



2023

TE ARA WHĀINGA KI MAU

Statement of Corporate Intent



Contents

Chair and Chief Executive's review	4
Ko wai mātou: About us	6
Tā Mātou Rautaki: Our Strategy	6
Te Ara Tika: The right way	8
Te Mahere Matahiko: Digital Blueprint	9
Science Excellence	10
Partnerships	13
Mātauranga Māori	15
Smart Investments	18
Pūrongo pūtea: Financials	23
Financial Projections	24
Business Policies	29
Directory	31



NGĀ AROTAKENGA O TE HEAMANA ME TE TUMUAKI WHAKAHAERE

Chair and Chief Executive's review

Farming in New Zealand, by its very nature, is in a constant state of change. Our farmers and the wider primary sector have, by necessity, become experts at evolving, adapting and thriving in the face of the many challenges thrown at them whether they be from markets, customers, the land and now, more than ever, climate.

Our farmers are entering a phase of such profound change that they will no longer be able to rely solely on their legacy of ingenuity. Changes to our climate, environment and landscape are so great that the future of all food producers depends on access and uptake of evidence-led science and support. Decision-making needs to be underpinned by innovative and creative research to ensure we lead the farming world in adaptation and mitigation against the effects of climate change.

As an organisation, AgResearch recently observed 25 years of working with farmers and the broader primary sector; a quarter of a century of providing expert knowledge and research to many primary sector success stories. As we cast our gaze forward to the next five years in this *Statement of Corporate Intent*, we know we can and will provide the leadership the sector will need more than ever to thrive and prosper.

However, the Board would like to issue a note of caution. The research and development sector is not immune to the significant financial pressures being felt in the current economic climate and therefore we do not expect to forecast an operating profit in the foreseeable future. As you will be aware, we have not routinely achieved an operating profit for several

years. The AgResearch leadership team is actively conducting a business improvement programme to maximise efficiencies in our processes and overall performance. But costs pressures are being acutely felt.

Given the difficult economic conditions we believe it is both prudent and important to highlight the impact that static and non-inflation adjusted Crown funding is having on the CRI sector and the inevitable impact this will have when we formally report on our financial position later this year.

Despite this note of caution, AgResearch remains confident about the part we will play in New Zealand's future and as an organisation, we are embracing changes of our own.

This is no more evident than in our plan to honour our commitment to our Te Tiriti o Waitangi partners, contained in *Te Ara Tika*, an AgResearch plan that directly addresses the barriers for our te ao Māori partners while working with a traditional science organisation like ours. The plan is ambitious and long-term. One of its key drivers is to recreate AgResearch into a new organisation that brings a unique Māori approach to our science and knowledge, skill and confidence in te ao Māori. You can read more about *Te Ara Tika* in this *Statement*

of *Corporate Intent*. As leaders of AgResearch, we are both proud of and filled with optimism for the long overdue changes taking place within our organisation in the ao Māori space, changes which are bringing about a more holistic approach to research. We remain committed to this and believe *Te Ara Tika* is one of our highest priorities.

AgResearch is also deeply committed to making a meaningful contribution to *Te Ara Paerangi – the Future Pathways* review. We have embraced the review's key themes and endorse the need for connectedness in the New Zealand research ecosystem. We have already taken tangible steps toward a joined-up approach with our fellow Crown Research Institutes and the tertiary sector to create ways to retain and attract talent and, importantly, new pathways for Māori researchers.

Our strategy to co-locate our campuses with universities (and, where appropriate, other science partners) is proving extremely successful. The joint ownership of Te Ohu Rangahau Kai, with Massey University on their Palmerston North campus, has strengthened our relationship and research collaborations with them. The Board, management and project team are strongly focused on ensuring Tuhiraki, our new build in Lincoln, realises the same benefits. The build, co-located on Lincoln University's campus, is due to be completed in the second quarter of FY23/24. We believe it will help us, over the next five years and beyond, respond to new areas of growth and demand from our stakeholders.

Our strategic thinking goes beyond bricks and mortar. *Tā Mātou Rautaki* is our company strategy designed to guide and ensure we are positioned to support the Government's science and innovation priority areas. It was developed with the knowledge that future food production systems will be significantly different from today. It was also created with the knowledge that we must develop new and effective transdisciplinary teams with partners outside our traditional networks.

To that end, our Chief Scientist and Director of Strategy and Communications are co-leading work with the organisation to redefine what AgResearch's main research priorities will be for the next five years. We expect the Board to be presented with a set of priorities at the end of 2023 to help us refocus our science resources and endeavours, honing our effort to maximise the impact our science will have for our sector in the increasingly challenging landscape.

As Crown Research Institutes are required to operate in a financially responsible manner to maintain our financial viability, our financial resilience remains a key focus for us in the years ahead. We know that for science to thrive and gain critical acclaim and uptake, efficient processes, an enabling organisational culture, quality infrastructure and skilled support staff are needed. The Board plans to drive the constant improvements that will ultimately equip our people with the tools, processes, and capabilities to achieve science



Te Ohu Rangahau Kai - our joint facility with Massey University in Palmerston North

CHAIR AND CHIEF EXECUTIVE'S REVIEW

excellence. This will include ensuring our research is fully costed and inflation adjusted, in line with the Minister of Research, Science & Innovation's formal expectations. This work underpins our organisation's strategic and operational thinking with the aim to become a more resilient organisation financially and operationally.

Finally, we need to acknowledge the devastating impact of Cyclone Gabrielle on the people and communities throughout the North Island, particularly in Te Tai Tokerau Northland, Te Mataua-Māui Hawke's Bay, and the Tairāwhiti Gisborne regions. As farmers move their focus from short-term rehabilitation of pastures and infrastructure repair, they are likely to consider development of new land use strategies. Some of these decisions will require complex decision-making related to suitable long-term land use options. AgResearch will be working, with our fellow Crown Research

Institutes, Our Land and Water National Science Challenge and other research agencies, to support this decision-making using a combination of existing knowledge and new information requirements. Just as AgResearch played a valuable role in supporting the primary sector during the COVID-19 pandemic, our science and people will be similarly involved as the pastoral-based agriculture sector recovers from Cyclone Gabrielle.

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."

We look forward to continuing to deliver on that pledge over the next five years.



Dr Paul Reynolds QSO
Chair
30 June 2023

A handwritten signature in black ink, appearing to read "Paul", followed by a horizontal line.



Dr Sue Bidrose
Chief Executive Officer
30 June 2023

A handwritten signature in black ink, appearing to read "Sue", followed by a horizontal line.



Tuhiraki, our new build in Lincoln is co-located on the Lincoln University campus. Due for completion in the second quarter of FY23/24.



KO WAI MĀTOU

About Us



AgResearch is one of seven Crown Research Institutes in Aotearoa New Zealand. We use science to enhance the value, productivity and profitability of New Zealand's pastoral, agri-food and agri-technology sector.

Our research contributes to economic growth and beneficial environmental and social outcomes for Aotearoa New Zealand. We do this by utilising our diverse science capability – from farm systems to climate change mitigation and adaptation, to pest control and high value foods.

We have more than

650 staff

spread throughout Aotearoa New Zealand, working toward **three overarching goals** on behalf of the New Zealand government.



Help foster and support prosperous land-based enterprises



Produce research that protects and enhances natural resources in a sustainable way



Contribute scientific understanding to added-value foods and bio-based products to meet evolving consumer demands.

Find out more about us online by scanning this code or visiting www.agresearch.co.nz/about-us



We have research centres and farms across the motu (islands).

We have two national centres
in **Palmerston North**
and **Lincoln**
and two regional centres
in **Hamilton**
and **Mosgiel**.

We strive to be a sustainable business and, by ensuring the effectiveness and efficiency of our work, we aim to continually reinvest in the best science to meet the needs of our sector.



In order to achieve this, AgResearch is focusing activities on:



SCIENCE EXCELLENCE

Driving agri-science to meet the changing needs of the sector and consumers.



SMART INVESTMENTS

Investing wisely in our people and our science to deliver the right science to meet New Zealand's needs.



MĀTAURANGA MĀORI

Building our capacity and capability to deliver to Māori agri-business and to enrich our science in a uniquely Aotearoa-based way.



PARTNERSHIPS

Forming the best teams and co-designing with Māori, industry, farmers, government, other Crown Research Institutes and science organisations to deliver the most impactful outcomes.

TĀ MATOU RAUTAKI

Our strategy

AgResearch's strategy, *Tā Mātou Rautaki*, is our plan to achieve our long-term aim of leading agri-based science innovation. 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 end-product of a co-design initiative to nurture and sustain 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.

Our strategy ensures we are positioned to support the Government's science and innovation priority areas. These currently 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



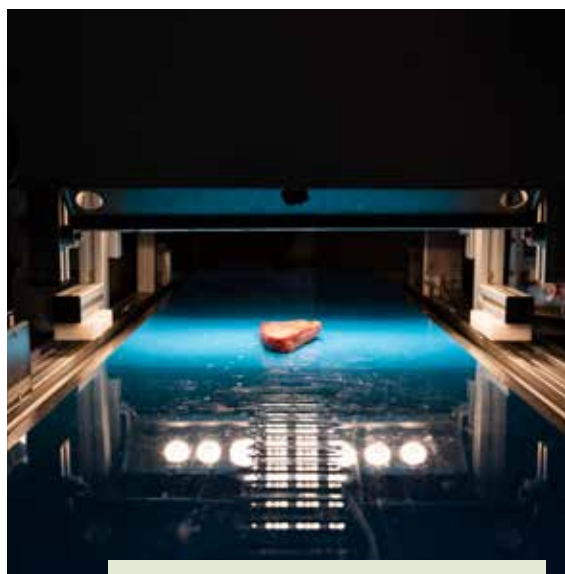
Moving to a low-carbon emissions society



Reversing the decline in biodiversity



Maintaining biosecurity, including a focus on pests and weeds.



Claruspec™ uses hyperspectral imaging technology to scan animal carcasses for product quality - meat tenderness, pH levels and intramuscular fat.

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, we must have the flexibility to leverage and develop new ideas. We are compelled to scan the horizon and position our research accordingly and, where needed, shift its balance and invest more resources.

All strategies need to be reviewed to ensure they are fit for purpose within the context of current and future challenges. Taking into account the needs of our stakeholders, current and future, and in concert with *Te Ara Tika* (an AgResearch plan that directly addresses the barriers for our te ao Māori partners while working with a traditional science organisation like ours), work has begun in 2023 to redefine our strategy and what our main research priorities will be for the next five years. We aim to have a new set of strategic research priorities by the end of 2023 to help us refocus our science resources and endeavours. This work also ensures that our people and our organisation will be ready for changes that may result from *Te Ara Paerangi Future Pathways*.

TE ARA TIKA

The right way

Te Ara Tika is a plan to transform ourselves through te ao Māori, and directly addresses the barriers Māori people and organisations experience when working with a traditional science organisation. It signals and strengthens our commitment to our Te Tiriti o Waitangi partners, is ambitious and long-term, and brings a unique Māori approach to our science.

It aims to 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's mataora (life cycle) and whanaketanga (evolution) is guided by an implementation plan with specific objectives to deliver stronger outcomes to Māori within an ao Māori context.

A key principle of *Te Ara Tika* is our research and relationship with Māori, within an ao Māori context. Our research must be co-led and co-designed. This is 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 area.

We will continue to embed mana whenua relationships in AgResearch's research centres. An example of this is the cultural narrative embedded within Tuhiraki, our new build in Lincoln. This is a physical manifestation of our relationship with Ngāi Tahu which demonstrates our commitment to and transformation through our deepened understanding of te ao Māori.



Āta mātai, mātai whetū.
Being in pursuit of far horizons
while firmly grounded.

(whakatauaākī nā Tom Roa)



TE MAHERE MATAHIKO

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.

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 to all and which 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 and build 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
-  Grow capability in digital research methods and tools
-  Establish a flexible eResearch infrastructure with fit-for-purpose components
-  Deploy new digital services

These will support efficiency, quality and reproducibility of research and other AgResearch operations, and position AgResearch as a sector leader in the eResearch area.



Science Excellence

AgResearch’s reputation and legacy for leading research is based on the key strategic pillar of science excellence.

Science excellence is at the core of everything we do, and to ensure this pillar remains strong, over the next 12 months we are embarking on a review of our research priorities. The review is designed to ensure that our work is focused and aligned to what our shareholders require and stakeholders want. It will ensure that our Core Purpose is augmented by a clear and unmistakable articulation of what we will (and won't) do and what we will be known for over the next five years.

The review has already commenced. Our staff and stakeholders are contributing their ideas and views which will be presented to our Board in December 2023.

Our research priorities will help provide further guidance for future strategy and investments. Given their importance, we will consult as widely as possible during their formation.

AgResearch appointed a Chief Scientist in late 2022. Dr Axel Heiser is a member of the Senior Leadership Team (SLT) and chair of our Science Council. He will play a vital role in one of the cornerstones of our science excellence pillar, thought leadership. Axel will also help shape our future strategy and priorities and have a leading hand in the delivery of our science over a number of areas in the next five years.



Chief Scientist, Dr Axel Heiser

Investment

Successful research institutes need to be agile, and to embrace a state of constant evolution to tailor science to the challenges of today and tomorrow.

The \$4 million annual investment allocated from our Strategic Science Investment Fund (SSIF) into a 'Discovery Fund' supports new scientific methodologies or creative research initiatives. Funded projects include those that have the potential to establish the proof of concept required to access another funding mechanism (such as the Endeavour Fund).

This fund help us balance our investment in key priorities with research that focuses on more transformational outcomes and generates new, riskier, high-potential ideas.

As well as delivering to MBIE's expectations, we are using our SSIF to:

- Deliver key outcomes for Aotearoa 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*
- Continue our Open Access science journey by storing data effectively and in a way that is searchable and findable to a wide group of stakeholders (for more, please see our Smart Investments section)
- Develop and strengthen relationships with Māori partners and competence in *te ao Māori* (for more, please see our *Mātauranga Māori* section).

Science excellence criteria is traditionally defined by scholarly achievement. At AgResearch, we consider science excellence to be more than traditional scholarly output. To signal our commitment to this approach, we were the first New Zealand research organisation to sign up to the San Francisco Declaration on Research Assessment (DORA). We have embraced its principles and are building a culture of creativity, collaboration and inclusiveness through a refresh of our career descriptor framework.

Under our Science Groups, which operate with the umbrella titles of Digital Agriculture, Ethical Agriculture, Resilient Agriculture, and Smart Food



Technician Sarah Jackman used Curiosity Funding to investigate herbicide resistance in Giant Buttercup, a widespread pest plant that spreads through dairy pasture, reducing pasture quality and dry matter yield.

and Biobased Products, we are introducing a broader range of career pathways for researchers as part of a remuneration and career descriptor framework (for more, please see our Smart Investments section).

These areas recognise world-class capability, transformative science in terms of risk, novelty, scientific and technical stretch, and the creation of new knowledge.

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*. They work collaboratively with internal and external stakeholders to identify, plan for, deliver and ensure end-user uptake of current and future science opportunities through a fit-for-purpose portfolio of projects, programmes and integrated initiatives.

This is delivered via national and international scientific collaborations and the internal co-ordination of science projects across multiple Science Plan Objectives.

Delivering science excellence

Our sustainable agri-food production research is designed to improve the performance of our whenua (land) and wai (water) quality in response to land use choices and management decisions. Our researchers help design diversified landscapes and enterprises that support regional economies while operating within natural resource limits and reducing environmental footprints at both farm and catchment scale.

AgResearch solutions are used to deliver farm and catchment sustainability improvements. We also work on trans-sector initiatives (such as Our Land and Water National Science Challenge and New Zealand Agriculture Greenhouse Gas Research Centre) to ensure productivity imperatives are appropriately balanced against environmental and social license attributes.

Our climate change research has the specific aim of reducing methane and nitrous oxide emissions from pastoral farm systems. We will do this by designing low carbon-emitting and high-carbon sequestration systems, developing adaptive animal breeds, forage cultivars and farm systems, while creating strategies and tools to prevent incursions, and manage pests and diseases, including next-generation biocontrol agents.

New Zealand has adopted a science-based framework against which farm system methane and nitrous oxide mitigation options are assessed to ensure that they are effective in reducing emissions, protect New Zealand’s competitive position and have no unintended consequences. We will develop forages and animals with the attributes that meet the requirements of future diverse production systems and value webs. We will do this by matching animals and forages for minimised environmental impact and maximised product value, and by developing world-leading animal health and welfare systems.

We will create safe food and bio-based products with optimised nutritional, sensory and performance attributes, capturing value through provenance and credible consumer health and wellbeing effects. We will also maximise value and minimise waste by using circular bio-economy concepts to reduce waste, to optimise energy and water usage efficiency from agri-food production, and to develop new technologies to unlock the inherent biological value in secondary food and bio-based product processing streams.

KEY PERFORMANCE INDICATORS Science Excellence

		FY24 Target	FY22 Actual
Strong creative collaboration	People have easy access to colleagues to explore ideas or receive feedback	>70%	Not reported
Collaborative peer-reviewed research outputs	Co-authorship with collaborators	>80% of journal papers	91% of journal papers
	Impact of scientific publications (mean citation score) *	2.70 **	5.07
Drive and demonstrate research impact	Continue to grow impact-enabling capability and culture	Achieved	Not reported
	Increase independent evidence-based impact analyses	12	Not reported
	Commercial reports per scientist FTE *	1.00	1.11

* KPIs that are mandated by MBIE across CRIs ** 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.



Partnerships

Partnerships are the foundation upon which successful research organisations are based and vital to increasing science impact. As one of our four strategic pillars, our partnerships are set to play an important part in not only our own future over the next five years, but that of the entire Aotearoa New Zealand research ecosystem.

Research partnerships are also critical to our success. The New Zealand Government, as part of *Te Ara Paerangi – Future Pathways* review, has signalled its intention to overhaul the Aotearoa New Zealand research, science and innovation system.

The review, and some of its preliminary findings, have already highlighted the importance of connectedness among New Zealand Crown Research Institutes (CRIs) including AgResearch. We have embraced this guidance and interwoven it into our future plans and strategies.

Over the next five years, AgResearch will continue to strengthen pan-CRI science collaborations across our science, including areas that span food, land use and working with Māori partners.

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

Our partnerships with the tertiary sector are also of profound importance. Implementation of our strategy of physical co-location is well underway with Lincoln University and Massey University (for more, please see our Smart Investments section) to maximise the potential of our common research interests.

We have an important role to play with the tertiary sector to ensure the next generation of researchers is empowered to tackle huge challenges and opportunities in climate change research. An example of this is the joint postgraduate school in Food Transitions, with Lincoln University and the University of Canterbury, Plant and Food Research and Manaaki Whenua. Nationally, we remain committed to a range of collaborations, including Better Border Biosecurity (B3), a long-standing collaboration involving AgResearch, Plant and Food Research, Manaaki Whenua, Scion and Lincoln University. B3 receives AgResearch SSIF support, recognising the importance of ongoing research into biosecurity in Aotearoa New Zealand.

PARTNERSHIPS

We remain committed to a range of other partnerships including: the 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) and Bioprotection Aotearoa.

National Science Challenges are another key collaborative vehicle we remain committed to. We are the host of 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 collaborations to help position our research for the future. We are looking forward to further strengthening key relationships in the EU, including with strategic research partners like Teagasc and INRAE.

We also support, directly and indirectly, Aotearoa New Zealand stakeholders abroad and work with international companies. The latter helps support worldclass capability development by exposing our researchers to international trends and connections. In addition, we support Aotearoa 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.

Finally, our partnerships with a broad range of stakeholders within the pastoral agriculture sector in Aotearoa remain critical.

These partnerships assist us to remain closely connected to the challenges and opportunities facing the sector that we serve in both the short and long term. These connections allow us to focus our science endeavours to best serve the immediate needs of our stakeholders but also, critically, to support the thought leadership role that we play in informing future decision-making via the provision of trusted science.

These partnerships also underpin the pathway to impact for much of our science.

AgResearch will continue to focus on the principle of co-design with our New Zealand stakeholders, built off a platform of proactive engagement and a commitment to utilising our partnerships to form the best possible research teams.

Of critical immediate importance, we will continue to work proactively with MPI and all relevant stakeholders to support the implementation of the Centre for Climate Action on Agricultural Emissions.

We will build a constructive relationship with the Joint Venture entity and ensure that the AgResearch hosted enhanced NZAGRC is best positioned to maximise its contribution to the pastoral agriculture sector meeting its stated climate change objectives.

KEY PERFORMANCE INDICATORS

Partnerships

		FY24 Target	FY22 Actual
Influence and meet stakeholder and partner needs	Understanding of, and contribution to, stakeholder/ partner strategy	> 70% favourable	86%
	Preference to work with AgResearch	> 70% favourable	67%
Strong investment in our research	Revenue per FTE from all sources	\$238.2k	\$242.3k
	Revenue per FTE from industry *	\$116.9k	\$95.0k

* KPIs that are mandated by MBIE across CRIs



Mātauranga Māori

Māori-centred and kaupapa Māori research is allowing AgResearch an opportunity to grow, to enrich our science in a uniquely Aotearoa-based way and strengthen our reputation for internationally respected research with a broader, more holistic approach.

AgResearch is deeply committed to building our understanding of Māori knowledge systems. Our efforts to embrace mātauranga Māori is a key part of both our strategic focus and the company-wide *Te Ara Tika* strategy guiding our cultural transformation.

The most obvious manifestation is through the recently established Māori Research and Partnership Group (pictured above) combines and extends the previous Māori Agribusiness team (Mātai Ahuwhenua) and the Māori research team (Tua o Mātai Whetū). The new group enhances our capability in kaupapa Māori research, research that is co-created, co-developed and co-led, or which is led independently by our partners, to ensure that it is directly relevant to the needs of Māori businesses, land development and communities. This group also extends our capability to partner with community, hapū and marae-based Māori organisations.

The Group's remit is to:

- Deliver a Māori-centred research portfolio built on both mātauranga Māori and science (aligned to AgResearch's Core Purpose), and to complement and strengthen the existing AgResearch research portfolio
- Build long term partnerships with traditional and non-traditional Māori organisations to strengthen both our science and our organisation's position
- Meet significant internal demand to strengthen our science by embedding te ao Māori.

This group will lead AgResearch's Whenua Ora Tangata Ora, research priority area, and help to strengthen AgResearch's overall research priorities by ensuring they meet the distinctive needs of Māori.

MĀTAURANGA MĀORI

AgResearch's *Te Ara Tika* implementation strategy identified specific objectives that require immediate attention to deliver stronger outcomes to Māori within an ao Māori context. Examples are the lack of Māori land-based and agri-food science researchers, and the need to proactively build a pipeline of Māori and rangatahi Māori researchers through Māori partnerships and Māori education initiatives. We are working with Te Puāwaitanga, Puhoro STEM, Māori Education Trust, and a pan-CRI initiative to attract and retain more Māori into science. We are also co-developing a pan-CRI and Tiriti led approach to Wai 262-related activities, the protection of indigenous intellectual property, and CRI biological collections, data and information.

We are assessing the future of all research endeavours through more than just a financial lens. We are embracing sustained economic outcomes, alongside environmental, social and cultural outcomes. 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 an 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.

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 annually in FY23-FY25. This 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 Puāwaitanga 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 which 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.

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



Our Te Puāwaitanga internship programme exposes emerging scientists to the rigours of working in a CRI. Each intake completes their study by attending a wananga where they share their learnings and experiences.

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 builds from a 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 across the North Island.

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 exports to over 25 countries. We have many areas of mutual interest, both commercial and scientific, and will utilise SSIF to co-develop research

areas and explore new product development. This 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.

The proper handling and protection of research involving indigenous flora and fauna is of paramount importance to our partners, as are protections around Māori data sovereignty. To that end, we are co-developing a pan-CRI and Tiriti-led approach to Wai 262-related activities, the protection of indigenous intellectual property, and CRI biological collections, data and information.

KEY PERFORMANCE INDICATORS

Mātauranga Māori

		FY24 Target	FY22 Actual
Adopt a Tiriti-led approach	Preference to work rating by Māori partners	>60%	62%
	Enabling Māori Strategic Science Investment Fund (SSIF) allocation	\$4.8m	\$2.2m
Continue to develop te ao Māori culture and capability	Continue Te Puāwaitanga internship programme	Achieved	Achieved
	Invest SSIF to build capability of Māori research and advisory staff and Māori partners	Achieved	Not reported
	Strong participation in kaupapa Māori cultural development programme	>50%	Not reported
	Initiate co-design, co-led activities with Māori partners	Achieved	Achieved



Smart Investments

Our People

AgResearch seeks to maximise the potential of our people by providing them with an environment in which they can flourish. Smart Investment at AgResearch includes a diverse range of business activities, from building new research facilities to measuring our carbon footprint. However, our people are our most important resource and are therefore a key Smart Investment priority.

We have a diverse and gender-balanced workforce. Our average length of tenure is 11.7 years, and our current workforce comprises 367 females and 321 males. To ensure we retain a diverse set of experience and skills, and attract future talent, over the next five years, we will continue to provide career pathways for women, Māori and minority groups. Ongoing support is essential to maintaining this as a key strength.

Health, Safety and Wellbeing

The commitments we have made in our Health, Safety & Wellbeing Charter and Policy sit at the heart of how we approach health and safety. Our underlying philosophy is to make health and safety management simple, flexible and position our people at the centre of everything we do. The health and safety team have worked hard to create a no-blame culture and accept that mistakes do happen within the workplace. Staff are proactively encouraged to report incidents and hazards, without fear that individuals and their actions will be targeted or blamed.

Our Toi Ora Framework (Health, Safety & Wellbeing) is based on the four dimensions of wellbeing developed by Sir Mason Durie in 1984 to provide a Māori perspective on health. These remind our people to take care of all the different aspects of their life to support their overall wellbeing, and manage psychosocial and psychological stressors in the workplace. The four dimensions are taha tinana (physical wellbeing); taha hinengaro (mental wellbeing); taha wairua (spiritual wellbeing) and taha whānau (family wellbeing) and are all necessary for strength and symmetry. The effective management of psychosocial risks is a priority captured in our Critical Risks Framework and will be an ongoing focus over the next five years post-covid.



Impact, Planning and Evaluation

We lead an IPEN working group which has commenced training and workshops to design and then roll out capability mapping and training across the CRI network. IPEN will help increase our collective impact by strengthening our ability to plan, monitor, conduct evaluate, reflect and learn in ways that maximise the impact of our work.

CRI's are embedding connectedness across finance departments, human resources, communications and IT. A good example of CRI collaboration has emerged in the research outcomes and impact space. The Impact, Planning and Evaluation Network (iPEN) is a pan-CRI collaboration that pools expertise to benefit our capability and culture. We co-lead iPEN to ensure all our people's learning and development needs are met. iPEN continue to contribute original research and thinking into MBIE and *Te Ara Paerangi*, including better understanding impact pathways or how outcomes and impact happen. Drawing on our collective experiences across CRI's, iPEN has identified pathways to impact and how to enable these.

Learning and Development

Our learning programmes are primarily directed at developing core behavioural capabilities. These behaviours, coupled with the ongoing development of our technical expertise, will enable us to create a constructive and collaborative environment to deliver science with impact.

AgResearch has a mātauranga Māori and cultural competency learning programme, which is refreshed annually to ensure the capability needs of our people are met. We currently offer seven formal development opportunities aimed at building awareness, knowledge, skill and confidence in te ao Māori and our obligations in Te Tiriti. AgResearch's mātauranga Māori and cultural competency learning

programme has been designed in consultation with our Urungi Māori (Māori Strategy Director).

For each course, employee progress is evaluated through a before-and-after assessment and is reported via the facilitator after each course. We are still exploring ways that we can assess the increased use of te reo Māori in our workplace as a result. Māori-centred and kaupapa Māori research is allowing AgResearch an opportunity to grow and enrich our science in a uniquely Aotearoa-based way.

Pay Gap

AgResearch has made considerable progress in addressing the gender pay gap in our workforce. Our significant initiative was redesigning our remuneration framework to ensure we are a fair and equitable employer. This includes new career descriptors and promotion processes that offer alternative career pathways. We have improved our recruitment practices by using diverse and representative recruitment panels, offering unconscious bias training through DiversityWorks for hiring managers, and offering remuneration consistency for men and women in like-for-like roles. We also have committed to paying our people no less than the living wage.

We have signed on, and are committed to reporting on pay gaps, to 'Mind the Gap', Aotearoa New Zealand's first pay gap registry. Our pay gap is currently 14.3%; and we have reduced this gap by 3.6% since we committed to closing the gap. This percentage is calculated using the methodology provided by Statistics New Zealand, endorsed by Mind the Gap. The registry encourages all organisations to commit to external pay gap reporting for genders, Māori, Pacific peoples, disability communities and other ethnicities in Aotearoa.

We continue to work collaboratively with the Public Service Association (PSA) to deliver on the goals outlined in our Kia Toipoto Public Service Action Plan to close these gaps and create a fairer workplace.

in FY21

in FY22

250 + 166

employees completed beginner reo Māori and tikanga lessons through



Find out more about our commitment to reducing the gender pay gap by scanning this code

Equity, Diversity and Inclusion

AgResearch people – in all our diversity of skills, backgrounds and areas of endeavour – are our greatest strength. At AgResearch, we are committed to embracing equity and diversity. We strive to be a high-trust, transparent and inclusive organisation where all our people feel welcome and can bring their whole selves to work.

Our Equity, Diversity and Inclusion (EDI) Policy is designed to support every individual employee to perform at their best. For example, one of the tenets of equal employment opportunities is that fairness sometimes involves treating people differently to ensure equal access to opportunities and an environment that embraces diversity. Both our Senior Leadership Team and Board are committed to leading equity, diversity and inclusion practices at AgResearch.

Sustainability

AgResearch is planning to decarbonise our operations. While we are not a mandated agency for the Government’s Carbon Neutral Government Programme, which requires public sector agencies to measure and publicly report on their emissions and to offset any they can’t cut by 2025. AgResearch is giving effect to the programme requirements where appropriate. AgResearch has signed up to Toitū Envirocare’s Carbon Reduce programme. This requires us to have our annual emissions certified independently and to reduce them year-on-year to remain in the programme.

As part of our ongoing efforts to decarbonise we have signed a contract with the Energy Efficiency Conservation Authority (EECA) to assist with an investigation into our existing infrastructure and we are ensuring that all new capital developments are energy efficient.

AgResearch took part in a decarbonisation week of webinars run by the CRIs last year aimed at sharing best practice and advancing the progress towards a low carbon future. As part of our ongoing commitment, we organised an event in December with Plant and Food Research that focused on key emission areas, staff commute, business travel and how we operate our farms. At the event, we considered all options that we have available to decarbonise wherever possible. Work is underway to action the outcomes of the event in collaboration with Plant and Food Research.

Infrastructure Co-location

To ensure our researchers remain at the forefront of land-based science innovation, we are continuing to invest in new infrastructure. Our shareholding Minister has endorsed and placed on public record, in her Letter of Expectations, her desire that we continue to co-locate our campuses with the tertiary sector. This is part of our commitment over the next five years to enhance collaboration in the New Zealand research ecosystem and help foster the next generation of researchers (through our support for PhD students and Postdoctoral staff). To that end, we are due to move into new research facilities and corporate headquarters on the Lincoln University campus later this year.



Fit out has progressed at the new Lincoln facility, due to be completed in late 2023, replacing our current earthquake-damaged research facility on Springs Road, Lincoln.

It will provide our people with modern facilities and help attract new talent to our organisation. We are working with mana whenua on a compelling cultural narrative for our new building, and with Lincoln University on ways of working together and realising the full benefits of co-location.

Our next potential capital infrastructure investment is in a facility to increase New Zealand’s capacity for cattle methane measurement. The facility will be a partnership between AgResearch, Massey University (Massey), Fonterra and MPI.

eResearch and Digital Transformation

AgResearch remains committed to our pan-CRI collaboration to develop a National Environmental Data Centre (NEDC) as the public showcase of our research datasets. The NEDC platform is fully operational. In the coming year we will focus on usability improvements, establishing a data quality framework and investigating the potential for the NEDC platform to include datasets from other research providers such as the National Science Challenges.

The Parliamentary Commissioner for the Environment recently highlighted the need for the science sector to be able to share and transfer their knowledge more effectively. We expect the next five years to feature many more examples of how CRIs will adopt a joint approach to create better outcomes for the end users of our science. AgResearch is deeply committed to delivering on this goal.

In February 2021, we invested \$6.9 million, with a further \$1 million planned over a five-year period, for science data storage and computer capacity (known as our 5-year horizon Science Capex Plan). The investment, directed at building the data science (eResearch) capability of our scientists, established a formal partnership with Hewlett Packard Enterprises (HPE) and New Zealand eScience Infrastructure (NeSI) to procure and manage eResearch infrastructure. This ongoing investment has provided the services required to support and grow our data science capability and aligned us with the Aotearoa New Zealand research sector's goal to build national scale in high performance 'supercomputing' infrastructure.



*Scan this code to visit
the NEDC website or
visit www.nedc.nz*

Business Improvement Programme

AgResearch is committed to becoming a more financially sustainable business by incorporating better planning processes within its activities, and by addressing system and process inefficiencies. A key outcome of our business improvement programme is removing process and system administration burdens from research staff to increase their capacity to focus on science projects. We have introduced a new utilisation reporting tool to assist with planning and recording of time, workstreams to improve the quality of the data recorded and to introduce a greater level of transparency and accountability to our financial planning.

KEY PERFORMANCE INDICATORS

Smart Investments

		FY24 Target	FY22 Actual
Strong health and safety culture	Avoid potential hazards or incidents before they happen through observation and formal evaluation of our safety practices	>200 safety observations	Not reported
	No notifiable injuries and <2 notifiable events	0, <2	0, 0
Employee experience	My manager shows by his or her behaviour a commitment to Health and Safety	>90%	89%
	Strong Engagement Index	>70%	71.1%
Workforce stability and retention	Strong employee participation in employee engagement survey	>70%	77%
	Stable annual people turnover	<10%	9.6%
Equity, diversity and inclusion	Gender Pay Gap reduced	>12.5%	Not reported
	Implementation of our Kia Toipoto Action Plan which focuses on closing gender, Māori, Pacific and Ethnic Pay Gaps to reduce workplace inequalities	Achieved	Not reported
	Employees feel that the organisation values and respects individuals from diverse backgrounds and cultures, and creates a welcoming environment for all employees	>75%	Not reported
Investing in infrastructure supporting creativity, collaboration and delivery	New Lincoln workplace and laboratory buildings complete and fully operational	Achieved	Not reported
	Progress implementation as outlined in <i>Te Mahere Matihiko</i>	Achieved	Not reported
	Refresh capital investment driven by 5-year horizon Science Capex Plan	Achieved	Not reported

PŪRONGO PŪTEA

Financials

The following tables show the financial projections from FY23 through to FY28.

Financial projections

Overview of projected financial performance

	2023 Forecast \$000's	2024 Budget \$000's	2025 Projected \$000's	2026 Projected \$000's	2027 Projected \$000's	2028 Projected \$000's
Net revenue	144,075	155,655	163,611	168,822	174,489	180,705
EBITDA	8,796	11,811	17,022	18,909	19,042	19,312
Surplus (deficit) before tax	447	(5,034)	(1,631)	360	400	531
Total equity	336,172	332,547	331,373	331,632	331,920	332,302

Financial Performance Indicators

	2022 Actual \$000's	2023 Forecast \$000's	2024 Budget \$000's	2025 Projected \$000's	2026 Projected \$000's	2027 Projected \$000's	2028 Projected \$000's
Operating Margin %	7.4%	5.1%	6.9%	9.8%	10.6%	10.3%	10.1%
Operating Margin per FTE	17.7	12.9	18.3	27.5	31.0	31.3	31.7
Revenue Growth %	(5.9%)	12.1%	(1.2%)	0.3%	3.5%	3.4%	3.6%
Current Ratio	1.7	1.4	1.1	1.1	1.3	1.3	1.3
Quick Ratio	5.0	3.3	1.6	1.6	1.9	1.9	1.9
Interest Coverage	14.5	10.7	16.5	25.1	27.7	28.1	28.5
Operating Margin Volatility %	76.3%	79.6%	66.0%	69.4%	28.9%	30.4%	18.3%
Adjusted Return on Equity %	(0.8%)	(0.1%)	(1.6%)	(0.5%)	0.1%	0.1%	0.2%
Equity Ratio %	70.2%	73.0%	76.1%	78.1%	77.7%	77.8%	77.8%
Return on Total Assets %	(0.4%)	(0.2%)	(1.3%)	(0.4%)	0.0%	0.0%	0.0%
Operating Cash Flow Ratio %	61.3%	35.6%	(17.3%)	1.5%	57.2%	54.3%	53.9%
Cash Flow to Net Income Ratio %	11.9%	8.1%	(3.6%)	0.3%	12.6%	11.8%	11.6%

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 for tier 1 profit-orientated entities. A full Statement of Accounting Policies are available in the 2022 Annual Report on AgResearch's website at www.agresearch.co.nz.

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 2024.

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 AgResearch 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 \$336 million. 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

Dr Sara Edwards
Director Research Operations

Dr Marie Bradley
Director Strategy and Communications

Dr Dave Houlbrooke
Director Research Capability

Dr Axel Heiser
Chief Scientist

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

Jessie Chan
Director
Appointed 1 June 2023

Information

Auditors
Deloitte Limited on behalf of the Auditor-General

Bankers
ANZ Bank New Zealand Limited

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

E/S/R
Science for Communities



 Manaaki Whenua
Landcare Research



 Plant & Food[™]
Research
Rangahau Ahumāra Kai

 **scion**[™]
FORESTS • PRODUCTS • INNOVATION

www.sciencenewzealand.org

3,800

SMART AND
PASSIONATE PEOPLE

54

SITES ACROSS
NEW ZEALAND

6,000

SCIENCE PROJECTS
EACH YEAR

40

NATIONALLY SIGNIFICANT
DATABASES & COLLECTIONS



