

INDEPENDENT PERFORMANCE REVIEW

QUESTIONS AND ANSWERS

Q. Why does Hort Innovation have a Review of Performance?

As part of the Statutory Funding Agreement (SFA) that Hort Innovation enters into with the Australian Government, it is mandated that the Company undergo an independent Review of Performance every four years. The timing of the Review is in line with the term of the SFA.

The Review benchmarks the Company's performance against the compliance obligations it has under the SFA and gives context to the next round of negotiations for the four-year SFA with the Australian Government.

Q. Who conducted the Review?

GHD

Q. How was GHD appointment?

GHD was appointed through a competitive tender process. The evaluation panel for the assessment of the tender consisted of two levy payers, an Australian Government representative (from the Department of Agriculture and Water Resources), two Hort Innovation Directors and a member of the Hort Innovation Executive team.

Q. What were the Terms of Reference for the Review?

The purpose of the review, scope of services and the Terms of Reference can be found on page 2 of the Review document.

Q. What involvement did Hort Innovation have in setting the TOR?

The Terms of Reference for the review are included in the Statutory Funding Agreement.

To provide the context of the Review for Hort Innovation, three unique elements (as opposed to other industry owned RDCs) were added to the standard Terms of Reference by agreement as between the Australian Government and Hort Innovation: the change of entity from HAL at the start of the Review period; the number of individual horticulture industries serviced by Hort Innovation; and the establishment of the two-pool funding model (Strategic Levy Investments and Frontier Fund Investments).

Q. The last Review conducted by ACIL Allen made big changes; this one has not made any such Recommendations, why is that?

The Terms of Reference for the ACIL Allen Review were mandated by the then Minister for Agriculture and included a fundamental assessment of the model, in particular key aspects around conflict of interest.

Q. What's the time frame for implementing the milestones outlined in each of the Recommendations?

Initiatives addressing many of the Recommendations are already underway or have been planned for through the Company's Annual Operating Plan for 2018/19. Any initiatives that are new in nature will be progressively implemented across the next 12 months.

Hort Innovation will communicate regularly with members and key stakeholders around the status of implementation through the SIAPs, face to face contact with industry, website and email communications.

Q. Why can't I see my direct feedback reflected in the Recommendations of the Review?

The Recommendations of the Report reflect a balance of individuals' insights (held confidentially by GHD) and GHD's review of Hort Innovation's operations. Maintaining privacy for individual feedback was important to ensure all stakeholders felt able to provide their insights openly and honestly. Please refer to the section 7 of the Report for detailed commentary around the feedback and comments that GHD received from the range of stakeholders it engaged with.

Q. How was feedback collected for the Review?

GHD undertook a consultation program that included one to one interviews with levy payers, Hort Innovation members, IRBs, Senior Management of Hort Innovation, Australian Government representatives. In addition to consultation, GHD conducted a desktop study of Hort Innovation records.

Q. How does the Review influence what Hort Innovation does?

The Review is a requirement under the SFA with the Australian Government. It ensures that Hort Innovation is meeting its statutory obligations as the Research and Development Corporation for Australian Horticulture.

The Review has found that Hort Innovation is 100 percent compliant with the SFA.

As the Review sets out what the Company could do more, better, different or less, it forms part of the consideration of negotiations for the next SFA with the Australian Government. The next SFA is due to be entered into by May 2019.

More broadly, Hort Innovation is taking on all the constructive improvements to continue refining the organisation's operations.

Q. When is the next Review?

In four years.

