

# STRATEGIC PLAN

2022







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# CHAIR STATEMENT



On behalf of the Board, I am proud to present the inaugural Agricultural Innovation Australia (AIA) Strategic Plan.

Much has been achieved since 2019-20, when Australia's Rural Research and Development Corporations (RDCs) explored how to achieve more effective and efficient collaboration across their agricultural, fisheries and forestry industries.

That effort led to the formation of AIA in October 2020, with appointments to the inaugural AIA Board completed in April 2021.

Since then, we have been busy establishing our operational and governance frameworks, appointing the CEO and resourcing the company, and, importantly, creating our strategy.

During that time, we have also been developing, and preparing for the delivery of, our first investment opportunities in the areas of climate resilience and adaptation.

Our founding members and first investors, the RDCs, established AIA to drive cross-industry research, leverage public and private sector investment and target transformational innovation.

This Strategic Plan outlines the areas of focus that will enable AIA to deliver on this purpose and achieve our objectives.

To be an effective 'innovation catalyst' and deliver transformational change for Australian agriculture, we realised very early on how important it was for AIA to take a new and different approach.

For us, this means being bold, taking risks, bringing diverse thinking and new partnerships from outside of agriculture, and, where appropriate, applying a commercial lens to our activities.

Solving the big, complex challenges also requires strong leadership. It is important to be able to strategically leverage past and current investments for maximum impact. Good governance and a focus on sustainability and diversity will be key to our success. Working closely together with our stakeholders to achieve these common goals is vital.

The Board and I are confident that this Strategic Plan establishes the foundations and pathways to guide AIA's success into the future and ultimately, to deliver transformational outcomes for Australian agriculture.

**Bernie Brookes AM**  
Chair

*Our aim is that Australia is a global leader in agricultural innovation impact, delivering enhanced returns for growers and investors by 2030. By that we mean delivering value to all of our investors - importantly, the farmers, fishers and foresters who invest in us via their RDCs.*

# CEO STATEMENT



As the inaugural AIA CEO, I am honoured to be leading an organisation targeting transformational innovation for Australia's agricultural, fisheries and forestry value chains.

For AIA, everything starts with strategy. To develop and implement an effective strategy, it is important to listen, learn and, where necessary, course-correct.

Taking the time to listen to and understand the challenges of our members and stakeholders has helped us form a cross-sectoral perspective on the key priority areas for Australian agriculture, and informed our first Strategic Plan.

That listening swiftly moved to action.

Working closely with the RDCs, we presented them with the first investment opportunities in the area of climate adaptation and resilience. This cross-sectoral collaboration is exactly what AIA was established to enable; however, our goal is to develop an enduring collaboration model, not just one-off, project-specific collaboration - that's how we will know we have been successful.

At the same time, we have been busy developing our operational processes, investment criteria and logic frameworks, as well as building out a pipeline of opportunities.

Being a newly established company, and with activity already underway, it was important that this Strategic Plan outlined a clear pathway for the organisation's success. Our plan's six areas of focus are all interconnected and crucial elements to us being able to deliver on our purpose.

As you will see from our business roadmap on page 20, we are initially concentrating on:

- + **reducing duplication** by brokering collaboration and investment with the 15 RDCs in key priorities such as climate
- + **enhancing public and private sector collaboration** and partnerships across the broader innovation ecosystem
- + identifying existing opportunities within the RDCs that have cross-sectoral potential.

These activities lay the foundation and prepare us for **attracting new and non-traditional investment** into Australian agriculture and taking a strong **leadership** role in fostering further innovation, and a more commercially focused and risk-taking culture.

Together, these activities contribute to us **targeting the big, cross-sectoral opportunities and challenges** which will drive transformational change.

As highlighted in our Chair's statement, for AIA, innovation is about doing things differently, embracing new ideas and perspectives, taking risks and being comfortable with failure.

Already, we are bringing external thinking to our innovation processes and, rather than looking at individual commodities, are taking a whole-of-production approach. We have established strong networks with the mixed-production enterprise, innovation, agri-food supply chain and venture capital communities, and are challenging traditional R&D models by using them to pressure test and validate concepts.

Over the course of this plan, AIA will continue to explore novel methods and bring new partners to the table to help solve complex challenges.

I would like to acknowledge the continued support of our members and stakeholders, who have been on the AIA journey from inception.

Having been born and raised on a mixed-farming operation, I'm passionate about supporting Australia's farmers, fishers and foresters (growers). As CEO, I am confident that this Strategic Plan enables AIA to deliver value to them, our members and our investors.

**Sam Brown**  
Chief Executive Officer

**I am excited to be at the helm of a company committed to exploring new and different approaches to solve complex challenges and delivering transformational change for our industry.**

# ABOUT AGRICULTURAL INNOVATION AUSTRALIA

Agricultural Innovation Australia Ltd (AIA) is a not-for-profit public company established to facilitate joint investment and collaboration in the big, cross-sectoral agricultural opportunities and challenges.

We identify, develop, and attract investment into strategies that deliver transformative outcomes to drive sustainability, productivity and profitability across Australian agricultural value chains.

As a single point of contact for cross-industry strategies of scale, we make it easier for investors to navigate and partner with Australian agriculture.

We seek out opportunities which attract new sources of investment.

Our scope encompasses the agricultural, fisheries and forestry value chains, including input supply, production, processing and export.

## AIM

Australia is a global leader in agricultural innovation impact, delivering enhanced returns for growers and investors by 2030.

## PURPOSE

As outlined in our Constitution, AIA's purpose is to promote the research into and development of Australia's national agricultural resources and increase the productivity, profitability and sustainability of the agricultural value chain by:

1

**identifying** nationally significant cross-sectoral opportunities

2

**developing strategies** that facilitate a collaborative approach to investing in research and development, and the adoption of new knowledge and innovation required to realise those opportunities

3

**raising and acquiring funding and resources** from members, government and third parties and managing that funding and those resources to implement company strategies.

Photo by Forest and Wood Products Australia





## CORE VALUES

At AIA, we believe a culture of good governance, sustainability and diversity is key to our success.

Our core values reflect this belief, and guide the actions and behaviour of our company and our people.

AIA is:

### Creative

We encourage diverse thinking and take time to understand the problems we are trying to solve through a discovery process. We are flexible in our approach but always looking at the 'bigger picture'.

### Courageous

We take risks and are not afraid of failure. We embrace new ideas, use novel approaches and seek external thinking and partners. We are decisive and are prepared to say no.

### Connected

We bring people, ideas and funding together. We are approachable and make it easy for our partners and stakeholders to work with us. We develop extensive networks and relationships across agriculture and the innovation landscape.

## MEMBERS

Our founding members are Australia's 15 Rural Research and Development Corporations (RDCs), which span the agriculture, fisheries and forestry industries.

RDCs have helped drive agricultural innovation since 1989, by enabling the Australian government and primary producers to co-invest in research and development.

They are focused on, and invest on behalf of, their specific commodities and sectors. Establishing AIA enabled the RDCs to collectively invest in the big, cross-sectoral issues and take a whole-of-sector approach to innovation - which, ultimately, delivers greater value to their levy payers.

AIA membership will be open to a range of public and private entities in the future.

## TEAM

We have a small, core team with expertise in project leadership and execution, investment attraction, ideation, marketing and stakeholder engagement.

They are complemented by a strong network of professionals and subject matter experts from across the agriculture, innovation and investment communities.

## INVESTORS

AIA attracts investment from public, private, not-for-profit and global commercial entities.

Using bespoke funding models, we leverage traditional and new forms of investment at scale.

Our first investors are the 15 RDCs.

For AIA's first three years of operation, all RDCs contribute subscription fees. Following this period, members (which could include non-RDC public and private entities) will determine the quantum of subscription fees.

To support AIA in its establishment phase, the Australian Government also provided \$1.3m in seed funding.

Before accepting initiatives and funding, consideration is given to alignment with the AIA Strategic Plan and whether the proposed activity:

- + has clear and defined outcomes for Australian agriculture
- + will deliver value to Australian farmers, fishers and foresters (growers)
- + has scalable outcomes
- + has potential to catalyse additional investment
- + involves a commercial proposition.

We separate the funding of strategy identification and development from strategy implementation with:

- + identification and development of AIA strategies supported by member subscription fees
- + implementation of individual strategies and initiatives funded via investment from participating partners, members and investors from the private and public sectors.

## STAKEHOLDER ADVISORY GROUP

### Good advice leads to good decision making.

As a new company, we understand the importance of wise counsel. Having our stakeholders working alongside us towards common goals is key to our success.

Our Stakeholder Advisory Group was established in September 2021 and comprises representatives from the Council of RDCs, Department of Agriculture, Water and the Environment, and the National Farmers' Federation.

They provide valuable feedback and input to help us achieve more effective collaboration and coordination of investment across agricultural industries. The Group is just one mechanism through which we engage with and listen to our stakeholders, gather feedback, and exchange views on key industry issues and priorities.

## OUR FOUNDING MEMBERS



# STRATEGY AT A GLANCE

## AIM

Australia is a global leader in agricultural innovation impact, delivering enhanced returns for growers and investors by 2030.

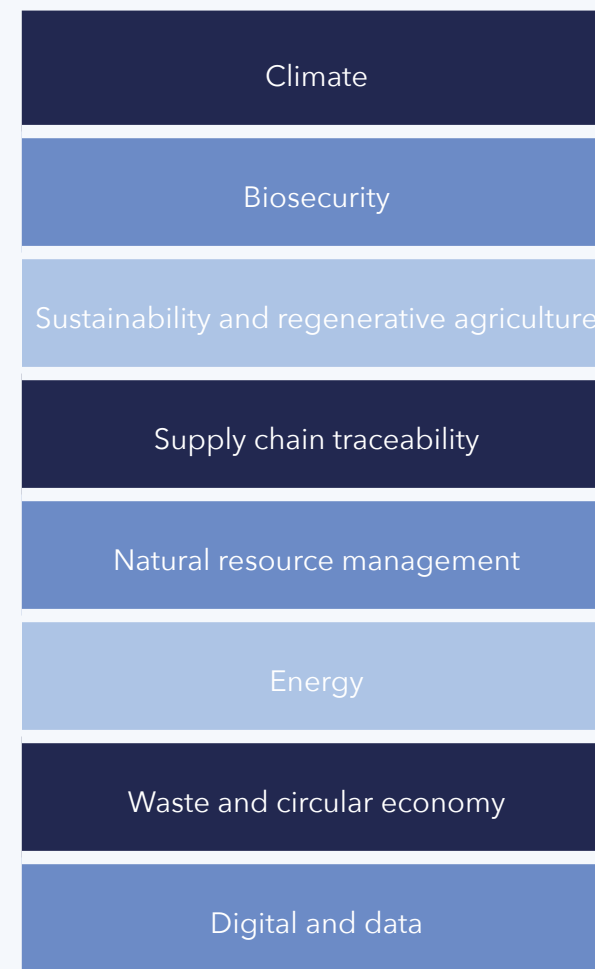
## PURPOSE

As outlined in our Constitution, AIA's purpose is to promote the research into and development of Australia's national agricultural resources and increase the productivity, profitability and sustainability of the agricultural value chain by:

- + **identifying** nationally significant cross-sectoral opportunities
- + **developing strategies** that facilitate a collaborative approach to investing in research and development, and the adoption of new knowledge and innovation required to realise those opportunities
- + **raising** and **acquiring funding** and **resources** from members, government and third parties and managing that funding and those resources to implement company strategies.

## STRATEGIC PRIORITIES

When establishing AIA, our RDC members identified a number of common priorities across agriculture, fisheries and forestry. Under our mandate, AIA will work to identify other nationally significant, cross-sectoral priorities.



## AREAS OF FOCUS

To deliver on our aim and purpose, we will focus on:



**TARGETING** the big, cross-sectoral opportunities and challenges



**ATTRACTING** new and non-traditional investment



**REDUCING** duplication through effective leveraging of RDC funding and expertise



**ENHANCING** collaboration across the broader innovation ecosystem



**ACCELERATING** adoption and commercialisation



**FOSTERING** innovation leadership and culture.



# SNAPSHOT OF AUSTRALIAN AGRICULTURE

**\$83.9b**

Combined gross value of agriculture, fisheries and forestry production forecast for 2021-22

**\$65.5b**

Value of agriculture, fisheries and forestry exports forecast 2021-22

Around **72%** of the total value of agricultural, fisheries and forestry production is exported

Australian agriculture accounts for:

**55%**  
of Australian land use  
(Dec 2020)

**12%**  
of goods & service  
exports in 2020-21

**1.9%**  
of value added (GDP)  
in 2020-21

**2.5%**  
of employment  
in 2020-21

Source: ABARES 2022, Snapshot of Australian Agriculture 2022, ABARES Insights, Canberra. DOI: <https://doi.org/10.25814/s0hc-2d58>. CC BY 4.0

ABARES 2021, *Agricultural Commodities: December quarter 2021*, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra. CC BY 4.0. <https://doi.org/10.25814/57c9-zx09>



# THE AIA JOURNEY

## A new approach to agricultural innovation

Australia has a strong history of agricultural innovation. The RDCs have helped drive this innovation since 1989, by enabling the Australian government and primary producers to co-invest in research and development.

To deliver the transformational innovation needed to achieve the ambitious target of a \$100 billion agriculture industry by 2030, an organisation unconstrained by the RDC framework, which could facilitate more effective collaboration and coordination of investment was needed.

Therefore, in 2019, the Council of Rural Research and Development Corporations explored how this might be achieved. And, in 2020, the RDCs took the opportunity to establish a new entity – Agricultural Innovation Australia.

### From incremental to transformational outcomes

Adoption of innovation has been one of the drivers of growth in agricultural productivity and profitability over recent decades. Collaboration between growers, governments and research organisations has been key to achieving this, often via the RDC model. However, the rate of productivity growth has slowed over recent years.<sup>1</sup>

This slowing of annual productivity growth is partially attributable to early gains at the individual commodity level having already been captured. Private sector investment in Australian agriculture has also fallen behind international benchmarks.<sup>2</sup>

The RDC model is predominantly commodity-based, meaning they are focused on, and invest on behalf of, their individual commodities and sectors. However, we know diversifying the enterprise mix is key to managing commodity price and production mix, and therefore, mixed commodity enterprises play an important role in Australian agriculture.

Whilst the RDCs have collaborated on investments in the past and delivered strong outcomes, a different approach, free from the constraints of individual or limited commodity sectors, would enable a more holistic, whole-of-enterprise perspective and acknowledge the importance of complex, mixed-commodity value chains to the future of Australian agriculture.

Incremental improvements will remain important drivers of Australian agricultural competitiveness. However, a focus on transformational, systems innovation across value chains is needed to drive the improvements required to achieve the sector's ambitious goals.



<sup>1</sup> Australian Bureau of Statistics *Estimates of Industry Multifactor Productivity 2020* for agriculture, forestry and fishing shows the average annual productivity growth was 0.6% per year in the 15 years to 2019-20, compared with 3.6% per year average from 1989-90 to 2004-05.

<sup>2</sup> Ernst & Young *Agricultural Innovation – A national approach to grow Australia's future*

Recent reports and reviews of the RDC and wider agricultural innovation system identified this need to balance solving short-term challenges with targeting transformational and cross-commodity outcomes.

These reports include:

- + Ernst & Young's *Agricultural Innovation – A national approach to grow Australia's future*
- + Council of Rural RDC's *Vision 2050 – New thinking about rural innovation in Australia*
- + National Farmers' Federation's *2030 Roadmap – Australian agriculture's plan for a \$100 billion industry*
- + The Australian Government's *National Agricultural Innovation Agenda and Policy Statement*
- + Food Innovation Australia's *Food and Agribusiness Sector Competitiveness Plan 2019*
- + CSIRO's *Australian National Outlook 2019*
- + KPMG and National Farmers' Federation *Talking 2030: Growing agriculture into a \$100 billion industry*
- + Productivity Commission 2011, *Rural Research and Development Corporations*, Report No 52
- + AgriFutures Australia's *Agriculture – A \$100b sector by 2030?*
- + Howard Partners' *Performance Review of the Rural Innovation System*.

These reports also pointed to the need to enhance collaboration and new partnerships, increase private sector investment, improve adoption of innovation and R&D outputs and foster innovation ecosystem leadership and culture.

### A complex ecosystem

Investment in Australian agriculture is hampered by a complex and fragmented system, which organisations and investors find difficult to navigate.

This ecosystem comprises many different organisations, each with their own roles, responsibilities and structures. They include the RDCs, CSIRO, Cooperative Research Centres, universities, federal and state governments and agencies, growers, grower groups, agricultural value chains, agribusiness, start-ups and entrepreneurs.

With so many diverse participants, there is a need for leadership, to enable the prioritisation of issues of national importance and the setting of clear strategic direction. This will encourage more effective collaboration, reduce duplication and ensure existing funding and resourcing is focused on cross-sectoral and transformative outcomes.

Strong ecosystem leadership will also encourage a culture which is less risk-averse, more commercially focused and embracing of external ideas and entrepreneurship.

### Working together

There are both significant challenges and opportunities for the agriculture industry across:

- + international competition
- + resource management
- + climate resilience and adaptation
- + biosecurity
- + complex supply chains and disruption
- + digital and data
- + community and social pressures
- + workforce and labour.

These challenges and opportunities impact across the agricultural, fisheries and forestry sectors and require a whole of agriculture response to be effective and achieve lasting impact.

Connections need to be made along value chains to ensure these productivity and profitability constraints are addressed collectively, maximising efficiency, effectiveness and reducing duplication.

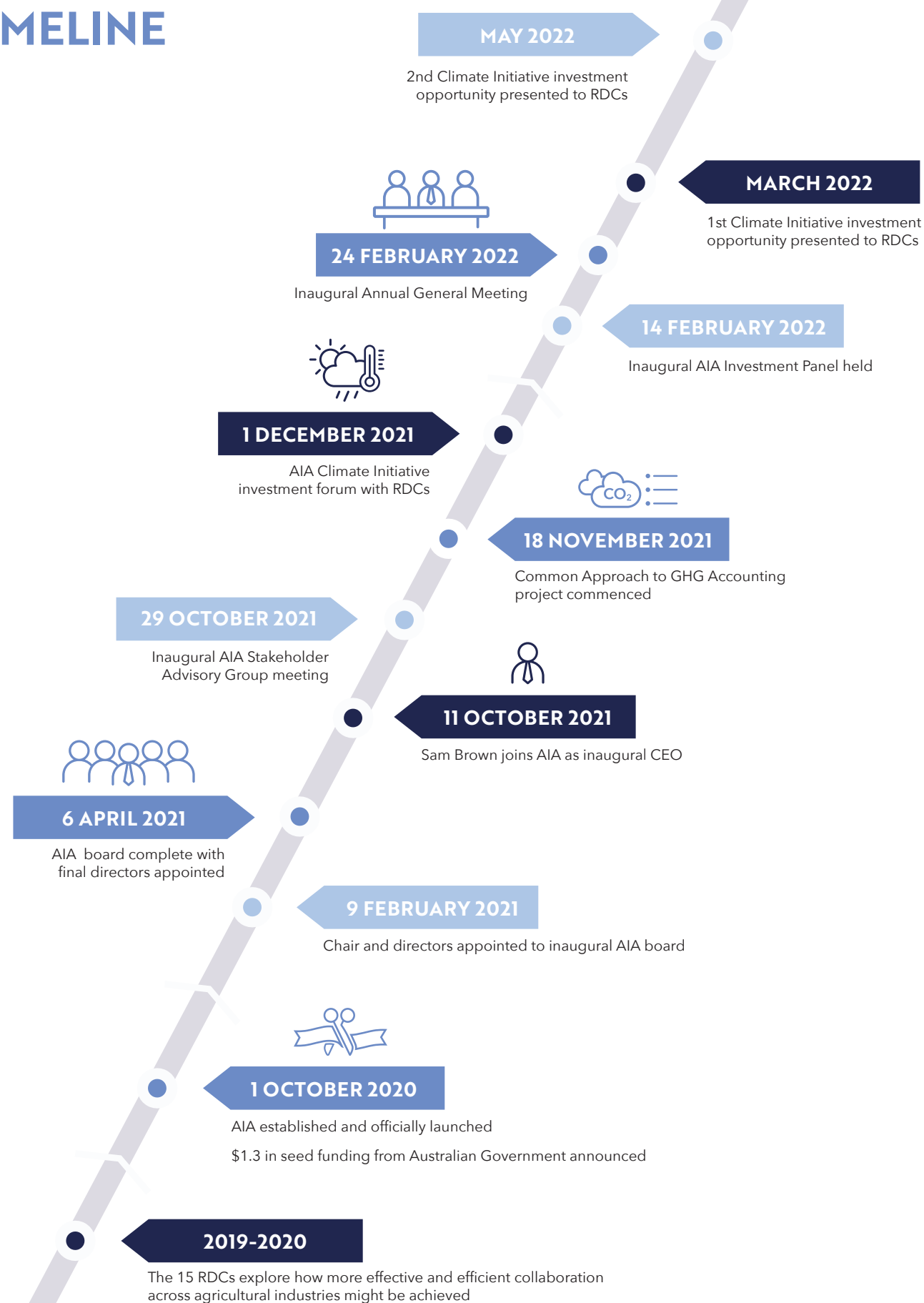
The Australian agricultural innovation system also needs to engage in a more effective, coordinated way with the private sector, to encourage and target investment in priority areas.

Better leveraging of public and private money, combined with applying a commercial lens to innovation initiatives, will help to maximise impact and offer a more attractive proposition to non-traditional investors.

## Australia's 15 Rural Research and Development Corporations established AIA to drive cross-industry research, leverage public and private sector investment and target transformational innovation.



# TIMELINE



# THE AIA DIFFERENCE

## The big picture

We focus on the whole of Australian agriculture – across the agricultural, fisheries and forestry value chains.

Our founding members are Australia’s 15 RDCs, who have helped drive agricultural innovation since their establishment. While they focus on commodity sectors, we focus on tackling the big, cross-sectoral challenges and opportunities which will drive transformational change.

## Effective leveraging of funding and expertise

Our cross-sectoral mandate means we are able to broker and enhance collaboration at scale, and enable more effective leveraging of RDC funding, knowledge and expertise – ultimately reducing duplication of effort and investment.

We can connect and add value to existing collaboration outputs as well as identify and support investments to fill the gaps.

## Unique perspective

AIA takes a whole-of-enterprise/mixed-commodity system and value chain perspective. Our approach must lead the development of holistic solutions.

We bring in new ideas and resources from outside of agriculture, ensuring we capture and apply valuable insights from other industries to help solve complex challenges.

## Qualified investment opportunities

By drawing on the RDC’s industry/sector-specific expertise and networks, we can articulate whole-of-agriculture pain points, identify qualified investment opportunities for our investors and determine appropriate routes-to-market.

Through unique funding models, we can leverage traditional and new forms of investment at scale.

## Single point of contact

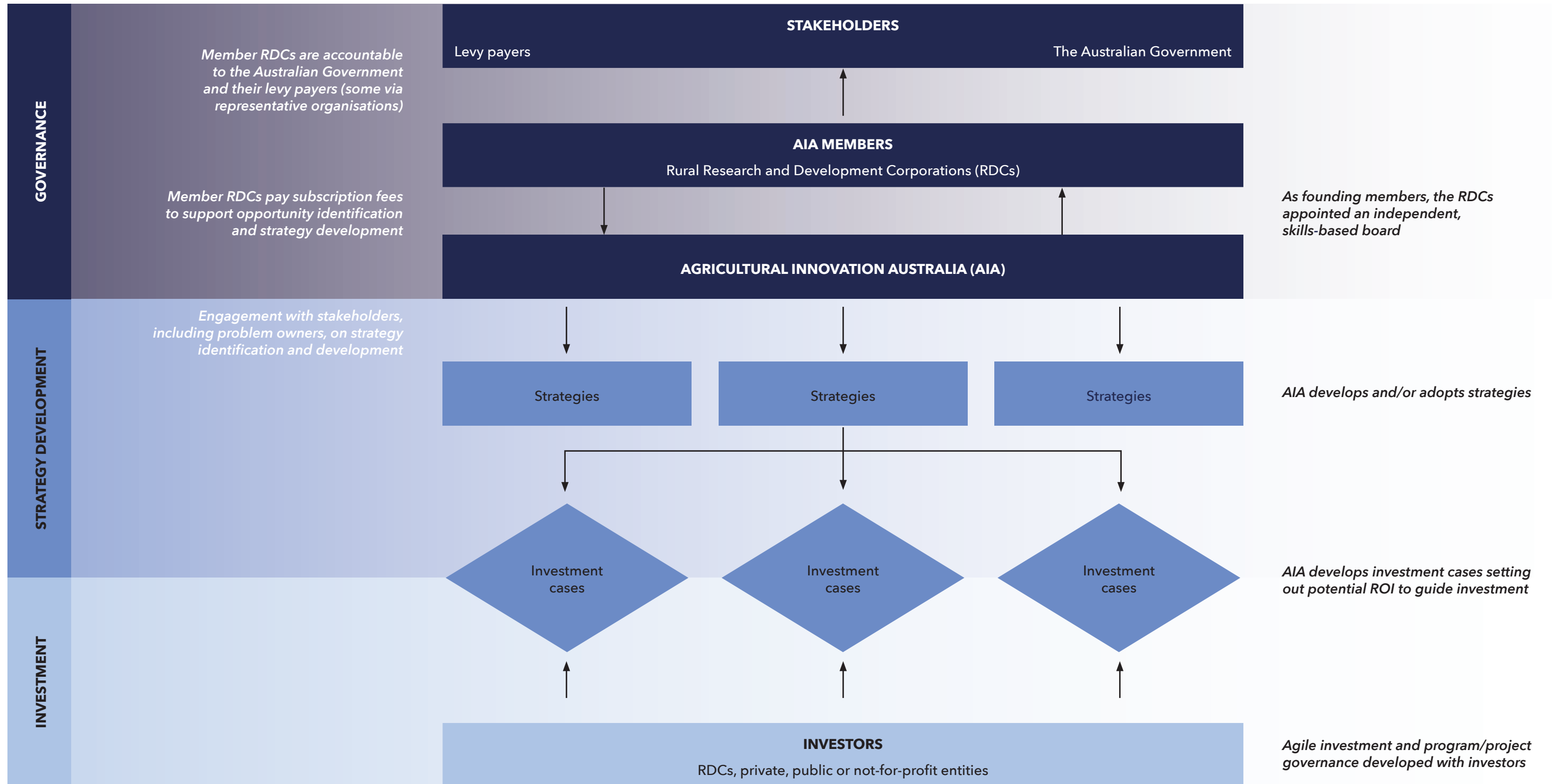
Our unique structure, relationship with RDCs and role in the agricultural innovation ecosystem enables us to act as a single point of contact for cross-industry strategies of scale – making it easier for investors to navigate and partner with Australian agriculture.

## Independent

Our independence means we can be agile and, where appropriate, apply a commercial lens to our activities. It also means we take risks, particularly when we see opportunity and potential for return on investment (ROI) for our members and stakeholders. We also understand failure is the key to success when solving complex problems.



# AIA PROCESS





# DEVELOPING OUR STRATEGY

AIA's strategy draws connections with the priorities identified by the RDCs across agriculture, fisheries and forestry, as well as those outlined in the Australian Government's National Agricultural Innovation Agenda. These priorities are vital inputs into our plan, framed through the lens of AIA's purpose, as outlined in our Constitution.

## Our Constitution

To promote the research into and development of Australia's national agricultural resources and increase the productivity, profitability and sustainability of the agricultural value chain by:

- + **identifying** nationally significant cross-sectoral opportunities
- + **developing strategies** that facilitate a collaborative approach to investing in research and development, and the adoption of new knowledge and innovation required to realise those opportunities
- + **raising and acquiring funding and resources** from members, government and third parties and managing that funding and those resources to implement company strategies.

## Agriculture, fisheries and forestry sectors

Priorities identified by our founding member RDCs during the establishment of AIA, those contained in their strategic plans, broader industry strategies and agriculture sector reports were key inputs into the AIA strategy.

Common themes identified across the agriculture, fisheries and forestry sectors include:

- + Climate
- + Natural resource management - including soil and water resources
- + Sustainability and regenerative agriculture - including environmental stewardship, biodiversity and animal welfare
- + Biosecurity
- + Supply chain traceability
- + Energy
- + Waste
- + Digital and data.

## Australian Government

Following its establishment, AIA was recognised by the Australian Government as a core component of their National Agricultural Innovation Agenda - to facilitate joint investment and collaboration in cross-industry agricultural issues of national importance, as well as to help strengthen ecosystem leadership, cohesion and culture.

In October 2021, the Australian Government released its National Agricultural Innovation Policy Statement, which identified four National Agricultural Innovation Priorities, and replaces the National Rural RD&E Priorities:

Australia, by 2030 is a:

- + Priority 1: Trusted exporter of premium food and agricultural products
- + Priority 2: Champion of climate resilience to increase the productivity, profitability and sustainability of the agricultural sector
- + Priority 3: World leader in preventing and rapidly responding to significant pests and diseases through future-proofing our biosecurity system
- + Priority 4: Mature adopter, developer and exporter of digital agriculture.

## Stakeholder engagement

### Stakeholder Advisory Group

AIA's Stakeholder Advisory Group was established in September 2021 and is comprised of representatives from the Council of RDCs, Department of Agriculture, Water and the Environment, and the National Farmers' Federation.

The Group meets frequently throughout the year and provides feedback and input to assist AIA achieve more effective collaboration and coordination of investment across agricultural industries.

## Rural Research and Development Corporations

The AIA executive and Board meet and engage with the CEOs and Boards of the 15 RDCs throughout the year. Listening to our members' priorities and understanding their issues helps to inform AIA's cross-sectoral perspective and the development of our strategic priorities.

## Council of RDCs

AIA regularly engages with the Council of RDCs, a forum which represents and positions the RDCs as participants in the agricultural innovation system and provides a unified voice for the RDCs on matters of national importance.

## AIA Strategic Workshops

The AIA Board is responsible for setting the strategic direction and objectives of the company. In 2021, the AIA Board and executive undertook a series of workshops, facilitated by independent, strategic planning consultants. These workshops enabled AIA to identify its key objectives for the three-year strategic plan period aligned with its purpose, values and culture.





# OUR THREE-YEAR BUSINESS ROADMAP

Our strategic plan will be reviewed on an annual basis and updated as needed, to ensure we remain focused on providing value to growers, members and investors.

## Establishment of core business functions

AIA has been focused on the development of its organisational structure and increasing its capacity. This structure is designed to create an optimal environment for innovation initiative execution and leadership, investment attraction, and idea development.

As a new organisation, development of core processes is fundamental to establishing a solid foundation for success. These include corporate governance practices, an initiative selection criteria and steering process, innovation project design frameworks, investor and stakeholder engagement strategies and an investment portfolio profile which sets out AIA's risk tolerance. AIA's investment portfolio will be guided by its investment criteria and investment profile to ensure initiatives deliver impact and optimise returns.

AIA has also focused on key stakeholder engagement mechanisms and further progressing our first investment areas with the RDCs, including the AIA Climate Initiative.

## Delivery of initial projects

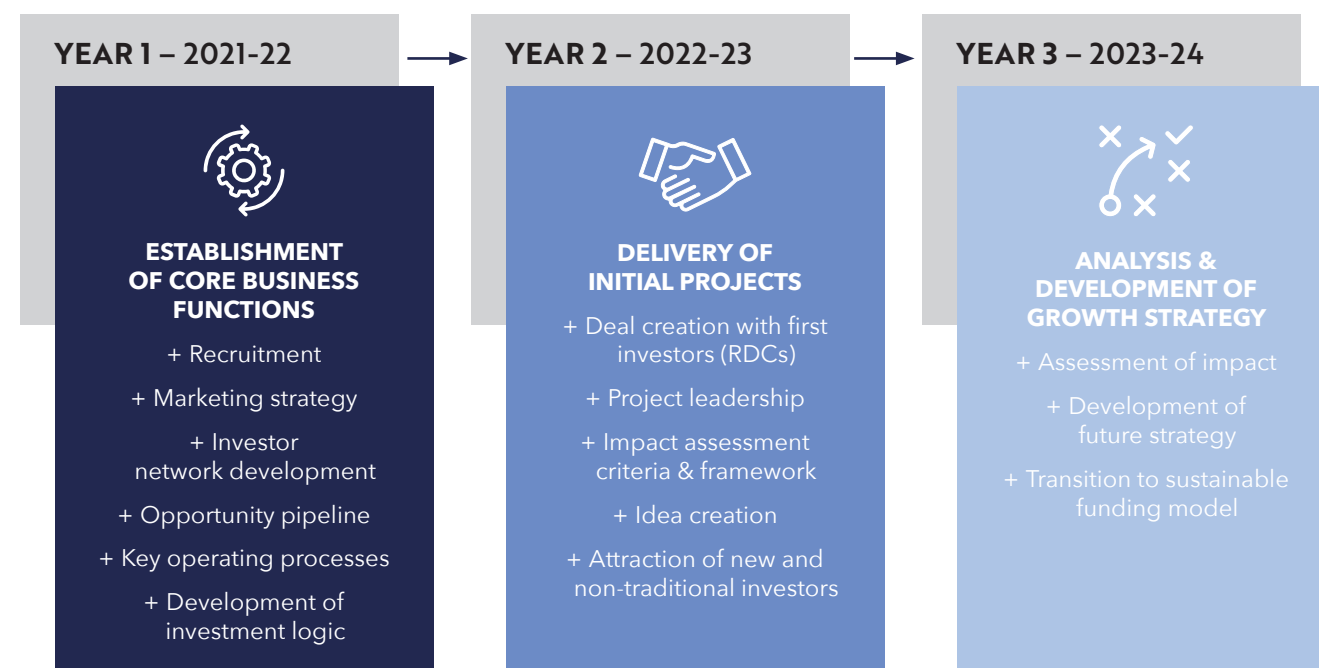
As our first investors are Australia's 15 RDCs, we have been initially focused on brokering collaboration and RDC investment in specific initiatives. We have also been using innovative approaches to uncover and pressure test ideas and concepts aligned with our strategic priority areas. Using qualified opportunities, we will then pursue partnerships and investments with new and non-traditional investors.

We will also further develop our impact assessment framework, encompassing triple-bottom-line principles to capture and evaluate social, environmental, and financial impacts of AIA initiatives and investments.

## Analysis and development of growth strategy

In this three-year plan period, we will develop a future growth strategy and explore sustainable revenue models. Effective innovation requires a long-term view, and changes in political or economic landscapes could impact AIA's financial sustainability. The development and implementation of a future growth strategy, which includes financial sustainability, will enable AIA to have a long-term impact on Australian agricultural innovation.

### AIA ROADMAP



# AREAS OF FOCUS

AIA's areas of focus will guide our decision-making and direction over the next three years.

Through our Strategic Plan, AIA aims to increase the productivity, profitability and sustainability of the agricultural value chain by:



targeting the big, cross-sectoral opportunities and challenges in Australian agriculture and supporting the delivery of transformational outcomes



attracting and maintaining new and non-traditional investment into Australian agriculture



reducing duplication through effective leveraging of RDC funding and expertise



enhancing public and private sector collaboration and partnerships across the broader innovation ecosystem



accelerating the uptake of R&D outcomes, including commercialisation



fostering innovation leadership and culture

Photo by Forest and Wood Products Australia





# TARGETING THE BIG, CROSS-SECTORAL OPPORTUNITIES AND CHALLENGES

AIA was established to focus on the big, cross-sectoral opportunities and challenges which will drive transformational change across the whole of agriculture, such as:

- + Climate
- + Biosecurity
- + Sustainability and regenerative agriculture - including environmental stewardship, biodiversity, animal welfare
- + Supply chain traceability
- + Natural resource management - including soil and water resources
- + Energy
- + Waste and circular economy
- + Digital and data.

We will identify existing initiatives as well as find new opportunities which will make a measurable impact on the productivity, profitability and sustainability of Australian agriculture.

These opportunities will be filtered through specific criteria to ensure that AIA investment initiatives:

- + are of national significance
- + require a whole-of-agriculture approach
- + have cross-sectoral scale
- + create transformational versus incremental impact
- + meet our duplication index threshold
- + have outcomes that will increase the productivity, profitability and sustainability of the agricultural value chain
- + align with AIA's mandate.

Factors to be considered when developing investment strategies for these initiatives, include:

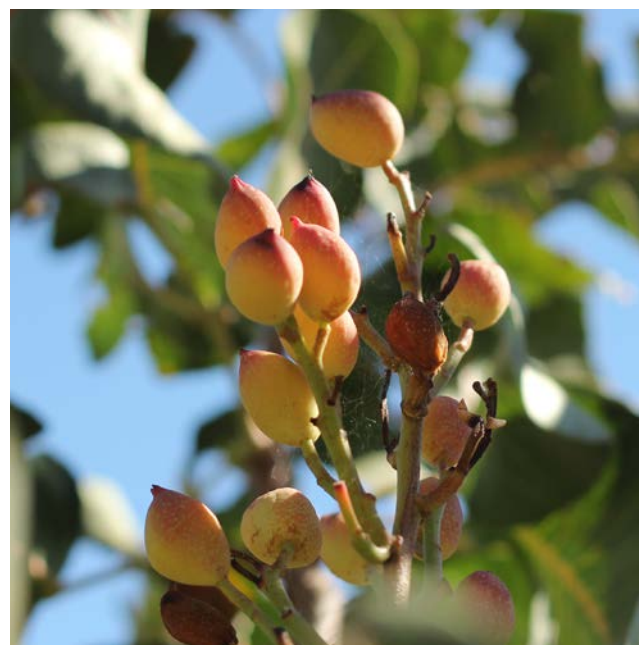
- + return on investment to all potential stakeholders and investors
- + alignment with existing RDC and industry strategies and Australian Government priorities
- + realisation of impact through optimal paths to market, including commercialisation
- + technology-agnostic approaches.

## To achieve this, AIA will:

- + Establish networks with global agricultural and innovation ecosystems and communities.
- + Develop and utilise investment logic mapping to determine areas and issues of priority.
- + Consistently explore, understand and reframe the problem to be solved, to ensure we are addressing the right challenges with the appropriate solutions.
- + Engage our members throughout the process, as their involvement is essential to our success. We will listen to their needs, keep them informed, and demonstrate the relevance and impact our initiatives will have for them and their levy payers.
- + Bring solution makers and problem owners together. Large, complex problems require a multi-faceted approach. As an independent organisation, we are uniquely placed to guide collaboration and bring multiple perspectives to solving the problem.

## Success will be:

- + AIA has identified cross-sectoral initiatives of scale aligned with stakeholder priorities and developed investment strategies to support and deliver impactful outcomes for growers and investors.
- + AIA investment strategies have raised the funding and resources required to implement initiatives.



# ATTRACTING NEW AND NON-TRADITIONAL INVESTMENT

AIA is positioning itself as a conduit for investment into Australian agriculture, enabling ease of access and increasing the effectiveness of investment in the space.

We bring traditional and non-traditional private and public investors together.

Establishing AIA as the single point of contact for cross-industry strategies of scale is key to delivering on our purpose and will make it easier for investors to navigate and partner with Australian agriculture.

Our unique structure and relationship with the RDCs means that we can draw on their industry/sector-specific expertise, insights and networks. Using this knowledge, we can articulate whole-of-agricultural pain points and identify qualified investment opportunities for our investors, including determining appropriate routes-to-market.

Our independence, agility and commercial lens also ensures that we are attractive to global and domestic investors, including:

- + private equity firms
- + superannuation funds
- + financial institutions and banks
- + other commercial entities
- + managed funds
- + impact investors
- + family offices
- + high-net-worth individuals, qualified investors and philanthropists.

Critical to our success is the ability for AIA to adapt funding structures for implementation of strategies to suit the needs of investors.

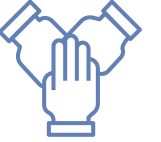
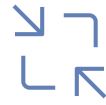


## To achieve this, AIA will:

- + Map the investment landscape/ecosystem to access the right investors for our initiatives.
- + Leverage existing and build new connections and networks across the investor community in order to develop target investor profiles.
- + Establish trust in our credentials, brand and profile within the investor community.
- + Attract and excite investors by helping them understand the opportunities in agriculture and the potential impacts and returns on investment.
- + Develop bespoke investor engagement strategies to align return on investment expectations and create mutually beneficial deal design.
- + Optimise both financial and non-financial returns on investment for all stakeholders.
- + Initially focus on our first investors - the RDCs - by taking investment pitches to them.

## Success will be:

- + The investor community has strong awareness of AIA, and it is recognised as the single point of contact for cross-industry agricultural strategies of scale.
- + AIA has developed an extensive network of investors, segmented by needs and investment type.
- + RDC investment in AIA initiatives has been successfully leveraged to attract additional/new sources of investment.



## REDUCING DUPLICATION THROUGH EFFECTIVE LEVERAGING OF RDC FUNDING AND EXPERTISE

Our cross-sectoral mandate means we can enable more effective leveraging of RDC funding, knowledge and expertise, ultimately reducing duplication of effort and investment.

Partnership with RDCs is fundamental to AIA's success. As our founding members and first investors, the RDCs pay subscription fees to support AIA identify cross-sectoral opportunities and develop strategies to address them.

In our establishment phase, we have been concentrating on brokering collaboration and RDC investment in specific, known and common priority areas.

We will connect with and add value to existing collaborations as well as identify and support investments to fill the gaps.

This includes the analysis of existing RDC research outputs and outcomes to identify those with potential for further development or opportunity to enhance their investment readiness.



### To achieve this, AIA will:

- + Develop a tailored and inclusive stakeholder engagement plan to guide the planning and execution of activities with RDCs.
- + Ensure RDC founding members are engaged throughout the AIA initiative lifecycle, from opportunity identification through to execution.
- + Develop processes to identify opportunities within existing RDC research and investigate their investment potential.
- + Develop a duplication index to evaluate common investment areas and issues of priority.
- + Ensure mixed-commodity enterprises and value chains are represented in the strategy development process.
- + Regularly engage with key stakeholders via the AIA Stakeholder Advisory Group.

### Success will be:

- + AIA's duplication index identifies opportunities to better leverage collective RDC investment.
- + AIA has developed a strategy and framework to identify and match investors to existing cross-sectoral research outcomes that have commercial opportunities.
- + Our RDC founding members support AIA strategy development and commit funding to implement initiatives.
- + AIA initiatives acknowledge and build on existing R&D outputs, and are informed by insights from the RDCs and their levy payers.
- + Positive, qualitative feedback is received from the AIA Stakeholder Advisory Group.
- + The RDCs have confidence in AIA and acknowledge the impact and value of AIA initiatives to their industries and levy payers.

## ENHANCING COLLABORATION ACROSS THE BROADER INNOVATION ECOSYSTEM

The agricultural innovation ecosystem in Australia is complex, with many different participants, each with their own roles, responsibilities and structures.

They include the RDCs, CSIRO, Cooperative Research Centres, universities, federal and state governments and agencies, growers, grower groups, agricultural value chains, agribusiness, start-ups and entrepreneurs.

Whilst collaboration across these organisations does occur, more strategic and sustained collaboration would enable funding, resources and effort to be directed towards prioritised issues of national importance.

Our farmers, fishers and foresters, need to be deeply engaged in the innovation process, from problem definition to solution development. We also need to identify and involve other relevant parties, including those along the value chain, who will benefit from or can provide insight to inform our process.

In addition, the Australian agricultural innovation system needs to engage in a more effective, coordinated way with the broader innovation ecosystem.

Attracting new collaborations and partnerships with organisations from outside of the agricultural sector will ensure that new and diverse thinking is applied to and accelerates solving our most pressing challenges.

AIA is committed to, and has already been, exploring new and different pathways to problem solving. We are uniquely placed to guide collaboration with growers, solution providers and new partners, which brings different perspectives and valuable insights to our innovation processes and strategy development.

### To achieve this, AIA will:

- + Actively seek out new collaborations and partnerships to ensure diversity of thinking when solving problems.
- + Understand and apply valuable insights from other industries.
- + Bring solution makers and problem owners together during the strategy development process to validate ideas and insights.
- + Pressure test our initiatives with potential investors, supply chain businesses, mixed production enterprises and experts from outside of agriculture.
- + Establish itself as the trusted partner of RDCs and investors and a driver of effective innovation in Australian agriculture.
- + Undertake landscape analysis to develop a deep understanding of the direction of agricultural innovation globally.

### Success will be:

- + AIA's processes are robust and enable us to understand the problem to be solved.
- + Potential solutions are regularly tested with and validated by end-users.
- + AIA initiatives provide solutions to real problems, which have well-defined adoption or commercialisation pathways.
- + We have established new, collaborative partners from outside of agriculture.
- + AIA has established an extensive innovation advisory network to support strategy and solution development.
- + Initiatives involving new and non-traditional partners make up an increasing percentage of AIA's total portfolio.





## ACCELERATING ADOPTION AND COMMERCIALISATION

Recent reviews and reports into the Australian agricultural innovation ecosystem have identified the opportunity for, and benefits of, an increased focus on commercialisation capability.

The RDC's knowledge generation is an essential part of understanding and defining problems and challenges, however knowledge in itself is not innovation - which requires practical application/adoption and realisation of value. Innovation also inherently involves risk.

Commercialisation is the process where knowledge is taken up and developed into something which brings commercial adoption or impactful return.

New technologies, solutions and business models often need to prove their scalability in order to attract the additional resourcing and investment required to achieve commercialisation or commercial adoption.

Investor and end-user confidence is only as strong as the evidence you can demonstrate, which is why problem/solution fit identification is vital to the innovation process.

AIA's strategy development process includes consideration of appropriate adoption and/or commercialisation pathways at the outset, which then informs our approach to the identification of potential investors.

AIA's independence means we can also devote the resources required to adequately explore the problem/solution fit in order to develop robust and viable investment cases.

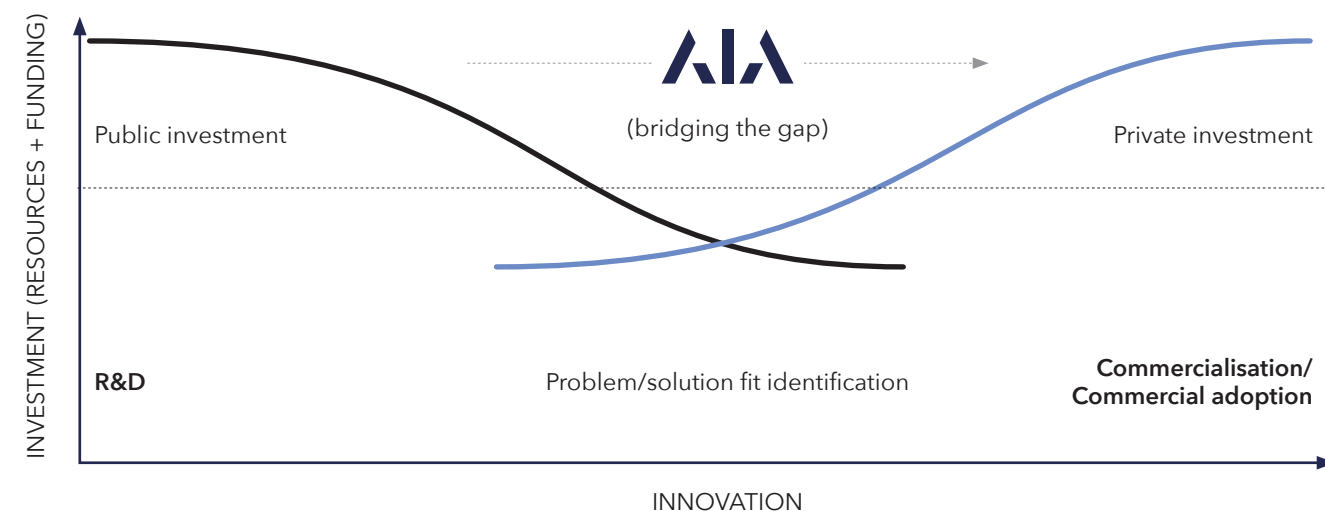
Our independence means we can be agile and, where appropriate, apply a commercial lens to our activities. This includes having a greater risk appetite, which allows us to undertake rapid prototyping to trial solutions and fail fast - recognising learning through failure is key to success when solving complex problems.

### To achieve this, AIA will:

- + Utilise tools and frameworks which enable us to explore the problem space directly with our end user growers, so we hear first-hand about their experiences and understand their needs.
- + Include end-user input throughout the innovation process, to ensure we develop relevant solutions which meet their needs and have pathways to adoption and/or commercialisation.
- + Identify existing opportunities within the RDCs which are potentially ripe for commercialisation, apply our innovation processes and map them to potential investors.
- + Scan and audit potential partners who can help fast-track commercialisation opportunities.

### Success will be:

- + Our processes are agile and adaptive, allowing us to adjust, course-correct or stop in response to evidence gathered.
- + AIA initiatives meet expected ROI, adoption and impact parameters for each investor.
- + AIA solutions stand up to the challenges faced by Australian agricultural value chains.
- + AIA has successfully matched investors with existing commercialisation opportunities.



## FOSTERING INNOVATION LEADERSHIP AND CULTURE

With many diverse participants in the Australian agricultural innovation ecosystem, a clear strategic direction is required to maximise impact by harnessing collective funding and effort around defined priorities.

AIA's role is to identify, develop, and attract investment into strategies which deliver transformative outcomes to drive sustainability, productivity and profitability across Australian agricultural value chains.

To develop transformational strategies and successfully solve complex challenges, AIA needs to bring multiple organisations, stakeholders, partners and investors together. This requires strong leadership.

AIA is also committed to exploring new and different approaches and will champion iterative, agile and best-practice innovation tools and frameworks.

By role-modelling the AIA values, we will demonstrate the benefits of embracing new ideas and perspectives, taking risks and being comfortable with failure.

Our success in attracting new and non-traditional forms of investment should encourage a more commercially-focused culture, open to new collaborations and partnerships.

### To achieve this, AIA will:

- + Demonstrate adaptive and agile program and project leadership.
- + Learn through experience and experimentation, capturing and sharing our learnings and insights and using them to inform and connect our portfolio.
- + Build and expand our innovation networks.
- + Accelerate opportunities through rapid prototyping.
- + Encourage participation of entrepreneurial and start-up communities in the innovation process.

### Success will be:

- + AIA has catalysed new collaboration partners to invest resources and funding into Australian agriculture.
- + Entrepreneurs, start-ups, scale-ups and commercial providers understand and are focused on addressing Australian agriculture's pain points.
- + Australian agriculture has built capability to fast-track innovation and support the development of new and disruptive solutions.



# GOVERNANCE FRAMEWORK

## Program and project governance

### Strategy

AIA initiatives and programs begin with strategy. Strategies are developed for AIA priorities through engagement with stakeholders and end users and are backed by evidence and data where available.

### Validation

Every potential initiative is put through AIA's validation process. For each initiative the problem is defined and explored. Each initiative is scored on the following categories:

- + stage of development - pre-charge, early-stage, traction
- + problem/solution fit
- + market opportunity
- + customer validation
- + go-to-market strategy.

*Pre-charge opportunities* are defined as very early-stage ideas which require funds in order to validate a concept or technology. Pre-charge opportunities are not ready for commercialisation but may lead to outcomes which enable necessary growth.

*Early-stage opportunities* are defined as those that have shown some product/market fit and are ready for commercialisation.

*Traction opportunities* are those opportunities which already have traction in the market and are looking for exponential growth.

Call outs are made as each initiative is validated to uncover other opportunities in the space and potential partners.

AIA encourages competition and a multi-faceted approach to solving identified problems.

### Investment panel

If an opportunity fits with AIA's investment strategies it is presented to an investment panel. Investment panels are guided by **AIA's investment criteria** and made up of subject matter experts and representatives from:

- + commercial agrifood supply chains
- + venture capital/investment community
- + mixed production enterprises.

If the investment panel agrees the initiative is worth investing in, an investment case is prepared and presented to the identified potential investors, including the RDCs and other public and private entities.

### Deal design

In collaboration with partners, RDCs and investors, a deal is designed and agreed upon. Deal design takes into consideration intellectual property, return on investment and outcomes to be achieved.

### Delivery of outcomes

AIA provides initiative leadership, working with the identified delivery teams to optimise the outcomes. For commercial initiatives, product/market fit is incrementally tested and the solution is refined. In pre-charge initiatives a structured methodology is used to deliver agreed upon outcomes.

### The AIA Board

In accordance with the company Constitution, AIA is governed by an independent, skills-based Board. The Board sets the strategic direction and objectives for AIA and ensures strong corporate governance practices and high standards of behaviour. It also provides oversight of management's implementation of strategic objectives and instilling of company values.

The Board's roles and responsibilities are set out in the AIA Board Charter, which is reviewed on an annual basis.

### Committees

There is one Board committee - the Audit, Finance and Risk Committee - which assists the Board to fulfil its oversight responsibilities relating to the company's financial reporting, internal controls, compliance and risk management and audit functions.

Effective corporate governance depends on collaboration between the Committee, Board of Directors, auditors and management.

### Conflicts of interest

Under the Corporations Act and AIA's conflict of interest policy, Directors must promptly disclose any actual or perceived conflicts of interests and follow the procedures outlined in the policy.

The Board records all notices disclosing Director interests in the minutes of each meeting and maintains a register of those interests.

### Policies

AIA has a suite of policies and procedures to support effective governance of the company, including risk management, privacy, procurement, work health and safety, conduct and other human resource matters.

# IMPACT FRAMEWORK

Given the transformative role of AIA, and the complexity of opportunities and challenges it aims to address, a framework that considers long-term impact legacy is required. AIA's impact assessment framework will evolve as the company matures, and its strategies and investments are developed and implemented.

The aim of this impact framework is to enable understanding of the long-term legacy impacts of AIA activities and inform the continuous improvement of approaches for understanding how and what value is created. It provides guidance on AIA's approach to the monitoring and reporting on performance of the company and the strategies and initiatives in which it invests.

## Guiding principles

The performance principles of AIA are aligned with those of its members.

### 1. Stakeholder engagement

Engagement with relevant stakeholders is undertaken in determining issues of national priority to be addressed by AIA. Engagement is based on the most appropriate methodology for a particular issue, the stakeholders to be engaged, and how input will be incorporated into strategy design to maximise benefit to the broader sector.

### 2. A managed portfolio of investments

AIA will maintain a portfolio of investments that deliver improvements in productivity, profitability and sustainability for industries across the sector. The range of investments will reflect the transformative intent of AIA as well as a focus on delivering impact.

### 3. Strategic and enduring collaboration

AIA was established to address the opportunities and challenges facing the agriculture sector where individual industry investment is unlikely to be effective. Its collaborative approach extends to individual initiatives that will be required to demonstrate co-investment from across the public and private sectors as well as the attraction of the best RD&E collaborators.

### 4. Governance arrangements

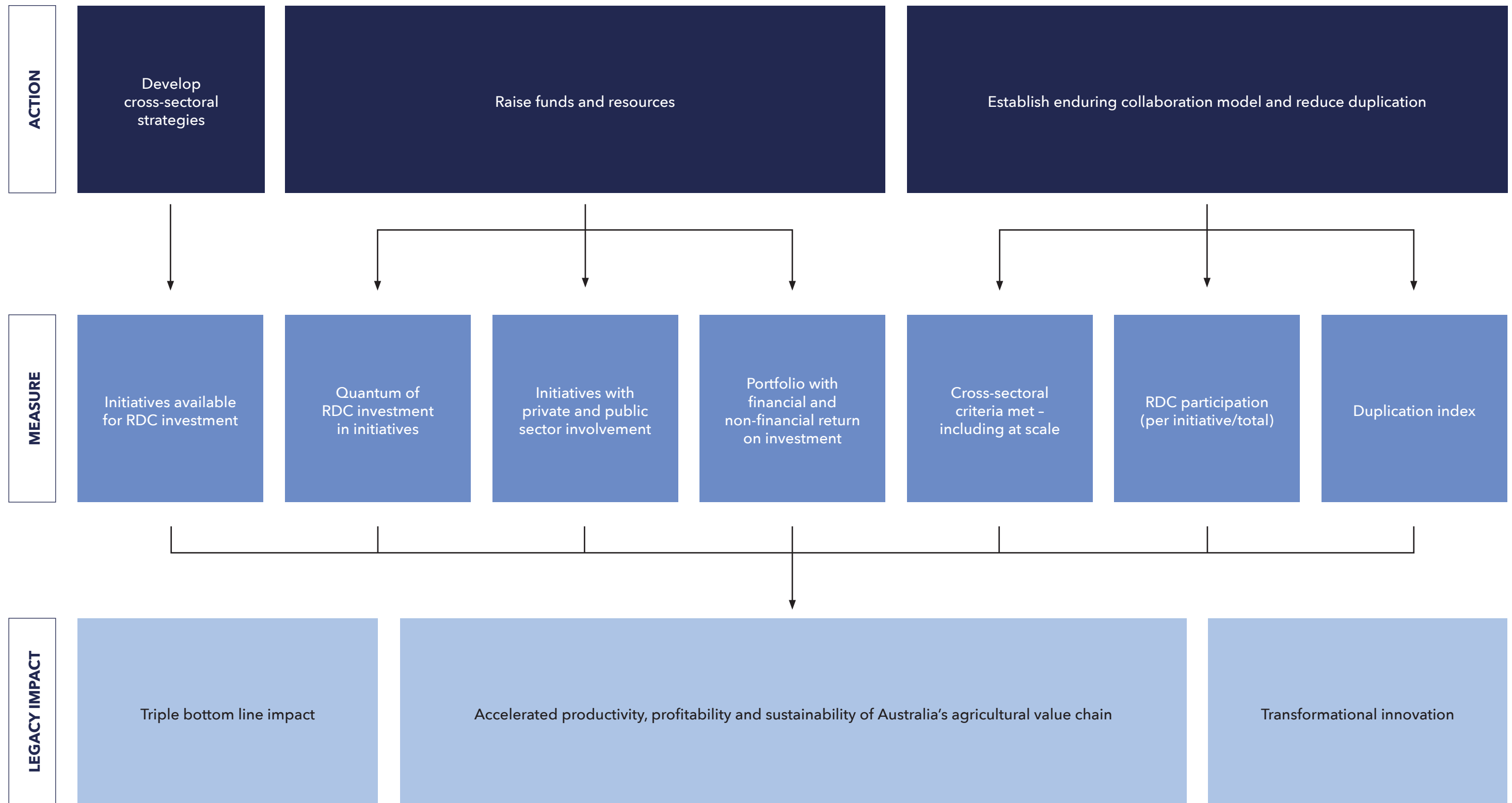
An independent, skills-based Board exercises best-practice governance and reporting including publication of an Annual Report and the hosting of an Annual General Meeting which enables member questioning of company and Board performance.

### 5. Monitoring and evaluation

AIA targets the delivery of transformational impact and, as such, will focus on active monitoring and evaluation of its strategies as well as the individual initiatives within them. Direct measures of the impact of R&D have always been difficult to demonstrate given the long lag times between R&D activity, adoption and influence. Bearing this in mind, appropriate, business cases for initiatives will include ROI analysis as well as the underpinning assumptions. Where only qualitative data is available, best practice acquisition and analysis will be applied. Initiatives will be subject to active management and adjusted where assumptions change and/or new knowledge is generated.



# AIA IMPACT FRAMEWORK









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