

Statement of Corporate Intent


Te ara whāinga ki mau

2022–2026



Contents

Rārangi take

	Chair and Chief Executive's Review	02
	Tā Mātou Rautaki	04
	Te Ara Tika	08
	Digital Blueprint	10
	Science Excellence	12
	Partnerships	14
	Mātauranga Māori	16
	Smart Investments	18
	Financials	20
	Performance Indicators	22
	Financial Projections	25
	Business Policies	26
	Directory	28



Chair and Chief Executive's Review

Ngā arotakenga o te Heamana me te Tumuaki Whakahaere



Ryan Chanyi—the recipient of AgResearch's Early Career Researcher Award in the 2021 Science NZ Awards—has played a key role in the development of Accelerated Evolution technology in the fermented foods space. This research presents opportunities for the creation of new and distinctively Kiwi fermented food products that appeal to consumers.

AgResearch's science will continue to play an important part in the research and development sector's response to accelerate New Zealand's economic recovery from the COVID-19 pandemic.

Our vision is to provide science-led innovation to New Zealand's primary sector and help address environmental concerns on our journey towards a sustainable future.

It's a formidable challenge—one we are confident we can meet.

In this *Statement of Corporate Intent*, we explain how we will go about this task and provide detail on the strategy that will underpin our business operations over the next five years.

Our strategy—*Tā Mātou Rautaki*—is the map to guide us.

It is supported by strategies that focus on Te Ao Māori (Te Ara Tika) and *Te Mahere Matahiko*, a Digital Blueprint to support our overarching AgResearch strategy by outlining the digital transformation we plan to take over the next decade and beyond.

Tā Mātou Rautaki contains four main focus areas, and we provide a detailed breakdown on each in this document.

The first is Science Excellence.

We are tailoring our science to meet the changing needs of the sector and its consumers through science excellence. We view it as science vitality—where we consider science excellence as more than an output; rather, it encompasses all the parts that sit in the background to ensure that quality science can be created. We have become the first New Zealand research organisation to sign up to the San Francisco Declaration on Research Assessment (DORA), committing to valuing the scientific content of publications over and above traditional metrics. We are also excited that one of our enabling platforms is building AgResearch's and partners' capacity and capability to lead transdisciplinary, transformative research.

Of equal importance are our partnerships, our second focus area.

Partnerships accelerate and increase the impact of our science. We will continue to work closely with Māori, industry, farmers, government, and other research organisations to deliver meaningful and mutually beneficial partnerships. Climate change mitigation will remain a key focus for us in the coming years, building on our contributions as a science voice into several joint industry, government, and Māori initiatives.

In line with our shareholding Minister's expectations, we will continue to collaborate with other research

organisations. We will continue strengthening our relationships with our university partners, particularly where we are co-locating and deepening the ways we work with the other Crown Research Institutes (CRIs).

We will support Te Ao Māori and remain committed to working with our te Tiriti o Waitangi partners. Te Ara Tika—our way of being—brings a unique Māori approach to our science and knowledge, skill, and confidence in Te Ao Māori. Te Ara Tika is ambitious and long term. Within that, our third focus area is Mātauranga Māori.

Our fourth and final key focus is Smart Investments.

We will create value for Aotearoa and our sector by investing wisely in our people and our science.

As a CRI, commercial returns from our work will be reinvested into innovative science that enhances our ability to deliver on our core purpose.

We know that for science to thrive, efficient processes, an enabling organisational culture, quality infrastructure and skilled support staff are needed. The Board looks forward to meeting these challenges and delivering on the opportunities. We are extremely optimistic about the value our research can add to the contribution agriculture has and will continue to make to New Zealand's pandemic recovery.

Te Ara Paerangi—Future Pathways, the Government's multi-year programme focusing on the future of New Zealand's research system, is an opportunity for New Zealand's science system, AgResearch, our staff, and our national and international stakeholders to reimagine the system. We are excited to engage in this discussion and contribute some of our future-focused thinking.



Dr Paul Reynolds QSO
Chair

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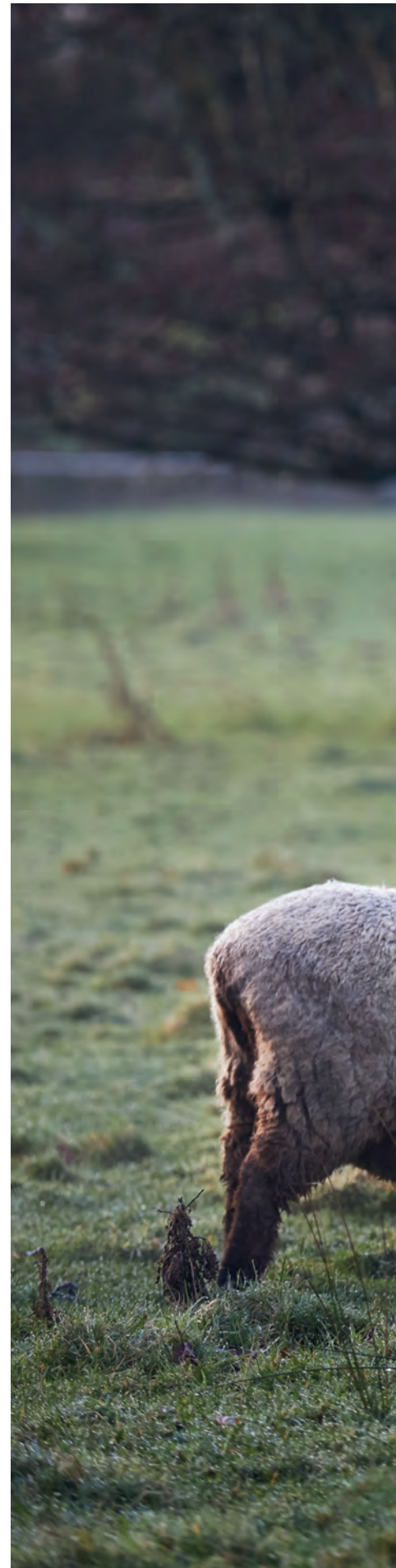


Dr Sue Bidrose
Chief Executive Officer

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Tā Mātou Rautaki

Our Strategy





AgResearch's strategy *Tā Mātou Rautaki* is our plan to achieve our long-term aim of leading agri-based science innovation. Launched in 2021, it describes who we are, how we deliver our science, what our future-focused research will look like and how we will know we are succeeding in our mission.

We have identified four areas of focus to create a thriving culture and generate meaningful and enduring impact. They are interlinked, with success in one being tied to success in another, and they are the product of an organisational co-design initiative to nurture and sustain strong science vitality at AgResearch. They include:

- Science Excellence: Strengthening connections with science vitality and science excellence
- Partnerships: Fostering strong collaboration, including partnerships
- Mātauranga Māori: Fully embedding Te Ao Māori within our ways of thinking and working
- Smart Investments: Ensuring that we invest appropriately in a talented workforce, fit-for-purpose infrastructure, resources and processes.

Supporting New Zealand's agricultural endeavours to be the best they can be has always been at the heart of what we do at AgResearch.





Defined by our government shareholder over a decade ago and still relevant today, our core purpose is to use science “to enhance the value, productivity and profitability of New Zealand’s pastoral, agri-food and agri-technology sector value chains to contribute to economic growth and beneficial environmental and social outcomes for New Zealand”.

Our strategy ensures we are positioned to support the Government’s science and innovation priority areas. They include transitioning New Zealand’s primary industries into higher-value products and exports; understanding and mitigating the effects of climate change; maintaining the health of land, water, and living systems; moving to a low-carbon emissions society; reversing the decline in biodiversity; and maintaining biosecurity, including a focus on pests and weeds.

Within *Tā Mātou Rautaki* we have our Science Plan, which is an objective-focused framework to help prioritise and integrate all science undertaken by AgResearch. It aims to be the cornerstone support of our organisation’s strategic and operational thinking and activities across the science and science support space. Like *Tā Mātou Rautaki*, it was developed with the knowledge that future food production systems will be significantly different than they are today. It was also created with the knowledge that we must develop new and effective transdisciplinary teams with partners outside our traditional networks.

Tā Mātou Rautaki provides AgResearch with the remit to prepare for a future where policy, consumer, technology and market drivers (existing and yet to be imagined) will interact and offer opportunities for transformed agri-food systems. To support New Zealand’s primary sector path to transformation, our science must be bold, agile and future focused, and we must have the flexibility to leverage and develop new ideas to achieve this overarching goal. We are compelled to scan the horizon and position our research accordingly and, where needed, shift its balance and invest more resources (e.g., increasing capacity in food science).

□ *Our focus*

Te Ara Tika

AgResearch's Te Ara Tika is a plan to transform ourselves through Te Ao Māori.

Brett Te Whare (middle) of Aramiro Station with AgResearch's Waipaina Awarau-Morris (left) and Kaiurungi Chris Koroheke (right) at Aramiro Station, Raglan



Te Ara Tika directly addresses the barriers Māori people and organisations experience working with a traditional science organisation.

And it signals and strengthens our commitment to our te Tiriti o Waitangi partners.

Ambitious and long term, a key driver of Te Ara Tika is to bring a unique Māori approach to our science and create meaningful impact for Māori by:

- Embracing Mātauranga Māori as an equal knowledge system
- Being impact focused and delivering to Māori land, businesses and communities
- Honouring the Treaty relationship our partners have with the Crown
- Co-leading, co-designing and implementing to build the capabilities of our partners and ourselves
- Aligning our values to the values of our partners.

Te Ara Tika is future focused. Its mataora (life cycle) and whanaketanga (evolution) will be guided by an implementation plan, which has identified specific objectives that require immediate attention in order to deliver stronger outcomes to Māori within a Te Ao Māori context.

Of critical importance is the need to address a shortage of Māori researchers working in the land-based science sector. It is also crucial to work with rangatahi who have an interest in science, support them to become part of the science sector and, ultimately, see them influence how it functions.

Over the next five years we will proactively build a pipeline of Māori researchers through partnerships – formalised in current and future Memorandum of Understanding agreements with Māori partners such as Waikato-Tainui, Poutama, Miraka, Te Pu Oranga Whenua and Wakatū Inc. We will strengthen our capacity by seconding staff to and from stakeholder entities and extending the relationships we share within the tertiary sector and our work with our PhD pipeline and Post-Doctoral researchers. We will also work with others such as Dairy NZ; the Ministry of Primary Industries; Maori education initiatives such as Puhoro STEM and Kura Kaupapa Maori; universities; and other CRIs.

Engrained in Te Ara Tika is the key principle that our research and relationship with Māori within a Te Ao Māori context must be co-led and co-designed. This will be exhibited and reflected in our commitment to Māori and our Treaty partners through building partnerships and capability; aspirations and responsibilities that are embedded in our Mātauranga Māori focus areas.

The proper handling and protection of research involving indigenous flora and fauna is of paramount importance to our stakeholders, as are protections around Māori data sovereignty. To that end, we are developing Wai262 and Māori data sovereignty policies to guide our work.

We will also embed mana whenua relationships in AgResearch's research centres. An example of this will be a cultural narrative embedded within our new build in Lincoln as a physical manifestation of our relationship with Ngai Tahu. This will demonstrate to our traditional and non-traditional stakeholders how our transformation through Te Ao Māori will lead to ata matai, matai whetu (innovative and quality science).



Digital Blueprint

We have developed *Te Mahere Matahiko*, a Digital Blueprint to support our AgResearch strategy by outlining the digital transformation we plan to make over the next decade and beyond.

An advisory group made up of a cross section of staff from AgResearch engaged internally and externally to understand the trends, challenges, opportunities and aspirations our people and stakeholders have for the future.

We are proud that *Te Mahere Matahiko* aims to create a digital culture founded on manaakitanga (care to others in our domain) and kotahitanga (unity and collective benefit). It focuses on facilitating and supporting digital tools that are accessible and welcoming of all and celebrate our rangapū mahitahi (partnerships).

Te Mahere Matahiko will also challenge our science and scientists to consider new paradigms, methods and digital tools to improve the delivery of research. Where appropriate, we also actively pursue open science principles to share and grow our knowledge and be guided by scientific rigour.

Te Mahere Matahiko is supported by systems roadmap and tactical plan *Te Ara Pūnaha Hangarau*. This outlines our priorities for next two to four years with an initial focus on operational efficiency to improve our processes and systems along with building on our collaborations with other CRIs on cybersecurity and Māori data sovereignty.

We will strive to keep pace with science and technology that allows us to act quickly on new innovations and inventions.

In forming tā mātou matawhānui matihiko, our vision for digital, we considered not only the challenges we face in delivering science today but explored trends in technology, science and innovation eco-systems and broader society to anticipate what tomorrow might look like: what we will be doing and how we will be doing it.

Te Mahere Matahiko seeks to enable the aspirations as outlined in *Tā Mātou Rautaki* (2021) and the *Science Plan* (2019). Further, we seek to use our digital tools to facilitate transparent, respectful and supportive change as we transition to new structures and new ways of working and undertake our digital transformation.

Digital transformation entails a significant change to how we deliver our science, how we operate and how we engage. It is all too easy to focus technology delivery on back-office efficiencies where market offerings are plentiful; however, we aspire to strength in digital delivery for our core purpose and have already detailed an eResearch Plan to:

- Grow capability in digital research methods and tools
- Establish a flexible eResearch infrastructure with fit-for-purpose components
- Deploy new digital services that support efficiency, quality and reproducibility of research and other AgResearch operations
- Position AgResearch as a sector leader amongst the CRIs in the eResearch area.



□ Our focus

Science Excellence

Clarospec is an award winning innovation that enables real-time meat product quality measurement through the use of hyperspectral imaging technology. Clarospec is a part of the Sprout Accelerator 2021 intake. Clockwise from top left: the Clarospec Scanner, Dr Mos Sharifi and Dr Cameron Craigie with their On Farm Systems award and supreme overall Research Grand Prize award in the Food Fibre and Agritech Challenge for 2021, meat moving through the Clarospec Scanner, Dr Cameron Craigie presenting at the 2021 Food and Fibre Challenge.



Science excellence is the foundation for all science-based organisations.

Science excellence criteria traditionally were defined by scholarly achievement relevant to the topic context; recognised world-class capability; transformative science in terms of risk; novelty, scientific and technical stretch; and generating internationally renowned new knowledge.

At AgResearch we have reimagined and redefined what science excellence means to our organisation, our future direction and the end-users of our science.

The process to embed science vitality into our organisation was guided by the aim to create a learning environment that fosters creativity, inclusiveness, trust, and connectivity. We consider science excellence as more than an output. To signal our commitment to this approach, we have become the first New Zealand research organisation to sign up to the San Francisco Declaration on Research Assessment (DORA), committing to valuing the scientific content of publication over and above traditional metrics.

As part of building a culture of creativity, collaboration and inclusiveness, our Open Innovation Portal—a virtual ideas factory and shared forum that all AgResearch can upload, view, share and provide feedback on ideas, science research design and other innovations—will continue to change the way our scientists communicate, collaborate and accelerate ideas into action.

Planning for the future is key. Under our Science Groups, which operate under the umbrella titles of Digital Agriculture, Ethical Agriculture, Resilient Agriculture and Smart Food and Biobased Products, we are identifying the capabilities New Zealand needs and the core skills or new capabilities AgResearch needs to retain, attract or build for the future. As part of that, we are reimagining a broader range of career pathways for researchers as part of a remuneration and promotions work programme (under Smart Investments).

We are investing Strategic Science Investment Fund (SSIF) in an enabling platform around transdisciplinary and transformative research. It focuses on enhancing capacity and capability of our staff and partners to lead and participate in integrated research; provides an integrative 'hub' to connect existing and new related initiatives in our organisation and beyond; assists our researchers to share learnings, build capacity and capability to develop and strengthen relationships with Māori partners and Te Ao Māori; and to monitor, evaluate, reflect and learn from what is working and what isn't within an AgResearch context, and shares this within our organisation and externally.

Accelerating impact from our science is a key focus for us. Our Science Team Leaders, working with Science Group Managers, our Insights Team and others, will provide direction, oversight and monitoring as part of assessing our delivery of impact against our science objectives in *Tā Mātou Rautaki*. This will feed into our evidence-based strategic and operational decision making to better prioritise where we focus.

Independent advice is vital. Our International Science Advisory Panel (SAP) remains an important voice in our evolution and a key influencer on science, our vitality and our future strategic direction set by our management and our Board. The panel is made up of Emily Parker (Victoria University), Henning Steinfield (Food and Agriculture Organisation of the United Nations), Rickey Yada (University of British Columbia), Bronwyn Harch (Australia) and an expert in Mātauranga Māori, Dr Dione Payne (Lincoln University).

Independent science and industry advisors will also provide valuable feedback through variety of programme steering groups or advisory groups for significant SSIF, industry or Ministry of Business, Innovation and Employment (MBIE) funded programmes. Post COVID-19 and as part of taking a stronger, strategy-led approach, we will re-establish a programme of deep dives into key research areas in the coming years to review progress and help with capability planning and direction.

Partnerships

New Zealand is facing a period of rapid and unprecedented change. The challenges facing our nation directly affect our sector and our partnerships, which enable New Zealand to provide solutions to domestic and international stakeholders, are directly affected by our nation's current challenges.

Climate change is a cause for much uncertainty in the primary sector, as we attempt to adapt and find ways to mitigate against the effects of our changing atmosphere and environment while balancing the changes we make in an increasingly fragile ecosystem. Freshwater quality and availability, threats to our biodiversity, and resource scarcity have far-reaching, downstream effects on our food security.

We know the size of the challenge ahead and we have an appreciation, thanks to scientific evidence, of the urgency required to deliver solutions. AgResearch is partnering to help government agencies and our stakeholders—both within New Zealand and abroad—to tackle these problems in a joined-up manner that provides the necessary scale and maximises the impact of our research.

To achieve this, we need to create partnerships with Māori, industry, farmers, government, and other innovation and research organisations, both privately and publicly owned, who provide mutually beneficial outcomes for the primary sector.

Te Ara Tika is our ambitious long-term plan to transform AgResearch into an organisation that brings a unique Māori approach to our science. Engrained in Te Ara Tika is the key principle that our research and relationship with Māori within a Te Ao Māori context must be co-led and co-designed. This will be exhibited and reflected in our commitment to Māori and our Treaty partners through building partnerships, capability, aspirations and responsibilities that are embedded in our Mātauranga Māori focus areas.

The flow-on effects will be numerous. Partnerships lead to better science outcomes. We also believe we can help create bridges and foster more meaningful relationships between other government entities and institutions and private

entities, given the leadership role and forums we are lending our scientific expertise to. Many of these organisations are at the Government and primary sector interface.

They include the Government's Biogenic Emissions Reduction Science Accelerator, continued hosting of New Zealand Greenhouse Gas Research Centre and He Waka Eke Noa, which is a cross-sector leadership initiative with a strong science component to tackle the challenges of climate change for farming and help inform policy measures and settings.

Another guiding strategy is Government and industries' Fit for a Better World. AgResearch is using its capability to increase impact and provide research scale with our sector partners to support these priorities. For example, Regenerative Agriculture helps provide the farming sector with evidence-based and future-focused research pertaining to Regenerative Agricultural practices and a systems-level understanding of its impact for our whenua.

Science collaborations are critical.

Nationally we remain committed to a range of collaborations, including Better Border Biosecurity (B3) a long standing collaboration that receives direct SSIF support; New Zealand Food Safety Science and Research Centre (FSSRC); FoodHQ and other projects with Massey University and Riddet Institute; Biopolymer Network (BPN); Bioresource Processing Alliance (BPA); Bioprotection Aotearoa, the next iteration of Bioprotection Research Centre; Joint postgraduate school in Food Transitions, with Lincoln University and the University of Canterbury.

National Science Challenges are another key collaborative vehicle we remain committed to. We are the host of, as well as collaborators in, Our Land and Water National Science Challenge. We have research collaborations with Biological Heritage, High Value Nutrition, Science for Technological Innovation and Building Better Homes, Towns and Cities National Science Challenges.

Internationally, we continue to build global science collaboration and reputation and are doing a refresh of our strategic research relationships to help position our research for the future. We also support, directly and indirectly, New Zealand stakeholders abroad and work with international companies. The latter helps support world-class capability development by exposing our researchers to international trends and connections. We also support New Zealand's connectedness through science diplomacy by

working with government agencies, such as New Zealand Trade and Enterprise and the Ministry of Foreign Affairs and Trade, to support government trade and policy goals.

A key focus area is forging deeper connections with our CRI partners. Following MBIE's Te Pae Kahurangi review of CRIs and signals in the subsequent Te Ara Paerangi – Future Pathways, we are committed to working more closely with these like-minded institutions.

To that end, we are building stronger cross-CRI science collaborations in areas such as food, regenerative agriculture and working with Māori partners. AgResearch is taking a leading role around genetic technologies, bringing together relevant CRIs to share knowledge and create scientific leadership regarding the latest innovations, implications, and potential of genetic technologies.

We are committed to joining forces in support functions such as technology and digital services, finance, human resources (including a shared Equity, Diversity and Inclusion initiative around building Māori capabilities) to share knowledge, resources and ensure there is alignment in our future directions.

Our partnerships with the tertiary sector are also of profound importance. We have embarked on a strategy of physical co-location, which maximises the potential of our common research interests. AgResearch and Lincoln University advanced this shared interest ahead of our campus co-location by signing a Letter of Intent in a key strategic initiative, for both organisations who are developing a model for blending science and design thinking for more successful agri-innovation.



CRIs pool science expertise at the annual National Fieldays at Mystery Creek in Hamilton. We create a government corridor showcasing AgResearch, NIWA, Manaaki Whenua and Scion as CRIs alongside the Ministry for Primary Industries.

□ Our focus

Mātauranga Māori

Izzy Rewiri-Wharerau was a summer intern during the 2021-2022 intake. She came to AgResearch through the Puhoro STEMM Academy and spent her time with the Food Systems Integrity Team based at our Palmerston North campus. Her focus was on using molecular methods to phylogenetically group E.Coli isolated from environmental samples as a way to identify sources of fresh water contamination in the Manawatū River.



AgResearch is enriching science in a uniquely Aotearoa-based way by building our understanding of Māori knowledge systems. Our efforts to embrace Mātauranga Māori, through our investment in Māori research and Māori partnerships, is a key part of both our strategic focus area of Mātauranga Māori and our company-wide Te Ara Tika plan that guides our cultural transformation.

We believe Māori-centred and kaupapa Māori research will augment our existing internationally respected reputation for impactful science and deepen and broaden its adoption. While we are embracing a uniquely New Zealand approach and deepening our relationship with tangata whenua, our journey is similar to those many traditional research organisations have made: we are broadening our focus and embracing and learning from different perspectives, which will, ultimately, lead to more rounded and considered scientific outcomes.

We are assessing the future of all research endeavours through more than just a financial lens and embracing sustained economic outcomes, alongside environmental, social and cultural outcomes. Using a quadruple helix approach (working with government, industry, science and Māori) with Mātauranga Māori as our guiding force, we will create a common vision with stakeholders both here and abroad. It will help build engagement, trust, clarity of expectations and understanding of each partner's key strengths. In doing so, we will become leaders in adopting principles of co-design and co-innovation, share responsibilities and risks, and build interdependence.

Engrained in Te Ara Tika is the key principle that our research and relationship with Māori within a Te Ao Māori context must be co-led and co-designed. This will be exhibited and reflected in our commitment to Māori and our Treaty partners through building partnerships and capability; these are aspirations and responsibilities that are embedded in our Mātauranga Māori focus areas.

AgResearch will invest in this approach through our Enabling Māori SSIF allocation. We will increase our targeted research allocation from \$2.2m in FY22 which represents about 5% of our total SSIF budget to \$4.4m in FY23.

Our SSIF investment will also help to build a pipeline of Māori engaged in science. Our Early Career Ambassador

(Māori) is focused on outreach with rangatahi including our Te Puawaitanga internship programme. Our Enabling Māori SSIF means we are investing directly in our Māori partners who will co-lead their own research direction and agenda. AgResearch will learn alongside them, and this will allow our scientists to get directly involved in Te Ao Māori centred opportunities.

For example, we have forged a relationship with Te Pū Oranga Whenua as part of the New Zealand Bioeconomy in the Digital Age science programme. Our researchers work with the Māori collective, including Ngāti Pāhauwera Development Trust, Paroa Trust, Grandad's Beef, Ora Innovation Group Ltd and Ngaporo Waimarino Forest Trust. We are working as a single transdisciplinary team to trial new ways of working together to understand what matters for Māori businesses and communities when it comes to transformation of the agricultural sector by digital technology. Te Pū Oranga Whenua will lead to research areas blending Te Ao Māori and digitalisation design to meet Māori needs and desired outcomes for Māori land utilisation.

Over the next five years we will also continue to invest in our relationship with Waikato-Tainui. This will build from last year's memorandum of understanding in areas of mutual interest to lift capability and enhance environmental outcomes, especially water quality.

We will research non-chemical animal remedies through indigenous flora as a component to the holistic kaitiaki farm plan model with the Kohimarama Research collaboration (Ngā Uri o te Ngahere Trust, Pakihiroa Farms and Tauhara North 2 Trust). These partners are providing access to 185,000 hectares of Māori-owned land in four regions.

We are partnering with Poutama, an independent charitable trust established to provide business development services to Māori, through our Kotahitanga agreement. This will maximise the skills, networks and capabilities within the orbit of both organisations to help whenua-based (land-based) and Māori food and beverage businesses flourish.

Another key partner, Wakatū Incorporated, has a strong market presence in the food and beverage industry and export to over 25 countries. We have many mutual areas of interest, both commercial and scientific, and will utilise SSIF to co-develop research areas of mutual interest and explore new product development. Our agreement also extends our geographical reach and relationship building with iwi. Wakatū shareholders descend from original landowners in Te Taihū (Nelson, Tasman and Golden Bay regions) and whakapapa to four iwi, Ngāti Koata, Ngāti Rārua, Ngāti Tama and Te Ātiawa.

Smart Investments

AgResearch is creating value for the primary sector through smart investments in our people, fit-for-purpose infrastructure, resources and processes. Therefore, through Smart Investments we seek to maximise the potential of our people by providing them with an environment in which they can flourish.

As a business that puts people first, our people's wellbeing and safety is paramount—particularly with the challenges AgResearch, New Zealand and the world have faced with COVID-19. While continuing to raise the bar on our organisational health and safety, we are now shifting focus on implementing our Toi Ora Framework to effectively manage psychosocial risks.

We have a strong focus on fostering an inclusive and transparent culture in which equity, diversity and inclusion remain key priorities for us. To that end, we have a specific goal to reduce our gender gap to 12.9% by 2025. It currently sits at 14.9%. (Our goals around Māori are captured under our Mātauranga Māori section).

To ensure we retain our diverse set of skills and experience and attract future talent, we will focus on providing career pathways for women, Māori and minority groups to move into more senior leadership roles. A significant initiative for us is redesigning our remuneration framework to ensure we are a fair and equitable employer by including career descriptors and promotion processes that offer alternative career pathways.

We will also improve our recruitment practices by using diverse and representative recruitment panels, offering unconscious bias training for hiring managers, and offering remuneration consistency for men and women in like-for-like roles. We will be working collaboratively with our people, the PSA, our CRIs and co-located partners as part of strengthening an inclusive culture.

Sustainability

AgResearch also wants to provide and act as an example to our people so they can feel pride in the place they work. New Zealand's seven CRIs and Callaghan Innovation have formed a formal group with the aim to collectively decarbonise our businesses and reach net carbon zero status. Much of this group uses Toitū Envirocare (formerly Enviro- Mark Solutions, a wholly owned subsidiary of Manaaki Whenua Landcare Research) for guidance, advice, carbon measurement and reporting on the progress we make. AgResearch's focus for the coming year is to develop an aspirational but robust emissions reduction plan that will align with Government goals and that of our sector. Once the plan is in place, we will focus on developing and implementing a broader sustainability plan. The knowledge we acquire will also be shared with our stakeholders, many of whom are voluntarily embarking on the same journey we are taking towards becoming a more sustainable businesses.

Our infrastructure

To ensure our researchers are well placed to remain at the forefront of land-based science innovation, we are continuing to reinvest in new infrastructure in keeping with our strategic decision around our four-campus model and working closely with the tertiary sector. Our focus in the coming year is very much on completing our new research centre on the Lincoln University campus by the end of 2023. The project is a significant investment of the Government and AgResearch's own commercial returns. As well as working with mana whenua around a compelling cultural narrative for our new building, we are also working closely with Lincoln University on ways of working together and capturing the full benefits of co-location.

We are also focusing on more fully capturing the collaborative value of Te Ohu Rangahau Kai, AgResearch and Massey University's shared food research facilities in Palmerston North.

We are arming our people with the right equipment to do their jobs. In response to the increased demand and importance for high-powered digital hardware and computing power, over the next five years, AgResearch will implement a new *Te Mahere Mahiko*, Digital Blueprint: it is one of our key initiatives that addresses a wide range of areas, including digital security, data sovereignty, the transformational opportunities for our sector and our research.

We have a five-year capital expenditure plan that provides guidance to our staff and enables us to engage with other potential partners about opportunities to collaborate or share significant future purchases. This will ensure we are able to attract, support, and retain high-quality staff and be an effective partner for national and international collaborations that sustain our culture of innovation excellence.

Science Investment

We are undergoing a transition towards a more firmly strategy-led organisation, in terms of what capabilities we maintain and develop and what science projects we will do and aspire to do. As well as delivering to MBIE's expectations, we are using our SSIF funding to:

- Deliver key outcomes for New Zealand and our stakeholders as outlined in AgResearch's *Statement of Core Purpose*
- Reinforce the delivery of the AgResearch Science Objectives within our strategy *Tā Mātou Rautaki*
- Balance investment in key priorities for existing stakeholders with ensuring our research focuses on more transformational research. We are continuing to shift some of our SSIF investment into new areas of research, such as the Enabling Platforms and Integrative Initiatives and are generating new, riskier, high-potential ideas.



Our new facility in Lincoln is advancing well (top) with coloured precast panels in place and ComFlor being laid in the science wing. We are on track to occupy the building in 2024.

Pūrongo pūtea

Financials





Performance Indicators

The following indicators include the set required by MBIE (consistent across all CRIs) and AgResearch’s more tailored performance indicators.

These are organised according to our four focus areas - Science Excellence, Partnerships, Mātauranga Māori and Smart Investments

		FY23 Target	FY21 Actual
Science Excellence			
Strong collaboration, creativity and connectivity			
Strong creative collaboration	People have easy access to colleagues to explore ideas or receive feedback	>70% favourable	
	Increased engagement with open innovation across research levels	Achieved	Not reported
Collaborative peer-reviewed research outputs	Co-authorship with collaborators	>80% of journal papers	87%
	Impact of scientific publications (mean citation score) *	2.7 **	4.0
Contributing to research impact			
Support Open Science	Draft and implement Open Access policy	Achieved	Not reported
	Launch new Output Management System to enable Green Open Access	Achieved	Not reported
Drive and demonstrate research impact	Continue to grow impact-enabling capability and culture	Achieved	Not reported
	Increase independent evidence-based research impact analyses	15	Not reported
	Commercial reports per scientist FTE *	1.0	1.2

* MBIE generic performance indicators.

** By signing DORA, AgResearch made a public commitment to valuing the scientific content of a paper over and above any publication metrics or journal indices. The Metrics Toolkit (https://www.metrics-toolkit.org/metrics/citations_articles/) advises, “Citation counts should never be interpreted as a direct measure of research quality.” We request that MBIE reconsiders its requirement to report this metric in light of this information.

		FY23 Target	FY21 Actual
Partnerships			
Influence and meet stakeholder and partner needs			
Shape stakeholder and partner strategy	Understanding of, and contribution to, stakeholder/partner strategy	>70% favourable	Not reported
Strong relationships with stakeholders and partners	Preference to work with AgResearch	>70%	Not reported
Partnerships and collaborations for a future science agenda			
Continue to build global science collaboration and reputation	Refresh our strategic research relationships	Achieved	Not reported
Influenced by international experts	Continue to consult and act on the advice of our International Science Advisory Panel	Achieved	Achieved
Strong investment in our research	Revenue per FTE from all sources *	\$252.0k	\$265.0k
	Revenue per FTE from industry *	\$80.0k	\$95.3k
Mātauranga Māori			
Adopt a Tiriti-led approach			
Build trusted relationships with clear expectations	Create a common vision with partners from government, industry, science and Māori	Achieved	Not reported
Our research and enabling services contribute to Māori-centred and kaupapa Māori solutions	Preference to work rating by our Māori partners	>60%	Not reported
Invest directly in our Māori partners to co-lead research direction and agenda	Increase Enabling Māori Strategic Science Investment Fund (SSIF) allocation	\$4.4m	Not reported
Continue to develop te ao Māori capability and capacity			
Build pipeline of Māori engaged in science	Continue Te Puawaitanga internship programme	Achieved	Not reported
	Invest SSIF to build capability of research Māori research and advisory staff and Māori partners	Achieved	Not reported
Developing our people's capabilities and confidence with Te Ao Māori	Strong participation in our kaupapa Māori cultural development programme	>50%	Not reported
AgResearch is empowering appropriately resourced Māori partners to achieve their social, environmental, cultural and economic aspirations through four Kaupapa Māori research projects by 2027	Initiate co-led co-design activities with Māori partners	Achieved	Not reported

* MBIE generic performance indicators.

		FY23 Target	FY21 Actual
Smart Investments			
Our People			
Staff wellbeing actively promoted and supported	Implementation of our Toi Ora Framework to enhance our people's wellbeing	Achieved	Not reported
Strong health and safety culture	Wide recording of safety observations	200	Not reported
	No notifiable injuries and <2 notifiable events	Achieved	Achieved
	My Manager shows by his or her behaviour a commitment to Health and Safety	>90%	
Employee experience	Strong Engagement Index	>70%	71%
	Strong staff participation in staff engagement survey across each team	>70%	
Workforce stability and retention	Stable annual people turnover	<10%	
Fair and equitable recruitment and reward	Recruitment and remuneration policies and practices refreshed	Achieved	Not reported
	Gender pay gap reduced	<13.9%	Not reported
	Commitment to pay gap reporting in our Annual Report	Achieved	Not reported
Recognise and reward the wider range of skills and knowledge that enable science excellence	Co-design and implement refreshed Career Descriptor framework	Achieved	Not reported
Sustainability			
Develop and implement sustainability strategy	Develop and implement emissions reduction plan	Achieved	Not reported
Infrastructure			
Building infrastructure supporting creativity, collaboration, and delivery	Structure and external cladding on the new Lincoln workplace and laboratory buildings are complete	Achieved	Not reported
Enact our digital transformation	Progress implementation as outlined in <i>Te Mahere Matihiko</i> (the Digital Blueprint)	Achieved	Not reported
Investment in infrastructure for the future	Refresh capital investment driven by 5-year horizon Science Capex Plan	Achieved	Not reported

SCI Net Science Revenue Targets					
	FY23	FY24	FY25	FY26	FY27
Target (\$m)	125	131	139	141	142

Financial Projections

The following tables show the financial projections from FY22 through to FY27.

Overview of projected financial performance						
	2022 Forecast \$000's	2023 Budget \$000's	2024 Projected \$000's	2025 Projected \$000's	2026 Projected \$000's	2027 Projected \$000's
Operating revenue	166,339	176,882	179,845	181,415	183,394	185,394
EBITDA	12,092	16,924	19,872	26,741	26,566	26,380
Surplus (deficit) before tax	(3,178)	48	3,580	9,389	9,296	9,587
Total equity	285,966	316,001	318,578	325,338	332,031	338,934

Financial Performance Indicators							
	2021 Actual \$000's	2022 Forecast \$000's	2023 Budget \$000's	2024 Projected \$000's	2025 Projected \$000's	2026 Projected \$000's	2027 Projected \$000's
Operating Margin %	24.4%	7.3%	9.6%	11.0%	14.7%	14.5%	14.2%
Operating Margin per FTE	62.1	18.2	24.2	28.4	38.2	38.0	37.7
Revenue Growth %	6.6%	0.7%	5.9%	2.1%	1.2%	1.2%	1.2%
Current Ratio	1.7	1.6	1.4	1.7	2.0	2.2	2.4
Quick Ratio	5.1	4.0	2.5	2.2	2.8	3.0	3.3
Interest Coverage	46.2	15.4	23.1	28.3	41.3	44.4	44.1
Operating Margin Volatility %	84.4%	75.4%	70.4%	48.2%	47.3%	30.9%	19.7%
Adjusted Return on Equity %	14.6%	(2.1%)	0.0%	1.2%	3.0%	2.9%	2.9%
Equity Ratio %	70.5%	68.7%	72.2%	77.4%	80.0%	80.8%	81.5%
Return on Total Assets %	7.6%	(0.9%)	0.0%	0.7%	2.0%	1.9%	1.9%

Business Policies

AgResearch's financial statements are prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 2013, the Crown Research Institutes Act 1992, the Public Finance Act 1989, and Generally Accepted Accounting Practice in New Zealand (NZ GAAP). The financial statements, including the financial information presented in this Statement of Corporate Intent, comply with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable financial reporting standards as appropriate. A full Statement of Accounting Policies is provided on AgResearch's website at www.agresearch.co.nz. The only major change to the accounting policies since the 2019 Annual Report is the adoption of NZ IFRS 16 Leases from 1 July 2019.

Principles in determining the annual dividend, if any

AgResearch's policy is that it will return surplus cash to shareholders in the form of a dividend when no sound investment opportunities (including reinvestment, commercialisation, capital expenditure and the retention of important capabilities) exist. It is forecast that no dividends will be paid in the year ending 30 June 2022.

Information to be provided to the Shareholding Ministers during the financial year

AgResearch provides Shareholding Ministers with the following documents and information throughout the year:

Quarterly reports

These include:

- Financial statements
- Comparisons with budgets and comments on financial activities for the quarter
- Comment on research achievements and comparisons of such achievements with business plans.

Half-Year report

This includes:

- Unaudited financial statements and notes (including accounting policies) for the half year, within two months of the half year

- Comparative figures for the corresponding period of the previous financial year
- Commentary on operations and overall performance for the period
- A statement of responsibility
- A statement that the CRI has operated during the period in accordance with the principles set out in Section 5 of the Crown Research Institutes Act 1992 and the Companies Act 1993
- Commentary on progress towards achieving annual performance targets (financial and non-financial).

Annual Report

An Annual Report of the operations of AgResearch is delivered to the Shareholding Ministers within three months of the end of each financial year. In it, the Board sets out:

- Audited consolidated financial statements for the financial year, consisting of:
 - A report of the operations of AgResearch and its subsidiaries
 - Statements of financial position, comprehensive income and cashflows, including budget (as established at the beginning of the year in the SCI)
 - Statements of commitments, contingent liabilities, accounting policies and such other statements as may be necessary to show the financial results of the operations of AgResearch and its subsidiaries during the financial year and their financial position at the end of the period.
- Comparative information for the previous financial period
- The auditors' report on these financial statements
- A statement of responsibility
- A report on AgResearch's performance as good employers
- Corporate social responsibility report
- A report against financial and non-financial performance indicator targets set in the SCI
- A response to any direction given by the Shareholding Ministers.

The Annual Report will comply with the annual reporting provisions in Part V of the Public Finance Act 1989, Section 17 of the Crown Research Institutes Act 1992 and the Companies Act 1993.

Procedures to be followed before any member of the group subscribes for, purchases, or otherwise acquires shares in any company or other organisation

As required by section 13(1)(d) of the Crown Research Institutes Act 1992, AgResearch will not acquire:

- Shares that give it substantial influence in or over a company
- An interest in any partnership, joint venture, or other association of persons
- An interest in a company other than in its shares, except after written notice to the shareholding Ministers.

The Board will obtain prior written consent from Shareholding Ministers for any transaction or series of transactions involving a full or partial acquisition, disposal or modification of property (buildings, land, and capital equipment) and other assets with a value equivalent to or greater than \$10million. The Board will obtain prior written consent for any transaction or series of transactions with a value equivalent to or greater than \$5million involving:

- The acquisition or disposal, in full or in part, of shares or interests in a subsidiary, external company or business unit
- Transactions that affect a company's ownership of a subsidiary or a subsidiary's ownership of another entity (provided that transactions which include "drag-along" clauses that compel AgResearch to sell interests at a future date at the direction of the investors shall be valued at the time of the investment transaction)
- Other transactions that fall outside the scope of the definition of the company's core business or that may have a material effect on the company's science capabilities.

The Board will advise Shareholding Ministers in writing before entering into any transaction related to property and commercialisation activities below this threshold in accordance with notice requirements agreed between the Ministers and AgResearch from time to time.

Activities for which the Board seeks compensation from the Crown

At the date of this SCI, no compensation has been sought from the Government.

Current commercial value of AgResearch

The Board's estimate of the current commercial value of the Group is approximately \$285million. This value is based solely on the forecasted Group equity position determined under NZ GAAP, which the Board considers is a reasonable approximation of the commercial value. The Board notes that the Group revalues its land, land improvements, and buildings every three years, or more frequently where market and other factors indicate their stated book value may not reflect their current fair value. AgResearch does not revalue its intangible property rights



Directory

Senior Leadership Team

Dr Sue Bidrose
Chief Executive Officer

Stuart Hall
Deputy Chief Executive, Commercial Partnerships

Tony Hickmott
Director Finance and Business Performance

Fleur Evans
Director People and Culture

Greg Rossiter
Director Information Technology

Chris Koroheke
Urungi, Director Māori Strategy

Ariana Estoras
Director Māori Research and Partnerships

Sara Edwards
Director Research Operations

Marie Bradley
Director Strategy and Communications

Dave Houlbrooke
Director Research Capability

Board of Directors

Dr Paul Reynolds QSO
Chair

Kim Wallace
Deputy Chair
Chair – Audit and Risk Committee

Jackie Lloyd
Chair – People and Culture Committee

Rukumoana Schaafhausen
Director

Dr Louise Cullen
Director

Lain Jager
Director

Mary-Anne Macleod
Director

Charles Taitua
Board Observer

Information

Auditors
Deloitte on behalf of the Auditor-General

Bankers
ANZ Bank New Zealand Limited
Westpac Banking Corporation

Science working for New Zealand

The Crown Research Institutes (CRIs) proudly work, individually and collectively, to create a more prosperous, sustainable and innovative New Zealand

 **agresearch**
āta mātai, mātai whetū


Science for Communities
He Pūtaiao, He Tāngata




Manaaki Whenua
Landcare Research




Plant & Food
Research
Rangahau Ahumāra Kai

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54


SITES ACROSS
NEW ZEALAND

6,000

SCIENCE PROJECTS
EACH YEAR

40

NATIONALLY SIGNIFICANT
DATABASES & COLLECTIONS

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