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## **CONFIDENTIAL ORDINARY COUNCIL MEETING**

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## **CONFIDENTIAL MATTERS**

### **Staff Reports**

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Released 27 July 2021

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## **STAFF REPORTS**

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Released 27 July 2021

**18.1 HORTEX PARTNERSHIP AGREEMENT**

Contact Person: Mr Sam Green

**Why is this matter confidential?**

Subject to an order pursuant to Section 90 (3) (d) of the Local Government Act 1999, this matter is confidential because information contained within this report relates to sensitive third party information which is not at this stage in the public interest.

**A. COUNCIL/COMMITTEE TO MOVE MOTION TO GO INTO CONFIDENCE**

No action – this motion passed in the open section.

**B. THE BUSINESS MATTER**

Released 27 July 2021

## 18.1 HORTEX PARTNERSHIP AGREEMENT

**Responsible Executive Manager :** Mr Sam Green

**Report Author :** Mr Dermot Cussen

**Delegated Authority :** Matters which cannot be delegated to a Committee or Staff.

**Attachments :**

1. Attachment 1 - Hortex Partnership Agreement
2. Attachment 2 - Hortex Annual Report 2017

### PURPOSE

To consider progress achieved under the HortEx and City of Playford Partnership Agreement achieved to date and whether the agreement should be extended into a second year.

### STAFF RECOMMENDATION

1. Council commits to the continued use of the Virginia Horticultural Centre (VHC) facility for the advancement of the horticultural industry.
2. Council endorses continuing the three year Partnership Agreement (**Attachment 1**) between HortEx and the City of Playford, which was entered into in May 2017, including:
  - a) Lease of the Virginia Horticulture Centre to HortEx at a peppercorn rent of \$10 per annum;
  - b) City of Playford will provide funding of \$25,000 pa, indexed annually by CPI (from 2017-18) to support HortEx in driving the development and growth of the horticulture industry;
  - c) Council commits up to \$50,000 pa additional funding to leverage, Private, Federal and/or State funding for projects as agreed between the City of Playford and Hortex;
  - d) A review of the agreement after year 2 of the Partnership Agreement;
  - e) An annual report be provided to Council summarising the activities and achievements of the previous year concluded; and
  - f) HortEx develop and implement a marketing plan to demonstrate that it actively promotes the use of the centre to the local horticultural industry Council wide, encouraging membership from the whole northern region.

### EXECUTIVE SUMMARY

The City of Playford's Strategic Plan "Smart Jobs & Education Program", seeks to lead by example and advocate to other organisations to support the diversification of our local economy and improve the employment prospects for our community. This includes providing the right environment for investment and business attraction and connecting our community up with the right skills and education for the transitioning economy.

On 17 April a decision report went to Council outlining how the City of Playford's Partnership Agreement with HortEx has been a catalyst for the current momentum that exists to support the economic development of the Northern Adelaide Plains Food and Wine Region.

On 1 June 2018, at a forum and dinner about the future of the Northern Adelaide Plains Horticulture Industry, the City of Playford was acknowledged for its contribution to the horticulture industry and its banner was displayed as an event and industry partner. The event, which was attended by 170 people, was held at the Virginia Community Centre, in support of developing the Northern Adelaide Plains Food Cluster. Background to the development of the Northern Adelaide Plains Food Cluster was outlined in April's decision report that went to Ordinary Council.

Council, during its discussion on the merits of whether or not to continue the HortEx Partnership Agreement, moved a Procedural Motion, requesting that staff bring a report back to Council regarding the HortEx Partnership Agreement within two months. The HortEx Partnership Agreement was also discussed at Informal Council on 12 June.

This decision report provides additional information to April's Ordinary Council's decision report as requested by Council. It also seeks to address the questions that have been raised by Council regarding the level of support for industry beyond the Northern Adelaide Plains; other users of the Virginia Horticulture Centre (VHC); industry engagement with different cultural groups; income being generated from the Department of Planning, Transport and Infrastructure Sublease for an Electorate Office; how the VHC is being promote; and the provision of an annual report and financial statements.

## **1. BACKGROUND**

At Ordinary Council on 17 April, staff recommended a continuation of the HortEx Partnership Agreement as it has been a catalyst for the current momentum that exists to support the economic development of the Northern Adelaide Plains Food and Wine Region.

Council, during its discussion on the merits of whether or not to continue the HortEx Partnership Agreement, moved a Procedural Motion, requesting that staff bring a report back to Council regarding the HortEx Partnership Agreement within two months. The HortEx Partnership Agreement was also discussed at Informal Council on 12 June.

The main questions that were asked during April's Ordinary Council and Informal Council on 12 June 2018 regarding the continuation of the HortEx Partnership Agreement, are:

1. What about support for industry beyond the Northern Adelaide Plains;
2. Who else uses the VHC and for what purpose;
3. What about industry engagement with different cultural groups;
4. What is the income being generated from the Department of Planning, Transport and Infrastructure Sublease for an Electorate Office;
5. How is the VHC being marketed; and
6. Has HortEx provided an annual report and financial statements.

This report also includes an update about the ongoing efforts to support the development of the Northern Adelaide Plains Food Cluster.

## **2. RELEVANCE TO STRATEGIC PLAN**

### **3: Smart Jobs & Education Program**

Outcome 3.2 Commercial and industrial growth

A focus on continuous improvement, competition and adoption of innovative practices will drive change and industry growth across the Northern Adelaide Plains horticulture region. Advances in primary production, processing, food innovation (including from product not deemed good enough for the market shelves), value adding, new market development, development of a recognised regional profile, logistics/ storage and overall advances in

industry capability and capacity will require new skills and deliver new employment opportunities across the region.

### **3. PUBLIC CONSULTATION**

There is no requirement to consult with the public on this matter.

### **4. DISCUSSION**

#### **4.1 Support for industry beyond the Northern Adelaide Plains**

- 4.1.1 HortEx has advised that it welcomes growers and industry players from beyond the Northern Adelaide Plains as members and users of the VHC.
- 4.1.2 HortEx's Executive Officer is a Director of the Horticulture Coalition of SA, which is the peak industry organization for horticulture in SA. The Horticulture Coalition of SA represents all horticulture commodities in SA. The Executive Officer also represents the Horticulture Coalition as a director of Primary Producers SA. Primary Producers SA is a coalition of peak bodies representing South Australian primary producers. The Coalition includes: Grain Producers SA; SA Dairy Farmers Association; Wine Grape Council of SA; Livestock SA; and Horticulture Coalition of SA.
- 4.1.3 Biological Services, a VHC Tenant, provides integrated pest management services to growers in the Adelaide Hills and provides stocks of predatory insects for control of pest insects as well as monitoring services. This approach results in a decrease in the amount of agricultural chemical used in production.
- 4.1.4 Rijk Zwaan, a VHC Tenant, has advised HortEx that its seed varieties are used by nurseries that supply growers all over the state and as far as Western Australia. Rijk Zwaan is an international seed company and a world leader in vegetable seed breeding.
- 4.1.5 Reportedly, VHC tenants have advised that one of the reasons they operate from the VHC is because it brings them in to contact with growers that are both HortEx members and non-members who are interacting with HortEx.
- 4.1.6 HortEx has advised that the Almond Board of Australia uses the centre for its local grower meetings and workshops. The local almond grower's chapter use is sponsored by Almond Co, a major, Renmark based processor.
- 4.1.7 The development of the Northern Adelaide Plains Food Cluster does not exclude players from outside of the Northern Adelaide Plains from being members and working with Northern Adelaide Plains industry players for a mutual benefit.
- 4.1.8 Stretton will also explore the opportunity of engaging with horticulture players outside of the Northern Adelaide Plains. Elected members have advised that they will assist with facilitating this process.

#### **4.2 Other Users of the Virginia Horticulture Centre**

- 4.2.1 HortEx has advised that the VHC is also used regularly by the following groups for a range of activities:
  - Bendigo Bank monthly board meetings;
  - HortEx Alliance monthly board meetings;



- PIRSA for Area Wide Biosecurity meetings;
- SA Water for Northern Adelaide Irrigation Scheme community meetings; and
- AusVeg SA for technical workshops and seminars; and
- Northern Adelaide Plains Food Cluster Interim Steering Committee meetings.

4.2.2 HortEx has advised that other users of the VHC have included:

- Olives South Australia, the peak industry body representing olive growers in South Australia;
- Smith and Georg, a small Adelaide Hills based Registered Training Organisation that provided AgVet chemical training for people working in primary and related industries; and
- State Government agencies during times of disaster, at no charge under the Partnership Agreement, except for outgoings.

4.2.3 HortEx has advised that:

- It has a data base of 240 businesses and that HortEx represents all Northern Adelaide Plains growers whether financial members or not;
- 527 visitors have used the VHC since the commencement of the Partnership Agreement;
- During the 2017 major flood, approximately 1030 visitors were assisted by HortEx and PIRSA staff through the VHC;
- It provides PIRSA with figures for the Annual Scorecard on the Northern Adelaide Plains vegetable production;
- It has designed a Certificate 1-2 in Horticulture in conjunction with the Ironwood Institute, which is a Registered Training Organisation. Training will be provided to 20 new industry entrants, at the VHC. The training is being supported by the Department for Industry and Skills via Northern Futures Inc;
- It manages and operates AgSafe's drumMUSTER at the VHC. The AgSafe drumMUSTER initiative provides agricultural chemical users with a recycling pathway for eligible empty agricultural and veterinary chemical containers. HortEx has collected several thousand chemical containers which are then sent to plastic processors;
- It provides ongoing technical information on pest and disease management to growers who come to the VHC for advice;
- It has assisted 30 growers to prepare applications to SA Water, for project approval, for supply of reclaimed water under the new Northern Adelaide Irrigation Scheme project;
- It has represented growers to the Adelaide Plains Council for rezoning issues;
- The Adelaide and Mt Lofty Ranges Natural Resource Management Board is funding HortEx to deliver a pest and disease management project which includes the development of videos and fact sheets;
- It is partnering with CSIRO, UniSA and SARDI in a \$2.4 million application to the Premiers Research and Industry Fund regarding extension and water monitoring on the Northern Adelaide Plains;
- It has regular contact with Arris Pty Ltd, which operates from the University of Adelaide's Waite campus and supports industry to adopt and implement applied research; and
- It will support the delivery of a TAFE/ Ironwood Institute workshop on Advanced Hydroponics which will be conducted with interstate and overseas speakers.

### 4.3 Cultural Engagement

- 4.3.1 HortEx has advised that it has regular interactions with the Vietnamese Farmers Association and the Vietnamese Cultural Centre regarding technical and cultural

issues. It also participates in Vietnamese cultural meetings and private functions such as King Hung's Anniversary.

4.3.2 Stretton will also liaise with HortEx and AusVeg SA, which has two Vietnamese staff regarding broader engagement with the Vietnamese growers, who do not appear to operate as one representative group, ie the Vietnamese Farmers Association does not appear to represent all Vietnamese industry players.

4.3.3 Mr Vandy Von, a Cambodian grower, has served as treasurer of HortEx.

#### **4.4 Department of Planning, Transport and Infrastructure Sublease Arrangements**

4.4.1 The HortEx Partnership Agreement allows for the sub-lease of the Virginia Horticulture Centre (VHC) to organisations that support the horticultural industry; and for HortEx to retain the associated income from sub-lease arrangements to support its operations, which is for the advancement of the horticultural industry.

4.4.2 The following criteria are used to determine the City of Playford's support for a sublease:

- Commercial entity not relating to Horticulture – Do not support;
- Commercial entity supporting Horticulture – Support (commercial terms);
- Government/Not for Profit supporting Horticulture – Support (agreed terms); and
- Government/Not for Profit supporting community during and post emergency – Support (no charge, except outgoings).

4.4.3 On 1 August 2017, Hortex entered into a sublicense with the former Minister for Transport and Infrastructure, through the Department of Planning, Transport and Infrastructure (DPTI) for an area of 120m<sup>2</sup> at the VHC until 5 May 2018.

4.4.4 The sublease was consistent with the Partnership Agreement's sub-lease arrangements, as sublease was for the Electorate Office for the Member for Taylor. The Electorate of Taylor includes Virginia, and its use as an electorate office was viewed as a positive outcome in support of the local horticulture industry.

4.4.5 Under the DPTI sublease, HortEx receives \$32,400 + GST per annum, which is payable monthly. The sub-lease included a right of renewal until 5 November 2018.

4.4.6 New, South Australian parliamentary electorates took effect at the State election in March 2018. As a consequence, due to some significant boundary changes, some MPs have been temporarily assigned to electorate offices outside of their electorates. Under this arrangement, the electorate office at the VHC has been assigned to the Member for Wright. The former electorate office for Wright is now the electorate office for the new State seat of King. It is anticipated that the DPTI sublease will cease in November 2018.

#### **4.5 How is the Virginia Horticulture Centre being marketed**

4.5.1 HortEx has advised that it widely promotes the use of the VHC as a community asset, through: its website; Fruit and Vegetable magazine; via the projects that it participates in, eg Area Wide Management of Pests Diseases and Weeds. HortEx and the VHC is also promoted to government and growers all over SA through its membership of the Horticulture Coalition SA.

- 4.5.2 Should Council continue the Partnership Agreement, it will be amended to include that HortEx develop and implement a marketing plan for VHC. This amendment is included in the Staff Recommendation.

#### **4.6 Annual Report and Financial Statements**

- 4.6.1 A copy of HortEx's Annual Report, which includes financial statements, can be viewed in Attachment 2.

#### **4.7 HortEx Financial Position**

- 4.7.1 HortEx's financials show no assets aside from cash generated from operations and the operational performance generates minimal return. This is not unexpected however, in an organisation such as this. It is worth noting that HortEx appears to be currently reliant on Council funding support, to deliver a year end profit position.

#### **4.8 General Update**

- 4.8.1 On 1 June 2018, 170 people attended a forum and dinner about the future of the Northern Adelaide Plains Horticulture Industry. The event, titled 'A Discussion on Our Region's Future', was held at the Virginia Community Centre, in support of developing the Northern Adelaide Plains Food Cluster. Stretton organised and delivered the event in conjunction with PIRSA, HortEx, AusVeg SA and RDA Barossa.
- 4.8.2 Attendees included a mix of growers, industry, research and government - including: the Hon Tim Whetstone MP, Minister for Primary Industries and Regional Development; Paula Luethen MP, Member for King; a representative for Jon Gee MP, Member for Taylor; the Deputy Mayor representing the Mayor, Councillors Rentoulis and Musolino, who is also interim chair of the Cluster.
- 4.8.3 The City of Playford was acknowledged for its contribution to the horticulture industry and the City of Playford banner was displayed as an event and industry partner.
- 4.8.4 Feedback from key stakeholders regarding the organisation and execution of the forum and dinner has overwhelmingly been positive.
- 4.8.5 Importantly, 35 people, from a mix of growers, academics and supply companies have expressed interest in further exploring the establishment of the Northern Adelaide Plains Food Cluster.
- 4.8.6 Research and feedback from successfully established clusters around the world, indicates that a significant level of momentum and effort is required in the early stages of establishing a cluster, in order to facilitate a level of trust between potential cluster players. This in turn facilitates: information sharing and learning; group problem solving; and cluster members working together to leverage commercial opportunities ie clusters support productivity and industry growth.
- 4.8.7 The work being undertaken to explore and establish the Northern Adelaide Plains Food Cluster has strengthened the relationship between PIRSA, RDA Barossa, HortEx, AusVeg SA and the Stretton Centre, who will continue to collaborate and work with industry and other relevant stakeholders regarding the establishment of the Northern Adelaide Plains Food Cluster.

- 4.8.8 Minister Whetstone has advised that he wishes to visit Stretton. Its anticipated that Stretton will also participate in a regional industry tour with the Minister and the Member for King.

#### 4.9 AusVeg SA

- 4.9.1 As a key horticulture industry stakeholder, Stretton liaises closely with AusVeg SA regarding the development of the local horticulture industry, the Northern Adelaide Plains Food Cluster and AusVeg SA's interest in having a footprint at the VHC.
- 4.9.2 Both HortEx and AusVeg SA are part of the stakeholder group that is working together to support the establishment of the Northern Adelaide Plains Food Cluster.
- 4.9.3 The Chairpersons of both HortEx and AusVeg SA sat alongside the Hon Tim Whetstone MP, Minister for Primary Industries and Regional Development at the forum and dinner about the future of the Northern Adelaide Plains Horticulture Industry, indicating the goodwill and the willingness to work together for the advancement of the local horticulture industry.
- 4.9.4 AusVeg SA was not established when Council sought expressions of interest to operate the VHC in 2014. It is anticipated that AusVeg SA would express an interest to operate the VHC should Council seek to undertake a new expression of interest process to operate the VHC.
- 4.9.5 Undertaking a new expression of interest at the present time however, will impact on the current momentum that exists to support the advancement of the local horticulture industry and will be likely counterproductive to supporting the establishment of the Northern Adelaide Plains Food Cluster. It may also reflect negatively on Council as the Partnership Agreement was put in place to 'drive the development and growth of the Horticultural Industry in the Northern Adelaide Plains' which is occurring.
- 4.9.6 Should Council continue the Partnership Agreement, Stretton will continue to liaise with AusVeg SA and explore with HortEx opportunities for AusVeg SA to have an increased presence and profile at the VHC. The development of the Northern Adelaide Plains Food Cluster initiative also provides an environment for HortEx and AusVeg SA to be part of a collaborative, industry development, stakeholder group, which mainly convenes at the VHC.

### 5. OPTIONS

#### Recommendation

1. Council commits to the continued use of the Virginia Horticultural Centre (VHC) facility for the advancement of the horticultural industry.
2. Council endorses continuing the three year Partnership Agreement (**Attachment 1**) between HortEx and the City of Playford, which was entered into in May 2017, including:
  - a) Lease of the Virginia Horticulture Centre to HortEx at a peppercorn rent of \$10 per annum;
  - b) City of Playford will provide funding of \$25,000 pa, indexed annually by CPI (from 2017-18) to support HortEx in driving the development and growth of the horticulture industry;

- c) Council commits up to \$50,000 pa additional funding to leverage, Private, Federal and/or State funding for projects as agreed between the City of Playford and Hortex;
- d) A review of the agreement after year 2 of the Partnership Agreement;
- e) An annual report be provided to Council summarising the activities and achievements of the previous year concluded; and
- f) HortEx develop and implement a marketing plan to demonstrate that it actively promotes the use of the centre to the local horticultural industry Council wide, encouraging membership from the whole northern region.

## Option 2

1. Council does not support the continued use of the Virginia Horticultural Centre facility for the advancement of the horticultural industry.
2. Council seeks to discontinue the three year Partnership Agreement (Attachment 1) between HortEx and the City of Playford.
3. Council seeks out a new partner to occupy the VHC and support the growth of the Northern Adelaide Plains Food and Wine region.

## **6. ANALYSIS OF OPTIONS**

### **6.1 Recommendation Analysis**

#### 6.1.1 Analysis & Implications of the Recommendation

The Partnership Agreement has been a catalyst for the current momentum that exists to support the economic development of the Northern Adelaide Plains Food and Wine Region.

In 2014 the VHC was unused and this asset, which was developed to promote economic growth in the area, was not meeting its intended purpose. In contrast, the VHC is now regularly used by industry and is tenanted by a horticulture seed supply business, PIRSA officers and in the short term by officers from the Department of Premier and Cabinet.

A notable outcome from the agreement to date is the development of a deeper understanding of how the industry works and of who the key players are by City of Playford staff. This knowledge is critical in developing strategic direction to support the industry in a manner that is achievable. Relationships and partnerships are central to supporting the development of the Horticultural Industry.

This agreement has also been beneficial in progressing the industry cluster proposal, which is a key objective for the City of Playford. HortEx has been an actively involved in the development of this important initiative in the industry. Their active involvement has assisted this process in moving forward.

Option 1 will allow the City of Playford to continue to support the growth of the horticulture industry to grow and create local jobs for local people.

### 6.1.2 Financial Implications

	2018/19 \$'000	2019/20 \$'000
Operating Revenue	0	0
Operating Expenditure	75	75
<b>Net Operating Impact</b>	<b>75</b>	<b>75</b>
Capital – Investing Revenue	0	0
Capital Expenditure	0	0
<b>Total Borrowings (Capital Investment)</b>		

Funded by: the Strategic Projects budget

The operating expenditure does not include Council's in-kind subsidy to the Horticultural Industry by Council of approximately \$50,000 pa for the lease of the VHC to HortEx.

In 2016-17, the in kind contribution was \$49k, comprising of:

- Annual depreciation of \$32,773.
- Annual maintenance cost of \$13,350 (based on 1.5% of the State Government Valuation).
- \$3000 outgoings from recurrent budget allowance.

## 6.2 Option 2 Analysis

### 6.2.1 Analysis & Implications of Option 2

This would remove all Council support for HortEx and also remove its ability to operate from the VHC. The VHC is a focal point for the growth of the local industry.

Should this occur, current economic development momentum will be impacted and planned projects such as the Food Loss Opportunity Mapping Food and Food Innovation Workshops that were outlined in the HortEx Partnership Agreement decision report that went to Ordinary Council in April 2018, will not be delivered, at least in the short term. This potential loss of momentum will impact on the development of the proposed industry cluster.

Ongoing use of the VHC could be achieved by seeking out a new partner. The potential ending of the Partnership Agreement with HortEx however would effectively remove or significantly diminish the role of an important local, Northern Adelaide Plains based key player and impact on overall economic development momentum at this point in time.

### 6.2.2 Financial Implications

Option 2, at this time, does not commit Council to any support of the horticultural industry and thus will result in no change to Council's current financial position.



## ATTACHMENT 1

### City of Playford and HortEx Partnership Agreement

The City of Playford is committed to the development of A Smart and Connected Community. A key strategic direction articulated in the City of Playford's Strategic Plan is "Securing Playford's Position in the Global Market"

*The City of Playford will capitalise on its strategic geographical position and demographics to work with other local government bodies, the State and Commonwealth governments, applied research bodies and other regions to establish a diverse industry base and expand its defence, advanced manufacturing, horticulture, health and ageing industry sectors to provide local jobs for local people, capitalising on the digital economy, as the foundation for a rising standard of living for the community.*

The Adelaide Plains Food and Wine Region is one of the most significant regions for horticultural production in Australia, with the Virginia and Northern Adelaide Plains contributing approximately 6.5 percent to the state's economy and employing nearly half of the state's vegetable industry.

Look North – the Northern Economic Plan - also highlights and recognises the importance of horticulture to the State and Northern Adelaide in Strategic Direction 1 Industry Growth, under the heading 'Agriculture, food and beverage'.

The City of Playford needs to develop relationships and partnerships to continue to drive the development of the Horticultural Industry to ensure the creation of "local jobs for local people". This document summaries the partnership agreement between the City of Playford and HortEx. Both parties acknowledge that this is not an exclusive partnership relationships and the City of Playford and Hortex may enter into other partnership arrangements to progress the development of the Horticulture Industry.

#### Objectives

The City of Playford and HortEx partnership, through active engagement, will strive to drive the development and growth of the Horticultural Industry in the Northern Adelaide Plains by:

- Strengthening the representation, marketing and promotion of the industry
- Helping the industry to identify, consider and tackle future challenges
- Engagement with all sectors of the industry to identifying constraints in the development of the industry and develop solutions to address these constraints
- Provision of training and development
- Collection and analysis of relevant data to help increase innovative capacity of the industry
- Assisting the horticulture sector and other relevant stakeholders to increase innovation and adopt new technologies and address regional knowledge gaps relating to productivity and market access.
- Strengthen collaboration between the horticulture sector and government
- Assisting the industry to improve land and waste management practices and high value add capture opportunities

**Timeframe of Agreement**

The partnership agreement is to run for 3 years, but will be subject to an annual review by Council.

Released 27 July 2021



### Facility

The Virginia Horticulture Centre was established to enhance the horticulture industry through promotions, training and development, research, community development, tourism and to develop linkages with other State initiatives. The Virginia Horticulture Centre provides an opportunity to establish a focal point to play a significant role within the industry.

To support the horticultural industry the City of Playford will lease the Virginia Horticulture Centre to HortEx under a "pepper corn" rent arrangement. The table below summarises the financial contribution associated with the lease of the facility on an annual basis.

	HortEx Contribution	Council Contribution
Depreciation		\$33,000
Annual Maintenance		\$13,000
Outgoings: examples include Power, Cleaning, Insurance, Telecommunications and Water	\$15,600	
		\$3,000
<b>Total</b>	<b>\$15,600</b>	<b>\$49,000</b>

### Sub-lease arrangements:

HortEx can sub-lease the facility to organisation(s) that support the horticultural industry subject to Council's agreement. HortEx can retain the associated income from sub-lease arrangements to support the operations of HortEx. Administration would use the following criteria in determining support for a sublease.

- Commercial entity not relating to Horticulture – Do not support
- Commercial entity supporting Horticulture – Support (commercial terms)
- Government/Not for Profit supporting Horticulture – Support (agreed terms)
- Government/Not for Profit supporting community during and post emergency – Support (no charge, except outgoings)

HortEx will provide to Council at no cost a "Hot Desk" arrangement to facilitate the working partnership between Council and HortEx.

### Industry Development Grant:

In addition to the provision of the facility the City of Playford will provide an additional \$50,000 for the first year and then \$25,000 pa indexed annually by CPI to support HortEx in achieving the objectives of the Partnership agreement.

The City of Playford agrees to commit up to \$50,000 pa additional funding to leverage Private, Federal and/or State funding for projects as agreed between the City of Playford and HortEx to achieve the objectives of this agreement.

**In-kind Outcomes**

	HortEx	Council
Branding	All HortEx activities jointly badged with Council logo	
Governance	Council representative on a Management Group to oversee Partnership Agreement	
Reporting	Provision of Audited Financial Statements annually  Provision of 3 year Business Plan	
	Provision of representation base details – total number of farmers/organisations represented, annually Training and development – total number of training and development programs held, their intended outcomes and attendance – Quarterly.	
Information Sharing	Provision of Horticultural Industry and Value Chain Analysis	Provision of Horticultural Industry and Value Chain Analysis
Engagement	Facilitate engagement between Council and Industry representatives	Council will consult where appropriate with HortEx and other industry groups as relevant in regard to significant horticultural issues
Industry Support	Provide intelligence in relationship to new developments	Case management of significant developments  In-kind support to progress specific issues (as agreed)



## **HortEx Alliance Incorporated**

ANNUAL REPORT 2017-8

26<sup>th</sup> April 2018

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1.

## A. Chairman's Report

The HortEx Board has had some challenges over the last period of time since the last AGM but has continued to enforce the relevance of HortEx to the Horticultural Growers of the Northern Adelaide Plains. HortEx has over 240 on the data base and the website has been able to spread the message and project information to over 20,000 people since it was commissioned in July 2015.

HortEx has been able to weather the storm of the Executive Officer's resignation in early 2017 and has appointed a new Executive Officer in May 2017 who has taken up the challenge of completing unfinished projects towards completion and has liaised with stakeholders to apply for new funding opportunities and continues to do so under the direction of the board.

The board has undergone changes too with two long serving directors resigning in 2017. We would like to thank Mrs Zurriet Braham for her service over a period culminating in the position of Vice Chairperson and also thank Mr Vandy Von our popular Cambodian grower who served as treasurer of HortEx for a period. Both have left for personal reasons and we wish them well in the future.

HortEx represents all Horticultural Growers on the Northern Adelaide Plains and does not discriminate against non- fee-paying growers or non -levy paying growers assisting all comers to the Virginia Horticulture Centre. The HortEx Board has strong Grower representation with 100% being local Growers. HortEx has assisted grower companies and businesses on the NAP over the last twelve months with some of the following tasks:

- Assisting 30 grower businesses with their applications to SA Water for the new Northern Adelaide Irrigation Scheme and conducting negotiations with SA Water over pricing and project proposals.
- Assisting the grower community with a submission to Playford Council when they wanted to raise growers rural rate base to unsustainable levels.
- HortEx was instrumental in submitting to the Adelaide Plains Council with support for Horticultural Zoning under the new Amended Development Plan and by attending meetings and giving a verbal presentation to a council planning meeting.
- HortEx has been instrumental in getting a faster response from local, state and Federal Governments to 2016 floods in the region. HortEx has continued to lobby for Gawler River Flood Mitigation initiatives with letters sent to the Gawler River Flood Plain Management Authority and several Ministers in the State and Federal governments.

HortEx continues to develop the Virginia Horticultural Centre as a community asset and to promote the planning of an International Horticulture Centre of Excellence. HortEx Alliance now owns the business name and trademarks for the International Centre of Excellence in Horticulture and variations and is seeking to work with stakeholders including PIRSA and Universities etc to develop the centre for training of pre- employment and current employees and growers and to facilitate research development and extension.

HortEx continues to represent growers to councils regarding planning issues and represents local issues to Federal and State Ministers and State government departments. HortEx is an active member of the Horticultural Coalition and is representing the region's Growers at a State level on regional issues.

Looking to the future, HortEx is now focussing on NAIS and the implications for industry to ensure that growers access to new markets are developed and that existing markets are not adversely affected.

Land development policies are also on HortEx's radar as it looks to streamline Growers abilities to develop their businesses with reduced red tape from both local and state government agencies and especially through engagement with the new Government recently elected in SA.

**Dino Musolino** Chair - HortEx Alliance Inc. (2017-2018)

Released 27 July 2021

## 2.

## B. Executive Officers Report

Since the appointment of the new E.O on May 4<sup>th</sup> 2017 HortEx has been very active in a number of areas that have seen benefits delivered to the region's Horticultural Growers and communities.

### Activities undertaken:

- HortEx website – nearly 20,000 downloads since its creation in July 2015 with new fact sheets and case studies from current projects now uploaded.
- Regular representation and meeting attendance to the Horticulture Coalition of SA and elected as the Horticulture Coalition representative on the Primary Producers SA Council (Rob Kerin Chaired organisation representing all agricultural commodity groups)
- Meetings with Uni SA, SARDI and CSIRO to partner in a Premiers Research Fund bid for \$2.4 Million for which HortEx will deliver the extension component if the bid is successful.
- Represented NAP growers to Playford council regarding rate rises by written and verbal presentations resulting in Playford Council dropping plans to increase rural rate levels in conjunction with other grower organisations.
- Worked regularly with PIRSA staff to obtain funding grants and to entice PIRSA to have a permanent office at the Virginia Horticulture Centre.
- Worked on the Cluster Interim committee with the HortEx Chair to develop a Cluster project leading to collaboration between grower companies and businesses and to assist with export development bulk purchasing and other collaborative initiatives.
- Assisted Growers to apply to SA Water and to negotiate for NAIS water through filling out project applications for 30 growers and to facilitate meetings with key SA Water staff to put forward the issues of pricing for the scheme.
- Represented Growers on the Water Allocation Planning with DENRW staff at the VHC.
- Organised and attended information sessions with SA Water- NAIS Community meetings.
- Attended NAPAI meetings with PIRSA staff and local council representatives.
- Assisted Growers with amalgamating their water licences with DEWNR.
- Worked with AusVeg to host Dr Denis Pursley (QDPI) and Dr Lye (AusVeg) on workshops for Tomato Potato Psyllid and Cucumber Green Mottle Mosaic Virus.
- Worked on a AMLRNRM project "Area Wide Management of Pests and Diseases" after rescoping the project that was left uncompleted by the previous E.O.
- Worked with Ironwood and Northern Futures to develop a pilot training program for 25 future employees which if funded will start in May 2018.
- Resurrected the DRUM MUSTER program with arrangement of collections and pick up from the compound reactivated the paperwork required by contacting AgSafe in Canberra and now a second pick up is required.
- Ran the day to day operations of the VHC including but not limited to attending board meetings and preparing agendas and minutes, invoicing tenants and hire fees to commodity groups for use of the board room and training room, taking bookings providing refreshments, conducting the day to day business paying bills keeping financial records and filling the role of property management when required.
- The E.O is constantly looking for opportunities for funding projects and bring money into the organisation. This coming month ( May) we will be invoicing Stretton Centre



for \$25,000 as part of the agreement with Playford Council and we shall also possibly be in receipt of a further \$16500 from Stretton Centre as part of the commitment to leverage project funding with our recent application to the LEAP fund in the Department of Green Industries SA (former Zero Waste). These two invoices will probably place HortEx back into a profitable position for the End of Financial Year results.

HortEx is continuing to represent the NAP growers to government and councils and we urge growers to join the Northern Adelaide Plains grower association ie HortEx to give growers access to new resources, beneficial projects and market opportunities. The board voted through the year to allow first time growers joining HortEx to have a free year of membership. It is only a requirement to pay the \$165 yearly membership if a grower wishes to be involved as a board member in the first year or is a continuing member of long standing.

HortEx Alliance will continue to work tirelessly to progress the aims and opportunities for growers situated on the NAP and with the new NAIS scheme to ensure that growers markets and prices are maintained and that the industry remains sustainable.

Howard Hollow (Executive Officer)

## C. Board Members

<b>Dino Musolino</b>	Chairperson	<b>Zurriyet Braham</b>	Deputy Chair (resigned)
<b>Vandy Yon</b>	Committee Member (resigned)	<b>Monika Fiebig</b>	Deputy Chair
<b>Andrew Braham</b>	Treasurer	<b>Lou Marifioiti</b>	Committee Member
<b>Frank Maiolo</b>	Committee Members	<b>Tony Catanzariti</b>	
<b>Howard Hollow</b>	Executive Officer (Non Voting)		

## D. Financial Report 2017-2018

### Treasurers Comments:

#### 2017-2018 Interim Profit and Loss Statement

- The \$29,742 K nett loss in the P&L statement is the result of the unfinished financial year period to date. By June 30<sup>th</sup> 2018 a small profit may result if the Playford Councils Stretton Centre pays the two invoices for \$25 K and \$16.5 K respectively and if the first payment for the LEAP fund project is paid to HortEx.
- At the End of June or close thereafter HortEx will also receive a payment of \$7000 from the ALMLRNRM for the final report of project 'Area Wide Management of Pests and Diseases'
- The HortEx Board has implemented a strict financial reporting system that is transparent and is able to track expenses daily in real time. All transactions require two signatures to authorise payments and transfers within the bank accounts.
- This financial statement was audited by HortEx's accountant Denis Evanoff.

FINANCIAL STATEMENTS: On following pages Profit & Loss (Interim) and Balance Sheet.



**Profit & Loss Statement**

July 2017 To March 2018

Hortex Alliance Inc

PO Box 1644

Virginia SA 5120

ABN: 87 012 313 452

Email: drhoward@adam.com.au

Income		
Income		
Membership Income		\$45,616.41
Total Income		\$60.00
Cost Of Sales		\$45,676.41
Bryan Robertson Contractor		\$9,090.91
Howard Hollow Contractor		\$52,603.17
Total Cost Of Sales		\$61,694.08
Gross Profit		-\$16,017.67
Expenses		
Accounting Fees		\$227.28
Advertising & Promotion Fees		\$317.54
MYOB Subscription		\$752.76
VHC Training Expenses		\$1,689.44
Bank Fees		\$37.48
Virginia Hort Centre Expenses		
Postage	\$811.31	
Computer Supplies/ upgrades	\$90.00	
Office supplies	\$196.79	
Cleaning	\$2,442.11	
Total Virginia Hort Centre Expenses		\$3,540.21
Repairs - Replacements		
Maintenance	\$215.45	
Parking	\$104.69	
Travel Food	\$74.55	
Mobile	\$385.37	
Total Repairs - Replacements		\$780.06
Project Expenses		
HortEx Expenses		\$772.28
Total Project Expenses		\$772.28
Utilities / Insurance		
AGL	\$1,575.54	
Insurance	\$3,222.12	
Total Utilities / Insurance		\$4,797.66
Total Expenses		\$12,914.71
Operating Profit		-\$28,932.38
Other Income		
Interest Income		\$189.98
Total Other Income		\$189.98
Total Other Expenses		\$0.00
Net Profit/(Loss)		-\$28,742.40

This report includes Year-End Adjustments.

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**Hortex Alliance Inc**

PO Box 1644

Virginia SA 5120

ABN: 87 012 313 452

Email: drhoward@adam.com.au

**Balance Sheet**

As of March 2018

<b>Assets</b>		
Bendigo Interest 3155		-\$831.78
Bendigo 7228		\$34,360.15
Withholding Credits		
Undeposited Funds Account		-\$2.00
<b>Total Assets</b>		<b>\$33,526.37</b>
<b>Liabilities</b>		
Bendigo Debit 7442		-\$1,274.83
GST Collected		\$44,105.61
GST Paid		-\$47,416.29
ATO Payments/Refunds		\$1,702.00
<b>Total Liabilities</b>		<b>-\$2,883.51</b>
<b>Net Assets</b>		<b>\$36,409.88</b>
<b>Equity</b>		
Home Loan Expenses		
Retained Earnings		-\$57,281.14
Current Year Earnings		-\$28,742.40
Historical Balancing		\$122,433.42
<b>Total Equity</b>		<b>\$36,409.88</b>

This report includes Year-End Adjustments.

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## **E. General Comments on the Financial Reports**

HortEx has equity of \$36K at present and it should be understood that the Profit and Loss Income figures are based purely on income from rentals at the VHC and one membership. (This does not include Playford Council's grant money paid prior to July 1<sup>st</sup>2017).

The current Bank Balance (as at the 26<sup>th</sup> April 2018) is \$31,693.16

The Card account balance is \$120.34 after payment of

It is the E.O 's opinion that HortEx is solvent and can continue trading given that it is an incorporated association that has "not for profit" status.

Outstanding debts are in the order of \$3031 including power, internet connection (dongle) cleaning fees.

E.O contract amount will be approximately \$2800 for the balance of April (due to reduced hours due to ANZAC Day).

Invoices to be drawn prior to April 30<sup>th</sup> for tenant rental not paid total \$1080

PIRSA and DPTI invoices have been paid and are included in the bank balance at 28<sup>th</sup> April 2018.

## **F. Election of New Board Members**

Any board members who have been in the role on the Board and have reached the end of their three year terms must stand for re-election. Any other members that are financial may stand for election to the board. There currently are three extra vacant Board positions that can be filled taking the total Board positions to a maximum of 10.

All three have indicated that they wish to renominate as standing Board members for another three year term.

Note: Only financial HortEx members can vote in the election of Board members.

The board will take nominations and vote for the executive positions including Chair which will be nominated and elected by board members.

**C. COUNCIL/COMMITTEE TO DECIDE HOW LONG ITEM 18.1 IS TO BE KEPT IN CONFIDENCE**

**Purpose**

To resolve how long agenda item 18.1 is to be kept confidential.

**STAFF RECOMMENDATION**

Pursuant to Section 90(2) and Section 91(7) of the Local Government Act 1999, the Council orders that the following aspects of Item 18.1 be kept confidential in accordance with Council's reasons to deal with this item in confidence pursuant to Section 90 (3) (d) of the Local Government Act 1999:

- Report for Item 18.1
- Attachment(s) for Item 18.1

This order shall operate until the next scheduled annual review of confidential items by Council at which time this order will be reviewed and determined in accordance with Section 91(9)(a) of the Local Government Act 1999.