



# **Response and implementation plan**

Independent performance review of the Grains Research and Development Corporation 2015-2019

## Background

This is the first independent performance review of the Grains Research and Development Corporation (GRDC) required under the Statutory Funding Agreement (funding agreement) with the Commonwealth for the period 2015-2019. The funding agreement obliges GRDC to engage an independent organisation (in this instance ACIL Allen Consulting) to complete a review prior to the end date of the funding agreement.

As agreed with the Commonwealth prior to commencement of the review, the terms of reference (ToR) considered GRDC's compliance against legislative and formal obligations, considerations of its efficiency and effectiveness in developing and executing strategies and plans, and its benefits to industry. A specific requirement of the ToR was to consider the effectiveness of GRDC's new expanded regional presence (hub and spoke model).

ACIL Allen made six recommendations, organised into two themes – (1) internal operations and (2) engagement with the external environment. The GRDC Board considered the draft report and its recommendations at its December 2018 meeting and accepted all the recommendations in February 2019. The Board approved all responses to the recommendations at its April 2019 Board meeting.

## GRDC Board response

The GRDC Board acknowledges the substantial enquiries made by ACIL Allen in this review and the input of both GRDC stakeholders and staff and is pleased that the review has taken an in-depth and critical review and account of the substantial organisational and business process changes that have occurred over the past three years. The rationale and drivers for the changes made by GRDC over this period were reviewed and the recommendations reflect the views of stakeholders and staff on the effectiveness of these changes.

The review has provided recommendations that are timely and will further assist GRDC bedding down the changes made to date while strengthening its business processes and stakeholder relationships. While the response to the review was not finalised until the April meeting GRDC has already commenced implementing some of the recommendations in the report. Other activities are under active consideration by the Board and will be prioritised for implementation over the coming 12 months.

## Implementation Plan as at 1 May 2019

GRDC comments	Actions	Milestones	Dates
<p><b>1</b> <i>Allow time (up to two years) for GRDC to realise the benefits of internal reforms and investments before making any significant changes to the organisation's purpose, structure, systems and processes.</i></p>			
<p>GRDC agrees that the substantial changes to both the organisation and business systems is largely completed and that implementation of these changes is the primary consideration going forward. No major changes are planned or anticipated over the immediate future.</p> <p>The changes that have been the most disruptive have been changes to the investment model (investment management framework (IMF)) and staff changes. Staff related issues are covered in later recommendations</p>	<p>Articulate and disseminate agreed high-level description of The GRDC Strategic Investment Model</p>	<p>Finalisation of Strategic Investment Framework (IMF). Communicate as appropriate.</p>	<p>January 2019</p>
	<p>Stocktake, gap analysis and optimisation of existing investment management framework (IMF)</p>	<p>Completed analysis of all investment management processes, system and people elements.</p>	<p>June 2019</p>
		<p>Delivery of the IMF Optimisation program</p>	<p>November 2018 – December 2019</p>
	<p>Implement change management program to communicate and embed the desired IMF outcomes</p>	<p>Staff and appropriate stakeholders aware of IMF Optimisation program</p>	<p>Program launch – April 2019</p>
	<p>Scope and develop a full suite of portfolio and investment management reporting tools</p>	<p>Trial portfolio reporting archetype</p>	<p>March 2019</p>
	<p>Investment portfolio reporting and IMF dashboards operating effectively</p>	<p>August 2019</p>	

		Test assurance and risk across all investment processes	Strategic risks and assurance map aligned and current	July 2019
<b>2</b>	<i>Develop a Learning &amp; Development (L&amp;D) roadmap for GRDC staff that rapidly accelerates the professional and domain knowledge of its workforce. Ideally, the roadmap should be underpinned by a competency framework which provides staff and management with a clear understanding of the L&amp;D needs of staff at all levels.</i>			
GRDC agrees that the capability and personal development of staff is a high priority.	GRDC appoint an L&D Manager to oversee the development of an L&D strategy.	Appointed L&D Manager	February 2019	
	GRDC to effectively deliver upon the L&D roadmap	Develop L&D roadmap including analysis of current gaps and opportunities. Core competencies identified for all roles and training and development targeted at gaps in core competencies for each staff member	June 2019	
		Implementation of the L&D roadmap	March 2019 – June 2019	
	L&D Workshop with GRDC Executive and Senior Managers	L&D workshop – development opportunities identified	May 2019	

3	<i>Develop and implement strategies that encourage the retention of staff who are critical to the implementation of the RD&amp;E Plan (2018-23). These strategies could include: career and professional development opportunities; travel opportunities; cultural improvement; and employee recognition schemes and rewards that are consistent with Commonwealth staffing requirements/obligations.</i>		
<p>GRDC agrees that retention of capable and knowledgeable staff is critical to the delivery of the 2018-2023 RD&amp;E Plan. Learning and development for staff is captured in recommendation two. Actions against this recommendation are focussed on achieving a common commitment to purpose and the development of organisational values and culture.</p>	Development of agreed behaviours/values	Agreed behaviours communicated within the business and across key stakeholder groups	September 2019
	Provide networking opportunities and wider industry exposure – investment managers encouraged to travel and broaden exposure within their discipline area.	Bolster current professional development plans for tailored networking, organisational and industry exposure opportunities.	August 2019
		Travel plans identified for all key staff and incorporated into the 2019-20 operating budgets.	July 2019
	Establishing and communicating organisational annual plans and performance indicators	KPI's and plans established and communicated	July 2019
	Employee reward structures aligned to corporate performance metrics	2019-20 performance metrics aligned with strategic goals and corporate KPIs	July 2019
		Revised senior management remuneration structure approved	Feb 2019

4	<i>As a matter of priority develop a feedback loop or protocols for communicating to those stakeholders who are credited in the IMS as the source of an investment idea.</i>		
GRDC agrees that originators of investment ideas should be provided with acknowledgment and feedback on the progress of the idea.	GRDC to investigate options for ensuring appropriate feedback to originators of investment ideas	Investment Management Operations Group (an internal governance mechanism to consider changes/enhancements to investment management processes) established.	February 2019
		IMOG to consider options for ensuring greater consistency of feedback on idea generation and progress.	June 2019
5	<i>Investigate the feasibility of establishing an open innovation pool that is within GRDC's existing legal structure. GRDC should consider the pool's governance, management, staffing and resourcing arrangements, as well as its performance and accountability arrangements. GRDC should also consider the full range of costs and benefits associated with establishing a pool.</i>		
GRDC agrees with the principle of encouraging and facilitating innovation to achieve transformational impacts on the Australian grains industry and there is opportunity for "open pool" approaches.	GRDC, in partnership with Artesian Venture Partners, has established an innovation fund within GRDC's current legal structures. GrainInnovate is a co-investment fund managed by Artesian within a trust framework that has been constructed to provide governance around the establishment, management and performance monitoring of the fund.	GrainInnovate established	February 2019
		Initial trust units purchased	March 2019
	Management to continue to promote a culture of innovation, particularly through Key Investment Target Strategy (KIT) formulation and delivery.	Strategies progressively established and delivered. KIT strategies established.	July 2019 and ongoing

	<p>GRDC has recently trialled a preliminary research proposal approach for a specific RD&amp;E outcome.</p> <p>GRDC also recently trialled an open innovation call to identify potential solutions to three specific research issues; (1) managing frost damage – not genetic solutions, (2) novel soil amelioration approaches; and (3) non chemical weed control.</p>	Utilise learnings from previous trials and approaches to re-assess opportunities to invest in open innovation pools	December 2019
<b>6</b>	<p><i>GRDC must communicate where it intends to lead and support the grains innovation system which is repeatedly validated and adapted with its partners. GRDC must clarify how it will engage and invest with stakeholders to provide clear and transparent partnership mechanisms.</i></p>		
<p>GRDC recognises that it is an investor in R&amp;D and that under current legislation it is not permitted to undertake R&amp;D directly. To deliver on its purpose GRDC must partner with R&amp;D providers. GRDC recognises that it needs to take a different approach to research partner engagement and relationships. A key part of this is ensuring its research partners have a clear understanding of its purpose and strategies.</p>	Develop Key Investment Target strategies as identified in the GRDC 2018-2023 Research, Development and Extension Plan	Key Investment Target strategies for first 15 priority KITs published and communicated	July 2019
	Research Partner Engagement and Implementation Plan	Plan completed and implementation commenced	May 2019
	Capacity and Ability Framework – key component will focus on research partners	Plan completed and implementation commenced	June 2019
	GRDC has identified and approved commercialisation principles	Commercialisation principles published	1 April 2019

*Note: Green highlighting indicates those actions already completed.*