



Sugar Research
Australia™

Response and Implementation Plan

Independent Performance Review
of Sugar Research Australia Limited 2013-2016

December 2016

Background

Sugar Research Australia Limited (SRA) is required to commission an independent review of its performance every four years, as per Section 13.1 of the Statutory Funding Agreement (SFA) between SRA and the Commonwealth Department of Agriculture and Water Resources.

Following a competitive tender process, a consortium of consultants (Scott Williams Consulting, Miracle Dog Business Consulting and Harrison Business Strategies) was appointed in April 2016 to undertake SRA's inaugural Independent Performance Review.

The review was completed during May to September 2016 and the reviewers' findings and recommendations were handed down in their Final Report submitted to the SRA Board in October 2016.

SRA Board response and implementation plan

The Board welcomes the overall findings of the Independent Performance Review and the strong endorsement of SRA's governance, strategic management and research investment programs.

The Board also acknowledges the comprehensive stakeholder consultation, review and analysis undertaken by the reviewers in delivering their Report.

This document provides the SRA Board's formal response to the findings and recommendations made in the Independent Performance Review Report. It briefly outlines the enhancements SRA is in the process of making and how SRA intends to introduce further improvements to our governance, strategic and investment management systems and processes in response to the recommendations in the Report.

The Board's response to each of the recommendations of the independent review is detailed below, including an implementation plan with associated actions and milestones.

Response	Implementation Plan		
	Actions	Responsible Executive/s	Milestones for Delivery
<p>Recommendation 1: SRA should continue its focus on improving the culture of the organisation, which may include the implementation of site-specific strategies to effect change.</p>			
<p>SRA agrees with this recommendation.</p> <p>SRA's Cultural Transformation Program has been underway since May 2014, with initial activity focused on identifying and establishing SRA's Values and associated behaviours. SRA employees across all sites were significantly involved in the process for developing the Values and incorporating them into SRA's performance management and reward and recognition programs.</p> <p>Over the past 12 months, SRA has completed a number of leadership team workshops and site-specific activities to support SRA's Cultural Transformation Program. Workshops have been held in each site to identify cultural issues specific for that location and strategies have been developed to address the identified issues.</p> <p>Cross-functional employee Culture Committees have recently been established to explore opportunities to address three strategic issues that were consistently identified in all of the site workshops as impacting on SRA's Cultural Transformation Program – communication, bureaucracy and interdependencies across SRA business units.</p>	<p>SRA will continue implementation of its Cultural Transformation Program, including the following activities:</p> <ul style="list-style-type: none"> • <i>Leadership Development</i> – consisting of a series of workshops across 12 months to support a high performing and culturally-unified organisation. The workshops will be focused on building leadership capability and effectiveness through a range of leadership topics which address identified culture leadership areas and priorities (both SRA and site-specific priorities). The intent is for the leaders to apply their learnings within their respective teams to effect improvement across SRA's sites. • <i>Living the Culture</i> – culture refresh workshops to review site-specific strategies to address cultural issues, assess progress and identify any new developments or culturally-impacting issues. • <i>Culture Committees</i> – develop plans to address identified cultural issues and implement key actions to reduce internal bureaucracy, enhance communication and remove internal silos. • <i>Cultural Values Assessment Survey</i>. <p>SRA Chief Executive Officer will continue to incorporate SRA's Values in internal communications.</p>	<p>Executive Manager Operations</p>	<p>Further extended leadership team workshop by March 2017, then quarterly thereafter.</p> <p>Further KFA Leaders' workshop by March 2017, then twice yearly thereafter.</p> <p>Supervisors' training by March/April 2017, then annually thereafter.</p> <p>Culture Refresh Workshops in each SRA location to be completed February – April 2017, then annually thereafter.</p> <p>Culture Committees' action plans to be developed by March 2017.</p> <p>Cultural Values Assessment Survey completed by May 2017.</p>

Response	Implementation Plan		
	Actions	Responsible Executive/s	Milestones for Delivery
<p>Recommendation 2: In the next phase of developing a renewed strategic plan (and in related plans and any reporting), SRA should focus on using more commercial language, simplifying the expression of objectives and strategies (KFAs and IAs) and including more objectivity in high-level key performance indicators.</p>			
<p>SRA agrees with this recommendation.</p> <p>With a view to improving enterprise-level performance reporting, SRA introduced a suite of high-level key performance indicators (KPIs) in the 2017/18 Annual Operational Plan.</p> <p>Further refinement of enterprise-level and KFA KPIs will be undertaken during the development of SRA's new Strategic Plan in 2017.</p>	<p>SRA's strategic planning process will include the development of simple, clearly-articulated and easily-understood objectives, strategies and outcome statements.</p> <p>A suite of meaningful and robust KPIs will be developed to demonstrate achievement against objectives in the new Strategic Plan.</p> <p>SRA's new Strategic Plan will be written using concise commercial language that can be understood by a broad audience, particularly SRA's grower and miller investors.</p>	<p>Executive Manager Investor Relations</p>	<p>Industry consultation on Strategic Plan development to be completed by February 2017.</p> <p>Objectives and KPIs to be developed and included in draft Strategic Plan by April 2017.</p> <p>Strategic Plan to include revised KFA outcome statements and KPIs by June 2017.</p>
<p>Recommendation 3: SRA should, where appropriate, further expand the number of joint projects between SRA Technology and external providers. The challenges of doing so are recognised.</p>			
<p>SRA agrees with this recommendation.</p> <p>SRA currently undertakes extensive collaboration in both its core (plant breeding, biosecurity and adoption) project activities and in its non-core projects funded through SRA's contestable investment program.</p> <p>Of the 63 non-core projects in SRA Technology's current portfolio, all but two are undertaken in collaboration with external partners.</p> <p>SRA Technology's core projects also include collaborative partnerships, covering exchange programs, biosecurity protection and governance and packaging and facilitation of adoption/extension programs.</p>	<p>SRA will continue to seek partners to collaborate with in SRA Technology projects (core and contestable) and will give due consideration to collaboration opportunities presented to SRA, where appropriate.</p> <p>SRA will enhance current annual pre-competitive R&D strategy workshop between SRA and CSIRO to include additional external providers, such as universities.</p>	<p>Executive Manager Technology</p>	<p>Identification of research collaborators in preliminary project proposals submitted to SRA's annual contestable Project Call – Aug/Sep 2017, annually thereafter.</p> <p>Collaborative opportunities in SRA's core projects to be considered on an ongoing basis.</p> <p>Pre-competitive R&D Strategy workshop between SRA and external providers by August 2017, then annually thereafter.</p>

Response	Implementation Plan		
	Actions	Responsible Executive/s	Milestones for Delivery
<p>Recommendation 4: SRA should continue to move towards a more flexible approach to project selection which may include some commissioning of major projects / programs, and should continue the practice of more targeted priorities for open calls (and identify opportunities to reduce transaction costs).</p>			
<p>SRA agrees with this recommendation.</p> <p>The SRA process for project selection continues to evolve in the three years since incorporation. Recent examples include projects being specifically commissioned into identified portfolio gaps and the narrowing of the 2017/18 Project Call by using prioritised research opportunities and outcomes from R&D review activities and workshops.</p>	<p>SRA project calls will continue to be shaped around an annual gap analysis of the SRA R&D investment portfolio and industry identified high priority areas.</p> <p>This will influence SRA's Project Call priorities and permit the Research Funding Panel (RFP) to flexibly address industry research needs through targeted project calls and commissioned projects, where appropriate.</p> <p>SRA Board will continue to directly commission research to address identified gaps in SRA's portfolio.</p>	<p>Chief Executive Officer</p> <p>General Manager Research Funding Unit</p> <p>Chair Research Funding Panel</p>	<p>R&D gap analysis to be completed in February /March 2017, and annually thereafter, to inform annual call process.</p>
<p>Recommendation 5: Without compromising the independence of the RFP, there should be more transparent feedback about project funding decisions from the RFP to the RACs and DAF.</p>			
<p>SRA agrees with this recommendation.</p> <p>The RFP has acknowledged that feedback is an important aspect of the research investment process. The panel has agreed to provide more detailed feedback to both production and milling Research Advisory Committees (RACs) and the Queensland Department of Agriculture and Fisheries (DAF) regarding their recommendations to the SRA Board. This will be done in a way to protect the confidentiality of research applications and without compromising the RFP's authority to make investment recommendations.</p>	<p>Provision of improved feedback to Delegates, RACs and DAF on the cluster of project applications each group was asked to assess.</p>	<p>General Manager Research Funding Unit</p> <p>Chair Research Funding Panel</p>	<p>Formal feedback to be provided two weeks after Board approval of RFP investment recommendations in December 2016 and April 2017, then annually in December and April thereafter.</p>

Response	Implementation Plan		
	Actions	Responsible Executive/s	Milestones for Delivery
Recommendation 6: SRA should further engage with the milling investors to develop pre-competitive R&D or adoption / training priorities.			
<p>SRA agrees with this recommendation.</p> <p>SRA recognises the need to further engage with the milling sector to identify R&D priorities and opportunities.</p> <p>SRA participated in the 2016 Australian Sugar Milling Council (ASMC) R&D priority setting workshops in mid-2016.</p>	<p>SRA Board will continue to directly consult with SRA's milling members.</p> <p>SRA will continue to engage with ASMC to update milling sector priorities for R&D and training.</p> <p>SRA's Research Funding Unit (RFU) will continue to participate in the annual milling research seminar series co-sponsored by Queensland University of Technology (QUT) and SRA which communicates R&D progress to milling organisations and seeks R&D feedback.</p> <p>Milling sector priorities will be used to inform SRA's Project Call.</p> <p>SRA will engage with both ASMC and milling investors during the development and finalisation of SRA's five-year Strategic Plan to ensure milling sector priorities are addressed appropriately.</p> <p>SRA's Adoption Officers will further enhance consultation and engagement practices with milling investors and milling Delegates.</p>	<p>Chief Executive Officer</p> <p>General Manager Research Funding Unit</p> <p>Executive Manager Technology</p> <p>Executive Manager Investor Relations</p>	<p>Ongoing Board consultation with milling members.</p> <p>Engagement with ASMC to update milling sector priorities by February 2017, then annually thereafter.</p> <p>ASMC input, review and feedback on SRA's draft Strategic Plan completed by May 2017.</p>
Recommendation 7: SRA should consider the adoption of a more active program- rather than project-based approach for the management of the R&D portfolio, based on revised KFAs. Programs may be most effectively coordinated by part-time external specialists.			
<p>SRA agrees with this recommendation.</p> <p>The RFP identified that a program management structure could provide additional benefits to the SRA R&D investment portfolio. A program structure has been implemented for the Yellow Canopy Syndrome (YCS) program, overseen by an external Scientific Reference Panel and an external chair.</p>	<p>Preliminary planning is underway to develop a program structure in the area of soil health. The RFP will make recommendations for a soil health program structure based upon the outcomes of the 2017/18 Project Call where this area was a prioritised investment area.</p> <p>A more formal approach to defining a program for nutrient management research is also being undertaken.</p>	<p>General Manager Research Funding Unit</p>	<p>Establishment of a soil health program by June 2017.</p> <p>YCS program to be refined by April 2017.</p> <p>Harvest Losses program to be refined by March 2017.</p>

Response	Implementation Plan		
	Actions	Responsible Executive/s	Milestones for Delivery
SRA has also recently established a Harvest Losses program to ensure greater coordination and knowledge sharing across harvest losses' related research, development and adoption projects.	<p>YCS and Harvest Losses programs will be reviewed and refined, where appropriate.</p> <p>The RFP will continue to seek to utilise a program-based approach to managing SRA's contestable R&D portfolio, where appropriate.</p> <p>During the development of SRA's new five-year Strategic Plan, the SRA Board will review SRA's current Key Focus Areas (KFAs), upon which SRA's R&D portfolio and SRA's organisational structure are based, and consider the incorporation of a more program-based approach to managing SRA's entire R&D portfolio – i.e. both contestable (managed by the RFP) and core (plant breeding, biosecurity and adoption).</p>		
<p>Recommendation 8: SRA should now make RD&E portfolio analysis a regular part of its R&D management to ensure an appropriate mix of long term / short-term research, risk /return profile, large and small projects etc.</p>			
<p>SRA agrees with this recommendation.</p> <p>In 2016, SRA began the process of using a gap analysis of the R&D investment portfolio to shape Project Call requirements. Future gap analyses are expected to become more sophisticated and take into account progress against Strategic Plan objectives, investment levels across KFAs and strategic basic research versus applied activities. This analysis will also provide the basis for the direct commissioning of research projects outside of the Project Call.</p>	<p>Annual portfolio gap analyses will be conducted by the RFU/RFP and used in shaping the subsequent SRA Project Call.</p> <p>SRA will continue implementation of a program logic based impact pathway framework which identifies and monitors portfolio outputs, outcomes and associated industry impacts along the research pipeline (i.e. from strategic basic research through to adoption).</p> <p>Impact pathway reports will be prepared to inform decisions with respect to balancing SRA's R&D portfolio across the research pipeline</p>	<p>General Manager Research Funding Unit</p> <p>Chair Research Funding Panel</p>	<p>Portfolio gap analysis to be completed by February/March 2017, then annually thereafter.</p> <p>Impact pathway report provided to SRA Board and RFP in April 2017, then six-monthly thereafter.</p>

Response	Implementation Plan		
	Actions	Responsible Executive/s	Milestones for Delivery
<p>Recommendation 9: As a matter of priority, SRA should seek to facilitate the development of a robust long-term industry adoption strategy, and identify SRA's role within it. In doing so, SRA should consider:</p> <ul style="list-style-type: none"> • <i>Resource allocation in an equitable manner; and</i> • <i>How the strategy will build rapport, capability and availability of external advisors.</i> 			
<p>SRA agrees with this recommendation.</p> <p>SRA's Board has identified the area of adoption as one of the company's Impact Areas for targeted focus and investment.</p> <p>To ensure resources and investment are expended effectively, the Board have requested an industry adoption strategy be developed, in collaboration with industry extension providers.</p> <p>The intent of the industry adoption strategy is to improve the uptake and implementation of new and existing technologies through a coordinated and collaborative extension sector.</p>	<p>An independent consultant will be engaged by SRA to review and advise on an appropriate adoption model and associated implementation strategies for SRA.</p> <p>The consultancy project will:</p> <ul style="list-style-type: none"> • Identify key success factors of other agricultural industry adoption models and applicability to the sugar industry; • Facilitate industry stakeholder discussion on drivers for improved adoption across industry and on a regional basis; • Identify constraints to adoption and recommend regional strategies for integration and optimisation of industry adoption activities; • Facilitate development of a 10-year vision for adoption across the sugar industry; • Quantify the expected industry impacts from implementation of the industry adoption strategy; • Identify necessary resources for strategy delivery; and • Develop regionally-based, multi-party adoption implementation plans consistent with the industry adoption strategy. <p>Strategy development, implementation and associated milestones are subject to the outcomes of the independent consultant review.</p>	<p>Executive Manager Technology</p>	<p>Engagement of consultant by December 2016.</p> <p>Stage 1 Consultancy Progress Report to Board by April 2017.</p> <p>Final Report to the Board by June 2017.</p>

Response	Implementation Plan		
	Actions	Responsible Executive/s	Milestones for Delivery
Recommendation 10: SRA should consider the development of program-oriented adoption ('marketing') plans.			
SRA agrees with this recommendation.	<p>SRA's Adoption officers are currently developing regional work plans and program or "discipline-based" work plans (covering varieties, nutrition, pests and weeds, precision agriculture, farming systems, irrigation and harvesting). The work plans will outline how SRA will work with researchers, industry extension providers and other stakeholders to facilitate the translation of new research knowledge and technology into practice change.</p> <p>SRA's Leader Marketing is currently developing campaign plans for packaging and marketing information and training products to support the implementation of the regional and discipline-based work plans.</p> <p>SRA will engage an independent consultant in December 2016 to undertake a review to: identify industry adoption constraints; opportunities for optimising adoption activities; key characteristics from successful adoption models relevant to the sugar industry; and possible strategies to develop regionally-based, multi-party adoption implementation plans.</p> <p>Further actions and/or alterations to regional, discipline-based and/or campaign plans may occur as a result of the review findings and recommendations.</p>	<p>Executive Manager Technology</p> <p>Executive Manager Communications</p>	<p>Regional, discipline-based and campaign plans developed by 28 February 2017, then annually thereafter.</p> <p>Milestones are subject to outcomes of independent consultant review into industry adoption model for SRA.</p>

Response	Implementation Plan		
	Actions	Responsible Executive/s	Milestones for Delivery
<p>Recommendation 11: SRA should consider rationalising and aligning the function and structure of RACs and Delegates.</p> <p><i>One option would be to allocate Delegates into program advisory groups, one of which would be MRAC, with PRAC split into several production programs.</i></p>			
<p>SRA agrees with this recommendation.</p> <p>The SRA Board has approved the restructure of Production Research Advisory Committee (PRAC) with the current membership disbanded and replaced by the SRA Grower Delegates. This process was used for the first time during the 2017/18 Project Call and will be further developed with Delegate input prior to the next Project Call.</p>	<p>SRA will engage with the Grower Delegates to collectively finalise an improved process to review Preliminary Research Proposals (PRPs) for the 2018/19 Project Call.</p> <p>The membership of the Milling Research Advisory Committee (MRAC) will remain as is for now and will be reassessed prior to the 2018/19 Project Call.</p>	<p>General Manager Research Funding Unit</p>	<p>Improved PRP review process finalised by June 2017, then reviewed annually thereafter.</p> <p>Confirmation of MRAC membership for 2018/19 Project Call by August 2017, then reviewed annually thereafter.</p>
<p>Recommendation 12: Depending on what if any changes are made to its advisory structures, SRA should consider options for compensating or providing non-financial incentive to Delegates and PRAC / MRAC members to better recognise and encourage their contributions.</p>			
<p>SRA agrees with this recommendation.</p> <p>SRA has previously covered all travel expenses and meeting costs for the PRAC and for the recent Grower Delegate review. MRAC travel costs have been met by the members' respective organisations.</p> <p>Clause 7 of SRA's Constitution prohibits SRA from remunerating any person or entity for participating in consultation on strategic and operational plans and priorities for investment in R&D activities.</p> <p>Clause 5.3 of the Constitution does however provide for remuneration to a member or another person in return for services rendered to the company.</p>	<p>The recommendation will be discussed with SRA's Delegates at their meeting in February 2017 and the Delegates' feedback will be considered by the SRA Board at their April Board Meeting.</p>	<p>Chief Executive Officer</p>	<p>Recommendation to be discussed at Delegates Meeting on 27 February 2017.</p> <p>Delegates' feedback to be considered by SRA Board at April 2017 Board meeting.</p>

Response	Implementation Plan		
	Actions	Responsible Executive/s	Milestones for Delivery
<p>Recommendation 13: <i>SRA should continue to seek ways to report RD&E outcomes (ex post) in ways that are relevant and meaningful to stakeholders, especially producers and millers (e.g. case studies, time-series, benchmarking).</i></p>			
<p>SRA agrees with this recommendation.</p> <p>Various communication means are currently used to report RD&E outcomes to stakeholders, including industry forums, field events, workshops, publications, SRA’s website, on-line videos, webinars and social media. SRA produces an annual Performance Report which reports on RD&E outcomes by way of infographics, case studies, year-on-year trends and traffic-lights.</p> <p>SRA executives are involved in various forums to ensure that SRA remains up-to-date in the way that research outcomes and research evaluation processes are run and reported. This includes participation within a Research and Development Corporations’ (RDCs’) Research Impact Assessment and Evaluation Working Group and attendance at national and international forums for research impact and assessment.</p>	<p>SRA will continue to report and promote RD&E outcomes through various means.</p> <p>SRA will continue to build on the content and format of the annual Performance Report to ensure it provides a meaningful and easily understood synopsis of SRA’s RD&E outputs and outcomes.</p> <p>SRA will continue to work with the RDCs’ Impact Assessment and Evaluation Working Group in order to deliver modern reporting of research outcomes and impact.</p> <p>SRA will continue to capture investor feedback on SRA information products through the annual Grower Survey.</p>	<p>Executive Manager Investor Relations</p> <p>General Manager Research Funding Unit</p> <p>Executive Manager Communications</p>	<p>Ongoing, with an annual emphasis leading into performance reporting obligations.</p>

Any enquiries regarding SRA’s Independent Performance Review Report or SRA’s above response and implementation plan should be directed to:

Ms Leigh Clement

Executive Manager Investor Relations

Sugar Research Australia Limited

Telephone: 07 3331 3329

Email: lclement@sugarresearch.com.au

Postal address: PO Box 86, Indooroopilly, Queensland, 4068