

SUCCESS MEASURES

The Board monitors and assesses its Strategic Objectives using the following **Success Measures**:

1. Core Services - IP and Commercial Management:

- Proportion of IP portfolio that is active (i.e. subject to research activity or licence).
- Level of satisfaction with AVS's services and engagement.

2. Risk Management Services:

- Level of satisfaction with AVS's risk assurance role and IP Management Framework.
- No significant infringements of 3rd party IP rights.

3. Investment Services:

- Value and effectiveness of AVS's Investment Portfolio (i.e. growth in average portfolio NPV; % of projects with private co-funding; number of new products; average annual return on total AVS investment).

AVS CORE VALUES

The Board and management have adopted the following Core Values as guidance for Company behaviours and conduct:

1. AVS makes a difference.
2. AVS works well together.
3. AVS acts with integrity.
4. AVS adapts to change.

GOVERNANCE AND MANAGEMENT

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

The Government of Victoria beneficially owns 100% of the Company's issued capital with the shareholder being represented through the State Minister for Agriculture.

The Company has a skills based board that consists of six members, five of whom are from the private sector.

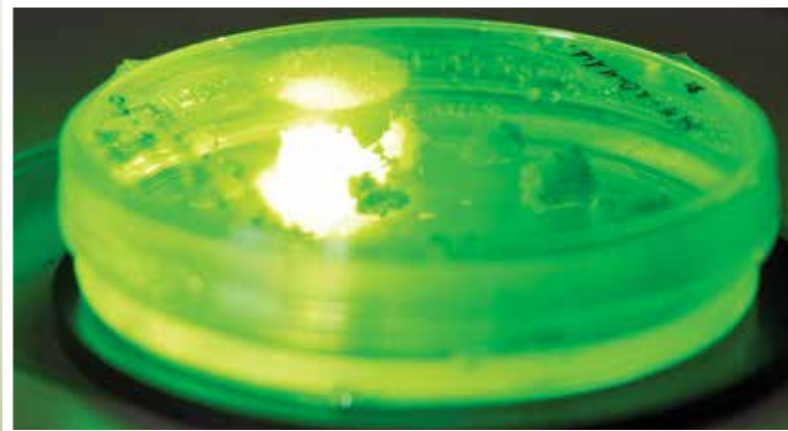
The transfer of the Department's 'Technology Commercialisation Branch' to AVS during 2014 created a single commercialisation structure to enhance the Company's ability to deliver on this Corporate Plan.

With a management team now consisting of 15 professional and support staff, AVS has the core capability and critical mass necessary to meet its obligations to Government and the expectations of its stakeholders.

AVS also draws on specialist external service providers where this is most efficient and effective.

Agriculture Victoria Services Pty Ltd

Corporate Plan 2015 to 2017



Agriculture Victoria Services Pty Ltd (AVS) has delivered almost thirty years of service excellence to the Government of Victoria. In this Corporate Plan, AVS describes the service to be undertaken to maintain its high standards in the 3-year period from 2015 to 2017.

The AVS Corporate Plan is a clear statement of the Company's purpose, objectives and operating principles, as agreed between AVS and the Government, stakeholders and staff.

The Plan aligns the objectives of AVS and the State of Victoria's Department of Economic Development, Jobs, Transport and Resources ('Department').



AGRICULTURE
VICTORIA
SERVICES

AVS' PURPOSE

AVS' purpose is to help improve the productivity and competitiveness of Victorian farmers where a private sector route to market for research outputs is needed.

Government invests in research to increase the productivity and competitiveness of Victorian agriculture.

AVS provides expert intellectual property (IP) management and technology commercialisation services to maximise the adoption and impact of research discoveries and capability, enabling Government to meet its objectives.

AVS' Strategic Objectives reflect a growing depth, breadth and complexity of the Company's business.

In this context, and consistent with the purpose for which the Company was established by the Victorian Government, AVS aims to further strengthen its role of providing a professional and objective commercial interface to support the transfer of IP and scientific capabilities of the Department to the marketplace.

COMPANY VALUE

AVS has developed a relationship with industry as a trusted partner and provides the Government with a valued service and entity through which commercial risk can be appropriately managed.

AVS has built trusted relationships with its stakeholders.

With the confidence of industry and its public and private sector partners, AVS adds commercial value to leading-edge science to ensure benefits are delivered to farmers and the objectives of its shareholder, the Victorian Government, are met.

AVS' value is demonstrated by:

- ✓ Providing a unique entity structure to streamline the interface between the Department and the private sector.
- ✓ Maximising industry adoption and impact of Department IP assets and R&D capabilities;
- ✓ Ensuring management of Department IP and R&D collaborations protects the interests of the State; and
- ✓ Investing in Department technologies to enhance their value and accelerate adoption by the private sector.

To ensure delivery of its Strategic Objectives, AVS will further strengthen its capabilities in technology evaluation, in partner due diligence and assessment, in global market analysis and in IP strategy, management and systems.

OPERATING PRINCIPLES

AVS operates in accordance with the following fundamental principles, in alignment with its Strategic Objectives and with Department policy and directives:

1. AVS assists the Department to determine the most appropriate route to market for its R&D discoveries (i.e. public vs commercial pathway) to meet its objectives. AVS pursues a private sector route to market for the Department's R&D discoveries where economic and productivity outcomes for the State will be greater and more rapid than via public dissemination.
2. Where an IP protection and commercial approach is pursued by AVS, the primary objective is always to maximise technology adoption by industry for the economic development of the State. Financial returns are a secondary objective of AVS and are sought commensurate with fair and reasonable value attribution.
3. AVS manages IP and conducts commercial collaborations consistent with Government policy and objectives.

STRATEGIC DRIVERS

While the demand for world food and fibre is projected to increase significantly in the medium term, a range of economic and climate related issues may limit the potential for Australian primary producers to capitalise on this opportunity. Business innovation, driven by increased knowledge and new technologies, will increasingly be required to ensure that Victorian farmers have the sustainable competitive advantage necessary to grow and prosper and assist them to meet demand in key export markets, particularly in Asia.

Specialist commercial and IP management skills will be essential to link the Department's technology innovations and research capabilities through to farmers via capable private entities. During the next three years, AVS will seek to extend its positive influence and further contribute to the achievements of the Department and its broader Government objectives. This will include continuing to appropriately protect and commercialise strategically-important Department IP assets for the benefit of the State.

STRATEGIC OBJECTIVES

The Board has set the following Strategic Objectives and Vision of Success for their achievement:

AVS Strategic Objective 1:

To provide IP and commercial services to maximise the impact of Department technologies and R&D capabilities.

- The management of IP assets is effective and meets Department objectives.
- The evaluation of IP assets is valuable in guiding IP protection and commercialisation strategy.
- The adoption of technologies is maximised via appropriate, high calibre route to market partners.
- Agreements reasonably balance Department and AVS aims, commercial risks and potential returns from IP.
- Agreements with private and public partners are managed professionally, reasonably and responsively.

AVS Strategic Objective 2:

To ensure Department IP and commercial risks are well managed and the State's interests are protected.

- IP identification processes are effective and route-to-impact partnering decisions are well-informed.
- IP protection strategies for IP are appropriate and align with State IP Policy.
- The Department is well-advised in its consideration of commercial and IP risks for its strategic partnerships.

AVS Strategic Objective 3:

To enhance and accelerate the adoption of Department technologies with support from AVS investment.

- The value and effectiveness of AVS' investment portfolio is increasing.
- AVS' investments lead to private sector funding and new product innovations in the marketplace.
- The purpose and criteria of the AVS Investment Fund are well-understood by the Department.

STRATEGY ENABLERS

The Board ensures appropriate **Strategy Enablers** are in place for its delivery against AVS' Strategic Objectives:

AVS Strategy Enabler 1: Systems and Processes are Sound and Responsive.

AVS's processes and systems will be sophisticated and flexible to respond readily to changing needs of stakeholders.

AVS Strategy Enabler 2: Capabilities and Resources Support the Sustainable Delivery of AVS' Services.

AVS will have the capabilities and resources necessary to deliver on its purpose and validate the Government's separate legal entity model for protection, commercialisation and risk assurance of Department IP and research capabilities.

AVS Strategy Enabler 3: Stakeholder Relationships are Actively Managed.

The AVS business model will ensure the Company's continued financial viability.