

ATTACHMENT II: Scion (New Zealand Forest Research Institute Ltd) Action Plan – Four Year Rolling Review – July 2015

Action	By	Status 	Deliverable
Strategy review, investment portfolio and business model			
<p>1. Review future directions on development of <i>Pinus Radiata</i> germplasm including consideration of Scion's capabilities in forest genetics, gains to be made from the application of new genetic and propagation technologies, ability to generate greater benefit for New Zealand from accelerated germplasm development; and potential to bolster Scion's financial resilience. Benchmark the business models developed for other economically significant germplasm such as pasture species and kiwifruit. Engage with MBIE and industry stakeholders to obtain their perspectives and support for alternative pathways to optimise benefits to New Zealand.</p>	<p>Q2 Milestones by Q4</p>		<p>Terms of reference confirmed with Board by end of Q1.</p> <p>The business case for Scion showing returns over a 10 year period for different market, planting, value sharing and regulatory scenarios will be reviewed by the Scion EMT/Board in November 2015. This will include science expert, forest grower and processor views on the market validity of the case and forecasts of additional productivity gains in the forest industry value chain from faster gains in radiata pine genetics (including spill-overs to other species). Formal input by MBIE regarding future investment into Forest Genetics will be part of this review. Follow-up work from November will be subject to Board guidance, feedback from forestry stakeholders and MBIE advice.</p>
<p>2. Reassess Scion's strategy and associated balance of investments across the forest industry value chain (i.e. Scion's science Intermediate Outcomes) to inform whether investment into fewer areas would create more value in an acceptable time-frame for New Zealand, regional economies and Scion. This assessment will include market foresight, demand and regulatory drivers; Scion's competitive position and scale; organisational implications and returns:risk for Scion. Discuss and test with key stakeholders.</p>	<p>Q2-Q4</p>		<p>The approach to investment assessment will be agreed with the Scion Board by the end of Q1.</p> <p>The benefits or otherwise of more focus investment will be assessed in depth through Scion's 2015/16 Strategic Planning cycle meetings commencing in November 2015.</p> <p>Further work may be undertaken during Q3 and early Q4 based on the outcome of Scion's analysis and stakeholder feedback.</p>
<p>3. In light of findings from (1) and (2) evaluate the pathway to evolve Scion's business model to reduce its dependence on 'fee for service' revenue, mitigate scale-related risk and increase financial resilience. Integrate, as agreed with Board into 2016 SCI refresh and/or 2016/17 Operating Plan.</p>	<p>Q2-Q4 milestones</p>		<p>The Scion business model will reviewed by the Scion Board in the Strategic planning cycle commencing November 2015, including consideration of the balance of strategic reinvestments into commercialisation and internationalisation and the flow on of this on Scion's revenue and impact.</p> <p>Adjustments to investment will be integrated into Scion's 2016 SCI refresh and/or 2016/17 Operating Plan.</p>

Working with iwi/Māori			
<p>1. Clarify Scion's positioning with iwi and update the implementation plan for Scion's Te Papa Tipu Maori Plan (as set out in Scion's 2015-2020 SCI). Agree steps with MPI, TPK, MBIE and Scion's Maori Advisory Panel (Nga Rangitira ropu) to coordinate effort and resources, strengthen Scion's lead role and increase direct investment by iwi. Adjust as agreed with the Scion EMT/Board.</p>	<p>Q2 Ongoing</p>		<p>The case for further development of a "fee for service model" with supporting Maori investment will be tested in all respects through the 2015/16 Scion strategic planning cycle with input from Nga Rongatira ropu in February 2016. Based on this the Scion EMT/Board will confirm Scion's future implementation plan for working with iwi/Māori and adjust resourcing, investment and accountabilities in line with this.</p> <p>Revised Maori Plan integrated, as agreed with Board into 2016 SCI refresh and/or 2016/17 Operating Plan</p>
Monitoring and reporting			
<p>1. Integrate the above actions into Scion's 2016 SCI refresh and 2016/17 Operating Plan and report through a dashboard to Board and MBIE quarterly.</p>	<p>Scion's standard monthly and quarterly reporting</p>		<p>Monthly Board review of progress against SCI KPIs and Operating Plan Objectives from 2016/17 and quarterly reporting to MBIE.</p>