

What happened in the **Turf Fund** last year?

Annual Report 2020/21



About Hort Innovation and the Turf Fund

Hort Innovation is the grower-owned, not-for-profit research and development corporation for Australia's horticulture sector. We work closely with industry to invest the turf R&D and marketing levies, together with Australian Government contributions, into key initiatives for growers, through the Turf Fund. We're extremely proud of the work we do to help drive productivity, profitability and demand for turf growers, and for the horticulture sector at large.

Throughout another challenging year for the horticulture sector, activity in the Turf Fund remained strong. Read on for an overview of what was delivered.

We also encourage you to download a copy of the overarching Hort Innovation Annual Report 2020/21 at www.horticulture.com.au/annual-report-portal to better understand how Hort Innovation worked for the benefit of the horticulture sector during the year.

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\$474,790

invested in R&D



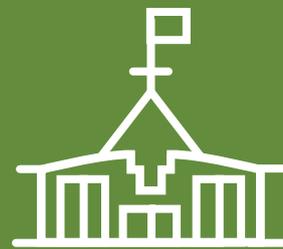
\$100,350

invested in marketing



10

active R&D investments



\$573,600

in levies collected

by the Government and passed on to Hort Innovation for investment



\$280M

Turf production value grew by 15 per cent from 2018/19 to 2019/20, reaching \$280.2 million



3

Buffalo, couch and kikuyu are the three main varieties of turf produced in Australia, making up 26 per cent, 37 per cent and 22 per cent of production volume respectively



43%

Queensland is the largest turf-producing state, with 43 per cent of total production volume, followed by New South Wales at 33 per cent

These facts and more can be found in the Australian Horticulture Statistics Handbook, which is delivered by Hort Innovation each year. The handbook is packed with horticulture statistical information and analysis for some 75 categories, for use by individual industries and the wider sector. The 2019/20 edition was released in early 2021 and features an interactive dashboard format for desktop users. See www.horticulture.com.au/horticulture-statistics-handbook.

Just some of the things delivered for you during the year



Research into the distribution and frequency of mosaic viruses in buffalo grass so that management recommendations can be made for growers



Preparation support for pest incursions such as fall armyworm and serpentine leafminer, including emergency minor use permits and longer-term investments to bolster the horticulture sector's response



The industry communications program, delivering the *Turf Australia* magazine, *Turf Australia E-News* newsletters, the industry website (www.turfaustralia.com.au) and more



A domestic marketing campaign that continued to respond to the COVID-19 pandemic



Investments in the Hort Frontiers strategic partnership initiative to address longer-term and often complex issues and opportunities critical to the future of Australian horticulture – see www.horticulture.com.au/hort-frontiers*

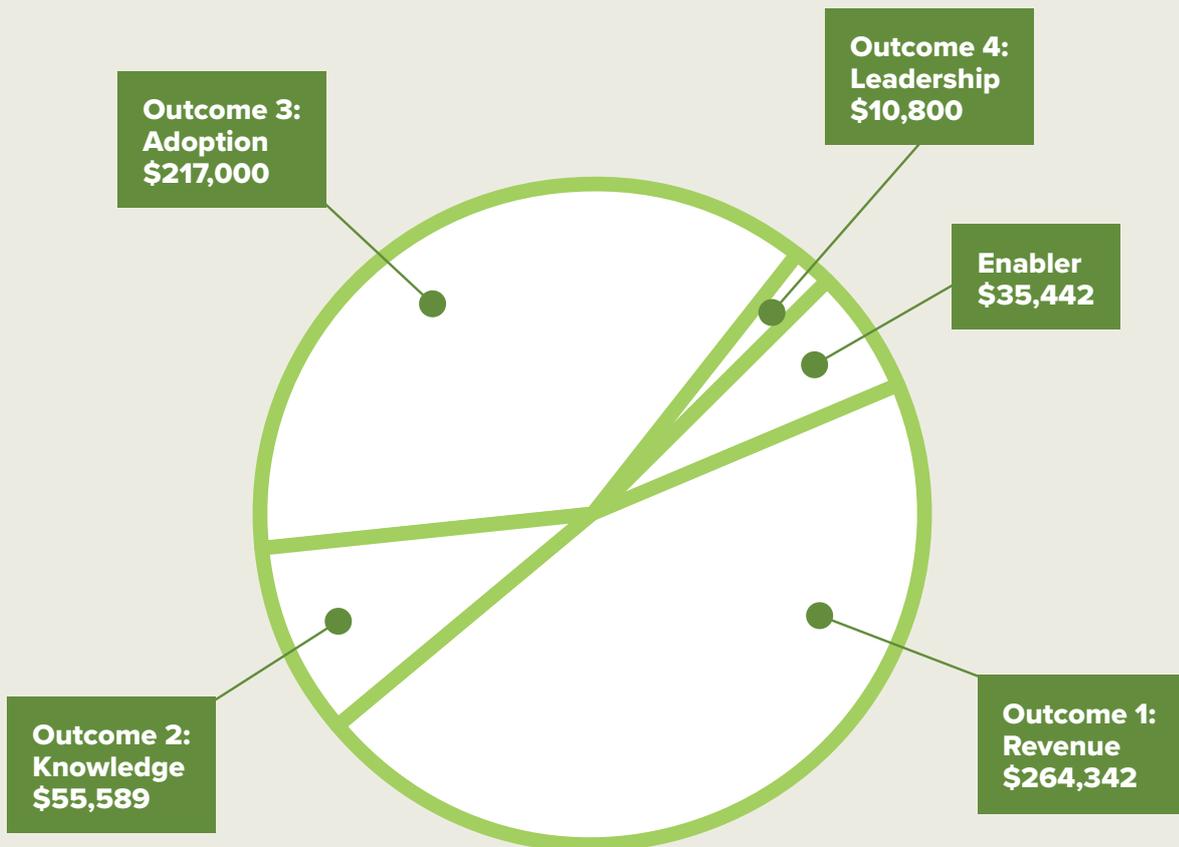


Projects supported by grants secured by Hort Innovation, ranging from cross-sector Rural R&D for Profit initiatives to horticulture-specific work to aid in access to crop protection products – see the Hort Innovation Annual Report 2020/21 for more*

You can visit www.horticulture.com.au/turf at any time to access information on new, ongoing and completed projects, and to download resources produced by levy investments such as fact sheets and guides.

*These initiatives were delivered outside of the Hort Innovation Turf Fund and, in most instances, did not involve the industry levy

Here's what your fund invested in over the year



Investments that are specific to the Hort Innovation Turf Fund are guided by the turf Strategic Investment Plan (SIP). The SIP features priority outcome areas that have been identified and agreed upon by the industry, and Hort Innovation works to invest in R&D and marketing initiatives that are aligned to these.

In the above chart, you can see how project expenditure in the Turf Fund during 2020/21 was aligned to the SIP. Each project has been allocated to a SIP outcome based on its primary objective.

Expenditure on projects classified as 'enabler' support the broader delivery of the industry's strategic investment plan, such as impact assessments.

Which projects were in each of the SIP outcome areas?

Outcome 1: Revenue

Turf revenue has increased by five per cent per annum plus CPI from targeted marketing programs

Marketing activities during 2020/21 contributed to demand-related outcomes in the SIP. You can read more about the turf marketing campaign on p10.

Project title and code	2020/21 investment	Status	More information
National market development program for the Australian turf industry (TU16002)	\$164,342	Ongoing	hortinn.com/tu16002

Outcome 2: Knowledge

Improved strategic decision making by turf growers from increased knowledge of industry data and consumer insights

Project title and code	2020/21 investment	Status	More information
Turf industry statistics 2017/18 to 2019/20 (TU17005)	\$41,752	Ongoing	hortinn.com/tu17005
Economic, environmental, social and health impacts and benefits of the turfgrass and lawncare industries in Australia (TU17006)	\$13,837	Completed	hortinn.com/tu17006



Investments

Outcome 3: Adoption

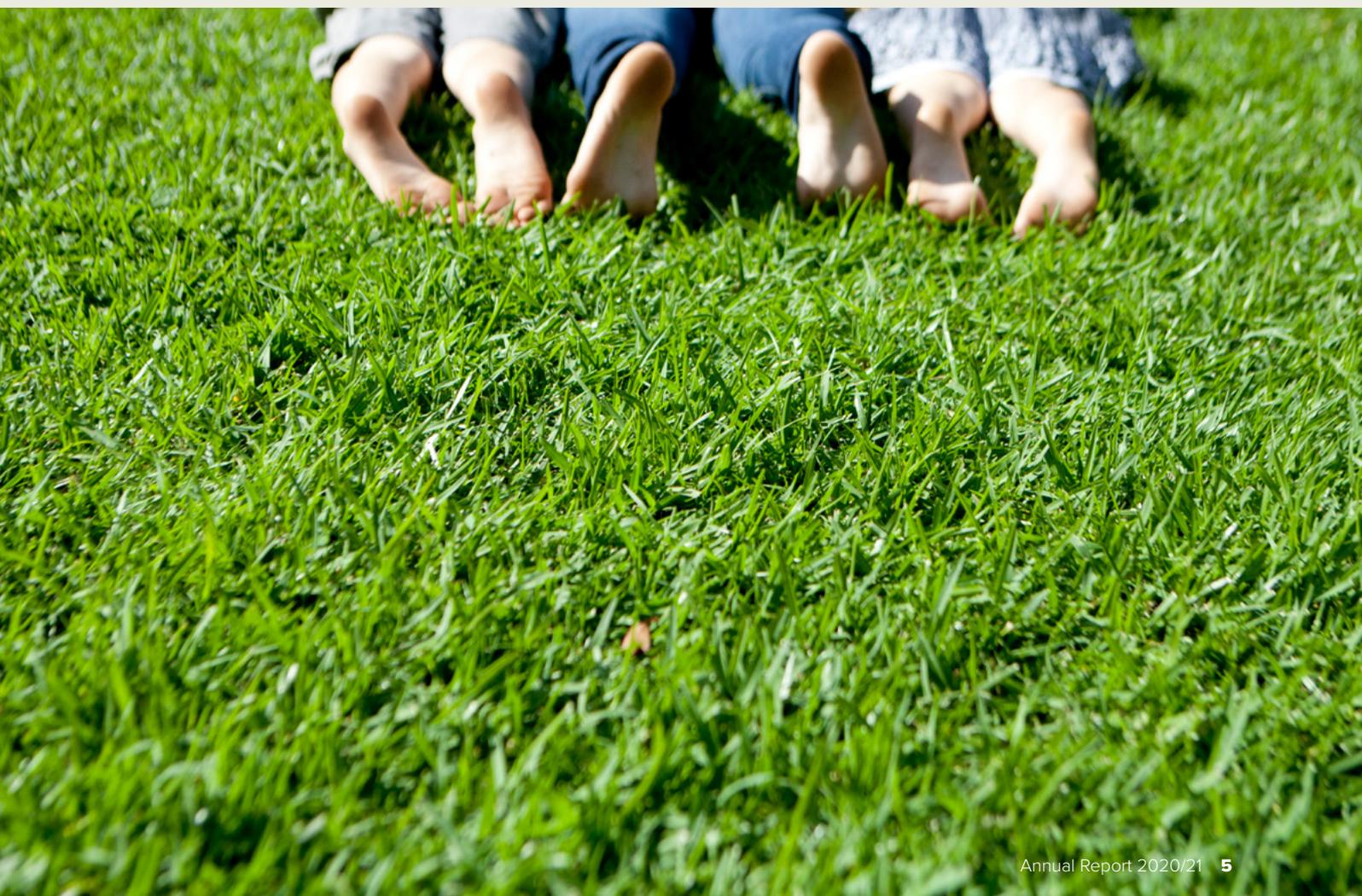
Improved farm practices and profitability from increased awareness and adoption of turf R&D

Project title and code	2020/21 investment	Status	More information
Australian turf industry communications program (TU16004)	\$120,000	Ongoing	hortinn.com/tu16004
Improved capacity for integrated disease management of couch smut in turf (TU17002)	\$80,000	Completed	hortinn.com/tu17002
Identification and management of mosaic viruses and secondary pathogens in buffalo turf (TU19000)	\$17,000	Completed	hortinn.com/tu19000

Outcome 4: Leadership

Turf industry leadership program graduates are adopting innovation and using their leadership skills in business and industry decision making

Project title and code	2020/21 investment	Status	More information
Turf Next Gen Program (TU19002)	\$10,800	Ongoing	hortinn.com/tu19002



Financial operating statement

Turf Fund Financial operating statement 2020/21

	R&D (\$)	Marketing (\$)	Total (\$)
	2020/21 July – June	2020/21 July – June	2020/21 July – June
OPENING BALANCE	183,391	50,312	233,703
Levies from growers (net of collection costs)	458,848	114,752	573,600
Australian Government money	283,111	–	283,111
Other income*	896	191	1,087
TOTAL INCOME	742,855	114,943	857,798
Project funding	474,790	100,350	575,140
Consultation with and advice from growers	7,392	643	8,035
Service delivery	84,041	22,215	106,256
TOTAL EXPENDITURE	566,223	123,208	689,431
Levy contribution to across-industry activity	–	–	–
CLOSING BALANCE	360,023	42,047	402,070
Levy collection costs	30,366	7,552	37,918

* Interest, royalties

Levy collection costs – These are the costs associated with the collection of levies from industry charged by Levy Revenue Services (LRS)

Service delivery – Also known as Corporate Cost Recovery (CCR), this is the total cost of managing the investment portfolio charged by Hort Innovation

Making sure that levy investment decisions align with industry priorities

What will be the Turf Fund's focus over the next five years?



The turf Strategic Investment Plan (SIP) was created in 2021 to reflect current priorities for the turf industry. This involved extensive consultation with turf growers and industry stakeholders including Turf Australia. The SIP is the roadmap that helps guide Hort Innovation's oversight and management of individual levy industry investment programs.

The turf SIP lays the foundation for decision making in levy investments and represents the balanced interest of the particular industry from which the levy is collected. The most important function of the SIP is to make sure that levy investment decisions align with industry priorities.

The turf SIP identifies four outcome areas that will contribute to the productivity and profitability of the turf sector. They are:

- Industry supply, productivity and sustainability
- Demand creation
- Extension and capability
- Business insights.

What projects will the fund be investing in next year?

The turf Annual Investment Plan (AIP) 2021/22 will detail how levy funds will be spent over the 12-month period. Investment decisions will be guided by the industry SIP and prioritised based on potential industry impact, as well as availability of levy funds.

The AIP is developed by Hort Innovation, and is informed by the SIP and industry consultation, including collaboration with Turf Australia. The AIP is then discussed with the industry SIAP for feedback and prioritisation. All investments will need to link to the industry's SIP by addressing a minimum of one KPI against a strategy under one of the four outcomes.

Annual Investment Plans will be published each year over the lifespan of the SIP and industry stakeholders will be advised via established communication channels.

Hort Innovation will continue to report on fund performance regularly, with more focus on reporting on outcomes and the impact of investments.



When available, you can visit www.horticulture.com.au/turf-fund-management to view both documents and get a full picture of how your levy will be invested over the next five years.

Driving demand for Aussie turf and helping growers get more for their grass

Beginning in early 2018, this investment supports the development of the Australian turf industry, growing demand and increasing product value.

The challenge

To get more landscapers, lawn-lovers, sporting facilities and recreation venues to embrace the product while educating growers about the latest techniques and technology to maximise the return on their investment.

Meet Ross

According to Ross Boyle, Director of Rosemount Turf on Queensland's Sunshine Coast, the Australian turf industry is unique in that growers sell direct to the end-user, so the whole supply chain is 'on farm'. Consequently, the success of industry R&D and marketing activities are dependent on direct and strong grower engagement – factors which underpin this particular program.

“Working with Hort Innovation and with Jenny Zadro, the Market Development Manager, has been really positive. Jenny’s worked really closely with the growers to get results and provide a unified voice and that’s what we need. We need a presence – a strong voice and a voice to talk to all the right people. This program does that.”

While the COVID-19 has hurt many industries, that’s not been the case for the Australian turf industry, says Ross. With the help of this program, growers have been able to make the most of the opportunities presented by the pandemic, leveraging it to maximum benefit.

“As an industry, we were on track for growth. But in my business, we’ve seen a jump of about 20 per cent from before COVID. Having a unified voice around communications in the program’s National Market Development Manager, has been really helpful.”

Ross also finds the regular information and education updates he receives through the program invaluable to keep his operation at the forefront of the industry. “I get a lot out of them,” he says. “I look at everything that comes through and the info is really valuable. Some growers only pay attention when there’s an issue, but they’re missing out.”

But it’s the field days and industry collaboration the program offers that Ross finds most beneficial. “Before the lockdowns the field days were a great way to speak with other growers. It’s a unique industry, so it’s good to see and hear what others are doing. It’s so helpful to be able to speak openly with people from interstate, who aren’t a direct competitor from down the road,



Ross Boyle, Director of Rosemount Turf



to see what they're doing – what's working, what's not. It's really good to bounce ideas off each other."

"This program has done a lot of good, and as it's tweaked going forward, it will get even better and become even more beneficial for our growers."

The approach

This program is assisting growers in developing their skills, knowledge, and businesses through a range of extension activities, including delivering training and disseminating market research and R&D findings. It's also tasked with engaging the wider industry and key influencers, such as landscape architects and planners, while facilitating collaboration and engagement with and between key industry bodies

Specifically, the project supports the role and activities of the National Market Development Manager Jenny Zadro, who was appointed at Turf Australia in January 2018. Jenny provides project updates in regular market development reports in the levy-funded Turf Australia magazine.

The impact

Over the past six months, several key outcomes have been achieved at national and state levels, despite it being a generally quieter time of year for engagement with lingering COVID-19 restrictions.

Early in the project, several key areas were identified through consultation with growers, researchers, and the wider turf industry. They continue to be addressed by the project team, namely:

- Collaboration across the wider turf sector was supported via joint projects, with a willingness to share information and work towards a united greenspace industry
- Sustainability around water security remains a strong topic of conversation with growers and in maintenance planning for greenspace in urban settings. The demand for information on comparisons and facts on natural turf versus synthetic was strong, with support materials developed and shared by the team
- Support in relation to weeds, pest and disease involved the distribution of information to Queensland Growers, working closely with the Department of Agriculture, to provide updates on the emergence of imported red fire ants
- Discussions were held with key support organisations about the current employment and education needs of the turf industry, aimed at improving the training opportunities
- The first stages for developing industry best practice for turf transport safety and compliance was undertaken, with further work scheduled in this area.

Articles, fact sheets, events, presentations, webinars, and social media messages were prepared, promoted, and extended to a wide audience across the industry. Additional activities and resources are underway, including videos, and engagement opportunities.

For more information, visit hortinn.com/tu16002

Project details

National market development program for the Australian turf industry (TU16002)

Key research provider: Turf Australia

Start date: February 2018

Expected end date: April 2022

Estimated value for life of project: \$950,582

Leveraging the lockdown reno boom to boost lawn sales

The 2020/21 marketing plan aimed to increase the demand for turf by showing Australians its value as an excellent way to boost the value of their home and their quality of life.

The opportunity

With more Australians at home than ever thanks to the COVID-19 pandemic, the number of home improvement and maintenance projects exploded. This presented a huge opportunity for the Australian turf industry.

The approach

Through newsworthy COVID-related media stories, brand ambassador partnerships, and lawn-makeover content, the marketing team were able to take advantage of the change in Australian trends presented by the pandemic.

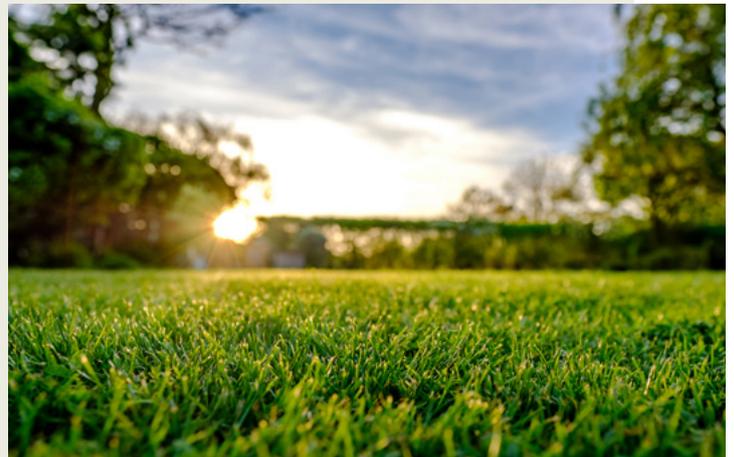
With the help of a YouGov survey the marketing team were able to highlight the huge surge in Aussies transforming their yards since the start of the pandemic. They also enlisted former pro magician Mike Taylor, who shared his own lawn transformation. Together, these cost-effective PR initiatives attracted nationwide media and reached millions across top-tier media outlets, including Daily Telegraph, Courier Mail, Herald Sun and RealEstate.com.au.

The Australian turf industry Facebook page, Lawnspiration, also continued to grow, expanding its reach and engagement during 2020-21. Promotional activities on the platform included a competition encouraging users to create and share their own lawn-inspired videos and pictures for the chance to win a \$1000 lawn care kit. This reached more than 40,000 people with highly engaged competition entries.

Facebook was a great driver of traffic to the Lawnspiration website, which provides an excellent source of inspiration, education, and tips, to simplify the process of selecting, laying, and maintaining turf.

The outcome

While COVID conditions provided a boost to the industry as a whole, marketing activities further encouraged consumers to make the most of these opportunities.



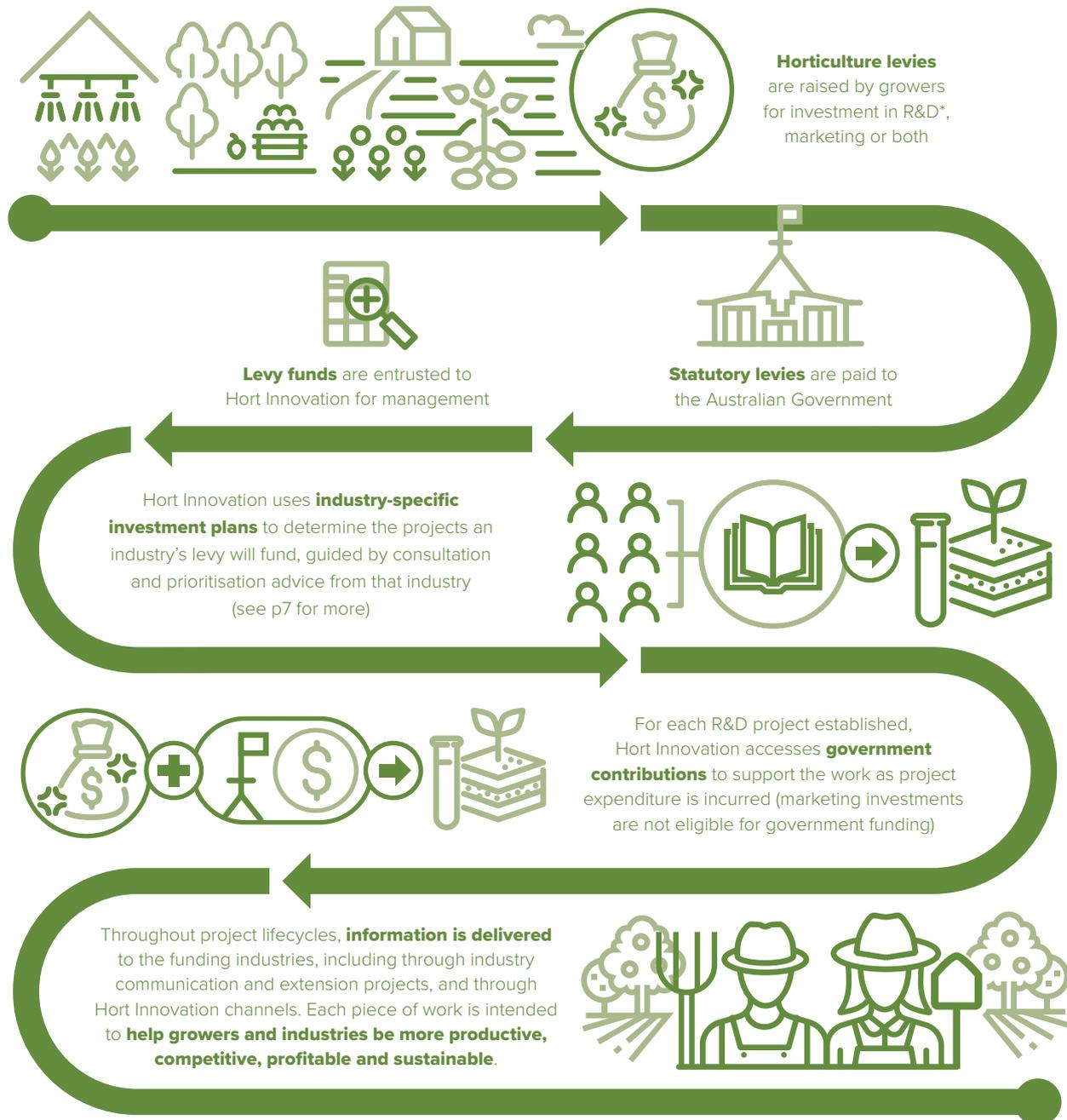
Read more about the campaign at hortinn.com/turf-marketing-snapshot

Project details

These marketing activities are strategic levy investments in the Hort Innovation Turf Fund

How strategic levy investments are made in the Turf Fund

The below diagram shows how Hort Innovation makes strategic levy investments on behalf of horticulture industries. The turf R&D and marketing levies were invested this way during the year, guided by the turf Strategic Investment Plan 2017-2021 and advice from the industry's investment advisory panel.



* Encapsulating extension and international trade

To learn more about funding specific to the Hort Innovation Turf Fund, visit www.horticulture.com.au/turf. During the year, other sources of funding were also used to support activities for the benefit of Australian horticulture, including grant funding secured by Hort Innovation, co-investment dollars brokered through our Hort Frontiers initiative and centralised strategic levy reserve.

Hort Innovation

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