

# Independent Review of Performance 2018-2023

## Company Response Update



November 2024

**Hort**  
**Innovation**



## Purpose

Hort Innovation's Independent Review of Performance 2018-2023 and Company Response were released in November 2023. It is a requirement of Hort Innovation's funding agreement with the Australian Government that an independent review be undertaken periodically.

As part of the Company Response, Hort Innovation committed to reporting back to our stakeholders on the progress we have made in delivering agreed actions. This document updates our stakeholders on the status of the actions as of November 2024.

Thirteen recommendations were made as part of the Independent Review of Performance. All actions to address the recommendations are underway or have been completed. Further detail on the actions undertaken is included in this update.



## Recommendations and company responses

1 Recommendation	Rating
<p>Ensure that appropriate consultation plan/s, based on the <i>Best Practice Guide to Stakeholder Engagement</i>, are developed and implemented when the next round of Strategic Investment Plans (SIPs) are developed.</p>	<p>Continuous Improvement.</p>
Company response and actions	Status in November 2024
<p><b>Agree</b></p> <p>A Consultation Plan outlining how Hort Innovation will consult with stakeholders for the next round of SIPs will be developed and implemented.</p>	<p><b>Underway</b></p> <p>Hort Innovation will commence consultation with stakeholders on the next round of strategic investment planning in early 2025.</p> <p>The consultation plan will be available to all stakeholders on the Hort Innovation website outlining the opportunities to participate in this process.</p>
2 Recommendation	Rating
<p>Ensure timely completion, communication and review of the <i>Reset and Refresh</i> process, including:</p> <ul style="list-style-type: none"> <li>✔ a) Finalising the execution of MOUs with Peak Industry Bodies</li> <li>✔ b) Updating its status on the Hort Innovation website</li> <li>✔ c) Increasing the transparency of the process and its implications to Hort Innovation's full range of stakeholders</li> <li>✔ d) Undertaking annual pulse checks to assess its ongoing implementation and success.</li> </ul>	<p>Important.</p>
Company response and actions	Status in November 2024
<p><b>Continue actions underway (started 07/2021)</b></p> <p>Hort Innovation has continued to progress the <i>Reset and Refresh</i> process that commenced in July 2021. Regular updates will be provided to stakeholders through our direct communications to industry, as part of the advice mechanism process and twice-yearly updates to the PIB Forum.</p> <p>Ongoing feedback regarding the implementation of the advice mechanism MOUs was part of the Stakeholder Engagement Survey undertaken in Q1 FY24. Ongoing feedback will be gained through regular pulse checks in our Voice of Stakeholder Surveys post SIAPs.</p>	<ul style="list-style-type: none"> <li>✔ <b>a) Completed.</b> All MOUs are in place with 37 industries.</li> <li>✔ <b>b) Completed.</b> The Hort Innovation website has been updated to include information about the <i>Reset and Refresh</i> process.</li> <li>✔ <b>c) Completed.</b> Hort Innovation has reported progress to stakeholders at PIB Forums 23 November 2023 and 26 July 2024, in our annual report 2022/23 and in our annual DAFF performance meeting statements 2022/23 and 2023/24.</li> <li>✔ <b>d) Ongoing.</b> MOUs continue to be periodically reviewed in partnership with industry to ensure they remain fit for purpose and are delivering their intended outcomes. Regular feedback on the operation of the advisory mechanisms is also received through our Voice of Stakeholder Surveys post SIAPs.</li> </ul>



### 3 Recommendation Rating

Update the *Stakeholder Engagement and Consultation Framework* to:

- Incorporate the outcomes of the *Reset and Refresh* process once finalised
- Incorporate revised roles i.e. current version refers to Regional Extension Managers who have now been replaced with Industry Service & Delivery Managers (ISDMs).

Continuous Improvement.

#### Company response and actions

##### Agree

The *Stakeholder Engagement and Consultation Framework* will be updated in FY24 as per the recommendation.

#### Status in November 2024

##### Completed

The updated *Stakeholder Engagement and Consultation Framework* is available to all stakeholders on the [Hort Innovation website](#).

### 4 Recommendation Rating

Increase the degree of transparency over the investment justifications of Hort Frontiers programs/projects through the publication of an investment decision framework.

Important.

#### Company response and actions

##### Continue actions underway (started 09/22)

As part of Hort Innovation's Strategy 2024-2026 we are developing a new Hort Frontiers Investment Strategy which will include a modern investment decision framework aligned to Hort Innovation's risk appetite.

This work was informed by an internal review of the Frontiers Strategic Partnership Initiative which commenced in September 2022.

We will consider ways to improve how we communicate to industry about investments in the Hort Frontiers program as part of the implementation of the Hort Frontiers Investment Strategy.

#### Status in November 2024

##### Ongoing

The Investment Strategy was launched in June 2024 at Hort Connections.

Expert Advisory Panels for Frontiers™ were advised that they were no longer meeting in September 2024 with a view to moving to a new approach including establishing a network of advisors we can call on for their expertise and experience. In essence, we will be able to seek advice from broader sources.

A Frontiers™ website was launched in November 2024 – [www.frontiers.au](http://www.frontiers.au).



## 5 Recommendation Rating

<p>Ensure timely implementation of Project Max recommendations, in particular those that aim to:</p> <ul style="list-style-type: none"> <li>✔ Improve stakeholder experience and increased visibility of the procurement process for respondents</li> <li>✔ Streamline processes for reviewing and approving investment decisions</li> <li>✔ Improve feedback mechanisms and increase interaction with industry on key decisions</li> <li>✔ Upskill internal and external stakeholders in the use of investment management portals.</li> </ul>	<p>Important.</p>
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### Company response and actions

### Status in November 2024

#### Continue actions underway (started 07/22)

The Project Max review of Hort Innovation's systems and processes commenced in July 2022. Hort Innovation will continue to implement the Project Max recommendations in full.

Hort Innovation will consider new continuous improvements that build on the existing activities of Project Max in FY24.

#### Completed

Project Max was completed in FY24. A key achievement is the removal of more than 30 redundant steps from our investment management system (HIVE) which allows projects to progress in a more streamlined way across all procurement stages.

Hort Innovation is committed to further continuous improvement in procurement processes. In FY25 Hort Innovation will roll out new tender documentation and templates to improve the quality of both the request going to market and proposal received for evaluation.

Hort Innovation is working collaboratively with our partners to identify opportunities for further continuous improvement and welcomes feedback at any time via [port.admin@horticulture.com.au](mailto:port.admin@horticulture.com.au).



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**Recommendation****Rating**

Improve processes to identify and implement cross-industry collaboration to reduce duplication and drive efficiencies in investment of levy payer and government funding.

Continuous Improvement.

**Company response and actions****Status in November 2024****Continue actions underway (started 07/23)**

At the PIB Forum in July 2023 Hort Innovation and industry discussed designing an improved mechanism that would support industry to better understand opportunities for cross-industry collaboration. As a result of these discussions, Hort Innovation is developing a mechanism in partnership with industry which will be further discussed at the November 2023 PIB Forum.

**Ongoing**

Hort Innovation remains committed to supporting industries to identify and explore collaborations with other industries via PIB Forums, cross industry 'ideation' sessions, and RDC research meetings.

At the July 2024 PIB forum, a number of areas of collaboration were identified, not limited to: Leadership in Horticulture, Sustainability, Shared Services, and Export Growth.

Work is also underway in FY25 to identify opportunities for enhanced cross-industry collaboration in marketing investments.

Priorities and approaches to cross-industry collaboration will be further considered as part of the upcoming strategic investment planning consultations with our stakeholders.

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**Recommendation****Rating**

Implement a Treasury/Investment Policy and Procedure to reduce the risks associated with investment and to maximise the returns from surplus cash.

Continuous Improvement.

**Company response and actions****Status in November 2024****Agree**

Hort Innovation will implement a Treasury Policy.

**Completed**

A Treasury Policy has been implemented as per the recommendation.



## 8 Recommendation Rating

Undertake minor administrative amendments to the Board Charter to align with commonly adopted practices to:

- ✔ Define Board quorum
- ✔ Prohibit the Chair of the Board also holding the Chair of the ARC
- ✔ Cover review of CEO and Committee performance
- ✔ Include the skills matrix that the Directors should collectively provide.

Continuous Improvement.

### Company response and actions

### Status in November 2024

#### Agree and actions underway

Hort Innovation has commenced work to consider updates to the Board Charter as per the recommendation.

#### Completed

The Board Charter has been updated as per the recommendation.

## 9 Recommendation Rating

Review the threshold in the Delegations of Authority (DoA) to ensure it represents an efficient and appropriate reflection of governance body participation in review and approval.

Continuous Improvement.

### Company Response and Actions

### Status in November 2024

#### Agree and actions underway

Hort Innovation has commenced work to review the efficiency and appropriateness of its Delegations of Authority settings and will implement any changes resulting from the review.

#### Completed Stage 1

A review of the Delegations of Authority settings has been completed and Stage 1 (consolidation into one delegation of authority instrument and key threshold changes) has been completed. Further refinements (Stage 2) are expected to be completed in FY25.



10	Recommendation	Rating
	Develop a risk tolerance statement expressing 'Acceptable,' 'Tolerable' and 'Unacceptable' ranges based upon KPIs or input risk assumptions to better support decision making. The same approach can be used over time to help support industry-specific consideration of risk.	Continuous Improvement.
	<b>Company response and actions</b>	<b>Status in November 2024</b>
	<p><b>Agree and actions underway</b></p> <p>Hort Innovation has commenced work to update the company's current Risk Appetite Statement (RAS) to incorporate relevant risk tolerances as per the recommendation.</p>	<p><b>Completed</b></p> <p>An updated Risk Appetite Statement including a framework for risk tolerances was agreed by the Board in February 2024. The RAS is to be reviewed annually or as needed. A summary of the RAS is included in the company Annual Report 2023-24.</p>
11	Recommendation	Rating
	<p>Update the Hort Innovation Organisational Evaluation Framework following release of the Hort Innovation Strategy 2024-2026 to:</p> <ul style="list-style-type: none"> <li>Align with the new strategy</li> <li>Incorporate the KPIs contained within the subsequently released Australian Government Guidelines for Statutory Funding Agreements</li> <li>More clearly articulate when investment level funds, including Hort Frontiers and levy fund RD&amp;E and marketing projects/programs, will be subject to impact assessment or evaluation</li> <li>Include opportunities to further streamline and aggregate the reporting of evaluation outcomes to continue to improve how findings are used to inform investment decisions under a balanced portfolio.</li> </ul>	Continuous Improvement.
	<b>Company response and actions</b>	<b>Status in November 2024</b>
	<p><b>Agree and actions underway</b></p> <p>Hort Innovation has commenced work to review the Organisational Evaluation Framework and the approach to monitoring and evaluation. The Organisational Evaluation Framework will be updated as per the recommendation.</p>	<p><b>Completed</b></p> <p>The Organisational Evaluation Framework review has been completed. The updated framework is now available on the Hort Innovation website <a href="#">here</a>.</p>



12	Recommendation	Rating
	Increase the frequency of grower sentiment surveying to occur once every 2 or 3 years.	Continuous Improvement.
	Company response and actions	Status in November 2024
	<p><b>Agree and action underway (started 07/23)</b></p> <p>Hort Innovation completed a Grower and Partner survey in Q1 FY24. Hort Innovation will continue to undertake a survey that includes growers on an annual basis.</p>	<p><b>Completed</b></p> <p>The Grower and Partner Survey was undertaken in June 2024 and Hort Innovation remains committed to undertaking this survey annually.</p>
13	Recommendation	Rating
	Update the Company Constitution to ensure alignment with Deed of Agreement 2020-2030.	Continuous Improvement.
	Company response and actions	Status in November 2024
	<p><b>Agree in Principle</b></p> <p>Hort Innovation will consider and consult on a possible resolution to members at the Annual General Meeting in 2024 to make administrative amendments to the Constitution to align it with the Deed of Agreement 2020-2030.</p>	<p><b>Completed</b></p> <p>A constitutional amendment to remove the requirement for Hort Innovation to consult with the Minister should it seek to vary or repeal the Constitution is not being considered at this time.</p>

# Hort Innovation

Horticulture Innovation Australia Limited  
ACN 602 100 149

Level 7, 141 Walker Street  
North Sydney NSW 2060 Australia

02 8295 2300 | [communications@horticulture.com.au](mailto:communications@horticulture.com.au)

[www.horticulture.com.au](http://www.horticulture.com.au)

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