

A man wearing a grey cap and a blue and black plaid shirt is examining a plant stem in a field. The background is a soft-focus landscape with trees and a bright sky, suggesting a sunset or sunrise. The overall tone is warm and natural.

**Hort
Innovation**

Online workshops

Advice mechanisms in action

4 & 5 October 2022

We acknowledge the Traditional Owners of country throughout Australia and recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past, present and emerging.



Workshop agenda



Goals for the Reset
and Refresh process

Anthony Kachenko, GM Stakeholder
Engagement, Hort Innovation

Project Update

Byron de Kock, Head of Business
Transformation and Service Delivery,
Hort Innovation

Advice Mechanism Models

Macadamias

Clare Hamilton-Bate, CEO, AMS

Vegetables

Michael Coote, CEO, Ausveg

Pistachios

Trevor Ranford, Executive Officer, PGA

Sweetpotatoes

Peter Long, Executive Officer, ASPG

Almonds

Tim Jackson, CEO, ABA

Q&A Session

Goals - Reset & Refresh

1. Clearly identify and agree the role commodity PIBs, Hort Innovation, and the Commonwealth Government relating to investment of Levies and Taxpayer Funds for research, development, and extension (RD&E) and marketing (where relevant)

ACHIEVED

2. Define suitable advice mechanisms in relation to those investments

PROGRESSING

Today's workshop will showcase several industry models that have been proposed by industry as preferred advisory models.



Project Update and Achievements



1. **On track** - based on Next Steps and Workshops Summary Report
2. Hort Innovation has engaged with **all industries** to assist with the codesign of their preferred advice mechanism model
3. **Industry Working Group** has continued to provide overarching leadership to this project
4. **Refresh of existing Strategic Investment Advisory Panels (SIAP) has commenced** for industries that wish to keep this model, including renewal of membership
5. All parties acknowledge that **one advice mechanism model will not suit all** industries, and therefore industries are able to identify the model they prefer (that meets the advice mechanism principles)

Advice Mechanism Principles



1. Governance Framework clearly defined:

- ✓ Including membership, purpose, role, authority, operational metrics, obligations of members, **conflict of interest**, and confidentiality arrangements

2. Consultation wide:

- ✓ Engages and consults **widely with Levy Payers** including other industry bodies and relevant grower groups representing a cross section of the whole industry, to identify, prioritise, and document requirements.

3. Considers Context via:

- ✓ The Industry **Strategic Plans** (ISPs), Strategic Investment Plans (SIPs), Hort Innovation's Strategic Plan and the Commonwealth Government's Priorities. Provides advice on industry emergency or ad hoc needs.

4. Strives for a balanced portfolio of RD&E:

- ✓ Considering long-term, short-term, high and low risk, and strategic and adaptive RD&E per the Statutory Funding Agreement.

5. Across Industries:

- ✓ Allows for a **collaborative approach** across industries where the same RD&E priorities have been identified.

6. Financial:

- ✓ Priorities consider the context of timely, accurate, and up-to-date **financial** reporting and other information including balance of levy funds available and forecast availability of funds.

7. Timely:

- ✓ Advice is provided in a timely, professional, and cost-effective manner, in the format and standard required.

8. Priorities are communicated back to Levy Payers:

- ✓ By PIBs and Hort Innovation, including other industry bodies and relevant grower groups.

Industry Presentations – Models



1 **Macadamia** Claire Hamilton-Bate, CEO, AMS

2 **Vegetable** Michael Coote, CEO, Ausveg

3 **Pistachio** Trevor Ranford, Executive Officer, PGA

4 **Sweetpotato** Peter Long, Executive Officer, ASPG

5 **Almond** Tim Jackson, CEO, ABA



Presentation 1

Macadamia

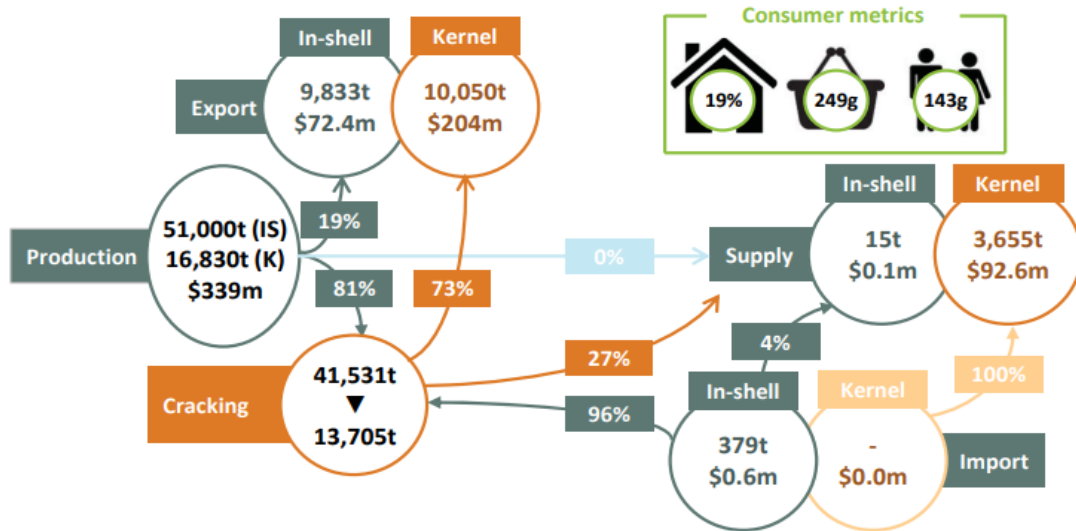
Clare Hamilton-Bate
CEO, Australian Macadamia Society

The macadamia industry

2021/22 by the numbers

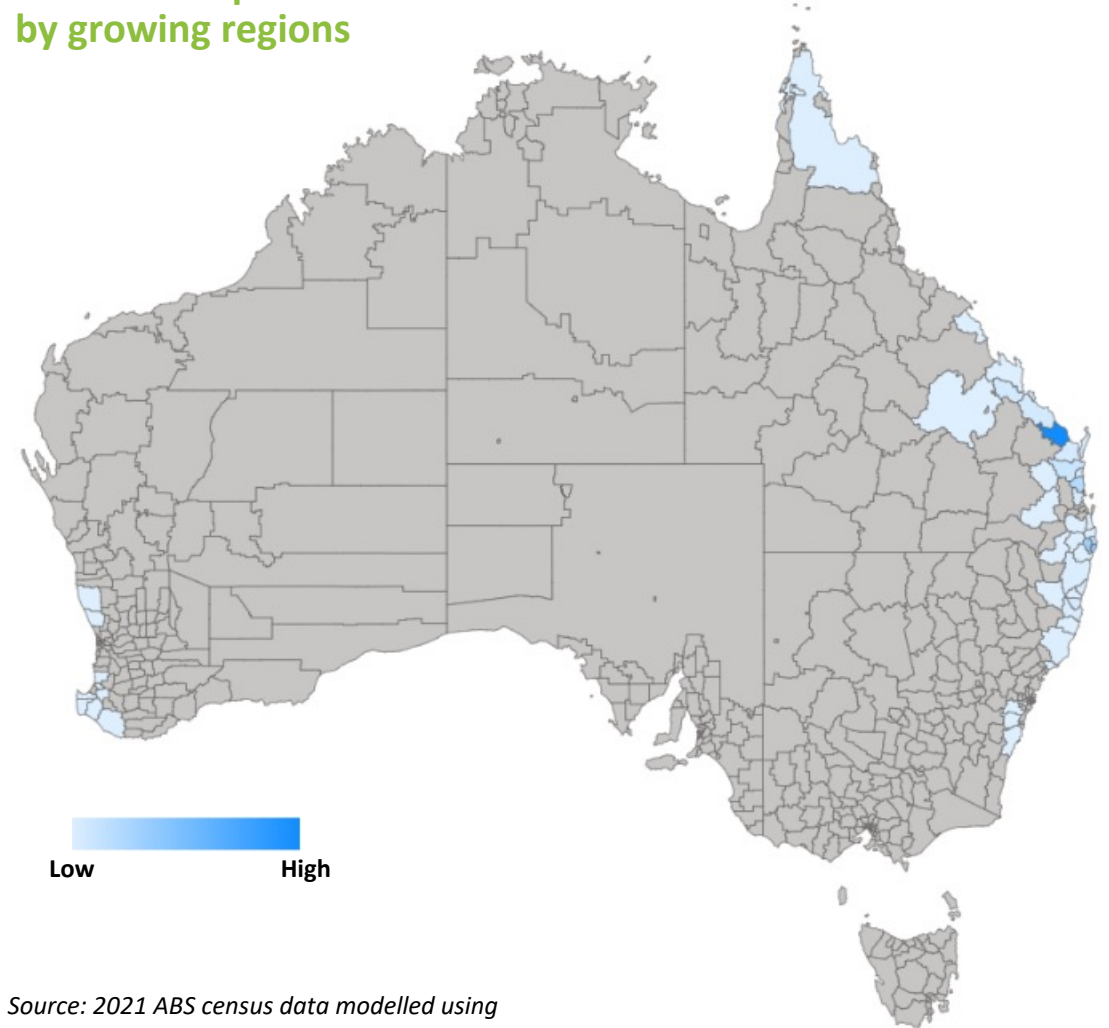
- 690 growers approximately
- R&D levy: \$1,467,334
- Marketing levy: \$2,741,193
- Investment into 33 single industry projects
- Investment into 11 multi-industry projects

Macadamia supply chain – year ending June 2021



Sources: ABS; AC; Australian Macadamia Society; CFVIWA; GTA; MP; DD (Freshlogic analysis)

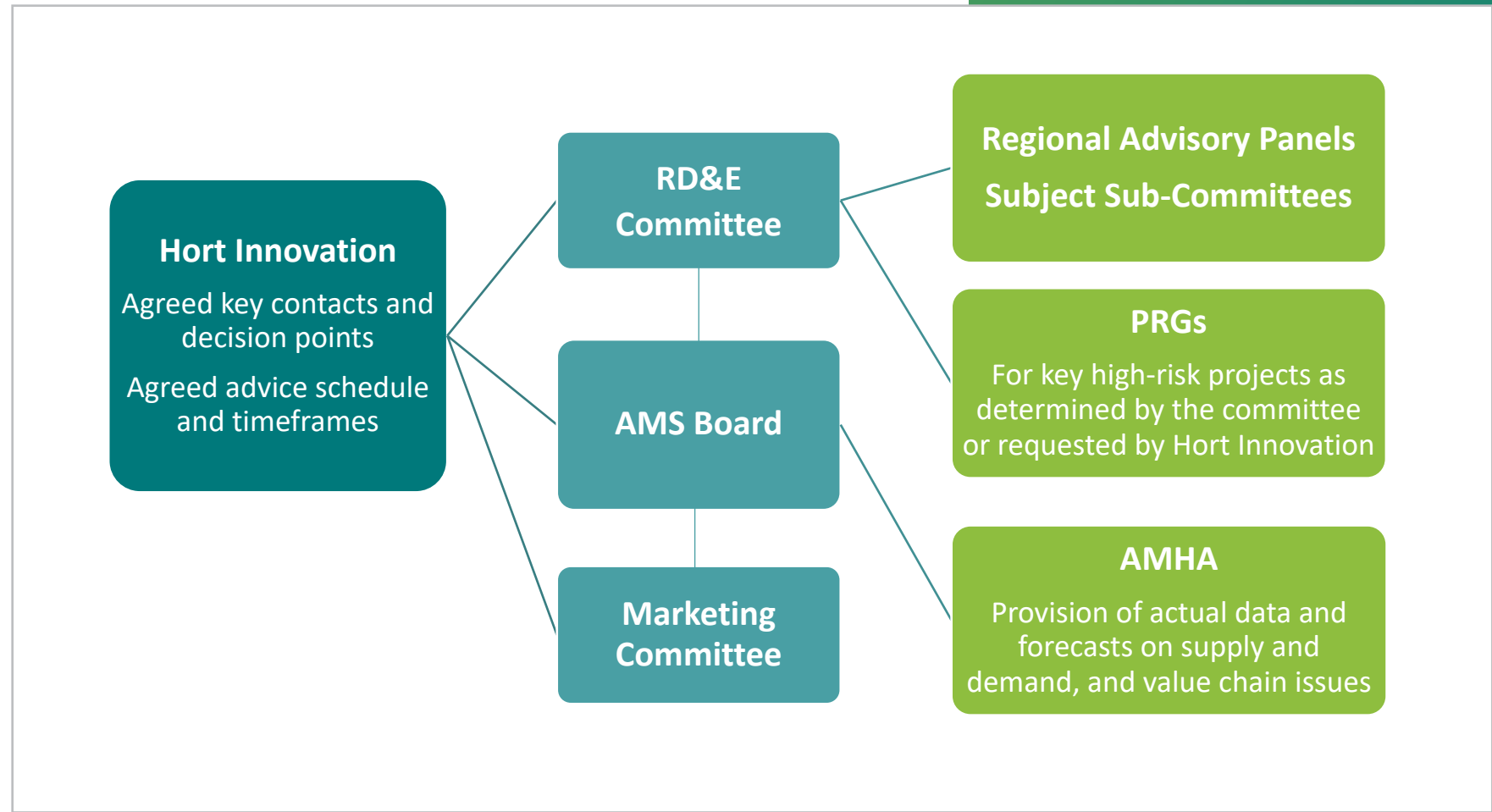
Macadamia production by growing regions



Source: 2021 ABS census data modelled using Australian Horticulture Statistics Handbook data

Macadamia draft advisory mechanism *Led by AMS*

- The AMS Board will be the point of reference for “all of industry” strategic information, contributing to the industry’s Strategic Investment Plan (SIP) and where appropriate financial forecasting
- The **(existing)** macadamia marketing committee will provide advice on all aspects of marketing levy investments such as a 5-year marketing plan
- The **(new)** macadamia RD&E committee will provide advice on all aspects of R&D levy investments including AIPs, RFP development, proposal evaluations and investment performance



The Deliverables & The Challenges

- ❖ **Levy payer expectation of AMS** – accountability, transparency, visibility of levy expenditure and deliverables
- ❖ **Whole of process focus** – priorities, concept, procurement (RFP), performance
- ❖ **Strong governance & process control** – Committees, Regional Advisory Panels, Sub-Committees
- ❖ **Strong facilitation** – Committees, Regional Advisory Panels, Sub-Committees
- ❖ **Resourcing & funding** – secretariat and ongoing process management
- ❖ **Communication**



Presentation 2

Vegetable

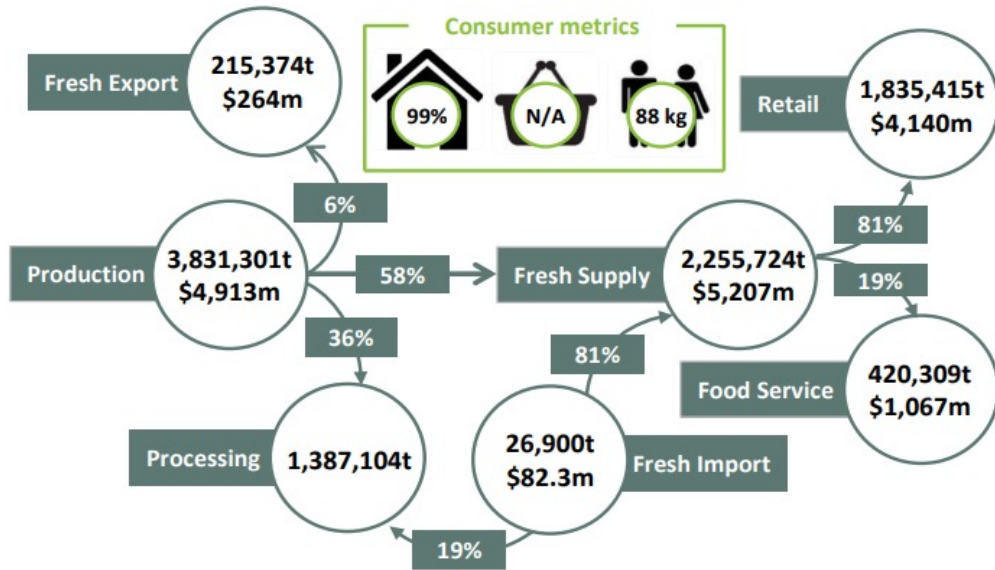
Michael Coote
CEO, Ausveg

The vegetable industry

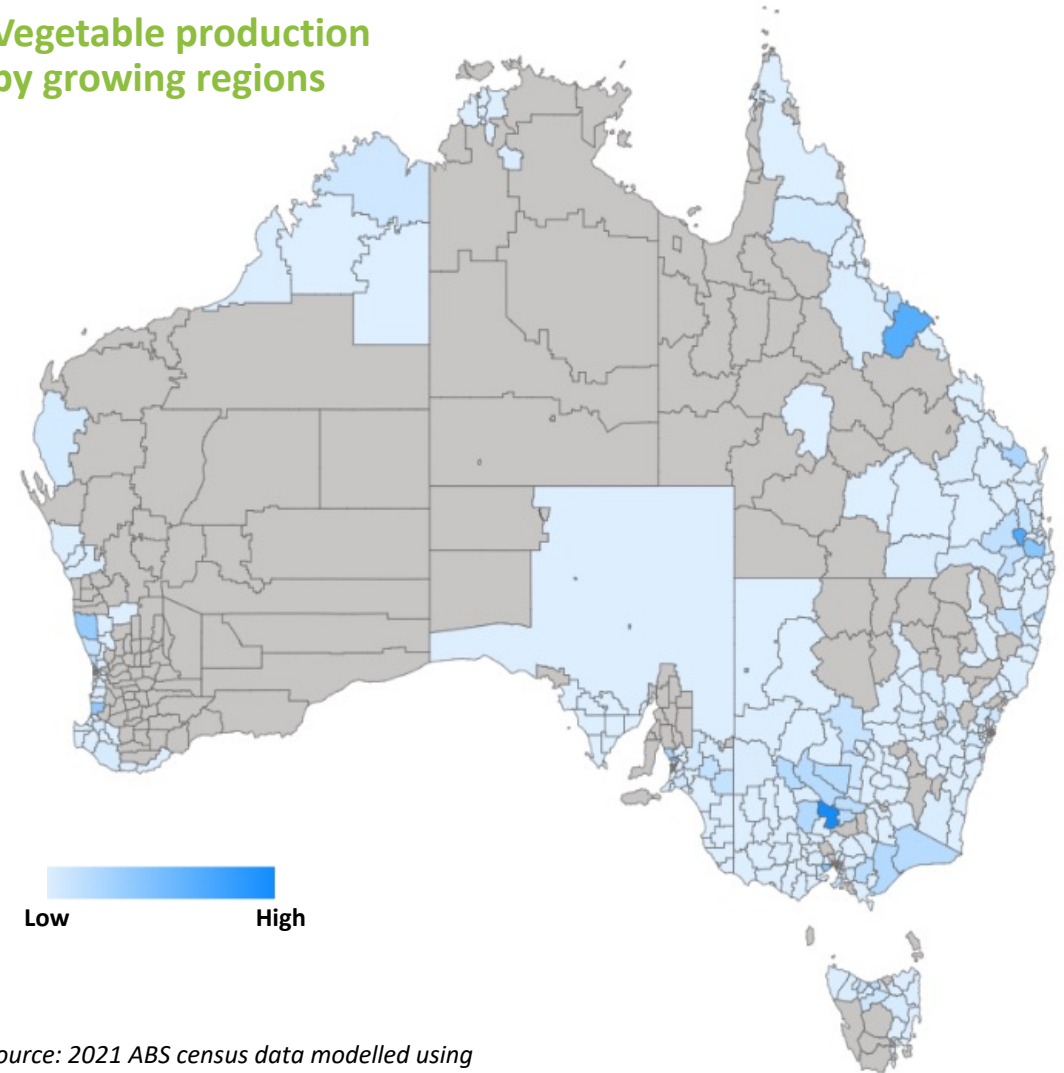
By the numbers

- 1,700 levy-paying growers approximately
- R&D levy: \$10,767,735
- Investment into 31 single industry projects in 2020/21
- Investment into 26 multi-industry projects in 2020/21

All fresh vegetables supply chain – year ending June 2021



Vegetable production by growing regions



Source: 2021 ABS census data modelled using Australian Horticulture Statistics Handbook data

Vegetable advisory mechanism

Operating principles

- **Co-ownership** – AUSVEG and Hort Innovation
- Advisory mechanism provides investment **recommendations** to Hort Innovation
- Exploring implementation resource (in AUSVEG and Hort Innovation)

Vegetable (pre and post) farm gate SIAPs

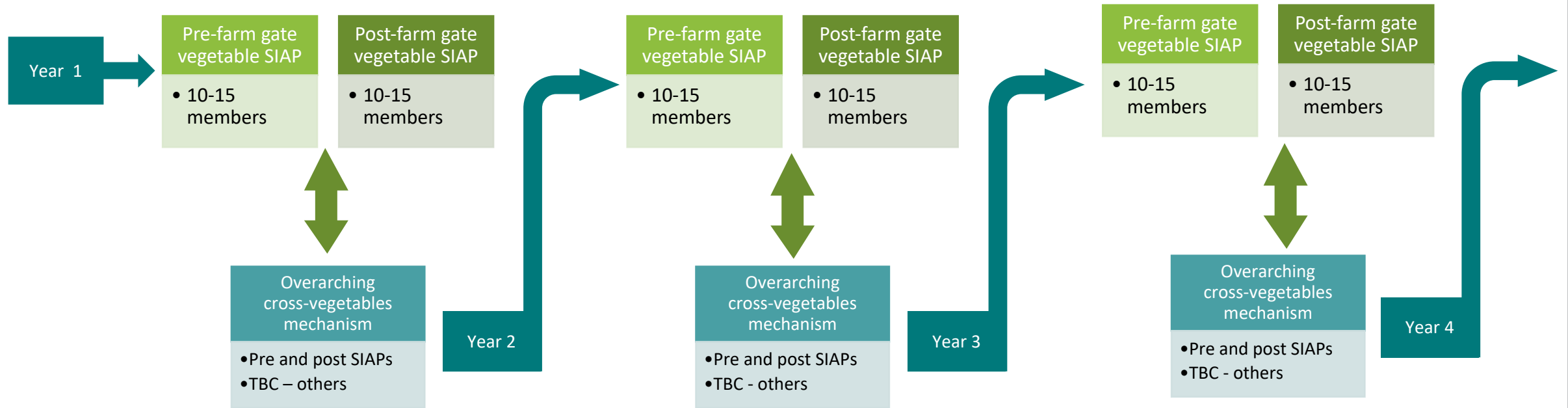
- Meet **three times each year** (minimum of two face-to-face meetings (Feb, June & Oct))
- Co-appointed independent chair
- **10 to 15 members** – add two to four new members immediately

Overarching cross-vegetables mechanism

- **One face-to-face** meeting per year at **Hort Connections**
- **Purpose:**
 - Similar to annual levy payer meetings – **report back on program highlights**
 - Agree and advise on **cross-vegetables priorities**



Vegetable draft advisory mechanism





Presentation 3

Pistachio

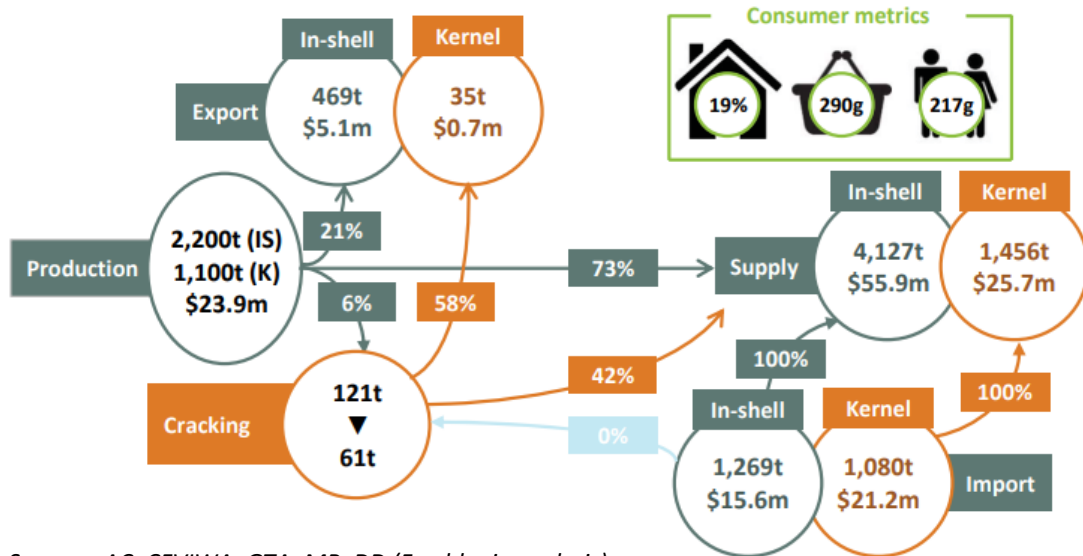
Trevor Ranford
Executive Officer, Pistachio Growers'
Association

The pistachio industry

BY the numbers

- 85 growers approximately with 50 being in production
- Voluntary levy: \$87,775 (2021/22)
- Investment into two single industry projects
- Investment into one multi-industry project

Pistachio supply chain – year ending June 2021



Sources: AC; CFVIWA; GTA; MP; DD (Freshlogic analysis)

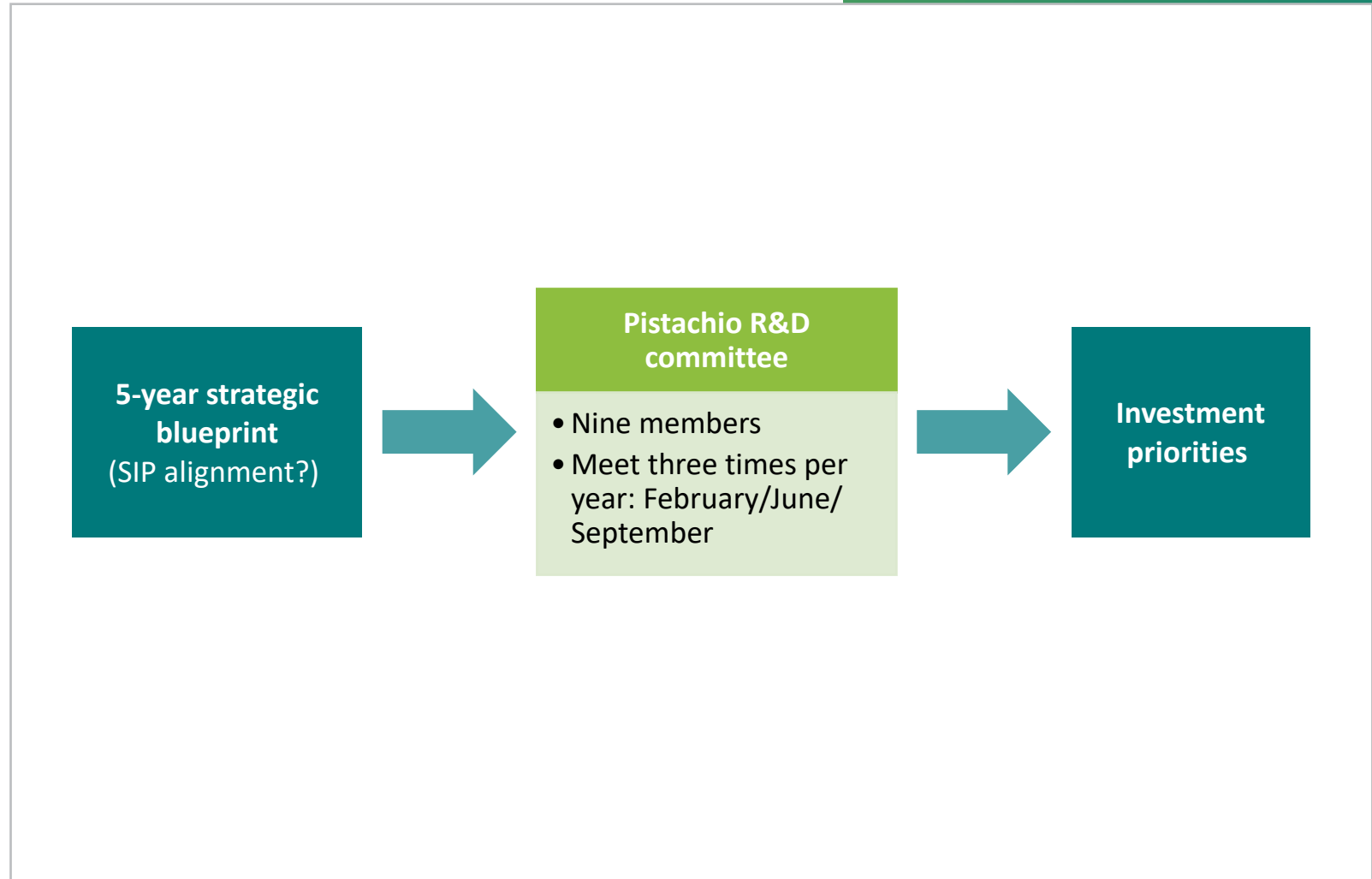
Pistachio production by growing regions



Source: 2021 Growing for Success Australian Nut Industry Council

Pistachio draft advisory mechanism

- The industry/skill based pistachio R&D committee has acted as SIAP-equivalent under the collective industry fund arrangement. This existing structure is proposed to continue
- Provides advice, consultation and procurement input
- A minimum of five pistachios growers, not more than two nominees of the PGAI Executive
- A minimum of two independent experts with appropriate skills as well as the Industry Strategic Partner representative from Hort Innovation (Other Hort Innovation staff invited as required)
- Meet three times per year based on industry needs
- Include working groups on key projects
- Administered by PGAI Executive Officer





Presentation 4

Sweetpotato

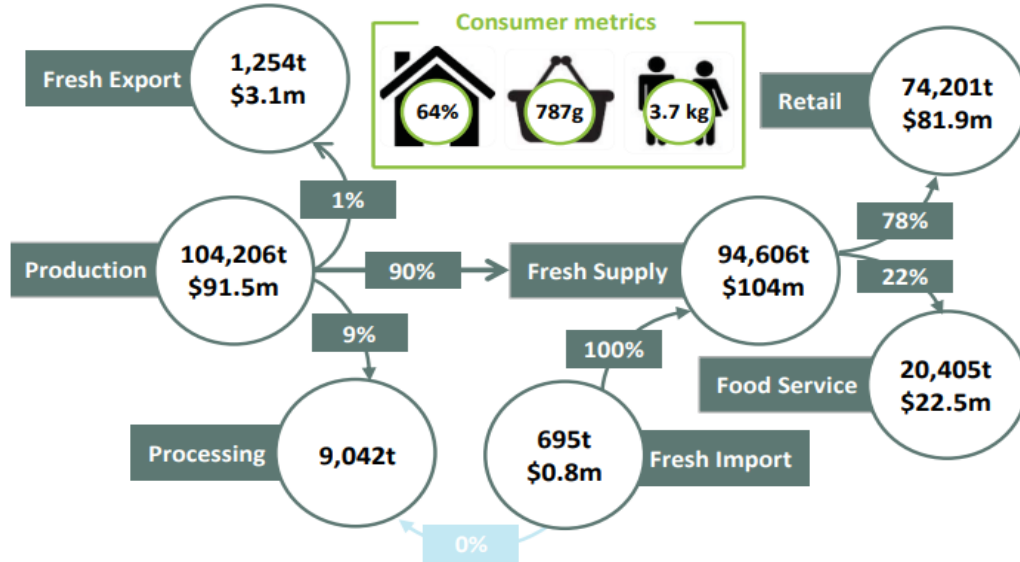
Peter Long
Executive Officer, Australian Sweetpotato
Growers Inc.

The sweetpotato industry

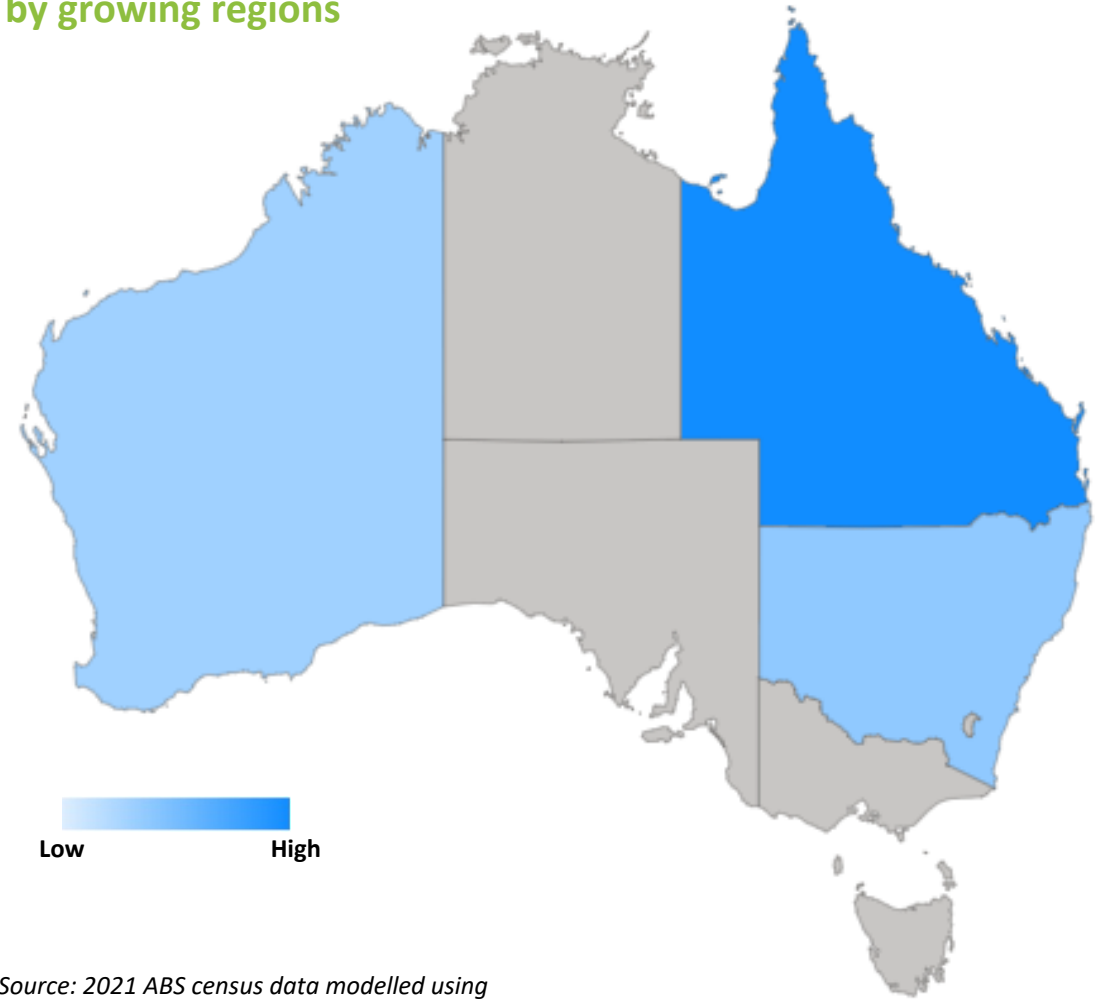
2021/22 by the numbers

- 40 growers approximately
- R&D levy: \$459,099
- Marketing levy: \$939,258
- Investment into 21 single industry projects
- Investment into 21 multi-industry projects

Sweetpotato supply chain – year ending June 2021



Sweetpotato production by growing regions



Source: 2021 ABS census data modelled using Australian Horticulture Statistics Handbook data

Sweetpotato R&D annual investment prioritisation process

Led by Hort Innovation

Workshop: R&D investment development and prioritisation session

Facilitated by Hort Innovation and co-designed by ASPG

Who: Whole of industry invited

Objective: Identify high priorities for the sweetpotato industry R&D and prioritise investment for FY2022 and FY2023

Discuss industry priorities guided by the:

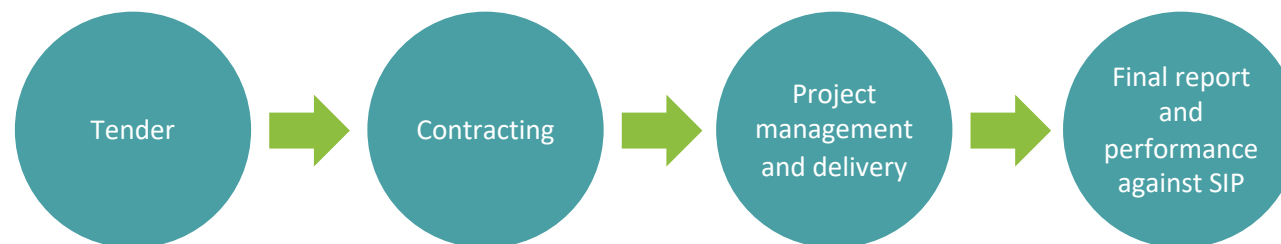
- Sweetpotato Strategic Investment Plan (SIP)
- SIP performance analysis / available funds / current investments
- Past Sweetpotato R&D projects and results
- Outcomes from recent final reports and projects concluding
- Industry and Hort Innovation identification of R&D priorities

Workshop next steps:

Participants:

- Nominate to contribute to RFP/EOI development
- Evaluate tender submissions
- Contribute to PRGs

Kick off with a face-to-face (plus virtual option) on 6 October 2022 in Bundaberg





Presentation 5

Almond

Tim Jackson
CEO, Almond Board of Australia

The almond industry

2021/22 by the numbers

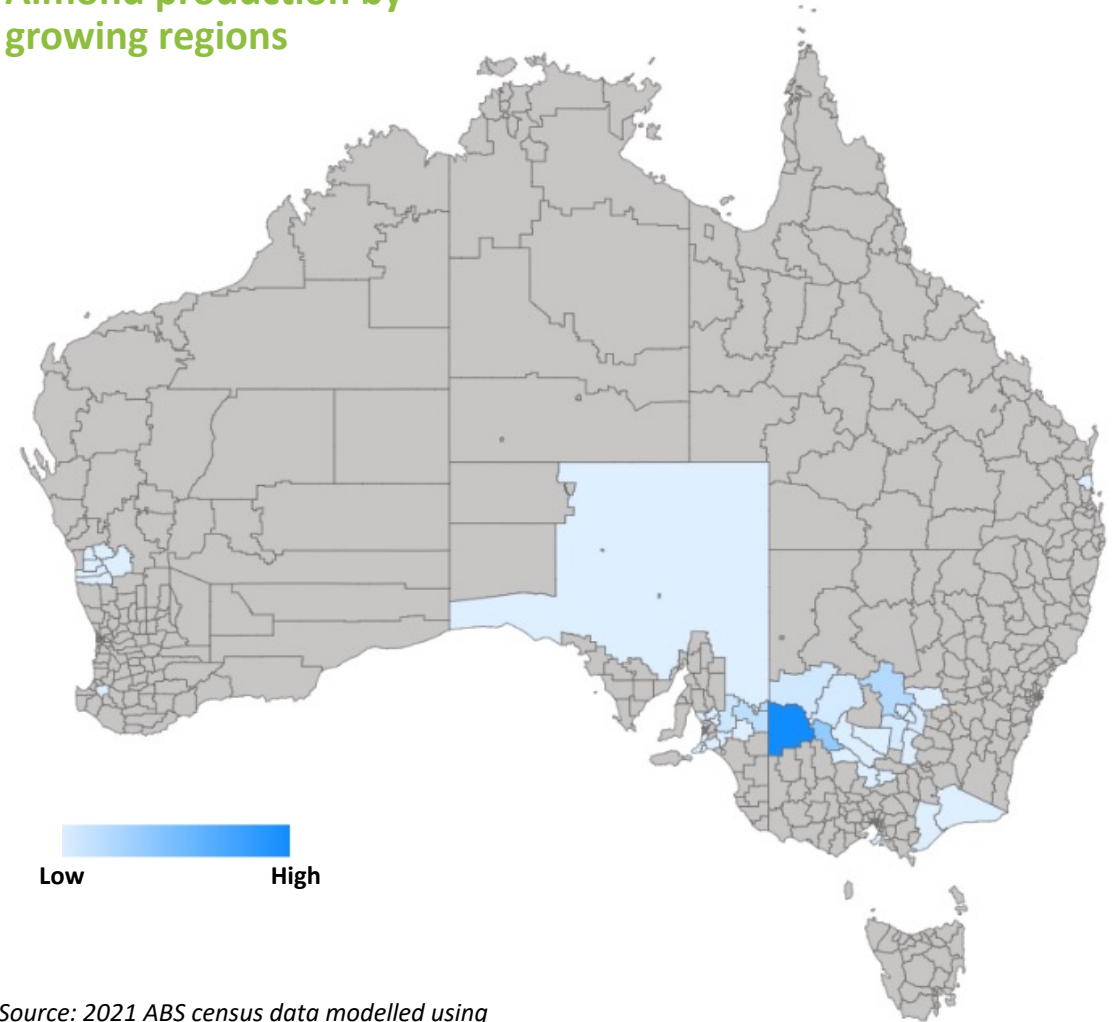
- 190 growers approximately
- R&D levy: \$2,184,253 pa
- Investment into 17 single industry projects in 2020/21
- Investment into 13 multi-industry projects in 2020/21

Almond supply chain – season 2021-22 and beyond

| | |
|--------------------------|----------------------------|
| Production: | 124,500mt |
| | (kernel weight equivalent) |
| Sold: | 113,048 |
| Export: | 86,584 |
| Domestic: | 26,463 |
| Tonnage timeline: | |
| 2022-23 | 130,000* |
| 2023-24 | 130,000* |
| 2024-25 | 180,000* |
| 2027-28 | 220,000* |

Source: Almond Board of Australia

Almond production by growing regions

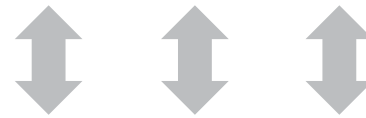


Source: 2021 ABS census data modelled using Australian Horticulture Statistics Handbook data

Almond draft advisory mechanism

Strategic Investment Advisory Panel (SIAP)

- 10-12 members
- Comprised of members of AIA committees
- Balanced mix ABA Board and non-Board member growers
- Managed by Hort Innovation



Almond Industry Advisory Committees (AIACs)

- Members from each to form SIAP of 10 to 12 members
- Mix ABA and independent growers
- Managed via almond industry development project

| 1. Pollination | 2. Water | 3. Chemistry | 4. Sustainability | 5. ACE Orchard | 6. Market development | 7. Processing | 8. Productivity | 9. Plant improvement |
|---|---|---|---|---|---|---|---|---|
| ABA Board 1 Grower 2 Grower 3 Expert 1 | ABA Board 1 Grower 2 Grower 3 Expert 1 | ABA Board 1 Grower 2 Grower 3 Expert 1 | ABA Board 1 Grower 2 Grower 3 Expert 1 | ABA Board 1 Grower 2 Grower 3 Expert 1 | ABA Board 1 Grower 2 Grower 3 Expert 1 | ABA Board 1 Grower 2 Grower 3 Expert 1 | ABA Board 1 Grower 2 Grower 3 Expert 1 | ABA Board 1 Grower 2 Grower 3 Expert 1 |

AIACs operate as Hort Innovation project reference groups

Relationship to AIACs instituted at contracting by Hort Innovation

Almond draft advisory mechanism

Operating principles – for review

Almond Industry Advisory Committees

- AIACs serve as the **project reference group (PRG)** for projects to that discipline
- **Ground truthing mechanism for projects** – in tune with delivery status
- Introduce mid-project **analysis and collaboration between industry and researchers**
- Hort Innovation **R&D Managers** to be conduit on project progress and analysis
- Hort Innovation HIVE **milestone summary to go to relevant committee** once approved
- Membership of **SIAP** to ensure all AIACs are represented

Strategic Investment Advisory Panel

- SIAP becomes a **prioritisation mechanism**
- Enhanced **transparency on funds management** with Hort Innovation





Discussion

**Hort
Innovation**



Thank you.

Anthony Kachenko - General Manager – Stakeholder Experience

Byron de Kock - Head of Business Transformation and Service Delivery