

Annual Report 2023/24



The *Hort Innovation 2023/24 Annual Report* provides a snapshot of Hort Innovation's investments and initiatives that are driving value for the nation's horticulture sector now and into the future.



This report is for our members, horticulture levy payers and other horticulture industry stakeholders, as well as the Department of Agriculture, Fisheries and Forestry (DAFF).

We thank the valued growers, industry representatives and delivery partners who work with us every day to achieve real results. We also thank the Hort Innovation team for its dedication, and the Australian Government, which broadly oversees our activities as a Rural Research and Development Corporation.

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.



On the cover

Aussie vegetable growers are set to gain a competitive edge with exclusive trials of cutting-edge global machinery through a Hort Innovation Vegetable Fund project delivered by the Department of Agriculture and Fisheries Queensland. The \$4.1 million initiative will boost the adoption of advanced mechanisation technology in the Australian vegetable industry, reducing the industry's high input costs and labour challenges that affect grower profitability.



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This Annual Report is complemented by *Hort Innovation's 2023/24 Performance Statement*, which is a requirement of Hort Innovation’s Funding Agreement with the Australian Government. The document is available at

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This section delivers Hort Innovation's formal reporting, including the Directors' Report for 2023/24 and the company's full Financial Report.



Bartle Frere Bananas in Boogan, Queensland, (pictured) is home to one of four demonstration 'Smart Farms' established in the Great Barrier Reef catchment area as part of a digital remote monitoring project delivered through Hort Innovation and funded by a Landcare Smart Farming Grant.

At each Smart Farm, remote technology is used to continuously monitor environmental indicators such as nutrient leaching, sediment run-off, water and energy use efficiency and more. The demonstration sites are used to help growers understand digital environmental monitoring and its use in business decision making and good environmental stewardship.

Section

1

Introduction

This section introduces the role Hort Innovation plays within the horticulture sector and what our strategic vision is for the future. We take a look back at the year that was 2023/24 and how we are tracking against our goals.

Who we are



Our vision

A prosperous and sustainable Australian horticulture industry built on innovation.

Our role

We advance Australia's \$16.3 billion horticulture industry by investing in research and development (R&D), marketing and trade to build a prosperous and sustainable future for growers.

We partner with Australian and international co-investors including government, leading science, technology and consumer strategy experts to anticipate future challenges and opportunities.

Our role is to capture value from the investments we make to benefit all levy payers.

Our strategy

The world's best horticulture demands the very best innovation.

This guiding thought has been at the heart of the *Hort Innovation Strategy 2024-2026* – our first horizon on a 10-year journey to deliver a renewed vision for a prosperous and sustainable Australian horticulture industry built on innovation.

Alongside industry and building on existing strengths, our Strategy focuses the organisation on industry-wide, grower priorities through the delivery of five imperatives and 18 priorities.

The *Hort Innovation Strategy 2024-2026* was released in July 2023. The Strategy was informed by conversations with stakeholders as part of our regular interactions and formal consultation with growers, delivery partners, peak industry bodies and the Australian Government. More than 90 per cent of formal consultation respondents agreed the Strategy met their expectations. The majority of respondents indicated the Strategy aligned to their own strategic goals and priorities.

This Annual Report speaks to our progress against our Strategy and on [p11](#) you can see how we are tracking against our key performance indicators.





OUR VISION

A prosperous and sustainable Australian horticulture industry built on innovation

Our strategic imperatives

Enhance and safeguard supply

- ▶ **PRIORITY 1.1**
 Lead world-class innovation to ensure Australian horticulture is globally competitive
- ▶ **PRIORITY 1.2**
 Partner with industry on their sustainability priorities and research needs to support social and environmental stewardship
- ▶ **PRIORITY 1.3**
 Excel in breakthrough research to strengthen industry's readiness for existing and emerging opportunities and threats
- ▶ **PRIORITY 1.4**
 Collaborate with industry to bolster resilience and future-proof supply chain disruptions

Accelerate local and global demand

- ▶ **PRIORITY 2.1**
 Access and expand high-value markets to deliver profitability and sustainability for industry
- ▶ **PRIORITY 2.2**
 Drive consumption through high-impact, evidence-based domestic and export marketing campaigns
- ▶ **PRIORITY 2.3**
 Deliver valuable data and insights that transform decision making
- ▶ **PRIORITY 2.4**
 Advance solutions to reduce and utilise waste to deliver new revenue streams for growers

Maximise and diversify investments

- ▶ **PRIORITY 3.1**
 Partner with industry to deliver Annual Investment Plans ensuring industry levy-funded projects deliver impact at scale
- ▶ **PRIORITY 3.2**
 Build strategic partnerships to deliver bigger, bolder investments in innovation for Australian horticulture
- ▶ **PRIORITY 3.3**
 Create a flexible investment framework attracting new partners and alternative funding resources

Make the culture thrive

- ▶ **PRIORITY 4.1**
 Collaborative and customer focused
- ▶ **PRIORITY 4.2**
 High performance, inclusive culture
- ▶ **PRIORITY 4.3**
 Empower our people
- ▶ **PRIORITY 4.4**
 Invest in industry capability

Work simply and effectively

- ▶ **PRIORITY 5.1**
 Quality compliance and governance
- ▶ **PRIORITY 5.2**
 Transparent relationships
- ▶ **PRIORITY 5.3**
 Minimise complexity

Our role

We advance Australia's \$16 billion horticulture industry by investing in research and development, marketing and trade to build a prosperous and sustainable future for growers.

We partner with Australian and international co-investors including government, leading science, technology, and consumer strategy experts to anticipate future challenges and opportunities.

Our role is to capture value from the investments we make to benefit all levy payers.

Our goals

- ▶ **Foster collaborative relationships** – stakeholder engagement > 60 per cent
- ▶ **Strong teamwork and shared purpose** – employee engagement > 70 per cent
- ▶ **Deliver real impact for growers** – Benefit-to-cost > 5:1
- ▶ **Live our values** – focus on our customers and innovation
- ▶ **Satisfaction with service** – partner and member rating > 60 per cent
- ▶ **Execute for industry** – Strategic Investment Plans delivered on time and on budget
- ▶ **Help grow value** – preference for Australian horticulture in key markets
- ▶ **Be ambitious** – 100 per cent annual investment target and attract new partners

Our values

- ▶ **We focus on the future**
- ▶ **We act with respect and integrity**
- ▶ **We work as one team**
- ▶ **We make a positive difference**

A message from our Chair and CEO

This year we have seen the best investment and operational performance by Hort Innovation since its creation in 2014.

Our team's sustained focus on industry partnerships, clarity of purpose and commitment to continuous improvement underpin all achievements you will read in this report.

Hort Innovation is continuing its transition with industry to focus on helping address Australian horticulture's greatest real and potential challenges.

We are equally committed to identifying and seizing the big opportunities to help ensure growers' viability now, and in the years to come.

We are proud to share where Hort Innovation is making a positive difference for all of Australian horticulture as we implement the *Hort Innovation Strategy 2024-2026*.

Horticulture remains Australia's fastest-growing agriculture sector,

with latest figures placing our gross value of production at \$16.3 billion. Not only are we growing in size, but Australian horticulture's appetite for innovation is also growing.

Hort Innovation is working hand-in-hand with industry to help build a bright future for growers, whether it be pursuing efficiency gains in the paddock, developing new varieties that meet consumer preferences or pursuing new international markets.

2023/24 was a record-breaking year for Hort Innovation. We invested more than \$158 million in levies, Australian Government contributions, grants and co-investment on behalf of the horticulture sector.

This Annual Report marks the end of the first year of our new Strategy that envisions a prosperous and sustainable Australian horticulture industry built on innovation. We are pleased to report that we are tracking positively against the KPIs we set for the company, which you can read more about on [p11](#).

We managed a diverse range of investments that address our new strategic imperatives. With \$720 million in total investments, 398 active projects, 132 delivery partners and 24 marketing programs across 37 industries, our team worked tirelessly throughout the year to deliver value for the horticulture sector.

We continued to work closely with the sector and the Australian Government to respond to challenges and opportunities as they arose and ensured our activities responded to levy payer needs. Under our Statutory Funding Agreement with the Australian Government, an independent review of Hort Innovation's performance was conducted in 2022/23, and this year we worked to implement the recommendations (see [p97](#) for more details).

You can read more about Hort Innovation's work during 2023/24 throughout this Annual Report.

Every challenge presents an opportunity. Whatever challenges the horticulture industry faces, we will continue to listen and work alongside Australian growers and the horticulture supply chain to propagate ideas and solutions that cultivate an innovative, prosperous and sustainable sector.



Julie Bird
Hort Innovation Chair



Brett Fifield
Hort Innovation Chief Executive Officer

2023/24 performance snapshot

How we are tracking against the Hort Innovation Strategy 2024-2026 goals



Foster collaborative relationships

Goal Stakeholder engagement > 60 per cent

Result 64 per cent

See [p96](#) for more information on our annual Grower and Partner Survey



Deliver real impact for growers

Goal Benefit-to-Cost ratio > 5:1

Result 5.6 to 1

See [p94](#) for more information on our impact assessment work



Satisfaction with service

Goal Partner and member rating > 60 per cent

Result 66 per cent

See [p96](#) for more information on our annual Grower and Partner Survey



Help grow value

Goal Preference for Australian horticulture in key markets

Result Increase from 64 to 72 per cent in market share of Australia's top five export commodities across their top five markets*

See [p35](#) for more information on our efforts to accelerate local and global demand



Strong teamwork and shared purpose

Goal Employee engagement > 70 per cent

Result 77 per cent

See [p82](#) for more information on our annual Employee Engagement Survey



Live our values

Goal Focus on our customers and innovation

Result Employee Engagement Survey values factor uplift from 49 to 92 per cent

See [p83](#) for more information on our company values



Execute for industry

Goal Investment Plans delivered on time and on budget

Result 2024/25 Annual Investment Plans delivered in September 2024

See [p50](#) for more information on our investment planning process



Be ambitious

Goal 100 per cent annual investment target and attract new partners

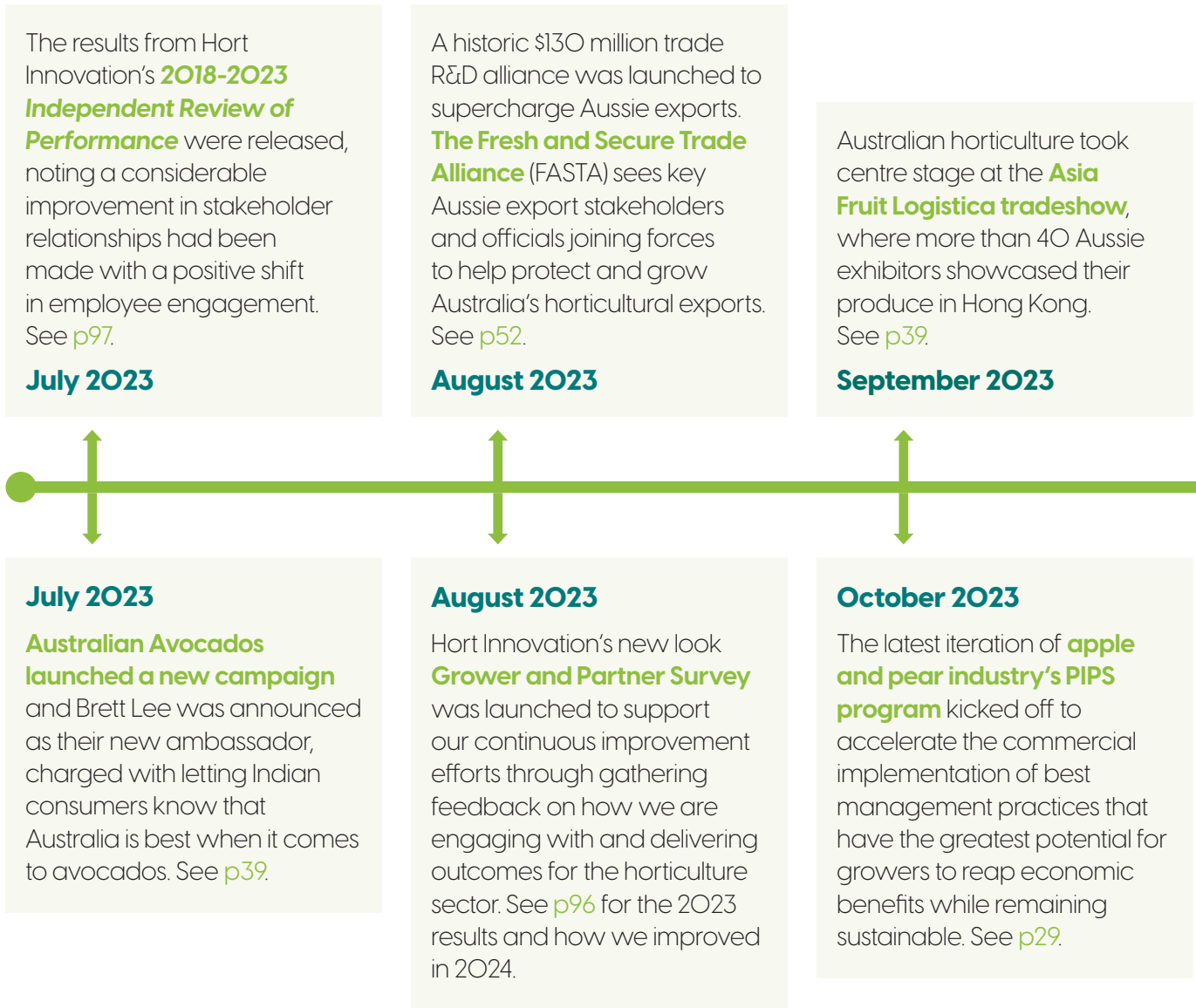
Result \$153.8M invested in 2023/24 (budgeted for \$139.3M)

See from [p60](#) for more information on how we invested in 2023/24

* Hort Innovation's goal to maintain or increase preference for Australian horticulture in key markets is measured against a baseline that combines the market share performance of Australia's top five export commodities (almond, carrot, citrus, macadamia and table grape) in terms of their share of trade in their respective top five export markets.

The year in review

What a year! Here is a quick look at some of the highlights from a jam-packed 2023/24.





Then Federal Minister for Agriculture, Fisheries and Forestry, Murray Watt, joined Hort Innovation to release the **2023/24 Australian-grown Horticulture Sustainability Framework**, a tool to help the horticulture sector share its sustainable, ethical, and safe farming practice stories with stakeholders. See [p27](#).

November 2023

In an industry first, **berry growers across the country joined forces** to encourage Aussie shoppers to put more berries in their baskets. See [p41](#).

February 2024

Hort Innovation inked a three-year strategic partnership with multi-award-winning-agency Thinkerbell to deliver **grower-funded marketing programs**. See [p40](#).

May 2024

November 2023

Hort Innovation welcomed one new and two returning Board Directors at the company's **Annual General Meeting**. Grower John Said joined the Board and Michael Nixon and Victoria Taylor were re-elected. Meet our directors from [p104](#).

February 2024

The **2022/23 Australian Horticulture Statistics Handbook** was released, offering the most comprehensive and contemporary data for the Australian horticulture sector. See www.horticulture.com.au/hort-stats-handbook for the latest facts and figures.

June 2024

Hort IQ was launched to provide industry with access to the latest, most comprehensive Australian fruit, vegetable and nut consumer data available. See [p42](#).

June 2024

An ambitious goal was unveiled to **invest an additional \$500 million** over the next decade into research and development through a refreshed Frontiers investment program. See [p58](#).



Looking back at the past five years



Brett Fifield,
Hort Innovation Chief Executive Officer

“We are committed to delivering bigger, bolder, more transformative investments for Australia’s growing horticulture sector.

The figures below demonstrate how, over the past five years, Hort Innovation has steadily increased our total investment figure while also reducing the number of active projects, making us more efficient and more focused on the big opportunities.

Our investments are also increasing in impact. Each year we evaluate our R&D portfolio, and our most recent study showed that our projects had an average Benefit-to-Cost ratio of 5.6 to 1. You can read more about this process on [p94](#).

We are diversifying our investments, with a focus on refreshing our Frontiers mechanism (see [p58](#)) and ensuring we are securing investment from a diverse range of partners in addition to grower levies.

Our strategic investment plans and advisory approaches (which you can read more about from [p50](#)) also help ensure that we have a balanced investment portfolio. When you step back and look at the whole investment picture, together our levy and Frontiers activity provide a mix of R&D funded for now and for the future.”

	2019/20	2020/21	2021/22	2022/23	2023/24
Total value of the horticulture sector*	\$14.4 billion	\$15.2 billion	\$15.4 billion	\$15.8 billion	\$16.3 billion
Total investment	\$126.3 million	\$120.5 million	\$124.7 million	\$138 million	\$158.7 million
Levy investment	\$74.9 million	\$77.9 million	\$78.7 million	\$76.7 million	\$80.2 million
Frontiers investment	\$51.4 million	\$42.5 million	\$46 million	\$61.3 million	\$78.4 million
Active projects	540	451	448	447	398
Average Benefit-to-cost ratio for R&D projects	3.4 to 1	4.1 to 1	4.3 to 1	2.8 to 1	5.6 to 1

* Based on *Australian Horticulture Statistics Handbook* data which reports on the previous financial year

Our stakeholders

Hort Innovation works with a wide range of stakeholders to understand the horticulture sector’s challenges and opportunities, and then deliver results.

<p>Growers, including regional and state-based grower groups across the country</p>	<p>Our project delivery partners</p>	<p>The Australian Government, through the Department of Agriculture, Fisheries and Forestry (DAFF)</p>	<p>Horticulture representative bodies, including peak industry bodies and other groups</p>
<p>The wider research community in Australia and overseas</p>			<p>Supply chain participants and partners, such as retailers and Fresh Markets Australia</p>
<p>Australia’s other Rural Research and Development Corporations, including initiatives led by AgriFutures such as grow^{AG} and Emerging National Rural Issues (ENRI)</p>			<p>Trade partners, such as Austrade and Australian Horticulture Trade</p>
<p>Collaborative initiatives, such as the Plant Biosecurity Research Initiative and the Australian Food & Wine Collaboration</p>	<p>Associations relevant to horticulture, such as the International Fresh Produce Association and the Australasia-Pacific Extension Network</p>	<p>Industry agencies, such as Plant Health Australia and the government’s Cooperative Research Centre network</p>	<p>Co-investors in our research, particularly through Frontiers</p>

Our sector



\$16.3B

The total production value of the Australian horticulture sector in 2022/23



\$6.78B

Horticulture's production value has grown by \$6.78 billion since 2012/13



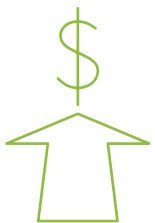
17%

Horticulture represents 17 per cent of Australia's total agricultural production



3rd

Horticulture is the third largest agricultural sector in Australia



22%

Horticulture is a growing industry with a production value increase of 22 per cent over the past five years



\$2.54B

The total value of Australia's fresh horticulture exports in 2022/23



97

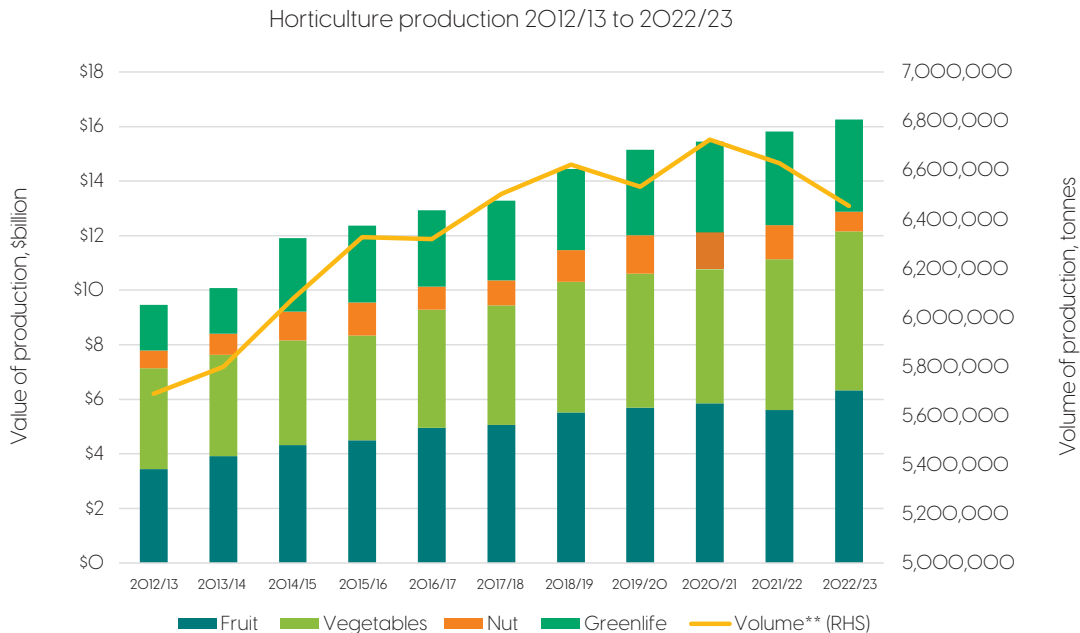
In 2022/23, we exported to some 97 countries, with the top five being China, Vietnam, Hong Kong, Japan and Indonesia

Interested in more facts and figures?

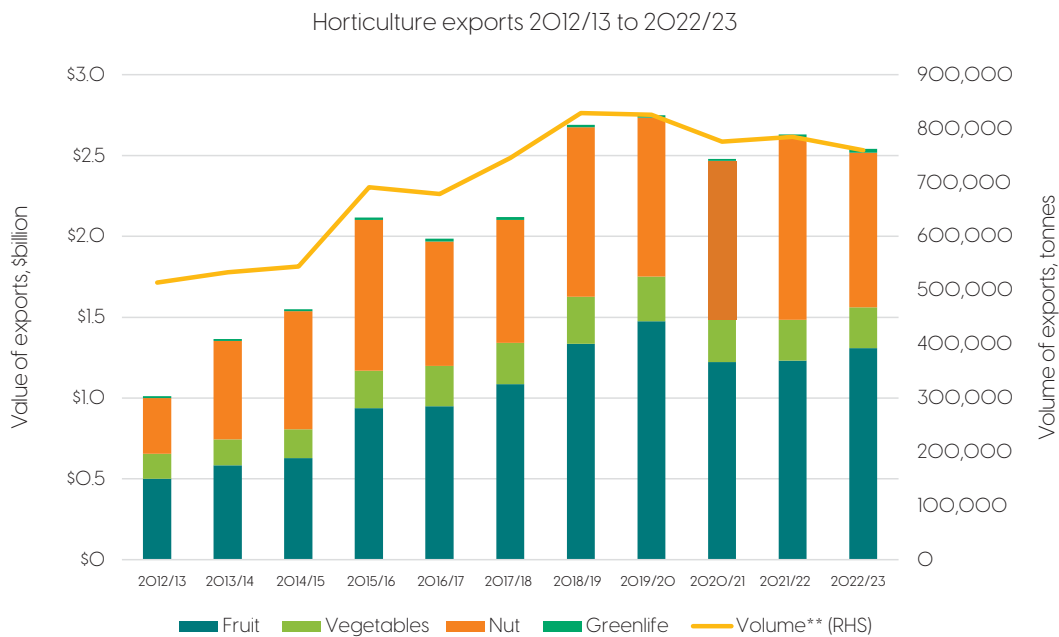
The 2022/23 Australian Horticulture Statistics Handbook provides the most comprehensive and contemporary data on the Australian horticulture sector. See www.horticulture.com.au/hort-stats-handbook for more.



Industry production value continues to grow in 2022/23



Long-term export performance remains strong



Our funding

Hort Innovation’s work is funded by statutory and voluntary industry levies, co-investment dollars brokered from a range of partners, grant support and Australian Government contributions.

In 2023/24, Hort Innovation used two primary funding models: one for strategic levy investments and one for co-investment through our Frontiers investment program.



Levy funding

Levy funding is the core model for Hort Innovation's work, involving the investment of statutory or voluntary industry levies, along with Australian Government contributions for R&D investments.

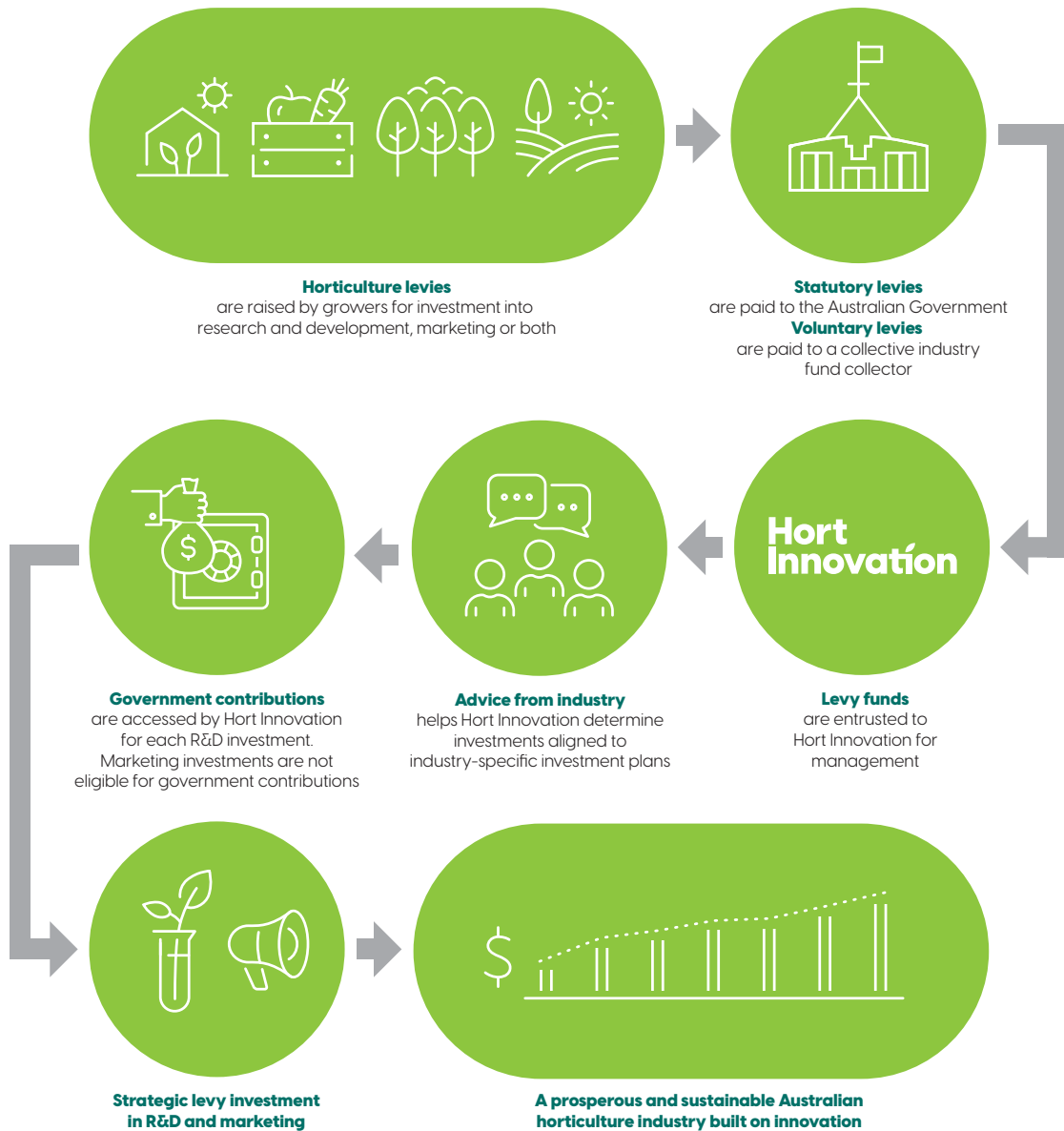
Levy investments are specific to each industry's needs, but multi-industry projects can collaborate across multiple commodities for maximum efficiency and impact.

Hort Innovation does not set or directly collect levies. Individual horticulture industries choose whether to have a levy and determine how (or if) their levy is split for investment between R&D and marketing.

Levies can be statutory through the Department of Agriculture, Fisheries and Forestry (DAFF) or voluntary through an approved Collective Industry Fund (CIF) arrangement

with Hort Innovation. Industries with a voluntary levy include almond, blueberry, pistachio, processing tomato and pyrethrum.

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



Frontiers

Frontiers is Hort Innovation’s co-investment model, through which investments are funded 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.

Frontiers co-investment partners range from commercial businesses to research agencies, education institutions and Government departments. Based on industry

advice, levy funds can also be invested in Frontiers projects.

In 2023/24, Frontiers was refreshed to meet the needs of a rapidly evolving horticulture industry that is growing at the fastest rate of all Australian agriculture sectors. See p58 for more details.



There are five **Frontiers investment themes**

Hort Innovation attracts Australian and international **innovators, co-investors and partners** to collaborate with in each of these research areas

Innovative ideas are realised through four investment pathways that are aligned with the Frontiers themes and priorities

For each project, Hort Innovation **brings together the funding from all partners** (there may be one or there may be many) and **obtains Australian Government contributions for co-investment** based on actual project expenditure

Our history

The Australian Government established Hort Innovation in 2014.



We are 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.

Hort Innovation transitioned to a grower-owned company from the former Horticulture Australia Limited (HAL), which operated between 2001 and 2014.

In June 2020, Hort Innovation signed a Deed of Agreement with DAFF which takes a 'principles-based approach' to Hort Innovation's operations. You can read more about the agreement on [p91](#).

Since 2014, Hort Innovation's company structure has evolved to meet the needs of the horticulture sector, based on consultation with industry. You can view our current organisational structure and learn more about the Hort Innovation team from [p72](#).

Our membership

Hort Innovation membership brings growers and other industry stakeholders close to their industry's investment activities and results, and to the organisation as a whole.

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

At the end of the 2023/24 period, Hort Innovation had 2099 members, including 1849 grower members (88 per cent).

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

Criteria for membership

Membership is open to industry participants which are an entity that:

- Is carrying on an enterprise within a horticultural industry in Australia
- Has a registered ABN
- Is involved in the horticulture supply chain, examples include:
 - growing and harvesting
 - processing
 - packing
 - transporting
 - marketing
 - wholesaling
 - retailing
 - exporting
 - supply of inputs for horticulture production.

Membership is open to all industry participants excluding:

- Industry Representative Bodies (including peak industry bodies)
- Entities that are suppliers of goods or services to Hort Innovation.

Easier voting for members

Voting rights are available to members who are levy payers and/or producers who contribute to a Collective Industry Fund (CIF).

The levy payer is the entity primarily liable for the payment of a levy or charge on horticultural products. An intermediary which collects levies and remits them on behalf of a producer is not the levy payer.

In 2023/24, Hort Innovation made it easier for levy payers to receive one vote. One vote can be attained by completing the Annual Levy Return form and ticking the horticultural products for which levies have been paid. Members will no longer have to submit levy amounts paid. To qualify for voting rights, the member must have been liable for \$200 or more in levies.

One additional vote is provided for every \$10,000 in average levies for the past three financial years. To secure more than one voting right, the levy amounts paid by horticultural product must be on the Annual Levy Return form.





Velisha Farms in Werribee, Victoria (pictured) is a national horticulture business supplying fresh produce to wholesale markets, retail customers, and food service.

Velisha Farms managing director, Catherine Velisha, is also the founder of Veg Education, a registered training organisation that offers courses to students to provide them with an insight into how vegetables make their way from the paddock to their plate.

Hort Innovation is working with Veg Education, Primary Industries Education Foundation Australia (PIEFA) and Think Digital to develop educational resources on vegetable production, careers and nutrition, tailored for students Year Seven to Nine that are aligned to the curriculum.

The initiative will include a virtual reality tour that will offer students a unique, interactive platform to explore real-life scenarios faced in vegetable production.



2

Enhance and safeguard supply

This section looks at how Hort Innovation works to enhance and safeguard supply through leading world-class innovation, partnering with industry on its sustainability priorities, strengthening grower readiness for existing and emerging opportunities and threats, and collaborating with industry to bolster resilience and future-proof supply chain disruptions.

Spotlight:

Leveraging AI to bolster weather forecasting accuracy

PRIORITY 1.1

Lead world-class innovation to ensure Australian horticulture is globally competitive

Growers could soon have tailored local weather forecasts at their fingertips through a ground-breaking program that leverages the cutting-edge capabilities of artificial intelligence and machine learning combined with traditional weather forecasting techniques.

Aimed at significantly enhancing the precision, quality and usability of weather-related information, the \$1.3 million initiative led by Jane's Weather is tailored to meet the specific needs of individual growers, considering their farming block, unique terrain and operational requirements.



Eduardo Barbosa,
Hort Innovation R&D Manager

"Horticulture growers face the challenge of making crucial farming decisions based on generic weather forecasts that may not accurately reflect their specific location.

Recognising this gap, this innovative project seeks to provide local weather predictions, empowering growers with the ability to make more informed decisions regarding frost management, spraying, irrigation, and pest and disease control, among other critical agricultural activities.

Machine learning and artificial intelligence are the missing ingredient in solving the problem of what the weather will do next and will give growers the power to be even more accurate, more often."



Andrew Johanson,
Mulgowie Fresh

"Having access to accurate, site-specific weather information will enable growers to make timely decisions that can positively impact our crop yield and quality. This is a major advancement for the horticulture industry, and it is exciting to be a part of it."





Spotlight:

Sleeves up as science tackles citrus virus

PRIORITY 1.1

Lead world-class innovation to ensure Australian horticulture is globally competitive

Scientists are developing a vaccine-like solution to arm Aussie citrus growers with an effective way to combat citrus tristeza virus (CTV), a significant challenge for the Australian citrus industry.

Collaboratively led by the University of Queensland, the NSW Department of Primary Industries and Auscitrus, the \$1.5 million initiative will involve researchers working with the citrus industry to gather information about different variants of the virus from major growing regions so that an effective plant-protection solution can be developed.



Dr Andrew Geering,
University of Queensland

"CTV is a highly variable virus, with many strains known to occur. Some strains are mild and may have no visible effect on citrus plants, while others can be severely destructive. Establishing a link between a particular strain of the virus and the expression of CTV has been notoriously difficult.

This research will establish which strains are the core components of CTV – that is, which strains need to be present for the disease to occur. Once those strains are identified, we can reverse-engineer a dead or a mild version of those strains that can be used to trigger an immune response, in a vaccine-like manner."



Dr Araz Solomon,
Hort Innovation
R&D Manager

"Access to a CTV vaccine will be a game changer for citrus growers, as they will be able to trigger their trees' immune response and elevate their defence systems against the virus."



Spotlight:

Robots to boost veggie growers' tech

PRIORITY 1.1

Lead world-class innovation to ensure Australian horticulture is globally competitive

Vegetable growers are set to gain a competitive edge with exclusive trials of cutting-edge global machinery under a groundbreaking new program.

The \$4.1 million initiative will boost the adoption of advanced mechanisation technology in the Australian vegetable industry, reducing the industry's high input costs and labour challenges that affect grower profitability.

The program will be delivered by the Department of Agriculture and Fisheries Queensland in partnership with the Global Organisation for Agricultural Robotics which leads the International Forum of Agricultural Robotics.



Tom McCue,
Hort Innovation
R&D Manager

"Hort Innovation plays a pivotal role in leading world-class innovation for the horticulture sector, to ensure Australian growers can remain globally competitive.

This program will bring global innovations directly into the hands of veggie growers, so that they can play an active role in trialling the technology and communicating its potential benefits."



Ian Layden,
Department of Agriculture
and Fisheries Queensland

"The grower demonstration sites we establish will provide qualitative and quantitative data to highlight the potential efficiency benefits from mechanised machinery solutions, which we hope will help growers make bolder decisions about the technology they invest in."





Spotlight:

Launch of the Australian-grown Horticulture Sustainability Framework

PRIORITY 1.2
Partner with industry on their sustainability priorities and research needs to support social and environmental stewardship

In November 2023, Hort Innovation launched the 2023/24 Australian-grown Sustainability Framework which was jointly supported by grower groups from across Australia and national representative bodies. The Framework is a tool to help the horticulture sector share its sustainable, ethical, and safe farming practice stories with stakeholders.

The Framework was the culmination of an extensive consultation process to understand the horticulture sector's sustainability priorities for the future. Hort Innovation worked with more than 600 stakeholders to deliver the Framework, which promotes sustainable and responsible care for our natural environment and provides a vital roadmap for a stronger Australian farming future.

The Framework identified four areas significant to the sustainable production of fruits, vegetables, nuts and amenity horticulture in Australia:

1. **Nourish & Nurture** recognises the role of Australian horticultural produce in improving diets, health and wellbeing by providing safe, quality food and greenlife.
2. **People & Enterprise** identifies the strong links between the people, enterprises, communities and economic value of Australian-grown horticulture.
3. **Planet & Resources** focuses on sustainable agricultural practices by reducing any impacts on the natural environment and on the dependence of horticultural production on resources and biosecurity.
4. **Climate & Waste** concentrates on all forms of waste in horticultural production and resilience to climatic variability.

Access the Framework at www.horticulture.com.au/sustainability-framework.



Murray Watt,
Then Federal Minister for Agriculture, Fisheries and Forestry

Then Federal Minister for Agriculture, Fisheries and Forestry, Murray Watt, attended the launch and said the Framework provides a vital sustainability roadmap for the horticulture sector.

"Being able to demonstrate sustainability is becoming increasingly important to domestic consumers and our international trading partners.

A strong, sustainable horticulture sector produces nourishing food, fulfilling employment, and helps protect our environment now and for future generations.

This Sustainability Framework unites the horticulture sector in its journey to monitor the sustainability issues that matter to its stakeholders."



Spotlight:

Going global for variety development

PRIORITY 1.3

Excel in breakthrough research to strengthen industry's readiness for existing and emerging opportunities and threats

Australian scientists are collaborating with their global counterparts to make it quicker and easier to develop new banana, custard apple, papaya, passionfruit and pineapple varieties for Australian growers and consumers.

The \$13 million international research collaboration will develop, test and deploy cutting-edge technology to improve crop genetics with a view to increase yield, quality, taste and climate resilience.

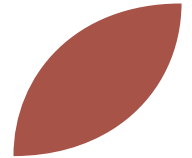
Led by Murdoch University, the Australian-first program will benefit Australian growers and consumers by drawing on valuable genetic resources and genomics expertise from researchers in Australia, Bangladesh, China, Czech Republic, France, Sweden, Thailand and the USA.



Dr Rajeev K Varshney,
Murdoch University

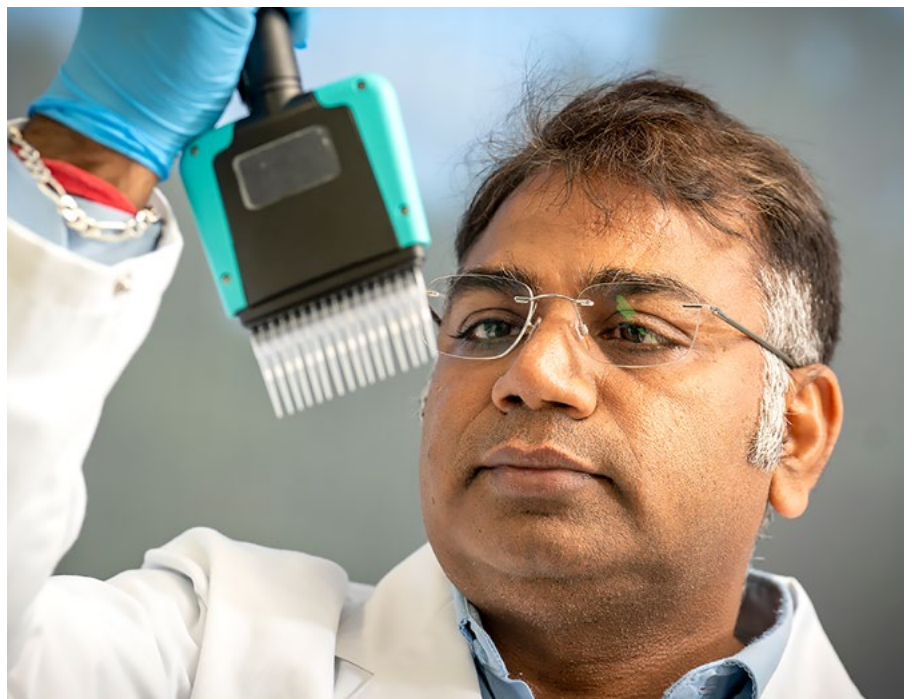
"Through collaborating with this network of partners, we have the opportunity to reimagine traditional crop breeding programs while greatly expanding the genetic resources available and reducing the time it takes to develop new varieties for the market.

This project has a focus on crops that have challenging and complex genomic backgrounds. Grower variety requirements are not easily met through traditional breeding approaches, and crops where global under-investment in genomics has hindered productivity gains."



Dr Ben Callaghan,
Hort Innovation R&D Manager

"This investment reflects a renewed impetus by Hort Innovation to seek out the best science in the world to help growers here in Australia. New fruit varieties that meet the needs of consumers and require less input costs for growers are a win-win."



Spotlight:

Profitability at core of apple and pear initiative

PRIORITY 1.3

Excel in breakthrough research to strengthen industry's readiness for existing and emerging opportunities and threats

Apple and pear growers across Australia are set to increase their bottom line through the launch of the new Productivity, Irrigation, Pests and Soils (PIPS) program that has profitability at the core of everything it does.

The five-year program is accelerating the commercial implementation of best management practices that have the greatest potential for apple and pear growers to reap economic benefits while remaining sustainable.

The program is a collaborative effort led by the Tasmanian Institute of Agriculture and Agriculture Victoria, in partnership with the Department Primary Industries and Rural Development (WA) and the NSW Department of Primary Industries.



Scott Price,
Calvert Bros

"The PIPS program has already shown value and the apple and pear industry is excited about future possibilities. I am pleased to see the latest PIPS program take such a focus on implementing research on farm to improve our bottom line and ensure our businesses are viable long-term."



Dr Adrian Hunt,
Hort Innovation Head of Production R&D

"This program is all about strengthening orchard profitability and ensuring the long-term sustainability of the apple and pear industry.

This program has built a wealth of knowledge about management systems, soils, nutrients, water, integrated pest and disease management, and technology. Now we will fast-track this knowledge and understanding into commercial implementation within the orchard."



Spotlight:

Providing access to safe and effective crop protection

PRIORITY 1.3

Excel in breakthrough research to strengthen industry's readiness for existing and emerging opportunities and threats

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 are not covered in a product's registered label.

Hort Innovation facilitates the submission of renewals and applications for minor use permits on behalf of the horticulture sector. We circulate updates in the monthly *Growing Innovation* newsletter (sign up at www.horticulture.com.au/sign-up).

Permits by the numbers

- 391 permits currently issued across horticulture, coordinated by Hort Innovation.
- 134 permit applications submitted during 2023/24, including six Emergency Use Permits, 21 applications for new Minor User Permits and uses with residue/efficacy data, and 107 renewal applications.
- 105 permits issued in 2023/24, including 93 permit renewals, seven new minor use permits, and five permits for emergency uses.
- Two minor use permits surrendered as uses now covered by registered labels (APVMA Permit to Label project).
- Two minor use permits withdrawn – APVMA not renewing permits listing Chlorpyrifos as active ingredient.

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

- \$300,589 in grants awarded to Hort Innovation in 2023/24.
- \$8,583,178 or 128 individual grants, secured by Hort Innovation to date.
- 784 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 41 permits and 94 new label registrations.
- 78 of the 128 grant projects have been fully completed and 41 permits and 18 label registrations have been approved and issued by the APVMA.
- In 2023/24, Hort Innovation studies were submitted to the APVMA by the registrants in support of a further four 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. This research is 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 on domestic and international pesticide regulation.



Spotlight:

Boost for beekeeper Varroa-monitoring toolkit

PRIORITY 1.4
Collaborate with industry to bolster resilience and future-proof supply chain disruptions

Options are being explored to help beekeepers to monitor their hives for Varroa Mite. Current approaches such as alcohol and soapy water washes, sugar shakes and sticky strips could soon be supplemented through the use of laser beams, camera vibration detection and DNA testing.

Led by Macquarie University, research is underway to equip the horticulture sector with innovative

methods to detect and control Varroa Mite as Australia moves into the management phase.

In the first phase of the research, scientists have reviewed new and innovative tools and methods that are being used across the globe for Varroa Mite detection and are evaluating how effective their use would be in the Australian beekeeping context.



Ashley Zamek,
Hort Innovation R&D Manager

“As we move into the management phase for Varroa Mite, it is essential that the horticulture sector has a multi-pronged approach to safeguarding pollination.

Learning from other countries about their experience with managing Varroa Mite will accelerate Australia’s response and improve our ability to navigate this transition.”



Steve Fuller,
Bee Services

“The findings will help prepare beekeepers for their future living with Varroa Mite. Varroa Mite is here to stay, so research like this is invaluable in expanding our management toolkit and keeping us up to date with what tools and technology are out there.”



Spotlight:

Forces combine to shield vegetable industry from exotic pest threats

PRIORITY 1.4

Collaborate with industry to bolster resilience and future-proof supply chain disruptions

Australia's vegetable industry is set to receive an unprecedented level of protection against exotic pests through a unique \$10 million levy-funded collaborative biosecurity strategy.

The investment on behalf of growers will build the vegetable industry's resilience to exotic pest threats through the creation of an industry-led biosecurity program that will strengthen pest surveillance, preparedness and management efforts.

The Vegetable Industry Biosecurity and Business Continuity Strategy will be led by AUSVEG with support from Plant Health Australia and state and territory biosecurity and research agencies.



Stuart Grigg,
Victorian vegetable grower and agronomist

"This project, together with the broader national agricultural communities' exotic pest and disease focus, goes a long way to help protect our industry.

It is important our industry is at the forefront of understanding international exotic issues, being informed and prepared with best management practices should they be quickly required, while maintaining strong border controls."



Dr Greg Chandler,
Hort Innovation Head of Biosecurity R&D

"The five-year program will boost response capabilities and limit the impact of incursions.

Historically, a new incursion has meant that farming properties are quarantined, and growers are unable to move their produce off-farm, losing the ability to fulfil current and potentially future contracts.

A key aspect of this new vegetable industry biosecurity strategy is the development of protocols that enable movement of produce and swift reinstatement of market access."



Spotlight:

Tree crop natural disaster preparedness

PRIORITY 1.4

Collaborate with industry to bolster resilience and future-proof supply chain disruptions

Natural disaster preparation for tree crop growers around the nation is set to get a \$1.7 million injection through the funding of the next phase of the national Australian Tree Crop Map.

Led by the University of New England's (UNE) Applied Agricultural Remote Sensing Centre (AARSC) in partnership with Future Food Systems CRC, the Australian Tree Crop Map will be supercharged to include new plantings and more detail for the participating tree crop industries.

Horticulture peak industry bodies Avocados Australia, Australian Banana Growers' Council, Citrus Australia and Australian Macadamia Society are all partnering in this mapping research, which is also useful for directing labour forces and forecasting productivity.



Professor
Andrew Robson,
University of
New England (UNE)

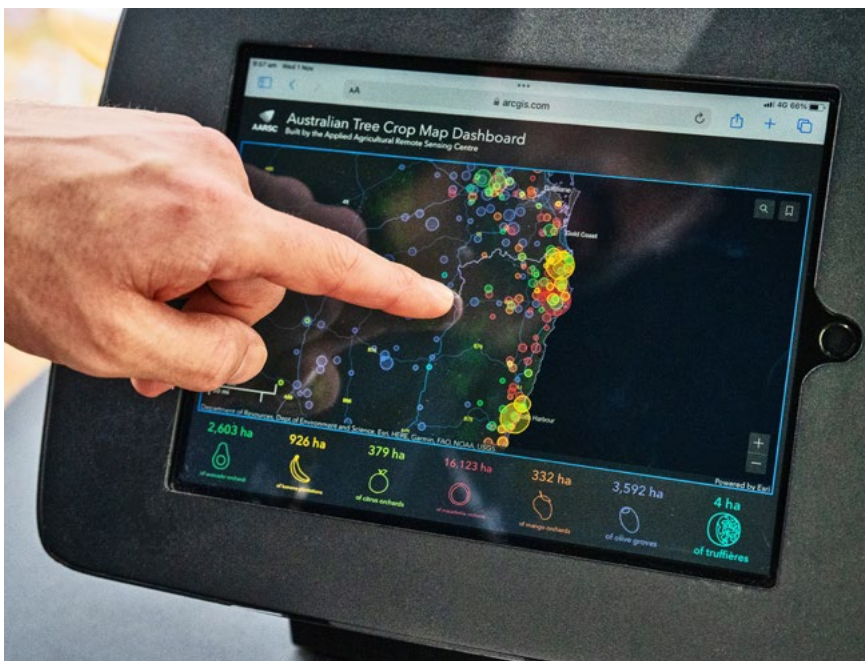
"The collation of this information will directly assist industry with market access, traceability, biosecurity response, yield forecasting, carbon storage, regeneration and drought resilience, and will set a new standard for other agricultural industries."



Dr Anthony Kachenko,
Hort Innovation General Manager
Production & Sustainability R&D

"The Australian Tree Crop Map can be used by authorities and horticulture industry groups to track impacted areas following extreme weather or biosecurity events and provide assistance where it is needed most.

This vital tool has already been used during weather events such as cyclones, and through this funding boost will see the introduction of increased capabilities through crop cultivar, planting year density and other available benchmarking and packhouse information, where available."





Hort Innovation has been involved in producing the world's first mango autoharvester, a machine vision system for fruit count, and tools for estimating mango fruit maturation and dry matter content. The autoharvester, which demonstrates 76 per cent efficiency in fruit identification and picking, is currently being commercialised, and is expected to enter markets by 2026. This image shows the mango harvester in action in Katherine, Northern Territory.



3

Accelerate local and global demand

This section dives into Hort Innovation's research and development, marketing and trade initiatives tasked with accelerating local and global demand for fresh produce.

This includes how we drive consumption through high-impact, evidence-based domestic and export marketing campaigns, deliver valuable data and insights that transform decision-making, and advance solutions to reduce and utilise waste to deliver new revenue streams for growers.





Spotlight:

Australia and Japan to strengthen horticulture ties

PRIORITY 2.1

Access and expand high-value markets to deliver profitability and sustainability for industry

Efforts are underway to grow the important trade relationship between Australia and Japan, through a series of inbound and outbound trade activities.

The program is funded through a Department of Agriculture, Fisheries and Forestry (DAFF) Showcasing Australian Horticulture Grant.

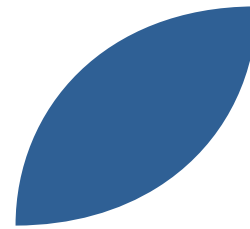
Led by AUSVEG and supported by the Australian Fresh Produce Alliance (AFPA), the program will enable Australian and Japanese horticulture industry representatives to build relationships, expand networks, exchange knowledge, and explore commercial and research opportunities.



Dr Mila Bristow,
Hort Innovation General Manager
Trade & Biosecurity R&D

"Japan is currently our fourth-largest trading partner by value, representing six per cent of total Australian horticulture exports, and through initiatives such as this, that opportunity can only grow.

This program will see Australian growers showcase where our quality produce originates through farm visits and tours for Japanese representatives and will offer both countries the chance to establish connections and work together for mutually-beneficial outcomes."



Michael Coote,
AUSVEG CEO

"The program emphasises creating and strengthening connections between Japan and Australia through visits to Australian farms, research centres, and institutions, offering Japanese counterparts' insights into diverse horticultural crops across Australian states, growing regions and commodities.

The program will feature a series of coordinated events designed to cultivate stronger relationships, enhanced market understanding, commercial partnerships and ongoing collaboration."



Spotlight:

Developing export markets with a zest for citrus

PRIORITY 2.1

Access and expand high-value markets to deliver profitability and sustainability for industry

The Aussie citrus industry is looking to 'squeeze the day' with a push to increase demand for Australian citrus overseas, ahead of significant production gains projected over coming seasons.

Led by Citrus Australia, the \$5.3 million market development and quality program is ensuring the Australian citrus industry remains well-informed, profitable, and able to supply quality fruit reliably and sustainably to domestic and international markets.

Around one-third of Australia's citrus crops are grown for processing (juice), one-third is sold domestically for fresh consumption, and one-third is exported to overseas destinations.

The market development program has helped growers meet strong domestic and overseas demand for citrus since 2009. This next iteration takes a multi-faceted approach that will respond to the dynamic and emerging trends in the global space so that trade is not only expanded but safeguarded.

Areas of focus for the program include technical market access, market development (export and domestic), market intelligence, export compliance, product integrity, fruit quality, sustainability and more.



Nathan Hancock,
Citrus Australia CEO

"Demand for quality Australian citrus remains strong, particularly in export markets. It is critical however that our industry continues to invest in and focus on market development with targeted resources such as this program, especially considering the increased supply both from Australia and from other southern hemisphere citrus-producing nations."



Adrian Englefield,
Hort Innovation Industry Service
& Delivery Manager

"This program is essential to generating demand for Australian citrus, particularly in overseas markets, and ensuring that growers get maximum value for their fresh, nutritious and delicious product.

This initiative was co-designed by a diverse group of stakeholders ranging from growers, exporters, packers, researchers and government representatives, as well as Citrus Australia and Hort Innovation."



Spotlight:

Aussie horticulture eyes Indian market

PRIORITY 2.1

Access and expand high-value markets to deliver profitability and sustainability for industry

Australian growers are set to gain insights into the journey of their produce to India, with the aim to maintain quality and boost trade in the high-value market.

Commissioned by Hort Innovation and delivered by KPMG Australia, researchers will map the supply chain of horticultural products exported to India, identify the main opportunities and challenges, and recommend strategies to enhance the position of Australian products in the market.

The research is funded through a Federal Government Agricultural Trade and Market Access Cooperation (ATMAC) grant awarded to Hort Innovation, with the aim of getting more Australian produce to consumers around the world.

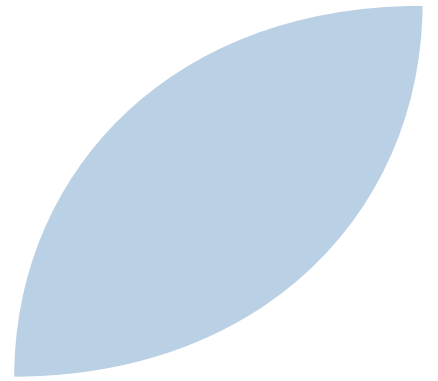


Antony Allen,
The Avolution CEO

"With our early exports to India, we are already learning so much about this market and our customers. This study offers deeper insights that will help grow our partnership with India further. The avocado industry is beginning to make our mark on the Indian market after last year's federal government announcement that Australian Hass avocados now have market access.

Levy-funded promotions featuring former Australian cricketer Brett Lee have begun to deliver positive messages about Aussie avos, sharing their virtues in terms of taste, nutrition and versatility.

The time is ripe for our exporting industries to capitalise on trade opportunities with India, and this report will provide us with a roadmap on where to focus our efforts and drive value for our sector."



Jade Archibald,
Hort Innovation
International
Trade Manager –
Strategic Partnerships

"Growth in incomes, population, and urbanisation in India are projected to drive a substantial hike in premium agrifood consumption.

By 2050, significant increases are expected in import demand from India for fruit, vegetables and nuts, so now is the time for the Australian horticulture sector to better understand the Indian supply chain.

One of Hort Innovation's core imperatives is to accelerate local and global demand, and this project will set industry up for future success by equipping them with the intel they need to play in the Indian market."





Spotlight:

Aussie produce takes centre stage at Asia Fruit Logistica

PRIORITY 2.1

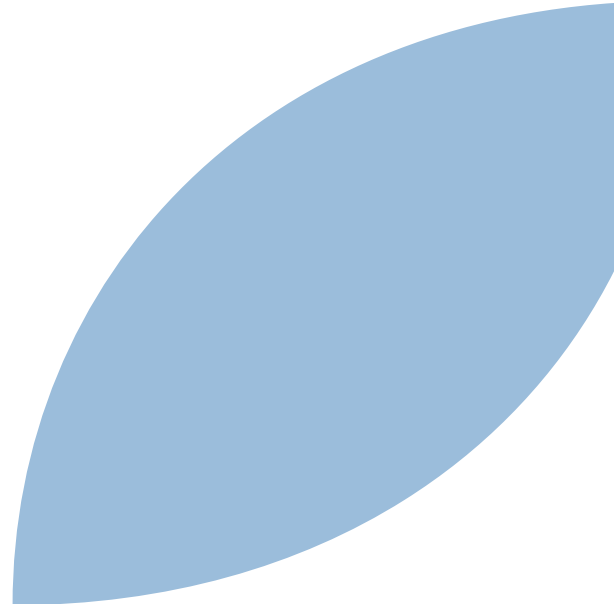
Access and expand high-value markets to deliver profitability and sustainability for industry

Aussie horticulture was showcased on the world stage in September 2023 with more than 40 Australian exhibitors showing off their produce at the industry's flagship tradeshow, Asia Fruit Logistica (AFL) in Hong Kong.

The AFL tradeshow offers participants the opportunity to promote their businesses, make new top-level trade contacts and gather essential market information on every aspect of the fresh produce trade throughout Asia.

Growers and supply chain representatives from the avocado, citrus, table grape, and summerfruit industries participated in Hort Innovation's stand under the national Grown in Good Nature banner.

Developed in close consultation with industry, Hort Innovation's Grown in Good Nature brand brings to life how Australia's good nature – in both geography and personality – empowers us to grow the greatest, freshest produce in the world.



India bowled over by Aussie avocados

Did you know that if just one per cent of the Indian population purchased an Australian avocado each year, there would be demand for 15 million additional avocados annually?

In May 2024, the official entry of avocados into the Indian market was announced at Avocados Australia's launch trade reception held at the Australian High Commission in New Delhi in India.

This exciting collaboration marked a significant milestone for both Australian

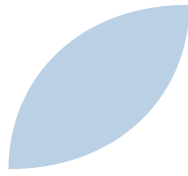
avocados and the Indian fresh fruit market. Reputed for their superior quality and health benefits, Australian avocados are set to give Indian taste buds an amalgamation of flavour, texture and nutrition.

With Brett Lee as a brand ambassador through the levy-funded international marketing program, this launch will introduce a premium and healthy option to Indian households, promoting the incorporation of

avocados into everyday meals and snacks.

Avocado consumption has increased in India, with global demand also witnessing a significant surge over the past decade.

Several levy-funded initiatives contributed to this achievement including market access R&D, international market development, domestic export capability programs and more.



Spotlight:

Hort Innovation inks three-year deal with Thinkerbell to boost Aussie fruit, nut and veg



PRIORITY 2.2

Drive consumption through high-impact, evidence-based domestic and export marketing campaigns

In May, Hort Innovation announced a new three-year strategic partnership with multi-award-winning agency, Thinkerbell, to continue championing Australian horticulture to consumers.

The Australian advertising and creative powerhouse is renowned for its blend of marketing sciences and 'hardcore' creativity and won the contract through a competitive pitch process.

Aimed at driving growth in consumption behaviours for the \$16.3 billion horticulture sector, the agency will deliver innovative multi-platform grower-funded marketing campaigns for Hort Innovation's 24 different produce categories.



Karina Keisler,
Hort Innovation General Manager
Marketing & Communications

"The agreement, made in consultation with industry, will deliver maximum value for Australian growers and ensure our quality local produce gets the spotlight like never before.

The current challenging landscape for Australian growers demands innovation and adaptability.

Through this collaboration, we will deliver campaigns that not only promote local produce but also serve as a strong support for our hardworking Australian growers."



Margie Reid,
Thinkerbell CEO

"As the team dives into supporting Aussie growers through Hort Innovation, we are eager to showcase our 'Measured Magic' proposition which uniquely combines marketing science and creativity, to deliver marketing solutions with real business outcomes.

Through our evidence-based approach, we will change behaviour and build market share for Hort Innovation's suite of Australian produce both locally and globally.

We are passionate about creating highly effective work that taps into culture, to not only resonate with the Australian audience, but also ensure that every dollar invested returns maximum value to growers and the industry at large."

Found and crowned – Australia's new 'Avo King'

Australia's 'Avo King' was found and crowned thanks to a public relations campaign that gained the nation's attention.

In what was a promotional opportunity too good to miss, a footy fan filmed devouring an avocado with a spoon at an Australian Football League pre-season match in Melbourne became the focus of an Australian Avocados quest to identify the avo aficionado.

Having just been engaged by Hort Innovation to deliver innovative

levy-funded marketing campaigns for 24 different produce categories, including Australian Avocados, creative agency Thinkerbell wasted no time in launching a nation-wide search for the man dubbed the Avo King.

The 'Av you seen this man?' campaign created a massive buzz on social media across the country, and it wasn't long before the mystery was solved.

The Avo King was in fact Joe Rumoro of Hawthorn East in Victoria who

unashamedly declared his love of avos in a string of media appearances following his identification.

With Joe enthusiastically praising the attributes of avocados, including their health benefits, versatility and convenience, the coverage on national television, across social media and via numerous online platforms reached a potential 14 million Australians. Major media outlets covering the story included *The Today Show*, *Herald Sun* and *3AW*.

Spotlight:

Aussie growers band together to boost the whole berry basket

PRIORITY 2.2

Drive consumption through high-impact, evidence-based domestic and export marketing campaigns

In an industry first, berry growers across the country joined forces to encourage Aussie shoppers to put more berries in their baskets.

Led by Berries Australia, the collaboration saw blueberries, raspberries, blackberries and strawberries all promoted under a 'berry basket' banner.

Following insights unearthed by key consumer research commissioned by Hort Innovation in 2023, the collaboration used social media and influencers to highlight the standout features of berries. This included key health benefits (antioxidant richness and nutritional density) and a 30-second commercial to showcase their taste appeal to make Australian berries a highly sought-after choice, that find their way into more trolleys, more often.

Activities lifted awareness of berries and ensured that they remained on consumer's minds throughout the year through a mix of video content, social media, out-of-home advertising, online retail activation and more.



Lynda Pallone,
Hort Innovation Head of Marketing

"Aussies love berries, and this campaign celebrates that while helping local growers raise the profile of their produce.

Research shows that consumers who purchase all four types of berries make up almost 50 per cent of the total category spend, and that a whole-of-category approach lifts sales across all berry types.

This new collaboration not only leverages these insights but also gives berry growers more bang for their buck when it comes to their investment in promoting their delicious produce."

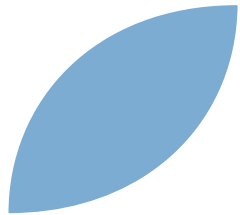


Rachel Mackenzie,
Berries Australia Executive Director

"Bringing all four berry categories into a cohesive campaign allows us to talk to the Australian consumer throughout the year, with the right berry, at the right time for our growers.

The berry categories working together makes sense for the industry and has been shown to work overseas.

This approach holds great appeal for berry levy payers, as many of them grow more than one type of berry and single berry marketing runs the risk of cannibalising other berry sales. In addition, the campaign will be flexible to allow for peak supply periods for each berry."



Spotlight:

Horticulture's consumer data revolution

PRIORITY 2.3

Deliver valuable data and insights that transform decision-making

Hort Innovation launched a new platform, Hort IQ, to provide industry with access to the latest, most comprehensive Australian fruit, vegetable and nut consumer data available.

Through Hort IQ, growers can gain a deeper understanding of market dynamics, purchasing trends, and consumer perceptions across fruits, vegetables and nuts.

Underpinning the platform is a portfolio of data projects that track what Australians think, feel, and do in relation to fresh produce through research partnerships with Fiftyfive5 and Nielsen IQ.

Access to Hort IQ is available to eligible people engaged in growing, marketing, selling and development of Australian horticulture.

Check your eligibility by registering at www.hortiq.com.au.



Wendy Hubbard,
Hort Innovation
Consumer Insights
Manager

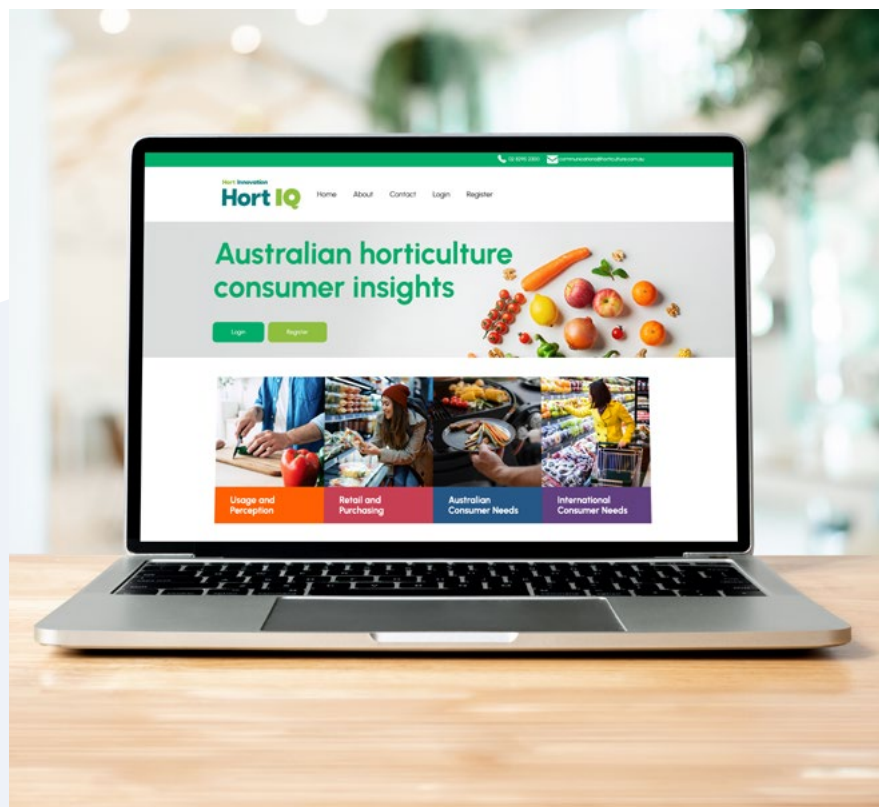
"Understanding how consumers act, think and feel about horticultural produce is an essential step in accelerating local and global demand for Australian horticultural produce.

The launch of this easy-to-use, self-serve platform provides Australian growers with an unprecedented ability to observe consumer trends, equipping them with the insights needed to help grow their businesses."



Jacqui Price,
Australian Macadamia Society
Marketing Manager

"Access to in-depth insights on consumers helps growers to make smarter decisions. By understanding consumer preferences and buying trends, we can better meet their needs and deliver fresh, high-quality produce that resonates with what people are looking for at the grocery store."



How were consumers behaving in 2023/24?

1



Rising cost-of-living remains top of mind

More than 80 per cent of consumers are monitoring their spending and 51 per cent report being financially worse off than they were a year ago. Younger households tend to be more impacted than more established households.

2



Cost-saving methods have become the new normal

Consumers are shopping to get the best deals, increasingly buying fruit and vegetables on special, buying only what they need, and substituting fresh produce for canned or frozen.

3



Sustainability remains important despite cost-of-living pressures

After cost of living, global warming and environment is a top concern for Australian consumers. Consumers' top sustainability actions are recycling packaging and limiting food waste by using leftovers and buying only what they need.

4



Online grocery shopping is here to stay

More than 50 per cent of households buy groceries both instore and online, and online baskets are worth more than double the average of an instore basket.

5



Main shop is the key trip

Sixty-nine per cent of produce shopping occasions are a main shop, followed by top-up shops at 30 per cent of trips and emergency/special occasion trips the last one per cent.

6



Fresh produce is an important part of the weekly shop. Every month, 98 per cent of households buy fresh produce

Over a year, the average household shopped for produce 92 times (almost twice per week), spending \$13.35 each visit to purchase 210kg of produce.

7



Engaging the next generation of consumers is key in creating future demand

Familiarity builds emotional connection. The produce that people were exposed to when they were young, and the way it was cooked, establishes the foundation of what they eat as adults, and the foods they choose for their own children.

8



For seasonal produce, it is important to drive consumer awareness every year

Intent to purchase is relatively stable for produce with year-round availability like apples, bananas, carrots and potatoes. For seasonal categories like mango, table grapes and stone fruits, the purchase intent needs to be rebuilt every year.

9



Taste is key to driving consumer love of produce

Consumers assume health benefits for most fruits and vegetables, but taste drives consumer love (or desire) for fresh produce. Providing consumers with top tasting produce leads to increased demand through repeat purchase and improved perceptions of being worth the price paid.

10

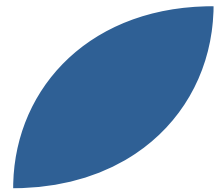


Recipes are a great way to encourage shy consumers

Aside from being on 'special', the top thing consumers say would encourage them to purchase fresh produce they wouldn't usually buy is 'finding a recipe I wanted to try' (47 per cent of consumers).

Spotlight:

Equipping industry with production insights



PRIORITY 2.3

Deliver valuable data and insights that transform decision-making

Hort Innovation's *Australian Horticulture Statistics Handbook* has emerged as the preferred source for horticulture facts, figures and insights.

The latest edition of the Handbook, developed by Freshlogic on behalf of Hort Innovation, was released in early 2024 and included information on 75 different horticulture categories across fruit, vegetables, nuts and greenlife.

The user-friendly Handbook includes figures on national and state-level production values and volumes, exports and imports, processing volumes, fresh supply, retail and food service distribution.

The Handbook's launch was supported through strong media engagement at national and regional levels.

Visit www.horticulture.com.au/hort-stats-handbook to view the latest edition.



Lucy Noble,
Hort Innovation Head
of Industry Insights

"The 2022/23 Handbook showed the value of the horticulture sector grew by \$434.3 million over the past year, demonstrating the hard work and passion that our industry has for growing high-quality fresh produce that feeds not only Australians but consumers across the world.

Growers have faced a myriad of challenges the past few years, including adverse weather events, higher production costs and labour shortages, that have affected profitability."





Spotlight:

Scientists demystify the secret health benefits of fresh produce

PRIORITY 2.4

Advance solutions to reduce and utilise waste to deliver new revenue streams for growers

Through a groundbreaking \$4.3 million collaboration with growers, scientists are spearheading a nutritional revolution, enticing Aussies to embrace the untapped health treasures available in fresh produce.

Led by a multidisciplinary team from Macquarie University's Industrial Transformation Training Centre for Facilitated Advancement of Australia's Bioactives (FAAB), this pioneering

research into fresh produce aims to uncover the secrets of bioactives—chemical compounds produced by plants that offer health benefits such as antioxidant and anti-inflammatory properties.

The insights delivered by this program will bolster industry-led activities that drive demand, including industry marketing campaigns and waste reduction programs.



Dr Jacqui Simpson,
Hort Innovation R&D
Manager

"This world-first program is a marriage of cutting-edge science and a commitment to improving public health. By shining a light on the nutritional powerhouses within horticultural products, the aim is to revolutionise the way Australians view and consume vegetables, fruits, nuts and mushrooms."



Professor Anwar Sunna,
Macquarie University

"The program will build the scientific evidence needed by the horticulture sector to promote the benefits of plant-food bioactives to consumers.

The language around bioactives is complex making communication of these health benefits challenging. This research looks to address these issues and empower the horticulture sector to spruik the benefits of fresh produce through collating and translating the science of bioactives."





Spotlight:

Innovative food products on display at Hort Connections

PRIORITY 2.4

Advance solutions to reduce and utilise waste to deliver new revenue streams for growers

Did you know that fruits and vegetables are Australia's most wasted foods, with more than three million tonnes going to waste every year?

Food waste is a priority for the horticulture sector and was highlighted as an area of focus in the *Australian-grown Horticulture Sustainability Framework* launched in November 2023.

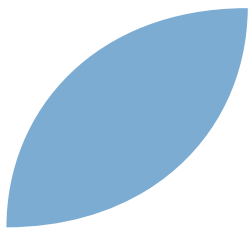
Hort Connections is the nation's annual gathering for the horticulture sector with more than 3,000 people attending each year. To demonstrate the innovative products that can be made from discarded fresh produce to combat food waste, Hort Innovation had a number of unusual offerings at our stand this year for attendees to sample.

One of the curious treats available was dark chocolate featuring brussels sprouts which was rated 10/10 by some brave taste-testers.

Increasingly, Australian horticulture industries are channelling their research and development levies into food waste initiatives. Recently, Hort Innovation collaborated with End Food Waste Australia to develop Food Waste Action Plans for the melon and banana industries, outlining strategies to reduce waste throughout the supply chain.

At Hort Connections, a 'Melon Magic' menu was served up which offered a range of alternative ways to consume melons (and bananas) including melon icy-pops, dried rockmelon seeds, and melon margaritas.

Melons Australia donated 115 kilograms of imperfect melons for the icy pops and margaritas. The industry also used this as an opportunity to showcase imported dried melon that could be adopted in Australia with industry support.



“ Caitlin Radford,
Tasmanian brussels
sprouts grower

“There is so much potential for what we typically consider ‘waste’. Our primary goal as producers is to deliver high-quality produce. Innovations in alternative food products can help minimise waste by utilising excess or lower-grade produce.”

“ Dr Steven Lapidge,
End Food Waste Australia CEO

“It is great to see some examples of innovative products at Hort Connections this week that seek to reduce food waste while also highlighting the nutritional benefits of delicious fresh produce.”





Through Hort Innovation's Frontiers investment program, autonomous drone technology has been used to pollinate tomato and strawberry crops in protected cropping environments using a method called 'Aerodynamically Controlled Pollination'. This method uses the turbulence from the drones' propellers to vibrate the flowers' reproductive parts and encourage the dispersal of pollen in self-fertile crops such as strawberries and tomatoes.

4

Maximise and diversify investments

This section shines a light on how Hort Innovation partners with industry to ensure levy-funded projects deliver impact at scale, builds strategic partnerships to deliver bigger, bolder investments in innovation and creates a flexible investment framework to attract new partners and alternative funding sources.



Partnering with industry on their investments

PRIORITY 3.1

Partner with industry to deliver Annual Investment Plans ensuring industry levy-funded projects deliver impact at scale

Hort Innovation is committed to ensuring the needs and priorities of the horticulture industry shape the way we make investments. To this end, Hort Innovation partners with each peak industry body on their advice mechanism, a collaborative relationship underpinned by a Memorandum of Understanding (MoU).

Advice mechanisms

Hort Innovation and each peak industry body co-designed a fit-for-purpose advice mechanism during the 2022/23 financial year that meets Hort Innovation's governance requirements. Overall, 24 industries decided to refresh their current Strategic Investment Advisory Panel (SIAP) mechanism, and 13 industries decided to create a new advice mechanism that best suits their needs.

The refresh of the investment advisory mechanisms has resulted in an uplift in the performance of the SIAPs. Approximately 70 per cent of panel members are new members. As reported in the Independent Review of Performance (IRP), the initiation and implementation of the reset and refresh of these mechanisms has been generally well received by industry.

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

Memorandums of Understanding

Memorandums of Understanding for each industry have been developed to provide clarity on how Hort Innovation and peak industry bodies work together. This initiative, together with implementing the new advice mechanisms, will continue into 2023/24.

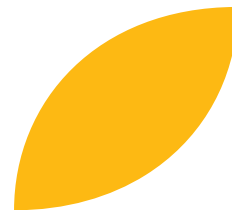
Hort Innovation will continue to consult with stakeholders on the implementation of these MoUs, to ensure they are operating as intended and remain fit for purpose.

Strategic Investment Plans

Most levied industries have their own Strategic Investment Plan (SIP), developed by Hort Innovation in partnership with growers and other stakeholders across each industry. These plans cover five years from 2022 to 2026 and outline the main priorities and desired outcomes for investment.

In 2024/25, Hort Innovation will review the strategic investment framework, informed by a Stakeholder Engagement Plan aligned to the Best Practice Guide to Stakeholder Consultation (see p78), as per the IRP recommendation (see p97).





Annual Investment Plans

Each industry's SIP provides strategic oversight of investment over a five-year period, while the Annual Investment Plans (AIPs) detail how levy funds will be invested over 12-months. In collaboration with industry stakeholders, Hort Innovation develops an AIP for each levy fund annually. The SIP and industry consultation inform this process, and then Hort Innovation presents the AIP to the industry advisory panel for feedback and prioritisation.

In developing the 2024/25 AIPs, industry-representative advisory panel members have been consulted across more than 90 SIAP and ideation meetings and prioritised 122 research, development and extension projects and 35 marketing investment recommendations.

In response to feedback provided by industry and the Department of Agriculture, Fisheries and Forestry (DAFF) in the 2022/23 performance review, Hort Innovation is now publishing AIPs annually with fund priorities and the financial positions of each fund outlined to support future planning with each industry.

All AIPs were delivered and published in line with the target date of September 2024. Hort Innovation's use of improved and user-friendly templates has increased industry engagement and our service delivery outcomes in delivering AIPs in 2023/24.

The AIPs are published on Hort Innovation's website each year, and industry stakeholders are notified via Hort Innovation's communication channels.

Investment panels

During 2023/24, Hort Innovation's investment decision-making was informed by formal panels made up of levy-paying growers, industry representatives (including peak industry bodies) and relevant experts, and the relevant investment plans.

Strategic Investment Advisory Panels

SIAPs are made up of growers and other industry representatives. The SIAPs discuss the draft AIPs at consultation meetings, using their industry's SIP to guide them in providing advice to Hort Innovation on potential levy investments.

Marketing co-design approach

Hort Innovation's marketing team has continued to deliver a collaborative planning process for industries with a levy-funded marketing program.

A dedicated marketing workshop is delivered with SIAPs to review data and evidence on the effectiveness of marketing campaigns (basing plans on what consumers think, feel and do) and co-design an industry marketing plan for the next financial year.

This approach was introduced in direct response to feedback from industry which sought more input and involvement in developing marketing plans and strategies.



Working together for bigger, bolder impact

Spotlight:

Collaboration across the horticulture sector to protect and grow Australia's horticultural exports

PRIORITY 3.2

Build strategic partnerships to deliver bigger, bolder investments in innovation for Australian horticulture

Through the Fresh and Secure Trade Alliance (FASTA), key Australian export stakeholders and authorities have joined forces to help protect and grow Australia's horticultural exports.

Insect pests are a major challenge for Australia's horticultural producers as they impact production and domestic and international trade. Before new trade can commence, trading partners require evidence that Australia's horticulture exports are insect pest free.

Delivered through Hort Innovation and led by the Department of Agriculture and Fisheries Queensland, the eight-year program is equipping the Australian Government with the strongest possible, and most efficiently delivered, data to inform market access decisions. FASTA's research program is focused on two areas:

● **Delivering robust and timely datasets to underpin market access negotiations:** State and Territory governments will work together to standardise their approach to phytosanitary data, to demonstrate Australia's produce is pest free while also ensuring that the impact of phytosanitary treatments on fruit quality will be minimised. These datasets will be used to open new protocol markets for Australian produce and improve conditions to existing ones.

● **Increasing understanding about fruit fly and other insect pests:**

A multi-discipline, multi-organisational research team of more than 70 scientists from across Australia will be assembled to test new technologies for tracking pests, trapping pests and reducing pest pressure. The eight-year program will increase Australia's research capabilities in pest management research and facilitate world-class research.

FASTA was launched in August 2023 and is in the process of establishing research and industry engagement mechanisms and prioritising the next seven years of R&D to maximise the program's impact on the horticulture sector.

The Fresh and Secure Trade Alliance also includes the Department of Primary Industries and Regional Development (WA); the Queensland University of Technology, the Department of Energy, Environment and Climate Action (VIC), the Western Sydney University, the Department of Tourism, Industry and Trade (NT), the Australian Blueberry Growers' Association, James Cook University, the Department of Primary Industries and Regions (SA), GreenSkin Avocados, and levy funding from the avocado and strawberry industries plus support from the Australian Government.

Spotlight:

Collaboration on mutual biosecurity challenges

The Plant Biosecurity Research Initiative (PBRI) is a partnership between Australia's seven plant-focused Rural 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.

Hort Innovation is the host member organisation for the PBRI, charged with managing the PBRI Agreement and responsibility for the administration, monitoring, performance delivery and evaluation of the PBRI.

Since it was established in 2017, the PBRI has focused on preparedness, diagnostics, surveillance, and sustainable management technologies, targeting key pests and diseases that put our plant industries at risk. By joining efforts, Australia's plant-focused research and development corporations efficiently and effectively manage pests and diseases that present a mutual challenge to our industries. The PBRI extends this approach by working with MoU partners such as BetterBorderBiosecurity NZ, Euphresco, ACIAR, Plant Health Australia and the Plant Health Committee.

In 2023/24 PBRI highlights were:

New PBRI Strategy released (February 2024)

The PBRI members endorsed a new five-year strategy, re-enforcing its role in collaboration and co-investment in plant biosecurity research. The strategy contains three goals: 1. Identify and explore novel approaches and technologies for biosecurity, 2. Coordinate and leverage high-value cross-sectoral investment in plant biosecurity innovation, and 3. Drive responsive collaboration for better plant biosecurity outcomes. PBRI members have agreed to four key focus areas to guide co-investment: early warning and risk, diagnostics and surveillance, resilient crop protection systems and readiness and recovery.

EUPHRESKO III kick-off meeting (March 2024)

PBRI is a partner in the new EUPHRESKO III project, which aims to set the foundations for global phytosanitary research coordination. The kick-off meeting in Paris established the project team and initiated the collaboration, which will build on the activities of organisations with a long history of coordinating plant health in their region. PBRI is the regional champion for Australia, and its new key focus areas will be used to shape the global strategic research agenda.

Regional biosecurity surveillance innovation codesign (October 2023-April 2024)

As part of PBRI's diagnostics and surveillance key focus area, four regional workshops were convened in high-value growing regions in Bunbury, Cairns, Wagga and Mildura. Almonds, melons, bananas, citrus, apple and pear, grains, cotton, rice, wine, forestry and truffle industries contributed to shaping the design of a large cross-industry surveillance project. State and commonwealth agencies also participated in the workshops. An expression of interest for project partners, led by the Cotton Research and Development Corporation, will occur in August 2024.

2024 Biosecurity Nudgeathon (April 2024)

The Nudgeathon is a behavioural change competition to develop solutions to real-life social issues. The 2024 topic, *Nudging for better biosecurity*, was sponsored by PBRI members led by Wine Australia. Twenty student teams from around Australia addressed two challenges – improving plant biosecurity practices on farms and elevating awareness of biosecurity in the community. A highly engaged expert panel, including the Australian Banana Growers' Council and AUSVEG, set up the challenge for the students and inspired them to work through the night on their pitches.

The winning pitch was from the Department of Prime Minister and Cabinet graduate students on a citizen science approach for detecting biosecurity threats called 'Sight, snap and send'.

Fall Armyworm Symposium (April 2024)

This year's fall armyworm (FAW) infestations have been the most severe across Queensland and northern New South Wales. This event was an essential platform for sharing information, research updates, and sustainable solutions for managing FAW infestations. More than eighty participants attended the cross-industry event, which included affected industries, agronomists, researchers and state governments. The sessions highlighted the extent of the FAW challenges for the grains, horticulture, grazing and dairy industries. The participants shared learnings and updates on the latest research and sustainable pest management solutions. The symposium was delivered as part of the Hort Innovation project *National fall armyworm innovation system for the Australian vegetable industry (VG22006)* delivered by DAFQ.

2024 PBRI Symposium (May 2024)

The third biannual PBRI symposium was held in Cairns, celebrating International Day of Plant Health and focusing on biosecurity collaboration. This event provided an opportunity to hear about the impacts and outcomes of plant biosecurity research co-investment and a platform to connect and collaborate. Then Federal Minister for Agriculture, Fisheries and Forestry, Murray Watt, opened the symposium, highlighting the work of government in protecting Australia's plant biosecurity, followed by a keynote address by Danny le Feuvre, CEO of the Australian Honeybee Industry Council, and Hort Innovation CEO, Brett Fifield. Secretary Adam Fennessy participated in a panel session on readiness and recovery, and four new PBRI Ritman Scholars were announced.



Spotlight:

Supporting a 'Team Australia' approach in market

Australian agriculture is taking a collaborative approach to promoting its products in international markets by joining forces on in-market promotional activities overseas.

Hort Innovation is leading the collaboration between Dairy Australia, Meat & Livestock Australia, Wine Australia and Seafood Industry Australia, and leveraging industry-government partnerships with the Department of Agriculture, Fisheries and Forestry (DAFF), Austrade, and the Department of Foreign Affairs and Trade.

The Australian Food & Wine Collaboration (AFWC) recognises the need to have a coordinated approach to how Australian agriculture presents itself in key markets. Each of the partners represents varying product categories and operates in differing international market sectors. Products range from ingredients for further processing and distribution through to food service and direct consumer-ready goods.

Phase I of the project included six-month intensive programs focused on in-market promotional activities in Thailand, South Korea, Vietnam, and Indonesia.

Due to the success of Phase I, the AFWC received a second Australian Trade and Market Access Cooperation (ATMAC) grant starting in July 2024 to apply Phase I's learnings in four proposed markets: Japan, Taiwan, Singapore, and the USA.





Our work with Government

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

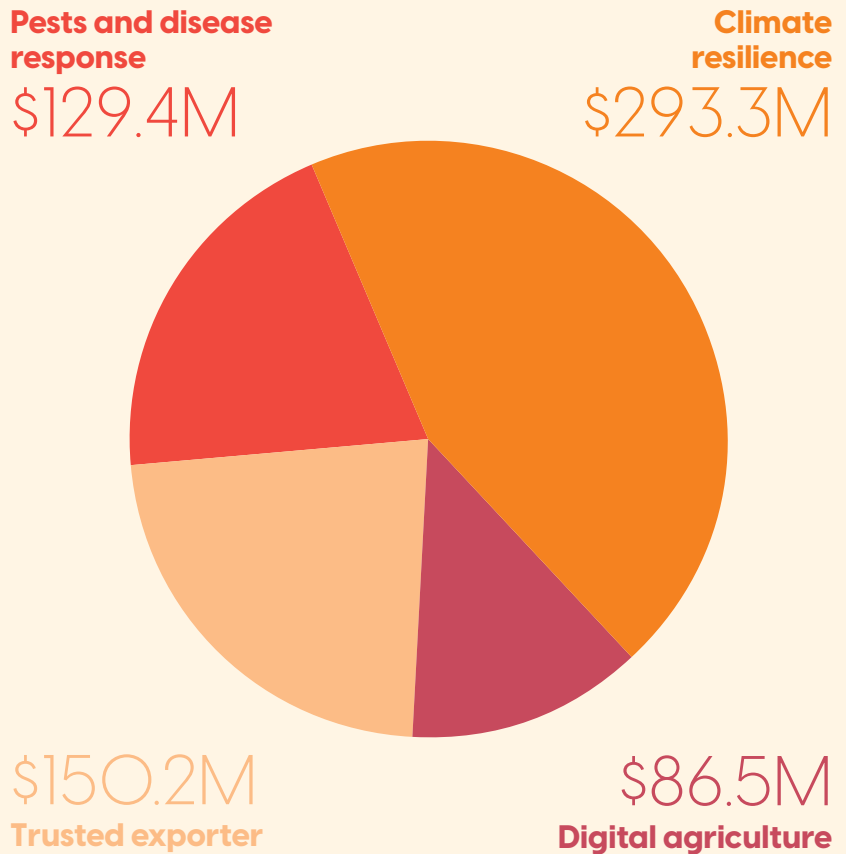
Australia’s Rural Research and Development Corporations, including Hort Innovation, were established by the Government to support research, development and extension efforts across primary industries. This means Hort Innovation’s work strategically aligns with overarching national priorities and themes.

The Rural RD&E priorities

Hort Innovation’s investments contribute to four areas within the Australian Government’s Rural RD&E priorities:

1. Australia will champion climate resilience to increase the productivity, profitability and sustainability of the agricultural sector by 2030.
2. Australia is a mature adopter, developer, and exporter of digital agriculture by 2030.
3. Australia is a trusted exporter of premium food and agricultural products by 2030.
4. Australia is a world leader in preventing and rapidly responding to significant pests and diseases through futureproofing our biosecurity system by 2030.

How Hort Innovation’s total investment portfolio aligns with the Rural RD&E priorities (by value)



Alignment to Federal Agriculture Minister's priorities

In 2023/24, Hort Innovation has continued to deliver against Ministerial priorities for RDC investments. As of June 2024, our investment portfolio alignment is as follows:

- 🍌 **Biosecurity – \$92.6 million invested in projects** that support the horticulture sector to create an environment that is not conducive to pests establishing, raises awareness to support early reporting on pests, and demonstrates the absence of pests to support trade.
- 🍌 **Climate change and sustainability – \$277.1 million invested in projects** that support the horticulture sector to adapt to a changing climate or improve sustainability practices in the industry.
- 🍌 **Trade – \$151.2 million invested in projects** that support the horticulture sector to accelerate global demand and Australian exports.
- 🍌 **First Nations engagement – \$7.9 million invested in one project** that includes exploring partnerships with indigenous groups in managing areas on a landscape scale for pests.
- 🍌 **Workforce – \$11.6 million invested in projects** to develop industry capability and address workforce challenges.



Other ways we connect with Government

Hort Innovation's work aligns with other national priorities, directions and input that may be communicated by the Australian Government.

We supported critical Australian Government efforts during the year:

- Engaged regularly and maintained relationships with the Department of Agriculture, Fisheries and Forestry (DAFF) and the Australian Trade and Investment Commission. This included having regular meetings with both and including Government representatives on a number of national collaborations, such as the National Fruit Fly Council and the Plant Biosecurity Research Initiative.
- Managed around \$6.7 million worth of projects funded through a range of Government grants such as the Australian Trade and Market Access Cooperation (ATMAC) grants.
- Built DAFF and Austrade into formal advisory mechanisms for major trade initiatives so they are consulted on the direction and outcomes of investments.
- Convened the International Market Access Assessment Panel, which assesses all horticulture market access applications prior to them going to DAFF for consideration.
- Worked collaboratively with Austrade to deliver support for Grown in Good Nature campaign activities and various trade missions, as well as several virtual webinars and events to connect our exporting industries.
- Conducted peak industry body forums, bringing together representatives from Government and industry to facilitate understanding, ideate new ideas and identify gaps where governments may be able to partner with industry to address challenges and harness opportunities.



Empowering great ideas for tomorrow's horticulture

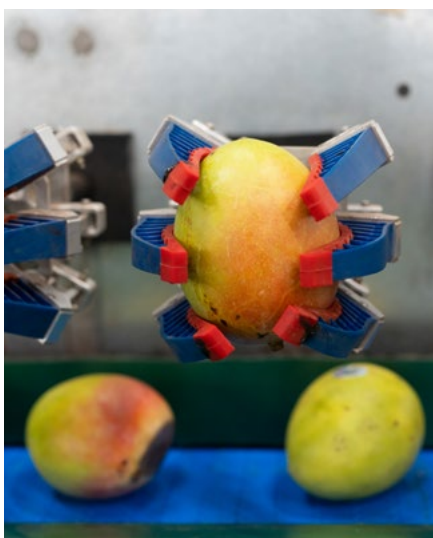
PRIORITY 3.3

Create a flexible investment framework attracting new partners and alternative funding resources

In 2023/24, Hort Innovation announced an ambitious goal to inject \$500 million over the next 10 years into research and development to drive transformation in Australian horticulture.

The new co-investment approach is designed to meet the needs of a rapidly evolving horticulture industry that is growing at the fastest rate of all Australian agriculture sectors.

Hort Innovation's Frontiers invests in seizing big opportunities and developing solutions to horticulture's major challenges. Teaming up with local and global innovators, Frontiers attracts private, commercial and Government co-investment to transform Australian horticulture and accelerate outcomes into the hands of growers.



Five investment themes drive Frontiers' approach to innovation and co-investment, helping identify and solve challenges to ensure a profitable and sustainable Australian horticulture sector:

- Healthy living
- Adaptation and resilience
- Market growth and security
- Disruptive technologies
- Capability building.

Investment partners can participate across four dynamic investment pathways – each designed to propel the industry forward:

- Innovation partnerships:** Delivered through proven procurement approaches, this ongoing stream beckons strategic collaborations, inviting stakeholders from all corners of the sector to join forces to advance industry innovation.

- Australian-grown innovation:** Dedicated to growers and the supply chain, this stream nurtures grassroots ingenuity, empowering innovators to take their ideas from concept to reality through a competitive Expression of Interest process. Launching in 2024.

- Incubate and accelerate:** Poised to serve as a launchpad for startup enterprises seeking to scale within the horticulture domain. Through rigorous selection and support mechanisms, budding entrepreneurs, researchers, and students will be equipped to thrive in the competitive landscape. Launching in 2025.

- Hort Innovation Venture Fund:** Set to channel resources into high-growth early-stage startups, this stream will propel innovative products and services from inception to market readiness. Launching in 2024.



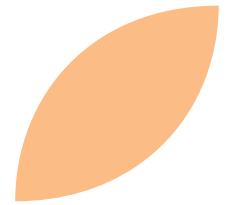
Georgia Beattie,
Bulla Park Mushrooms

"The new approach has an unapologetic focus on commercial outcomes and impact for Australian growers. Frontiers provides an internationally competitive co-investment model featuring a dedicated avenue for grower innovators to propel their ideas forward, partnerships with local and global venture funds and private equity firms, and options for start-ups and early adopters with viable solutions to industry's challenges."



Jesse Reader,
Hort Innovation Head of Investment,
Growth and Commercial

"Through Frontiers, Hort Innovation is not only setting an ambitious target, we are also being very clear about where investments will deliver the biggest impact – which is where growers need our Frontiers investments the most. We are looking at the big picture to find the big opportunities and have developed this new program with partners, innovators, industry representatives and some of Australia's most forward-thinking growers."



Protecting the commercial value of our investments

PRIORITY 3.3

Create a flexible investment framework attracting new partners and alternative funding resources

Hort Innovation maximises ongoing benefits to industry by protecting the commercial value of intellectual property arising from investments.

Hort Innovation’s Intellectual Property Policy and Management Framework continued to be implemented in 2023/24 for the identification, use and management of IP acquired, created, licensed, disseminated and commercialised by the company.

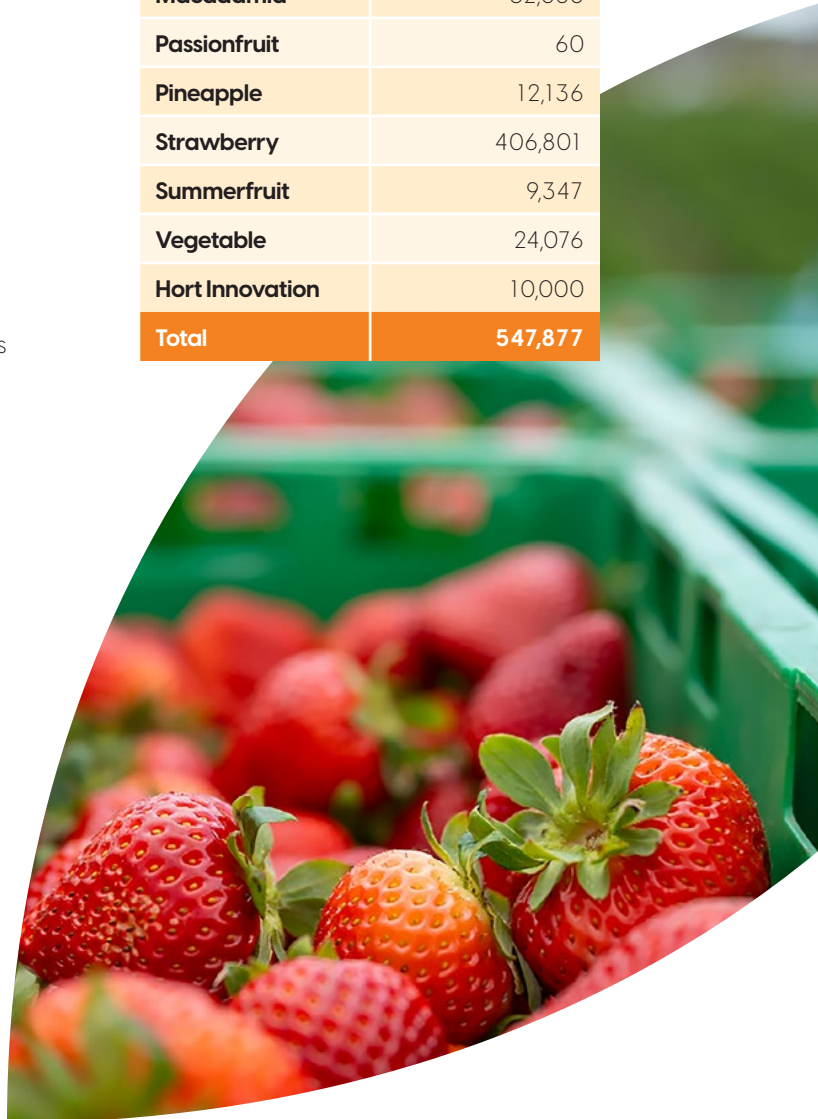
Under the policy, Hort Innovation ensures appropriate protection is in place for valuable IP developed in investments.

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

In 2023/24, Hort Innovation:

- ▶ Entered into a license agreement with Agriculture Victoria to begin the process of commercialising biolures, attractants and biopesticides for the almond industry.
- ▶ Engaged with Agriculture Victoria on a potato variety that was developed through a historical levy-funded R&D project.
- ▶ Entered into an agreement with the Department of Agriculture and Fisheries Queensland and Australasian Plant Genetics to commercialise novelty varieties identified through the National Strawberry Varietal Program.
- ▶ Entered into a strategic governance and cooperation agreement with Plant and Food Research NZ to collaborate for the purpose of commercially exploiting vital vegetables products.

Industry	Amount (\$)
Almond	29,308
Apple and pear	9,652
Avocado	671
Citrus	8,276
Custard apple	15
Dried grape	30
Dried tree fruit	4,763
Lychee	75
Macadamia	32,668
Passionfruit	60
Pineapple	12,136
Strawberry	406,801
Summerfruit	9,347
Vegetable	24,076
Hort Innovation	10,000
Total	547,877



Our 2023/24 investment figures

Levy receipts by industry

Levy receipts by industry 2023/24			
Industry/Fund	R&D (\$)	Marketing (\$)	Total (\$)
Statutory Levy Funds			
Almond	2,397,920	–	2,397,920
Apple and pear	1,986,840	3,070,322	5,057,162
Avocado	4,142,770	6,393,534	10,536,304
Banana	1,971,298	4,198,136	6,169,434
Chestnut	54,166	60,184	114,350
Citrus	2,480,060	365,875	2,845,935
Custard apple	63,111	30,337	93,448
Cherry	882,505	176,701	1,059,206
Dried grape	71,903	107,205	179,108
Dried tree fruit	5,674	–	5,674
Lychee	80,399	36,546	116,945
Macadamia	1,475,951	2,757,291	4,233,242
Mango	475,747	634,328	1,110,075
Melon	790,900	–	790,900
Mushroom	12,42,008	3,358,020	4,600,028
Nursery	1,613,667	1,173,576	2,787,243
Olive	366,241	–	366,241
Onion	810,155	279,365	1,089,520
Papaya	172,346	171,644	343,990
Passionfruit	125,710	125,673	251,383
Persimmon	123,357	82,239	205,596
Pineapple	144,152	71,351	215,503
Potato – fresh	693,206	–	693,206
Potato – processing	464,557	–	464,557

Continued >>

Levy receipts by industry 2023/24 (continued)			
Industry/Fund	R&D (\$)	Marketing (\$)	Total (\$)
Statutory Levy Funds (continued)			
Prune	38,842	–	38,842
Raspberry and blackberry	741,809	112,300	854,109
Strawberry	884,176	–	884,176
Summerfruit	931,671	32,453	964,124
Sweetpotato	429,445	885,450	1,314,895
Table grape	1,115,029	1,115,026	2,230,055
Turf	421,092	105,273	526,365
Vegetable	10,589,609	–	10,589,609
Total statutory levies	37,786,316	25,342,829	63,129,145
Collective Industry Funds (Voluntary Levies)			
Almond	1,203,723	–	1,203,723
Blueberry	317,500	–	317,500
Pistachio	169,953	–	169,953
Processing tomato	246,611	–	246,611
Total voluntary levies	1,937,787	–	1,937,787
Total levy receipts	39,724,103	25,342,829	65,066,932

For more financial reporting, see the full Financial Report from [p101](#).

R&D and marketing expenditure by fund

Expenditure by Fund 2023/24			
Industry/Fund	R&D (\$)	Marketing (\$)	Total (\$)
Almond	6,727,566	–	6,727,566
Apple and pear	2,918,927	3,051,199	5,970,126
Avocado	8,708,857	4,120,303	12,829,160
Banana	3,289,963	3,038,190	6,328,153
Blueberry	913,967	–	913,967
Cherry	604,701	174,615	779,316
Chestnut	45,337	58,113	103,450
Citrus	5,997,712	645,481	6,643,193
Custard apple	47,172	474	47,646
Dried grape	110,434	108,000	218,434
Dried tree fruit	5,268	–	5,268
Lychee	210,231	27,953	238,184
Macadamia	2,012,487	2,655,186	4,667,673
Mango	768,418	600,078	1,368,496
Melon	1,589,746	–	1,589,746
Mushroom	2,176,515	2,659,873	4,836,388
Nashi	69,835	–	69,835
Nursery	2,449,985	964,068	3,414,053
Olive	414,882	–	414,882
Onion	1,436,559	356,864	1,793,423
Papaya	162,909	130,770	293,679
Passionfruit	170,254	100	170,354
Persimmon	138,169	53,660	191,829
Pineapple	109,783	43,360	153,143
Pistachio	379,473	–	379,473
Potato – fresh	372,793	–	372,793
Potato – processing	311,801	–	311,801
Processing tomato	322,523	–	322,523

Continued >>

Expenditure by Fund 2023/24 (continued)

Industry/Fund	R&D (\$)	Marketing (\$)	Total (\$)
Prune	62,324	–	62,324
Pyrethrum	1,842,322	–	1,842,322
Raspberry and blackberry	1,510,508	156,000	1,666,508
Strawberry	1,939,194	144,000	2,083,194
Summerfruit	1,187,774	212,235	1,400,009
Sweetpotato	1,099,570	11,467	1,111,037
Table grape	1,789,543	1,107,025	2,896,568
Turf	486,738	6	486,744
Vegetable	13,082,443	–	13,082,443
Other			
Legacy VC	–	–	–
Grant funding	2,062,456	–	2,062,456
Centralised Strategic Levy Reserves	–	–	–
Board Strategic Fund	1,455,733	–	1,455,733
Frontiers Funds			
Advanced Production Systems	32,616,390	–	32,616,390
Biosecurity	6,527,595	–	6,527,595
Fruit Fly	635,271	–	635,271
Green Cities	2,594,456	–	2,594,456
Health, Nutrition and Food Safety	2,027,902	–	2,027,902
International Markets	11,839,265	–	11,839,265
Leadership	1,963,614	–	1,963,614
Pollination	11,094,796	–	11,094,796
Strategic research	49,604	–	49,604
Levy collection cost	629,102	282,815	911,915
Total	138,962,865	20,601,835	159,564,700

New R&D agreements in 2023/4

New R&D investments in 2023/24			
Project code	Project name	Key delivery partner	2023/24 Spend (\$)
AL22000	Evaluating self-fertile varieties in block plantings for almond growers	Almond Board of Australia	100,794
AL22001	Almond industry innovation and adoption program – phase two	Almond Board of Australia	400,000
AL23000	Almond Centre of Excellence operation and maintenance	Almond Board of Australia	1,134,964
AL23001	Enabling the pathway to best sustainable management practices	Almond Board of Australia	88,000
AM22001	Emerging trends on non-tariff measures in the horticulture sector	KPMG	261,653
AM24001	Asia Fruit Logistica	Bastion Amplify	100,000
AP22001	Pest and disease management (PIPS 4 Profit)	Department of Energy Environment & Climate Change (DEECA)	501,375
AS22000	Developing a rapid low-cost method for genotyping by sequencing	University of Queensland	652,137
AS22003	Translating RNAi technology for virus and whitefly management in protected cropping systems	University of Queensland	296,727
AS23000	Spatially enabling tree crop production practice	University of New England	388,800
AS23001	Growing horticulture through protected cropping innovation	Applied Horticultural Research	8,588,876
AS23002	Harnessing virtual reality to aid berry picker evaluation and training to drive increased productivity	Bitwise Agronomy	46,000
AS23003	Genetics for next generation orchards	Queensland University of Technology	4,639,258
AS23005	Using AI and machine learning to improve weather forecasting	Jane's Weather	300,000
AV22012	Avocado industry R&D Coordinator	Avocados Australia	274,230
AV22016	Avocado industry supply and trade data capture and analysis	Avocados Australia	556,390
AV22018	International avocados evaluation mission	Avocados Australia	101,085
AV23000	Interseasonal irregular bearing	CSIRO	440,000
AV23004	International avocados Middle East study tour	Avocados Australia	111,952
AV23005	International avocados Gulfood Tradeshow	Bastion Amplify	100,000
AV23006	Avocado Japan Supermarket Tradeshow	Bastion Amplify	100,000

Continued >>

New R&D investments in 2023/24 (continued)

Project code	Project name	Key delivery partner	2023/24 Spend (\$)
AV23O10	Avocado industry development and extension project	Department of Agriculture & Fisheries Queensland	594,525
AV23O12	China market study tour	Avocados Australia	100,000
AV23O13	Improving avocado irrigation efficiency and effectiveness in Australia	Applied Horticultural Research	484,439
AV23O14	Workshop and roadmap for the way forward for irregular bearing	Wilkie Horticulture	67,968
AV23O15	Industry level life cycle assessment (LCA) of Australian avocado production	Life Cycle Strategies	30,000
AV23O16	Developing a strategy for long-term sustainability of avocado production in Australia	RM Consulting Group	19,220
AV23O21	Avocado Best Practice Resource independent review	Impact Innovation Group	19,094
BA23OOO	Biosecurity and sustainability in the banana industry	Australian Banana Growers' Council	258,247
BY22OO2	Understanding cross-protection of viral diseases in horticulture crops – a case study of citrus tristeza virus	University of Queensland	215,296
BY22OO3	Landscape approach to improve Australian horticultural preparedness and resilience to agri-pest challenges	CSIRO	2,379,508
BY23OOO	Using artificial intelligence to develop automated monitoring systems for the banana and fruit spotting bugs	Macquarie University	317,144
CT22OO2	Citrus market development and quality program	Citrus Australia	843,818
CT23OO2	Breeding new rootstocks for the Australian citrus industry	Department of Agriculture & Fisheries Queensland	42,473
CT23OO3	Albedo breakdown prediction	Department of Primary Industries NSW	56,262
CT23OO4	Management of the citrus industry consultation and advisory mechanism	Citrus Australia	90,601
CT23OO6	Competitive citrus orchard systems	Department of Primary Industries NSW	150,780
DP23OO1	Prune international industry study tour	Aus Prunes	39,296
DT23OO1	Decision support models for Australian dried tree fruit	Chaffey & Associates	3,690
GC22OOO	Which Plant Where adoption strategy and implementation	Macquarie University	166,762

Continued >>

New R&D investments in 2023/24 (continued)			
Project code	Project name	Key delivery partner	2023/24 Spend (\$)
GC22008	Optimising green spaces in high-needs schools	Deakin University	122,024
GC22009	Drywells and trees: combating urbanisation-induced flood, heat and salinity problems	Flinders University	260,942
GC22010	Better green spaces in Australian primary schools	University of Melbourne	406,943
GC22011	Developing guidelines for urban greening and liveable communities	University of Melbourne	298,000
GC22012	Managing resilient urban greenspaces in Australian cities	Western Sydney University	823,911
GC22014	Green spaces in Australian secondary schools	University of Canberra	212,813
HN22003	The nutritional advantage of fresh produce: a focus on bioactive nutrients and their role in consumer demand	Macquarie University	863,523
HN23002	Food as medicine: produce prescription program	The George Institute	598,637
LY23001	Lychee industry communications and development program	Australian Lychee Growers Association	134,150
MC23001	Masterclass in macadamia management	Australian Macadamia Society	22,800
MC23002	Macadamia industry crisis and risk management	Australian Macadamia Society	26,996
MG23002	Mango foodservice research and strategy FY24	Freshlogic	91,000
MT22012	Industry preparedness for exotic root knot nematode (<i>Meloidogyne enterolobii</i>)	CSIRO	45,500
MT23001	Strategic Agrichemical Review Process (SARP) 2023 updates	AGK Services	66,547
MT23003	Berry advisory mechanism	Berries Australia	42,820
MT23004	Multi-industry berry trade development and market access project (2024-2029)	Berries Australia	258,943
MT23006	Independent mid-term reviews of VG21000, MG21002 and BA20002	GHD	22,458
MT23201	Consumer usage and attitude tracking 2023/24	Accenture Australia	246,400
MT23202	Comms evaluation deep dive modules 2023/24	Accenture Australia	30,000
MU23003	Mushroom supply chain and consumer analytics	Freshlogic	30,000
MU23004	Mushroom RD&E Coordinator	Australian Mushroom Growers' Association	93,204
MU23006	Mushrooms school education program	Australian Mushroom Growers' Association	67,980

Continued >>

New R&D investments in 2023/24 (continued)

Project code	Project name	Key delivery partner	2023/24 Spend (\$)
NA22000	Access to new varieties for Australian nashi growers	Department of Primary Industries NSW	22,781
NY23002	Nursery industry consultation agreement	Greenlife Industry Australia	35,600
OL23002	Olive oil quality monitoring program	Australian Olive Association	9,467
PH23001	Progress on bumble bees as commercial pollinators in Australia: update on risks and opportunities	Western Sydney University	1,044,903
PI23001	Australian pineapple industry field days	Queensland Fruit & Vegetable Growers	20,000
PR20000	Persimmon industry communications and extension program	Persimmons Australia	9,447
PR23000	Persimmon productivity Program	Department of Primary Industries NSW	5,000
PS22000	Pistachio production research program	Pistachio Growers' Association	290,149
PS23001	The pistachio industry's development, extension and adoption program	Pistachio Growers' Association	81,089
PT23000	World Potato Congress 2024	Potatoes Australia	19,050
PW22000	Pest management for the Australian sweetpotato industry	Department of Agriculture & Fisheries Queensland	329,400
PW23000	Access to new sweetpotato varieties	Aus Sweetpotato Seed	69,970
PY23001	Next-gen pyrethrum production	Botanical Resources Australia	1,738,691
RB22000	Assessing the viability of fumigation as an export pathway for Australian rubus	Department of Primary Industries NSW	78,981
RB22001	Strengthening the sustainability of berry production	Life Cycle Strategies	104,000
RB23002	Best practice pollinator management for the rubus industry	University of Melbourne	95,375
SF23000	Precision summerfruit orchards	Department of Energy Environment & Climate Change (DEECA)	180,000
SF23002	Stone fruit usage and attitude study	Kantar Insights Australia	19,600
SF23003	Summerfruit trade development project	Summerfruit Australia	199,727
SF23004	Summerfruit extension and communication project	Summerfruit Australia	219,709
ST22009	Developing a RegTech framework and applications across horticultural value chains	Freshcare	194,000
ST23002	Australian horticulture pest innovation program	University of Melbourne	2,421,333
ST23004	India supply chain mapping	KPMG	175,000

Continued >>

New R&D investments in 2023/24 (continued)			
Project code	Project name	Key delivery partner	2023/24 Spend (\$)
ST23005	Monitoring and evaluation of the Horticultural RegTech Framework development	Strategic Matters	8,778
TG23000	Table grapes market access and trade development project (2024-2029)	Australian Table Grape Association	210,108
TG23001	De-risking and future-proofing Australian table grape production	Australian Table Grape Association	200,000
VG22004	Vegetable industry biosecurity and business continuity strategy	AUSVEG	2,281,999
VG22012	Revisiting brown etch of pumpkins	La Trobe University	34,800
VG23000	Finding opportunities to strengthen innovation in the Australian vegetable industry	University of Melbourne	30,000
VG23003	Advanced vegetable mechanisation program to maximise labour and cost efficiency	Department of Agriculture & Fisheries Queensland	527,971
VG23006	Management options for reducing the reliance on insecticides for fall armyworm in sweet corn	Department of Agriculture & Fisheries Queensland	56,000
VG23010	Vegetable high school education resources	Primary Industries Education Foundation Australia	107,750
VM23000	Melon industry study tours	Melons Australia	129,714
VM23001	Strengthening the sustainability of melon production	thinkstep-anz	101,720
VM23002	Melon quality improvement program	Delytics	200,000
VM23003	Melon industry communications program	Melons Australia	125,000
VN22000	Onion international study tours – inbound and outbound	AUSVEG	30,521
VN23001	Understanding and managing the impacts of climate change on Australian onion production	thinkstep-anz	60,838

Our marketing partners in 2023/24

Supplier	2023/24 Expenditure (\$)
Atomic Search	7,392,777
Bastion Amplify	2,471,100
TBWA Sydney	1,424,553
Australian Table Grape Association	969,000
Thinkerbell	941,218
Bite Communications	829,938
Direct2Consumer	736,172
Republic of Everyone	709,576
Strikeforce AMC	705,763
Australian Macadamia Society	605,052
Go Future Media	586,315
Sopexa Japon K.K.	434,580
SOPEXA	365,264
Berries Australia	300,000
Australian Mushroom Growers' Association	221,000
Life Education NSW	200,000
Cartology	191,863
Australian Banana Growers Council	172,908
Ink Spiller Communications	162,876
Australian Mango Industry Association	109,200
Dried Fruits Australia	108,000
Ma Cher (Aust)	99,818
BSI Digital Learning	98,000
Terrapin Estates	89,378
World Business Travel	82,349



Pictured is Hort Innovation's Industry Service & Delivery Manager for avocados, Gemma Burger, with avocado grower Tom Silver. Tom's family farm 'Laurel Park' is based near Alstonville in Queensland, where they have been producing delicious, high-quality avocados for the past 30 years.

Gemma works with the avocado industry to strategically invest their levy in R&D, marketing and trade initiatives to support their success by using globally competitive production systems, increasing domestic demand, developing export markets and improving consistent product quality.

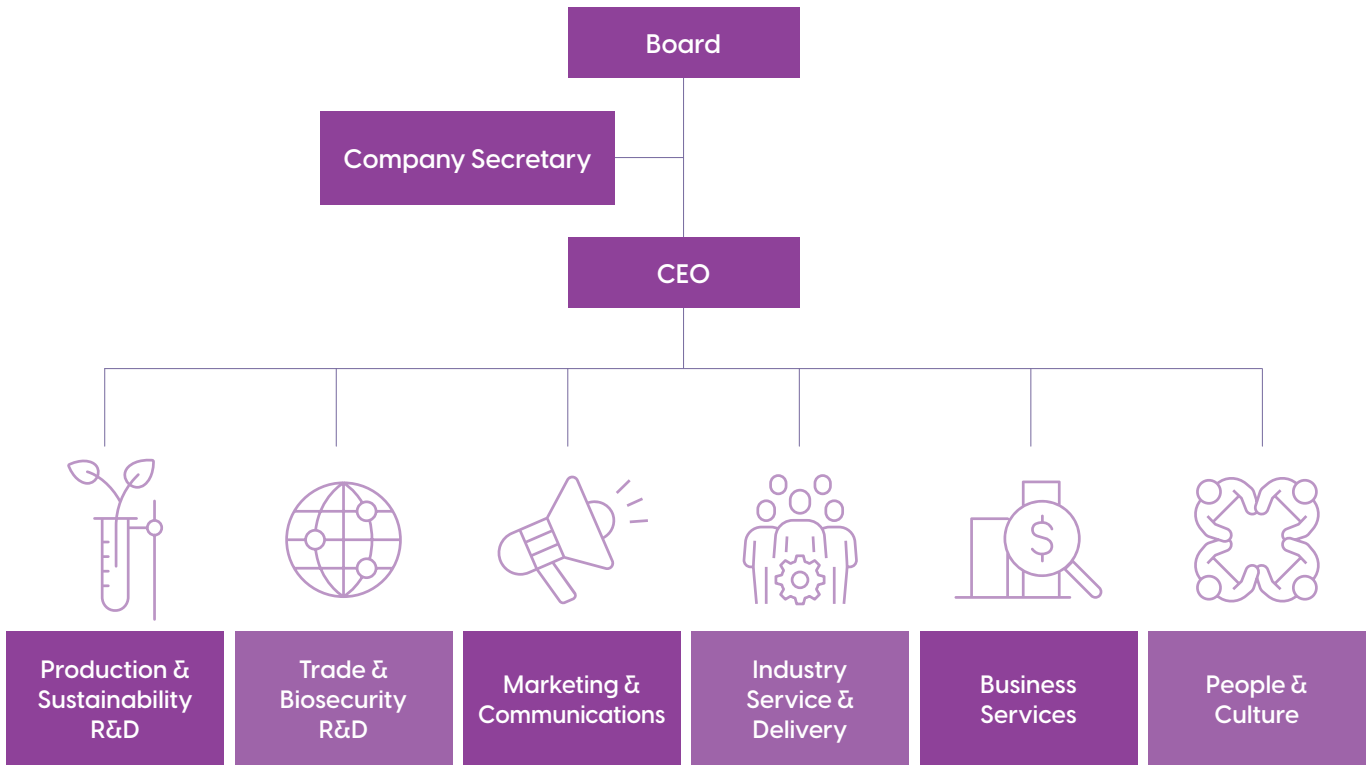
5

Make the culture thrive

This section provides information on how Hort Innovation fosters a vibrant and thriving culture, both internally and externally. We examine how we are developing a collaborative and customer-centric environment, building a high-performing and inclusive culture, empowering our employees to reach their full potential, and continuously investing in industry capability.

Our organisational structure

Hort Innovation’s structure is set up to deliver on the *Hort Innovation Strategy 2024-2026*.



This chart represents Hort Innovation as at June 30, 2024.

Hort Innovation regularly reviews its structure to ensure we are set up to deliver on our strategic priorities. In 2023/24, a decision was made to bring together the Marketing and Communications teams. This strategic alignment is intended to reduce duplication and bolster information delivery to growers and industry. It addresses stakeholder feedback to increase industry outreach, particularly in the areas of:

- Communication of demand-driven data to growers.
- Development and delivery of marketing plans.
- Communication of the impact of marketing levy investments.

Hort Innovation’s head office is in Sydney, with satellite offices in Brisbane and Melbourne, plus team members located in regional areas.

Our Leadership

Meet the Hort Innovation Executive team



Brett Fifield
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. He grew up on a mixed farm near Wagga Wagga, NSW, and spent the early part of his career as a country journalist.



Dr Anthony Kachenko
General Manager
Production & Sustainability R&D

Anthony has lived and breathed Australian horticulture for more than 20 years, with extensive experience along the agribusiness value chain. Anthony joined Hort Innovation in 2014 and has held several senior roles during his time at the company. Before Hort Innovation, Anthony held senior policy and leadership roles at Greenlife Industry Australia.



Dr Mila Bristow
General Manager
Trade & Biosecurity R&D

Mila has more than 25 years' experience as a plant scientist and manager, with a passion for complex questions about how we can improve sustainable production and trade outcomes for Australia's plant industries. Before joining Hort Innovation, Mila was the GM Partnerships and Innovation at Plant Health Australia.



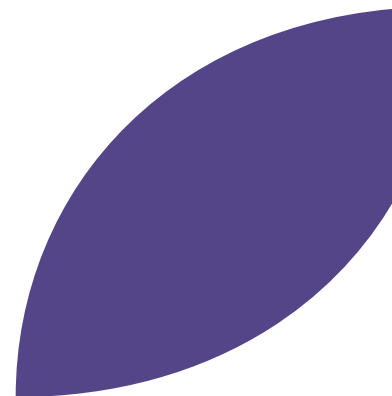
Karina Keisler
General Manager
Marketing & Communications

Karina joined Hort Innovation in 2024 with a wealth of leadership experience in marketing, communications and stakeholder engagement. Karina has been at the forefront of reputation turnarounds for Cricket Australia, NBN Co, Vodafone Australia and Telstra. Karina has a Master of Communication and is a Graduate of the Australian Institute of Company Directors.



Andrew Francey
General Manager
Industry Service & Delivery

Andrew has more than 20 years' experience in horticulture in commercial, operations and supply chain executive roles. Before joining Hort Innovation, Andrew was Chief Commercial Officer at OneHarvest, and was Chair and Non-Executive Director with PMA-ANZ. Andrew has formal qualifications in Business, Applied Finance and is a Graduate of the Australian Institute of Company Directors.



Continued >>

Our Leadership (continued)

Meet the Hort Innovation Executive team



Andrew Philpotts
Chief Financial Officer

Andrew has an extensive career in resources, packaging and building products including more than a decade as Chief Financial Officer (CFO) of Orica's Australia Asia business. Andrew has experience across strategy, business management, operations management and senior business partnering. Andrew has a Master of Commerce, is a CPA and a Graduate of the Australian Institute of Company Directors.



Mona Maidment
General Manager
People & Culture

Mona has worked in the people and culture space for more than 20 years, with experience across telecommunications, healthcare, media and entertainment. Before joining Hort Innovation, Mona was Head of HR at Foxtel. Mona brings a strong passion for organisational culture, employee engagement and leadership development.

Read our Executive's full bios on the Hort Innovation website at www.horticulture.com.au/leadership.





Our Board and Committees

Board of Directors

Hort Innovation's Board is responsible for governing the company and ensuring that we act on behalf of our members and other stakeholders such as the Australian Government.

The following decisions and outcomes are highlights from 2023/24:

- Publicly released the *Independent Review of Performance Report* (2018-2023) and the Company Response to the recommendations.
- Set an ambitious goal for \$500 million investment in the refreshed Frontiers R&D portfolio over the next decade.
- Updated the Hort Innovation Risk Appetite Statement and Risk Framework.
- Instigated a productivity benchmarking study for Australian horticulture and the value chain to deliver critical data and insights to the sector.
- Defined a new balanced portfolio approach for R&D investments.
- Focused on engagement with industry attending regional events (Bundaberg and Gatton) and the national showcase Hort Connections in Melbourne, June 2024.
- Completed a Board skills assessment to support the annual Director Nomination Committee process.

One of the ways the Board governs the company effectively is by applying the learnings from education, training and professional development opportunities to continuously enhance their stewardship.

Investment Committee

The Investment Committee (IC) assists the Board by advising about investment strategy, performance and risk. They are also tasked with reviewing high-value proposals before they are tendered or contracted.

In 2023/24, the IC played a part in:

- Reviewing and approving 14 Frontiers co-investment projects, valued at more than \$116 million.
- Executing 28 contracts, valued at more than \$167 million.
- Refreshing the approach to non-levy investments through the Frontiers R&D portfolio.

Audit & Risk Committee

The Audit & Risk Committee (ARC) is integral to Hort Innovation's proactive risk management strategy, meeting quarterly to enhance and ensure the integrity of our financial and non-financial risk management frameworks and systems.

In 2023/24, the ARC oversaw:

- A major revision to the company's risk management framework, including risk appetite, tolerances, and plain-English policy and guidelines.
- The finalisation of our response to the 2023 Independent Review of Performance. The ARC regularly reviewed the status of the 13 recommendations.
- The consolidation of the three separate delegations of authority into a single instrument.
- The development of an assurance process which will see each executive attest to the status of the company's compliance obligations.
- The finalisation of four internal audits conducted by an external partner.
- The presentation of the 2023/24 financial statements to the Board and regular review of year-to-date financial performance.

The ARC also pursued its role in 'horizon scanning' by inviting external experts to address members on topics ranging from cybersecurity and the implications for Hort Innovation of the commencement of operations of the new National Anti-Corruption Commission (NACC).

Jan Vydra was appointed chair of the ARC in November 2023, following the retirement of the previous chair, Paul Harker from the Board.



Get to know Hort Innovation's Board of Directors by reading their profiles from p104.



Continued >>



Our Board and Committees (continued)

People & Performance Committee

The People & Performance Committee (PPC) provides strategic advice and assistance for the Hort Innovation Executive team regarding Hort Innovation's people.

In 2023/24, the PPC endorsed the full suite of governance policies for recommendation to the Board. Our governance policies are any policies that have board level risk or strategic implications or with board level statutory or regulatory requirements, that relates to the processes of decision making and the controls and behaviours that support effective accountability and performance outcomes. The PPC endorsed our Equal Employment Opportunity, Anti-Discrimination, Bullying and Harassment Policy, Code of Conduct & Business Ethics, Diversity, Equity & Inclusion Policy and our Work Health & Safety Policy.

From a risk management perspective, the PPC discussed our WH&S Risk Dashboard which incorporates the Board's tolerance for serious and minor incidents.

The PPC endorsed our Hort Incentive Program, a program aimed at rewarding and recognising high performance at Hort Innovation. Coupled with performance is the 'behaviours' our people demonstrate in delivering their work and the PPC were on hand to discuss the refresh of our company values and their launch in October 2023.

Our PPC also discussed our Employee Engagement surveys (July 2023, February 2024 and July 2024) and our plans to continue the momentum to grow our employee engagement. The PPC also considered the work we are doing to embrace diversity in the establishment of our Diversity, Equity and Inclusion Working Groups and the submission of our inaugural Reflect Reconciliation Action Plan.

Director Nomination Committee

The Director Nomination Committee (DNC) undertakes the process of candidate nominations for the Hort Innovation Board, in accordance with the constitution.











This year, the DNC engaged a suitable recruitment firm to carry out a national search for new directors, assessed applications for vacant director roles on the Board, conducted interviews of short-listed candidates and recommended appropriate and highly skilled candidates for consideration at the Annual General Meeting.

This year, the DNC comprised: Julie Bird, Chair, Hort Innovation, Professor Robert Clark, Independent Eminent person, Paul Denny, Representative of Department of Agriculture, Fisheries and Forestry and Shane Kay, Department of Agriculture, Fisheries and Forestry, Levy Payer Representative.

Two of the Director candidates selected for interview in 2024 were interviewed virtually, with all other candidates being interviewed in person by the DNC and the recruitment firm engaged by the DNC to manage the recruitment process.



Snapshot of the Hort Innovation team

	2019/20	2020/21	2021/22	2022/23	2023/24
FTE	85	86	84	83	90
Gender split	 61% Female 39% Male	 60% Female 40% Male	 60% Female 40% Male	 62% Female 38% Male	 64% Female 36% Male
Generation split	 12% Boomers 46% Gen X 39% Gen Y 3% Gen Z	 9% Boomers 44% Gen X 44% Gen Y 3% Gen Z	 8% Boomers 48% Gen X 39% Gen Y 5% Gen Z	 8% Boomers 55% Gen X 30% Gen Y 7% Gen Z	 7% Boomers 49% Gen X 37% Gen Y 7% Gen Z

Putting our stakeholders front and centre

PRIORITY 4.1

Collaborative and customer focused

Hort Innovation strives to approach our wide range of stakeholders (see p15) in a collaborative and customer-focused manner. Our team members interact with industry in a myriad of ways to add value to the sector.

Supporting delivery partners

Hort Innovation works closely with delivery partners to ensure 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 2023/24, efforts continued to enhance the delivery partner experience through improvements to the Delivery Partner Portal.

Taking a best practice approach 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 unique and consults differently with levy payers and other stakeholders.

In 2022/23, Hort Innovation launched its own *Stakeholder Engagement and Consultation Framework* for the horticulture industry based on this overarching guideline. In 2023/24, the Framework was updated to reflect the current landscape in which Hort Innovation engages with its stakeholders.

Sharing our expertise

Across Hort Innovation's teams, R&D team members were involved in more than 160 Project Reference Groups that actively influenced the direction and progress of levy investment.

Hort Innovation team members contribute to about 20 external committees to provide 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.



Providing our advisory panel members with information

Based on feedback from industry, and as part of Hort Innovation's efforts to improve communication, transparency and tracking of industry advice, in 2022/23 Hort Innovation launched the 'SIAP Portal'. The SIAP Portal has a landing page that members can access at any time that will house all the relevant documentation needed to be an active participant in the advisory process.

In 2023/24, improvements were made to the SIAP portal based on stakeholder feedback:

- Improved layout to simplify the sharing of information and ensure that panellists are able to quickly see the most recent and relevant information.
- Restructured the home page to improve ease of navigation around the site.
- Changed document storage to reflect the annual year rather than financial year to align with industry.

- Evaluated the issues with site accessibility and created training documents to assist panellists in accessing the platform with ease.

Simplifying the portal allows Hort Innovation to continue building it up with resources that add value for panellists. In 2024/25, an interactive Strategic Investment Plan gap analysis dashboard will be added to each industry page.

Spotlight:

Growers setting the research agenda

The levy-funded *Papaya industry extension and communications program (PP20000)* supports Australian papaya growers in adopting improved practices on-farm and staying current with the latest industry news, information, resources, and technologies.

This program was the first 'participatory adaptive approach' in Hort Innovation's extension portfolio, meaning that involved growers direct the project's agenda to ensure activities address their needs.

With more than 90 per cent (by volume of papaya) of the industry engaged in the project and setting its agenda and action, the team has been able to work with industry to tackle significant challenges facing papaya production.

This includes phytophthora root rot and the challenge of having to plant four seedlings (quads) and thin when able to be sexed as opposed to one (singles) plant that has been sexed before planting.

Growers have been working with the project team to develop and perfect a sexing tool that allows them to plant one seed instead of four. When the cost of the sexing is factored in, this will significantly reduce seed planting costs. Additionally, field monitoring has also found that the single plant is significantly more robust and productive, including less susceptible to Phytophthora, another key issue for growers.

The growers had seen the breeding project researcher planting one seedling in their commercial variety trials and consequently tasked the researcher with finding out how they could do the same. The breeding team said that it was great to have the latitude to work with growers to address high-priority issues through on-farm experimentation and learning.

The two papaya growers, who have conducted large-scale on-farm demonstration trials on their properties, are now recording a 98 per cent accuracy rate in sexing. The growers have reported that their overall profitability per hectare has increased by two-and-a-half times.

Getting the word out

PRIORITY 4.1

Collaborative and customer focused

Hort Innovation's Communications team amplifies the outcomes of investments through various channels tailored to the needs of growers and other stakeholders.

Hort Innovation's communications channels

- 11 editions of *Growing Innovation*, our regular e-newsletter (sign up at www.horticulture.com.au/sign-up)
- 39,000 following Hort Innovation's social media channels
- More than 4,400 articles, resources and project pages on the Hort Innovation website at www.horticulture.com.au
- 4 editions of *Impact Update*, our quarterly publication that takes a deep dive into the impact of Hort Innovation investments
- 41 media releases highlighting exciting work underway
- 18 events sponsored through our Events Sponsorship Program

- Hort Innovation involvement in 25 external industry events
- One exhibition stand at Hort Connections where we engaged with more than 4,100 attendees and had seven team members involved in the conference program
- 1 Annual General Meeting
- 118 videos on our YouTube channel.

Industry communication channels

- 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 investments, as well as other relevant news and industry developments.
- \$5 million invested in industry communications
 - 22 levy paying industries with a dedicated communications program
 - 64 magazines per year
 - 358 e-newsletters per year
 - 21 websites
 - 48 social media platforms
 - 435,000 industry stakeholders reached each year.

Supporting our industry communication delivery partners

Through Hort Innovation's SuppHORT initiative, the Communications team provides industry communication delivery partners with information about newly contracted and completed investments in their strategic levy funds.

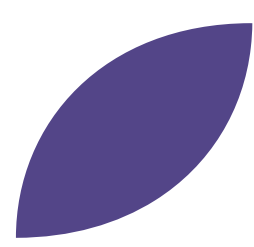
This information supports industry communication delivery partners to communicate levy-funded projects and programs to their members in instances where PIBs manage these projects and networks.

This initiative also involves the communication of Frontiers and general Hort Innovation information relevant to growers and other industry stakeholders.

Hort Innovation conducts an annual survey of the SuppHORT industry communications cohort to measure satisfaction and identify ways to improve this exchange of information. In 2023/24, overall satisfaction with the SuppHORT program rose from 2.53 (out of five stars) to 4.2, a 66 per cent increase.

In 2023/24, a Community of Practice was established for the SuppHORT cohort so that valuable information could be more readily exchanged. This involved the introduction of a SuppHORT online portal that houses a range of resources, as well as the inception of quarterly forums to discuss shared opportunities and challenges.

The SuppHORT initiative recognises the importance of the close relationship industry communication delivery partners have with the stakeholders they serve. This program is one way Hort Innovation works closely with industry to put useful information in the hands of growers.



Creating a diverse, equitable and inclusive workplace

PRIORITY 4.2

High performance, inclusive culture



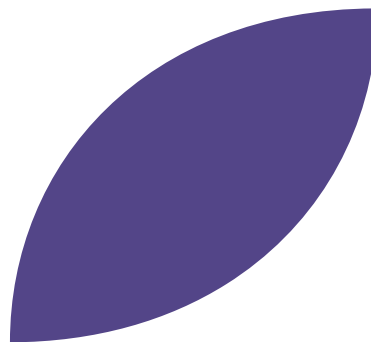
Mona Maidment,
Hort Innovation
General Manager
People & Culture

“Hort Innovation’s DE&I Plan is closely aligned to our company values – Future Focused; One Team; Acting with Respect and Integrity; and Making a Positive Difference – and reflects the feedback and input from employees through the various stages of development. We will continue to seek input from employees via data collection and by seeking suggestions on engagement.”

Hort Innovation recognises the importance of diversity, equity and inclusion (DE&I) in fostering innovation and sustainable growth in the Australian horticulture industry.

Hort Innovation believes that our workforce should represent the community in which we operate while we aim to ensure our employees feel supported and that no one feels excluded or valued differently due to race, ethnicity, religion, age, ability, gender or sexual orientation.

Following the revision of our Equal Employment Opportunity, Bullying and Harassment Policy in 2023 to include a section on our commitment to DE&I, Hort Innovation was excited to launch our first official DE&I Plan in March. The plan includes a primary focus on cultural awareness and reconciliation, engagement and connection to First Nations peoples, reflecting our commitment in the *Hort Innovation Strategy 2024-2026*.



Hort Innovation is sponsoring the National Farmers’ Federation (NFF) Diversity in Agriculture Leadership program. The leadership program is a flagship initiative of the NFF, and its goal is to double the number of women in agriculture’s leadership by 2030, based on a 2018 benchmark.

Hort Innovation’s DE&I Plan aims to benefit our workforce and industry by:

- Cultivating a **Diverse** workforce through inclusive hiring practices, and partnerships with organisations that support underrepresented groups.
- Promoting **Equity** through regular pay equity assessments to address wage gaps, policies against discrimination and harassment and training to promote fair treatment and unbiased decision-making.
- Fostering **Inclusion** through workplace forums and awareness campaigns, and workplace amenities/facilities to suit all employees.
- Driving **Engagement** through partnerships, career development pathways and cultural awareness and understanding.

DE&I Working Groups have been established to develop and drive initiatives for each focus area in the DE&I plan – Age, All Abilities, Culture, First Nations People, Gender and Pride – and the Reconciliation Action Plan. These groups were established in May.



Engaging our team

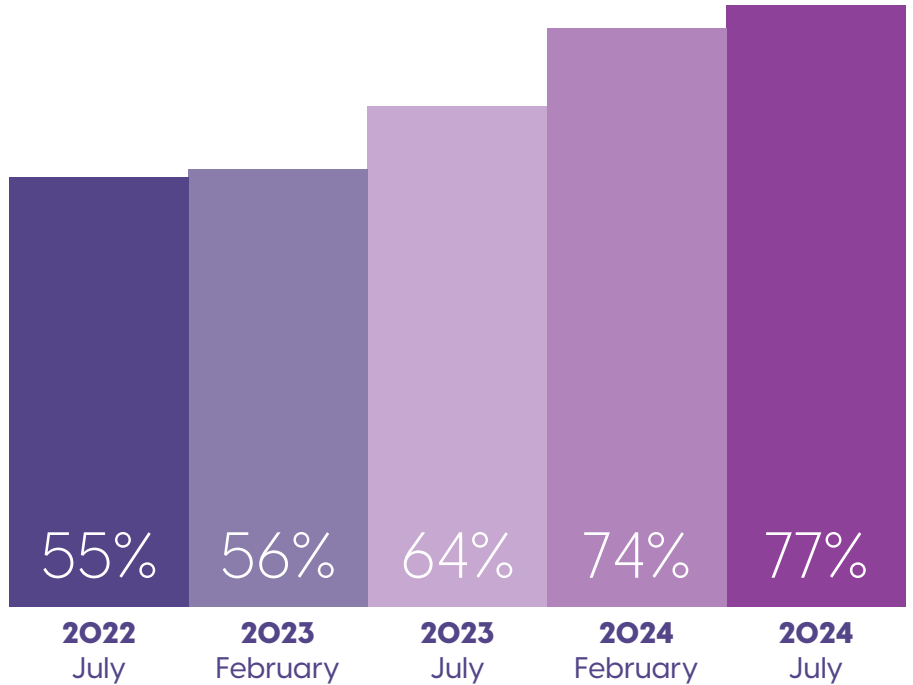
PRIORITY 4.3

Empower our people

Hort Innovation strives to foster a culture where team members feel engaged and proud to work for Hort Innovation.

Since July 2022, Hort Innovation conducts an annual full engagement survey (58 questions across 16 factors) every July and a pulse engagement survey (five questions) every February.

Our engagement results have progressively increased over this time.



Living our values

PRIORITY 4.3

Empower our people



F
Future.



O
One team.



R
Respect and integrity.



D
Difference.

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.

The refresh of the company’s values was a significant organisational milestone in 2023/24.

The values were developed over six months with extensive employee consultation to ensure they are clear, meaningful and reflective of Hort Innovation’s culture.

The work undertaken to refresh the company values has been well received by our team members with the overall Values factor seeing a 43-percentage point uplift to 92 per cent favourable.

Three times a year, Hort Innovation team members have the opportunity to nominate each other for Values Awards as recognition of exemplary behaviour and achievements. Below are three of the Winners from 2023/24:



WINNER
‘Future-focused’

Dumi Mhlanga

Dumi brought his industry experience and calm approach while stepping up into the Head of Industry Service & Delivery role temporarily. Dumi was able to navigate all the challenges that popped up and worked with the team to develop solutions and come to resolutions with industry.



WINNER
‘Positive-difference’

Mimi Doan

Mimi’s confidence through engagement with industry and successful execution of trade projects has grown exponentially since she joined Hort Innovation. Recently, Mimi worked collaboratively with the avocado industry to organise a market intelligence forum on India and Thailand, which she hosted independently with positive feedback from stakeholders in attendance.



WINNER
‘All-rounder’

Production & Sustainability R&D team

The Production & Sustainability R&D team are a high-performing cohort who continually look for areas to improve and grow. This year they worked diligently up until the final minutes of June to ensure that investments were contracted before the end of financial year.

Looking after our people

PRIORITY 4.3

Empower our people

Access to an Employee Assistance Program

Hort Innovation partners with Converge International to provide team members with access to 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.

At Hort Innovation, the health and safety of our employees, contractors and visitors is a priority. A Work Health and Safety (WH&S) Management System is in place to ensure we regularly assess and continuously improve our work systems by managing risk to ensure everyone can return home from work safely.

A *WH&S Employee Handbook* is available for our employees with an overview of the WH&S Management System. The Handbook provides directions to related documentation and critical information regarding employee responsibilities. Standard Operating

Procedures have been developed to help keep our employees safe.

Hort Innovation's WH&S Committee held its inaugural meeting in April 2024, with subsequent monthly meetings taking place. This committee has finalised an ergonomic assessment of the Sydney, Brisbane and Melbourne offices, and remote assessments for regionally located team members. All recommendations from the ergonomic assessment have been, or are being, implemented.

In 2023/24, Hort Innovation engaged **ORANGES** Toolkit to deliver a 12-month Resilience and Wellbeing training program for our team members.

The **ORANGES** program is aimed at building skills in seven areas: **Optimism, Resilience, Attitude, Now, Gratitude, Energy, Strength.**

In 2023/24, all team members attended the **ORANGES** two-day face-to-face program followed by a 21-week embedding program (a weekly email program with links to wellbeing tips, videos, and activities).



Investing in industry capability

PRIORITY 4.4

Invest in industry capability

Hort Innovation is committed to working with industry to build capacity within the horticulture sector.

Through supporting initiatives such as Nuffield Scholarships, horticulture professionals get the opportunity to develop their leadership skills, and ultimately, give back to their industry by sharing the knowledge they gained overseas.



Meet Hort Innovation's 2024 Nuffield Scholars:

Jacob Moon from Moonrocks in Queensland will explore machine harvesting and improving onion shelf life. Supported by the onion R&D levy, Jacob works in his family's business as an engineering and maintenance manager. The family started Moonrocks 24 years ago, and produce pumpkin, cotton, garlic and onions. Jacob has noticed that at Moonrocks, they are only able to machine harvest onions in certain areas. Given the benefits of machine harvesting – primarily a reduced reliance on labour – Jacob is interested in researching how machine harvesting can be applied more broadly, and how post-harvest management can increase shelf life for onions and garlic.

"Soil conditions currently play a large part in limiting the use of machine harvesting," Jacob said. "But I believe there are ways to undertake machine harvesting of onions in all soil conditions. My goal is not just to benefit our business, but the onion industry as a whole."



Kirsty Dickensen from Costa, owner of the largest raspberry and blackberry farms in Australia, will research maximising industry sustainability. Supported by the raspberry and blackberry R&D levy, Kirsty is a horticulturalist, specialising in berries for the past five years. Her role sees her managing pest and disease, production, R&D initiatives and more. Kirsty has seen the raspberry and blackberry industry experience massive growth during her time in the sector. As the industry matures, she is interested in optimising resource management.

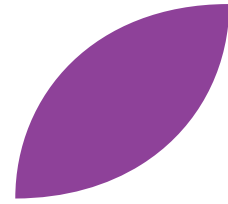
"Many businesses have built monoculture environments and after years of farming are beginning to realise the impact of low biodiversity in the system," Kirsty said. "Pest pressure is increasing, so too is the reliance on agrichemicals. How do we build more biodiversity into the system to support integrated pest and disease management programs and reduce potential biosecurity threats?"

Stephanie Tabone (pictured on the left), horticultural researcher at national organisation Applied Horticultural Research will investigate the use of legumes as an alternative nitrogen source for vegetable cropping systems. In her role, Stephanie identifies solutions to challenges that growers experience in vegetable crop production. She helps growers through sharing practice improvements that increase the productivity, profitability and sustainability of their operations. Supported by the vegetable R&D levy, Stephanie will share her learnings with the industry through her role working with vegetable growers.

"Legumes can fix nitrogen from the atmosphere through a symbiotic relationship with rhizobia bacteria," Stephanie said. "They can also help to improve soil health and offer other rotational benefits. The challenge is knowing when the nitrogen will be released into plant-available forms."



Developing our skills



PRIORITY 4.4

Invest in industry capability

A critical component of empowering our employees to reach their full potential is equipping them with new skills and providing development opportunities. To this end, we launched two new initiatives during the year...

Leadership Development Program

The Leadership Development Program was designed to enhance the leadership capabilities of our Managers and Heads of Business units. The program has delivered five modules, each focused on equipping our leaders with critical skills in three core areas: leading self, leading others, and leading business.

Each module is conducted over two days in Sydney, offering our leaders a dynamic, face-to-face environment to learn, practice, and grow. The sessions encourage the exploration of new concepts and the practical application of these ideas in real-world settings. Leaders engage in discussions, share experiences, and refine their approaches to managing teams and driving business outcomes.

A vital feature of the program is the use of small coaching circles, which take place between modules. These circles allow leaders to meet with the facilitator to discuss how they apply newly learned concepts and talk through any challenges they may face. This ongoing support ensures the learning is embedded in their day-to-day leadership practices.

The program has fostered a strong leadership community, facilitating cross-functional collaboration and networking. The program equips participants with the tools necessary to drive our organisation forward by focusing on personal leadership and broader business strategies.

Unlocking team strengths and potential

A comprehensive program was rolled out across the company to identify our teams' strengths and working preferences to improve collaboration and enhance how we work together. The Team Management Systems (TMS) profiling tool was at the heart of the program. This robust framework helps individuals and teams understand their working styles and how these align within a team context.

All employees, from staff members to the Executive team and Board, participated in the sessions and completed their profiles. These sessions enabled us to gain deep insights into the strengths and preferences of our workforce, allowing for better alignment of roles, improved collaboration, and more cohesive team dynamics.

By identifying where our strengths lie as individuals and as teams, we have begun to leverage these insights to improve team fit, enhance productivity, and build stronger relationships. This ongoing initiative is central to our strategy of fostering a high-performing and collaborative culture.

Establishing Hort Innovation's Internship Program

PRIORITY 4.4

Invest in industry capability

In March, Hort Innovation launched its pilot Internship Program. The program aims to bridge the gap between students' tertiary education and career. Students gain practical skills and learn about career options in horticulture.

The program represents Hort Innovation's commitment to nurturing the next generation of agricultural leaders.

Four students participated in the program, and they were placed in the Marketing, Communications, Finance, and Sustainability teams. As part of their university placement, the students completed between 100 and 150 hours.

The students were asked to provide feedback via a confidential survey. The feedback has been positive, with the results showing that 100 per cent of the students were happy with the overall experience and 100 per cent were happy with their mentor.



David Hernandez,
Hort Innovation
Manager of P&C
Operations

"The program was well received by the students and mentors that helped. All four students have completed their internship placement at Hort Innovation, with three of them continuing to do paid work with Hort Innovation beyond their internship. This success story is a promising sign for the future of our internship program and the career development of our students."





Hort Innovation invests in a range of initiatives to safeguard pollination within the horticulture industry. Projects underway include developing pesticides that target Varroa Mite without impacting bees, understanding the dietary requirements of native blue-banded bees, gearing Tasmanian bumblebees up with micro-cameras and radio transmitters to understand the role they play in crop pollination and more.



6

Work simply and effectively

This section outlines how Hort Innovation is set up to work simply and effectively through delivering quality compliance and governance, maintaining transparent relationships and minimising complexity.



Our corporate governance

PRIORITY 5.1

Quality compliance and governance

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

The following pages take a 'deep dive' into the key documents and activities that guide our compliance and governance.

Our Constitution

Hort Innovation is guided by our Constitution, which outlines our broad priorities as Australian horticulture's Research and Development Corporation, 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 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
- Do any activities that are incidental, convenient or conducive to the attainment of all or any of the above.

Hort Innovation's Constitution can be read online at www.horticulture.com.au/governing-documents.



Sean O'Connell,
Hort Innovation Head of
Governance & Risk

"Hort Innovation is committed to improving and implementing corporate governance measures to enhance our performance and bolster the quality and consistency of the outcomes we deliver for Australian horticulture. Ensuring compliance with relevant legislation, regulations and guidelines was a key priority."





Our legislation and governance principles

Hort Innovation operates within the requirements of legislation and governance principles relevant to a research and development corporation, a not-for-profit and registered charity and a corporate entity, including:

- 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 Australian Charities and Not-for-profits Commission Act 2012
- The Australian Institute of Company Directors (AICD) Not for Profit Governance Principles 3rd Edition
- Our Code of Conduct and Business Ethics.

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

In our latest statement, we acknowledged there was a moderate risk of modern slavery in the Australian horticulture industry, but there was a low risk of it occurring in either Hort Innovation itself or in our supply chains given the nature of our business and the systems and processes we have in place.

Our funding agreement with the Australian Government

Hort Innovation's funding agreement with the Australian Government (the Deed of Agreement 2020-2030), provides for a principles-based approach to reporting and accountability of Hort Innovation. As part of the funding agreement,

Hort Innovation is required to demonstrate its performance to the Department of Agriculture, Fisheries and Forestry (DAFF) against five key performance principles and 14 key performance indicators each financial year.

The five key performance principles are:

- 1. Stakeholder engagement**
Engage stakeholders to identify research, development and extension (RD&E) and marketing priorities and activities that provide benefits to portfolio industries.
- 2. Research, development, extension and marketing activities**
Ensure RD&E and marketing priorities and activities are strategic, collaborative and targeted to improve profitability, productivity, competitiveness and preparedness for future opportunities and challenges through a balanced portfolio.
- 3. Collaboration**
Undertake strategic and sustained cross-industry and cross-sectoral collaboration that addresses shared challenges and draws on experience from other sectors.
- 4. Governance**
Governance arrangements and practices fulfil legislative requirements and align with contemporary Australian best practice for open, transparent, and proper use and management of Funds.
- 5. Monitoring and evaluation**
Demonstrate positive outcomes and delivery of RD&E and marketing benefits to levy payers and the Australian community in general, and continuous improvement in governance and administrative efficiency.

Hort Innovation's funding agreement can be read online at www.horticulture.com.au/governing-documents.



Louise Graham,
Hort Innovation Manager,
Governance & Risk

"Each year, Hort Innovation and DAFF meet for a performance review meeting where we demonstrate our progress against each of the performance principles. To support improved transparency for our stakeholders of the Australian Government's requirements for Hort Innovation and our performance, our presentation to DAFF for the annual performance review is available on our website at www.horticulture.com.au/performance-statement."



Continued >>

Our corporate governance (continued)

Our approach to risk and compliance

Hort Innovation is committed to building trust with all stakeholders through quality compliance and governance processes. At Hort Innovation, we embrace a culture which recognises and manages risk. This approach necessitates a clear statement of adherence to relevant legal requirements but also contractual obligations, internal codes of conduct and policies, principles of good governance, and ethical and community standards.

Hort Innovation's Compliance Policy sets out the expectations and aspirations of the Board for our compliance culture. At its core, the policy is built on a culture of acting lawfully, ethically and responsibly.

Risk Management Framework

Hort Innovation is committed to efficient and consistent risk management to protect and create value for our members and the wider Australian community. Hort Innovation's Risk Management Framework is aligned with ISO 31000:2018 and continues to mature. This process is led by the Audit and Risk Committee (ARC) which reviews the framework annually and ensures it remains appropriate for the level of risk the company chooses to accept.

As part of our continuous improvement, significant efforts have been made in 2023/24 to uplift our Risk Management Framework to improve its effectiveness and design, embedding a greater understanding of managing risk at all levels in the company and supporting a positive risk culture in the company through training and tools.

Risk Appetite Statement

To achieve our strategy and to create impact for growers, Hort Innovation must be willing to take and accept risk.

Our Risk Appetite Statement considers the most significant risks Hort Innovation is exposed to in the pursuit of our strategy. This statement is approved by the Board annually and sets out the Board's appetite for risk and tolerance limits in identified key risk areas.

These risk expressions are used for consistency with general risk management practice and do not suggest that Hort Innovation welcomes or desires the risk outcomes potentially flowing from identified risks.

Hort Innovation considers risks in three categories – company risks, investment risks and external risks:

● **Company risks** are risks that could impact delivering our strategic objectives. The Risk Appetite Statement includes key risk areas for the company risks such as strategy, conduct of People & Culture, WH&S, compliance, financial, operations and reputation.

● **Investment risks** are risks associated with projects and programs. The Risk Appetite Statement includes key risk areas for investment risks such as delivery partner performance, Frontiers, strategic levy and the investment process.

● **External risks** are outside of Hort Innovation's control, from external sources and are beyond the reach of risk appetites set by the Board. These risks are still monitored and considered by Management with regular reporting to the Board.

The full Risk Appetite Statement, a cornerstone of our Risk Management Framework, guides employees in their roles and is supported by policies, guidelines, reporting, and training.

The Hort Innovation Management team is responsible for compliance with this risk appetite statement, the Risk Management Policy and related guidelines.





The Risk Management Committee (RMC), including senior management and the Governance and Risk team, meets quarterly and reports to the ARC. The principal objective of the RMC is to ensure the company is operating within the risk tolerances set out by the Board and expressed in the Risk Appetite Statement. The RMC also assists the ARC in many ways including more regular reviews of the risk register and compliance requirements, and the assessment of the adequacy of the various risk controls in place.

Under the Risk Management Framework, and the Governance and Compliance Framework, Hort Innovation maintains several policies, rules and procedures to support our compliance obligations under Commonwealth and state legislation and regulatory requirements. Hort Innovation's employees have access to an online portal that hosts company policies and procedures. When new team members join, they are required to complete the full suite of onboarding modules, and current employees must undertake a refresher annually.

Critical business support services such as human resources, information technology, intellectual property, communications, and finance are well established with skilled knowledge, processes and systems to ensure the ongoing management of financial and non-financial risk and compliance.

To further our commitment to a compliance culture, a Letters of Assurance (LoA) process was introduced in 2023/24. Under these new arrangements, each General Manager attests to the CEO in relation to the compliance obligations for which they are responsible. The CEO then provides his own assurance to the Board Chair who takes it into account when finalising the Directors' Report.

Our internal audit processes

Our program of internal audits further supports our compliance and continuous improvement at Hort Innovation and the program approach continues to mature. The Board approves an annual internal audit plan based on the recommendation of the Audit and Risk Committee (ARC).

In 2023/24, our internal audit partner, BDO Services P/L, carried out audits on Procurement of Marketing Projects, Management of Conflicts of Interest, and Management of Data and Privacy. A separate audit into our cybersecurity posture was completed by another provider. The findings, recommendations and management response to each of these audits were presented to the ARC. The Board received a quarterly report on each recommendation's implementation status.

Our approach to managing conflicts of interest

It is vital that Hort Innovation adheres to the principles of fairness and impartiality in its investment, service provider and project review decision-making processes. Hort Innovation has a Conflict of Interest Policy and Procedure to ensure all Hort Innovation employees act, and are seen to act honestly in their business dealings and carry out their duties free from unmanaged conflicts of interest. All employees are required to act in good faith towards, and in their employment with, Hort Innovation. The onus is on individuals to identify and declare conflicts of interest as soon as conflicts arise. This policy applies to all Hort Innovation employees. Our Directors must also follow a process to declare any conflict of interest they may have. Hort Innovation regularly updates our policies and procedures, as well as training for team members.

Our approach to managing data and privacy

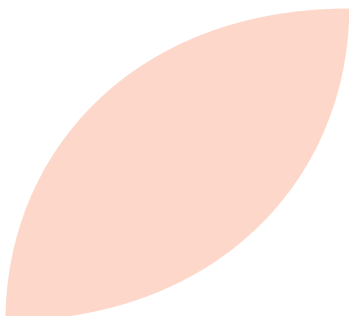
In line with the Privacy Act 1988 (Cth), any organisation with an annual turnover of more than \$3 million has responsibilities under the Privacy Act. As such, Hort Innovation is bound by this legislation and the 13 Australian Privacy Principles (APP) that it encompasses. As a result of the findings of the internal audit into data and privacy management, Hort Innovation will continue to strengthen our policy and procedures to ensure they are robust, effective and appropriate. There were no notifiable privacy breaches during the reporting period.

Our approach to business continuity

Hort Innovation's Business Continuity Plan (BCP) 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. The Business Continuity Plan was successfully tested in October 2023. Observations and recommendations from that test have informed a workplan focused on areas for continuous improvement.

Independent external financial report

In line with the requirements set out under the Australian Charities and Not-for-Profits Commission (ACNC) Act 2012 (Cth) Part 3-2, Div 6O, 6O-5 (1), 6O-10 (1) and 6O-25, Hort Innovation prepares annual financial statements and reports which are audited prior to submission to the ACNC. As per the requirements of our funding agreement, these are provided to DAFF and included in this Company Annual Report.



Measuring the performance of our investments

PRIORITY 5.2
Transparent relationships

Hort Innovation undertakes a range of monitoring and evaluation (M&E) activities related to our investment portfolio. Our Evaluation Framework guides our M&E efforts and supports us to responsibly oversee the investments we fund, ensuring they are tracking well and delivering effectively and efficiently for the horticulture sector.

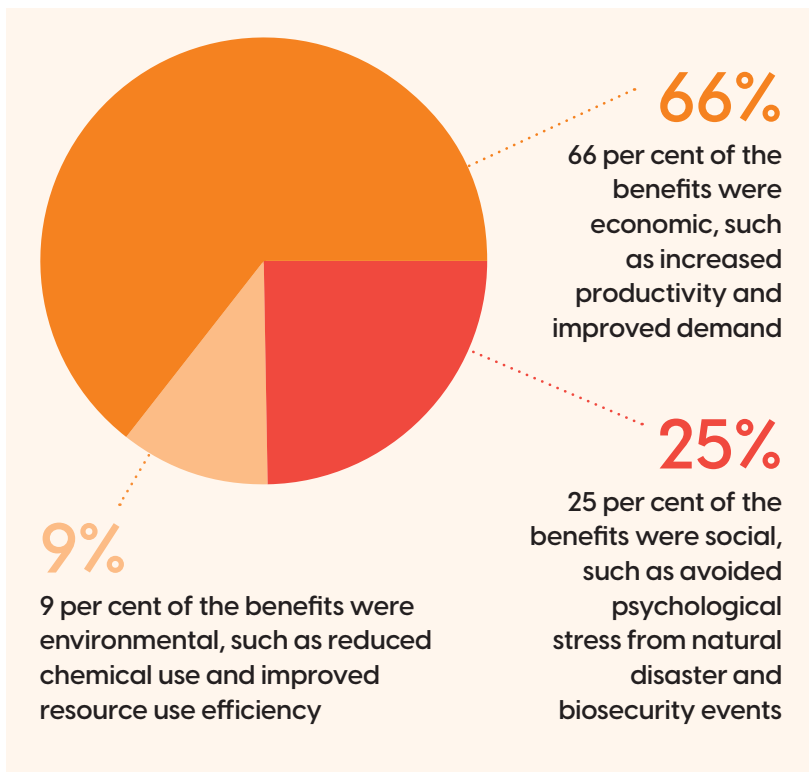
We continue to review and improve the way we evaluate the impact of our investments in line with guidelines from the Council of Rural Research and Development Corporations (CRRDC), and as per a recommendation from our Independent Review of Performance, the Framework will be reviewed and refreshed in 2024/25.

As part of our strengthened approach to M&E, this year we incorporated an investment program approach to improve the effectiveness of capturing the combined and long-term impact of our investment portfolio, and increased the accuracy of the impact assessment undertaken.

At a project-level, M&E plans are produced for the majority of investments and maintained for all ongoing investments to provide a clear logic and pathway to impact between a project's related activities, outputs and outcomes. M&E plans help delivery partners report the progress and success of their projects and consider areas of potential improvement.

Independent project evaluations are undertaken for a sample of projects to assess the efficiency, effectiveness, relevance and process appropriateness. This helps Hort Innovation work with delivery partners to continuously improve investment delivery and make changes where required. This work also informs the development of new investment recommendations for industry.

Investment expenditure analysis work continues to track investments against industry strategic priorities (as identified in Strategic Investment Plans), with performance reporting published on our website.



Benefit-to-cost ratio

In 2023/24, we engaged independent experts 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.

- 🍃 **5.6 to 1** The benefit-to-cost ratio of the 2023/24 sample.
- 🍃 **11** The number of levy-funded projects randomly sampled.
- 🍃 **53** The number of individual positive impacts directly generated by the sample projects.
- 🍃 **\$124.58 million** The estimated value of benefits the sampled projects are expected to generate over 30 years (in present value terms).



16.9 to 1
benefit-to-cost ratio

Bunchy top surveillance and education for the banana industry

This investment contained the banana bunchy top virus (BBTV) to existing control zones and protected the national industry from a significant biosecurity threat. Effective containment of the virus was achieved through surveillance and plant destruction within the control zone with an awareness and education program delivered to growers, consultants and collaborating partners.

Through the program 8159 commercial banana plants were detected and destroyed across New South Wales and Queensland,

and BBTV was contained within the existing control zones, with about 95 per cent of commercial banana production remaining protected.

The impact assessment found the program had a 16.9-to-1 benefit-to-cost ratio and identified several benefits, including:

- Reducing risk of BBTV spreading throughout the Australian banana industry, which would result in rapid productivity losses through reduced yield and increased costs (such as vector management, surveillance and plant removal).
- Preserving the supply of local, fresh and affordable bananas, supporting consumption with associated health and wellbeing benefits.
- Providing greater security for the economies and communities where banana production occurs.
- Avoiding the psychological stress on rural communities that biosecurity events can cause.



Seeking and actioning feedback

PRIORITY 5.2 Transparent relationships

Hort Innovation has embedded a culture of seeking and actioning feedback received across multiple stakeholder touchpoints. Receiving regular feedback from stakeholders enables the Hort Innovation team to better understand the opportunities for continual service delivery improvements.

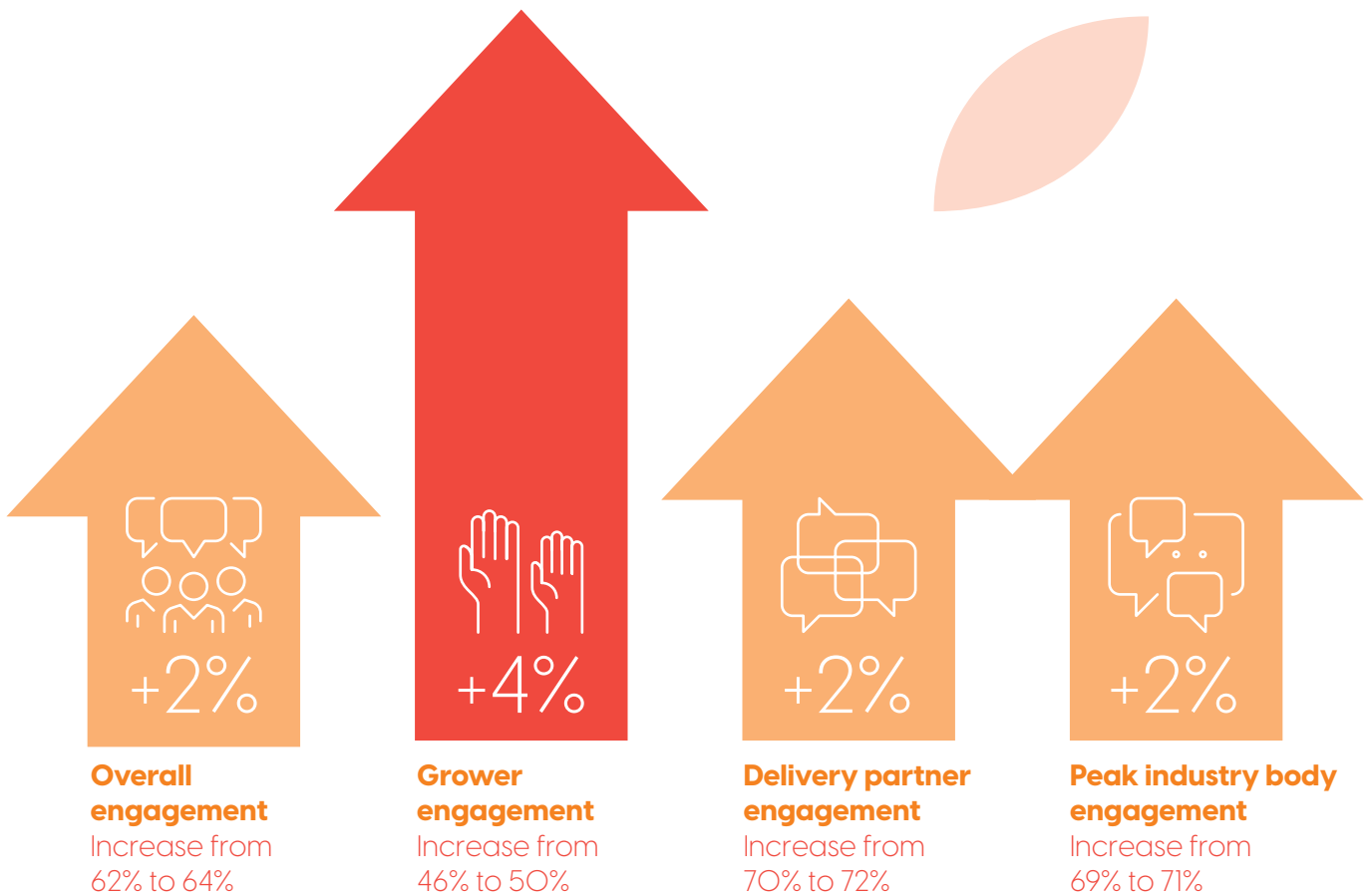
Grower and Partner Survey

The Grower and Partner Survey (GaPs) is an important instrument to support Hort Innovation's continuous improvement, gathering feedback on how the organisation is engaging with and delivering outcomes for the horticulture sector.

In September 2023, this survey invited feedback from growers (including Hort Innovation members and non-members), peak industry bodies and delivery partners. The results established a baseline for tracking our performance against our company strategy.

Results indicated positive progress in delivery partner and PIB engagement, with clear areas for improvement in the engagement of growers. Themes and opportunities that emerged are driving the company's continuous improvement and work program.

During 2023/24, Hort Innovation worked to address the feedback provided and in June 2024 the survey was conducted again to measure our progress. The results are below.



See the full results

on the Hort Innovation website at www.horticulture.com.au/grower-and-partner-survey.

Independent Review of Performance 2018-2023

Hort Innovation's Independent Review of Performance (IRP) and company response was conducted by GHD and released in November 2023. This review was informed by broad consultation with 95 individual stakeholders including growers, members, advisory panel members, peak industry bodies, delivery partners and other horticulture supply chain participants.

The Hort Innovation Board agreed with all 13 of the recommendations. Many of the recommendations were focused on continuing the improvements that had already been identified and actioned by the Board and the executive team. Pleasingly, our stakeholders and GHD recognise the effectiveness of the initiatives rolled out over the past 18 months to progress the company's continuous improvement.

Several IRP recommendations focused on ways to enhance our approach to governance at Hort Innovation. These recommendations are on track for delivery as per Hort Innovation's company response and we will report against all IRP commitments prior to the company's AGM in November 2024.

GHD reported that, "Importantly, the review found no instances of non-compliance with the Deed of Agreement and identified that there is a positive culture of continuous improvement amongst the current Board and Executive team. In summary, it is considered that as the industry-owned RDC for the Australian horticulture sector, the company is creating value for horticulture growers and those across the horticulture supply chain".

Know 2 Grow surveys

A standardised approach known as 'Know 2 Grow' has been introduced to survey attendees of Hort Innovation's advisory panels, PIB forums, webinars and any other Hort Innovation-led meetings or workshops. This feedback is sought from each participant after each meeting in a consistent way, to support our continuous improvement.

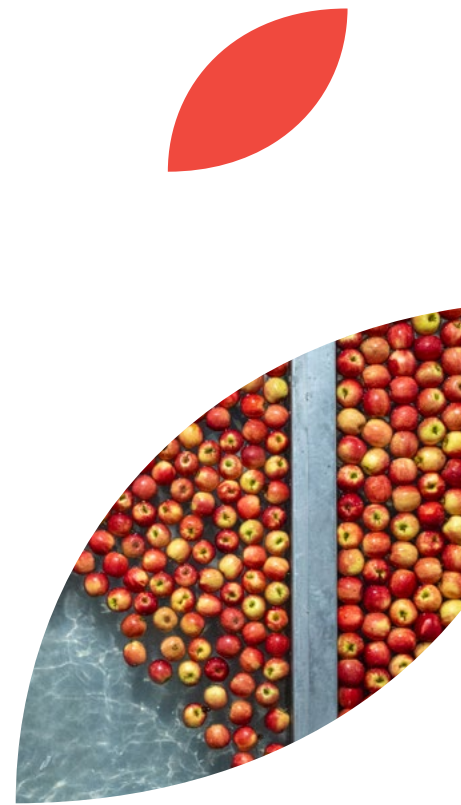
Based on analysis of the Hort Innovation Know 2 Grow program from 2023/24:

- 97 meetings or workshops have been surveyed and 650 people have completed the survey (20 per cent).
- The overall rating of 8.7 out of 10 was received for the question "How would you rate the overall experience with Hort Innovation today?"

Measuring the performance of our company

At Hort Innovation, we are also committed to monitoring and evaluating our operational performance and our performance in delivering the company strategy.

- A quarterly strategy performance review is undertaken and reported to the Board to monitor progress and action taken to achieving Hort Innovation's Strategy. Company performance is also monitored by Management each month.
- The company invested in systems to allow us to better manage data to measure performance.
- Our CRM reporting helps us to report on the engagement and satisfaction of our customers.
- Our new finance system, known as FinOps, allows for real-time reporting capabilities.



Our commitment to continuous improvement

PRIORITY 5.3 Minimising complexity

During 2023/24, the Hort Innovation team worked across several areas to remove complexity within the organisation and simplify our ways of working. Here are just a few examples of initiatives that took place:

- Our enterprise resource planning (ERP) system ('FinOps') went live in October 2024. This new enhanced operating environment has significantly reduced duplication of effort, simplified processes, and improved data consistency and accuracy, creating a 'single source of truth' on a unified platform. These developments strengthen our real-time reporting capabilities and how we access critical data company-wide.
- Our investment management system (HIVE) removed more than 30 redundant steps, allowing projects to progress in a more streamlined way across all procurement stages.
- We have implemented new ways to capture and advance reporting of our investment portfolio across our ambition matrix, investment areas, and Hort Innovation strategy, supporting better decision making.

- We have developed enhanced training collateral, including additional video tutorials on progressing investments, to improve understanding.
- Documentation, including more succinct Request for Proposal (RFP) and submission templates, has improved the quality of the request going to market and the proposal received for evaluation.
- Our customer relationship management (CRM) approach was significantly strengthened in 2023/24 to measure and understand our customer engagement, improve communications and drive efficiency. Hort Innovation is continually working toward knowing and engaging with more growers. Activities are underway to identify and segment growers, enabling Hort Innovation to deliver more targeted information.
- We invested in a comprehensive digital transformation process over the past 30 months. The company's simplified IT enterprise architecture uses a cloud-first strategy and has enabled improved cybersecurity and cost savings.



Becoming a registered Research Service Provider

In 2023/24, Hort Innovation successfully applied to become a registered Research Service Provider (RSP). From July 2024 onwards, horticulture levy payers and co-investors may be eligible to claim tax offsets through the Research and Development Tax Incentive.

The Research and Development Tax Incentive (also known as R&D Tax Incentive or R&DTI) helps companies innovate and grow by offsetting some of the costs of eligible research and development (R&D).



Keeping cybersecurity top of mind

Hort Innovation is constantly reviewing our cybersecurity policies and procedures to ensure we are up to date with any emerging threats. Various tools and platforms have been deployed to enable better visibility, understanding and management of cyber incidents and events. Our team members are equipped with adequate training so they can recognise any cyber threats and respond appropriately.

In 2023/24, our IT team took steps to bolster our cybersecurity approach, including but not limited to:

- Consistency in the implementation of multi-factor authentication across the organisation.
- Optimisation in delivery of Operating System and 3rd Party Patching.
 - Migration of legacy servers into the cloud and software-as-a-service (SAAS) (including reduction of non-supported operating system versions).
- Implementation of Zero-Trust Network across Hort Innovation.
- WiFi upgrade in Sydney office.
- Compulsory training modules on cybersecurity for team members to complete.
- Third party access controls and process.
- Data loss prevention notifications.





Hort Innovation invests in a range of research programs to monitor horticultural supply chains and identify how to improve the quality of produce as it moves from paddock to plate. Find out more at www.horticulture.com.au.



Financial Report

For the year ended June 30, 2024

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

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General information

The financial statements cover Horticulture Innovation Australia Limited as an individual entity.

Horticulture Innovation Australia Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 7, 141 Walker St
North Sydney
NSW 2060

A description of the nature of the Company's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on August 28, . The Directors have the power to amend and reissue the financial statements.



Directors' Report

The Directors present their report, together with the financial statements, on the Company for the year ended June 30, 2024.

Directors

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Julie Bird (Chair)
- Paul Harker (Deputy Chair) (retired on November 24, 2023)
- Victoria Taylor (Deputy Chair)
- Michael Nixon
- Robert Mullins
- Catherine Oates
- Jan Vydra
- Elke Cleverdon
- Stephen McCutcheon
- John Said (elected on November 24, 2023).

Company secretary

Kwesi Addo joined the company in June 2023 as the General Counsel and Company Secretary and resigned on December 4 2023.

Chief financial officer and acting company secretary

Andrew Philpotts joined the company in October 2023. In December 2023, Andrew took up the additional role of Company Secretary and served in that role until June 30, 2024.

Meetings of directors

Directors	Board		Audit and Risk Committee		People and Performance Committee		Investment Committee	
	Attend	Eligible	Attend	Eligible	Attend	Eligible	Attend	Eligible
Julie Bird (Chair)	7	7	–	–	4	4	–	–
Paul Harker (Deputy Chair)	2	2	2	2	2	2	–	–
Victoria Taylor (Deputy Chair)	7	7	–	–	4	4	–	–
Michael Nixon	7	7	–	–	2	2	6	6
Robert Mullins	7	7	–	–	–	–	6	6
Catherine Oates	7	7	–	–	2	2	–	–
Jan Vydra	7	7	4	4	2	2	–	–
Elke Cleverdon	7	7	4	4	–	–	4	4
Stephen McCutcheon	7	7	2	2	–	–	2	2
John Said	4	5	–	–	–	–	4	4



Director bios



Julie Bird Chair

BTeach, MBA (Exec), GAICD

Julie is current Chair of the Board, being appointed to this position in November 2020. She was elected as a Director of Hort Innovation in 2018 and re-elected in 2021. Julie is an experienced non-executive director in the agribusiness sector with a broad background in Australian horticulture spanning nuts, summerfruit, citrus, apples and pears.

She currently serves as Independent Chair of Australian Seafood Industries, Non-Executive Director of Cotton Research & Development Corporation and Grain Producers SA and has a retail floristry business "Say It With Flowers" based in Malvern, Victoria.

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 United Almonds Limited and the Australian Nut Industry Council. She has also served as Independent Chair of the Apple and Pear Industry Advisory Committee and the South Australian Apiary Industry Advisory Group.

Julie is an Australian Institute of Company Directors graduate (GAICD) and holds Bachelor of Teaching and Master of Business Administration (MBA Executive).



Victoria Taylor Director (Deputy Chair)

Grad Cert (Water Policy and Governance), GAICD

Victoria was elected as a Director of Hort Innovation in November 2020 and re-elected in 2023. She has 25 years' experience in agricultural policy, governance and communications.

Victoria is an experienced Board member and is the current Chair of the Agrifood Innovation Institute at the Australian National University and a Non-Executive Director of WaterNSW. She is a former Chair of the Rice Marketing Board for the State of New South Wales and former Independent Director of Australian Dairy Farmers Ltd.

Victoria was Executive Officer of the National Horticulture Research Network between 2015-2019 and is currently the part-time Head of Sector Building and Advocacy at Cellular Agriculture Australia.

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



Michael Nixon Director

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 has grown 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.



Bob Mullins

Director

BSc Agr, MTechMgt, PhD, GAICD

Bob was raised on a wheat farm and has enjoyed an international career in technology-based businesses supporting high-value horticulture. He has broad business experience having held senior commercial and technical leadership roles in Australia, Malaysia, Korea, Singapore, and the United States.

Bob is motivated by the challenge of leveraging research and technology to deliver practical, profitable, and sustained innovation for growers. 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. Bob led vegetable seeds businesses across APAC and the Americas contributing to extended periods of profitable growth, business development, and commercialisation of innovative technologies.

Bob is an experienced director of commercial and not-for-profit businesses in Australia and internationally. Currently, he is a non-executive director of Future Food Systems Ltd, New Edge Microbials Group Pty Ltd and InterGrain Pty Ltd.

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



Cath Oates

Director

BBus(Hort), GDip(Oen), GAICD

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 agri-business, ESG and sustainability, stakeholder engagement, RD&A, global marketing and market access.

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 on emerging sustainability issues.

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 and sustainability consultancy business.

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



Jan Vydra

Director

GAICD

Appointed to the Hort Innovation Board in 2019, and re-elected in 2021, Jan is a dynamic leader in the agribusiness sector. As a first-generation farmer, he co-founded a leading fresh herb business in 2008, where he developed a passion for innovation and sustainable farming. Prior to this role, Jan led the operations of one of Australia's most well-known fresh fruit and vegetable distributors.

A committed industry professional, Jan is a Graduate of the Australian Institute of Company directors. His educational background includes studies in entrepreneurship at RMIT and is completing an Executive MBA from the Australian Graduate School of Management. A recipient of the prestigious 2016 Nuffield Scholarship, Jan's academic pursuits have solidified his experience in the field.

Jan's leadership has been widely recognised, earning him the Australian Young Farmer of the Year award in 2011 and the Rabobank Emerging Leader of the Year Award in 2016.

Continued >>



Director bios (continued)



Elke Cleverdon

Director

BFinAdm; Fellow CPA, MBA, GAICD

Elke is an experienced non-executive director with a diverse background in agriculture, banking, and public health, and a passion for member-centric organisations. She offers a distinctive grower perspective and a genuine drive to elevate the industry through innovation.

As an alumna and mentor of the National Farmers Federation's 'Diversity in Ag Leadership' program, Elke continues to support emerging leaders in the sector.

Elke has extensive experience in the agricultural industry, both as a producer and a rural financial coach across regional NSW. She has challenged business models and production systems for growers of a range of horticultural commodities. Since 1993, Elke has been a joint owner and director of a broad-acre family farm in Harden, NSW.

Elke brings a wealth of financial, risk management, and governance expertise to her roles and is recognised for her strong focus on strategy and risk. Elke is a graduate of the Australian Institute of Company Directors (GAICD), a Fellow CPA, and holds a Master of Business Administration (MBA). Furthermore, she has 16 years of executive experience in the banking industry, 8 years as a rural financial coach and consultancy work. Elke is dedicated to advancing producers' long-term best interests.

Her current other non-executive directorships include Cattle Australia (Peak Industry Body), Murrumbidgee Health (NSW Health), and SWS Bank.



Stephen McCutcheon

Director

BEcon, Grad Dip Public Law, GAICD

Steve has extensive experience working with agriculture and food industries in private and public sector settings. This includes several years in rural lending with major banks and a 20-year career with the now Australian Government Department of Agriculture, Fisheries and Forestry working initially with a number of horticultural industries to implement economic reforms and later, in senior executive roles, leading the Australian Government's role in national biosecurity and food safety policy and programs.

Steve served as Chief Executive Officer of Food Standards Australia New Zealand from 2007-2017. Since then, he has been a Non-Executive Director and Chair of Plant Health Australia Limited (2017-2023) and is currently a Governing Board Member of the Joint Accreditation System for Australia and New Zealand. He has recently been appointed as Chair of the Australian Government's Nature Repair Committee.

Steve has a Bachelor of Economics degree from Sydney University and a Graduate Diploma in Public Law from the Australian National University. He is a Graduate of the Australian Institute of Company Directors.



John Said

Director

John has had years of experience as a member and Chair of various Boards across both national and global horticultural associations equipping him with high level skills and knowledge in governance and compliance. Having established and successfully managed a thriving fresh produce company for the last 30 years, John brings great strength in strategy and business management. His visionary leadership approach has seen the Fresh Select business grow and diversify into not only a fresh produce farming and distribution business but it has commercialised nutraceuticals to deal with food waste and ensure sustainability.

John has a thorough understanding and expertise in all aspects of supply chain, research and development, technology and systems across both the Australian and international landscapes, having travelled extensively over his 30 years in the industry and developed key stakeholder relationships all over the world including England, America, Europe and Asia.

John is currently the CEO of Fresh Select (Aust) Pty Ltd and Executive Chairman of Nutri V Pty Ltd.

John has devoted the majority of his working life to the horticulture industry. Prior to this he spent some early years as an aircraft maintenance engineer.

Other information

Members

As at June 30, 2024, Hort Innovation was owned by 2,099 members, 88.1 per cent being Australian horticultural growers, with the remaining 11.9 per cent carrying on another form of enterprise in the Australian horticulture industry supply chain.

Contributions on 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 a number of governance documents and practices in respect of the Directors, the Board and its operations, including but not limited to the following:

- 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

- Modern Slavery Policy
- 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 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 2024-2026* set out the strategic purpose and operations of the Company. Under the strategy, the Company was committed to five pillars of strategic intent:

- Enhance and safeguard supply
- Accelerate local and global demand
- Maximise and diversify investments
- Make the culture thrive
- Work simply and effectively.

Continued >>



Other information (continued)

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, RSM Australia Partners, 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 RSM Australia Partners during or since the financial year ended June 30, 2024.

Review of operating results

The operating surplus for the year ended June 30, 2024 was \$17,559,274 (2023: 9,946,529).

Events subsequent to balance sheet date

No matter or circumstance has arisen since June 30, 2024 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors,



Julie Bird, Chair

Dated this 28th day of August 2024



Victoria Taylor, Deputy Chair

Dated this 28th day of August 2024

Horticulture Innovation Australia Limited

Statement of Profit or Loss and Other Comprehensive Income

for the year ended June 30, 2024

	Note	Year ended June 30, 2024 \$	Year ended June 30, 2023 \$
Levies, Commonwealth matching, Co-investment, grants and other	3	202,662,188	171,648,726
Expenses			
Occupancy expenses		(555,979)	(452,837)
Administrative expenses		(24,056,149)	(20,928,803)
Research and development programs		(138,962,865)	(117,893,817)
Marketing programs		(20,601,836)	(21,061,546)
Other expenses		(926,085)	(1,365,194)
Net surplus for the year	15	17,559,274	9,946,529
Other comprehensive income for the year		–	–
Total comprehensive income for the year		17,559,274	9,946,529

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



Horticulture Innovation Australia Limited

Statement of Financial Position

for the year ended June 30, 2024

	Note	Year ended June 30, 2024 \$	Year ended June 30, 2023 \$
Assets			
Current assets			
Cash and cash equivalents	5	71,156,438	55,030,502
Trade and other receivables	6	7,384,450	6,124,372
Contract assets	7	30,097,015	29,728,516
Other assets	8	615,003	456,728
Total current assets		109,252,906	91,340,118
Non-current assets			
Plant and equipment	9	2,174,198	2,579,408
Intangibles	10	1,450,795	1,775,112
Total non-current assets		3,624,993	4,354,520
Total assets		112,877,899	95,694,638
Liabilities			
Current liabilities			
Trade and other payables	11	7,243,344	3,939,836
Contract liabilities	12	2,049,919	5,217,125
Provisions	13	942,880	1,007,102
Lease liabilities	14	610,281	562,078
Total current liabilities		10,846,424	10,726,141
Non-current liabilities			
Provisions	13	666,884	552,898
Lease liabilities	14	715,573	1,325,855
Total non-current liabilities		1,382,457	1,878,753
Total liabilities		12,228,881	12,604,894
Net assets		100,649,018	83,089,744
Funds			
Retained surpluses	15	100,649,018	83,089,744
Total funds		100,649,018	83,089,744

The above statement of financial position should be read in conjunction with the accompanying notes.

Horticulture Innovation Australia Limited

Statement of Changes in Equity

for the year ended June 30, 2024

	Retained Surplus			
	Research and development \$	Marketing \$	Corporate \$	Total funds \$
Balance at July 1, 2022	52,338,791	14,987,745	5,816,679	73,143,215
Surplus for the year	8,698,975	151,502	1,096,052	9,946,529
Other comprehensive income for the year	–	–	–	–
Total comprehensive income for the year	8,698,975	151,502	1,096,052	9,946,529
Transfer from corporate to centralised strategic levy reserve	97,247	537,293	(634,540)	–
Balance at June 30, 2023	61,135,013	15,676,540	6,278,191	83,089,744

	Retained Surplus			
	Research and development \$	Marketing \$	Corporate \$	Total funds \$
Balance at July 1, 2023	61,135,013	15,676,540	6,278,191	83,089,744
Surplus for the year	12,051,079	1,539,442	3,968,753	17,559,274
Other comprehensive income for the year	–	–	–	–
Total comprehensive income for the year	12,051,079	1,539,442	3,968,753	17,559,274
Balance at June 30, 2024	73,186,092	17,215,982	10,246,944	100,649,018



Statement of Cash Flows

for the year ended June 30, 2024

	Note	Year ended June 30, 2024 \$	Year ended June 30, 2023 \$
Cash flows from operating activities			
Other income		4,096,384	1,167,238
Levies received		64,827,283	69,299,423
Receipts from Commonwealth matching and government grants		81,594,049	68,626,134
Receipts from co-investment		43,977,817	38,584,418
Payments to suppliers and employees		(24,174,629)	(23,917,237)
Payments to research and development providers		(135,081,981)	(132,124,808)
Marketing program payments		(20,906,290)	(23,607,834)
Interest received		3,792,858	1,862,636
Net cash from/(used in) operating activities		18,125,491	(110,030)
Cash flows from investing activities			
Purchase of plant and equipment	9	(520,026)	(183,379)
Purchase of intangibles	10	(868,465)	(712,680)
Receipts from disposal of assets		-	4,445
Net cash used in investing activities		(1,388,491)	(891,614)
Cash flows from financing activities			
Principal repayments of lease liability		(562,079)	(581,563)
Interest on lease liability		(48,985)	(65,102)
Net cash used in financing activities		(611,064)	(646,665)
Net increase/(decrease) in cash and cash equivalents		16,125,936	(1,648,309)
Cash and cash equivalents at the beginning of the financial year		55,030,502	56,678,811
Cash and cash equivalents at the end of the financial year	5	71,156,438	55,030,502

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2024

Note 1. Material accounting policy information

The accounting policies that are material to the Company are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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, which is Horticulture Innovation Australia Limited's functional and presentation currency.

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

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.

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.

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.

Current and non-current classification

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 12 months of the reporting date. The Company classifies a liability as current where the liability is due to be settled within 12 months after the reporting date.



NOTES TO THE FINANCIAL STATEMENTS
for the year ended June 30, 2024

Note 1. Material accounting policy information (continued)

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).

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.

Economic dependency

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

Comparatives

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

Note 2. Critical 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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended June 30, 2024

Note 3. Levies, Commonwealth matching, Co-investment, grants and other

	2024 \$	2023 \$
Research and development income		
– Proceeds from levies	37,786,316	38,125,071
– Revenues from commonwealth matching	81,953,351	65,744,215
– Co-investment – recognised at a point in time	46,151,516	32,164,959
– Grant income	5,095,058	4,274,967
– Collective industry funds	1,937,787	3,318,026
– Royalty income	406,697	1,106,902
– Interest received	2,776,190	1,658,877
– Revenue	82,800	93,250
	176,189,715	146,486,267
Marketing income		
– Proceeds from levies	25,342,829	24,720,322
– Marketing program income	–	20,000
– Interest received	632,510	382,752
– Royalty income	141,180	–
	26,116,519	25,123,074
Other		
– Corporate interest received	153,707	39,385
– Revenue	202,247	–
	355,954	39,385
Total revenue	202,662,188	171,648,726
Total interest received	3,562,407	2,081,014

NOTES TO THE FINANCIAL STATEMENTS
for the year ended June 30, 2024

Note 3. Levies, Commonwealth matching, Co-investment, grants and other (continued)

Accounting policy for 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 when the grant is captured by AASB 15. 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:

Revenue from the rendering of a services

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.

Research and development Co-investment and legacy voluntary contributions

Contributions are recognised as revenue upon receipt.

Levy receipts

The Department of Agriculture, Fisheries and Forestry 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 DAFF.

Commonwealth Co-investment funds

The Commonwealth Government provides co-investment funding on a fifty cent on the 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 Frontiers amount to 18% 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).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended June 30, 2024

Note 4. Expenses

	2024 \$	2023 \$
<i>Included within expenses are the following significant amounts:</i>		
Employee expenses	15,101,285	13,443,502
Superannuation	1,431,313	1,170,359
Levy collection costs	911,917	976,220
Depreciation	924,455	919,899
Amortisation	709,124	493,901

Note 5. Cash and cash equivalents

	2024 \$	2023 \$
Current assets		
Cash on hand	–	300
Cash at bank	71,156,438	13,014,157
Short term deposits	–	42,016,045
	71,156,438	55,030,502

Accounting policy for 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.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended June 30, 2024

Note 6. Trade and other receivables

	2024 \$	2023 \$
Current assets		
Trade receivables	2,625,392	401,693
Less: Allowance for expected credit losses	(50,000)	–
	2,575,392	401,693
Other receivables	4,809,058	5,722,679
	7,384,450	6,124,372

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 7. Contract assets

	2024 \$	2023 \$
Current assets		
Contract assets	30,097,015	29,728,516

Accounting policy for contract assets

Contract assets represent amounts recognised as income but not yet collected from the Commonwealth Government.

Note 8. Other assets

	2024 \$	2023 \$
Current assets		
Prepayments	615,003	456,728

NOTES TO THE FINANCIAL STATEMENTS
for the year ended June 30, 2024

Note 9. Plant and equipment

	2024 \$	2023 \$
Non-current assets		
Leasehold improvements – at cost	1,445,229	1,460,880
Less: Accumulated depreciation	(979,191)	(799,883)
	466,038	660,997
Furniture, fixtures and fittings – at cost	128,989	80,374
Less: Accumulated depreciation	(17,765)	(69,848)
	111,224	10,526
Office equipment – at cost	270,761	132,994
Less: Accumulated depreciation	(123,778)	(94,147)
	146,983	38,847
Hardware – at cost	743,317	572,714
Less: Accumulated depreciation	(481,270)	(463,893)
	262,047	108,821
Right of use – leases	3,965,813	3,965,813
Less: Accumulated depreciation	(2,777,907)	(2,205,596)
	1,187,906	1,760,217
	2,174,198	2,579,408

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Leasehold improvements \$	Furniture, fixtures and fittings \$	Office equipment \$	Hardware \$	Right of use – leases \$	Total \$
Balance as at July 1, 2023	660,997	10,526	38,847	108,821	1,760,217	2,579,408
Additions	23,234	105,795	158,690	232,307	-	520,026
Disposals	(630)	(151)	-	-	-	(781)
Depreciation expense	(217,563)	(4,946)	(50,554)	(79,081)	(572,311)	(924,455)
Balance at June 30, 2024	466,038	111,224	146,983	262,047	1,187,906	2,174,198

NOTES TO THE FINANCIAL STATEMENTS
for the year ended June 30, 2024

Note 9. Plant and equipment (continued)

Accounting policy for 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.

The depreciation rates used for each class of assets are:

Class of fixed asset	Depreciation rates	Depreciation basis
Leasehold improvements	Based on life of lease	Straight line
Furniture, fixtures and fittings	12.5%	Straight line
Office equipment	50%	Straight line
Hardware	33.3%	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.

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.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended June 30, 2024

Note 10. Intangibles

	2024 \$	2023 \$
Non-current assets		
Software – at cost	121,431	805,778
Less: Accumulated amortisation	(86,822)	(747,971)
	34,609	57,807
Project management system – at cost	3,091,289	4,476,255
Less: Accumulated amortisation	(1,675,103)	(2,758,950)
	1,416,186	1,717,305
	1,450,795	1,775,112

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Software \$	Project management system \$	Total \$
Balance as at July 1, 2023	57,807	1,717,305	1,775,112
Additions	29,404	839,061	868,465
Disposals	-	(483,658)	(483,658)
Amortisation expense	(52,602)	(656,522)	(709,124)
Balance at June 30, 2024	34,609	1,416,186	1,450,795

Accounting policy for intangible assets

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

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.

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.



NOTES TO THE FINANCIAL STATEMENTS
for the year ended June 30, 2024

Note 11. Trade and other payables

	2024 \$	2023 \$
Current liabilities		
Trade payables	850,380	37,600
Other payables	6,392,964	3,902,236
	7,243,344	3,939,836

Fair value

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

Accounting policy for 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.

Note 12. Contract liabilities

	2024 \$	2023 \$
Current liabilities		
Contract liabilities	2,049,919	5,217,125

Accounting policy for contract liabilities

Contract liabilities represent grants received but not yet recognised as income. Grant terms and conditions require performance and return of unspent portions.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended June 30, 2024

Note 13. Provisions

	2024 \$	2023 \$
Current liabilities		
Annual leave	755,797	703,147
Long service leave	33,609	146,926
Employee oncosts	147,152	153,066
Purchased leave	6,322	3,963
	942,880	1,007,102
Non-current liabilities		
Long service leave	261,683	243,245
Make good provision	405,201	309,653
	666,884	552,898
	1,609,764	1,560,000
	2024 No.	2023 No.
Number of employees at year end (Full time equivalent)	90	83

Movements in current provisions

2024	Annual leave \$	Long service leave \$	Employee oncosts \$	Purchased leave \$	Total current \$
Balance as at July 1, 2023	703,147	146,926	153,066	3,963	1,007,102
Accrued provision	1,018,678	(10,154)	143,773	8,443	1,160,740
Amount utilised	(966,028)	(103,163)	(149,687)	(6,084)	(1,224,962)
Carrying amount at June 30, 2024	755,797	33,609	147,152	6,322	942,880

NOTES TO THE FINANCIAL STATEMENTS
for the year ended June 30, 2024

Note 13. Provisions (continued)

Movements in non-current provisions

2024	Long service leave \$	Make good provision \$	Total non-current \$
Balance as at July 1, 2023	243,245	309,653	552,898
Accrued provision	69,831	95,548	165,379
Amount utilised	(51,393)	-	(51,393)
Carrying amount at June 30, 2024	261,683	405,201	666,884

Accounting policy for employee benefits

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.

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.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Termination benefits

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

Note 14. Lease liabilities

	2024 \$	2023 \$
Current liabilities		
Lease liability	610,281	562,078
Non-current liabilities		
Lease liability	715,573	1,325,855
	1,325,854	1,887,933

	2024 \$	2023 \$
Right of use assets		
At the beginning of the financial year	1,887,933	2,404,394
Lease payment	(611,064)	(581,563)
Accretion of interest	48,985	65,102
At the end of the financial year	1,325,854	1,887,933

The lease liability includes one lease for office premises as well as one lease for office equipment. At balance date the terms of these leases range from 36 to 48 months.

	Total lease payments		Present value of lease payment	
	2024 \$	2023 \$	2024 \$	2023 \$
Lease liability				
Within one year	641,744	611,063	578,546	562,078
After one year but not more than five years	728,173	1,369,917	747,308	1,325,855
After more than five years	–	–	–	–
	1,369,917	1,980,980	1,325,854	1,887,933

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.



NOTES TO THE FINANCIAL STATEMENTS
for the year ended June 30, 2024

Note 15. Retained surpluses

	2024 \$	2023 \$
Balance at the beginning of the year	83,089,744	73,143,215
Net surplus for the year	17,559,274	9,946,529
Retained surpluses at the end of the year	100,649,018	83,089,744

	2024 \$	2023 \$
Reconciliation of net surplus for the year:		
Corporate net surplus	3,968,753	1,096,052
Research and development net surplus	12,051,079	8,698,975
Marketing net surplus	1,539,442	151,502
Net surplus	17,559,274	9,946,529

Funds	2024 \$	2023 \$
Funds – corporate		
Funds – corporate	10,246,944	6,278,191
Total corporate funds	10,246,944	6,278,191
Funds – R&D		
Unspent R&D levies	47,711,590	40,754,731
Levy industry strategic reserve	5,000,000	5,000,000
Non levy reserves	20,474,502	15,380,282
Total designated funds – R&D	73,186,092	61,135,013
Funds – marketing		
Unspent marketing levies	15,215,981	13,676,540
Levy industry strategic reserve	2,000,001	2,000,000
Total designated funds – marketing	17,215,982	15,676,540
Total funds	100,649,018	83,089,744

The retained surplus at June 30, 2024 includes \$13,590,521 of levy industry reserves, made up of \$12,051,079 from research and development and \$1,539,442 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 June 30, 2024 the entity has recognised corporate revenue, including corporate recoveries, income and interest of \$29,506,967. Corporate expenditure during this period amounted to \$25,538,214 resulting in a corporate surplus for the year of \$3,968,753. Corporate funds are used to manage the operations of the Company, while research and development and marketing retained funds represent surplus industry funds received but not yet expended on the research and development and marketing programs.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended June 30, 2024

Note 16. Key management personnel disclosures

Compensation

The compensation made to Directors and other members of key management personnel of the Company is set out below:

	Short term	Short term	Post employment	Termination benefits	
June 30, 2024	Salaries and fees \$	Cash bonus/ other benefits \$	Superannuation/ Insurance \$	ETPs/Leave entitlements \$	Total \$
Directors	552,624	–	60,789	–	613,413
Key management personnel	2,169,279	202,261	219,408	173,495	2,764,443
Total	2,721,903	202,261	280,197	173,495	3,377,856

	Short term	Short term	Post employment	Termination benefits	
June 30, 2023	Salaries and fees \$	Cash bonus/ other benefits \$	Superannuation/ Insurance \$	ETPs/Leave entitlements \$	Total \$
Directors	529,791	–	43,325	–	573,116
Key management personnel	2,049,866	108,548	192,578	295,399	2,646,391
Total	2,579,657	108,548	235,903	295,399	3,219,507

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 2023/24 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.

Note 17. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia (2023: Ernst & Young), the auditor of the Company:

	2024 \$	2023 \$
Audit services – RSM Australia (2023: Ernst & Young)		
Audit of the financial statements	85,000	147,665
Audit of government grant projects	–	6,240
Other services		
Preparation of the financial statements	5,000	–
	90,000	153,905

NOTES TO THE FINANCIAL STATEMENTS
for the year ended June 30, 2024

Note 18. Contingent liabilities

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

	2024 \$	2023 \$
Research and development and marketing expenditure liabilities		
Within one year	140,304,695	92,966,904
After one year but not more than five years	266,628,706	201,987,282
After more than five years	14,469,003	12,389,980
	421,402,404	307,344,166
Bank guarantee facility	1,900,000	1,900,000

Note 19. Commitments

The Company had no commitments as at June 30, 2024.

Note 20. Related party transactions

The Directors of the Company during the period were:

- Julie Bird
- Paul Harker (retired on November 24, 2023)
- Michael Nixon
- Victoria Taylor
- Robert Mullins
- Catherine Oates
- Jan Vydra
- Elke Cleverdon
- Stephen McCutcheon
- John Said (elected on November 24, 2023)

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.

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 \$487,500 (2023:\$320,000).

Catherine Oates is a Director of Wine Australia. During the reporting year Horticulture Innovation Australia Ltd provided funding for projects with Wine Australia to the value of \$nil (2023:\$227,281). Co-investment contributions of \$10,000 (2023:\$74,000) and Cotton Research & Development Corporation contribution of 20,000 (2023: nil) were received during the reporting year.

Anthony Kachenko is the General Manager Production & Sustainability R&D 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 \$1,000 (2023: \$4,000) and \$3,500 (2023: nil) to the APEN conference and Wine Australia respectively.

Note 21. Events after the reporting period

No matter or circumstance has arisen since June 30, 2024 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards – Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at June 30, 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable and
- the consolidated entity disclosure statement is 'true and correct'.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors,



Julie Bird, Chair

Dated this 28th day of August 2024



Victoria Taylor, Deputy Chair

Dated this 28th day of August 2024





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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, which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the financial report of Horticulture Innovation Australia Limited has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosures under AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2022.

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 auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

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.

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* under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the Corporations Act 2001 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 ability of the Company to continue as a going concern, disclosing, as applicable, matters related 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



RSM Australia Partners



Peter Kanellis
Partner

Sydney, NSW
Dated: 29 August 2024



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AUDITOR'S INDEPENDENCE DECLARATION

In relation to our audit of the financial report of Horticulture Innovation Australian Limited for the year ended 30 June 2024, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of any applicable code of professional conduct; and
- (ii) no non-audit services provided that contravene any applicable code of professional conduct.

RSM

RSM AUSTRALIA PARTNERS

P Kanellis

Peter Kanellis
Partner

Sydney, NSW
Dated: 28 August 2024

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Hort Innovation would like to thank all the organisations that contributed photos for this annual report to highlight the activities and achievements of 2023/24. We would also like to thank the various growers and industry stakeholders who provided input into the case studies and quotes throughout the report.



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Glossary and acronyms

AFL	Asia Fruit Logistica
AFPA	Australian Fresh Produce Alliance
AFWC	Australian Food & Wine Collaboration
AGM	Annual General Meeting
AIP	Annual Investment Plan
APVMA	Australian Pesticides and Veterinary Medicines Authority
ARC	Audit & Risk Committee
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
DE&I	Diversity, Equity & Inclusion
DNC	Director Nomination Committee
ENRI	Emerging National Rural Issues
FASTA	Fresh and Secure Trade Alliance
HAL	Horticulture Australia Limited
IC	Investment Committee
IP	Intellectual Property
IRP	Independent Review of Performance
KPI	Key Performance Indicator
M&E	Monitoring & Evaluation
MoU	Memorandums of Understanding
PBRI	Plant Biosecurity Research Initiative
PIB	Peak Industry Body
PIPS	Productivity, Irrigation, Pests and Soils program
PPC	People & Performance Committee
R&D	Research and Development
RD&E	Research, Development and Extension
RDC	Research and Development Corporation
SARP	Strategic Agrichemical Review Process
SFA	Statutory Funding Agreement
SIAP	Strategic Investment Advisory Panel
SIP	Strategic Investment Plan
WH&S	Work Health & Safety



Hort Innovation Annual Report 2023/24

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