can see in the graph below, horticulture value has grown every year since 2012/13 – an anomaly for agriculture, which is often characterised by significant fluctuation.



The National Farmers Federation (NFF) has set a bold target for the agricultural industry – to exceed \$100 billion in farmgate output by 2030, and current projections say that we’re forecast to reach \$84 billion.

Despite the recent challenges faced by the horticulture sector, including the COVID-19 pandemic and adverse weather events such as drought, fires and floods, the horticulture sector has the potential to be a key driving force behind reaching the NFF 2030 target. In industry growth projections to 2030 horticulture was assigned the highest total growth rate at 33.1 per cent.

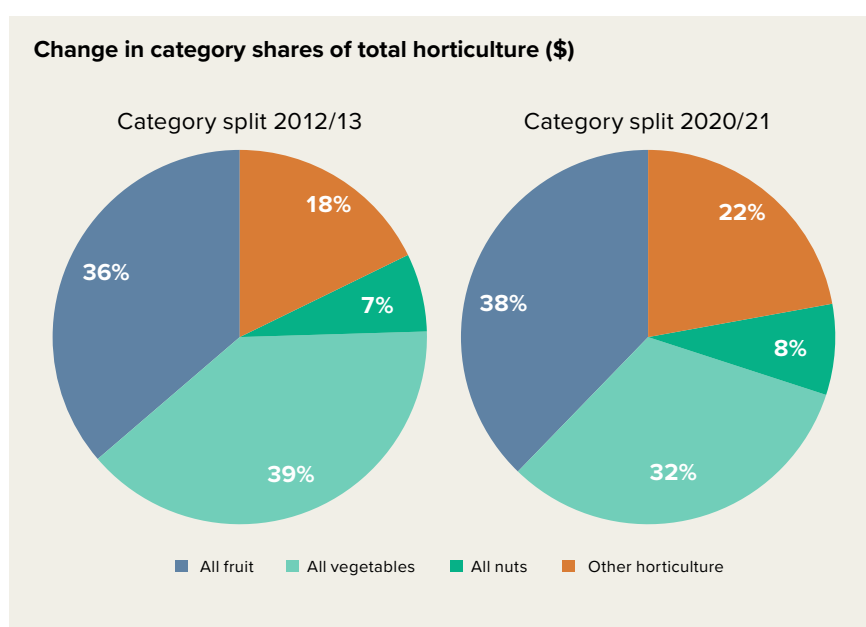


Unadjusted projected farmgate value of agriculture by sector

Sector	2016/17	2029/30	Change 2016/17 to 2029/30	
	A\$ millions	A\$ millions	A\$ millions	%
Grains, oil, seeds, pulses	17,781	18,181	400	2.2
Industrial crops	4,791	4,800	9	0.2
Horticulture	9,762	14,592	4,830	33.1
Other crops	1,660	2,403	743	30.9
Livestock	20,330	25,901	5,571	21.5
Livestock products	8,008	11,799	3,791	32.1
Forestry products	2,539	2,362	-177	-7.5
Fishery products	2,910	4,238	1,329	31.3
TOTAL	67,779	84,274	16,495	19.6

Source: ACIL Allen Consulting, 2018

As the Research and Development Corporation for the horticulture sector, Hort Innovation is here to help our industry grow by improving productivity, preparedness and competitiveness. We invest levies on behalf of 37 horticulture industries across fruit, vegetables, nuts and other horticultural products.



Australian horticulture at a glance

The activities you'll read about in the coming pages exist for one very important reason: to drive a prosperous and healthy Australia by creating a world-class horticulture sector.

Here's the sector at a glance:



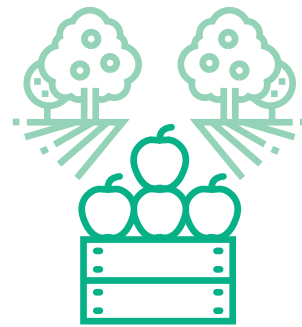
\$15.2B

The total production value of the Australian horticulture sector in 2020/21*



23%

Horticulture's production value increased 23 per cent over the five years to 2020/21, making our industry the fastest-growing agricultural sector in Australia²



18%

Horticulture represented 18 per cent of the total agriculture production value in Australia in 2020/21 – making it the country's third largest agriculture sector²



\$2.54B

The total value of Australia's fresh horticulture exports in 2021/22[†]



87

In 2021/22, we exported to some 87 countries, with the top five being China, Japan, Vietnam, Hong Kong and Singapore[†]



135,000

The number of people employed in Australian horticulture in 2020/21[^]



12,105

The number of horticulture businesses across Australia in 2020/21[□]

* Australian Horticulture Statistics Handbook 2020/21

[^] ABARES Labour use in Australian Agriculture 2021

[†] IHS (2021) Global Trade Atlas

[□] ABS Agricultural Commodities 2020/21

Want more facts and stats?

Get an insight into what our Data & Insights Team delivered during the year from p40.

The year in review

What a year! What follows is a small snapshot of our activities and achievements for the horticulture sector across a jam-packed 2021/22.

With 37 industries, seven Hort Frontiers Funds, 24 marketing programs and a host of other new and ongoing work, there was plenty more going on.

JULY 2021

Our initiative to reset and refresh Hort Innovation's advice mechanism with industry, and to clarify roles and responsibilities for Hort Innovation, commodity Peak Industry Bodies and Government. For a full timeline of this project and its progress so far, head to [p54](#).



NOVEMBER 2021

Refreshed 2022-2026 Strategic Investment Plans were developed and released. In close consultation with industry, we refreshed the documents that guide our use of levy funds. The important function of each SIP is to ensure that levy investment decisions align with industry priorities. Read more on [p52](#).



NOVEMBER 2021

New approach to marketing began. In 2021/22, the Hort Innovation Marketing Team consulted widely with industry to inform a series of recommendations on how to shift our approach to marketing. Read more about the change and progress made so far on [p32](#).

DECEMBER 2021

Continuation of the National Fruit Fly Council to provide advice and leadership on delivering a cost-effective and sustainable approach to managing fruit flies across Australia. Read more on [p25](#).



FEBRUARY 2022

Latest Australian Horticulture Statistics Handbook launched. Hort Innovation's annual *Australian Horticulture Statistics Handbook* offers the most comprehensive and contemporary data available on all sectors of the Australian horticulture industry. Available through an online dashboard, it features data and insights relating to production, international trade, processing volumes and fresh market distribution for 75 different categories. See it at www.horticulture.com.au/horticulture-statistics-handbook.

MARCH 2022

More AgVet grant funding secured for horticulture industries. Hort Innovation successfully secured \$762,714 of grant funding through the Australian Government's Access to Industry Priority Uses of AgVet Chemicals program. The funding will be used for data generation activities that will support label registration and minor use permit applications made to the Australian Pesticides and Veterinary Medicines Authority (APVMA). For more information, see [p29](#).



MARCH 2022

The inaugural Sustainability Summit was hosted.

Following on from the release of the *Australian-Grown Sustainability Framework* last year, we teamed up with the International Fresh Produce Association to host the inaugural Horticulture Sustainability Summit to drive awareness of the Framework and discuss annual reporting against a range of sustainability measures. Read more on [p41](#).



APRIL 2022

Hort Innovation received an Agricultural Trade and Market Access Cooperation Grant from the Australian Government.

The grant was used to fund research into what the international consumer wants across 13 priority markets. Read more on [p39](#).



MAY 2022

Industry-first, multi-industry export program established, combining melons, onions and vegetables.

Delivered by AUSVEG, this new program is building the industries' export capability and supporting its sustainability in a time of strong Australian produce demand. Read more on [p37](#).

MAY 2022

Hort Innovation Marketing Manager Belinda van Schaik was a finalist in the International Fresh Produce Association and Produce Plus 2022 Marketer of the Year Awards for her involvement in the Australian Banana's 'Make Your Body Sing' campaign.

The iconic 'Make Your Body Sing' soundtrack was relaunched with a distinctive tongue-in-cheek brand platform promoting a faux range of bananas, each specifically suited to a popular Aussie pastime.



MAY 2022

Brett Fifield joined Hort Innovation as our new Chief Executive Officer.

Brett has more than 20 years' experience in agriculture including 10 years in senior executive roles working across agriculture, biosecurity, food safety, fisheries, policy and cabinet, business performance, communications and engagement. Read his Executive Summary on [p10](#).

JUNE 2022

Coming together with industry at Hort Connections. In supporting the Hort Connections 2022 conference and trade show, held in Brisbane across 4-6 June, we seized the opportunity to connect with growers and other industry participants. We had an action-packed stand delivering everything from 'Insight sessions' with Hort Innovation R&D, marketing and trade staff, the opportunity to participate in papaya sensory tasting for a Hort Frontiers project and of course, plenty of food and drink.

To learn more about the full scope of our work, visit www.horticulture.com.au. To learn more about the industry-specific activities in each Fund, download your relevant Fund Annual Report at www.horticulture.com.au/annual-report-portal.



In 2021/22, the macadamia industry invested in two new projects that will work hand-in-hand to tackle pests and diseases. Find out more at hortinn.com/mc21000 and hortinn.com/mc21001.

SECTION

2

We deliver investments

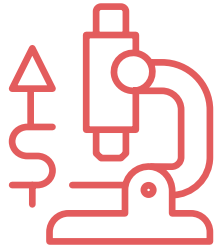
Delve deeper into our investment areas in this section to better understand what Hort Innovation does in R&D, marketing, international trade, data and insights, extension and communication. You'll find plenty of facts, figures and case study highlights demonstrating how these activities benefited horticulture industries in 2021/22.



WHAT WE DO:

Research and development

We ensure our investments are strategic, collaborative, and targeted to improve the horticulture sector's profitability, productivity, competitiveness, and preparedness.



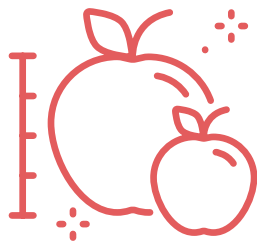
\$56.8M

The amount invested
in R&D in 2021/22



30

Hort Innovation has more
than 30 research portfolios



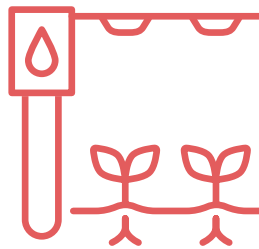
131

We contracted more than
131 new projects in 2021/22



490

The number of active
R&D projects in 2021/22



1700+

The number of projects described at
www.horticulture.com.au

Delivering R&D investments with impact

Take a look at how Hort Innovation and our R&D work delivered for the sector.

Hort Innovation's R&D investments are funded through different funding streams such as strategic R&D levy, Hort Frontiers and grants. Projects are also managed across different internal teams including the Research & Development, International Trade, Data & Insights and Extension teams.

CONTINUED RISK MANAGEMENT

With COVID-19 continuing into 2021/22 and numerous natural disasters such as flooding, Hort Innovation stayed in close contact with Delivery Partners to monitor disrupted investments. A risk register has been in continual use to help us put management strategies in place to minimise impacts on project activities and outcomes for growers. When necessary, we formally varied project work or timelines.

SUPPORTING DELIVERY PARTNERS

Hort Innovation works closely with Delivery Partners to ensure our investments are delivering value for growers. This includes formal engagement through the submission of milestone reports and participation in Project Reference Groups, as well as informal engagement through regular phone calls and workshops.

In 2021/22, significant efforts were made to improve our Delivery Partner's experience through the launch of the Delivery Partner Portal (more on [p56](#)).

Across Hort Innovation's R&D, International Trade, Extension and Data & Insights teams, our staff were involved in more than 160 Project Reference Groups that actively influence the direction and progress of levy investments.



A Department of Agriculture and Fisheries Queensland trial site, part of the National tree crop intensification program (AS18000).

The R&D Team also contributes to about 20 external committees, providing our expertise on specific subject matter areas. This benefits horticulture by nurturing collaboration and sharing horticulture R&D subject matter expertise. These external committees provide value to the delivery of our R&D program. Some examples of these committees include IP Australia Plant Breeders' Rights Consultation Group, AgriFutures Australia Honey Bee and Pollination Panel, Plant Biosecurity Preparedness Strategy Working Group and AgriFutures Australia Pre-Farm Gate Waste Program Reference Group.

ADDRESSING IDENTIFIED CROSS-SECTOR PRIORITIES

The development of the 2022-2026 Strategic Investment Plans identified a number of priorities for the horticulture sector that impact multiple industries, such as fruit fly and pollination. Hort Innovation has worked to address these priorities using a combination of levy funding from multiple industries and co-investment through Hort Frontiers.

HERE ARE JUST TWO EXAMPLES OF CRITICAL HORT FRONTIERS INVESTMENTS THAT BEGAN IN 2021/22:

SUPPORTING THE NATIONAL FRUIT FLY COUNCIL

The National Fruit Fly Council (NFFC) is a strategic body bringing together Federal and State Governments, growers and research funders to oversee the implementation of the National Fruit Fly Strategy. The NFFC provides advice and leadership on delivering a cost-effective and sustainable approach to managing fruit flies across Australia.

With levy-funding from the apple and pear, cherry, citrus, mango, rubus, strawberry, summerfruit, table grape and vegetable industries and

co-investment from State Governments, this Hort Frontiers investment provides a national strategic direction for the management of fruit fly in Australia. It prioritises RD&E for fruit fly in Australia, and informs a national approach to the application of fruit fly management to meet industry needs for domestic and international trade.

The project funds the Council's regular meetings and a small project team within Plant Health Australia including the NFFC Manager. This team will be responsible for developing the Council's agenda, increasing connectivity with trade and research stakeholders, and communicating with fruit fly stakeholders across Australia.

PROTECTING OUR POLLINATION INDUSTRY THROUGH THE NATIONAL BEE PEST SURVEILLANCE PROGRAM

The National Bee Pest Surveillance Program was established in 2012 to deliver a national coordinated bee-pest surveillance program to help safeguard honey bee and pollinator-dependent industries in Australia.

This investment involves levy funding from the almond, apple and pear, avocado, cherry, lychee, macadamia, mango, melon, onion, passionfruit, rubus, strawberry, summerfruit and vegetable industries. The Australian Honey Bee Industry Council and Grain Producers Australia also co-invest and there's significant in-kind contributions from all State and Territory Government departments. The wide range of partners demonstrates the importance of the program in protecting our pollination industry.

The Hort Frontiers investment will conduct surveillance for 13 pests that impact honey bees (mites and beetles), and pest bees that could either carry hitchhiking parasites or could themselves cause detrimental impacts to honeybees. The recent detection of a Varroa mite incursion in NSW can be attributed to this program.

Program activities include upgrading sentinel hive arrays, strengthening relationships with surveillance operators and more.










A bee biosecurity officer checks hives as part of the National Bee Pest Surveillance Program.

R&D portfolio highlights

With some 490 investments in 2021/22, here are some highlights from across our many R&D portfolios.

Visit www.horticulture.com.au for a more complete picture of our work. To see which projects your levy was invested in, download your industry-specific fund annual report at www.horticulture.com.au/annual-report-portal.

<p>BIOSECURITY</p> 	<p>A multi-industry project is delivering faster access to new germplasm for industry by speeding up the Post Entry Quarantine (PEQ) process for high-risk nursery stock by using updated molecular techniques. Industry will become more competitive through this process by getting new varieties into breeding programs or to market faster than before. PEQ can take up to three years to release germplasm, while this project aims to cut that down to four to eight months.</p> <p>See hortinn.com/mt18005</p>
<p>BREEDING</p> 	<p>Through two investments, we are improving the genetics of papaya varieties for the producer and the consumer. A levy-funded program is evaluating varieties through grower-based trials in two key production regions. A Hort Frontiers investment is also conducting essential research into what traits consumers like in a papaya.</p> <p>See hortinn.com/pp18000 and hortinn.com/as19003</p>
<p>CROP PRODUCTION</p> 	<p>The apple and pear industry's Productivity, Irrigation, Pests and Soils Program (PIPS) is providing industry with the tools and knowledge to develop sustainable orchard systems of the future. The project includes a focus on cultural and biological management options, and drives quality through access to better information and new technologies along the supply chain.</p> <p>See www.horticulture.com.au/apple-and-pear</p>
<p>EMERGING TECHNOLOGY</p> 	<p>An investigation into the feasibility of automating banana-dehanding proposed several opportunities to consider for future investment. In partnership with the Australian Banana Growers' Council, a national industry online forum was held to present findings to the banana industry and technology providers. Next steps will involve a cost-benefit analysis informed by feedback received during the online forum.</p> <p>See hortinn.com/ba21005</p>
<p>HEALTH AND NUTRITION</p> 	<p>A program to increase the understanding of the nutritional benefits of melons by healthcare professionals is underway. An umbrella review which focuses on the nutritional properties of different bioactive pigments has provided scientific backing to the future educational resources produced by this project. The review was downloaded over 1,000 times in the first month after being published, demonstrating the value of this research.</p> <p>See hortinn.com/vm20003</p>
<p>INTEGRATED PEST AND DISEASE MANAGEMENT</p> 	<p>A new integrated pest and disease management program for the banana industry began this year. It is working to increase the banana industry's knowledge of significant pests and diseases and how to control them using integrated pest and disease management strategies that will reduce the reliance on broad-spectrum insecticides and fungicides.</p> <p>See hortinn.com/ba21004</p>

<p>LEADERSHIP</p> 	<p>Since 2017, 111 horticulture professionals have had the opportunity to participate in the Global Masterclass in Horticulture, delivered through the Hort Frontiers Leadership Fund. This project targeted industry professionals through online learning with intensive face-to-face blocks of tuition.</p> <p>See hortinn.com/lp15001</p>
<p>MARKET ACCESS</p> 	<p>A Hort Frontiers investment is addressing the gaps in Australia's knowledge of disinfestation using irradiation, which is the preferred phytosanitary treatment for many of our export partners. Irradiation typically produces a higher quality product and is effective against all insect pests.</p> <p>See hortinn.com/am19002</p>
<p>NATURAL RESOURCES</p> 	<p>A trial site has been established to measure the impact of whole orchard recycling on the carbon footprint of an almond orchard, including the impact on carbon storage and turnover in the soil, soil greenhouse gas emissions and the carbon accumulation by the newly planted trees. Learnings from this project will help almond growers integrate whole orchard recycling into their management practices and support their sustainability credentials.</p> <p>See hortinn.com/al21000</p>
<p>POLLINATION</p> 	<p>The first international queen honey bees for domestic breeding programs were successfully imported through a multi-industry investment for the almond, avocado and melon industries. This process tested Australian importation protocols and biosecurity measures. If varroa mite becomes established in Australia, access to varroa-tolerant honey bees will be critical for the survival of the Australian pollination industry.</p> <p>See hortinn.com/mt18019</p>
<p>POSTHARVEST</p> 	<p>The citrus industry is investing in work that encourages postharvest best practices and ensures access to new technologies to maintain postharvest quality. The project is responsible for keeping industry informed through citrus industry communication channels such as the <i>Australian Citrus News</i> magazine, and events such as a presentation to growers and packers in Griffith and a virtual presentation on best practice degreening at a regional forum in Gayndah.</p> <p>See hortinn.com/ct19003</p>
<p>PRODUCT INTEGRITY</p> 	<p>The application of supercharged air (cold plasma) technology to achieve positive food safety outcomes was investigated through a Hort Frontiers investment. The results showed that the supercharged air was effective in killing or inactivating the target pathogens to varied degrees depending upon the initial population and exposure duration.</p> <p>See hortinn.com/hn15000</p>
<p>SUPPLY CHAIN</p> 	<p>A project is working to ensure that new minimum maturity standards for table grapes are fully adopted across the supply chain by working with growers to build their capacity and understanding of how to improve their table grape quality, and wholesalers and supermarkets to drive accountability along the supply chain. These efforts will contribute to ensuring greater consumer satisfaction in the quality and taste of Australian table grapes.</p> <p>See hortinn.com/tg19004</p>
<p>URBAN GREENING</p> 	<p>Which Plant Where is a culmination of five years of research investigating which horticultural species will survive in Australian urban landscapes, now and under future climates. This plant selection tool is underpinned by the latest scientific evidence, providing growers, nurseries, landscape architects and urban greening professionals with integrated tools and resources to develop resilient and sustainable urban green spaces for the future.</p> <p>See hortinn.com/gc15002</p>

R&D SPOTLIGHT:

Setting the course for protected cropping

In November 2021, the Hort Frontiers investment *Australian protected cropping RD&E strategy 2030 (AS19005)* delivered a strategy to guide future investment in protected cropping research, development and extension.

The *Australian Protected Cropping Strategy 2021-2030* identified and prioritised opportunities for the industry in consultation with key stakeholders to provide the protected cropping sector with the roadmap to drive growth in the future.

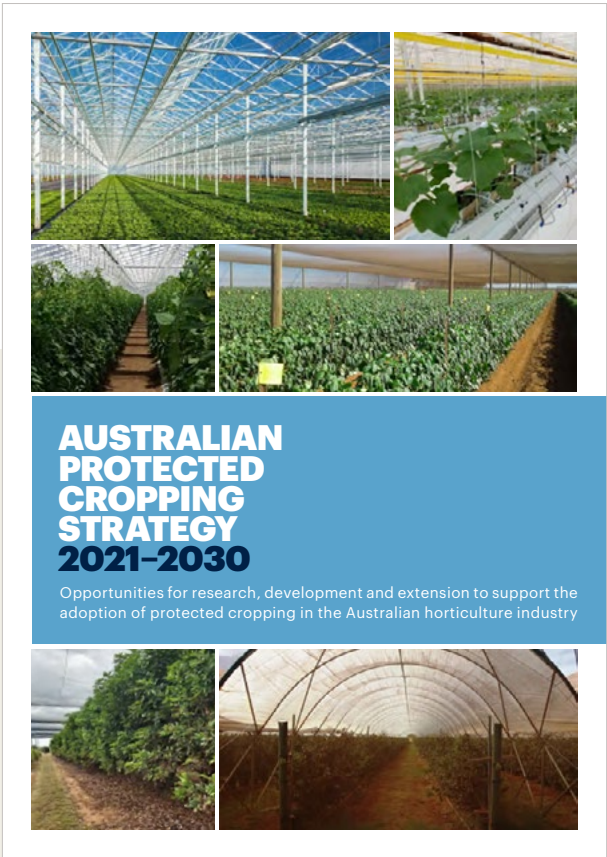
Led by the Department of Agriculture and Fisheries Queensland, the Strategy is based on extensive consultation with industry stakeholders, as well as an analysis of global trends in the use of protected cropping within horticulture.

Forty-seven groups/organisations and more than 100 individuals were engaged as part of this project including State and Territory agricultural departments, industry associations, universities and educational centres, growers, producer and marketer groups, and consultants. While the consultation confirmed several challenges and barriers the sector is currently experiencing to future growth, there was also consensus about the opportunities to harness protected cropping to drive industry growth in the horticulture sector.

“

MEET GREG FRASER,
FORMER PROTECTED CROPPING AUSTRALIA CHIEF EXECUTIVE OFFICER

“Australia’s horticulture industry has a great capacity and capability to harness the potential of protected cropping systems across a diversity of crops, regions, climates, business models and markets. This Strategy outlines opportunities for research, development and extension in the context of global megatrends, local challenges and opportunities and other factors.”



Australian protected cropping RD&E strategy 2030 (AS19005)

R&D SPOTLIGHT:

Crop protection

Hort Innovation supports growers' essential access to safe and effective crop-protection products through levy projects, grant funding and additional activities.

MINOR USE PERMITS

The Australian Pesticides and Veterinary Medicines Authority (APVMA) issues minor use permits so growers can legally access and safely use crop protection products for 'minor uses' – that is, uses that aren't covered in a product's registered label.

Hort Innovation facilitates the submission of renewals and applications for minor use permits on behalf of horticulture industries. We maintain information on current permits on the industry pages at www.horticulture.com.au/growers and circulate updates in our *Growing Innovation* e-newsletter (sign up at www.horticulture.com.au/sign-up).

PERMITS BY THE NUMBERS

400+ permits currently issued across horticulture, coordinated by Hort Innovation

85 permit applications submitted during 2021/22. Including:

- Two Emergency Use Permits
- 13 applications for new uses with residue/efficacy data
- 70 renewal applications

89 permits issued in 2021/22; 21 for new uses, two of which were for emergency uses

100% approval rate for permit applications submitted to and assessed by the APVMA in 2021/22

17 minor use permits surrendered as uses now covered by registered labels (APVMA Permit to Label project)

DATA GENERATION

The creation of pesticide residue, efficacy and crop safety data is needed to support minor use permit and label registration applications made to the APVMA. Hort Innovation's data generation work is supported by assistance grants, which we seek on behalf of industry each year through the Australian Government's Access to Industry Priority Uses of AgVet Chemicals program.

AGVET GRANTS BY THE NUMBERS

\$762,714 in grants awarded to Hort Innovation in 2021/22

\$7,611,536, or 120 individual grants, secured by Hort Innovation to date

739 efficacy/crop safety and residue trials supported so far

Hundreds of horticulture crops to benefit from new uses for sustainable crop protection

These grants have provided funding to support 36 permits and 84 new label registrations

Seventy-five of the 120 grant projects have been fully completed and 36 permits and 15 label registrations have been approved and issued by the APVMA

In 2021/22, Hort Innovation studies were submitted to the APVMA by the registrants in support of a further eight product label extensions for various industries and uses

OTHER CRITICAL WORK

- To help horticulture industries identify gaps in existing control options for pests, weeds and diseases, Hort Innovation funds 'Strategic Agrichemical Review Process' (SARP) research and related reports. These are used to identify industry priorities in the pursuit of chemical registrations or minor use permits.
- Hort Innovation provides the horticulture sector with quarterly Ag Chemical Updates, featuring information and updates on domestic and international pesticide regulation and develops regulatory risk assessments. Learn more at hortinn.com/mt20007.

R&D across the regions

Our R&D is carried out across the country to benefit growers in all horticultural-growing regions. Below is a snapshot of growers across Australia who have been involved in our investments.



Raymond Courtice, mango grower



Renee and Lynn Davidson, turf growers



Peter and Marlies Eicher, olive growers



Brett Squib, apple grower

WESTERN

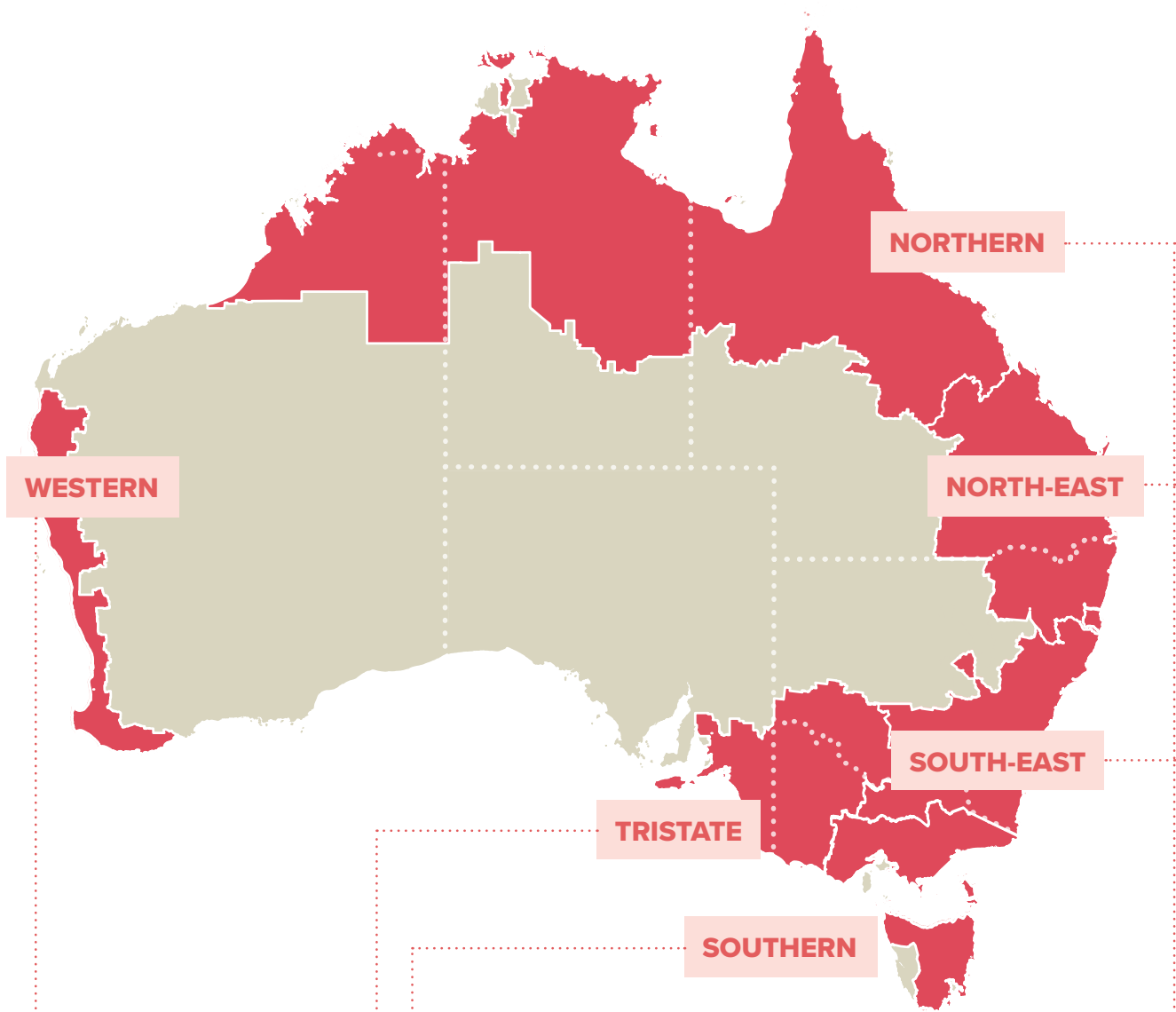
Shane Kay, CEO of Moora Citrus in Perth, Western Australia has seen the benefits of multiple investments that ensure access to superior scion and rootstock varieties for the citrus industry. Shane said “This project is rapidly and independently assessing new citrus varieties under local conditions. Thirty-nine per cent of current plantings in WA are of varieties that have been through the evaluation program.”

TRI-STATE

Ian McFarlane grows pistachios in the Riverland region of South Australia and participates in the industry’s Pistachio Information and Technology (PIT) Groups. He said the groups “have helped with providing information on how best to establish your orchard during the development phase. Having the opportunity to get together with other growers and share information complements the more technical information provided by the Pistachio Growers’ Association. I’ve found that everyone is quite open and willing to share.”

SOUTHERN

Brett Squib from Tasmania is one of the users of the new Strategic Irrigation and Nitrogen Assessment Tool (SINATA) developed through the PIPS program and believes it will make a difference to his management of irrigation and nitrogen fertiliser inputs. Brett said “We’ve always had an interest in irrigation and what we’re doing with irrigation projection and nutrient forecasting. The more information we can have regarding the rates and timing of irrigation and nitrogen, the more it’ll help us to consistently produce premium fruit.”



SOUTH-EAST

Peter and Marlies are olive growers from Boorte, Victoria and they've learned valuable information from the industry's integrated pest and disease management program. Peter said that they "are bringing balance to our grove while also reducing the impact of pests and diseases on our olive grove. This spring we're considering buying and spreading lacewings, wasps and other beneficial insects to promote biodiversity in our orchard and reduce the impact of other pests and diseases."

NORTH-EAST

Renee Davidson is a turf grower from Acacia Ridge in South-East Queensland and has used the benchmarking results from the industry's statistics program to inform her business decisions. Renee said "The turf statistics snapshot report is a great resource for our business and a good place to start when thinking about how our business is performing. It's valuable to be able to compare our production and practices against our local competitors and other state's production systems."

NORTHERN

Raymond Courtice, a mango grower from Dimbulah in Far North Queensland, has been involved in trial crop forecasting as part of the Rural R&D for Profit Program *Multi-Scale monitoring tools for managing Australian tree crops*. Raymond said that "Being able to have this sort of tool becomes an advantage in this era of farming. Participating in this project has given us a tool we now couldn't see our operation operate without."



WHAT WE DO:

Marketing

We deliver innovative and impactful marketing on behalf of individual horticulture industries to drive demand for Australian fresh produce.

A shift in our approach to marketing

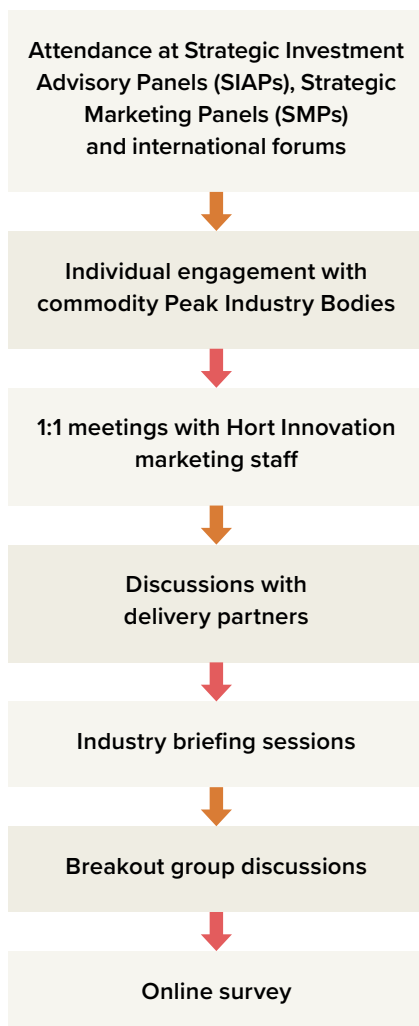
Our new approach to marketing saw a significant step change as a result of an extensive 360-degree consultation process.

Extensive consultation in 2021/22 revealed the Hort Innovation Marketing Team needed to draw on data to make evidence-based investments, jointly plan with industry, apply a more commercial marketing campaign mix and to think differently about smaller-scale investments domestically and internationally.

To support the recommended changes, the Marketing Team was restructured to align resources around three key focus areas. In addition to their dedicated Consumer Marketing Team, industry now has access to a group of specialists with increased capability in (1) retail and shopper marketing, (2) international marketing and (3) data-driven insights, capability and planning.

All of these changes have been designed to ensure our marketing is best practice and our campaigns drive demand for Australian horticulture produce domestically and internationally.

CONSULTATION PROCESS



PUTTING OUR CUSTOMERS FIRST

A customer-first mentality has been the cornerstone of our Marketing Team's interactions over the past year, and we've received positive feedback from industry on this change.

“

**MEET ALISON JONES,
CHERRY GROWER
FROM WANDIN VALLEY
FARMS**

“This feels like a watershed moment towards changing the way we work.”

“

**MEET JOHN TYAS,
AVOCADOS
AUSTRALIA CEO**

“I've been really impressed with the work Hort Innovation has done over the past 12 months in terms of their consultation with industry. They've made efforts in listening and understanding industry's needs and implementing significant and very positive changes in the way marketing will be managed moving forward.”

Hort Innovation delivers levy-funded marketing programs for 24 industries across the horticulture sector. To read more about what marketing activities happened in your industry for 2021/22, head to www.horticulture.com.au/annual-report-portal to access your Fund Annual Report.

Below we look at three areas of work where a change in approach is already delivering results.

1. BEST PRACTICE IN MEASUREMENT AND EVALUATION

From March to June 2022, we have been piloting how best to utilise data to build a standardised approach to campaign development, measurement and evaluation.

For example, we have implemented industry best-practice Cubery advertising testing for existing and upcoming creatives. Since January we've quantitatively tested 28 pieces of creative and encouragingly, all have scored above average. The standardised Cubery creative testing enables us to develop creative assets that best capture attention, leave memorable brand impressions in consumers' minds and positively impact consumer intention to purchase our products.

We've also partnered with the Hort Innovation Data & Insights Team to implement two foundational cross-industry data projects, both of which will set us up for robust evidence-based strategic marketing decisions. This research will now continuously track the proportion of category consumers who recall seeing our campaigns and assess the impact that our campaigns in market have on their awareness, liking and consideration of our categories.

2. TRAINING IN EHRENBURG-BASS LAWS OF GROWTH

In May 2022, 39 industry representatives and Hort Innovation marketing staff undertook training with the Ehrenberg-Bass Institute in the evidence-based marketing Laws of Growth. This learning event took place over five half-days to put us all on the same page when it came to marketing, its role and how to apply the key principles to the challenges facing each industry.

The adoption of this approach is the cornerstone of the Marketing Team's change agenda, as theory will drive our strategic choices, establish our KPIs and help remove opinion from our decision-making.

3. COLLABORATIVE APPROACH TO PLANNING

A collaborative approach to planning our levy-funded marketing programs was also established in 2021/22 to ensure we were working hand-in-hand with industry to address its marketing ambitions and how best to invest the levy.

The collaborative process involved the formation of marketing working groups including internal Hort Innovation staff and external industry stakeholders (the majority of whom underwent the Ehrenberg-Bass training), who developed the marketing plans together through a series of workshops from July to September.

A pilot process ran with the table grape industry to transform its market development plans, which was well received by industry stakeholders. Since then, avocados and summerfruit have also undergone a collaborative approach to their future plans and a further seven large industries have undertaken workshops.



“

MEET GARY FATTORE, BANANA GROWER FROM COSTA GROUP

“I thought the five sessions were fantastic and put us in a great position to move forward with renewed vigour. I'm really looking forward to this collaborative planning process with Hort Innovation.”

”



GROWN IN GOOD NATURE

In 2022, Hort Innovation worked to determine how we best show up as an export brand for Australian produce in international markets.

Austrade launched NATION BRAND AUSTRALIA as an umbrella brand for Australian businesses, industries and government agencies to seek new opportunities internationally. Austrade’s branding materials are designed for use alongside existing brands to provide a unified approach for Australian businesses, and allow industries to tailor their own presence.

With the launch of Austrade’s NATION BRAND AUSTRALIA, Hort Innovation decided to create a horticulture-specific expression to replace Taste Australia on all international trade marketing programs.

Grown in Good Nature brings to life how Australia’s ‘good nature’ – through both place and its people (our growers) – empowers us to grow the greatest, freshest produce in the world.



“

MEET JEFF SCOTT,
AUSTRALIAN
TABLE GRAPE
ASSOCIATION CEO

“I have to say this new approach, particularly when we did the workshop and sat down, and the end result that we got with our international strategic plan, is quite a decent piece of work. This new approach has been a breath of fresh air.”



WHAT WE DO:

International trade

Hort Innovation works with industry and government to help develop and realise export opportunities and ambitions. We facilitate market access and market improvement proposals on behalf of the horticulture sector, plus oversee investments to help export capacity and activities in international markets.

International trade activities in 2021/22

We delivered essential trade investments for the horticulture sector through a wide range of investments that address critical areas of export.

In 2021/22, the International Trade portfolio had 17 investments that helped our horticulture industries develop their export markets. This included a range of levy-funded investments to support the almond, apple and pear, avocado, berry (blueberry, rubus and strawberry), citrus, cherry, melon, onion, summerfruit, table grape and vegetable industries.

LEVY-FUNDED PROJECT SPOTLIGHTS

Summerfruit gains market access to Vietnam

In a significant achievement for the domestic summerfruit industry, Australian peaches and nectarines secured market access into Vietnam following successful negotiations between the two countries. This announcement comes after more than a decade of collaboration between the summerfruit industry, Summerfruit Australia, Hort Innovation and the Government.

Delivered by Summerfruit Australia, the *Summerfruit market access and trade development* (SF19000) program supports the summerfruit industry to maintain and develop its export markets. Hort Innovation collaborates in this process by funding industry export strategies and administering the International Market Access Assessment Panel (IMAAP).

“

**MEET ADRIAN CONTI,
SUMMERFRUIT
GROWER**

“Gaining access to Vietnam is great news for summerfruit growers and exporters. It’s been a long run for industry getting to this point. Having a new market to complement our existing trade relationships allows us to diversify and mitigate risks.”

First multi-industry export program for horticulture

In a first for the horticulture sector, melon, onion and vegetable growers joined forces to develop a \$13.7 million export development program. Led by vegetable representative body, AUSVEG, with support from Melons Australia and involvement from Onions Australia, the five-year initiative will build the industries’ export capability and support their sustainability over time.

“

**MEET MICHAEL
COOTE, AUSVEG CEO**

“The Australian vegetable industry has invested significantly in export development to help growers successfully export fresh Australian vegetables over the past decade. As a result, it has built solid relationships and industry know-how that will benefit vegetable growers, as well as those in the onion and melon industry, which face similar issues with exporting as many vegetable growers.”

ACROSS-HORTICULTURE PROJECT SPOTLIGHTS

The International Trade Team also manages key across-industry programs to support export. Some highlights from 2021/22 are:

Strengthening our relationship with India

The relationship between Australia and India has gained momentum in recent years due to multiple global factors, including the Australia-India Economic Cooperation and Trade Agreement. This means there will be new market access opportunities for a range of agriculture commodities, and the horticulture sector will benefit from significant tariff reductions on a range of products. Australia and India have also agreed to cooperate to promote agricultural trade as part of the agreement and are working towards finalising an enhanced agricultural Memorandum of Understanding (MoU).

The Hort Frontiers investment *Framework for strategic Australia-India partnership in R&D and trade* (AM21007) aims to provide a structured

and supported mechanism to capitalise on these new opportunities while addressing the lack of visibility of the support and partnership activities that Hort Innovation and other aligned parties (for example, universities) provide in the Indian market.

This will be achieved by working in partnership with the Indian Council of Agricultural Research (ICAR) and other co-investors such as the University of Queensland, Murdoch University, Western Sydney University, Avocados Australia, Avolution Group, Perfection Fresh and the Queensland Government.

Improving the quality and value of Australia's exported produce

The Hort Frontiers investment *Serviced Supply Chains II* (AM21000), aims to improve the shelf-life, outturn quality and value of exported Australian produce to strengthen our reputation as a premium supplier of horticultural products.

It is developing predictive shelf-life models at a cultivar level, informing exporters and freight forwarders of supply chain disruptions and modelling remaining shelf life.

“

MEET GAVIN SCURR,
PIÑATA FARMS
MANAGING DIRECTOR

“This is an opportunity to gain greater knowledge of the impacts of different production environments and handling practices on ‘Honey Gold’ mango fruit quality and shelf life,” he said. “The shelf life modelling will potentially allow us to predict the saleable life for each fruit and tailor marketing to move away from the generic first-in, first-out system.”

These resources will be further applied to develop pre-and post-harvest handling guidelines and decision-aid tools that facilitate cultivar and freight mode selection. These tools will be promoted nationally and accessible via a user-friendly platform. On top of that, the models will be used to simulate supply chain disruption in line with current and anticipated global freight stresses.



Gavin Scurr at his Piñata Farms packhouse.



Strawberry plantings at Piñata Farms.

Understanding the international consumer

This investment is delivering insights into what the international consumer wants across 13 priority markets for the Australian horticulture sector. A comprehensive understanding of what drives consumer demand and decision-making is required to guide export strategies and improve Australia's success in selling to international partners.

The 13 priority markets included in this project are Japan, Singapore, Hong Kong, Korea, Malaysia, Taiwan, Indonesia, UAE, Vietnam, USA, Qatar, UK and India.

The *Australian horticulture international demand creation (ST21007)* project is funded through the Australian Government's Agricultural Trade and Market Access Cooperation program along with levy contributions from multiple industries.

INTERNATIONAL MARKET ACCESS ASSESSMENT PANEL

The International Market Access Assessment Panel (IMAAP) is an advisory market access mechanism. It evaluates submitted applications on their merit to determine if export of the good is technically viable, supported broadly by industry, ready for export to the requested market and likely to result in sustained and profitable long-term international trade. Requests supported by the Panel are passed to the Department of Agriculture, Fisheries and Forestry (DAFF), which will determine the negotiation prioritisation.

In 2021/22, two IMAAP sessions were held where eight industry applications were evaluated, five for market access and three for market improvement. For more information, visit hortinn.com/IMAAP.



WHAT WE DO:

Data and insights

We support Australian horticulture with access to all kinds of data. From whole-of-horticulture facts and figures to industry-specific consumer information and trends, this work helps with decision making across the sector, within industries, by researchers and Government and in individual businesses.

Providing data and resources for industry

In 2021/22, the Data and Insights Team delivered ongoing initiatives to ensure horticulture sector participants were supported with material to drive business and industry decisions.

SUSTAINABILITY FRAMEWORK AND REPORTING

The *Australian-Grown Horticulture Sustainability Framework* was launched in June 2021. It defined a pathway for enabling the horticulture sector to tell its sustainability story through identifying pillars, topics, and goals that underpin sustainable growing practices.

Through 2021/22, further work has focused on leveraging the Framework to inform an inaugural Sustainability Report, which provides a baseline measure against the sustainability topics.

To support the development of the Sustainability Report, more than 50 industry stakeholders participated in a Sustainability Summit in March held in Sydney. This event provided the opportunity to hear how industry leaders integrate initiatives to support sustainability across value chains, learn from others' experiences and discover expectations around reporting mechanisms, including available data sources.

In addition to mapping out data metrics against the Framework's topics and indicators, the Sustainability Report will also include a series of case studies to demonstrate how growers and value chain participants are already integrating the application of sustainability practices through their business.



Megan Boote, Grower Services Manager from Suncoast Macadamias, has been involved in industry discussions to design a sustainable approach to integrated pest and disease management in the macadamia industry.

“

MEET SHANE QUINN, MULGOWIE FARMING

“We greatly welcome the Hort Innovation Sustainability Framework. Mulgowie is very proud of our own sustainability journey in producing highly nutritious produce from our healthy soils and of the initiatives we know our fellow farmers are also undertaking. The Sustainability Framework is a valuable tool to help us structure and align conversations among growers and importantly with our government, industry and customer stakeholders.”

CONSUMER INSIGHTS

In 2021/22, the Data & Insights Team evolved its capability to provide consumer insights across our horticulture industries, primarily through the support of a dedicated Consumer Insights Manager. This action was taken following the development of a Consumer Insights Strategy, which was initiated based on feedback collected in Hort Innovation's 2019-2023 Strategy. The feedback showed that industry sought to develop a deeper understanding of its consumers to support demand creation and value growth.

Following the development of the 2022-2026 Strategic Investment Plans, consumer insights were identified as a foundational area for investment across all levy funds. Developing industry and sector consumer insights – which extends to understanding consumer behaviours, attitudes and purchase intentions domestically and internationally – is a critical input to support industry leverage demand creation opportunities with consumers.

Three domestically focused foundational consumer insights investments were established in 2021/22 using R&D funds from all relevant levy-paying industries. A first for the sector, this collective approach ensures efficiencies in delivery and enables results to be comparable across commodities.

CONSUMER DEMAND SPACES FOR HORTICULTURE (MT21003)

This investment is identifying and prioritising consumer demand growth opportunities for the horticulture sector. Hort Innovation will use this information to drive ongoing campaign and product development strategies to elevate demand.

The framework was collectively delivered across 31 fruit, vegetable and nut commodity groups which ensured that actions and reactions across the various growth avenues across the commodity groups are accounted for.

Key findings that apply at the sector-wide level include:

- The purchase moment plays the most significant role in fresh produce selection rather than the consumption moment.
- In more than half of all fresh produce occasions, consumers search for something 'tasty' and 'quick and easy'.
- Consumers have shifted their focus from sourcing not only Australian produce but also seeking out regional produce.
- Breakfast and dinner are playing a more prominent role as key consumption moments.

In addition to the sector-wide findings, 31 commodity-specific reports are also available, which distil the drivers of demand and opportunities for growth at the commodity level.

CONSUMER USAGE AND ATTITUDE RESEARCH PROGRAM (MT21200)

Usage and attitude tracking are foundational in supporting demand creation for the horticulture sector. These insights serve as the platform for demonstrating, measuring and validating the performance of initiatives designed to drive demand creation, including consumer knowledge, attitudes and purchase intent.

This investment delivers a core tracker of consumer sentiment measures on a monthly frequency, which helps build an understanding of how products are being perceived in the marketplace by consumers across the seasons. This activity is supplemented by the capacity to measure consumer engagement with marketing campaign activity, including prompted and unprompted recall to measure campaign reach. A range of industry-specific deep dives into a topical issue or opportunity is also provided through the tracking mechanism.

The usage and attitude tracker enables the results across commodities to be easily compared, given that the work is delivered collectively under a single methodology.

CONSUMER BEHAVIOURAL RETAIL DATA (MT21004)

This investment provides industry visibility over consumer actions and behaviours across retail channels and underpins the ability to validate market performance. Continuing to leverage the Harvest to Home platform, a series of category reports and commodity deep dives are provided each month in a simple, jargon-free manner designed to be consumed directly by growers. The behavioural data is derived from a panel of 10,000 nationally representative households who record all take-home packed and fresh grocery items from all retail outlets to capture 'in-home' consumption.

2017-2021 STRATEGIC INVESTMENT PLAN PERFORMANCE REPORTS

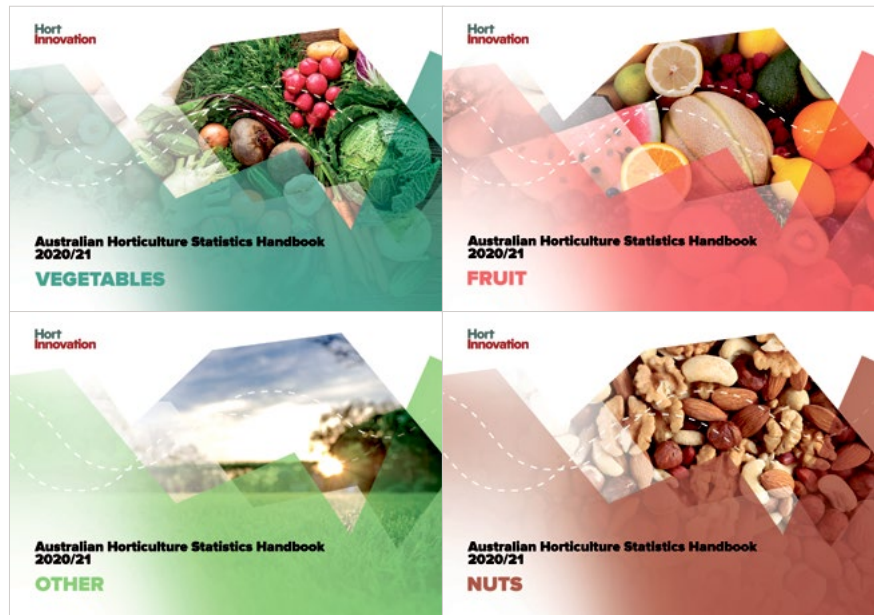
To coincide with the completion of the 2017-2021 Strategic Investment Plans (SIPs) in June 2021, performance reports detailing how levy investment supported the achievement of SIP outcomes and strategies were provided to industry for the first time.

The Performance Reports consolidated and aligned a diverse range of evidence collected across individual levy-funded investments.

The Data and Insights Team looks forward to delivering annual SIP Performance Reports through each year of the 2022-2026 SIPs to ensure that progress towards achieving the strategies and outcomes can be represented.



Read your industry's 2017-2021 SIP Performance Report at hortinn.com/sip-performance.



AUSTRALIAN HORTICULTURE STATISTICS HANDBOOK

The *Australian Horticulture Statistics Handbook* has emerged as the preferred source for horticulture statistics and information. The 7th edition of the Handbook was launched in early 2022 and continues to provide critical data across various stakeholder groups. The Handbook's launch was supported through strong media engagement at national and regional levels, with a reach exceeding 2.7 million people.

The 2020/21 Handbook highlighted that despite supply chain disruptions impacting export performance, the overall domestic value of production continued to rise, reaching \$15.2 billion (0.5 per cent), with the sector still on track to reach a value of \$20 billion by 2030.



WHAT WE DO:

Extension and communications

Getting information into the hands of growers is central to the success of Hort Innovation's research. We invest in a range of projects and activities to keep our growers connected to their Research and Development Corporation.

Extension

Our Extension Team keeps us connected with industry on a regional level, enhances the coordination of extension networks and activities and manages the Industry Development Portfolio.

INDUSTRY DEVELOPMENT PROGRAMS

22 industries invested in industry development programs during the year, representing more than 30 extension-related projects combined. These projects were worth more than \$11 million in 2021/22. This work ranged from projects that focus on the extension of specific management issues such as Soil Wealth and industry risk management, to larger and longer-running investments which work to extend research from a number of projects industry invests in.

To see what industry development programs your levy has invested in, check your relevant grower page at www.horticulture.com.au/growers any time.

DEVELOPMENT OF REGIONAL EXTENSION STRATEGIES

To ensure the Hort Innovation Extension Team supports meeting industry needs, each of the six Regional Extension Managers have developed a Regional Extension Strategy 2022-2026 to guide their activities. Each plan was developed with input from growers and other industry stakeholders and will be reviewed annually for regional relevance.

These strategies identify regional challenges and opportunities and outline critical initiatives for each region's Regional Extension Manager will work on to achieve the Extension Team's imperatives of:

- Building capability with industry and levy payers in managing Hort Innovation extension investments
- Enhancing and supporting existing extension networks and activities with emphasis on across-industry collaboration
- Amplifying the relevance and demand for investment outputs
- Enabling investment delivery that results in end-user practice change.

You can view the strategies on the Hort Innovation website at hortinn.com/regional-extension-strategies.



The EnviroVeg program is the vegetable industry's environmental best management practice program. It delivers a range of resources and services to support Australian vegetable growers to showcase their environmental credentials through certification.

ROLL OUT OF INDUSTRY DEVELOPMENT PORTFOLIO REVIEW RECOMMENDATIONS

In December 2021, the Regional Extension Team published the Industry Development Portfolio Review findings to help optimise the impact of levy investments for growers.

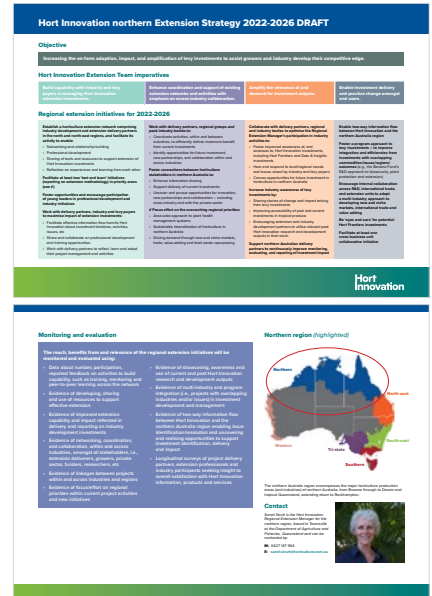
In 2021/22, the team has commenced implementing the recommendations from the review. These efforts have included:

- A dedicated section of the Hort Innovation website to house resources for extension-related delivery partners. The resources include:
 - Extension training providers and resources; this spreadsheet provides information about training providers and resources

for professional development and delivery of agricultural extension programs.

- Guide to industry development personnel skills; this document provides a guide to Hort Innovation requirements of an IDO/IDM providing services in a levy-funded industry development project.
- Extension project Monitoring & Evaluation (M&E) planning guide; this included supporting the Data and Insights Team’s Delivery Partner M&E webinar with a specific extension session.
- Remote extension tips and tools; this document was released during the COVID-19 pandemic to help delivery partners navigate changing environments and effectively undertake extension activities remotely.

- The Extension Team also presented the findings of the Industry Portfolio Review and subsequent delivery partner collaborations on developing the Extension M&E planning guide at the Asia Pacific Extension Network Conference in February.



Australian Mango Industry Association Industry Development Officer Paige Liebich conducting near-infrared testing as part of the Hort Innovation Mango Fund investment *Building best management practice capacity for the Australian mango industry (MG17000)*.

Communications in 2021/22

The Communications Team amplifies the outcomes of investments through various channels tailored to the needs of growers and our other stakeholders.

GROWING INNOVATION
News for horticulture growers

11 editions

of *Growing Innovation*, our regular e-newsletter (get on the mailing list for this and other email communications at www.horticulture.com.au/sign-up)



7 webinars

including two delivery-partner focused webinars



32,000 people

following Hort Innovation's social media channels



2,900+ articles,

resources and project pages on the Hort Innovation website, www.horticulture.com.au

impact update

1 Pilot edition

of quarterly publication *Impact Update*



100+ videos

on our YouTube channel www.bit.ly/hort-youtube



7 events

sponsored through our Events Sponsorship Program



Regular updates

in our 'Better Together' program, keeping industry bodies and communication partners up to date with levy investments and Hort Innovation activity, to pass onto growers in their networks



25

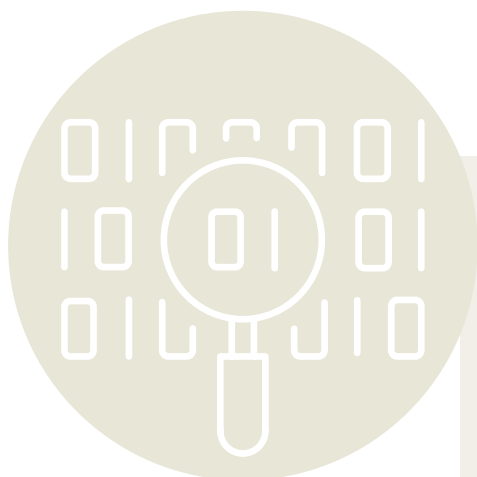
face-to-face events

including Hort Connections and an online AGM



33 media releases

highlighting our work



**EXTENSION SPOTLIGHT:
DESIGNING THE INTEGRATION OF EXTENSION
INTO RESEARCH PROJECTS**

The Hort Innovation Extension Team led the delivery of a cross-RDC investment looking at how the agricultural sector can get greater adoption of the outcomes from levy-funded projects. *Designing the integration of extension into research projects* (HA21001) involved Hort Innovation, Cotton Research and Development Corporation (CRDC), Wine Australia, Australian Eggs, Fisheries Research and Development Corporation (FRDC), LiveCorp, Dairy Australia, AgriFutures and the NSW Department of Primary Industries.

Taking a co-design approach, this project had input from more than 240 researchers, extension personnel and growers/farmers. The research team collected data

from various sources such as literature, recent projects, an online survey, focus groups and co-design workshops.

The research identified some practical ways project teams can improve the integration of extension into their research projects.

The recommendations from this pilot investment are highly relevant to Hort Innovation, and also included recommendations for RDCs to consider when identifying, procuring and managing investments. Phase two will pilot the recommended principles with researchers and extension practitioners engaged in levy-funded projects across different RDCs.



Macadamia growers meet for a field day run by their levy-funded extension program, *Macadamia industry innovation and adoption* (MC20000).



COMMUNICATIONS SPOTLIGHT:
INDUSTRY COMMUNICATION PROGRAMS

Hort Innovation invests in a range of levy-funded communications programs to ensure growers are kept up to date with the latest information on their Hort Innovation investments, as well as other relevant news and developments.

HERE'S A QUICK SNAPSHOT OF THESE PROGRAMS IN 2021/22:



\$4+ million

Total value of investment in industry communications



30

Number of industries with an industry communications program



19

Magazines



21

E-newsletters



19

Websites



38

Social media platforms



Plus a range of other communication materials such as case studies, fact sheets, videos, media releases and more.



The Hort Innovation Table Grape Fund invests in an extension program to ensure table grape growers are informed on best management practices.

Delivered by the Australian Table Grape Association (ATGA), the program supports the activities of an industry development team (pictured) who work closely with industry.

Read more at hortinn.com/tg19000.

SECTION

3

We engage with stakeholders

This section shines a light on how Hort Innovation engages with our industry stakeholders, focusing on the mechanisms in place to guide our investment of levy dollars. Importantly, you'll find information on our steps to improve our relationships across the sector, with some significant initiatives underway.

How investment decisions are made

Industry-agreed Strategic Investment Plans and Hort Frontiers strategic intent documents are used to guide Hort Innovation's investment of available funds, with various panels also supporting our experts in the shaping and making of investments.

Our advisory processes ensure the investments made by Hort Innovation on behalf of the horticulture industry are addressing industry needs and opportunities. Through our levy and Hort Frontiers activity, we ensure there's a mix of investments to address short, medium and long-term challenges and opportunities.

STRATEGIC INVESTMENT PLANS

Each levy industry has its own Strategic Investment Plan (SIP), developed by Hort Innovation in partnership with growers and multiple stakeholders across the industry. These plans cover multi-year periods and outline the main priorities and desired outcomes for investment.

In 2021, Hort Innovation engaged with growers and industry stakeholders to develop a SIP for each levy-paying industry within the horticulture sector. The updated SIPs will guide levy investment over the next five years.

ANNUAL INVESTMENT PLANS

While each industry's SIP will provide the strategic oversight of investment over the next five years, its Annual Investment Plan (AIP) details how levy funds will be invested over a 12-month period. Investment recommendations are informed by the SIP and industry consultation, and then prioritised with each relevant industry's Strategic Investment Advisory Panel (SIAP).

INVESTMENT PANELS

During 2021/22, we had a number of formal panels made up of levy-paying growers, industry representatives (including commodity Peak Industry Bodies) and relevant experts, to help support investment decision making by Hort Innovation, guided by the relevant investment plans. These included:

- **Strategic Investment Advisory Panels (SIAPs) for levy investment funds.** Our industry-specific SIAPs are made up of growers and other industry representatives on behalf of industry. They are selected through an expressions of interest process and must meet appropriate skills criteria. The SIAPs discuss the draft Annual Investment Plans at consultation meetings, using their industry's SIP to guide them in providing advice to Hort Innovation on potential levy investments.

During 2021/22, 40 industry-representative Strategic Investment Advisory Panels were consulted across 73 meetings that prioritised 163 research, development and extension, and 52 marketing investment recommendations.

- **Expert Advisory Panels (EAPs) for Hort Frontiers funds.** The Hort Frontiers funds have EAPs featuring a broad cross-section of panellists including growers, subject matter professionals and other specialist representatives, such as experts from government.
- **Trade consultation panels.** The International Trade Advisory Panel (ITAP) function provides expert, impartial advice and oversight of the fund, including input into proposed projects and recommendations on potential methods to address future gaps or deficiencies in the existing body of research.

In 2021/22, ITAP sessions were held with a newly established industry representative panel to discuss trade-related matters.

Summaries from all panel meetings are available on your industry's Fund Management page at www.horticulture.com.au/growers.

Best Practice Guide to Stakeholder Consultation

The *Best Practice Guide to Stakeholder Consultation*, produced by the Department of Agriculture, Fisheries and Forestry (DAFF), provides a set of guiding principles which apply to all Rural Research and Development Corporations (RDCs) – recognising that each RDC is different and consults differently with levy payers and other stakeholders.

In June 2022, Hort Innovation launched its own *Stakeholder engagement and consultation framework* for the horticulture industry based on this overarching guideline. This plan will not only underpin the execution of Hort Innovation's strategic priorities in 2022/23 and beyond, but also our day-to-day approach to stakeholders.



The Stakeholder engagement and consultation framework can be found on the Hort Innovation website at hortinn.com/stakeholder-engagement-framework.

THE FRAMEWORK IS CENTRED ON SIX THEMES THAT DEMONSTRATE HOW HORT INNOVATION INTENDS TO ENGAGE WITH ITS STAKEHOLDERS:



1. Transparent



2. Accessible



3. Straight forward



4. Well planned



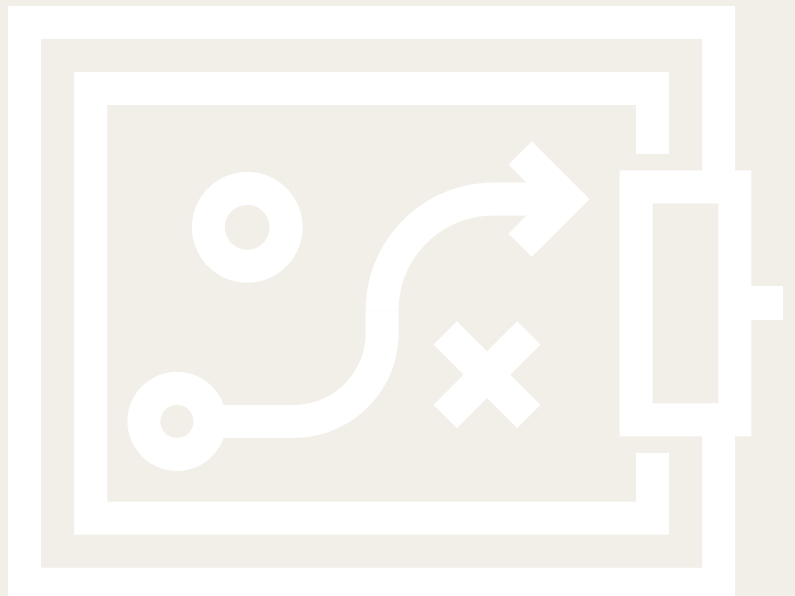
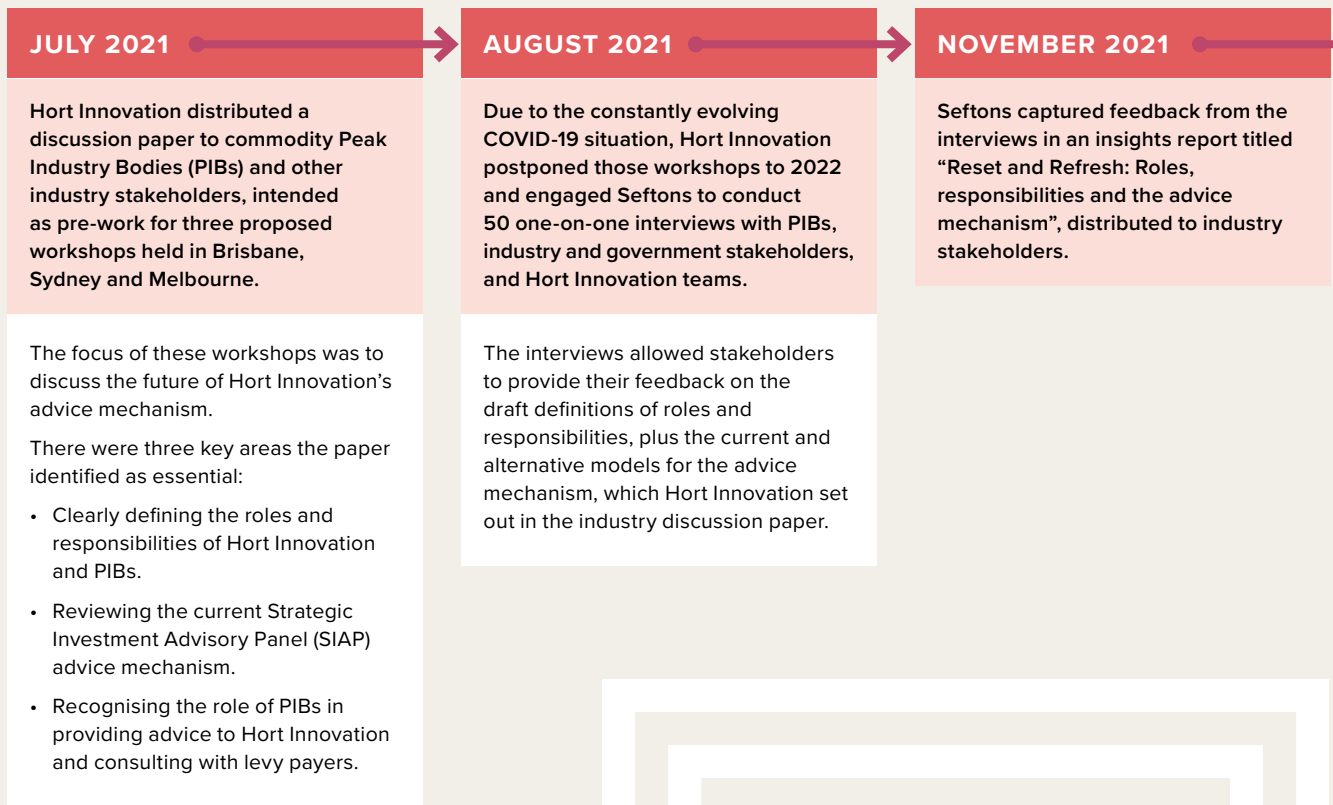
5. Fit for purpose



6. Responsive

Reset and Refresh: Roles, responsibilities and the advice mechanism

During 2021/22, Hort Innovation embarked on a significant initiative to improve the way we obtain advice from industry, as well as define the roles and responsibilities of Hort Innovation, the horticulture sector’s commodity Peak Industry Bodies and Government.





85%

of delegates said that the roles and responsibilities of commodity Peak Industry Bodies, Hort Innovation and the Australian Government were clearer

93%

of delegates said they were better able to move forward collaboratively based on clear understanding of respective roles

98%

of delegates supported an approach for Hort Innovation to engage individually with industries to co-design the preferred model

FEBRUARY 2022

In response to feedback requesting collaborative engagement and ensuring the process represents all of industry, Hort Innovation established a Working Group made up of representatives from PIBs, industry, DAFF, and Hort Innovation. Hort Innovation called for 'expressions of interest' for four industry representatives to be part of that Working Group. Seftons managed the expression of interest and evaluation process.

The Working Group developed a framework, structure and approach for industry workshops in May and June 2022, which was provided to industry stakeholders for consideration at the workshops. The framework was not intended to set out sweeping reforms but rather provide a starting point for a co-designed pathway forward, discussed with industry and further developed through the workshops.

JUNE 2022

Two workshops were held in Brisbane and Melbourne to progress the initiative. Engagement at both workshops was constructive and focused on how to raise the quality of outcomes for all industry participants. Many noted that it was one step toward achieving meaningful change and maximising return on investment to levy payers and taxpayers.

A summary report was sent out after the workshop to set out the updated definitions of roles and responsibilities, plus the principles for potential advice mechanisms, reflecting the feedback we received at the workshops.

JULY 2022

Hort Innovation distributed a workshop report, with a detailed program of work, including practical next steps for how we will implement this work in collaboration with industry.

AUGUST 2022

Hort Innovation engaged with individual industries to co-design their preferred advice mechanism model, based on the amended principles discussed at the workshops.

SEPTEMBER 2022

Hort Innovation will host another workshop (or series of workshops) to outline the progress made against the project plan in an interactive way.

OCTOBER–NOVEMBER 2022

Hort Innovation will further consult with commodity PIBs and industry about advisory potential mechanisms.

DECEMBER 2022

The preferred advice mechanism model for each industry will be agreed upon and implemented.

We engage with our stakeholders in multiple ways

Here are just a few examples of 2021/22 initiatives that are improving our engagement with key stakeholders.

DELIVERY PARTNER PORTAL

The launch of the Delivery Partner Portal provided a simpler, streamlined experience for our Delivery Partners to meet the requirements of undertaking a successful project with Hort Innovation. The Portal has also provided greater visibility and real-time tracking on project status for both Delivery Partners and internal Hort Innovation staff.

In 2021/22, all Delivery Partners have been onboarded onto the Portal. To support the launch, Hort Innovation also:

- Refreshed the suite of Delivery Partner resources housed on the Hort Innovation website that referred to successful project delivery. This included updated milestone and final report guides and templates, monitoring and evaluation guidelines, and a publication guide.
- Established a new Delivery Partner quarterly email update to keep them informed about any developments and upcoming changes.
- Launched a Delivery Partner-focused webinar series to educate them on key aspects of Hort Innovation project delivery and let them ask questions.
- A new quarterly Delivery Partner email and refreshed delivery partner resources (such as updated templates and guides) to help them better partner with Hort Innovation on matters relating to successful project delivery.



MEET ANTON ZBONAK, PRINCIPAL PROJECT OFFICER FOR HORTICULTURE AND FORESTRY SCIENCE AT DAFQ

“The Department of Agriculture and Fisheries Queensland appreciate the simplicity of the new Hort Innovation Delivery Partner Portal. It is very useful to have an overview of all our contracts with Hort Innovation in one place, as well as an easy to see upcoming and outstanding milestones. We look forward to further improvements for the Portal, such as having access to documents like submitted milestones, executed contracts and variations.”

TRADE FORUMS

In 2021/22, Hort Innovation’s International Trade Team initiated and hosted a variety of forums to engage with stakeholders about the progress of our export initiatives.

This initiative included:

- **Government forums** – in 2021/22, we held two sessions to provide high-level project information to our Federal, State, and Local Government partners. The information shared will identify opportunities to work together to help our export industry to stay strong, sustainable and prosperous.
- **Industry forums** – in 2021/22, we held two sessions to provide an update on current international trade projects and encourage an open forum for questions and feedback.
- **Peak Industry Body forums** – in 2021/22, we held nine sessions for key contacts from commodity Peak Industry Bodies to:
 - Provide an opportunity to share the work/support PIBs are providing to industry in international trade
 - Connect and learn from each other
 - Discuss challenges they’re facing in supporting the horticultural export industry
 - Provide an update on current international trade projects and initiatives.

For more information on these forums, including agendas, visit the Hort Innovation website at hortinn.com/trade-forums.

BETTER TOGETHER

Hort Innovation's Better Together initiative sees us providing commodity Peak Industry Bodies with notifications about newly contracted and completed investments in their strategic levy funds.

This information helps them communicate levy-funded projects and programs to their members and networks. It also involves the communication of Hort Frontiers and general Hort Innovation information that is relevant to growers and other industry stakeholders.

In 2022, Better Together went online to improve the flow of information from Hort Innovation to our industry stakeholders.

The Better Together initiative recognises the importance of the close relationship commodity Peak Industry Bodies have with and within the industries they serve. It is one way Hort Innovation works closely with industry to put useful information in the hands of growers.



Macadamia growers come together for an industry meeting.

WORKSHOP APPROACH TO KEY INVESTMENTS

In October 2021, Hort Innovation hosted a two-day workshop for the macadamia industry to discuss integrated pest and disease management. The workshop brought together macadamia growers, key industry stakeholders and delivery partners to:

1. Review the current macadamia pest management program
2. Engage the macadamia industry to help shape the next iteration of the pest management program
3. Identify key priorities for pest management in macadamia.

The workshop was a major success and an excellent example of collaboration between Hort Innovation and key macadamia stakeholders, including 22 growers.

A key part of the workshop was a discussion on macadamia growers' needs and concerns about integrated pest and disease management, which were captured into a list.

Through discussion, that list was then converted into research targets based on industry priorities and available levy budget. The priorities were then developed into a multidisciplinary pest management program which Hort Innovation contracted on behalf of the macadamia industry.

The project, *An integrated systems-based approach for pest management in Australian macadamia* (MC21000), aims to establish a decision support system to facilitate timely and effective pest management decisions for the Australian macadamia industry.



South Australian Research and Development Institute (SARDI) research team members Tim Pitt and Kavitha Shanmugam are working with us on the density optimisation trial at the Almond Centre of Excellence. See hortinn.com/al19000 for more.

SECTION

4

We collaborate with a network of partners

Hort Innovation works with a rich network of partners to deliver investments and outcomes for Australian horticulture. In this section, you can explore our relationship with the Government, how we work with Australia's other Rural Research and Development Corporations, how we engage with our project delivery partners and more.

Our stakeholders

Hort Innovation works with a wide range of partners to deliver results for the horticulture sector:



Our work with Government

Hort Innovation's work aligns with priorities and requirements set by the Australian Government.

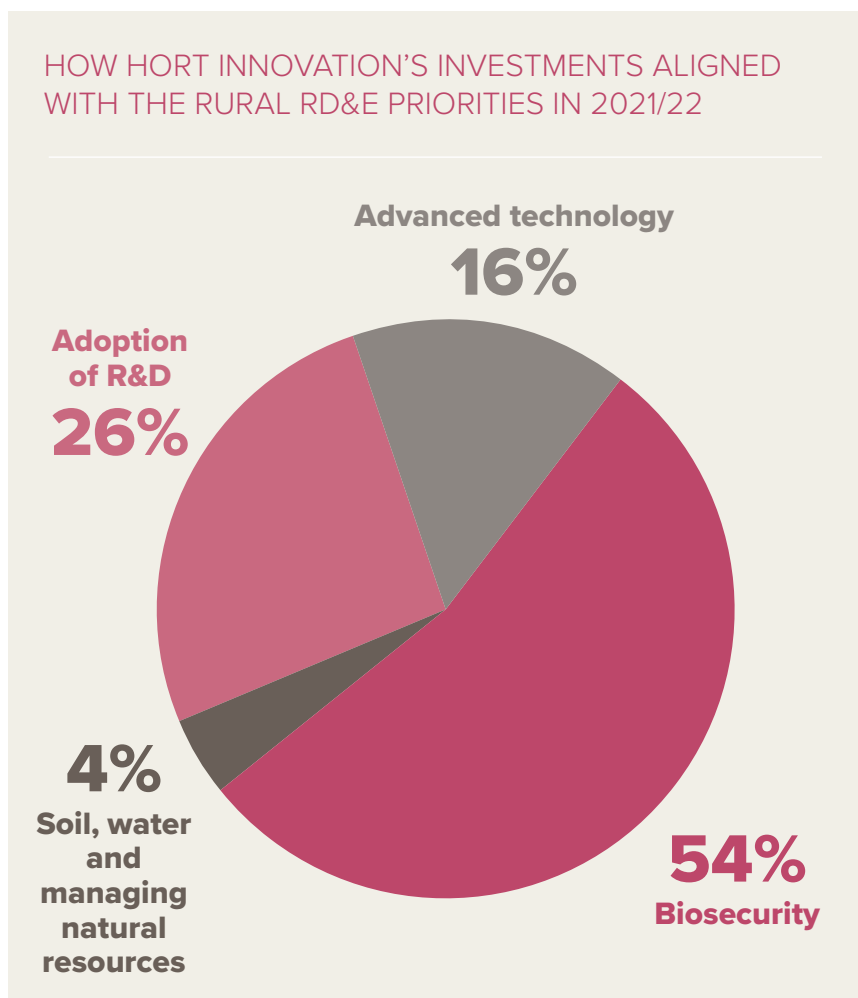
Australia's Rural Research and Development Corporations, including Hort Innovation, were established by the Government to support research, development and extension efforts across primary industries. That means our work must align with overarching national priorities and themes.

THE RURAL RD&E PRIORITIES

Our investments contribute to four areas within the Australian Government's Rural RD&E priorities.

1. **Advanced technology**, which enhances the innovation of products, processes and practices across supply chains through technologies such as robotics, digitisation, big data, genetics and precision agriculture.
2. **Biosecurity**, which improves the understanding and evidence of pest and disease pathways to help direct biosecurity resources to their best uses, minimising biosecurity threats and improving market access for primary producers.
3. **Soil, water, and managing natural resources**, which manages soil health, improves water-use efficiency and certainty of supply, sustainably develops new production areas, and improves resilience to climate events and impacts.
4. **Adoption of R&D**, which focuses on flexible delivery of extension services that meet primary producers' needs and recognises the growing role of private service delivery.

HOW HORT INNOVATION'S INVESTMENTS ALIGNED WITH THE RURAL RD&E PRIORITIES IN 2021/22

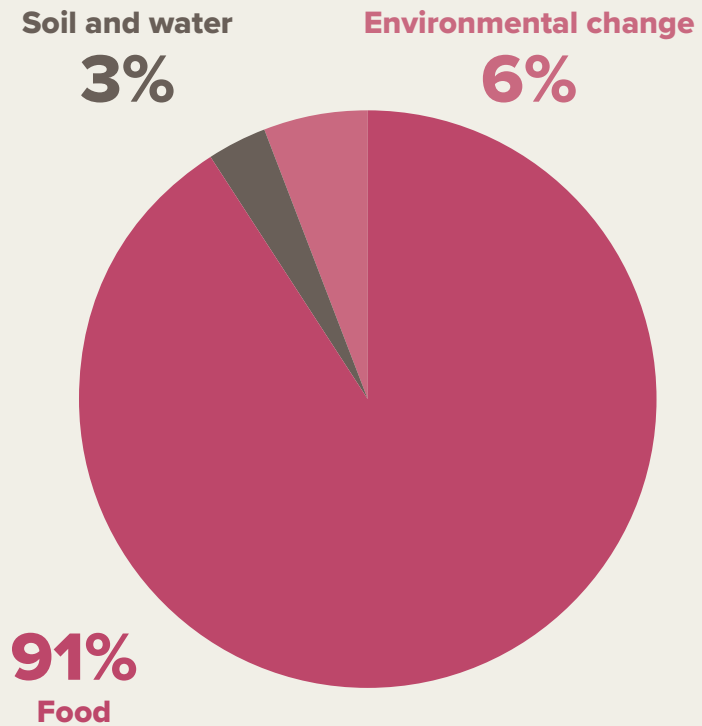


NATIONAL SCIENCE AND RESEARCH PRIORITIES

The Government sets several National Science and Research Priorities to help guide strategic investment, including the following that are of relevance to Hort Innovation:

1. **Food**, which includes developing knowledge of global and domestic demand and supply chains and enhancing food production through a range of means.
2. **Soil and water**, which includes understanding sustainable limits for the productive use of resources and minimising damage to and developing solutions for the restoration and remediation of soil and water.
3. **Environmental change**, which includes developing options for responding and adapting to the impacts of environmental change on biological systems, industry and rural and urban communities.

HOW HORT INNOVATION'S INVESTMENTS ALIGNED WITH NATIONAL SCIENCE AND RESEARCH PRIORITIES IN 2021/22



The Australian processing tomato industry recently recorded an industry-wide average yield of 106.13 MT/ha, its highest on record. Contributing to this success is the cultivar trial work conducted by the Australian Processing Tomato Research Council (APTRC) as part of the Hort Innovation-funded project *Processing tomato industry development and extension (TM20000)*.

Other ways we connect with the Government

Hort Innovation's work aligns with other national priorities, directions and feedback that may be communicated to us by the Australian Government from time to time.

While the Government gave no additional formal directives to us in 2021/22, we supported critical federal efforts during the year, mainly related to international trade.

In 2021/22, we:

- Engaged regularly with the Department of Agriculture, Fisheries and Forestry (DAFF) and the Australian Trade and Investment Commission.
- Partnered with DAFF on the Agricultural Trade and Market Access Cooperation (ATMAC) program to support horticultural peak industry bodies with their trade applications. Hort Innovation received two ATMAC grants which have been used to help fund the *Australian horticulture international demand creation* (ST21007) (see p39) and *Australian Food & Wine Collaboration Group* (HA20005) (see p67) investments.
- Provided input into two consultations commissioned by DAFF – *Building resilience for managing fruit fly and National fruit fly resourcing options*. Hort Innovation has provided information about past and present work in the Hort Frontiers Fruit Fly Fund, as well as expertise and knowledge about industry challenges, opportunities and priorities.



Taste Australia activities for Australian summerfruit in key Asian markets.

- Worked with Austrade to deliver additional support to existing Taste Australia activities for four horticulture sectors: cherry, citrus, table grape and summerfruit. Austrade provided a \$400,000 grant to Hort Innovation to divide equally among the four industries which enabled activities in additional markets that otherwise would not have been delivered under our strategic levy funding capacity.
- Engaged with and supported the Department's Drought Resilience Adoption and Innovation Hubs to connect farmers with regional agricultural experts, innovation and new practices. Each of our Regional Extension Managers is aligned with a hub and participates in its activities.
- Worked with the International Freight Assistance Mechanism (IFAM) to host a whole-of-horticulture briefing every five weeks to update industry on airfreight and sea freight forecasts and the support available through the program. IFAM is a temporary, targeted, emergency support measure designed to keep global air links open in response to the COVID-19 pandemic. IFAM was funded until June 30, with an operational tail until the end of July 2022.
- Hosted a Market Access, Research and Opportunities Roundtable at the request of the NSW Department of Primary Industries. The purpose of the roundtable was to consider RD&E priorities for the state's horticulture exports. CSIRO, DAFF, Plant Health Australia, WA Department of Primary Industries and Regional Development, Agriculture Victoria, and Department of Agriculture and Fisheries Queensland attended the event.

We're part of the National Horticulture Research Network

Working with the National Horticulture Research Network (NHRN) ensures our work aligns with national strategies and priorities for research investment. On top of that, it also facilitates a two-way flow of information between industry and the NHRN.

During 2021/22, Hort Innovation continued our National Horticulture Research Network (NHRN) membership. The initiative brings together senior horticultural research representatives from Commonwealth and State agencies. See nhrn.com.au for more.

WHAT THE NHRN DOES

The NHRN is responsible for developing and implementing the Horticulture Research, Development and Extension Strategy under the National Primary Industries Research, Development and Extension Framework. The Framework is in place to support collaboration and continuous improvement in research, development and extension resources across primary industries nationally. See www.npirdef.org for more.

THE NHRN STRATEGY

The NHRN strategy contains priorities for investment, collaboration and coordination under the Horticulture Research, Development and Extension Strategy 2019-2024 (available at www.npirdef.org/strategy), including:

- Advanced production systems
- Climate adaptation
- Genetic improvement
- Information and extension delivery systems
- Market access and early market development
- Product traceability and integrity
- Pollination capacity
- Protected cropping.

The overarching themes are:

- Redesigning the production system to deliver productivity and profitability
- Differentiating the Australian horticulture market
- Building capability to better respond to environmental events and facilitate natural resource management.

HOW HORT INNOVATION CONTRIBUTES

We have strong investment in most NHRN key priority areas through levy-funded projects and our Hort Frontiers strategic partnership initiative. Hort Innovation funding also supported the role of the NHRN Executive Officer during the period.



A grower counts earthworms as part of the Hort Innovation Apple and Pear Fund's Productivity, Irrigation, Pests and Soils program.

We work with other Research and Development Corporations

Hort Innovation is one of Australia's 15 Rural Research and Development Corporations, and collaboration within this network is critical.

While we each look after different sectors, the Rural Research and Development Corporations (RDCs) continue to work closely on cross-sectoral strategies, projects and initiatives to address common opportunities and issues efficiently and effectively. Here are some examples.

THE RURAL R&D FOR PROFIT PROGRAM

This is a competitive grants program run by the Australian Government to provide special funding for the 15 RDCs to work with each other and extended partners on multi-million-dollar projects for the benefit

of growers across the primary industries. Through the program's four rounds of funding, Hort Innovation has led or supported many initiatives.

In 2021/22, this included the below projects, which were either ongoing or completed during the year.

LEAD RDC	PROJECT NAME
Grains Research and Development Corporation	Boosting diagnostic capacity for plant production industries
Hort Innovation	Advanced production systems for the temperate nut crop industries
Hort Innovation	iMapPESTS – Sentinel surveillance for agriculture
Hort Innovation	Multi-scale monitoring tools for managing Australian tree crops – phase 2
Hort Innovation	National centre for post-harvest disinfestation research on Mediterranean fruit fly (Australian Medfly R&D Centre)
Hort Innovation	Novel technologies and practices for the optimisation of pollination within protected cropping environments

BOOSTING THE DIAGNOSTIC CAPACITY OF PLANT INDUSTRIES

Through the Australian Government's Rural R&D for Profit program, Hort Innovation is partnering with fellow RDCs to boost the diagnostic capacity for plant production industries. One example is a project led by the Grains Research & Development Corporation (GRDC), that is developing a platform to implement improved national diagnostics for key biosecurity threats. This includes developing diagnostics that facilitate early and accurate diagnosis, and rapid response to threats that impact production and access to domestic and international markets.

OTHER COLLABORATIVE WORK IN 2021/22

- **We participated in the Council of Rural Research and Development Corporations**, an arrangement that allows the RDCs to come together to discuss and act on opportunities and issues across our sectors. During 2021/22, Hort Innovation continued to take part in Council meetings and forums and contributed to other Council initiatives. See www.ruralrfdc.com.au for more on the Council.
- **We continued our membership with Agricultural Innovation Australia (AIA)**, a new company targeting transformational innovation across agriculture, formed in October 2020. All 15 RDCs were its founding members.

AIA was established to catalyse public and private sector investment, and enhanced collaboration in solving the biggest cross-sectoral challenges in Australian agriculture.

As a single point of contact for cross-industry strategies, AIA aims to make it easier for investors from around the world to navigate and partner with the Australian agricultural system.

RDCs contribute subscription fees and will benefit from enhanced collaboration and more effective leveraging of funding, knowledge and resources. Hort Innovation provided feedback during the development of the AIA Strategic Plan and contributed to the development of investment prospectuses.

The scope of AIA's strategies will cover the agriculture, fisheries and forestry value chains. More information can be found at aginnovationaustralia.com.au.

In 2021/22, Hort Innovation entered into our first investment with AIA, *A common approach to sector-level greenhouse gas accounting for Australian agriculture* (HA20007) (p67).



A new Hort Frontiers project is investigating whether small autonomous drones can effectively pollinate tomatoes and strawberries in protected cropping environments. See more at hortinn.com/ph19000.

- **We contributed to the grow^{AG} platform (www.growag.com)**, a collaboration between the Department of Agriculture, Fisheries and Forestry (DAFF) and all 15 RDCs. It is an online repository of world-leading agricultural research, unique technologies and commercialisation opportunities in one, easy to use location.
- **We contributed to the Emerging National Rural Issues initiative**, facilitated by AgriFutures. This forum allows the RDCs to share issues affecting our industries and collaborate on investments to address them.
- In 2021/22, the grow^{AG} platform, delivered by AgriFutures, featured 267 Hort Innovation R&D projects, seven commercial opportunities and seven stories.

A COMMON APPROACH TO GREENHOUSE GAS ACCOUNTING FOR AGRICULTURE

Through Agricultural Innovation Australia, Hort Innovation is partnering with fellow RDCs and state agencies to develop a common approach to greenhouse gas accounting for agriculture.

An agreed standard protocol for greenhouse gas emissions accounting and a shared understanding of terminology is required not only for the Australian horticulture industries but also for all of agriculture to contribute to national climate commitments and sustainability goals such as the National Farmers Federation (NFF) Carbon Neutral 2050 target.

This project was contracted in 2021 to develop a common framework that is transparent, trusted and relevant for Australia.

Delivered by CSIRO, the project has hosted interactive workshops involving individual and group interviews with project participants and stakeholders, which is now being followed by an expert drafting of the necessary documentation of the framework.

That framework will then be put to participants and stakeholders for consultation and feedback.

The key intended outcomes of this project are:

- A shared understanding of common ground for collective action and key areas of concern.

- A common framework for greenhouse gas baseline accounting at the sector level, based on shared key principles but also allowing for a modular approach that acknowledges potential differences between certain agricultural industries.

- Defining a common language around greenhouse gas accounting, target setting and adoption.

The implementation of the framework by the horticulture industries will follow from this project.

AUSTRALIAN FOOD & WINE COLLABORATION

Hort Innovation is leading a collaboration between rural RDCs and commodity Peak Industry Bodies across five sectors and leveraging industry-government partnerships with Department of Agriculture, Fisheries and Forestry, Austrade, and the Department of Foreign Affairs and Trade.

The Australian Food & Wine Collaborators recognise the need to have a coordinated and common approach to how Australian agriculture presents itself in key markets. Each of the collaboration partners represents varying product categories and operates in differing sectors within international markets.

These range from ingredients for further processing and distribution through to food service and direct consumer-ready goods.

The project will:

- Deliver a platform to communicate Australia's common positive attributes, develop messaging about premium Australian food and wine in four markets and strengthen visibility of Australian branding overseas.
- Leverage the combined groups market intelligence to improve the promotion and positioning of premium Australian products.

- Demonstrate leadership on utilisation of the "Nation Brand" materials to encourage uptake with other sectoral groups.

- Increase trade and consumer awareness of the positive attributes of Australian food and wine.

- Collaborate in nominated key events and activities to leverage market spend.

- Demonstrate to Government that RDCs can continue to collaborate effectively.

We forge and support other partnerships

Here are some of the collaborations we've facilitated during the year...

DRIVING AG-TECH ADOPTION THROUGH SMART FARMS

In 2021/22, Hort Innovation encouraged fruit, vegetable, nut, nursery and turf growers who would like to see a technology demonstrated on-farm to reach out to the Department of Agriculture and Fisheries Queensland.

A Hort Frontiers investment is transforming the DAFQ research facility at Gatton into a 'Smart Farm' that can be used to showcase technology to the

horticulture sector. The Smart Farm provides growers with the opportunity to interact with ag-tech innovations in a real world environment and to better understand the costs and benefits of technology adoption.

The Smart Farm will provide multiple sites (research and community farms) for technology providers to showcase the potential of their technology in real

world environments, with industry providing feedback and direction on its development.

The Gatton Smart Farm is being delivered through Hort Innovation's Hort Frontiers strategic partnership initiative. Supporting partners include Cravo, Priva, Rijk Zwaan, Lefroy Valley Seeds, Powerplants, AIS Greenworks, Hitachi Vantara, and various grower groups.



The Gatton Smart Farm will feature a variety of technology demonstrations for growers.

PLANT BIOSECURITY RESEARCH INITIATIVE

The Plant Biosecurity Research Initiative (PBRI) is a partnership between Australia's seven plant-focused research and development corporations working collaboratively with Plant Health Australia, the Department of Agriculture, Fisheries and Forestry (DAFF), plus a range of industry, state and national biosecurity stakeholders.

During 2021/22, the PBRI:

- Formed a new partnership with the Australian Plant Health Committee.
- Delivered the Biannual PBRI Symposium at the National Wine Centre in Adelaide in May 2022. Over 100 delegates attended and participated in various presentations and workshops about plant biosecurity.
- Awarded the inaugural PBRI Ritman scholarship on the International Day of Plant Health to four talented Australian postgraduate students working in plant biosecurity.



PBRI partners and biosecurity stakeholders met at the Biannual BPRI Symposium in May 2022.

- Held a forum on 'Biosecurity RD&E in the Pacific' in April 2022 to discuss collaborative research opportunities between the Pacific Nations, Australia, and New Zealand.
- Continued to provide a network for biosecurity extension practitioners working across plant industries through the Biosecurity Extension Community.
- Held a 'Biosecurity Surveillance Forum' in December 2021 which included insights from researchers who developed the COVID-19 tracing platform, Austrakka.

To find out more about the PBRI, visit www.pbri.com.au.

INCREASING KNOWLEDGE OF HORTICULTURE IN AUSTRALIAN SCHOOLS

The Primary Industries Education Foundation Australia (PIEFA) is the leading body for food and fibre education in Australia. They engage Australian schools and community through a variety of educational initiatives aimed at increasing knowledge about primary industries.

Together with other RDCs and agricultural organisations, Hort Innovation is a member of PIEFA and

through this membership, engaging teaching material is produced for schools about the horticulture sector.

Some highlights of Hort Innovation's involvement with PIEFA in 2021/22 were:

- A new avocado teaching resource 'Our green gold superfood' aimed at Years 7 and 8
- Booklets about how protected cropping works aimed at Year 9
- Presentations from the PIEFA CEO at teacher conferences to promote the horticulture-focused resources. The forums included AgForce Food & Fibre teachers conference, the Victorian Agriculture and Horticulture Educators conference, and the NSW STEM 2021/22 online conference.

SITPLUS INITIATIVE

Queensland fruit fly is a small insect with a big impact, responsible for an estimated \$300 million in lost produce and markets for Australian growers each year.

The multi-faceted SITplus initiative brings together researchers and funding partners to tackle the pest using ‘sterile insect technique’ or SIT. The approach involves developing and mass-rearing sterile fruit flies, which are then released into the wild in large numbers. Developed to be attractive to wild flies, the sterile flies compete with – and ideally outshine – their wild, fertile counterparts when it comes to breeding, ultimately stopping the pest population from effectively reproducing.

Hort Innovation is one of the founding partners of SITplus, with current collaborators also including Macquarie University, CSIRO, Western Sydney University, Primary Industries and Regions South Australia (PIRSA), the South Australian Research and Development Institute (SARDI), the NSW Department of Primary Industries, Agriculture Victoria, Plant & Food Research Australia, and Biosecurity Tasmania.



Sterile flies mass produced at the SITplus facility.

In 2021/22, the SITplus investment *Post factory pilot of SITplus fly production (FF17001)* completed the final season of sterile fly releases in Hillston, NSW and Cobram, Victoria. Work at both sites demonstrated the use of SIT has a significant effect on Queensland fruit fly populations, successfully suppressing them in both trial locations.

The investment has also produced:

- A genetic yellow-colour strain of Qfly that makes them highly distinguishable from wild Qflies – which will eliminate the need to

dye the sterile flies for identification purposes. This also benefits international trade, as sterile flies will be readily distinguishable from wild flies by non-experts.

- A genetic sexing strain for Qfly at the pupal stage, which will allow sorting so that only males are released in future.

All SITplus projects are funded and managed through Hort Innovation’s Fruit Fly Fund, part of our Hort Frontiers strategic partnership initiative. Read more at hortinn.com/fruit-fly-fund.

“

MEET ADRIAN CONTI, SUMMERFRUIT GROWER FROM COBRAM, VICTORIA

“Fruit flies are a pest no one wants, and the SITplus program has made all the difference in Cobram. Growers are happy, we’re getting fruit to market and to my knowledge there hasn’t been any commercial fruit from Cobram that has been infested with fruit fly and that’s our number one goal. Having the SITplus program active in Cobram complements everything that we do – it’s all about growing fresh produce that isn’t damaged by pest or disease, and ensuring the consumer gets a better product.”



Adrian Conti is one of the growers in Cobram who has seen first-hand the benefits of the SITplus program roll out.

We engage world-class delivery partners

A range of specialist delivery partners are at the core of the projects we deliver.

During the financial year, we worked with 157 delivery partners to continue delivering projects across R&D, marketing, international trade, and more. Our partners ranged from universities, state research agencies and other government entities, to subject matter experts and delivery experts working in private enterprises.

Hort Innovation has a fair and equitable procurement process in place to ensure the best delivery partner is selected for any given piece of work. To be selected for a project, a potential delivery partner must submit a detailed response to the project proposal distributed by Hort Innovation.

Current opportunities are advertised at www.horticulture.com.au/partnership-opportunities and www.tenders.net.

All proposal responses are evaluated against set criteria, and against each other, by an evaluation panel. Each panel is specific to the project being procured and may be comprised of Hort Innovation experts, industry representatives and, where relevant, independent subject experts. From here, the best response is selected, a contract is issued to the chosen delivery partner, and the work begins.

R&D AGREEMENTS IN 2021/22

Hort Innovation entered into more than 130 new R&D project agreements with more than 70 different delivery partners during the year, as detailed in the following table along with 2021/22 expenditure.

NEW R&D INVESTMENTS IN 2021/22			
PROJECT CODE	PROJECT NAME	KEY DELIVERY PARTNER	2021/22 SPEND (\$)
AL20001	Evaluation of potential prunus rootstocks for almond production – Stage 3	Almond Board of Australia	143,301
AL21000	Pathway to carbon neutral – whole orchard recycling in almond orchards	South Australian Research and Development Institute (SARDI)	124,323
AL21001	Optimising almond production systems	South Australian Research and Development Institute (SARDI)	532,701
AM21000	Serviced Supply Chains II	Queensland Department of Agriculture and Fisheries	1,681,202
AM21007	Framework for strategic Australia-India partnership in R&D and trade	P2P Business Solutions	59,574
AP21000	Apple and pear industry communications program	Apple & Pear Australia Limited (APAL)	355,111
AP21001	Apple and pear market access and trade development	Apple & Pear Australia Limited (APAL)	379,960
AP21002	Apples and pears quality assurance program	Strikeforce AMC	242,101
AP21003	Apple and pear biosecurity review	Plant Health Australia	75,000

Continued >>

NEW R&D INVESTMENTS IN 2021/22 (continued)			
PROJECT CODE	PROJECT NAME	KEY DELIVERY PARTNER	2021/22 SPEND (\$)
AS20004	Sustainably growing horticulture value in cool climate Australia	University of Tasmania	918,623
AS21000	Effective fall armyworm pheromone blends for improved monitoring and population estimation in Australia	Macquarie University	3,520,000
AS21003	Lean design workshop to understand future challenges for horticulture production in tropical and subtropical regions of Australia	The University of Queensland	112,000
AS21005	Eradicating HLB and Xylella using novel genetic technologies	Silvec Biologics	667,068
AV21000	Avocado export strategy 2022-2026	Avocados Australia	69,888
AV21002	Avocado industry biosecurity strategy 2021-2026	Avocados Australia	235,257
AV21003	Avocado industry biosecurity capacity and capability building: Phase II	The University of Queensland	333,463
AV21004	Avocado industry communications program	Avocados Australia	103,613
AV21005	Growing robust avocados	Queensland Department of Agriculture and Fisheries	494,370
AV21006	Advancing the delivery of national mapping applications and tools	University of New England	116,239
BA21000	Identifying new resistance genes for Panama Tropical Race 4	The University of Queensland	83,500
BA21001	Banana industry diagnostic capacity and capability building	The University of Queensland	415,927
BA21002	New varieties for Australian banana growers	Queensland Department of Agriculture and Fisheries	411,590
BA21003	Multi-pest surveillance and grower education to manage banana pests and diseases	Australian Banana Growers Council	343,377
BA21004	Banana integrated pest and disease management program	Queensland Department of Agriculture and Fisheries	431,050
BA21005	Study to review automation of banana de-handing	Advanced Robotics for Manufacturing Hub	49,662
BB21000	Blueberry industry minor use permit program	Hort Innovation	1,625
CT20008	Integrated disease management of black core rot in citrus	The University of Queensland	161,533
CT20009	Integrated disease management of citrus black spot and Emperor brown spot	Queensland Department of Agriculture and Fisheries	118,967
CT21000	Citrus industry communications program	Citrus Australia	248,862

Continued >>

NEW R&D INVESTMENTS IN 2021/22 (continued)			
PROJECT CODE	PROJECT NAME	KEY DELIVERY PARTNER	2021/22 SPEND (\$)
CT21001	Australian citrus breeding program	Queensland Department of Agriculture and Fisheries	242,180
CT21002	Protecting Australia's citrus genetic material	Auscitrus	15,844
CT21003	Independent mid-term review of CT18002	Forest Hill Consulting	40,100
CT21006	Citrus industry health and nutrition education program	Nutrition Research Australia	89,170
CY21000	Cherry category management	Strikeforce AMC	195,458
DG21000	Dried grape production innovation and adoption program 2021-2026	Dried Fruits Australia	50,000
FF20000	National Fruit Fly Council Phase 4	Plant Health Australia	357,043
HA20000	Economic impact assessment for Hort Frontiers	AgEconPlus	27,813
HA20005	Collaborative food and wine market development project	Xpotential	29,400
HA21001	Designing the integration of extension into research projects	Enablers of Change	114,200
HA21002	Primary Industries Education Foundation Australia (PIEFA) 2022	Primary Industries Education Foundation Australia	82,533
HA21003	Australian-grown horticulture sustainability report	Roth Rural	55,000
HA21004	LP18000 mid-term evaluation	RM Consulting Group (RMCG)	28,500
HA21005	Australian pollination service statistics	AgEconPlus	19,875
HA21006	Pathway to enhanced industry participation in technical market access	TradeWorthy Consulting	10,980
LP20000	Innovation at work	Elders Rural Services Australia	446,666
MC21000	An integrated systems-based approach for pest management in Australian macadamia	Macquarie University	200,000
MC21001	An integrated disease management approach for the Australian macadamia industry	The University of Queensland	238,333
MC21002	Macadamia industry communications program	Australian Macadamia Society	206,025
MG21000	Mango export strategy	KPMG	69,998
MG21001	Mango industry communications program	Australian Mango Industry Association	68,004
MG21002	Extension to build innovative culture and capability in the Australian mango industry	Australian Mango Industry Association	60,000

Continued >>

NEW R&D INVESTMENTS IN 2021/22 (continued)			
PROJECT CODE	PROJECT NAME	KEY DELIVERY PARTNER	2021/22 SPEND (\$)
MG21003	Mango export strategy support	Australian Mango Industry Association	3,500
MT21000	Health and nutrition information for the berry industry	Nutrition Research Australia	124,943
MT21002	2020/21 Fund Annual Reports	Gasoline Communications	55,685
MT21003	Consumer demand spaces for horticulture	Kantar Insights Australia	514,800
MT21004	Consumer behavioural data program	Nielsen Connect Australia	616,613
MT21005	Strategic Agrichemical Review Process (SARP) – Updates	AGK Services	66,950
MT21006	Horticulture Statistics Handbook 2021/22 to 2023/24	Freshlogic	375,000
MT21007	Seasonal horticulture labour accommodation study	Strategic Project Partners	56,700
MT21008	National Bee Pest Surveillance Program: Transition program	Plant Health Australia	691,102
MT21009	Multi-industry export program (Vegetables, Onions, Melons)	AUSVEG	2,552,414
MT21010	Economic contribution of Australian horticulture	International Economics Unit	170,240
MT21011	Foodservice foundational market insights	KPMG	120,009
MT21012	Creative campaign evaluation	Cubery	41,500
MT21013	Fund impact assessment 2020/21: cherry, sweetpotato, vegetables, small tropicals	Ag Econ	34,760
MT21015	Horticulture impact assessment program 2020/21 to 2022/23	Ag Econ	103,160
MT21018	Phenomenom resources	Edible Adventures Productions	74,825
MT21201	Pilot program: Consumer usage, attitude and brand tracking	Fifty-five 5	70,125
MT21202	Consumer usage and attitude tracking 2022/23	Fifty-five 5	233,084
MU20001	Mushrooms and their potential health benefits of lowering blood cholesterol	CSIRO	56,640
MU21000	Digitisation of mushroom industry archive	Australian Mushroom Growers Association	36,500
MU21001	Risk analysis and management strategies for potential contamination of mushroom compost	The University of Sydney	68,645
MU21002	Desktop review of pathway risks for the mushroom industry – Agaricus mushrooms and growth substrate imports	Applied Horticultural Research	26,460

Continued >>

NEW R&D INVESTMENTS IN 2021/22 (continued)			
PROJECT CODE	PROJECT NAME	KEY DELIVERY PARTNER	2021/22 SPEND (\$)
MU21003	Mushroom industry communications program	Applied Horticultural Research	201,840
MU21004	Marsh Lawson Mushroom Research Centre of Excellence	The University of Sydney	130,320
MU21005	Mushroom price elasticity of demand	NCEconomics	1,080
MU21006	Recycling spent mushroom substrate (SMS) for fertiliser in a circular economy	Frontier Ag & Environment	39,726
MU21008	Mushroom industry conference	Australian Mushroom Growers Association	20,000
NY21000	Nursery industry statistics 2020-21 to 2024-25	Greenlife Industry Australia	289,692
NY21001	Nursery industry conferences	International Plant Propagators' Society	6,818
PH19000	Development of non-biological pollination options for protected cropping using emerging technologies	Polybee	90,833
PH19004	The business of pollen collection in horticulture	Plant & Food Research New Zealand	187,765
PH20003	Protecting pollinators from pesticides: Developing safer, selective pesticides targeting Varroa mite and small hive beetle hormone receptors	The University of Sydney	149,070
PH21003	Probiotics in honey bees to fight bacterial and fungal diseases	Macquarie University	400,000
PH21004	Entopathogenic nematodes as a biological control agents of important honey bee pests in Australia	University of Western Sydney	560,945
PP20003	Papaya market supply data capture and analysis	Papaya Australia	10,800
PR21000	Diagnosis and management of dieback in persimmon trees	Charles Sturt University	20,000
PW21000	Sweetpotato industry communications program	Australian Sweetpotato Growers Incorporated	30,780
PW21001	Sweetpotato Emerging Leaders Program	Australian Sweetpotato Growers Incorporated	9,000
PW21002	Causes and management strategies for skin loss in sweetpotato	Queensland Department of Agriculture and Fisheries	188,228
RB21002	Alternative growing media for hydroponic berry production – a desktop review	RM Consulting Group (RMCG)	15,160
RB21003	Opportunities to improve labour use efficiency through automation and improved management practices	The Growth Drivers	59,212
ST21001	Generation of data for pesticide applications in horticulture crops 2022	Eurofins Agrisearch	32,963


Continued >>

NEW R&D INVESTMENTS IN 2021/22 (continued)			
PROJECT CODE	PROJECT NAME	KEY DELIVERY PARTNER	2021/22 SPEND (\$)
ST21004	Quantifying the cost of phytosanitary disinfestation to the Australian horticultural sector	Australian Horticultural Exporters' Association	64,725
ST21005	iMapPESTS Program Coordinator	AUSVEG	85,464
ST21006	Generation of data for pesticide applications in horticulture crops 2022	Agreco Australia	83,847
ST21007	Australian horticulture international demand creation	Kantar Insights Australia	558,750
TM20000	Processing tomato industry development and extension	Australian Processing Tomato Research Council	461,556
TU21000	Turf industry statistics 2020-21 to 2024-25	Turf Australia	91,375
TU21001	Turf industry development and extension	Turf Australia	91,438
TU21002	National Lean Leaders Program	Moshie Pty Ltd	12,000
VG21000	VegNET 3.0	AUSVEG	3,053,916
VG21002	Demonstrating the benefits of building capability and capacity in extension delivery in the vegetable industry	University Of Melbourne	90,823
VG21003	Annual Vegetable Industry Seminars 2022-2024	AUSVEG	149,839
VG21006	Smart film project	Future Food Systems Cooperative Research Centre	320,000
VM20007	Effective control of Listeria on rockmelons through alternative post-harvest treatment methods	Applied Horticultural Research	90,550
VM21000	Melon industry roadshow and conference program	Australian Melon Association	98,650
VM21001	Quality improvements in the melon supply chain	Delytics	100,000
VN20004	Australian onions export market intelligence	KPMG	65,491

OUR MARKETING PARTNERS IN 2021/22

During the year, Hort Innovation engaged a number of suppliers to support domestic and international marketing activity. The top 25, based on total expenditure by company, are below.

SUPPLIER	2021/22 EXPENDITURE (\$)
Atomic Search	13,928,618
TBWA Sydney	3,176,490
Bastion Effect	2,221,297
Bite Communications	710,760
Republic of Everyone	710,000
Australian Mushroom Growers Association	400,000
Australian Macadamia Society	388,404
Sopexa Japon K.K.	386,338
The Zoo Republic Partnership	349,056
Sheng Zhong Marketing Consultancy (Shanghai) Company	306,120
Lansky Enterprises	227,833
Go Future Media	187,371
Ink Spiller Communications	176,645
Coles Supermarkets	160,273
Havas Media Taiwan	155,414
Direct2Consumer	149,960
Apple and Pear Australia (APAL)	100,000
Nielsen Connect Australia	98,324
Terrapin Estates	90,141
Life Education NSW	90,000
Australian Mango Industry Association	80,000
Notimetolose Print Management	77,707
Fifty-five 5	75,000
Australian Nut Industry Council	63,390
Treena Welch	52,101



In 2021/22, the vegetable industry invested in their VegNET extension program. The \$13.7 million initiative is nationally coordinated by AUSVEG and delivered 'on-the-ground' by regional development officers in key vegetable-growing regions.

SECTION

5

We measure our performance

This section details Hort Innovation's successes and overall performance in 2021/22. You'll find the results of our ongoing impact assessment work and other monitoring and evaluation efforts. Most importantly, this section includes a review of the company's performance against the Hort Innovation Strategy 2019-2023.

Making an impact

Each year, Hort Innovation evaluates the impact of our levy-funded R&D investments.

In addition to the M&E activities that are completed for all Hort Innovation investments, in 2021/22 we engaged independent consultants to examine the type and magnitude of impacts across our levy-funded projects. A random sample of 15 investments, all completed in the previous financial period, was selected to be representative of the overall R&D portfolio.

15

The number of levy-funded R&D projects randomly sampled

4.3 to 1

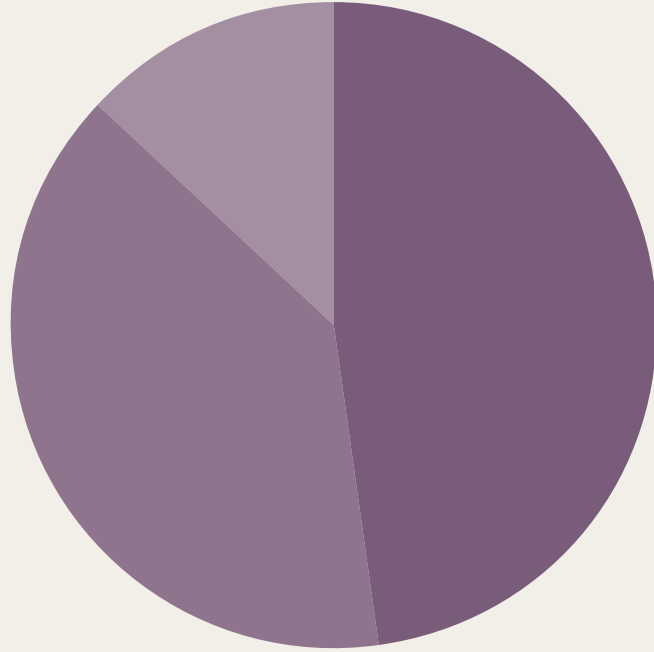
The average benefit-to-cost ratio of the investments

83

The number of individual positive impacts directly generated by the sampled projects

\$94.2 million

The estimated value of benefits the sampled projects are expected to generate over 30 years (in present value terms)



48%

of benefits were economic, such as reduced crop loss, increased market access and improved on-farm decision making

39%

of the identified benefits of the projects were social impacts, such as increased skills among growers and researchers, cohesiveness within industries and value chains, and improved wellbeing in regional communities

13%

of impacts were environmental benefits, such as increased adoption of best management practices and reduced waste disposal

Find the full details at hortinn.com/mt21015

Disclaimer: Not all project impacts were quantifiable and not all could be evaluated in monetary terms as part of this assessment. This has resulted in the majority of quantified benefits being those that are economic. The work was conducted in line with guidelines defined by the Council of Rural Research and Development Corporations.

PROJECT SPOTLIGHT: TABLE GRAPE EXPORT READINESS AND MARKET ACCESS



17.1 to 1
benefit-to-cost ratio



From 2017 to 2020, this investment continued industry work into market access and development. Delivered by the Australian Table Grape Association (ATGA), the project provided a point of contact for growers, exporters and others looking for expert industry advice in relation to the export of Australian table grapes. This project was responsible for disseminating relevant information, including season updates and data on shipping and market conditions.

Project activities ensured a cohesive export and market access approach was undertaken by industry. During the timeframe of the project, the table grape industry experienced a 43 per cent increase in export volume, a 65 per cent increase in export value and a 67 per cent increase in unit price.

The impact assessment found the project had a 17.1 to 1 benefit-cost-ratio and identified a number of benefits, including:

- Sustainably increased production due to increased export demand and improved market access for producers.
- Maintenance of existing export markets via relationship management.
- Grower cost savings in the facility export registration process, attributable to the projects' roll out of ATGA registration software.
- Increased capacity and understanding of export markets and trade negotiation.
- Increased contribution to regional community socioeconomic wellbeing from an expanding table grape industry.

MEET PHILLIP BRANCATISANO, EXPORT SALES MANAGER AT THE GRAPE HOUSE GROUP

"My role as Export Sales Manager had me focused on growing our export book, and as an individual grower this can be challenging. Through this project, the Australian Table Grape Association (ATGA) was able to build the profile of Australian table grapes overseas and successfully increased demand for our produce, allowing businesses like ours to grow our exports.

As part of the project, I had the opportunity to attend trade missions to several countries including South Korea, Vietnam, Japan and the Philippines.

We met with stakeholders involved in the importation of Australian table grapes and attended trade fairs such as Asia Fruit Logistica.

With the general increase in demand for Australian table grapes as a result of the project, and the contacts I'd made for buyers, over the project period our export business doubled from approximately 500,000 boxes of grapes to about one million. As a business we have taken advantage of the price premium by shifting our produce from domestic to export markets.

Even if we hadn't been involved directly in the project, our business would have benefited from the increased demand for Australian table grapes. However, I think that being involved has sped up (and potentially increased) the benefits. This increased knowledge of export markets and protocols, combined with the exposure to new customers has been invaluable.

I openly tell other table grape growers how helpful it was to be involved in this project. For me, it really highlighted how important it is to get to know your customer."

See hortinn.com/tg17000 for more details and the final report

Getting the best out of our investments

The impact assessment work was just one way we assessed our investments in 2021/22. Here's a snapshot of other monitoring and evaluation activities this year:

- **A SIP performance report** was completed for each levy industry's 2017-2021 Strategic Investment Plan (SIP) which details how industries progressed towards their key goals and outcomes. This involved reviewing investment delivery against SIP outcomes and key performance indicators (KPIs). The reports are available on the 'Fund management' tab on the levy fund pages at www.horticulture.com.au/growers.
- **Investment analysis work** was ongoing, tracking the alignment of investment expenditure against each industry's 2022-2026 SIP outcomes and strategies. This analysis is available on the 'Your investments' tab on the levy fund pages at www.horticulture.com.au/growers.
- **Industry-specific impact assessments** were undertaken in addition to the across R&D review. For 2021/22, the industries involved were cherry, sweetpotato, small tropicals (such as custard apple, persimmon and passionfruit) and vegetables. Results are available on the Hort Innovation website at hortinn.com/mt21015.
- **Hort Frontiers-specific impact assessments** started in June 2022 to evaluate the impact of investments in the Hort Frontiers Funds over the past five years. Results will be made available on hortinn.com/ha20000.



One of the technologies being tested at the Gatton Smart Farm.

- **Monitoring and evaluation plans** were produced for the majority of investments, and maintained for all ongoing investments, as appropriate. M&E plans help delivery partners report the progress and success of their projects, and consider areas of potential improvement. Prior to investment, all new projects were checked and aligned against industry SIP outcomes and strategies.
- **The refreshed evaluation framework**, published in March 2021, was embedded to guide our monitoring and evaluation efforts. This framework allows us to responsibly oversee all activities and investments we fund, ensuring that projects are tracking well and are delivering effectively and efficiently for the horticulture sector.
- **Independent project evaluations** were undertaken for a number of investments to assess efficiency, effectiveness, relevance and process appropriateness. Some investments also underwent a technical review. This helps Hort Innovation work with delivery partners to continuously improve investment delivery and make changes where required, and develop new investment recommendations for industry.

Intellectual property and royalties

We protect the commercial value of intellectual property that arises from Hort Innovation investments, for the benefit of the horticulture sector.

Hort Innovation's Intellectual Property Policy and Management Framework continued to be implemented in 2021/22 for the identification, use and management of intellectual property (IP) acquired, created, licensed, disseminated and commercialised by the company.

Under the policy, wherever IP is identified in investments, Hort Innovation ensures appropriate protection is in place for valuable intellectual property developed in investments.

As the table shows, income generated by IP is allocated back to the levy fund where the work originated, so that it can be reinvested.

ROYALTIES BY INDUSTRY IN 2021/22

INDUSTRY	AMOUNT (\$)
Almond	36,351
Apple and pear	80,017
Dried grape	730
Macadamia	25,842
Pineapple	10,915
Strawberry	452,707
Vegetable	13,312
Other	11,167
TOTAL	631,041



Dr Jodie Neal (Department of Agriculture and Fisheries Queensland), Rachel Mackenzie (Berries Australia) and Brett Fifield (Hort Innovation) with a new home-grown strawberry variety developed through the industry's levy-funded breeding program. Two varieties, Pink and White, have been bred for the for the Australian environment and offer superior overall quality. Learn more at hortinn.com/new-strawberry-varieties.



Pineapples planted at Pinata Farms in south-east Queensland.

**IP IN ACTION:
AUSTRALIAN PINEAPPLES**

A long-term breeding program for the pineapple industry is improving traits such as eating quality.

The investment *National pineapple breeding and evaluation program* (PI17000) is working toward the release of new pineapple varieties suited to Australia’s key pineapple growing regions. There is a focus on developing and evaluating high-yielding varieties with improved disease resistance

and flowering control, as well as improved fruit consistency and quality to meet the needs of both growers and consumers.

The program is looking at the industry’s main commercial varieties and advanced varieties developed through previous breeding work, while implementing a novel approach to pineapple breeding – utilising a low level of in-breeding – to develop new elite lines.

“

MEET NATHAN AND RHIANNON STEVENS, PINEAPPLE GROWERS

“This year we’re introducing the Aus Carnival variety, which is a variety from the previous plant breeding program. Our Aus Carnival plants will be arriving soon, and we’re excited about this fruit. It promises to fit in really well with our cycles in Yeppoon and we’re aiming to use this variety to respond to a window of high demand and low supply.

Aus Carnival, along with Aus Jubilee and Aus Festival, are all lines from the previous breeding program that are just coming into their strength now. All three varieties have fantastic eating quality.

We need to continue with the current program as the latest 50 selections from the recent plantings will need a few more years to see how they grow out. We see a lot of potential and great eating quality in what has been selected to go forward with.”

Performance against our company strategy

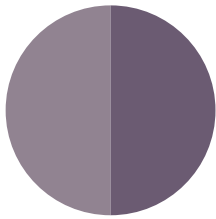
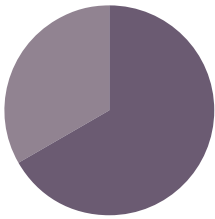
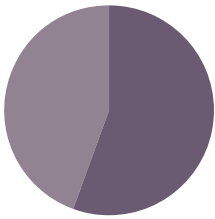
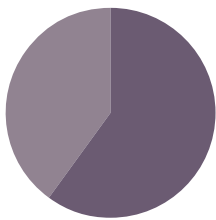
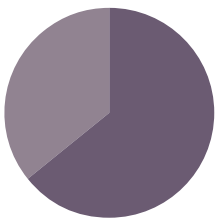
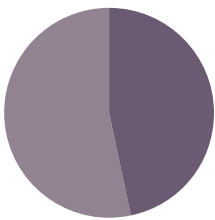
While this entire Annual Report highlights our progress under the Hort Innovation Strategy 2019-2023, this section takes a closer look at our achievements specific to the Strategy's pillars and key performance indicators.

Hort Innovation's company strategy outlines broad initiatives and top-level activities we need to undertake to help Australian horticulture harness opportunities, grow strengths and navigate issues.

Hort Innovation produces an internal annual operating plan for each year under this overarching, four-year strategic plan. These yearly plans help us outline and track the individual, detailed steps along the way.

The following table provides a quick overview of our progress against the key performance indicators or activities in these guiding documents, with more detail in the following pages.

OUR PERFORMANCE AT A GLANCE

STRATEGIC PILLAR	1. Drive knowledge and innovation into horticulture industries	2. Deliver the highest value R&D, marketing and trade investments across industries, for now and into the future	3. Enable activities that drive all strategic imperatives
MAIN OUTCOME	Communication and extension delivered that impacts on business decisions and practices on farm	Investments delivered that address all-of-horticulture opportunities and challenges	Talent, culture, processes and systems delivered that increase value for growers
KPIs IN THE HORT INNOVATION STRATEGY 2019-2023	<p>OF THE KPIs SPECIFIC TO PILLAR 1</p>  <p>3 Completed 3 On-track</p>	<p>OF THE KPIs SPECIFIC TO PILLAR 2</p>  <p>4 Completed 2 On-track</p>	<p>OF THE KPIs SPECIFIC TO PILLAR 3</p>  <p>5 Completed 4 On-track</p>
KEY ACTIVITIES IN OUR 2021/22 ANNUAL OPERATING PLAN	<p>OF 15 KEY ACTIVITIES</p>  <p>9 Completed 6 On-track</p>	<p>OF 14 KEY ACTIVITIES</p>  <p>9 Completed 5 On-track</p>	<p>OF 15 KEY ACTIVITIES</p>  <p>7 Completed 8 On-track</p>

STRATEGIC PILLAR 1:

DRIVE KNOWLEDGE AND INNOVATION INTO HORTICULTURE INDUSTRIES

BROAD INITIATIVES ACROSS THE HORT INNOVATION STRATEGY 2019-2023

Create a larger capability in the business to drive extension, knowledge transfer, amplification of outcomes and face-to-face interactions with growers

Optimise investment in all communications and extension to ensure effectiveness and to support the delivery of outputs to growers

Build digital platforms to streamline content and increase availability of knowledge to growers

Increase engagement with growers and horticulture networks

EXAMPLES OF ACTIVITIES AND ACHIEVEMENTS IN 2021/22:

- Managed levy-funded programs in extension and communication – 30 industries had communication programs and 22 had at least one extension/industry development program in the year.
- Delivered the Hort Innovation *Stakeholder Engagement and Consultation Framework* in response to the *Best Practice Guide to Stakeholder Consultation*, produced by the Department of Agriculture, Fisheries and Forestry (DAFF). See p53.
- Implemented a grower-focused, case study approach to our communication outputs to highlight the on-ground impact of Hort Innovation investments. Grower-focused case studies appear in the majority of our Fund Annual Reports, as well as the new *Impact Update* publication and other communication channels.
- Regional Extension Managers consulted with industry to inform the development of their Regional Extension Strategies which will guide our extension efforts in each region (p45).
- Increased the amount of knowledge available on the Hort Innovation website and launched a new search function to help growers easily find the information they need.
- Maintained close relationships with horticulture’s commodity Peak Industry Bodies to help get information to their grower networks, and to engage with them as essential stakeholders in their own right. The latter included consultation and collaboration, regular email updates on company activities, regular meetings and more.
- Continued to prioritise investments that drive practice change and tangible benefits to the horticulture sector. An example is the cross-RDC investment *Designing the integration of extension into research projects* (HA21001) that you can read more about on p48.
- Development of HortIQ, a new online information hub which will serve as the ‘single source of truth’ for consumer insights in the horticulture sector. The platform will be launched in late 2022.

WHAT’S NEXT?

In 2022/23, we’ll conduct a Stakeholder Sentiment Survey to close out our current company strategy and begin developing our new one.

STRATEGIC PILLAR 2:

DELIVER THE HIGHEST VALUE R&D, MARKETING AND TRADE INVESTMENTS
ACROSS INDUSTRIES, FOR NOW AND INTO THE FUTURE

BROAD INITIATIVES ACROSS THE HORT INNOVATION STRATEGY 2019-2023

Drive innovation across industries to support change and adoption of practices, to improve productivity and competitiveness

Focus on the future of horticulture to understand and prepare for the challenges and opportunities ahead

Sharpen the focus on consumer insights and the understanding of markets, domestically and internationally

Drive investment in Hort Frontiers funds and deliver more multi-industry collaboration across traditional and non-traditional partnerships, to drive effective and efficient outcomes for growers and industry

EXAMPLES OF ACTIVITIES AND ACHIEVEMENTS IN 2021/22:

- Identified multi-industry opportunities to drive investment efficiencies and broaden potential impacts. For example, our investments in the National Fruit Fly Council and National Bee Pest Surveillance Program (see p25).
 - Realigned our Marketing function (p32) including a new collaborative approach with industry to co-design marketing strategies.
 - Built on our Consumer Insights Strategy through foundational programs that arm industry with data on consumer behaviours, attitudes and purchase intentions (see p42).
 - Undertook assessments to understand the impacts of our investments (p80) including a new program to evaluate Hort Frontiers investments over the past five years.
 - Delivered performance reports for the 2017-2021 Strategic Investment Plans and began an annual process to report on the 2022-2026 SIP progress. All investments align to Strategic Investment Plan outcomes, strategies and KPIs to support monitoring and evaluation activities.
 - Continued to drive partnerships and new investment opportunities through the Hort Frontiers strategic partnership initiative, with \$41.2m invested in 2021/22. Attracting investment into horticulture is key to ensuring innovation in industries and competitiveness in the global market.
- Supported the grow^{AG} platform and committed to partnering with AgriFutures Australia for another five years from June. As of June 30, the grow^{AG} platform features 291 Hort Innovation research projects, eight commercial opportunities and eight stories.
 - Continued our membership and funding of the National Horticulture Research Network and met quarterly with other members. The NHRN is a forum for senior horticultural researchers from Commonwealth and state agencies that ensures the collaboration and coordination of horticultural research for the benefit of Australian industries (p64).
 - Worked closely with industry, government and foreign entities in an open and constructive manner to support industry market access ambitions.
 - Invested in the Agricultural Innovation Australia project *A common approach to sector-level greenhouse gas accounting for Australian agriculture* (p67).

WHAT'S NEXT?

In 2022/23, we'll be piloting co-design approaches to enhance the impact our investments – including a new multi-partnership market access investment through the Hort Frontiers International Markets Fund.

STRATEGIC PILLAR 3:

ENABLE ACTIVITIES THAT DRIVE ALL STRATEGIC IMPERATIVES

BROAD INITIATIVES ACROSS THE HORT INNOVATION STRATEGY 2019-2023

Streamline processes and systems to be more flexible and more efficient

Create easy access to Hort Innovation’s staff and our knowledge

Increase collaboration and leadership, and enhance the relationships with influencer groups in horticulture

Develop and optimise an annual investment planning process for industries, and drive efficient updating and renewal of industry strategic investment plans across R&D, marketing and international trade

Strong financial management and transparency to ensure maximised investment of funds

Review investment planning approaches to incorporate clear commercialisation (where appropriate) and adoption strategies

EXAMPLES OF ACTIVITIES AND ACHIEVEMENTS IN 2021/22:

- Launched the 2022-2026 Strategic Investment Plans in November 2021 to guide levy-investment over the next five years.
- Embedded the annual investment planning process through developing industry-specific plans that prioritise projects to be invested in during the year (or relevant period), aligned to the broader goals and outcomes identified in the 2022-2026 Strategic Investment Plans.
- Launched the Delivery Partner Portal as a one-stop-shop for all the activities relating to project management, such as accessing report templates, submitting milestones and final reports, uploading project outputs, requesting variations and more. Establishing this portal has already improved the efficiency of project management across the business.
- Started the ‘Reset and Refresh: Roles, responsibilities and advice mechanism’ initiative. See p54 for more.
- Leveraged \$55.9m of Australian Government contributions in 2021/22 for the benefit of the horticulture sector.
- Monitored all our investments to identify potential disruptions due to COVID-19, or natural disasters such as flooding, and ensure continued delivery of outcomes to industry.

- Established an Intellectual Property Policy and Intellectual Property Management Plan to set out an overarching strategy for IP management within the business and the principles for the proper, effective and efficient use and management of IP.
- Embedded the use of the new investment management tool, HIVE, which improves project management and knowledge capture during the life of investments and reduces delays in the contracting process.
- Continued to support staff working from home throughout different stages of COVID-19 lockdowns.
- Continued managing corporate costs within budget and levy investments within financial and strategic investment plan constraints.

WHAT’S NEXT?

In 2022/23, we’ll enhance our investment lifecycle as part of our commitment to continuous improvement.



CONNECT WITH US

Reach out to us

Our Industry Strategic Partners (ISPs) and other team members are happy to have a chat about your industry and the work we are delivering. Find contact details at www.horticulture.com.au.

Become a member

Paying a levy doesn't automatically make you a member of Hort Innovation, but signing up is free and easy at www.horticulture.com.au/sign-up. Members can apply for voting entitlements to have their say on the leadership of the company, and the rules that govern it, at our Annual General Meetings. If you're not eligible for membership, there's the option to sign up just for our communications.

Share your feedback

Let us know how we're doing using the official feedback form on our website at edms.horticulture.com.au/forms/feedback.

A CLOSER LOOK AT MONEY IN AND MONEY OUT:

2021/22 levy receipts

LEVY RECEIPTS BY INDUSTRY 2021/22			
INDUSTRY	R&D (\$)	MARKETING (\$)	TOTAL (\$)
STATUTORY LEVY FUNDS			
Almond	2,184,253	–	2,184,253
Apple and pear	2,131,881	3,325,280	5,457,161
Avocado	3,942,004	6,055,994	9,997,998
Banana	2,023,612	4,309,543	6,333,155
Cherry	789,333	185,513	974,846
Chestnut	49,801	51,826	101,627
Citrus	2,567,302	378,019	2,945,321
Custard apple	61,257	29,439	90,696
Dried grape	136,143	46,010	182,153
Dried tree fruit	6,196	–	6,196
Lychee	90,498	41,131	131,629
Macadamia	1,467,334	2,741,193	4,208,527
Mango	526,498	701,996	1,228,494
Melon	727,398	–	727,398
Mushroom	1,366,037	3,693,358	5,059,395
Nursery	1,724,246	1,229,498	2,953,744
Olive	399,228	–	399,228
Onion	795,710	274,383	1,070,093
Papaya	167,417	167,134	334,551
Passionfruit	115,805	115,804	231,609
Persimmon	114,346	76,231	190,577
Pineapple	184,820	83,672	268,492
Potato – fresh	674,432	–	674,432
Potato – processing	444,227	–	444,227
Prune	23,792	–	23,792

Continued >>

LEVY RECEIPTS BY INDUSTRY 2021/22 (continued)

INDUSTRY	R&D (\$)	MARKETING (\$)	TOTAL (\$)
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STATUTORY LEVY FUNDS (continued)

Raspberry and blackberry	1,072,510	214,502	1,287,012
Strawberry	821,485	–	821,485
Summerfruit	499,674	408,824	908,498
Sweetpotato	454,099	936,285	1,390,384
Table grape	752,013	752,012	1,504,025
Turf	427,694	106,924	534,618
Vegetable	10,767,734	–	10,767,734
TOTAL STATUTORY LEVIES	37,508,779	25,924,571	63,433,350

COLLECTIVE INDUSTRY FUNDS (VOLUNTARY LEVIES)

Almond	667,226	–	667,226
Blueberry	137,500	–	137,500
Pistachio	87,775	–	87,775
Processing tomato	118,186	–	118,186
Pyrethrum	86,247	–	86,247
TOTAL VOLUNTARY LEVIES	1,096,934	–	1,096,934
TOTAL LEVY RECEIPTS	38,605,713	25,924,571	64,530,284

For more financial reporting, see the Financial Report on p109 and your industry's own fund annual report available from www.horticulture.com.au/annual-report-portal.

A CLOSER LOOK AT MONEY IN AND MONEY OUT:

2021/22 R&D and marketing expenditure

EXPENDITURE BY FUND 2021/22			
INDUSTRY/FUND	R&D (\$)	MARKETING (\$)	TOTAL (\$)
Almond	4,354,056	–	4,354,056
Apple and pear	3,296,432	2,795,158	6,091,590
Avocado	5,334,678	4,889,019	10,223,697
Banana	4,524,561	4,071,936	8,596,497
Blueberry	350,271	–	350,271
Chestnut	30,450	40,986	71,436
Citrus	4,422,116	281,336	4,703,452
Custard apple	67,353	4,846	72,199
Cherry	700,447	513,302	1,213,749
Dried grape	104,007	3,444	107,451
Dried tree fruit	2,766	–	2,766
Lychee	98,118	27,772	125,890
Macadamia	2,466,461	2,181,427	4,647,888
Mango	1,030,420	490,096	1,520,516
Melon	1,334,214	–	1,334,214
Mushroom	1,913,426	2,830,908	4,744,334
Nashi	17,203	–	17,203
Nursery	2,490,699	825,954	3,316,653
Olive	256,556	–	256,556
Onion	838,723	230,004	1,068,727
Papaya	232,877	157,188	390,065
Passionfruit	152,756	83,966	236,722
Persimmon	104,320	46,023	150,343
Pineapple	140,793	72,885	213,678
Pistachio	162,155	–	162,155
Potato – fresh	636,597	–	636,597

Continued >>

EXPENDITURE BY FUND 2021/22 (continued)

INDUSTRY/FUND	R&D (\$)	MARKETING (\$)	TOTAL (\$)
Potato – processing	508,514	–	508,514
Processing Tomato	481,556	–	481,556
Prune	21,774	–	21,774
Pyrethrum	276,502	–	276,502
Raspberry and blackberry	537,958	212,845	750,803
Strawberry	1,602,817	–	1,602,817
Summerfruit	639,150	224,867	864,017
Sweetpotato	1,056,558	967,423	2,023,981
Table grape	2,014,557	1,141,063	3,155,620
Turf	680,419	101,883	782,302
Vegetable	15,702,050	–	15,702,050
Grant funding	5,236,040	–	5,236,040
Centralised strategic reserve	389,738	96	389,834
Board Strategic Reserve Fund	1,511,057	–	1,511,057
Levy collection cost	770,896	491,171	1,262,067

HORT FRONTIERS FUNDS

Advanced Production Systems	13,829,997	–	13,829,997
Fruit Fly	5,558,617	–	5,558,617
Green Cities	1,404,725	–	1,404,725
Health, Nutrition and Food Safety	1,022,770	–	1,022,770
International Markets	3,321,892	–	3,321,892
Leadership	2,657,857	–	2,657,857
Pollination	8,795,188	–	8,795,188
R&D co-investment	162,877	–	162,877
TOTAL	103,245,964	22,685,598	125,931,562

The Hort Innovation Mango Fund is investing in a new program to build an innovative culture and capability in the Australian mango industry. Delivered by the Australian Mango Industry Association, the program supports the adoption of best management practices across the industry. Learn more at hortinn.com/mg21002.



SECTION

6

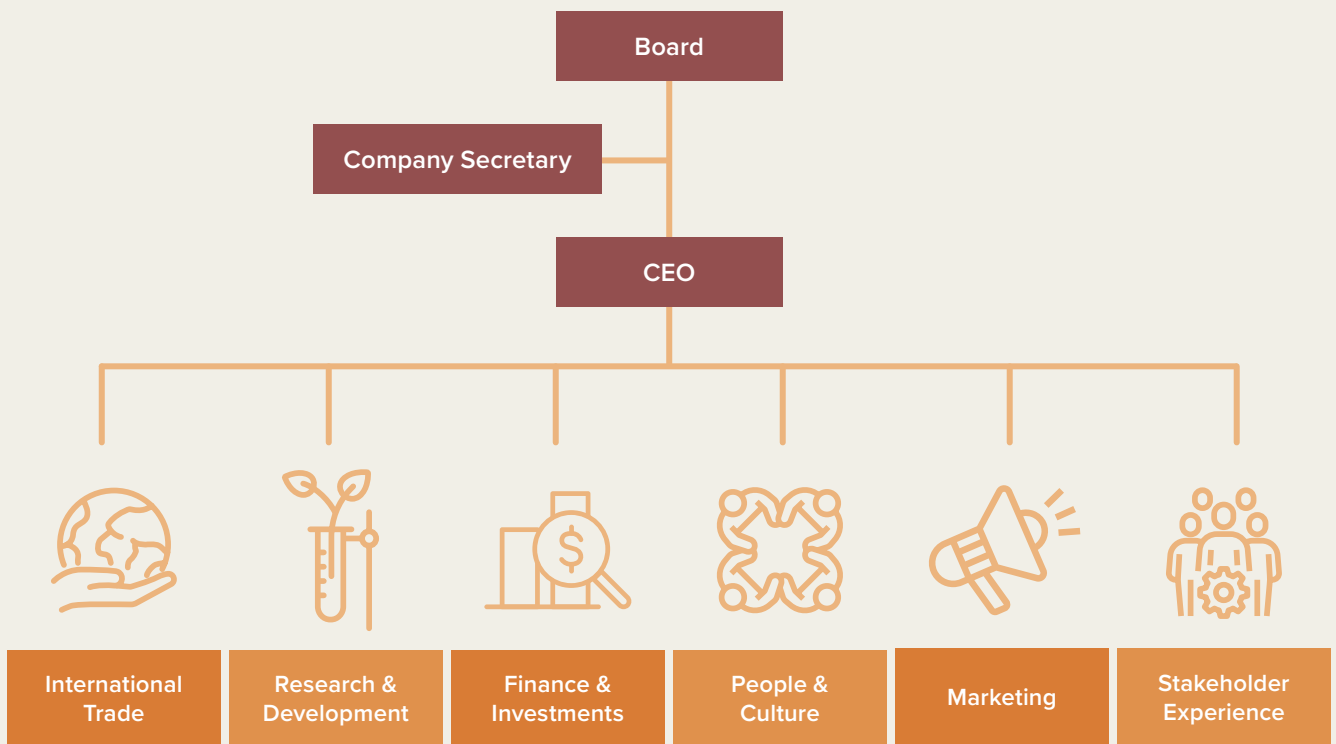
We govern our people and processes

This section provides information regarding the company's structure and teams, including the Board and its subcommittees, and our corporate governance.

Our organisational structure

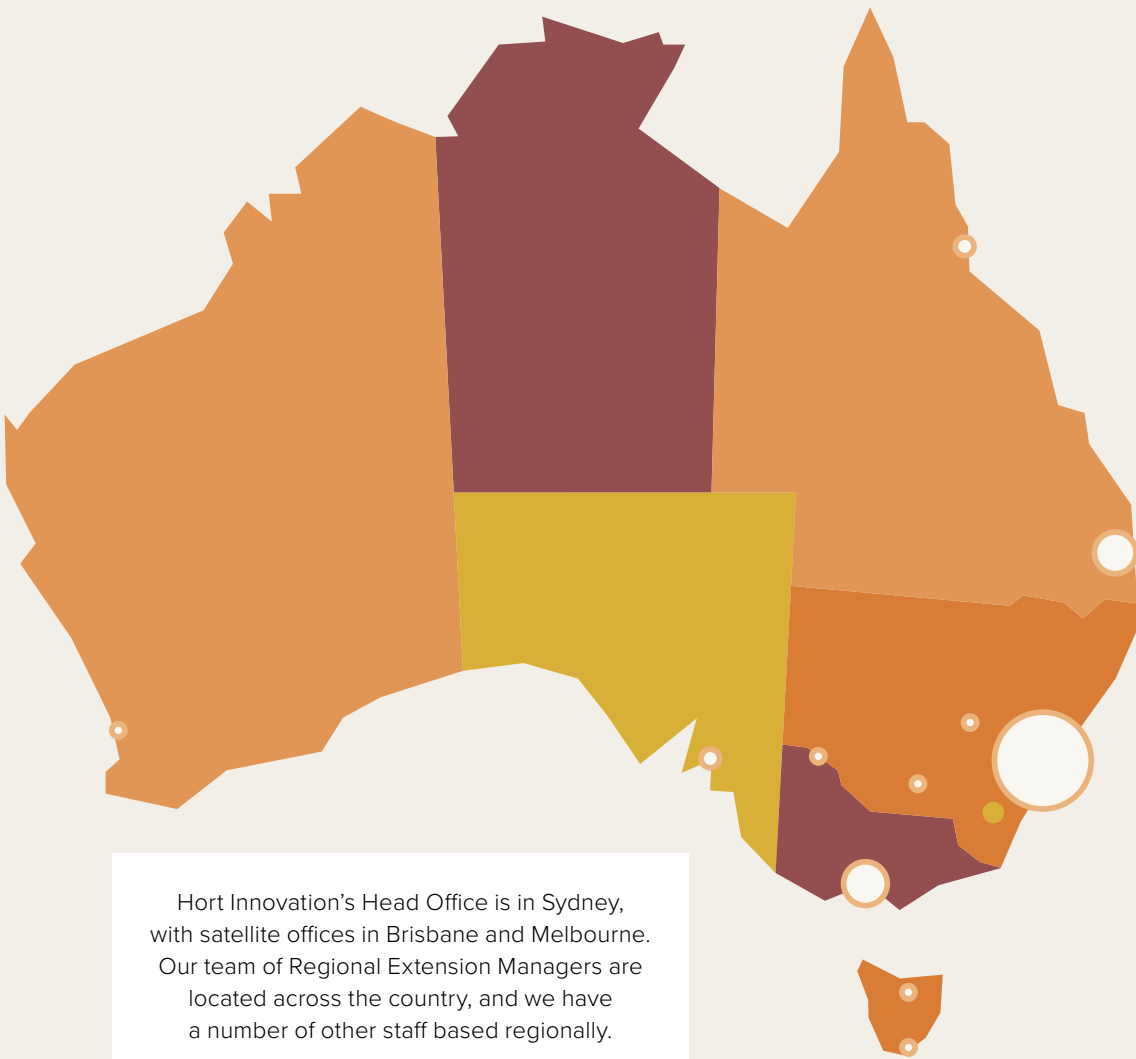
Hort Innovation's structure is set up to deliver on our company strategy. Here's how our employees were organised and located in 2021/22.

ORGANISATIONAL STRUCTURE



This chart represents Hort Innovation as at 30 June 2022.

LOCATIONS OF STAFF



A snapshot of our team

(AS AT 30 JUNE 2022)

HEADCOUNT



Number of full-time staff members

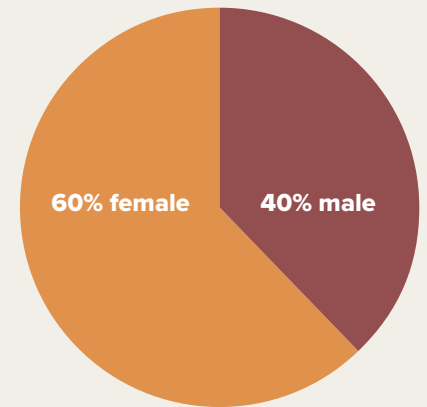


Number of permanent part-time staff members



Number of fixed term staff members

GENDER SPLIT



FTE

84

Our headcount translates to a full-time equivalent of 84 employees

GENERATIONS

Boomers (born 1945 to 1964)



Gen X (born 1965 to 1980)



Gen Y (born 1981 to 1994)



Gen Z (born 1995 to 2012)



Our people

Meet our Executive Team and hear about their proudest moments of 2021/22



BRETT FIFIELD
CHIEF EXECUTIVE
OFFICER

Meet Brett

Brett Fifield joined Hort Innovation as CEO in 2022. He believes Hort Innovation has a firm responsibility to deliver real impact for growers and those across the supply chain.

Before joining Hort Innovation, Brett was the Deputy Director-General, Infrastructure, Investment and Business Development, and a member of the Executive Leadership Team at the NSW Department of Primary Industries in Orange.

Brett has more than 20 years of experience in agriculture, including 10 years in senior executive roles working across agriculture, biosecurity, food safety, fisheries, policy and cabinet, business performance, communications and engagement. He also grew up on a mixed farm near Wagga Wagga NSW and spent the early part of his career as a country journalist.



SETH WREYFORD
CHIEF OPERATING
OFFICER

Meet Seth

Hort Innovation's Chief Operating Officer Seth Wreyford joined the company at the start of 2021. Seth's professional background spans the fast moving consumer goods (FMCG) sector in finance, commercial and operational roles working in companies including Nestlé, Kellogg's and BRITA Water Filters.

Before this, Seth was involved in his family-owned banana farm in South Africa, where he gained business management experience and a strong passion for agriculture and the land. In his role, Seth oversees the company's current and future operating needs using his strong commercial, financial, and strategic skills and his passion for delivering process improvements and cost-saving initiatives. He helps drive the company's focus, goals and critical activities toward the outcomes set in our 2019-2023 Strategy.

Seth is a graduate of the Australian Institute of Company Directors, a certified public accountant (CPA) member and holds a Bachelor of Accounting Science.



DR ALISON ANDERSON
GENERAL MANAGER OF
RESEARCH & DEVELOPMENT

Meet Alison

Alison Anderson looks after Hort Innovation's Research & Development team. She joined the company (then Horticulture Australia Limited) in 2012 as the R&D Manager for Industry Development, going on to become Data & Insights Lead and later, Fund Manager.

Alison's team is responsible for enabling world-class R&D projects and programs. She is passionate about delivering investments to help grow and future-proof the Australian horticulture sector.

Alison is backed by more than 25 years of experience working across agriculture and horticulture. Before joining Hort Innovation, she worked as an industry consultant in soil management, research, policy and the environment. She also held roles at NSW Farmers as Vegetable Industry Development Officer and Policy Manager for Horticulture, Agricultural Chemicals and Bees, and was a member of the NSW Primary Industries Ministerial Advisory Council.

Alison holds a Bachelor of Science in Agriculture and a PhD in Soil Science.



DR ANTHONY KACHENKO
GENERAL MANAGER
OF STAKEHOLDER
EXPERIENCE

Meet Anthony

Anthony Kachenko started with the company in 2014 as the Head of Research & Development before becoming General Manager of Data & Extension in 2019 and then General Manager of Stakeholder Experience in 2021. Anthony has lived and breathed Australian horticulture for more than 20 years, having extensive experience along the agribusiness value chain.

Anthony's Hort Innovation team includes the Industry Strategic Partnership, Extension, Communication and Data & Insights functions. Together these teams work collaboratively with industry to communicate and extend the outcomes of investments, share valuable data and insights, and set investment priorities.

He holds a PhD in Agricultural Science, a Masters in Agribusiness, an Honours Degree in Horticultural Science and a Diploma of Quality Auditing.

Anthony is a member and graduate of the Australian Institute of Company Directors and is the President of the Australasia-Pacific Extension Network.



**KYLIE HUDSON
AND JANE SMITH**
JOINT GENERAL MANAGERS
OF MARKETING

Meet Kylie and Jane

Kylie Hudson and Jane Smith joined Hort Innovation in a job-share role as General Manager of Marketing in 2021. They collectively have more than 50 years of experience developing and leading world-class brand portfolios with significant multinationals like Diageo, Lion Beer, The a2 Milk Company, Sara Lee and Procter & Gamble. They have worked in Australia, Asia and the USA in local and global roles.

Jane and Kylie have job-shared the Global Brand Growth Director role at The a2 Milk Company. Before that, they were at Lion Beer Australia, where they jointly held the position of Strategy & Planning Director, with oversight of the marketing strategy, innovation, insights and marketing capability functions. Before embarking on the job-share model in permanent roles, Jane and Kylie ran their own strategic marketing consultancy.

**Meet the Hort Innovation
Board from p112**

Key team developments during 2021/22

CHANGES TO THE EXECUTIVE

During 2021/22, the Hort Innovation Executive Team went through several significant changes, including:

- In August 2021, Hort Innovation's frontline stakeholder engagement teams were brought under one General Manager for Stakeholder Experience. Anthony Kachenko now leads the Industry Strategic Partnerships, Communications, Extension and Data & Insights teams under one function.
- After serving as our Chief Executive Officer for three years, Matt Brand announced his resignation from Hort Innovation in November 2021. Matt remained in the CEO role for six months while the Board underwent an extensive recruitment process.
- In April 2022, we welcomed Brett Fifield into the Chief Executive Officer role. Brett has more than 20 years of experience in agriculture, including 10 years in senior executive roles working across agriculture, biosecurity, food safety, fisheries, policy and cabinet, business performance, communications and engagement.
- In June 2022, Company Secretary Matthew Waring resigned, and Brooke Reardon was appointed to the role. Brooke brings a wealth of experience in guiding clients toward successful legal operations through quality advice, support, coaching and training.
- In March 2022, General Manager of People & Culture Lisa Street resigned.

TRAINING AND DEVELOPMENT

In 2021/22, People & Culture facilitated a number of training and development opportunities for Hort Innovation's employees based on identified needs:

1. **Situational leadership training** was completed by all Managers so they could gain a greater understanding of different styles of leadership that can be used in different situations on a spectrum from supportive to directive.
2. **A change leadership program** was undertaken by identified leaders within the business to build capability around leading change successfully. To complement this training, all teams participated in a change agility workshop so that individuals could understand their role in supporting and driving change, and to learn about the mindset and skills required to be part of a successful transition.

EMPLOYEE RECOGNITION

People & Culture ran focus groups in 2021/22 to understand how Hort Innovation staff would like to be recognised internally for their efforts and achievements. As a result, staff awards are now presented at each quarterly Staff Forum and an End of Year CEO Award based on a selection of criteria being met.

OTHER PEOPLE & CULTURE ACTIVITIES

In 2021/22, People & Culture also worked to:

- Introduce talent reviews and succession planning, resulting in accelerated development groups and plans.
- Benchmark remuneration to understand market relativity and competitiveness. These insights inform the remuneration budget and People & Performance Committee discussions.
- Enhance Board reporting.
- Improve staff growth plans by linking individual goals to functional strategies.
- Provide online development courses for core themes that emerged through growth plans.
- Embed 360 feedback collected throughout the year into development conversations with Managers.

Our values

Hort Innovation's values represent the principles we share and aspire to as a collective of people passionate about delivering outcomes for the Australian horticulture sector. Our values shape how we lead our organisation and create clear expectations about behaviour.



Growth

"We're for growers"



Collaboration

"We're for achieving together"



Innovation

"We're for innovators"



Courage

"We're for the brave"

OUR EMPLOYEE ASSISTANCE PROGRAM

Hort Innovation partners with Converge International to provide our employees with an Employee Assistance Program (EAP) to help them deal with any challenges, concerns or issues affecting them at work or home.

Converge International offers a confidential, personal coaching and counselling service that provides support for various short-term, personal or work issues. This service provides access to qualified professionals, including psychologists, social workers and management coaches.

Our corporate governance

Hort Innovation's corporate governance practices and structures help guide our people and performance throughout the year.

During 2021/22, Hort Innovation was committed to implementing corporate governance measures to enhance our performance and bolster the quality and consistency of the outcomes we deliver for Australian horticulture – while ensuring compliance with all relevant legislation, regulations and guidelines.

OUR CORPORATE REGULATORY AND GOVERNANCE LANDSCAPE

OVERARCHING LANDSCAPE

Corporations Act 2001	Privacy Act 1988
The Charities and Not-for-profits Commission Act 2012	Fair Work Act 2009
ASX Corporate Governance Principles and Recommendations 4th edition	Modern Slavery Act 2018
Workplace Health & Safety Acts	The Australian Accounting Standards (AASB)
	Do Not Call Register Act 2006

RDC-SPECIFIC LANDSCAPE

The Horticulture Marketing and Research and Development Services Act 2000	Australian Government's Rural Research, Development and Extension Priorities	National Agricultural Innovation Policy Statement
The Horticulture Marketing and Research and Development Services Regulations 2001	National Primary Industries Research Development and Extension Framework	RDC Knowledge Transfer and Commercialisation Guide
Deed of Agreement	Levy Principles and Guidelines	Primary Industries and Energy Research & Development Act 1989
Australian Government's Science and Research Priorities	Guidelines for Statutory Funding Agreements	Remuneration and Allowances for Holders of Part-Time Public Office (Determination 2021)

HORT INNOVATION LANDSCAPE

Constitution	Code of Conduct and Business Ethics	Ministerial Decree
Board Charter	Delegations of Authority (Financial and Non-Financial)	Risk Management Plan
Charter of the Committees of the Board	Board Effectiveness Review Framework	Fraud Control Plan
Director Nomination Committee Charter	Conflicts of Interest Declaration Procedure and Form	Intellectual Property Policy and Intellectual Property Management Plan
Committee Compensation Guidelines		Stakeholder consultation and engagement framework
Corporate Policies such as Whistleblower Policy, Conflict of Interest Policy, IT Policies		
HR Policies such as Bullying, Harassment and Discrimination Policy, Health and Safety Policy, Procurement Manual, Privacy Policy and Privacy Manual and COVID-19 Safety Plan		

OUR AGREEMENT WITH THE GOVERNMENT

In our agreement with the Australian Government, Hort Innovation reports against five key performance areas under a principles-based approach.

On June 24, 2020, Hort Innovation signed a Deed of Agreement with the Department of Agriculture, Fisheries and Forestry. This document is the funding agreement that allows for levies and government contributions to be transferred from the Government to Hort Innovation and governs how Hort Innovation subsequently invests those funds.

The agreement is for 10 years, covering 2020 to 2030. It differs from the initial agreement between Hort Innovation and the Government in that it takes a 'principles-based approach' to operations instead of a 'compliance approach'. The new approach means we have more time to focus on working with and for the horticulture sector.

Our governing environment includes the:

1. Deed of Agreement
2. Australian Government's Science and Research Priorities
3. Australian Government's Rural Research, Development and Extension Priorities
4. National Primary Industries Research Development and Extension Framework
5. Levy Principles and Guidelines, being the guideline relating to the introduction of new levies or changes to existing levies
6. Guidelines for Statutory Funding Agreements
7. National Agricultural Innovation Policy Statement
8. RDC Knowledge Transfer and Commercialisation Guide.

OUR CONSTITUTION

Hort Innovation is guided by a Constitution. This document outlines our broad priorities as Australian horticulture's RDC, which are to:

- Provide leadership to, and to promote the development of, the Australian horticulture sector
- Increase the productivity, farmgate profitability and global competitiveness of the horticulture industries by:
 - The strategic allocation and investment of levies, Australian Government contributions, producer contributions (also known as 'voluntary levies') and monies received from investors in research, development, extension and marketing funds, programs and services
 - Providing information, services and products related to research, development, extension and marketing activities or outcomes
- Support capacity building by maintaining a diverse range of research, development, extension and marketing services providers
- Promote and further the interests of Australian horticulture industries overseas in relation to export, sale, distribution and consumption in countries other than Australia
- Be accountable to levy payers, producer contribution payers, investors and the Australian Government for the company's use of levies, producer contributions and payments from investors
- Engage in any other activities for the benefit of members, levy payers, producer contribution payers, Australian horticulture industries, co-investors and the general Australian community
- To do any activities that are incidental, convenient or conducive to the attainment of all or any of the above. Our full Constitution document can be found online at www.horticulture.com.au/governing-documents.

OTHER LEGISLATION AND GOVERNANCE PRINCIPLES

We also operated within the requirements of other legislation and governance principles relevant to Hort Innovation as both a research and development corporation and a corporate entity, such as:

- The Horticulture Marketing and Research and Development Services Act 2000
- The Horticulture Marketing and Research and Development Services Regulations 2001
- The Corporations Act 2001
- The Charities and Not-for-profits Commission Act 2012
- ASX Corporate Governance Principles and Recommendations 4th Edition
- Our Code of Conduct and Business Ethics.

Hort Innovation is an organisation subject to the reporting requirements under the Modern Slavery Act 2018 (Cth). Under the legislation, Hort Innovation is required to disclose in a modern slavery statement and the steps we have taken to mitigate the risk of modern slavery in our operations. Hort Innovation submits its Modern Slavery Statement on annual basis in accordance with the Modern Slavery Act 2018 (Cth).

Our Board and subcommittees



BOARD OF DIRECTORS

Our Board of Directors are responsible for governing Hort Innovation and ensuring that we act on behalf of our members and other key stakeholders such as Government. One way they do this is by applying the key learnings from education, training and professional development offerings to continuously enhance their stewardship.

In 2021/22, the Board undertook:

- An externally facilitated strategy day in April.
- A governance session delivered by Geoff Farnsworth, Holding Redlich in March.
- Board skills assessment to support the annual Director Nomination Committee process.

The Board also embedded the recommendations received from a Board evaluation undertaken in June 2020 by Directors Australia. The implementation plan was reviewed by the Risk & Audit Committee in February 2021 and

subsequently by the Board in March 2021, with required actions either closed out or embedded into process.

The following decisions and outcomes are highlights from 2021/22:

- Recruitment and appointment of Brett Fifield as Chief Executive Officer and Brooke Reardon as Company Secretary.
- Reset of stakeholder engagement, guided by the recently developed Stakeholder Engagement Guidelines.
- Commencement of the Reset and Refresh initiative in July 2021, followed by the circulation of the Sefton's Report in November 2021 and workshop sessions Brisbane and Sydney in June 2022 (p54).
- Reset to Hort Innovation's approach to marketing (p32).

Read profiles of our Board members in the Director's report on p112.

AUDIT & RISK COMMITTEE



The Audit & Risk Committee (ARC) acts with the authority of the Board to provide an administrative overview of the Risk Management Plan within the business. The ARC ensures management's assumptions, assertions and reporting are sufficiently challenged and verified including by way of:

- Regular review of the Audit and Risk Charter and the Risk Management Plan to ensure all key categories of risk are being adequately addressed.
- Communicating with management on the extent and format of risk information to be provided to the ARC and the Board.
- Ensuring the ARC and the Board processes allow access to management for the purposes of verifying key assumptions and assertions.

INVESTMENT COMMITTEE



The Investment Committee's role is to review certain investments before they are tendered or contracted, depending on Hort Innovation's Delegations of Authority (DoA). Our DoA outlines under which circumstances the Investment Committee is required to be involved in the procurement process.

In 2021/22, the Investment Committee considered more than 50 projects for investment.

PEOPLE & PERFORMANCE COMMITTEE



The People & Performance Committee (PPC) is responsible for providing strategic advice, assistance and a platform for management and Director interaction regarding Hort Innovation's people.

This year the PPC:

- Approved an updated grievance and disputes procedure and the bullying and harassment policy.
- Expanded the scope of Stopline (Hort Innovation's independent and confidential whistleblower service).
- Approved a COVID-19 policy.
- Updated our Workplace Health & Safety policy.
- Engaged in an external review of human resources policies.



Hort Innovation has standard operating procedures in place for farm visits, such as this trip to Mildura to learn more about the citrus supply chain.

OUR APPROACH TO WORK HEALTH & SAFETY

At Hort Innovation, the health and safety of our employees, contractors and visitors is a key priority. We have a Work Health and Safety (WHS) Management System in place to ensure we regularly assess and continuously improve our safe work systems by reducing risk to ensure everyone can return home from work safely. This approach enables Hort Innovation to lead its workers to implement Hort Innovation's WHS Policy.

We have a WHS Employee Handbook for our employees with an overview of the WHS Management System. The Handbook provides directions to related documentation and critical information regarding employee responsibilities regarding our WHS practices.

We've also developed a raft of Standard Operating Procedures to help keep our employees safe including:

- Customer site and farm visits
- Event management (both attending and hosting)
- Facilities management
- Manual handling and ergonomics
- Mental health and wellbeing
- Office safety
- Providing first aid
- Safe driving
- Safe travel
- Working alone.

OUR POLICIES

Hort Innovation has developed a range of policies and procedures.

Hort Innovation's employees have access to an online portal, known as 'Hort Hub' that houses key human resources information, as well as online learning modules. When new employees begin at Hort Innovation they are required to complete the full suite of onboarding modules, and current employees must undertake a refresher annually.

Hort Innovation policies include, but are not limited to:

- WHS Awareness
- Confidentiality
- Code of Conduct
- Privacy awareness
- Information disclosures for corporate whistleblowers
- Fraud and corruption awareness
- Modern slavery
- Flexible working
- Discrimination and equal employment opportunity
- Workplace bullying and occupational violence
- Misconduct and serious misconduct
- Complaints and grievances
- Bullying, harassment and discrimination
- Termination of employment and redundancy
- Substance abuse
- Phishing foundations.

Our risk management

Hort Innovation has an overarching Risk Management Plan that is reviewed annually and provided to the Audit and Risk Committee at each meeting. The Risk Management Plan outlines Hort Innovation’s approach to risk governance, risk appetite, risk assessment and risk reporting, and applies to all Hort Innovation staff.

A more formal approach to risk and opportunity management enhances decision-making and support the quality of Hort Innovation operations and services.

The purpose of our Risk Management Plan is to:

1. Establish an appropriate and consistent approach to managing the balance of risk and opportunity at Hort Innovation
2. Provide a process to consult and communicate risk issues
3. Ensure a greater consistency of informed management decision making
4. Ensure better alignment of management and operational resources.

BUSINESS CONTINUITY

Hort Innovation’s Business Continuity Plan is managed through the Recovery Management Team to respond to matters such as major technology disruption, significant office service issues, international travel issues and pandemics. Training and third-party testing is conducted annually.



Every Hort Innovation investment undergoes a risk assessment process to ensure each project is equipped to manage any potential disruptions.



The Hort Innovation Apple & Pear Fund invests in an industry communications program, delivered by APAL, to ensure growers are kept up to date with the latest R&D information and other news. Find out more at hortinn.com/ap21000.

Financial report

For the year ended 30 June 2022

Horticulture Innovation Australia Limited
(A company limited by guarantee)
ACN 602 100 149

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Directors' report

The Directors of Horticulture Innovation Australia Limited (the Company) present their report for the year ended 30 June 2022.

The Directors of Horticulture Innovation Australia Limited (the Company) present their report for the year ended 30 June 2022.

The Directors of the Company who held office during the year 1 July 2021 to 30 June 2022 are set out below. Directors were in office for the entire period unless otherwise stated.

Directors Lynch and Finger retired at the AGM on 26 November 2021, with Directors Mullins and Oates elected to the vacancies created. Director Bird retired and was re-elected at the AGM 2021.

Directors Harker, Clark and Vydra joined the Board on 22 November 2019 and Directors Kelly, Nixon and Taylor on 27 November 2020.

DIRECTORS	BOARD	SUB COMMITTEES	
Julie Bird (Chair)	Re-elected 26 November 2021	RAC/PPC (Chair): RAC/PPC:	Full Year Full Year
Paul Harker (Deputy Chair)	Re-elected 22 November 2019	ARC (Chair): RAC/PPC: ARC	Full Year Full Year Full Year
Prof Robert Clark AM	Re-Appointed 22 November 2019	IC:	Full Year
Anthony Kelly	Elected 27 November 2020	ARC:	Full Year
Michael Nixon	Elected 27 November 2020	IC:	Full Year
Victoria Taylor	Elected 27 November 2020	IC (Chair): IC: ARC: PPC:	Nov 2021 – June 2022 Full Year July 2021 – Nov 2021 Nov 2021 – June 2022
Jan Vydra	Appointed 22 November 2019	IC: ARC: RAC/PPC:	July 2021 – Nov 2021 Nov 2021 – June 2022 Nov 2021 – June 2022
Catherine Oates	Elected 26 November 2021	IC:	Nov 2021 – June 2022
Robert Mullins	Elected 26 November 2021	IC (Chair): IC:	June 2022 Nov 2021 – June 2022
Susan Finger	Retired 26 November 2021	IC:	July 2021 – Nov 2021
Stephen Lynch	Retired 26 November 2021	IC (Chair): RAC/PPC: IC: ARC:	July 2021 – Nov 2021 July 2021 – Nov 2021 July 2021 – Nov 2021 July 2021 – Nov 2021

RAC/PAC = Remuneration and Appointments Committee (RAC); renamed in 2021 – People and Performance Committee (PPC)

ARC = Audit and Risk Committee

IC = Investment Committee

BROOKE REARDON

COMPANY SECRETARY

Brooke joined Hort Innovation in June 2022 as Company Secretary. Previously, Brooke was the Principal Practitioner in her own legal firm.

DIRECTORS' MEETING ATTENDANCE: 1 JULY 2021 – 30 JUNE 2022

DIRECTORS	THE BOARD OF DIRECTORS		AUDIT AND RISK COMMITTEE		RAC/PPC*		INVESTMENT COMMITTEE	
	A	B	A	B	A	B	A	B
Julie Bird (Chair)	11	11			4	4		
Paul Harker (Deputy Chair)	10	11	3	3	4	4		
Prof Robert Clark AM	11	11					11	11
Anthony Kelly	10	11	1	3				
Michael Nixon	11	11					11	11
Victoria Taylor	11	11	1	1	2	2	6	6
Jan Vydra	9	11	2	2	2	2	5	5
Catherine Oates	5	5					5	6
Robert Mullins	5	5					6	6
Susan Finger	6	6					5	5
Stephen Lynch	6	6	1	1	2	2	5	5

A = number of meetings attended

B = number of meetings eligible to attend

* **RAC/PPC** = Remuneration and Appointments Committee (RAC); renamed in 2021 – People and Performance Committee (PPC)

DIRECTOR BIOS



JULIE BIRD CHAIR

Julie was elected as a Director of Hort Innovation in 2018 and is the current Chair, being appointed to this position in November 2020.

Julie is an experienced non-executive director in the agribusiness sector and has a broad background in the Australian horticulture industry. Her experience spans a variety of roles across a range of horticulture commodities including nuts, summerfruit, apples & pears and citrus.

Julie owns a retail floristry business Say It With Flowers and is a Non-Executive Director of United Almonds Limited.

Previously Julie was Non-Executive Director and Deputy Chair of Plant Health Australia, CEO of the Almond Board of Australia and Non-Executive Director of the Australian Nut Industry Council.

Julie has also served as Independent Chair of the Apple and Pear Industry Advisory Committee and the South Australian Apiary Industry Advisory Group.

Julie has a Bachelor of Teaching degree, MBA (Executive) qualification and a graduate of the Australian Institute of Company Directors.



PAUL HARKER DEPUTY CHAIR

Paul was elected as a Director of Hort Innovation in 2016. He was re-elected in 2019 and is the current Deputy Chair, being appointed to this position in November 2020.

Paul has nearly 30 years of retail experience spanning store operations, supply chain, and buying and marketing – including four years heading up the fresh produce buying team of one of Australia's largest retailers.

Through his professional background, Paul has an extensive understanding of retail, including strategy, operations, logistics, technology and consumer marketing, coupled with an extensive knowledge of the produce supply and value chain.

Paul is currently the Chief Commercial Officer at Woolworths and Director and owner of Highland Farms, a small horticultural operation in the central tablelands of New South Wales. He is also a former Non-Executive Director of PMA A-NZ.



PROFESSOR ROBERT CLARK AM

Professor Clark was appointed as a Director of Hort Innovation at its registration. He was re-appointed in 2016 and in 2019.

Professor Clark is an Emeritus Professor at the University of Tasmania and is also the proprietor and Managing Partner of Lanoma Estate, 500 hectares of intensive agricultural properties in the Derwent Valley, Tasmania.

Professor Clark's previous appointments include Non-Executive Director of the Geoffrey Gardiner Dairy Foundation; Deputy Chair of Rural Industries Research and Development Corporation; member of the National Research and Development Council; member of the Queensland Alliance for Agriculture and Food Innovation Advisory Board; Chair and Head of School, Agricultural Science and Director of the Tasmanian Institute of Agriculture Research at the University of Tasmania; and Non-Executive Director of Webster Ltd.

Professor Clark holds a Bachelor of Agricultural Science with First Class Honours and a Doctor of Philosophy (Horticultural Science).



ANTHONY KELLY

Anthony was elected as a Director of Hort Innovation in November 2020. He has more than 30 years' experience with the horticulture sector, working across exporting, importing, wholesaling, transportation, distribution and logistics.

Anthony has previously held the positions of Board member and President of Brismark (The Queensland Chamber of Fruit and Vegetable Industries Cooperative), and he is currently the Chair of Brisbane Markets Limited. His experience on company boards and committees is extensive, and also includes the sporting arena. He was previously on the Board and later Chair of the Brisbane Lions

Football Club. He is also the co-owner of IT business Veracity Technology, which specialises in cloud-based platforms and services.

Anthony has a Bachelor of Laws Degree and is a member of the Australian Institute of Company Directors.



MICHAEL NIXON

Michael was elected as a Director of Hort Innovation in November 2020. He is passionate about Australian horticulture and grew up in agriculture, with his family farming sheep, cattle and wheat.

Michael previously owned and grew a broad range of horticultural crops suited to the climate as part of his Carnarvon-based business, River Lodge. He's been involved in several industry organisations and committees at a national level and is a former board member of both AUSVEG and the Australian Banana Growers' Association.

Michael is the previous Chair of the Gascoyne Food Council and part of the team that created its 'Better Practice' arm. He was heavily involved in community organisations in marketing and promoting the wellbeing of the horticultural industry in his region. Realising the importance of the role he has since retired his work in community organisations to focus on his directorship at Hort Innovation.



VICTORIA TAYLOR

Victoria was elected as a Director of Hort Innovation in November 2020. She has more than 20 years' experience in agricultural policy, governance and communications.

Victoria is an experienced Board member, being the current Chair of the Centre for Entrepreneurial Agri-Technology at the Australian National University (a partnership with CSIRO); Deputy Chair of the Rice Marketing Board for the State of NSW; and a Non-Executive Director of WaterNSW and Rocket Seeder Ltd. Previously she was Executive Officer of the National Horticulture Research Network.

Victoria runs her own business, Flourish Communications, providing strategic policy and communications advice to plant industry and government clients.

Victoria holds a Graduate Certificate in Water Policy and Governance from Charles Sturt University and is a graduate of the Australian Institute of Company Directors.

DIRECTOR BIOS *(continued)*



JAN VYDRA

Jan was appointed to the Board in 2019. He is a passionate agribusiness leader and as a first-generation farmer, co-founded Fresh Leaf Limited in 2008. He holds the position of Chief Executive Officer at Fresh Leaf Limited, which is a cultivator, marketer and innovator of fresh leaf greens for consumers and chefs along the east coast of Australia.

Jan is a member of the Australian Institute of Company Directors, currently completing his GAICD. He studied entrepreneurship at RMIT and undertook his Executive MBA through the Australian Graduate School of Management. He is a previous Nuffield Scholar and a member of the Coles Supermarkets Agronomy Group.

Jan received the Australian Young Farmer of the Year Award in 2011 and the 2016 Rabobank Emerging Leader of the Year Award.



BOB MULLINS

Bob was raised on a farm and has enjoyed an international career in businesses that create value through plant-based technology in agriculture, particularly in high-value horticulture. He has held senior technical and commercial leadership positions and is motivated by the challenge of leveraging R&D to deliver practical, profitable, and sustained change in agriculture.

After early roles as a plant breeder and R&D manager in sugar cane, he joined a plant biotech and robotics start-up before moving to Asia to join Syngenta Seeds. He led vegetable seeds businesses across APAC and the Americas contributing to extended periods of profitable growth, business development, and commercialisation of new technologies. He was based for periods in Malaysia, Korea, Singapore, and the United States.

Bob is an experienced director in commercial and not-for-profit businesses. He is a non-executive director of Future Food Systems Ltd and Chair of their Research and Commercialisation Committee. Bob is also a non-executive director New Edge Microbials Group Pty Ltd and Chair of their Science Advisory Boards.

Bob is a Graduate of the Australian Institute of Company Directors and has degrees in Agricultural Science, Technology Management and Plant Breeding.



CATH OATES

Cath is an experienced Non-Executive Director with 20 years of international senior management experience in the wine sector. She has a strong understanding of agribusiness, effective stakeholder engagement, RD&A, global marketing and market access, and sustainability.

She currently serves as a Non-Executive Director of Wine Australia, and is Deputy Chair. She was appointed Acting Chair by the Minister during a transition period in 2020. She chairs the Australian Grape and Wine National Sustainability Advisory Committee, which provides expert advice for emerging sustainability issues and also sits on their Small Winemaker Committee.

Cath has previously served as President of both the Great Southern Wine Producers Association and Margaret River Wine Association and as Vice President of Wines of Western Australia. She served on the Advisory Board of Sustainable Winegrowing New Zealand.

She has most recently held Senior Management roles with Mud House Wine Group (NZ) and Plantagenet Wines (WA). She currently runs her fine wine brand Oates Ends from the inter-generational family farming property in Margaret River and a winemaking consultancy business.

She holds a Bachelor of Business in Horticulture from Curtin University and a Post Graduate Diploma in Oenology from the University of Adelaide. She is a graduate of the Australian Institute of Company Directors.

MEMBERS

As at 30 June 2022, Hort Innovation was owned by 2,220 members, 89.1 per cent being Australian horticultural growers, with the remaining 10.9 per cent carrying on another form of enterprise in the Australian horticulture industry supply chain.

WINDING UP

In the event that the Company is wound up, each member has undertaken to contribute an amount not exceeding \$2.00.

CORPORATE GOVERNANCE

Hort Innovation adopts best corporate governance practice drawing upon the ASX Corporate Governance Principles and Recommendations, as appropriate for its governance structure as a non-listed, not-for-profit corporation.

The Company has in place the following governance documents and practices in respect of the Directors, the Board and its operations:

- Constitution
- Board Charter
- Charter of the Committees of the Board
- Director Nomination Committee Charter
- Committee Compensation Guidelines
- Code of Conduct and Business Ethics
- Delegations of Authority (Financial and Non-Financial)
- Board Effectiveness Review Framework
- Conflicts of Interest Declaration Procedure and Form
- Risk Management Plan
- Fraud Control Plan

- Intellectual Property Policy and Intellectual Property Management Plan
- Corporate Policies such as Whistleblower Policy, Conflict of Interest Policy, IT Policies
- HR Policies such as Bullying, Harassment and Discrimination Policy, Health and Safety Policy
- Procurement Manual
- Privacy Policy and Privacy Manual
- COVID-19 Safety Plan.

A LENS ON GOVERNANCE IN DAY-TO-DAY OPERATIONS

Risk management

A Risk Management process exists within Hort Innovation addressing Strategic, Emerging, Operational, Risks with update reports provided to the Audit and Risk Committee at each of the Committee meetings.

Business continuity

Hort Innovation's Business Continuity Framework has been developed and is managed through the Recovery Management Team to respond to matters such as major technology disruption, major office service issues, international travel issues, and pandemics.

Modern Slavery

Hort Innovation is an organisation subject to the reporting requirements under the Modern Slavery Act 2018 (Cth). Under the legislation Hort Innovation required to disclose in a modern slavery statement the steps it has taken to mitigate the risk of modern slavery in its operations and supply chains are free from modern slavery. Hort Innovation submits its Modern Slavery Statement on annual basis in accordance with the Modern Slavery Act 2018 (Cth).

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities of the Company during the period were investment in R&D and marketing programs for the Australian horticulture industry. These activities are expected to continue into the future.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Company during the year.

OBJECTIVES AND PERFORMANCE GOALS

The Company's primary objective is to drive a prosperous and healthy Australia, by providing the best knowledge and solutions to create a world-class horticulture sector.

The Hort Innovation Strategy 2019-2023 sets out the strategic purpose and operations of the Company. Under the strategy, the Company is committed to three pillars of strategic intent:

- Drive knowledge and innovation into horticulture industries
- Deliver the highest value R&D, marketing and trade investments across industries, for now and into the future
- Enable activities that drive all strategic imperatives.

ENVIRONMENTAL REGULATION

The Company is not subject to any particular or significant environmental regulations under the law of the Commonwealth or of a state or territory.

INSURANCE OF OFFICERS

During the period, the Company incurred an insurance premium in respect of a contract insuring Horticulture Innovation Australia Limited Directors and Officers against liabilities arising as a result of work performed in their capacity as Directors and Officers of the Company. Details of the nature of liabilities covered, or the amount of premium paid in respect of the insurance contract, are not detailed here, as the disclosure of the details is prohibited under the terms of the contract.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, Hort Innovation has agreed to indemnify its auditors, Ernst & Young Australia (EY), as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify EY during or since the financial year 2021/22.

REVIEW OF OPERATING RESULTS

The operating surplus for the year ended 30 June 2022 was \$8,577,606 (period ended 30 June 2021 deficit: \$1,827,979).

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

There have been no material events that occurred subsequent to the balance sheet date.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The Directors received an Independence Declaration from the auditors, EY. This declaration is included on [page 136](#).

No non-audit services were provided by EY during the year.

Signed in accordance with a resolution of the Directors,



Julie Bird
Chair

Dated this 9th day of September 2022



Paul Harker
Deputy Chair

Dated this 9th day of September 2022

Horticulture Innovation Australia Limited
ABN 71 602 100 149

Statement of Comprehensive Income

for the year ended 30 June 2022

	Note	Year ended 30 June 2022 \$	Year ended 30 June 2021 \$
CONTINUING OPERATIONS			
Other income	3	154,644,190	139,653,873
REVENUE		154,644,190	139,653,873
Occupancy expenses		(433,419)	(413,592)
Administrative expenses		(17,951,706)	(18,119,200)
Research and development programs		(103,245,964)	(94,872,875)
Marketing programs		(22,685,598)	(26,860,104)
Other expenses		(1,749,897)	(1,216,081)
EXPENSES		(146,066,584)	(141,481,852)
NET SURPLUS FOR THE YEAR	12	8,577,606	(1,827,979)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		8,577,606	(1,827,979)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes

Horticulture Innovation Australia Limited
ABN 71 602 100 149

Statement of Financial Position

as at 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5a	56,678,811	52,687,668
Trade and other receivables	6	28,699,580	25,975,360
Prepayments	7	421,035	365,479
TOTAL CURRENT ASSETS		85,799,426	79,028,507
NON-CURRENT ASSETS			
Plant and equipment	8	3,335,641	4,002,910
Intangibles	9	1,621,122	1,532,269
TOTAL NON-CURRENT ASSETS		4,956,763	5,535,179
TOTAL ASSETS		90,756,189	84,563,686
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	13,459,645	15,378,944
Provisions	11	1,145,203	1,179,343
Lease liability	13	516,462	555,175
TOTAL CURRENT LIABILITIES		15,121,310	17,113,462
NON-CURRENT LIABILITIES			
Provisions	11	603,732	599,439
Lease liability	13	1,887,932	2,285,176
TOTAL NON-CURRENT LIABILITIES		2,491,664	2,884,615
TOTAL LIABILITIES		17,612,974	19,998,077
NET ASSETS		73,143,215	64,565,609
FUNDS			
Funds – corporate		5,816,679	4,997,198
TOTAL CORPORATE FUNDS		5,816,679	4,997,198
<i>Funds – R&D</i>			
Unspent R&D levies		33,939,652	28,492,712
Levy industry strategic reserve		5,100,134	5,234,256
Non levy reserves		13,299,005	10,502,541
TOTAL DESIGNATED FUNDS – R&D		52,338,791	44,229,509
<i>Funds – marketing</i>			
Unspent marketing levies		13,525,037	13,749,639
Levy industry strategic reserve		1,462,708	1,589,263
TOTAL DESIGNATED FUNDS – MARKETING		14,987,745	15,338,902
TOTAL FUNDS	12	73,143,215	64,565,609

The above Statement of Financial Position should be read in conjunction with the accompanying notes

Horticulture Innovation Australia Limited
ABN 71 602 100 149

Statement of Cash Flows

for the year ended 30 June 2022

	Note	2022 \$	2021 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		–	–
Other income		1,064,431	675,062
Levies received		71,592,000	66,413,600
Receipts from Commonwealth co-contribution funds & Government grants		66,087,290	60,561,998
Receipts from co-investment		31,145,268	25,257,862
Payments to suppliers and employees		(23,045,672)	(18,491,459)
Payments to Research & Development providers		(113,848,827)	(100,089,536)
Marketing program payments		(27,706,042)	(26,591,516)
Interest received		119,378	240,381
Net cash flows generated by (used in) operating activities		5,407,826	7,976,392
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(234,097)	(115,568)
Purchase of intangibles		(669,593)	(1,120,149)
Receipts from disposal of assets		1,759	3,116
Net cash flows (used in) investing activities		(901,931)	(1,232,601)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal repayments of lease liability		(435,957)	(505,627)
Interest on lease liability		(78,815)	(126,652)
Net cash flows (used in) financing activities		(514,772)	(632,279)
Net decrease in cash and cash equivalents		3,991,123	6,111,512
Cash and cash equivalents at the beginning of the year/at acquisition		52,687,688	46,576,156
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5(a)	56,678,811	52,687,668

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

Horticulture Innovation Australia Limited

ABN 71 602 100 149

Statement of Changes in Funds

for the year ended 30 June 2022

	Note	Retained Surplus				Total funds
		Research and development	Marketing	Corporate	Systems upgrade	
		\$	\$	\$	\$	\$
Balance as at 1 July 2020		39,016,127	21,802,545	5,074,916	500,000	66,393,588
Surplus/(Deficit) for the year		5,213,382	(6,463,643)	(577,718)	–	(1,827,979)
Other comprehensive income		–	–	–	–	–
Total comprehensive income for the year		5,213,382	(6,463,643)	(577,718)	–	(1,827,979)
Transfer from corporate reserve to systems upgrade reserve		–	–	500,000	(500,000)	–
Balance as at 30 June 2021	12	44,229,509	15,338,902	4,997,198	–	64,565,609
Balance as at 1 July 2021		44,229,509	15,338,902	4,997,198	–	64,565,609
Surplus/(Deficit) for the year		8,109,282	(351,157)	819,481	–	8,577,606
Other comprehensive Income		–	–	–	–	–
Total comprehensive income for the year		8,109,282	(351,157)	819,481	–	8,577,606
Balance as at 30 June 2022	12	52,338,791	14,987,745	5,816,679	–	73,143,215

Notes to the financial statements

for the year ended 30 June 2022

NOTE 1: CORPORATE INFORMATION

The financial report of Horticulture Innovation Australia Limited (the “Company”) for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the directors on the 9th September 2022.

The financial report is for the entity Horticulture Innovation Australia Limited as an individual entity. Horticulture Innovation Australia Limited is a not for profit company limited by guarantee and domiciled in Australia. The nature of the operations and principal activities of the Company are described in the Directors’ Report.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not-for-Profit Commission. The financial report has also been prepared on a historical basis, except for financial assets and liabilities, which have been measured at fair value. The financial report is presented in Australian dollars.

Where an amendment to policy has resulted in a reclassification of expenses, comparatives have been restated to present a true comparison.

(b) Statement of Compliance

The Company is a not-for-profit entity which is not publicly accountable. Therefore the financial statements comply with AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the Corporations Act 2001.

New accounting standards and interpretations

The Company has applied AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for Profit Entities for the first time this reporting year.

(c) Plant and Equipment

Plant and equipment is stated at historical cost, or fair value if the asset is donated to the entity, less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing parts is incurred. Similarly, when each major inspection is performed, the cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in the profit and loss as incurred.

The assets’ residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(Note 2(c) continues over the page)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The depreciation rates used for each class of assets are:

Class of fixed asset	Depreciation rates	Depreciation basis
Office Equipment	50.00%	Straight line
Leasehold Improvements	Based on life of lease	Straight line
Furniture, Fixtures and Fittings	12.50%	Straight line
Hardware	33.30%	Straight line
Right of use – leases	Based on life of lease	Straight line

Disposal:

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit and loss in the year the asset is derecognised.

(d) Intangibles

Intangible assets include software which is being amortised over 3 years and the Company's program management system which is being amortised over 5 years from the go live date.

Intangible assets acquired are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

A summary of the policies applied to the Company's intangible assets is as follows:

Software and program management system

Useful life: Finite

Amortisation method use: Amortised over the period of expected future benefit from the related project on a straight-line basis.

Internally generated or acquired: Acquired

Impairment testing: When an indication of impairment exists. The amortisation method is reviewed at each financial year end.

(e) Impairment of Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets and the asset's value in use cannot be established to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***(f) Leases**

AASB16 Leases has been applied for the reporting year and the Company has applied a single recognition and measurement approach for all leases for which it is the lessee, except for short term leases and leases of low value. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses. They are depreciated on a straight line basis over the term of the lease. At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

(g) Other Financial Assets

The classification and measurement requirements of IFRS9 did not have a significant impact on the Company. The company continued measuring at fair value all financial assets previously held at fair value under IAS 39.

(h) Employee Benefits***(i) Wages and salaries and annual leave***

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' service up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using marketing yields at the reporting date on corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(iii) Termination benefits

Termination payments include leave entitlements due at termination date, as well as redundancy payments in line with the Company's Termination of Employment and Redundancy policy.

(i) Income Tax

The Company is registered with the ACNC and is exempt from income taxation under section 50-40 of the Income Tax Assessment Act 1997.

(j) Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position. Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***(k) Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short term deposits with an original maturity of three months or less. For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.

Short term deposits relate to temporary surplus funds, mainly from levies, voluntary and co-investment contributions and Commonwealth co-contributions which are placed in either a term deposit or cash deposit account. For funds deposited in at call accounts, interest is earned on the daily balance at the prevailing daily rate and is paid at the end of the month. Term deposits are held with the Company's bank with interest payable upon maturity of the deposits.

(l) Revenue and Contributions

The Company has applied AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers.

An assessment of all government grants received has been undertaken and revenue from these contracts is deferred until performance obligations are met.

Grant income is recognised upon achievement of milestones and no grant income recognised has unfulfilled conditions or other contingencies attached.

For revenue streams to which AASB 15 does not apply, revenue is recognised to the extent that the economic benefits will flow to the Company and the revenue can be reliably measured.

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. The income recognition requirements shift the focus from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations. The core principle of the income recognition requirements in AASB 1058 is that when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives, the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately.

The following specific recognition criteria must be met before revenue is recognised:

Sale of goods

Revenue is recognised when the performance obligations of the transaction have been fulfilled. The nature of the transactions included in sale of goods are sales of final reports and publication sales.

Revenue from the rendering of a service

Revenue from the rendering of a service is recognised upon the delivery of the service to customers.

Interest revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Other revenue is recognised when the right to receive the revenue has been established.

R&D co-investment and legacy voluntary contributions

Contributions are recognised as revenue upon receipt.

Levy receipts

The Department of Agriculture and Water and the Environment (DAWE) collects statutory levies on behalf of the Company. Revenue from levies are recognised as revenue when the levy amount is granted to the entity by the DAWE.

(Note 2(l) continues over the page)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)****Commonwealth co-investment funds***

The Commonwealth Government provides co-investment funding on a dollar for dollar basis on approved R&D projects, up to a level of 0.5% of the gross value of horticultural production. Commonwealth co-contribution funds are recognised as revenue upon incurring the eligible R&D program expenditure.

Service delivery

A service delivery cost is applied to all R&D and Marketing projects. Service delivery fees for Hort Frontiers amount to 15% while strategic levy investments attract a two tier service fee to cover shared support costs and specific service activities. Service delivery is recognised upon incurring program expenditure.

Industry reserve interest

Interest earned on contributions received in advance from levies to meet future marketing and R&D expenditure is allocated to the respective levy account.

Royalties

Royalty income is recognised upon receipt. All revenue is stated net of the amount of goods and services tax (GST).

(m) Economic Dependency

The Company is economically dependent on levies, voluntary contributions, R&D co-investment and Commonwealth Government contributions.

(n) Trade and Other Receivables

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(o) Trade and Other Payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of these goods or services. The amounts are unsecured, interest free and are usually paid within 30 days of recognition.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***(p) Significant Accounting Judgements, Estimates and Assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenues and expenses. Management bases its judgements and estimates on historical experience and on other factors it believes to be reasonable under the circumstances, the result of which form the carrying values of assets and liabilities that are not readily apparent from other sources. At reporting date there are no key assumptions which are likely to result in a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made.

(i) Make good provisions

A provision has been made for the present value of anticipated costs of future restoration of leased premises. The provision includes future cost estimates of restoring the premise to its original state, including removal of workstations and glass panelling. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the balance sheet by adjusting both the expense or asset, if applicable, and the provision.

(ii) Estimation of useful lives of assets

The Company's management determines the estimated useful lives and related depreciation and amortisation charges for its plant and equipment and definite life of intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. Management will increase the depreciation and amortisation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

(q) Classification of Assets and Liabilities as Current or Non-Current

The Company has presented current and non-current assets, and current and non-current liabilities, as separate classifications in the statement of financial position. The Company classifies an asset as current where it is cash or a cash equivalent or when it expects to realise the asset within twelve months of the reporting date. The Company classifies a liability as current where the liability is due to be settled within twelve months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

NOTE 3: REVENUE

	2022 \$	2021 \$
REVENUE FROM CONTINUING OPERATIONS		
Other income		
<i>R&D income</i>		
– Proceeds from levies	37,508,779	34,739,784
– Revenues from Commonwealth co-investment funds	55,855,310	49,892,196
– Co-investment – recognised at a point in time	27,550,315	21,948,261
– Co-investment – recognised through time	5,463,740	6,565,599
– Collective industry funds	1,096,934	1,611,124
– Royalty income	641,041	80,066
– Interest received	112,532	136,769
– Other income	73,240	95,000
	128,301,891	115,068,799
<i>Marketing income</i>		
– Proceeds from levies	25,924,571	23,973,451
– Marketing program income	380,000	517,772
– Interest received	32,159	61,467
	26,336,730	24,552,690
<i>Other</i>		
– Corporate interest received	2,273	16,530
– Rental income	3,296	15,854
	5,569	32,384
Total revenue	154,644,190	139,653,873
Total interest received	146,964	214,766

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

NOTE 4: EXPENSES

	2022 \$	2021 \$
Included within expenses are the following significant amounts:		
Wages & salaries	11,639,389	11,247,233
Superannuation	1,074,514	976,343
Levy collection costs	1,262,067	1,258,529
Depreciation	920,929	999,576
Amortisation	455,154	463,323

NOTE 5: CASH AND CASH EQUIVALENTS

(a) Reconciliation of Statement of Cash Flows

Cash and cash equivalents at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2022 \$	2021 \$
Cash on hand	300	300
Cash at bank	14,649,637	9,658,494
Short term deposits	42,028,874	43,028,874
	56,678,811	52,687,668

NOTE 6: TRADE AND OTHER RECEIVABLES

	2022 \$	2021 \$
CURRENT		
Trade receivables	361,413	6,419,238
Other receivables	5,196,201	3,058,140
Accrued income	23,141,966	16,497,982
	28,699,580	25,975,360

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

NOTE 7: OTHER ASSETS

	2022 \$	2021 \$
CURRENT		
Prepayments	421,035	365,479
	421,035	365,479

NOTE 8: PLANT AND EQUIPMENT**2022**

	Office equipment \$	Leasehold improvements \$	Furniture, fixtures and fittings \$	Hardware \$	Right of use – leases \$	Total \$
At cost	144,784	1,430,392	80,374	634,629	3,965,813	6,255,992
Less accumulated depreciation	(92,287)	(584,101)	(65,905)	(543,600)	(1,634,458)	(2,920,351)
Carrying amount at end of the year	52,497	846,291	14,469	91,029	2,331,355	3,335,641
Balance at the beginning of the year	14,091	922,402	16,424	186,202	2,863,791	4,002,910
Additions	62,438	124,069	3,965	24,723	41,522	256,717
Disposals	(1,315)	–	(1,291)	(451)	–	(3,057)
Depreciation expense	(22,717)	(200,180)	(4,629)	(119,445)	(573,958)	(920,929)
Carrying amount at end of the year	52,497	846,291	14,469	91,029	2,331,355	3,335,641

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

NOTE 9: INTANGIBLES

The intangible assets disclosed below include software which is being amortised over 3 years and the Company's program management system which will be amortised over 5 years.

2021

	Project management system \$	Software \$	Total \$
Software			
At cost	3,854,885	818,186	4,673,071
Less accumulated amortisation	(2,322,474)	(729,475)	(3,051,949)
Carrying amount at end of the year	1,532,411	88,711	1,621,122
Balance at the beginning of the year	1,427,331	104,938	1,532,269
Additions	504,587	62,613	567,200
Disposals	(23,193)	–	(23,193)
Amortisation expense	(376,314)	(78,840)	(455,154)
Carrying amount at end of the year	1,532,411	88,711	1,621,122

NOTE 10: TRADE AND OTHER PAYABLES

	2022 \$	2021 \$
CURRENT		
Other payables	6,988,150	9,725,132
Deferred income – government grants	6,471,495	5,653,812
	13,459,645	15,378,944

(a) Fair value

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

NOTE 11: PROVISIONS**2022**

	Long service leave – current \$	Annual leave \$	Employee oncosts \$	Purchased leave \$	Total current \$
Balance as at 1 July 2021	199,188	799,735	180,420	–	1,179,343
Accrued provision	74,044	571,653	90,999	1,438	738,134
Amount utilised	(32,009)	(645,424)	(94,841)	–	(772,274)
Carrying amount at 30 June 2022	241,223	725,964	176,578	1,438	1,145,203

	Long service leave – non-current \$	Make good provision \$	Total non-current \$	Total provisions \$
Balance as at 1 July 2020	289,786	309,653	599,439	1,778,782
Accrued provision	4,293	–	4,293	742,427
Amount utilised	–	–	–	(772,274)
Carrying amount at 30 June 2021	294,079	309,653	603,732	1,748,935

	2022	2021
	No.	No.

(a) Number of employees at year end (Full time equivalent)	84	86
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NOTE 12: RETAINED SURPLUS

	2022 \$	2021 \$
Balance at the beginning of the year	64,565,609	66,393,588
Net (deficit)/surplus for the year	8,577,606	(1,827,979)
Retained surplus at the end of the year	73,143,215	64,565,609

	2022 \$	2021 \$
Reconciliation of net surplus for the year:		
Corporate net deficit	819,481	(577,718)
R&D net surplus	8,109,282	5,213,382
Marketing net deficit	(351,157)	(6,463,643)
Net (deficit)/surplus	8,577,606	(1,827,979)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

NOTE 12: RETAINED SURPLUS *(continued)*

The retained surplus at 30 June 2022 includes \$6,562,842 of Levy Industry Strategic Reserves, made up of \$5,100,134 from R&D and \$1,462,708 from Marketing.

Non Levy Reserves relate to unspent co-investment income and government grant funding.

When managing capital, management’s objective is to ensure the Company continues as a going concern as well as to maintain optimal returns for all stakeholders.

The Company is not subject to any externally imposed capital requirements.

For the year ended 30 June 2022 the entity has recognised corporate revenue, including corporate recoveries, income and interest of \$20,954,502. Corporate expenditure during this period amounted to \$20,135,021 resulting in a corporate deficit for the year of \$819,481. Corporate funds are used to manage the operations of the Company, while R&D and Marketing retained funds represent surplus industry funds received but not yet expended on the R&D and Marketing programs.

NOTE 13: LEASE LIABILITY

	\$
Lease liability as at 1 July 2020	3,345,978
Principal repayment	(505,627)
Lease liability as at 30 June 2021	2,840,351
Lease liability as at 1 July 2021	2,840,351
Principal repayment	(435,957)
Lease liability as at 30 June 2022	2,404,394

The lease liability includes two leases for office premises as well as two leases for office equipment. At balance date the terms of these leases range from 11 to 49 months.

Lease commitments due	2022 \$
– within one year	516,462
– after one year but not more than five years	1,887,932
– after more than five years	0
	2,404,394

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

NOTE 14: CONTINGENT LIABILITIES

Estimates of the maximum amounts of contingent liabilities that may become payable:

	2022 \$	2021 \$
R&D and marketing expenditure liabilities		
– within one year	79,348,863	87,559,087
– after one year but not more than five years	137,987,923	100,133,015
– after more than five years	2,269,224	7,854,992
	219,606,010	195,547,094
Bank guarantee facility	1,900,000	1,900,000

NOTE 15: DIRECTOR AND KEY MANAGEMENT PERSONNEL REMUNERATION

30 June 2022	Short term		Post employment	Termination benefits	Total
	\$		\$	\$	\$
	Salaries and fees	Cash bonus/ Other benefits	Superannuation/ Insurance	ETPs/Leave entitlements	
Directors	536,709	–	48,817	–	585,526
Key management personnel	1,880,019	290,328	166,452	163,307	2,500,106
TOTAL	2,416,728	290,328	215,269	163,307	3,085,632

30 June 2021	Short term		Post employment	Termination benefits	Total
	\$		\$	\$	\$
	Salaries and fees	Cash bonus/ Other benefits	Superannuation/ Insurance	ETPs/Leave entitlements	
Directors	532,499	–	40,793	–	573,292
Key management personnel	1,957,117	152,981	193,222	345,634	2,648,954
TOTAL	2,489,616	152,981	234,015	345,634	3,222,246

At Horticulture Innovation Australia Limited, the key management personnel are the executive team. The executive pay is structured as a total remuneration package with superannuation payments made in accordance with the Superannuation Guarantee Legislation to the executive's choice of superannuation fund for the 2021/22 financial year. The balance of the executive's remuneration can be structured at the executive's discretion within the Company salary packaging policy. The Executive is eligible for a performance bonus based on criteria determined in consultation with the Board.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

NOTE 16: RELATED PARTY TRANSACTIONS

The Directors of the Company during the period were:

- Robert Clark
- Susan Finger (resigned 26 November 2021)
- Stephen Lynch (resigned 26 November 2021)
- Paul Harker
- Julie Bird
- Jan Vydra
- Victoria Taylor
- Anthony Kelly
- Michael Nixon
- Catherine Oates (elected 26 November 2021)
- Robert Mullins (elected 26 November 2021)

Because of the nature of the skills and other interests of Directors related to horticulture, there is potential for conflict of interest given the broad range of R&D and marketing projects undertaken by the Company. The Company keeps a register of Directors’ declared conflicts of interest, and each Board meeting commences with a declaration of conflicts in relation to the agenda items. All transactions are conducted using commercial arms-length principles and made under normal terms and conditions.

Robert Mullins is a Director of Future Food Systems Ltd. During the reporting year Horticulture Innovation Australia Ltd provided funding for a project with Future Food Systems Ltd to the value of \$320,000.

Catherine Oates is a Director of Wine Australia. During the reporting year Horticulture Innovation Australia Ltd provided funding for a project to the value of \$1,700 and received co-investment funding of \$225,000 from Wine Australia.

Anthony Kachenko is the General Manager – Stakeholder Experience at Horticulture Innovation Australia Ltd and is a Director of The Australasia-Pacific Extension Network Ltd (APEN). During the reporting year Horticulture Innovation Australia Ltd provided sponsorship funds of \$8,000 to the APEN 2022 International Conference.

NOTE 17: SUBSEQUENT EVENTS

There have been no material events occurring after balance sheet date.

NOTE 18: AUDITORS REMUNERATION

During the reporting year the Company paid fees totalling \$78,444 to Ernst & Young.

	2022 \$
Audit of financial statements	72,204
Audit of government grant projects	6,240
	78,444

NOTE 19: COMPANY DETAILS AND THE PRINCIPAL PLACE OF BUSINESS

The registered office of the Company is:

Horticulture Innovation Australia Limited
 Level 7, 141 Walker St
 North Sydney, NSW 2060

Directors' declaration

In accordance with a resolution of the Directors of Horticulture Innovation Australia Limited, we state that:

In the opinion of the Directors:

- (a) The financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the year ended on that date, and
 - (ii) Complying with Accounting Standards and Corporations Regulations 2001, and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made on behalf of the Board of Directors.



Julie Bird
Chair

Dated 9 September 2022



Paul Harker
Deputy Chair

Dated 9 September 2022



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Independent Auditor's Report to the Members of Horticulture Innovation Australia Limited

Opinion

We have audited the financial report of Horticulture Innovation Australia Limited (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.



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- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Daniel Cunningham'.

Daniel Cunningham
Partner
Sydney
9 September 2022

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Auditor's Independence Declaration to the Directors of Horticulture Innovation Australia Limited

In relation to our audit of the financial report of Horticulture Innovation Australia Limited for the financial year ended 30 June 2022, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of any applicable code of professional conduct; and
- b. No non-audit services provided that contravene any applicable code of professional conduct.

A stylized signature of 'Ernst & Young' in black ink.

Ernst & Young

A handwritten signature in black ink that reads 'Daniel Cunningham'.

Daniel Cunningham
Partner
9 September 2022

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Acknowledgements

Hort Innovation would like to thank all the organisations that contributed photos for this annual report to highlight the activities and achievements of 2021/22, with a special mention to Hitachi Vantara for the front cover image of Bartle Frere Bananas.

Image contributors included Agriculture Victoria, Almond Board of Australia, APAL, Australian Macadamia Society, Australian Mango Industry Association, Australian Processing Tomato Research Council, Australian Table Grape Association, AUSVEG, Avocados Australia, Citrus Australia and the Queensland Department of Agriculture and Fisheries.

We’d also like to thank the various growers and industry stakeholders who have contributed their time and images for the case studies and quotes throughout the report.

Glossary and acronyms

AGM	Annual General Meeting
AIA	Agricultural Innovation Australia
AIP	Annual Investment Plan
APVMA	Australian Pesticides and Veterinary Medicines Authority
ATMAC	Agricultural Trade and Market Access Cooperation
CIF	Collective Industry Fund
CRC	Cooperative Research Centre
DAFF	Department of Agriculture, Fisheries and Forestry
DAFQ	Department of Agriculture and Fisheries Queensland
EAP	Expert Advisory Panel
IFAM	International Freight Assistance Mechanism
IMAAP	International Market Access Advisory Panel
IP	Intellectual Property
ISP	Industry Strategic Partnership
ITAP	International Trade Advisory Panel
KPI	Key Performance Indicator
M&E	Monitoring & Evaluation
NFF	National Farmers Federation
NFFC	National Fruit Fly Council
NHRN	National Horticulture Research Network
PBRI	Plant Biosecurity Research Initiative
PIB	Peak Industry Bodies
R&D	Research and Development
RD&E	Research, Development and Extension
RDC	Research and Development Corporation
SFA	Statutory Funding Agreement
SIAP	Strategic Investment Advisory Panel
SIP	Strategic Investment Plan
SIT	Sterile Insect Technique
SMP	Strategic Marketing Panel



Through the Hort Innovation Citrus Fund, the citrus industry invests in a range of programs to protect and enhance Australia's citrus genetic material. See www.horticulture.com.au/citrus for more information.



Hort Innovation Annual Report 2021/22

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