

## Independent Performance Review 2018

### Recommendations

GHD was commissioned by Hort Innovation to undertake an independent performance review of the company, which is a requirement under the company's Statutory Funding Agreement (SFA) with the Commonwealth Government. The scope of the review is for the period 2014 – 2018.

#### **Recommendation 1**

Hort Innovation to consolidate on the improvements achieved during the transition phase (first 18-24 months of the company) with further refinement and continuous improvement based on the lessons learned from stakeholder feedback and internal company assessments, with emphasis on the implementation of a refined communication and engagement plan and the role of IRBs (Industry Representative Body) to maximise the effectiveness of its communication activities

#### **Recommendation 2**

Hort Innovation to continue to foster both formal and informal communication channels with the Commonwealth in the interests of ensuring the company's SFA (Statutory Funding Agreement) obligations are discharged in a timely and effective manner, and better communicate its SFA obligations to stakeholders.

#### **Recommendation 3:**

Hort Innovation to improve its reports to:

- Ensure consistency in the presentation of information on financial forecasting in AOPs (Annual Operating Plan) and subsequent financial reports in Annual Reports; and
- Provide more description on the source of funds for Frontier Funds and the rationale for the selection of Frontier Fund projects

#### **Recommendation 4:**

Hort Innovation to complete the development of an integrated financial and management accounting system that will provide more timely and accurate reports to guide investments

#### **Recommendation 5:**

Hort Innovation to complete a review of the current organisational and internal reporting and approvals model to determine if it is the most effective and efficient structure for delivering its corporate activities, including responsiveness to levy payer requests, while being cognisant of any cost implications

#### **Recommendation 6:**

Hort Innovation to:

- Complete its Diversity & Inclusion Policy including measurable objectives for achieving gender diversity;
- Include non-financial Delegations of Authority matters for the Board in a policy document; and
- Add a Governance section to its website thereby disclosing its non-confidential good governance frameworks, documents and practices.

#### **Recommendation 7:**

Hort Innovation to develop a generic agreement, or Statement of Intent, between Hort Innovation and IRBs that codifies the relationship and includes a complaint handling

process, with the scope of the agreement to be jointly agreed between Hort Innovation and IRBs

**Recommendation 8:**

Hort Innovation, in consultation with IRBs and the Commonwealth, to put a resolution for member vote removing the exclusion of IRBs from being members of the company.

**Recommendation 9:**

Hort Innovation to better communicate to stakeholders the improvements that are being progressed to address issues identified as potentially negatively impacting on its performance, including:

- Progression of the SIAP(Strategic Investment Advisory Panel) improvement process
- Frontiers Funds, especially the benefits of attracting co-investors for cross-industry outcomes with minimal use of levy funds
- Consideration of a hybrid model for project initiation (concept plus call)
- Consideration of how better to achieve the collaboration between smaller industries that results in more efficient delivery of services and reduces the risk of a “siloesd” approach
- Activities in support of food safety initiatives and crisis management.

**Recommendation 10:**

Hort Innovation to continue to seek cross-RDC (Research Development Corporation) collaboration opportunities that will benefit horticulture as well as the broader agricultural industries and community.

**Recommendation 11:**

Hort Innovation to finalise its approach to transition the monitoring and evaluation focus from ex-ante impact assessment to ex-poste impact assessments to test if expected benefits have been delivered and inform future investment decisions

**Recommendation 12:**

Hort Innovation to ensure that risk is a consideration in allocating resources and establishing triggers for monitoring and evaluation, noting that at the moment the framework currently links the determination of monitoring and evaluation methods to size of project, availability of data and M&E (Monitoring & Evaluation) capability. This is likely to be of particular importance to Hort Frontiers fund investments

**Recommendation 13:**

Hort Innovation to amend Section 6 of the Organisational Evaluation Framework to increase the frequency of reporting to growers and levy payers, and investors and co-investors from just end-of-investment cycle reporting. This update to the Framework will also better reflect Hort Innovation’s current practice, which is to provide more regular updates to these stakeholders

**Recommendation 14:**

Hort Innovation, if requested by an IRB whose industry has a marketing levy, to review the marketing arrangements for that industry (including potential for collaboration with other industries) to determine if marketing projects can be delivered in a more efficient and effective manner with the aim of improving the return on investment from levy funds