

Pyrethrum Fund

2017/18
ANNUAL REPORT



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SUMMARY BY
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We're for growers

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

This financial year was the first year in which the pyrethrum voluntary levy was invested through the Hort Innovation Pyrethrum Fund. With the establishment of a central project addressing integrated disease management, I'm happy to be able to share with you key insights in this Hort Innovation Pyrethrum Fund Annual Report.

On a personal note, during the year it was great getting to connect with you about everything going on in the Pyrethrum Fund, to hear your thoughts, and to share ideas. During 2018/19 I'm looking forward to even more opportunities to connect in person, and I remind you that you can reach me any time at john.vatikiotis@horticulture.com.au or on 0429 022 637 if there's something you'd like to ask or discuss around voluntary levy investments.

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

- » **Becoming 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.
- » **Checking out *Hortlink*.** This digital publication provides an update on all new, ongoing and recently completed investments in the Hort Innovation Pyrethrum Fund. The latest edition is always available from the Pyrethrum Fund page at www.horticulture.com.au/pyrethrum, while members have *Hortlink* sent straight to their inboxes.

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

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Making levy investments

Discover how the voluntary pyrethrum levy and Australian Government contributions are invested through the Hort Innovation Pyrethrum 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 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.

Ideas can be for your specific industry – to be funded by the voluntary industry levy and 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 for more.

How are levy decisions made?

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

Hort Innovation is currently working closely with the pyrethrum industry to produce a finalised Strategic Investment Plan (SIP) for the Pyrethrum Fund. When completed, the SIP will outline key industry priorities for investment.

The completed SIP will be used like a 'roadmap' by the pyrethrum Strategic Investment Advisory Panel (SIAP).

The SIAP is 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 to provide advice to Hort Innovation on potential voluntary levy investments.

Details of the SIAP panellists and summaries of the SIAP's meetings can be found at www.horticulture.com.au/pyrethrum.

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.

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 Pyrethrum Fund page at www.horticulture.com.au/pyrethrum. *Hortlink* also provides updates on ongoing and recently completed investments.



R&D project list 2017/18

NEW INVESTMENTS IN 2017/18

PY16000 Integrated disease management in pyrethrum

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 for financial documents and information on this program.



R&D report

During 2017/18, the first official investment was made in the Hort Innovation Pyrethrum Fund. Any resources from this project and future voluntary-levy-funded projects – such as fact sheets, guides and more – will be published on your grower page at www.horticulture.com.au/pyrethrum as they become available.

Integrated disease management in pyrethrum (PY16000)

NEW IN 2017/18

Key research provider: University of Tasmania

With an increasing number of foliar and flower diseases placing constraints on pyrethrum production – reducing yields and the lifespan of crops – and fungicide resistance a rising cost and risk, this investment will aid pyrethrum growers in minimising these issues. Beginning during 2017 and set to run for three years, it involves research into the key pathogens that affect pyrethrum production, the timing of their influence, and their susceptibility to fungicides.

This information will be used to help growers optimise the number and timing of fungicide applications, and the research team will look at combining this with efforts to increase host resistance and reduce pathogen carryover between seasons.

Ultimately, the project will help the industry decrease its reliance on fungicides – reducing economic and environmental costs of production – while increasing pyrethrin yields.

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/pyrethrum.

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Financial statement

Financial operating statement 2017/18

	R&D (\$)	TOTAL (\$)
	2017/18 July – June	2017/18 July – June
OPENING BALANCE	143,957	143,957
Levies from growers (net of collection costs)	79,904	79,904
Australian Government money	169,348	169,348
Other income*	2,816	2,816
TOTAL INCOME	252,068	252,068
Project funding	286,808	286,808
Consultation with and advice from growers	68	68
Service delivery – Base	11,854	11,854
Service delivery – Shared	17,951	17,951
Service delivery – Fund specific	22,015	22,015
TOTAL EXPENDITURE	338,696	338,696
Levy contribution to across-industry activity	7,244	7,244
CLOSING BALANCE	50,085	50,085
Levy collection costs	–	–

* 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.

Hort Innovation

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