

<b>Meeting Title:</b>	<b>Combined Vegetable SIAP</b>
<b>Meeting Date:</b>	<b>Monday 18 June 2018, Meeting Room A2, Brisbane Convention Centre</b>
Key Meeting Objectives:	<ul style="list-style-type: none"> <li>• To provide an updated vegetable fund financial forecast to panel members</li> <li>• To provide an overview and analysis of the overall investment program and the alignment of projects to the strategic investment plan</li> <li>• To refresh panel members on the project commissioning process and the roles and responsibilities of the panels and Hort Innovation</li> <li>• To outline proposed SIAP operational improvements and plans for 2018/19</li> </ul>

**Meeting Participants:**

**SIAP**

All members of the Market and Value Chain; Farm Productivity, Resource Use and Management; and Consumer Alignment Vegetable SIAPs

**Invited Guests**

Nil

**Chair**

Bob Granger

**Hort Innovation**

David Moore – General Manager, Research, Marketing and Investments

Anthony Kachenko – Research and Development Team Leader

Will Gordon – Relationship Manager Lead

Sam Turner – Relationship Manager

Christian Patterson – Relationship Manager

Jane Wightman – Relationship Manager

Tim Archibald – Fund Manager

Sarah Robins – Vegetable Consumer Alignment Specialist

**Minute Taker**

Alison Saunders

**Apologies:** Chris Shreurs, Matt Zagami, Mike Keller, Maureen Dobra, Jim Trandos

## **1.1 Welcome and Meeting Objectives**

In opening the meeting, Bob Granger (Chair) extended a welcome to the combined vegetable Strategic Investment Advisory Panels (SIAPs). The chair noted that the 2018 Hort Convention provided an excellent opportunity to bring all three vegetable SIAP pillars together for an update of the vegetable program. A further meeting is planned for August/September where time would be given for more detailed discussion.

The chair introduced each of the Hort Innovation staff that would be participating at the meeting.

The chair reminded all participants of their responsibilities to comply with the requirements for confidentiality and declaration of any conflicts of interest.

There were no declarations of conflict of interest at the start of the meeting.

Calum Wilson raised an indirect potential conflict of interest as a participant in the area wide management project (VG16086). Given the nature of the discussion as an update of the research, no material conflict was determined.

The chair provided a summary of the meeting objectives, covering roles, responsibilities and processes related to SIAPs; financial and R&D updates; alignment of R&D projects to the Strategic Investment Plan (SIP); and proposed operational improvements to the SIAP process.

## **1.2 Hort Innovation Update**

David Moore provided a brief Hort Innovation Update including the following:

- John Lloyd (CEO Hort Innovation) will be leaving Hort Innovation on July 5, 2018.
- Mr Matt Brand has been appointed to the role of CEO and will commence on 1 September, 2018. Sally Holmes (General Counsel and Company Secretary) will take on acting CEO responsibilities.
- Warwick Scherf (General Manager, Stakeholder Engagement) will be leaving Hort Innovation at the end of June, 2018.

## **1.3 Roles, Responsibilities and Processes for Strategic Investment Advisory Panels**

Will Gordon presented the roles, responsibilities and processes for Strategic Investment Advisory Panels (SIAPs) the following key points:

- The SIAP has a primary role in providing strategic investment advice to Hort Innovation in its investment of industry levies and Commonwealth funds; in oversight of the industry's Strategic Investment Plan; and to identify and prioritise R&D investments for industry.
- There are opportunities for growers and SIAP members to provide additional advice through tender advice and evaluation panels.
- Monitoring and evaluation will have a stronger focus in the coming period to ensure that projects continue to deliver for the industry.
- It is the role of Hort Innovation to perform procurement and project management functions.

Discussion - Panel members raised the following issues:

*What happens when a project fails?*

If a project fails, depending on the circumstances, it will either be redirected or terminated. If a project is terminated yet remains a high priority, the project will go back to market, with any suitable proponents from the previous process being invited to tender.

*The SIAP often requires more detail in relation to a concept in order to make a decision.*

It is important that the SIAP operate at a strategic level, with the detail being developed at the Request for Proposal (RFP) stage. SIAP members may also contribute at this stage as part of a tender advisory panel. The RFP is often deliberately brief to provide an opportunity for proponents to provide their intellectual input in resolving an industry priority. On occasions further detail is provided when required.

*The person/organisation involved in putting forward a concept is not identified, which makes it difficult to identify if there is a potential conflict of interest.*

It is important to understand that the concept stage occurs prior to taking an RFP out to market for tender and for this reason it is more important to focus on the idea and the need rather than the potential provider. Withholding the name of the submitter helps the panel to focus on the idea of the concept and judge each idea on its merits.

*What happens when a concept is not successful in progressing to the RFP stage?*

Providing timely and meaningful feedback to concept providers has been identified as an area for improvement in this process, with Hort Innovation acknowledging that transparency is a good outcome for all involved.

## **2.1 Project Updates**

Sam Turner, Anthony Kachenko and Sarah Robins presented the following project updates.

### VegPro (VG15028)

Sam Turner provided the update on VegPro focussing on the following points:

- The project has delivered 17 training events, across 6 states, to 250 members so far.
- Training topics included hort code of conduct, negotiations and influencing, chemical handling, post-harvest, basic irrigation skills, business coaching, rural first aid and VegInnovations.

Discussion - Panel members raised the following item:

*Has thought been given to offering this opportunity across all of horticulture e.g. HortPro?*

The vegetable industry has been a leader in developing this work and there are clear benefits that would be applicable for all horticultural industries. There could be efficiencies in progressing this idea.

*Similarly has thought been given to better coordinating VegPro and VegNet activities, consolidating these events which in turn saves growers time and expense.*

This was also considered as an idea worthy of further development.

**ACTION 1:** Hort Innovation will develop the idea of expanding VegPro and VegNet to the broader horticultural sector to achieve wider reach and improved efficiency.

#### Trade Program (VG16061)

Sam Turner presented the update on the trade program as follows:

The program is tracking very well towards achieving the vegetable export plan goal of a 40% increase in vegetable exports to \$315 million by 2020.

#### Area Wide Management (VG16086)

Sam Turner provided an update on the Area Wide Management Project noting the following:

- This is a new project aiming to deliver improved resilience of Australian vegetable growers to impacts from viral and bacterial diseases.
- The project will deliver this through the development of management strategies to control endemic viral and bacterial diseases (with a focus on *Xanthomonas campestris*) and their insect vectors, as well as improved preparedness for exotic viral and bacterial diseases and their vectors.
- The project will also build R&D capacity through vegetable industry training of an ongoing molecular bacteriologist and a new plant virologist through a PhD candidate.

#### Robotics Commercialisation

Anthony Kachenko reported on progress in relation to the commercialisation of the robotics research and raised the following significant issues requiring decision:

- A review of the robotics project found that, USYD appears to be largely compliant with the contracts as they stand, there is currently no commercially-ready technology in the program. The RIPPA robotic platform does not currently have a clear value proposition, the VIIPA spray unit is a completely new herbicide application system requiring regulatory assessment. Speed to market is essential, as is integrated commercial focus.
- Four pathway options were presented
  1. 'NewCo' accelerator path
  2. 'VIIPA centric' commercialization with several sub-pathways
  3. Continue on current resource pathway and trajectory
  4. Terminate ASAP (walk away)
- The NewCo option was provided in further detail and all options are to be considered by the Vegetable (FPRUM) SIAP.

**Action 2:** A vegetable (FPRUM) SIAP meeting will be convened to consider options and agree the path forward for the commercialisation of the robotics project. Anthony Kachenko to provide an executive summary to participants prior and Sam Turner to arrange.

Discussion – a panel member made the following request:

*Given the significance of this proposal across the industry and that time is of the essence, the chair made the suggestion that members from the other Vegetable SIAP (CA, M&VC) Panels could attend the meeting if they so wished.*

It will be important to keep the meeting to a manageable size, but otherwise it seemed a reasonable request.

#### Building the Business Case to Grow Domestic Demand for Vegetables in Australia

Sam Turner updated the panels on the status of this project noting that industry consultation will be an important feature of this work, following a literature research and business case development.

#### Educational opportunities around perceptions of, and aversions to, vegetables through digital media (VG16018): aka Phenomenom

Sarah Robins reported on this project which is:

- Aimed at teachers / caregivers of 8-10 year olds
- Has provided 50 educational resources, written to align with the national curriculum free of charge, which relate to 25 'webisodes' (short videos) for teachers to use in class
- Integrates vegetables into all areas of the national curriculum, eg science, history, food science etc
- Has produced
- Delivered by Alice Zaslavsky (ex MasterChef, teacher)
- National distribution
- Can be viewed at: <http://phenomenom.com.au>

In addition to the presentation, a webisode called "Little Carrot Dude" was provided to the meeting.

## **2.2 Fund Manager Update**

Tim Archibald presented the financial update for the vegetable program including levy collection, 5 year forecast as well as the implementation of Hort Innovation's cost recovery model.

Highlights for the FY18 include:

- 24 projects worth over \$23m contracted including:
  1. Area wide management
  2. Soil wealth
  3. Interventions for increasing awareness
  4. National Vegetable Protected Cropping Centre
- Maximised commonwealth funding
- Over \$20m invested in R&D
- Achieved target set by SAP 25/6/16 to strategically minimise substantial opening balances held

Whilst the program has met its goals of increasing its R&D investments, maximising commonwealth funding, and minimising opening balances, the capacity for the fund to invest in new projects will be reduced and it will become even more important that processes

support informed decisions and prioritisation. Having the right tools and mechanisms and frameworks in place will be critical.

Discussion – A panel member raised the following question:

*Where does the Program sit in relation to the availability of disaster funds?*

Hort Innovation has a reserves policy for this purpose and sets aside \$5million every year collected across all industries. The vegetable program contributes \$1.5million per year towards this reserve. The amount is reviewed annually.

### **3.1 Strategic Investment Plan Project Alignment and Analysis**

Sam Turner presented the current alignment of projects against the Strategic Investment Plan.

Data was presented to see the balance of investment against the 5 key outcomes identified in the Strategic Investment Plan and then within each strategy of the key outcome areas.

Discussion: The panels acknowledged that whilst provided an overarching view of alignment today, they will require more detailed information regarding the alignment of projects (both at the outcome and strategy level). The panel members considered that a spreadsheet format would be useful.

Action 3: Hort Innovation will provide more detailed data regarding alignment of current projects against the SIP to the combined vegetable panels at the next SIAP meeting.
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### **4.1 SIAP Operations in 2018/19**

Jane Wightman presented the results and recommendations of a review of SIAP operations.

Results and recommendations from the review include:

- The framework should currently remain - some minor modifications
- High priorities for operational improvement are:
  - Clearly communicate roles and responsibilities of all parties
  - A whole of program approach to be taken when presenting the financial and project information
  - Improve communications between Hort Innovation and SIAP's and between SIAP's.
  - Better scheduling of meetings to help with alignment, communications, planning and execution

Operational initiatives to assist the Vegetable SIAPs in providing advice will include:

- Improving communications across vegetable SIAPS through, on-line sharing of papers and minutes, continuation of joint SIAP meetings and annual SIAP calendar to be prepared and kept up to date.
- Improved program delivery through the SIAPs by establishing a temporary working group to identify necessary program information, identification of

underperforming investments, and review of SIP gap analysis, program logic and benefit cost ratios.

- A 12 month operational plan with feedback from SIAP's, followed by a review

Discussion:

- The panel members were supportive of the operational initiatives that were proposed, that encouraged sharing of information across the three SIAPs and continuation of combined vegetable SIAP meetings.
- The panel supported having a working group to consider the information required to support good decision making.
- The panel considered that their concerns regarding the process had been heard, and were confident they would be addressed.
- It was noted that it will be important to continue communicating these processes to ensure that the program continues to be dynamic and meet the needs of industry. It was also considered important to build these initiatives into SIAP meeting agendas to ensure that the system remains robust.

### **5.1 Evaluation – Questions, Evaluation and Expenses**

The chair opened up the meeting for general discussion and the following points were raised:

- The panels acknowledged that whilst previously the fund had few budgetary constraints, the program is almost fully committed and this has reduced the capacity to invest. The panel wanted to be confident that they had the tools and mechanisms in place to support robust decisions. They welcomed a disciplined approach.

Action 4: The next meeting of the combined vegetable SIAPs to have on the agenda a discussion of the tools and mechanisms that will support robust and disciplined decision processes for the program into the future.

- A number of panel members pointed to the need to focus on growing the export market, to think big, and outside the square whilst another member thought it would be more important to grow better vegetables as opposed to more vegetables as a means to being more competitive.

### **5.2 Hort Innovation Events at Hort Connections**

As tabled in the pre-meeting reading, Sam Turner outlined a diverse range of Hort Innovation activities/events/opportunities for panel members to attend over the coming days at Hort Connections 2018.

**Meeting Close – 10.15am**

## SUMMARY OF ACTIONS

Action Item	Actions	Responsibility	Timeline	Comments on action taken	Status
Action (1) 180618-A01	Hort Innovation will develop the idea of expanding VegPro and VegNet to the broader horticultural sector to achieve wider reach and improved efficiency.	Jane Wightman	Next joint vegetable SIAP meeting		
Action (2) 180618-A02	A vegetable (FPRUM) SIAP meeting will be convened to consider options and agree the path forward for the commercialisation of the robotics project. Anthony Kachenko to provide an executive summary to participants prior and Sam Turner to arrange.	Anthony Kachenko, Sam Turner, Vegetable SIAP	18-19 June 2018	Completed – 19 June	
Action (3) 180618-A03	Hort Innovation will provide more detailed data regarding alignment of current projects against the SIP to the combined vegetable panels at the next SIAP meeting.	Sam Turner	Next joint vegetable SIAP meeting		
Action 4 180618-A04	The next meeting of the combined vegetable SIAPs to have on the agenda a discussion of the tools and mechanisms that will support robust and disciplined decision processes for the program into the future.	Tim Archibald & Sam Turner	Next joint vegetable SIAP meeting		