

Agriculture Victoria Services Pty Ltd

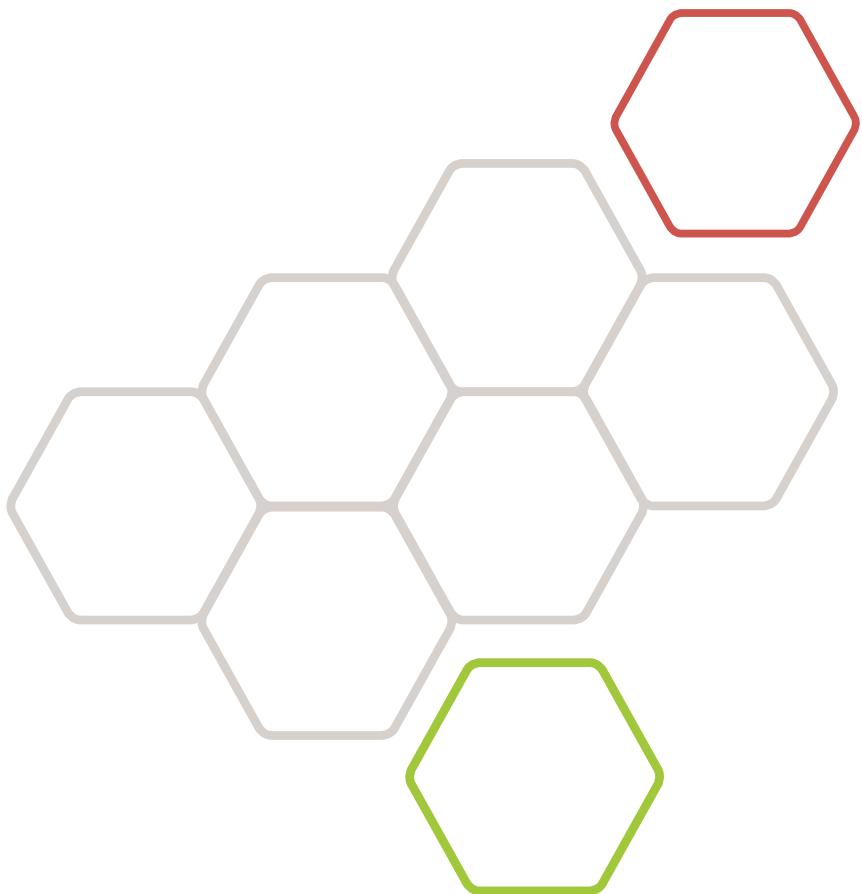
# Three Year Corporate Plan 2019-21





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## 1. Background

**Agriculture Victoria Services Pty Ltd (AVS)** has delivered over thirty years of service excellence to the Government of Victoria through the **Agriculture Victoria Research branch (AVR)** of the **Department of Jobs, Precincts and Regions (the Department)**.

This corporate plan describes the strategy to be employed by AVS to maintain this high standard of service for the three-year period to 30 June 2021.

The AVS Corporate Plan:

- is a statement of the Company's aligned strategic purpose, value, objectives, drivers, priorities and principles, as agreed between AVS and the Government, stakeholders and staff.
- recognises the benefits of the Company's unique entity structure and its role in providing a commercial interface between AVR and the private sector.

The Plan is underpinned by a *Corporate Strategy Framework* (refer Section 14) that aligns the strategic purpose, objectives and priorities of AVS with those of the Department.

## 2. Company Purpose

**AVS' purpose is to help improve the productivity and competitiveness of Victorian agriculture and related local industries, by commercialising the research and innovation of Agriculture Victoria.**

AVS helps the Department's Agriculture Victoria Research branch to determine the most appropriate 'route-to-impact' for its research outputs.

Where the economic and local industry productivity outcomes will be greater and more rapid, a commercial route-to-impact pathway is pursued.

The Victorian Government invests in research and innovation for productivity and biosecurity outcomes for Victorian agriculture. In this context, the Department aims to achieve step change improvements in agriculture through innovation for the enduring profitability and productivity of Victorian farmers.

The Government looks to AVS to work with AVR to ensure the benefits of AVR's research are optimised, where appropriate, by commercialisation of its intellectual property assets and scientific capabilities.

In this way AVS helps the Government to meet its objectives – by providing expert intellectual property (IP) management & commercialisation services; commercial research collaboration services; and technology investment services that maximise the adoption and impact of AVR research inventions and capability.



## 3. Company Value

**AVS is valued by its stakeholders as the corporate entity that streamlines the interface between AVR and the private sector.**

To this end, AVS was established by the Victorian Government to:

- protect and manage IP assets arising from AVR activities, including commercialisation of technologies for delivering local industry and economic benefits to Victoria.
- provide a legal entity through which commercial research & innovation collaborations are expertly negotiated and supported.
- invest company funds to maximise value capture and accelerate market delivery of AVR research outputs and technology innovations.

In this way, AVS provides a professional, expert and impartial commercial interface with the private sector to enhance and expedite the route-to-impact for the research outputs of AVR, for the benefit of Victorian agriculture and related local industries.

## 4. Governance and Management

AVS is a private Company incorporated under the provisions of the Corporations Act 2001.

AVS provides the Department with an independent and dedicated IP and commercialisation structure.

The Government of Victoria beneficially owns 100% of the Company's issued capital with the shareholder being represented through the state Minister for Agriculture. A skills based board of six directors is appointed by the Minister with five directors from the private sector.

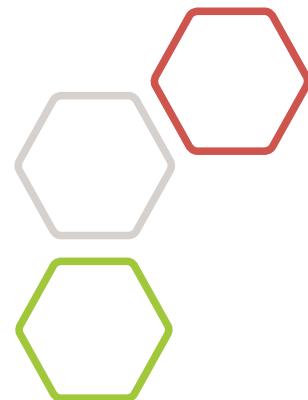
The company employs 16 professional and support staff with expertise in technology commercialisation intellectual property and law.

AVS also draws on specialist external service providers where it is most efficient and effective to do so. As a result, AVS has the core capability and critical mass necessary to meet its obligations to Government and the expectations of its stakeholders.

## 5. Operating Principles

AVS operates in accord with the following IP management, collaboration and investment principles:

- AVS helps to determine the most appropriate 'route-to-impact' for the research & innovation outputs of AVR. Where the economic and productivity outcomes for the state will be greater and more rapid, a commercial route-to-impact pathway is pursued.
- Where a commercialisation route-to-impact is pursued, the primary objective of **AVS is to maximise technology adoption by local industry for the economic benefit of the state**. Financial returns are a secondary objective and sought commensurate with fair and reasonable value attribution.
- AVS aims to ensure **the registration, prosecution, defense and management of the IP assets created by AVR is always in the best economic and societal interests of the state**.
- AVS manages all commercialisation, research and innovation collaborations consistent with the objectives of AVR, **the Department's IP Management Principles and Victorian Public-Sector Values**.
- AVS invests company funds to accelerate the translation of AVR inventions into innovative products and services. Funds are invested in high-potential innovations that are: technically feasible; commercially attractive; and that align with Department IP Management Principles, AVS Strategic Objectives and the above Operating Principles.



## 6. Stakeholders and Collaborators

AVS is a self-funded entity relying on service fees and investment income to fund its operations and ensure the Company's ongoing viability.

Strong relationships with stakeholders and collaborators are critical to the success of AVS. Key AVS stakeholders include:

- Victorian and Australian farmers
- The Victorian Government
- The Victorian Minister for Agriculture
- The State Department's Agriculture Victoria Research branch (AVR)
- Technology co-investors and joint IP owners and equity holders
- Research collaborators
- Technology licensees and licensors
- Contractors and suppliers.
- AgriBio (Centre for AgriBioscience)

## 7. Strategic Content

Innovation is a central driver of economic growth, productivity and international competitiveness. Business innovation, driven by increased knowledge and new technologies, will increasingly be required to ensure that Victorian farmers have the sustainable competitive advantages necessary to grow and achieve enduring profitability. While the demand for world food and fibre is projected to increase significantly in the next 30 years, a range of economic and climate related issues may limit the potential for Australian primary producers to capitalise on these opportunities.

AVR is undertaking research to enable Victorian farmers to overcome productivity, food security and biosecurity challenges and assist them to compete in key export markets, particularly in Asia. The research environment in agriculture is becoming more global and more sophisticated, in both agriculture technology deliverables and in the technological tools that underpin this research. International collaboration is now more vital than ever, particularly as the agricultural platform technology landscape continues to grow. AVS is cognisant of these changing dynamics and, based on the world-leading strengths of AVR, plans its international collaborations and IP route-to-impact arrangements accordingly.

The specialist IP, commercialisation, collaboration and technology investment skills of AVS will remain essential in linking the world-leading research outputs of AVR with Victorian farmers for the economic benefit of the State – by ensuring novel bioscience and agricultural technology innovations are effectively developed and delivered to local industry via capable private sector entities.



## 8. Strategic Drivers

The following internal and external forces in AVS' operating environment are expected to shape the company's approach to achieving the Strategy Objectives of its Corporate Plan over the next 3 years:

- **An increased focus on agriculture food & fibre** for driving State economic development and investment attraction – in recognition of the vital role that Victorian agriculture plays in the economic and social prosperity of rural and regional communities, including an increasing focus of AVR upon:
  - a transformational bioscience innovation growth strategy with a set of headline indicators.
  - the global profile of AgriBio® as a world leading centre of excellence in agricultural systems biology, for the benefit of Australia's local dairy, grains, red meat and horticulture industries.
  - regional innovation 'clusters' to drive technology convergence and the AVR innovation ecosystem.
- **A growth in AVR technology innovations,** particularly in new and emerging areas of transformational genetic and biosecurity innovation for animal and plant industries, including:
  - integrated systems biology capability, characterised by rapid advances in precision breeding tools and technologies that deliver tailored, accelerated crop design solutions for the benefit of Australian wheat, canola, pulse and barley growers.
  - improved dairy cattle through advanced genetic and genomic technologies and large-scale integrated research using cutting-edge agricultural technologies to improve pasture performance, animal nutrition and the cost-competitiveness of the Australian dairy feed base.
  - novel biologicals, microbiome products and services, and associated symbiota for crop productivity and plant biosecurity outcomes.
  - digital agricultural technologies developed through AVR 'SmartFarms', for digital innovation, integration, validation and demonstration, to inform farmer decision making, in real time, on farm.
  - growth in the development of novel IP assets, characterised by transformational platform technologies that operate at scale, from genome to phenotype to biomes.

- **Global agri-technology innovation trends** including:

- emergence of 'bio-economies' enabling conversion of biomass into agriculture, food and biosecurity products and services.
- consolidation in the agbio innovation sector and further globalisation of agricultural innovation pipelines linking public-private research, innovation and route-to-impact collaborations.
- deployment of transformational agbio innovation enabling technologies, such as genomic selection and genome editing breeding tools.

- **Complexity in research and innovation commercialisation models** – across space (geographies); time (innovation life); and scale (multiple routes to market).

## 9. Strategy Objectives & Priorities

To deliver on the Company's Purpose, the Board has set the following Strategy Objectives and aligned Strategic Priorities for their achievement. AVS' Purpose and its three (3) Strategy Objectives reflect a growing depth, breadth and complexity of the Company's business, technologies and collaborations.

### AVS Strategy Objective

1

IP Management & Commercialisation Services

#### **Protect and commercialise AVR IP assets to maximise technology adoption for local industry impact.**

##### **Strategic priorities (Objective 1):**

- IP and route-to-impact needs are assessed and evaluated for novel AVR inventions.
- IP strategy and registration decision-making is guided in alignment with IP Policy.
- AVS engages effectively with AVR in the protection & management of IP assets.
- Technology commercialisation agreements are negotiated and managed to maximise technology adoption for local industry impact, to minimise risks and to deliver economic and societal benefits for the State.

### AVS Strategy Objective

2

Commercialisation Research & Collaboration Services

#### **Support and strengthen commercial research collaborations that deliver AVR science and innovation for local industry impact.**

##### **Strategic priorities (Objective 2):**

- AVS is an effective commercial interface between AVR and private sector research & innovation collaborators.
- Partnering, IP and legal risks of AVR research collaborations with the private sector are appropriately assessed, balanced and managed.
- Commercial research agreements are negotiated and supported in a professional and responsive manner.
- Commercial research joint ventures are appropriately structured and governed to minimise risks and maximise economic benefits for the State.

### AVS Strategy Objective

3

Research & Innovation Investment

#### **Accelerate the translation of AVR inventions into innovative products and services through AVS investment.**

##### **Strategic priorities (Objective 3):**

AVS seeks to identify investments that:

- balance risk and reward of AVS' overall investment portfolio to deliver positive financial results.
- accelerate and enhance transformation of AVR inventions into innovative products & services.
- deliver economic benefits for the State by maximising adoption and value of AVS technologies.
- AVS can manage effectively with AVR and other partners.

## 10. Key Performance Measures

The Board uses five (5) **Key Performance Measures** to assess the company's performance against the Strategy Objectives in the AVS Corporate Plan:

- 1. IP Management & Commercialisation Services: Performance Measures:**
  - *Stakeholder Satisfaction:* AVS' role in maximising local industry adoption and impact of AVR IP assets.
  - *IP Portfolio Activity:* proportion of IP portfolio in research and commercial use.

- 2. Commercial Research & Collaboration Services: Performance Measures:**

- *Stakeholder Satisfaction:* AVS' role in supporting AVR research collaborations with the private sector.

- 3. Research & Innovation Investment: Performance Measures:**

- *Route-to-Market Collaboration:* proportion of AVS projects with commercialisation partners.
- *Route-to-Market Progression:* proportion of AVS projects reaching commercial evaluation phase.



## 11. Strategy Enablers

The Board deploys four core **Strategy Enablers** for its delivery against AVS' Strategy Objectives:

### AVS Strategy Enabler 1: Systems & Processes

**Objective (Systems & Processes):**

**AVS Systems and Processes are sophisticated, sound and responsive.**

**Priorities (Systems & Processes):**

- AVS' processes and systems will be sophisticated and flexible to respond the needs of its key stakeholders.
- AVS will ensure it has strategic risk identification, assessment and management policies and procedures.

### AVS Strategy Enabler 2: Capabilities & Resources

**Objective (Capabilities & Resources):**

**AVS Capabilities and Resources support the sustainable delivery of AVS Services.**

**Priorities (Capabilities & Resources):**

- AVS will ensure it has the right expertise and resources necessary to achieve its Purpose and meet its Strategic Objectives.
- AVS' will ensure it has the human and financial resources to sustain the company's business operations.

### AVS Strategy Enabler 3: Stakeholder Engagement

**Objective (Stakeholder Engagement):**

**AVS Stakeholder Engagement is positive and constructive in alignment with AVS Core Values.**

**Priorities (Stakeholder Engagement):**

- The separate legal entity model provided by AVS will continue to be supported by the shareholder.
- AVS will continue to be valued by its stakeholders as the interface between AVR and the private sector.

### AVS Strategy Enabler 4: Business Environment Understanding

**Objective (Business Environment Understanding):**

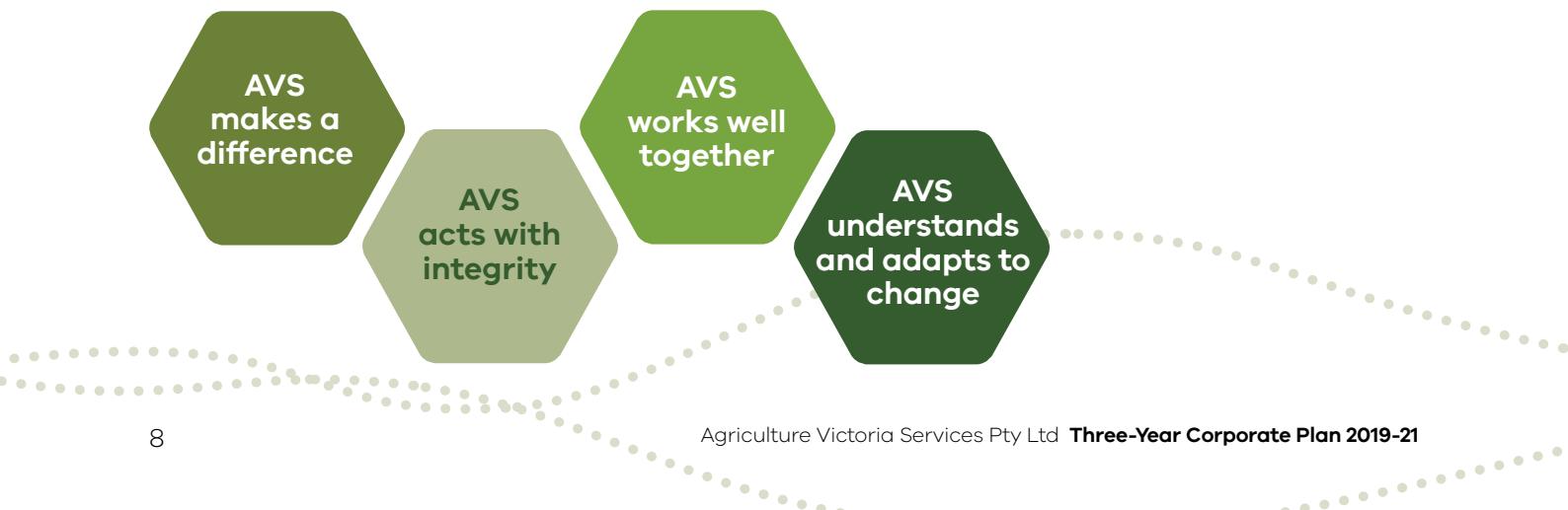
**AVS understands and adapts to its changing international business environment in agriculture technology development to ensure it optimises its support for AVR and Victorian farmers.**

**Priorities (Business Environment Understanding):**

- AVS, in association with AVR, will produce or conduct a comprehensive Business Environment Review annually to test and challenge AVS' strategic direction, investment portfolio and collaborations for efficacy in a rapidly changing world.

## 12. Core Values

The following Core Values guide the behavior and conduct of all AVS Directors and staff:

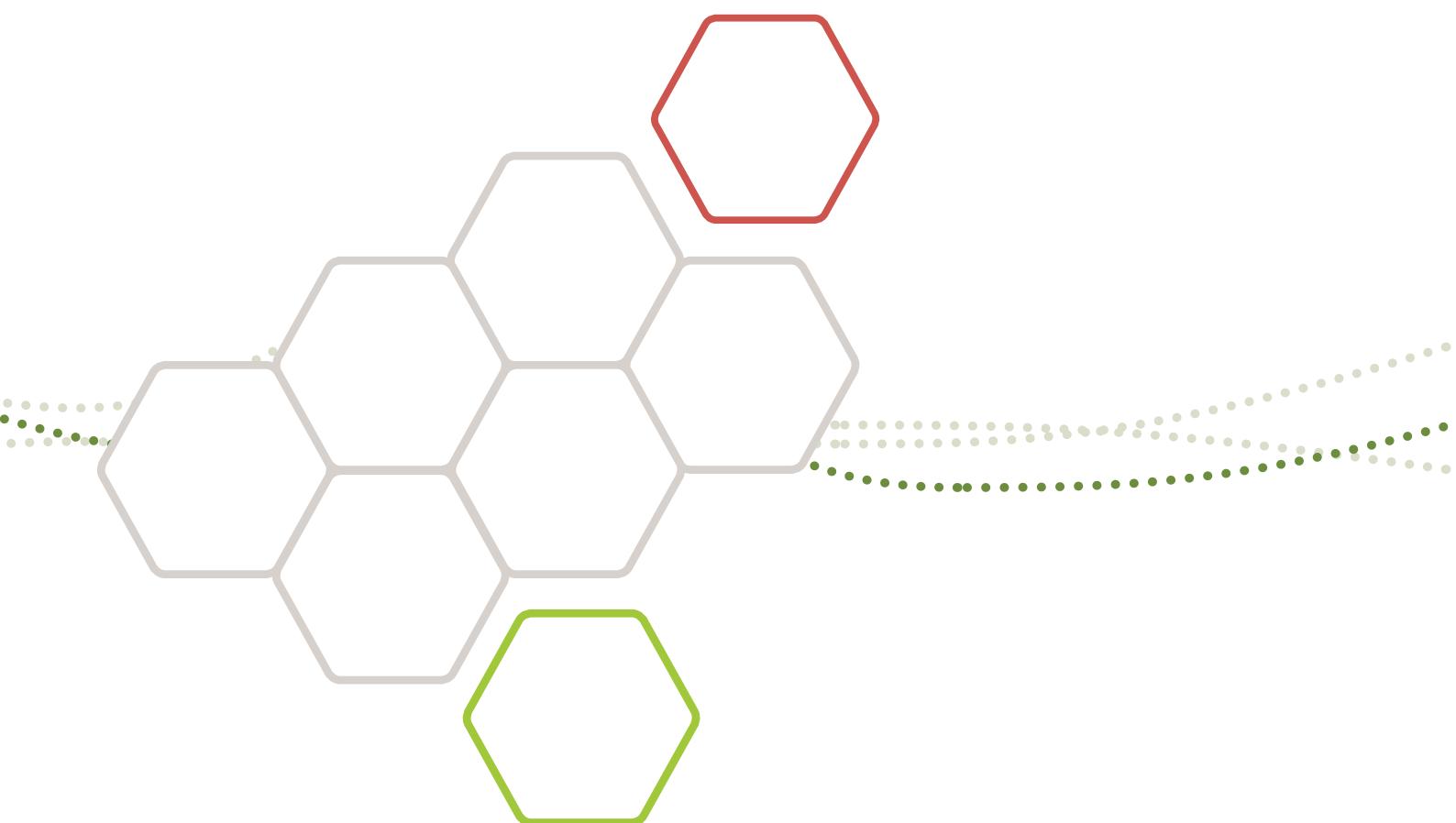


## 13. AVS Strategy on a Page (Summary)

This diagram shows the AVS Corporate Strategy Framework that underpins AVS Corporate Plan (2019-21).

### AVS Strategy 2019-21





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