

# Passionfruit Fund

**2017/18**  
ANNUAL REPORT



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The projects in this report have been funded by Horticulture Innovation Australia Limited using sources including the passionfruit levy, Australian Government contributions and, in some instances, co-contributions from a variety of sources.



SUMMARY BY  
**CHRISTIAN  
PATTERSON,  
RELATIONSHIP  
MANAGER,  
HORT INNOVATION**

## We're for growers

**At Hort Innovation it's our job to work with industry to invest the passionfruit levy and Australian Government contributions into initiatives to help growers be as productive and profitable as possible – and 2017/18 was another fantastic year of growing better, together.**

With **more than \$318,000 invested by Hort Innovation into R&D for the passionfruit industry during 2017/18**, I'm happy to be able to share with you all the key insights in this Hort Innovation Passionfruit Fund Annual Report.

You'll find a top-level list of all R&D investments from the year on **p3**, and can explore the research projects in more detail from **p4**. Just some of the highlights include the industry's ongoing breeding and rootstock evaluation work, plus investments to support access to safe and effective chemicals.

Meanwhile **in marketing, the Passionfruit Fund program saw some \$109,000 invested during the year to raise the profile and consumption of Australian passionfruit**. Find an overview of this activity from **p8**.

On a personal note, thank you for welcoming me as your new Relationship Manager. I know that during 2017/18 my predecessor, Brad Mills, enjoyed getting to connect with you about everything going on in the Passionfruit Fund, and getting to hear your thoughts and share ideas. During 2018/19 I'm looking forward to doing the same, with even more opportunities to connect in person and a reminder that you can reach me any time at **christian.patterson@horticulture.com.au** or on 0433 896 753 if there's something you'd like to ask or discuss around levy investments.

I also encourage you to explore the easy ways you can stay close to all of the good things your levy is achieving throughout the year...

- » **Become a member.** Paying a levy doesn't automatically make you a Hort Innovation member, but signing up is free at **www.horticulture.com.au/membership**. As well as providing the opportunity for voting rights at the organisation's Annual General Meeting, Hort Innovation membership includes exclusive email alerts with industry-specific news and opportunities, direct invitations to explore investment updates and more.
- » **Check out *Hortlink*.** This digital publication provides an update on all new, ongoing and recently completed investments in the Hort Innovation Passionfruit Fund. The latest edition is always available from the Passionfruit Fund page at **www.horticulture.com.au/passionfruit**, while members have *Hortlink* sent straight to their inboxes.
- » **Engage with your industry communications program.** The *Australian passionfruit industry communications program* (PF16003) is dedicated to bringing the latest information and advice to growers, including news, outcomes and resources related to levy investments (look for the Hort Innovation Passionfruit Fund logo to easily identify work related to your levy). The communications program is funded through the Hort Innovation Passionfruit Fund and delivered by Passionfruit Australia, with more info available on **p4**.

Here's to another great year of investments and connection in 2018/19,

**Christian Patterson**  
**Passionfruit Relationship Manager, Hort Innovation**  
**(e) christian.patterson@horticulture.com.au (m) 0433 896 753**

# Making levy investments

Discover how the passionfruit levy and Australian Government contributions are invested through the Hort Innovation Passionfruit Fund in this quick recap.

## Where do investment ideas come from?

Great investments start with great ideas, and Hort Innovation encourages all growers and other industry participants to share their thoughts and suggestions for the research and marketing initiatives they want to see.

Ideas can be submitted any time via Hort Innovation's simple Concept Proposal Form. Visit [www.horticulture.com.au/innovation-concept-pipeline](http://www.horticulture.com.au/innovation-concept-pipeline).

Ideas can be for your specific industry – to be funded by the industry levy and, in the case of R&D, Australian Government contributions – or they can be for Hort Innovation's strategic partnership initiative, Hort Frontiers. Hort Frontiers projects address broader, longer-term and more complex issues facing Australian horticulture as a whole, and are funded through partnerships with co-investors. Visit [www.hortfrontiers.com.au](http://www.hortfrontiers.com.au) for more.

## How are levy decisions made?

Let's talk 'SIPs' and 'SIAPs'!

Investments specific to the Hort Innovation Passionfruit Fund are guided by the industry's Strategic Investment Plan (SIP), which was finalised by Hort Innovation in April 2017 after close consultation with growers and other industry stakeholders.

The SIP outlines key industry priorities for investment and can be found on the Passionfruit Fund page at [www.horticulture.com.au/passionfruit](http://www.horticulture.com.au/passionfruit).

The SIP document is used like a 'roadmap' by the passionfruit Strategic Investment Advisory Panel (SIAP) – a panel made up of growers and other industry representatives, which has a key role to play in the investment process. The SIAP discusses investment ideas at consultation meetings, with the SIP guiding them, in order to provide advice to Hort Innovation on potential levy investments.

Details of the SIAP panellists and summaries of the SIAP's meetings can be found at [www.horticulture.com.au/passionfruit](http://www.horticulture.com.au/passionfruit).

## What happens next?

The SIAP's advice is used by Hort Innovation to work suitable ideas into project proposals. The proposals are then made public for potential delivery partners to submit responses. Current opportunities are always listed at [www.horticulture.com.au/delivery-partners](http://www.horticulture.com.au/delivery-partners).

At the end of the process the responses are assessed, often with the assistance of industry, and the best delivery partner for the work is chosen. A contract is then issued and the work begins.

## How can I keep track of investments?

Newly contracted projects are announced in Hort Innovation's *Hortlink* publication, with the latest edition emailed directly to members three times a year and always available from the Passionfruit Fund page at [www.horticulture.com.au/passionfruit](http://www.horticulture.com.au/passionfruit). *Hortlink* also provides updates on ongoing and recently completed investments.

The industry communications program, run through the investment *Australian passionfruit industry communications program* (PF16003), also provides regular information on levy-funded activity. See **p4** for more.



# R&D project list 2017/18

## NEW INVESTMENTS IN 2017/18

PF16003 Australian passionfruit industry communications program

MT17002 Tropical fruit export strategy

ST16008 AgVet collaborative forum

ST17000 Generation of data for pesticide applications in horticulture crops 2018

## ONGOING INVESTMENTS IN 2017/18

PF15000 National passionfruit breeding program

PF16000 Passionfruit industry minor use program

## INVESTMENTS COMPLETED IN 2017/18

MT15032 Monitoring and evaluation framework for the industry Strategic Investment Plan

MT15033 Strategic Investment Plan

MT16014 Passionfruit and pineapple consumer research



During the 2017/18 financial year, all Australian levy paying horticulture industries also contributed to across-industry projects addressing issues that affect horticulture as a whole. Visit [www.horticulture.com.au/across-horticulture](http://www.horticulture.com.au/across-horticulture) for financial documents and information on this program.

# R&D report

Take a closer look at some of the key investments in the Hort Innovation Passionfruit Fund during 2017/18. Any resources from these and other levy-funded projects – such as fact sheets, guides and more – are published on your grower page at [www.horticulture.com.au/passionfruit](http://www.horticulture.com.au/passionfruit) as they become available.

## Tropical fruit export strategy (MT17002)

NEW IN 2017/18 & NOW COMPLETE

**Key research provider:** McKINNA et al

This investment was tasked with developing individual export strategies for a range of tropical commodities including passionfruit, lychee, persimmon, papaya and banana, feeding into an overarching export strategy for Australian tropical fruit.

The Passionfruit Industry Export Market Development Strategy was finalised during May 2018, with its overview of trade opportunities and considerations available from Hort Innovation at [www.bit.ly/2NCPfBO](http://www.bit.ly/2NCPfBO) in a brief market mapping report.

As a quick takeaway, the document outlines the best-prospect export markets for Australian passionfruit as New Zealand, Singapore, Hong Kong, the United Arab Emirates (UAE) and the US – with Singapore and Hong Kong export opportunities having a focus on the food service industry, and the UAE opportunity related to fresh juice outlets. Meanwhile, challenges identified include industry connectivity.

Following the market mapping findings, the next steps involve Hort Innovation working with industry to determine the appetite for levy investment in the export space and to subsequently roll out any trade-related R&D activities.

## Australian passionfruit industry communications program (PF16003)

NEW IN 2017/18

**Key research provider:** Passionfruit Australia

This investment is responsible for keeping Australian passionfruit growers and other industry stakeholders informed about the latest R&D and marketing activities, best practice information, and other key industry news, information and resources. It is responsible for...

- » Production of *The Passion Vine* magazine, which is delivered to industry quarterly and also includes fact sheets on pests and diseases
- » *Passiflora News* monthly e-newsletters
- » Updating and maintenance of the industry website, [www.passionfruitaustralia.org.au](http://www.passionfruitaustralia.org.au), which has been redeveloped under the project
- » Delivery of regional field days and research forums, to communicate current and past research, showcase new innovations, and facilitate the sharing of resources and knowledge across the industry. Field days are typically held between March and October each year, with details circulated in industry channels as they become available.



Want to keep up to date with the latest information on new, ongoing and recently completed R&D investments throughout the year? Check out Hort Innovation's **Hortlink** publication – the latest edition is always available from your grower page, [www.horticulture.com.au/passionfruit](http://www.horticulture.com.au/passionfruit).



### Generation of data for pesticide applications in horticulture crops 2018 (ST17000)

NEW IN 2017/18

**Key research provider:** Eurofins Agrosience Services and Peracto

The generation of pesticide residue, efficacy and crop safety data is required to support label registration and minor use permit applications made to the Australian Pesticides and Veterinary Medicines Authority which, when approved, provide access to safe and effective chemicals for the management of pests, weeds and diseases.

In May 2018, Hort Innovation announced the securing of more than \$1 million in assistance grants under the Australian Government's Access to Industry Uses of Agricultural and Veterinary (AgVet) Chemicals program. Through these projects, the grant funding is being used, along with levy contributions, to generate the data required for a range of registration and minor use applications across a variety of horticulture crops, including for the passionfruit industry.

### Passionfruit industry minor use program (PF16000)

**Key research provider:** Hort Innovation

Through this project, levy funds and Australian Government contributions are used to submit renewals and applications for new minor use permits for the passionfruit industry, as required. These submissions are prepared and submitted to the Australian Pesticides and Veterinary Medicines Authority.

For more on minor use permits, including a list of permits, see [p6](#).

All current permits for the industry remain searchable at [portal.apvma.gov.au/permits](http://portal.apvma.gov.au/permits), while permit updates are also circulated in Hort Innovation's *Growing Innovation* e-newsletter, which levy-paying members receive monthly. Not a member? Sign up to the Hort Innovation membership program for free at [www.horticulture.com.au/membership](http://www.horticulture.com.au/membership).

### National passionfruit breeding program (PF15000)

**Key research provider:** Southern Cross University

Established in mid-2016, this three-year investment with Southern Cross University is developing and evaluating new scion varieties of passionfruit to ensure the sustainability of the industry. It is working towards the release of new commercial varieties before varietal decline affects the profitability of current ones such as Sweetheart and Misty Gem.

The project is also selecting and trialling rootstock and Panama varieties, as well as establishing an industry seedbank to conserve and enhance current passionfruit genetic material in Australia. It has trial sites in both Queensland and New South Wales.

Full details of completed research can be found in project final reports which, when finalised, are available to order at [www.horticulture.com.au/final-report-order-form](http://www.horticulture.com.au/final-report-order-form). Final reports are free to Australian horticulture levy payers, registered Hort Innovation members and industry representative bodies.

# Minor use permits

## Why minor use permits?

While the use of pesticides and other chemicals in the horticulture industry is being modified through the increasing uptake of integrated pest management approaches, there remains a need for the strategic use of specific chemicals.

Chemical companies submit use patterns for product label registrations to the Australian Pesticides and Veterinary Medicines Authority (APVMA) – however the passionfruit industry is generally provided with limited label registrations because of its ‘minor’ crop status in this area (meaning the chemical companies can consider the market size too small to generate adequate commercial returns, based on the R&D investment required). This is where minor use permits come into play. The APVMA’s national permit system adds some flexibility to the approval process and provides a legal framework that can allow access to products for minor use purposes.

## Permits in 2017/18

During the 2017/18 financial year, a successful application for new permit PER85397, and successful renewals for PER12781 and PER14421, were prepared by Hort Innovation and submitted to the APVMA, facilitated through the *Passionfruit industry minor use program* (PF16000).

Meanwhile, new permit PER84258 and a renewed PER14665 were also issued during 2017/18, with the applications submitted through the industry minor use program in the previous financial year, and supported by data from the earlier project *Generation of residue data for pesticide minor use permit applications in horticulture crops 2015/16* (ST15026).

Details for all of these permits can be found in the following table.



## Current permits

Below is a list of minor use permits for the passionfruit industry, current as of September 1, 2018.

PERMIT ID	DESCRIPTION (CHEMICAL/CROP/PEST OR USE)	ORIGINAL DATE OF ISSUE	EXPIRY DATE	PERMIT HOLDER
PER12450 version 6	Trichlorfon / Specified fruit crops / Fruit fly	06-Oct-11	31-Jan-21	Growcom
PER12781 version 3	Cabrio (pyraclostrobin) / Passionfruit / Anthracnose and septoria spot	13-Mar-12	30-Jun-23	Passionfruit Australia Inc (PAI)
PER14552	Phosphorous acid / Passionfruit / Phytophthora blight	1-Nov-14	30-Jun-19	PAI C/Hort Innovation
PER13158 version 9	Dimethoate / Specified citrus and tropical fruit commodities (inedible peel, post-harvest) / Various fruit fly species	06-Oct-11	06-Mar-19	Hort Innovation
PER14421 version 3	Glyphosate (Roundup) / Passionfruit / Grass and broadleaf weeds	31-Oct-13	31-Aug-23	PAI C/Hort Innovation
PER84258	Fenbutatin oxide (Miticide) / Passionfruit / Passionvine mite and two-spotted mite	24-Oct-17	20-Jun-21	PAI C/Hort Innovation
PER14665 version 3	Abamectin / Passionfruit / Passionvine mite and two-spotted mite	13-Jul-14	31-Oct-20	PAI C/Hort Innovation
PER13859	Dimethoate / Orchard clean-up – fruit fly host crops following harvest / Fruit fly	9-Feb-15	31-Jul-24	Growcom
PER14662	Petroleum oil and paraffinic oil / Passionfruit / Passionvine mite and two-spotted mite	29-Mar-15	30-Jun-20	PAI C/Hort Innovation
PER85397	Sulfoxaflor (Transform) / Lychee, mango, papaya and passionfruit (field grown) / Fruit-spotting bug and banana-spotting bug	17-Apr-18	30-Apr-23	Hort Innovation

All efforts have been made to provide the most current, complete and accurate information on these permits, however you should always confirm all details on the APVMA website at [portal.apvma.gov.au/permits](http://portal.apvma.gov.au/permits). Details of the conditions of use associated with these permits can also be found on the APVMA site.

Minor use permit updates are circulated in Hort Innovation's e-newsletter, **Growing Innovation**, which levy-paying members receive monthly. Not a member? Sign up for free at [www.horticulture.com.au/membership](http://www.horticulture.com.au/membership).

# Marketing report

**Hort Innovation is responsible for investing the passionfruit marketing levy into activities to drive awareness and consumption of the fruit, under the Hort Innovation Passionfruit Fund. Here's a quick look at some of the activities and achievements of the 2017/18 program.**

The 2017/18 summer flush saw the start of the new 'A Splash of Passion' messaging in the Aussie Passionfruit marketing campaign.

To support this messaging, three new recipe assets were created, as well as a video showcasing three ways to use passionfruit ('crack it', 'top it', 'freeze it'). The video aimed to encourage consumers to buy up big during the flush.

The three recipes created were a Passionfruit Smoothie Bowl, Passionfruit Cheesecake Swirl Brownies, and Passionfruit, Coconut and Quinoa Muffins. The on-trend smoothie bowl recipe was utilised in the summer media outreach, while the brownie and muffins were shared with media during the winter flush.

## Media outreach

Media outreach took place over both the summer and winter flushes. The summer outreach consisted of seasonal info, tips and tricks, and summer recipes being shared with Australian media outlets and influencers. Hampers were also sent to 10 top-tier media and influencers to announce the start of the season. The hampers contained fresh passionfruit, the media release and ice-cube trays and ice-block moulds to showcase the 'freeze it for later' message, which was found to resonate most with the media over the hot summer months.

The summer media outreach program resulted in strong media uptake. Overall, there were 69 pieces of content produced across both traditional and social media, with total 'opportunities to see' sitting at 7.4 million. Every piece of coverage contained at least one of the campaign's key messages, while 79 per cent also featured one of the recipes.



Influencer highlights included content shared by Lyndi Cohen ('The Nude Nutritionist'), The Lebanese Plate and Nourish Naturally, who have a combined following of more than 230,000 people. These influencers were and remain an important part of public relations activities, as they not only have large followings but are authentic in their love for fresh produce, and are a way to reach the passionfruit marketing program's target audience in an organic way, through people they trust.

Media outreach continued for the winter flush, with the added bonus of a season launch event. Aussie Passionfruit hosted an intimate lunch to celebrate the winter flush in Sydney, with a custom-made passionfruit menu. Tina McPherson, Jane Richter and Melissa Smith were in attendance, sharing insights from the farm, a seasonal update, varietal information and their own tips and tricks around passionfruit. Guests were encouraged to post on social media throughout the event and each attendee received a take-home hamper filled with fresh passionfruit, engraved spoons and a media kit with seasonal information, to support further content creation and sharing.

There were 14 top-tier media and influencers in attendance, including representatives from *Woolworths Fresh Magazine*, *Australian Women's Weekly*, *Healthy Food Guide*, *mybody+soul*, *9Kitchen* and *New Idea*, as well as publishing giant *Bauer's Food Studio*. Feedback from the attendees was positive and together, the event and media outreach for the year resulted in 123 pieces of coverage across traditional and social media, resulting in a reach of more than 26.2 million.





**PASSIONATE COOKS, UNITE!**  
 Passionate about having fun in the kitchen? Whether it's a tropical-inspired zingy dessert, or perhaps a delicious sauce to drizzle over baked goods, passionfruit is an exciting ingredient to add to your repertoire of sweet recipes. Passionfruits are perfect on a pav, a star ingredient in an Eton mess and refreshingly tangy when mixed into a cocktail.

### MyFoodBook activity

At the end of 2017, Aussie Passionfruit increased its recipe presence on the MyFoodBook website ([www.myfoodbook.com.au](http://www.myfoodbook.com.au)). MyFoodBook houses a range of recipes, allows for members to create their own cookbooks, and pulls together themed cookbooks throughout the year. Passionfruit was included in the *Dessert Lovers Foodbook*, which was downloaded more than 11,000 times, and the Aussie Passionfruit recipes on the site were viewed in excess of 13,000 times in the 2017 period alone. This is a bonus subscription, and comes at no cost to the industry marketing program.

**Test Kitchen**

**Wandering foodies**  
 Have you ever dreamed of attending a wine tasting in France's famed Beaujolais region or sampling the gastronomic delights of Lyon? Here's your chance – The Weekly is hosting a 13-day culinary cruise with Scenic in the south of France in July 2019. Details at [scenic.com.au/aww](http://scenic.com.au/aww)

**Quick bites**  
 EDITED BY FRAN ABDALLAOUI

**WINTER FLUSH**  
 Passionfruit growers are enjoying a plentiful supply this year. Packed with vitamin C, these beauties are tart and tangy. Go for plump and smooth fruit that's heavy – it will have more pulp inside – and keep them in a plastic bag in the crisper.

**Did you know?**  
 You can open a passionfruit with your bare hands. Simply place a passionfruit between your palms with the stem pointed towards you, clasp your fingers together and push your palms towards each other to break the skin. Pry open with your fingers and enjoy!

### Social media activity

A social media presence was maintained and leveraged for Aussie Passionfruit during the year, with plenty of inspirational recipes and images being shared to Australia consumers across Facebook and Instagram. Farm-related posts were also shared and were well-received by the audiences – helping to connect shoppers to the hard-working growers that supply passionfruit.

On Facebook, there was a growing and engaged community of passionfruit lovers, with an additional 10,000 fans 'liking' the Facebook page since July 2017 (an increase of 27 per cent). During 2017/18, a total of 3.6 million people were reached with passionfruit content through this channel. These people shared Aussie Passionfruit content more than 10,000 times with their friends, showing that the inspiring and practical content resonated with the target audience.

There was also continued growth on the Aussie Passionfruit Instagram page, with an increase in followers of more than 50 per cent since July 2017. More than 93,560 people were reached with passionfruit fruit content through Instagram content during the financial year, with posts in the channel receiving 14,000 'likes'.



### In-store demonstrations

Beginning at the tail-end of the financial year in June 2018 and running into July, there were 115 in-store demonstrations run across six weeks in Coles and Woolworths stores in New South Wales, Victoria and Queensland. Fresh passionfruit was sampled and recipe brochures handed out. Consumers were also educated around seasonality, storage and handling.

There were close to 14,000 interactions with customers (an average of 122 per session), with more than 8520 samples distributed and close to 7800 passionfruit sold during the sessions (an average of 68 per session).

There was also Aussie Passionfruit involvement in a syndicated merchandising program. One hundred of the top independent grocers on the eastern seaboard were visited, with point-of-sale displays set up, and staff educated on passionfruit handling and other best practice.

These initiatives allowed passionfruit to be more visible right where needed – when consumers can immediately buy the product.



# KitchenHQ

All the latest tips, tricks and trends for foodies

Food to love

## NEW WAYS WITH PASSIONFRUIT

**Aussie grower TINA McPHERSON shares her fun tips on the In-season fruit**

**WITH SEASON**  
Passionfruit and prawns are the perfect pair! Combine fresh passionfruit, soy sauce, finely grated ginger and sugar together. Marinate your prawns in the sauce and then pop them on the BBQ.

**AS A SWEET SNACK**  
Crack open a passionfruit, pour in a rip of Calceolaria and enjoy it as a sweet snack. It's great for entertaining with friends.

**AS A DRESSING**  
Add a sweet and tangy taste to any fresh salad by adding a dressing made of passionfruit, olive oil, lime juice and salt. This pairs perfectly with blue cheese or fresh green salads.

**ON TOAST**  
Make a tangy card for your morning slice, or try topping it with Greek yoghurt and fresh passionfruit for a sweet start to the day.

**3 OF THE BEST BAR ACCESSORIES!**

**PERFECT DRINK PRO SMART SCALE**  
This scale-based gadget allows you to mix cocktail liquids without measuring, instead basing it on weight. So if you pour too much into your mixer, the scale and its linked app will let you know. \$149.95 [mijer.com.au](http://mijer.com.au)

**FIZZICS WAYTAP**  
This portable machine can transform the flavour of your favourite can or bottle of beer into a brewery fresh draft. The Fizzics micro-foam technology makes the beer bubblier – and adds the perfect head to make it look like it's poured from the tap! \$199 [dennmurphys.com.au](http://dennmurphys.com.au)

**SELF CHILLING WINE GLASSES**  
These stemless glasses keep themselves – and your vino – cool with the help of two stainless steel "dimplets" on their base. They connect to a magnetic coaster that keeps your drink "charged", or chilled for up to 30 minutes. \$65.98 [smcsmongoods.com](http://smcsmongoods.com)

**JUST OPENED!**  
Former My Kitchen Rules contestant Bella Jakubik and her hubby James Webster have secured the keys to their new restaurant, Bella's at Tallagandra Hill, just three hours from Sydney, celebrates luxe local ingredients with country style cooking, paired with premium cool climate wines from the Tallagandra Hill winery. We're already planning a visit! [tallagandrahill.com.au/bellas](http://tallagandrahill.com.au/bellas)

**One to follow... @jordiepieface**  
Run by nutritionist and food photographer Jordan Pie, this insta account is a mecca for gorgeous, gut-friendly recipes. Your tummy will certainly thank you for it anyway!

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# Financial statement

## Financial operating statement 2017/18

	R&D (\$)	MARKETING (\$)	TOTAL (\$)
	2017/18 July – June	2017/18 July – June	2017/18 July – June
<b>OPENING BALANCE</b>	<b>196,299</b>	<b>73,381</b>	<b>269,680</b>
Levies from growers (net of collection costs)	110,993	111,182	222,175
Commonwealth funds	195,806	–	195,806
Other income*	4,774	1,927	6,700
<b>TOTAL INCOME</b>	<b>311,573</b>	<b>113,109</b>	<b>424,682</b>
Project funding	318,778	109,533	428,311
Consultation with and advice from growers	9,863	2,157	12,020
Service delivery – Base	13,580	4,615	18,195
Service delivery – Shared	20,564	6,989	27,553
Service delivery – Fund specific	28,827	8,571	37,398
<b>TOTAL MATCHED EXPENDITURE</b>	<b>391,613</b>	<b>131,864</b>	<b>523,477</b>
Levy contribution to across-industry activity	8,299	–	8,299
<b>CLOSING BALANCE</b>	<b>107,961</b>	<b>54,626</b>	<b>162,586</b>
Levy collection costs	4,897	4,708	9,605

At the end of 2016/17, the industry's pro rata share of levy funds were committed to strategic reserves (\$20,624 for R&D and \$22,599 for marketing), and so have been deducted from the 2017/18 opening balance.

\* Interest, royalties

## Service delivery costs explained

### Base service delivery (flat rate) = keeping the lights on

This figure contributes to the standard fixed costs that are incurred with the running of the business (for example, costs relating to rent, utility bills, equipment). These costs are calculated on a monthly basis and are based on actual program expenditure.

### Shared service delivery (flat rate) = related to program delivery

Shared costs are related to program delivery and include costs that are incurred in supporting activities relating to R&D and marketing programs that are not attributable to any one levy industry (for example, costs relating to procurement and information technology activities). These costs are calculated on a monthly basis and are based on actual program expenditure.

### Fund specific service delivery (flat rate for 2017/18) = direct servicing costs

These are the actual costs for activities and services that are directly incurred in the administration of levy program expenditure, and which are identifiable and attributable to a specific levy investment fund (for example, costs around direct relationship, marketing and fund management, and logistical costs around industry advisory meetings and activities). From 2018/19 these costs will be charged at cost on a monthly basis.

For more information explaining the costs in the financial summary, visit [www.bit.ly/2x7ERLC](http://www.bit.ly/2x7ERLC).

# Hort Innovation

Horticulture Innovation Australia Limited  
ACN 602 100 149  
Level 8, 1 Chifley Square  
Sydney NSW 2000  
Telephone 02 8295 2300  
[www.horticulture.com.au](http://www.horticulture.com.au)