

Turf 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 turf 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 \$856,000 invested by Hort Innovation into R&D for the turf industry during 2017/18**, including into a number of new projects, I'm happy to be able to share with you all the key insights in this Hort Innovation Turf 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 strong new investments for pest and disease management, the achievement of a new Australian Standard for the use of turf in erosion control and a new benchmarking program for the industry, plus ongoing work to help growers access and implement best practice, new knowledge and current technologies.

Meanwhile **in marketing, the Turf Fund program saw some \$63,000 invested during the year to raise the profile and use of Australian turf**. Find an overview of this activity from **p8**.

On a personal note, during the year it was great getting to connect with you about everything going on in the Turf 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 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 Turf Fund. The latest edition is always available from the Turf Fund page at www.horticulture.com.au/turf, while members have *Hortlink* sent straight to their inboxes.
- » **Engage with your industry communications program.** The *Australian turf industry communications program* (TU16004) is dedicated to bringing the latest information and advice to turf businesses, including news, outcomes and resources related to levy investments (look for the Hort Innovation Turf Fund logo to easily identify work related to your levy). The communications program is funded through the Hort Innovation Turf Fund and delivered by Turf Australia, with more info available on **p6**.

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

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Making levy investments

Discover how the turf levy and Australian Government contributions are invested through the Hort Innovation Turf 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.

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 for more.



How are levy decisions made?

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

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

The SIP outlines key industry priorities for investment and can be found on the Turf Fund page at www.horticulture.com.au/turf.

The SIP document is used like a 'roadmap' by the turf industry's 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/turf.

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

The industry communications program, run through the investment *Australian turf industry communications program* (TU16004), also provides regular information on levy-funded activity. See **p6** for more.

R&D project list 2017/18

NEW INVESTMENTS IN 2017/18

TU16002	National market development program for the Australian turf industry
TU16003	Crisis management awareness program
TU16004	Australian turf industry communications program
TU17002	Improved capacity for integrated disease management of couch smut (<i>Ustilago cynodontis</i>) in turf
TU17003	Integrated pest management of Phytophagous mites in turfgrass
TU17007	Australian turf industry study tour 2018
ST16008	AgVet collaborative forum

ONGOING INVESTMENTS IN 2017/18

TU15002	NxGen 2016 to 2018
TU16000	An environmental assessment of the Australian turf industry
MT16002	Green industry growing leaders program

INVESTMENTS COMPLETED IN 2017/18

TU13028	Development of the Victorian turf industry
TU13034	Developing a national standard for turf as an erosion control measure
TU15700	National R&D conference 2016 and 2017
TU16001	Turf industry statistics and research 2016/17
GC15004	Measuring Australia's green space asset
MT15032	Monitoring and evaluation framework for the industry Strategic Investment Plan
MT15033	Strategic Investment Plan



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

Take a closer look at some of the key investments in the Hort Innovation Turf 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/turf as they become available.

Improved capacity for integrated disease management of couch smut (*Ustilago cynodontis*) in turf (TU17002)

NEW IN 2017/18

Key research provider: The University of Queensland

Contracted at the end of the 2017/18 period, this new investment is tasked with developing an improved integrated disease management plan for couch smut for the Australian turf industry. Its activities include research to better understand the fungus that causes the disease – including its distribution and transmission – as well as the evaluation of fungicides for its control, and a look at potentially resistant couch varieties and hybrids.

Integrated pest management of Phytophagous mites in turfgrass (TU17003)

NEW IN 2017/18

Key research provider: IPM Technologies

Beginning in May 2018, this investment has a focus on tackling the issue of Phytophagous mites in turf production, using an integrated pest management (IPM) approach. Mites are typically pests that arise after the use of insecticides or miticides initially targeting other pests.

Project activities include...

- » Running a series of workshops with turf growers and industry advisors, to contribute to the identification of potential causes of and solutions to mite problems, and to begin developing potential IPM strategies

- » Running trials to assess potential components of IPM strategies, including the use of commercially available biological control agents and IPM-compatible miticides
- » Building up to trialling potential, cohesive IPM strategies in commercial turf production.

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

NEW IN 2017/18

Key research provider: Turf Australia

This investment began in early 2018 to support the development of the Australian turf industry and drive an increase in the value of turf. It is tasked with assisting growers in developing their skills, knowledge and businesses through a range of extension activities, including delivering training and disseminating market research and research findings. It is also engaging the wider industry and key influencers, such as landscape architects and planners, while facilitating collaboration and engagement with and between key industry bodies.

The project supports the role and activities of National Market Development Manager Jenny Zadro, who was appointed at Turf Australia in January 2018. Regular project updates are provided through market development reports in the levy-funded *Turf Australia* magazine.

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/turf.

Connect with
Hort Innovation!
Become a member
at **www.horticulture.com.au/membership**

Australian turf industry communications program (TU16004)

NEW IN 2017/18

Key research provider: Turf Australia

Beginning in mid-2017 to carry on from previous communications work, this investment is responsible for keeping Australian turf growers and other industry stakeholders informed. It delivers up-to-date information on R&D, marketing and other resources to help support the profitability and sustainability of the industry. The communication channels it produces and maintains include, but aren't limited to...

- » The quarterly *Turf Australia* industry magazine
- » Monthly *Turf Australia* E-News newsletters
- » The Turf Australia website for industry participants, www.turfaustralia.com.au
- » The Turf Australia social media program, which includes the Turf Australia Facebook page for turf growers and contribution to the Lawnspiration Facebook page for users of turf.

Crisis management awareness program (TU16003)

NEW IN 2017/18 & NOW COMPLETE

Key research provider: Biologic

Contracted in 2017 and finishing just inside the 2018/19 period, this investment was tasked with conducting an assessment of potential risks for the Australian turf industry, along with mitigation and management planning activities. Its work was designed to equip industry leaders and key stakeholders with the required tools and insights for effective crisis management, and to provide the Australian turf industry with a clear and well-informed plan for managing critical issues and events with the potential to affect the industry's operations and/or reputation that may arise in the future.

Turf industry statistics and research 2016/17 (TU16001)

NOW COMPLETE

Key research provider: Western Research Institute

This investment was responsible for surveying Australian turf businesses to collect industry data – including information related to the volume and value of turf production – to provide a clear picture of both the socioeconomic and physical status and needs of the industry. The final results are summarised in an industry stats report, available to download from www.bit.ly/2AbTzoT.

The information the snapshot contains is intended to allow turf growers and the broader industry to make timely and effective decisions in planning and resource prioritisation, as well as track market trends and industry performance.

Growers who participated in the project's surveys also received confidential individual benchmarking reports.

Developing a national standard for turf as an erosion control measure (TU13034)

NOW COMPLETE

Key research provider: GED Advisory

Finishing at the very beginning of the 2017/18 period, this project developed an Australian Standard for the use of turf in erosion control in construction management and completed works (such as buildings, roads, waterways, mining and any other situations where turf may assist in erosion control). The new standard was published by Standards Australia back on June 30, 2017 as AS 5181:2017, *Use and installation of turf as an erosion, nutrient and sediment control measure*. Providing requirements for the use and installation of turf as an erosion, nutrient and sediment control measure, as well as guidance on selection of turf species, the standard is now able to be promoted for use in natural resource development, civil engineering and property development projects. More information can be found by searching on the Standards Australia website, www.standards.org.au.



Measuring Australia's green space assets (GC15004)

NOW COMPLETE

HORT FRONTIERS

Key research provider: The University of Technology Sydney

Turf levy was co-invested in this Hort Frontiers Green Cities Fund project. The research was tasked with looking at tools and methods available around the world, and currently used in Australia, for mapping, monitoring and reporting on urban green space – as well as investigating the areas relating to urban green space that stakeholders such as local councils, landscape architects and others are interested to see reporting on. The project developed a blueprint for a potentially nationally-consistent urban green space decision-support framework.

Australian turf industry study tour 2018 (TU17007)

NEW IN 2017/18 & NOW COMPLETE

Key research provider: Turf Australia

This investment, which drew to a close just inside the 2018/19 financial year, facilitated an industry study tour to New Zealand during late June 2018. The tour was intended to support the growth and development of the Australian turf industry, by providing an opportunity for growers to connect with the wider turf industry, attend the 2018 Australasian Turfgrass Conference held in Wellington, and to experience on-farm production in New Zealand. Learnings from the tour were to be circulated through the levy-funded communications program.

National R&D conference 2016 and 2017 (TU15700)

NOW COMPLETE

Key research provider: Turf Australia

This investment supported industry conference and field day events in 2016 and 2017 to help growers run more profitable businesses; learn new production methods; realise the results of levy-funded R&D and marketing projects; assess new equipment, innovations and management practices that may aid more efficient turf production; and professionally network with others in the turf industry.

NxGen 2016-18 (TU15002)

Key research provider: Turf Australia

This project has been responsible for supporting the industry's annual NxGen forums from 2016 into 2018. NxGen events encourage leadership development, communicate R&D and marketing information, and enable professional networking for people aged under 40 in the Australian turf industry, with the turf levy funding enabling a substantially reduced registration cost for delegates to enable widespread professional development of the next generation of Australian turf growers.

An environmental assessment of the Australian turf industry (TU16000)

Key research provider: Infotech Research

Established in late 2016, this ongoing investment is responsible for benchmarking the turf industry's environmental performance, and establishing a lifecycle assessment of turf through its installation. It will point to ways industry can strengthen environmental performance without compromising productivity or profitability for growers, and the information it provides will enable growers to provide carbon footprints and environmental product declarations to the market.

Green industry growing leaders program (MT16002)

Key research provider: The Right Mind

This multi-industry leadership-building project runs and supports the participation of turf and nursery workers in an industry-specific leadership education course. The program, conducted online and through face-to-face sessions, is designed to help participants define their leadership style, manage conflict, shape team culture, communicate effectively and more. Learn more about the course, and register your interest to take part in the 2019 run, at www.therightmind.com.au/programs.

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. Final reports are free to Australian horticulture levy payers, registered Hort Innovation members and industry representative bodies.

Marketing report

Hort Innovation is responsible for investing the turf marketing levy into a range of activities to drive awareness and use of Australian turf, under the Hort Innovation Turf Fund. The 2017/18 marketing program focused on establishing key strategies and activities within a new three-year marketing program.

Laying the foundations for new marketing activities

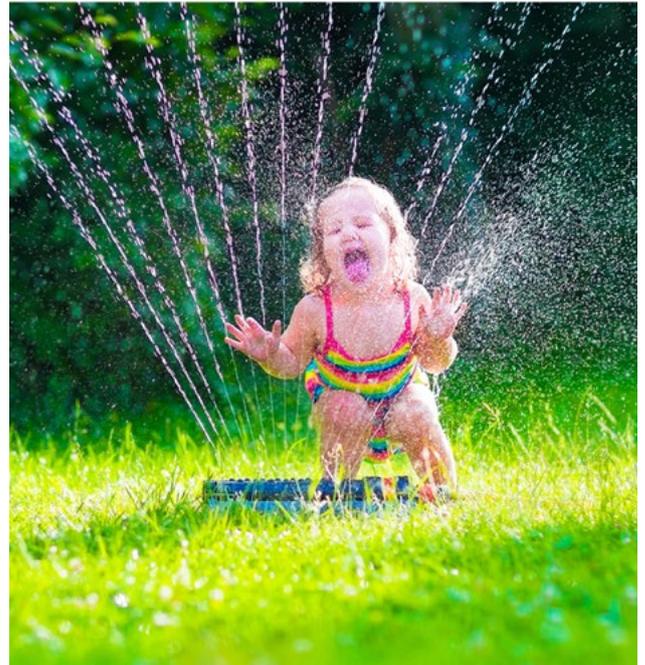
In September 2017, a consumer research project was undertaken with research agency The Practice. The research team interviewed 611 people who had either bought turf in the past two years ('buyers'), or who were considering purchasing turf in the next year ('intenders').

The work was commissioned based on the *Turf Strategic Investment Plan 2017-2021* (SIP). One of the key SIP outcomes is to increase turf revenue by five per cent, plus consumer price index, from targeted marketing programs – by utilising market research to focus levy-funded marketing activities on the benefits customers are seeking, and by disseminating market research to growers to use in their marketing efforts.

A variety of themes were explored through the consumer interview process, covering brand awareness, usage, and purchase drivers. The interviews also unearthed data on general attitudes towards turf.

One of the key insights was that home liveability and saleability are the main reasons for choosing turf, with both buyers and intenders perceiving lawn as an ideal family surface, something that makes the home feel soft and comfortable, and something that adds value to the home.

Almost one in two buyers and intenders reported choosing or intending to choose turf as a replacement for an existing ground covering, and just over a third of buyers and intenders because they were undertaking a landscaping or renovation project.



When examining reasons for purchase, buyers and intenders want the same product attributes from turf: drought tolerance, durability and shade resistance. However, barriers to purchase were identified as the cost of installing and maintaining turf, and concern about the durability with family and pets, indicating that these should be communicated in turf marketing messaging. Finally, price and a convenient location were identified as key drivers on where consumers purchase their turf.

At the point of purchase, consumers were relatively happy with the buying experience, with people appreciating the service and advice from turf farms and nurseries. Interestingly, Bunnings is growing in popularity as a purchase channel, especially for smaller turf projects.

The consumer research also showed websites to be the number one source of information and advice for both buyers and intenders. However, the research showed that consumers were currently visiting numerous websites, with no single authoritative website that buyers and intenders visit.

Finally, based on the research, the target turf consumers were identified as homeowners 28 to 50 years of age, living in the suburbs with kids at home or in the near future. In terms of media, for this audience TV is key in the household, but they are connected on social media to friends and influencers.



Putting the insights into practice

In October 2017, the turf Strategic Investment Advisory Panel was presented with the consumer research and invited to provide advice on a number of concepts that supported its findings. This advice formed the basis of the new industry marketing strategy.

The strategic challenge that needs to be overcome to help increase demand for turf is trying to get more home owners to prioritise turf in home improvement plans. This could be achieved by inspiring them to achieve their dream outdoor space, reducing their perceptions on the barriers to buying turf, and educating them on the benefits of purchasing turf.

With this in mind, the key strategies and underpinning activities for the next three years in Hort Innovation Turf Fund marketing activities have been set out as follows...

1. **Create and provide the tools** to streamline the process from research to purchase for turf consumers. Key initiatives for this strategic pillar include creation of a new consumer website highlighting the benefits of turf for consumers and housing new consumer tools to aid selection, costing and designing, and locating a turf supplier.
2. **Demonstrate the value of turf**, reinforcing the health, social and financial benefits of a quality lawn and outdoor space. Key initiatives here will include a new approach to social media including paid Facebook advertising to capture consumers considering turf as part of their new home or renovation, and a public relations (PR) campaign to educate consumers on the health, social and financial benefits of turf.
3. **Inspire the Australian Dream.** This strategy area is about strengthening the presence of a quality lawn in the 'ideal' outdoor space of Australian homeowners. Key initiatives will include PR and video content that showcases real Australians and their turf stories, and how important turf is to their families' wellbeing.



A brand-new website

The initial priority and focus of the new three-year marketing program was the development of a new consumer website.

The new website launched just outside the 2017/18 period in July 2018, at www.lawnspiration.com.au. The site aims to deliver broad information about turf and its benefits, as well as linking customers to turf growers and suppliers.

The website is split into five key sections, and houses content that has been developed in collaboration with industry:

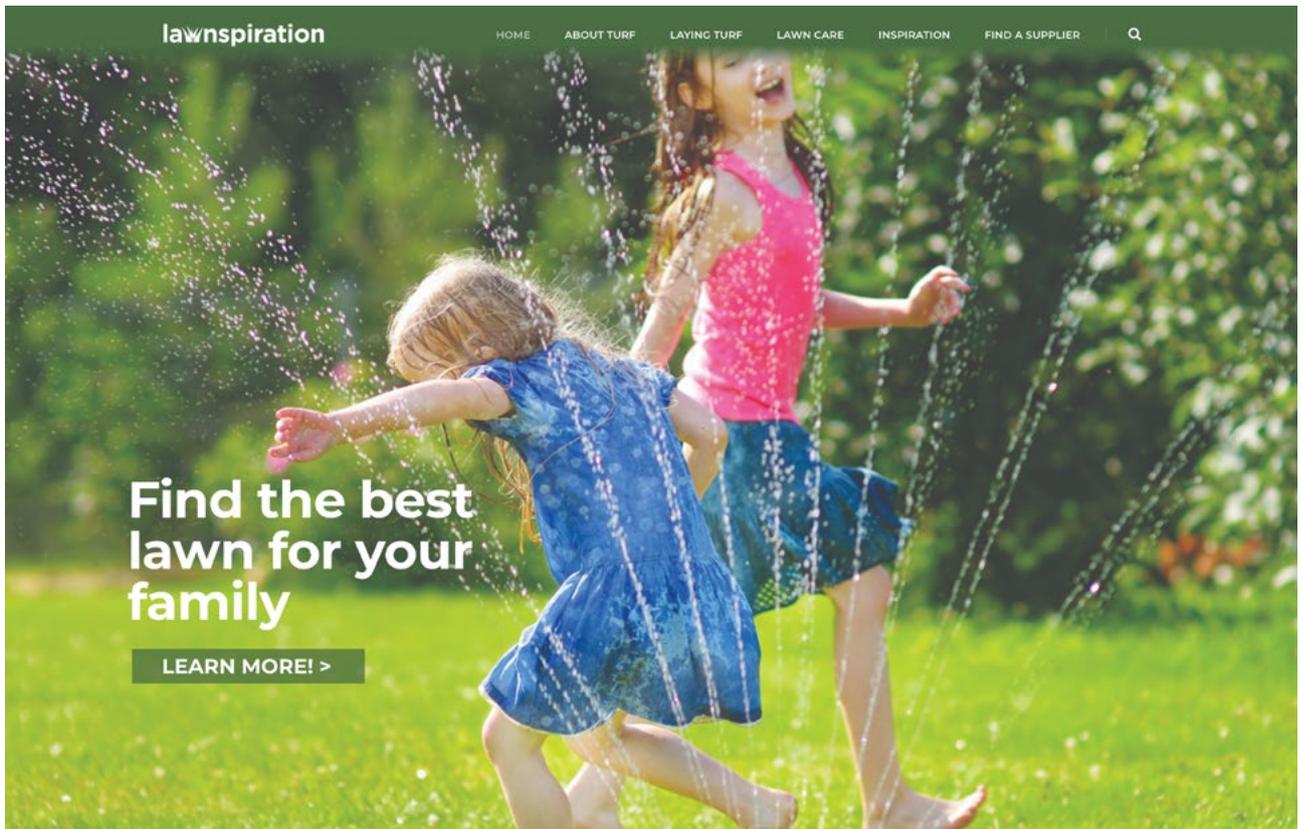
- » About turf: a guide to the major turf varieties and the key benefits of turf
- » Laying turf: guides to choosing and laying turf
- » Turf care: tips on lawn maintenance, including seasonal maintenance advice
- » Inspiration: pictures and articles to inspire people to add and improve their lawn

- » Find a supplier: a sophisticated Google plug-in, allowing consumers to type in their postcode to find their nearest turf supplier, as well as their phone and email details and website link.

Additionally, some of the features of the website include a link to the Lawnspiration Facebook page, an industry link at the bottom of the site to direct growers who access the page to the Turf Australia website, and a turf cost calculator.

Traffic will continue to be driven to the website through a digital and social campaign in 2018/19, as well as a PR campaign to tie into the SIP strategy to target key opinion leaders and influencers to help increase demand for turf.

The digital marketing campaign will leverage the existing consumer-facing Lawnspiration Facebook page, with content developed to target broad recruitment of new and potential turf buyers as opposed to deep engagement of existing turf owners.



Financial statement

Financial operating statement 2017/18

	R&D (\$)	MARKETING (\$)	TOTAL (\$)
	2017/18 July – June	2017/18 July – June	2017/18 July – June
OPENING BALANCE	415,838	62,437	478,275
Levies from growers (net of collection costs)	442,014	110,608	552,621
Australian Government money	528,283	–	528,283
Other income*	10,242	1,957	12,199
TOTAL INCOME	980,539	112,564	1,093,103
Project funding	856,840	63,550	920,390
Consultation with and advice from growers	38,072	2,891	40,963
Service delivery – Base	36,980	2,745	39,725
Service delivery – Shared	55,998	4,157	60,155
Service delivery – Fund specific	68,677	5,099	73,776
TOTAL EXPENDITURE	1,056,567	78,442	1,135,009
Levy contribution to across-industry activity	22,599	–	22,599
CLOSING BALANCE	317,211	96,559	413,770
Levy collection costs	37,572	9,289	46,862

At the end of 2016/17, the industry's pro rata share of levy funds were committed to strategic reserves (\$81,714 for R&D and \$22,386 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.

Hort Innovation

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