



# Monitoring and Evaluation Framework



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# 1. Introduction

The purpose of Sugar Research Australia Limited's (SRA's) Monitoring and Evaluation (M&E) Framework is to provide a coordinated approach for assessing SRA's management systems (as shown in Figure 1) to ensure that SRA delivers research, development and adoption (RD&A) activities that are appropriate, efficient and deliver value to SRA's investors.

Clause 31.1 of SRA's Statutory Funding Contract (SFC) with the Commonwealth Government requires that SRA's M&E Framework:

- (a) Be consistent with SRA's Strategic Plan;
- (b) Ensure that the key performance related information is routinely collected and monitored;
- (c) Include a structured plan for the systemic evaluation of the efficiency, effectiveness and impact of SRA's key investments; and
- (d) Include a means of publishing and disseminating relevant Research and Development outcomes of evaluations.

The Framework will be reviewed on an annual basis and updated where necessary.

**Figure 1:** Alignment between strategic and performance management systems.





## 2. Context

SRA is a sugarcane grower and miller owned company that invests in and manages a portfolio of RD&A projects that drive profitability, sustainability and capability for the Australian sugarcane industry.

SRA has a unique role within the Research and Development Corporation environment as both a research provider and a research funder and SRA's M&E Framework is designed with this dual structure in mind.

SRA is committed to establishing M&E systems and processes that enable meaningful and transparent reporting on RD&A outputs, outcomes and impacts.

## 3. Stakeholders

The M&E results generated through the Framework will be communicated to a range of stakeholders in a timely manner and through agreed upon methods (see Section 7). Key stakeholders include:

- Levy payers/SRA members (growers and millers)
- SRA Board
- SRA Research Funding Panel
- SRA Executive Leadership
- SRA Staff
- Australian Commonwealth Government Department of Agriculture and Water Resources (DAWR)
- Queensland Government Department of Agriculture and Fisheries (DAF)
- Research providers
- Co-investors
- Industry partners
- Industry Representative Bodies: Australian Sugar Industry Alliance (ASA); Australian Sugar Milling Council; (ASMC); CANEGROWERS; and the Australian Cane Farmers Association (ACFA)
- Council of Rural Research and Development Corporations (CRRDC).

The intent of the communication to stakeholders is to demonstrate the value and impact SRA's RD&A activities are delivering.



## 4. Goals and measures of success

SRA's M&E Framework is designed to indicate the degree to which SRA is contributing to each of the goals set out in SRA's Strategic Plan:

1. Driving profitability
2. Improving sustainability
3. Enhancing capability
4. Strengthening organisational excellence

SRA's achievement against these goals is demonstrated through outcome monitoring (section 5.2.4), impact assessments (section 5.2.5), stakeholder and industry surveys (section 5.2.6), periodic traffic light reporting against SRA's Key Performance Indicators (KPIs) and corporate and operational compliance reporting.

SRA's KPIs are identified in SRA's Strategic and Annual Operational Plans which are available on SRA's website at <https://sugarresearch.com.au/sra-information/investor-information/>.

The KPIs are aligned to a suite of nine Key Focus Areas (KFAs) and are reported against on a bi-annual basis to the SRA Board and Commonwealth Government via six-monthly Statutory Funding Contract meetings and annually in SRA's Performance Report, which is published on SRA's website.

The KPIs are informed by SRA's annual Grower and Miller Surveys, impact evaluation results, data extracted from SRA's research data management system<sup>1</sup>, adoption and practice change monitoring data, RD&A project deliverables and corporate documents.

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<sup>1</sup> The full system is currently under development and is expected to be implemented in 2018.





# 5. Impact pathway

## 5.1. Impact pathway program logic

SRA has established an 'impact pathway' framework to support performance monitoring and evaluation across its RD&A portfolio. As shown in Figure 2, this program logic based model traces research inputs through to outputs, outcomes and ultimately, industry impacts. Such line-of-sight provides pathways towards quantifying attributable impact and return on investment.

Inputs, outputs and, to some degree, outcomes, are directly influenced by SRA and SRA is therefore accountable for their delivery. Outcomes and impacts are indirectly influenced by SRA and are subject to a myriad of external factors that may affect realised results. This must be taken into account when SRA performance is evaluated.

Figure 2: SRA's Impact pathway program logic.

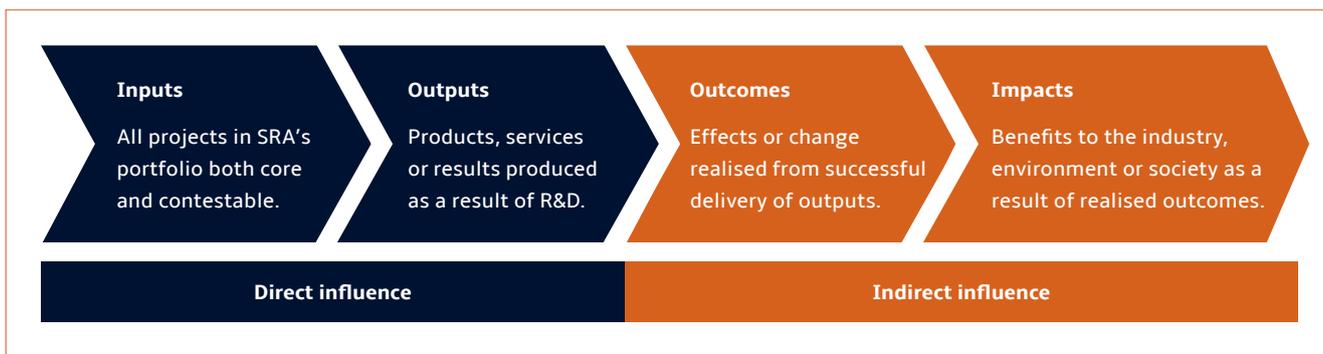


Figure 3: SRA's M&E cycle.

As shown in Figure 3, SRA's M&E Framework is based on a cyclical process to track inputs (5.2.2), monitor outputs (5.2.3), measure industry outcomes (5.2.4) and assess impact (5.2.5).





## 5.2. Monitoring and evaluation

### 5.2.1. Planning and investment selection

SRA is committed to ensuring it invests in, manages and participates in a balanced portfolio of RD&A activities that is appropriate to meeting investor needs.

To achieve an optimally balanced investment portfolio, SRA:

- Aligns RD&A investment with industry and government investor priorities;
- Invests in short, medium and long-term projects across the research pipeline;
- Appropriately manages the RD&A risk-profile, with a combination of low-risk projects targeting incremental improvements and higher-risk transformational projects;
- Leverages investment through collaboration; and
- Maximises return for our investors.

SRA's RD&A portfolio comprises both core and contestable RD&A projects. The core projects are undertaken internally by SRA and include plant breeding, biosecurity and adoption activities. The contestable projects are undertaken by both SRA and external providers and cover the gamut of SRA's KFA's.

SRA's independent skills-based Research Funding Panel (RFP) and Research Funding Unit (RFU) manage the contestable research investment process and associated review and evaluation of investment projects. The RFP and RFU ensure transparent, independent and robust review of all RD&A project investment from SRA's contestable pool of industry and government investment funds.

The RFU undertakes a portfolio gap analysis prior to each annual project call to identify priority areas of RD&A investment. This analysis, in conjunction with information gathered during periodic research workshops and reviews, completed impact assessments and portfolio management reports informs the advertised prioritised research investment opportunities during the project call.

A two-stage assessment process is run whereby a shortlisted selection of Preliminary Research Proposals (PRPs) are invited to submit a Full Research Proposal (FRP). FRPs are reviewed by the Research Funding Panel (RFP) and supplemented by an external peer review process where necessary. The RFP makes investment recommendations to the SRA Board who approves the final investments. There is additional scope for the SRA Board to commission projects as needs arise.



### **5.2.2. Input tracking**

The RFU maintains ongoing program management on contestable RD&A investments through regularly scheduled and standardised milestone submissions. These milestones ensure that the project activities are delivering against agreed project objectives as planned. Project Stop/Go assessments can occur at a milestone as needed. A project management database is used to maintain all project management and financial information.

SRA's internal research program uses an in-house data management system for managing research, agronomic, biosecurity and plant breeding data across the core RD&A portfolio. Information informing the KPIs and a suite of other metrics (such as efficiency and effectiveness of the core-breeding program) is extracted from this database. This information is reported in SRA's annual Performance Report.

### **5.2.3. Output monitoring**

All projects have tangible products, mechanisms or knowledge outputs identified at the beginning of the project and aligned to SRA's Strategic Plan outcomes and impacts. The delivery status of these outputs are reported to the Board bi-annually and inform research management portfolio reporting.

### **5.2.4. Outcome measurement**

SRA utilises a Customer Relationship Management (CRM) database to manage the collection and recording of information about grower and miller decision-making, adoption and practice change following engagement with adoption activities. This database also serves as a framework for managing and guiding SRA's adoption activities, feedback and process improvement.

### **5.2.5. Impact assessment**

Impact and return on investment is systematically evaluated through triple bottom line (economic, environmental, social) cost-benefit analyses, in line with CRRDC recommendations and guidelines. These evaluations are conducted by external economists on an annual basis. Completed projects are selected in clusters for ex-post evaluation based on the SRA's Strategic Plan programs, with all programs with completed investments expected to be evaluated on a five-year rolling basis. Evaluation results are provided to the RFP to inform future investment allocation.

SRA produces impact pathway narratives and impact case studies drawn from information throughout the input tracking, output monitoring and outcome measurement stages. These case studies are included in SRA's annual Performance Report and disseminated through SRA's various communication channels.

### **5.2.6. Investor satisfaction and engagement**

Grower and miller surveys are conducted annually by external consultants, providing statistically representative information on farm demographics, practice change information and corporate metrics, such as investor satisfaction. These surveys inform both RD&A and corporate KPIs. Additionally, regular farm financial surveys are conducted to provide statistically rigorous information about the financial performance of the sugarcane industry at a given point in time. SRA also has established systems for tracking communication and engagement analytics.



## 6. Corporate and operational

### 6.1. Financial performance, planning and process improvement

Financial performance management is executed through Management and Board review of monthly management reports. Management reports include a balance of financial and non-financial KPIs that communicate current performance and provide projections of future performance.

A budget planning process is used for financial planning and includes Board approval of the annual budget. Annual budget content is influenced by strategy and risk, long-term plans as well as current imperatives and priorities. The annual budget is supplemented with quarterly reviews of reforecasts of the expected results for the financial year. Management carries out, and presents to Board, an annual review of the effectiveness of the budgeting and forecasting process. Learnings are incorporated in future planning. Longer-term planning is in the form of a five-year rolling forecast that translates strategy to performance dollars, and is reviewed by Management quarterly and formally reviewed by the SRA Board on a half-yearly basis.

Assurance and review of controls and processes occurs through both internal and external audit functions. An independent external auditor annually tests transactions and controls to provide stakeholders with an independent opinion on whether the financial position represents a true and fair view. The external auditor also provides annual assurance that the organisation satisfies the financial terms of the SFC.

Independent internal auditors are engaged through a three-year rolling internal audit program to provide the Audit and Risk Committee (ARC) and the Board with assurance regarding the quality of management practices, processes and controls. Areas of internal audit focus are informed by risk considerations, strategy and required performance. The internal auditor reports on risk, status and recommendations and, together with Management, mitigating actions are agreed. The execution of agreed actions is reviewed by the ARC. The ARC reviews the internal audit program annually.

### 6.2. Corporate governance

SRA is a public company limited by guarantee operating within a corporate governance framework consisting of the *Corporations Act 2001* (Cth), supervised by the Australian Securities and Investments Commission (ASIC), other relevant laws and its Constitution. The details of the Corporate Governance Framework are reported in SRA's Annual Report each year.

### 6.3. Operations, risk and asset management

An operations management report is provided to the ARC quarterly on:

- risk management;
- asset management and facilities maintenance;
- workplace health and safety;
- environment; and
- capital works programs.

In addition, an operations management report is provided to the People, Performance and Remuneration Committee (PPRC) bi-annually on:

- Diversity (reported to the Commonwealth in the Workplace Gender Equality Agency Report);
- Staff Movements;
- Industrial Relations; and
- Performance Management.

In addition to the compliance and finance auditing, external audits occur on an annual basis on:

- the Workplace Health and safety system; and
- SRA's IT cyber security.

#### 6.4. Employee performance management

SRA has an established Performance Management Framework that connects SRA's overall strategic goals with employee performance management. The Performance Management Framework integrates strategy-focused and measurable employee objectives, development plans and performance appraisals. In aligning individually tailored employee objectives and KPIs with SRA's corporate strategy, each employee can see how they are actively contributing to the achievement of SRA's goals.

#### 6.5. Independent Performance Review

As prescribed under both SRA's Constitution and SFC, SRA is required to engage an independent organisation to undertake a comprehensive review of performance every four years. The Independent Performance Review focuses on reviewing SRA's performance against the provisions of the SFC and the extent to which the company is delivering benefit to investors. The review includes consideration of SRA's role as both a research investor and research provider and an assessment of SRA's corporate governance; operations; planning, monitoring, evaluation and reporting; interaction with investors and broader stakeholders.



## 7. Reporting

The following table identifies the primary reporting mechanisms for the dissemination of SRA's monitoring and evaluation results and communication of ongoing RD&A activity and outcomes. Reporting encompasses outcomes across short, medium and long-term horizons.

Reporting	Description	Timing	Stakeholders
<b>Annual Report</b>	Report highlighting SRA's RD&A activities, achievements and financial position for the preceding financial year.	Annually	All stakeholders
<b>Performance Report</b>	Summary of RD&A outputs and highlights, KPIs, observed outcomes and impact, including impact pathway narratives and impact case studies.	Annually	All stakeholders
<b>Independent Performance Review Report</b>	Findings and recommendations of independent review of SRA's performance against the SFC and the extent to which SRA is delivering value to investors.	Every four years	All stakeholders
<b>SFC compliance updates</b>	Progress against SFC, Strategic Plan and Annual Operational Plan. Includes KFA KPI traffic light report.	Bi-annually	Commonwealth Department of Agriculture and Water Resources
<b>Impact Pathway Report</b>	Progress against KPIs in Strategic Plan, delivery of outputs, expenditure alignment to R&D pipeline and KFAs, impact case studies and ex-post evaluations.	Bi-annually	All stakeholders
<b>Portfolio Gap Analysis Report</b>	Summary of review of RD&A investment portfolio against Strategic Plan priorities.		RFP and SRA Board
<b>Portfolio reporting</b>	Status of the contestable RD&A portfolio.	Annually	RFP and SRA Board
<b>Project milestone reporting</b>	Progress reports against project objectives.	Ongoing	SRA, RFU and DAF
<b>Executive Management reporting to SRA Board</b>	Management reports to Board meetings.	Bi-monthly	SRA Board
<b>Operations report – ARC</b>	Risk, asset, workplace health and safety, environment and capital works reporting.	Quarterly	ARC Committee
<b>Operations report – PPRC</b>	Diversity, staff movement, industrial relations and performance management reporting.	Bi-annually	PPRC Committee

(Cont.)

Reporting	Description	Timing	Stakeholders
Employee Performance Management reviews	Appraisal against strategy-aligned KPIs and targets in employee Performance Plans.	Annually	SRA staff and PPRC Committee
DAF investment impact evaluations	Cost-benefit analyses of projects with DAF investment completed in preceding financial year.	Annually	DAF
Project and program impact evaluations	Cost-benefit analyses of a selection of completed research investments.	Annually	All stakeholders
Grower and Miller survey reports	Survey results of industry adoption, practice change, satisfaction and sentiment.	Annually	All stakeholders
General communication of RD&A performance – SRA website, quarterly CaneConnection magazine, bi-annual Milling Matters, fortnightly SRA e-newsletter, social media, YouTube channel (Australian Cane Learning Centre), regional research update events and workshops.	Myriad of communication channels for RD&A information and M&E results.	Ongoing	All stakeholders

SRA’s Monitoring and Evaluation Framework is iterative and will be reviewed annually and updated where necessary.





## 8. Abbreviations and acronyms

Abbreviation	In full
ACFA	Australian Cane Farmers Association
ARC	Audit and Risk Committee
ASA	Australian Sugar Industry Alliance
ASIC	Australian Securities and Investments Commission
ASMC	Australian Sugar Milling Council
CRM	Customer Relationship Management
CRRDC	Council of Rural Research and Development Corporations
Cth	Commonwealth
DAF	Department of Agriculture and Fisheries (Queensland)
DAWR	Department of Agriculture and Water Resources (Commonwealth)
FRP	Full Research Proposal
IT	Information Technology
KFAs	Key Focus Areas
KPIs	Key Performance Indicators
M&E	Monitoring and Evaluation
PPRC	People, Performance and Remuneration Committee
PRP	Preliminary Research Proposal
R&D	Research and Development
RD&A	Research, Development and Adoption
RFP	Research Funding Panel
RFU	Research Funding Unit
SRA	Sugar Research Australia Limited
SFC	Statutory Funding Contract



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