



Office of Hon Steven Joyce

Minister for Economic Development
Minister of Science and Innovation
Minister for Tertiary Education, Skills and Employment
Associate Minister of Finance

16 APR 2013

Sam Robinson
Board Chair
AgResearch Limited
Private Bag 3123
Hamilton 3240

Dear Sam

Future Footprint

We write in response to your letter dated 31 October 2012 seeking shareholding Ministers' consent for the Future Footprint business plan. We have considered your business plan alongside the proposal to create an integrated innovation hub at Lincoln.

We are pleased that AgResearch is addressing the challenges and opportunities that it faces. The Government places great importance on improving the productivity and sustainability of New Zealand's primary industries and believes that AgResearch plays a key role in this through the consistent transfer of high quality and relevant science and innovation.

This Government considers collaboration to be the future of the innovation and education systems and sees this proposal as an important part of the wider primary sector ecosystem. For the Future Footprint proposal, our view is that the more linked up the planning and delivery of services, the greater the synergies, and therefore benefits, will be for New Zealand. We give approval for you to proceed based on the distribution of functions and staff detailed in the Future Footprint business case so that you may engage with your staff, the sector and other key stakeholders with confidence.

We have received the preliminary proposal from the Lincoln hub partners. We note that the proposed plans for capital investment in facilities and infrastructure, as outlined in the Future Footprint business case submitted in October, do not reflect the more recent work on establishing an integrated innovation hub at Lincoln. We support the more detailed planning for the Hub to be based on the staff configuration set out in the Future Footprint business case.

We ask that AgResearch report back to the shareholding Ministers with revised plans for capital investment once the plans for the integrated hub at Lincoln are finalised. We also ask that you advise us of any changes to the proposed deployment of functions and staff across your facilities as a result of more detailed planning and stakeholder engagement for the hubs at Lincoln and Grasslands.

You have proposed to invest in new facilities at Grasslands, including new glasshouses and buying land and buildings from Plant and Food Research. We support AgResearch, in partnership with Plant and Food Research, Massey University, Fonterra and other key stakeholders, developing a detailed plan using the proposed Future Footprint staff and

function configuration as modified by the Lincoln Hub proposal. We expect to receive this plan by 30 June 2013.

Several farms will be sold to fund the Future Footprint plan including Ballyntrae and Winchmore which host long standing fertiliser trials. We give consent for the farm sales and expect that AgResearch will work with stakeholders to minimise any negative impact before sale. Please update MBIE with progress and any stakeholder issues.

We look forward to receiving full and final plans for both Lincoln and Grasslands Hubs. If these are satisfactory, we will grant final approval to proceed with the required capital investment. We ask that you also provide the following additional information:

- A debt and dividend plan to be presented as a confidential annex to the Statement of Corporate Intent. This would demonstrate how debt and dividends would be affected by different asset sale scenarios and clarify the Board's target debt level.
- A report on how AgResearch will develop collaborative partnerships between research and sector entities at both the institutional and individual level. We expect a focus on behaviours and incentives, in particular within the context of the new proposal for the Lincoln Hub. However, this applies equally to the proposal for Grasslands. This should be presented in conjunction with the Statement of Corporate Intent.
- A full consideration of alternative forms of finance such as partnership with local iwi or sale and lease back. This should be presented in conjunction with the Statement of Corporate Intent.
- Detailed scenario planning regarding risk and consequence of losing staff in the change process to be presented in conjunction with the Statement of Corporate Intent.

We ask that AgResearch continues to work with the office of the Minister of Science and Innovation to create a communications plan for the Future Footprint announcement and subsequent communications, with focus on AgResearch's staff, the wider science community, relevant industry and sector groups, and the stakeholders for Ruakura and Invermay.

Officials from the Ministry of Business, Innovation and Employment will continue to work closely with you on this proposal. They will provide you with joined up government engagement and advice as needed to help you to achieve a successful outcome. Thank you again for your work on this initiative. We look forward to receiving AgResearch's updated business plans and to progress developing Lincoln and Grasslands.

Yours sincerely

9(2)(a)

9(2)(a)

Steven Joyce
Minister of Science and Innovation

Dr Jonathan Coleman
Associate Minister of Finance

cc Dr Tom Richardson, Chief Executive Officer, AgResearch

9(2)(a)

From: McSweeney, Andrew
Sent: Tuesday, 8 January 2013 1:48 p.m.
To: 9(2)(a) parliament.govt.nz
Subject: AgResearch Future Footprint Business Case

Follow Up Flag: Follow up
Flag Status: Flagged

Hi 9(2)(a)

I was wondering if you could help.

Just before Christmas Tom Richardson and Sam Robinson met with Steven Joyce to discuss the Future Footprint business case. I think Tom mentioned you may have been there. ?

The Minister asked that AgResearch brief Amy Adams and Nathan Guy on the FF Business case.

I was wondering if you could point me in the right direction of who to contact to organize this.

Thanks

Andrew McSweeney
Shared Services Director

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9(2)(a)

From: Fraser, Sarah
Sent: Tuesday, 6 August 2013 3:13 p.m.
To: 9(2)(a) @parliament.govt.nz
Subject: Briefing of the Labour caucus

Follow Up Flag: Follow up
Flag Status: Flagged

Hi 9(2)(a)

After our first Future Footprint announcement in April, our CE Tom Richardson briefed local Labour MP and associate science spokesperson Megan Woods. She has requested a further briefing following last week's announcement and suggested that this be a caucus briefing. It would be within the next few weeks. I wanted to check first as to whether this would be viewed as appropriate. I would envisage that it would involve a short presentation from Tom outlining the rationale for our \$100 million reinvestment in our campuses followed by a Q&A. The thinking behind it being that it would happen before the results of our consultation with staff were confirmed, and would give us the opportunity to identify particular areas of questioning/criticism we were likely to encounter following the announcement of our confirmed plans in late Sept/early Oct.

If you could let me know whether or not this would be appropriate, I will respond to her office accordingly.

Thanks
Sarah

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National Manager Corporate Communications

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9(2)(a)

From: Fraser, Sarah
Sent: Tuesday, 13 August 2013 9:41 p.m.
To: 9(2)(a)
Subject: RE: Mobile number below

Follow Up Flag: Follow up
Flag Status: Flagged

Out of scope

Out of scope One point I was asked to make when next in touch with you was re the Minister's offer to facilitate a meeting between AgResearch board & CE and Dunedin mayor /councillors. We're happy to do this, but it isn't something we'd be able to do until October, after we have a plan - as opposed to the current proposal. The staff consultation period closes at the end of the month, and we expect to go back to staff with the confirmed plans by the end of September. After that, we will be happy to meet with external organisations to discuss both opportunities and any potential issues as they see them, but at the moment we're focused on working with staff.

Kind regards
Sarah

Sent from my Windows Phone

Out of scope

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9(2)(a)

From: Fraser, Sarah
Sent: Friday, 16 August 2013 6:05 p.m.
To: 9(2)(a) @parliament.govt.nz
Subject: AgR Dunedin update

Follow Up Flag: Follow up
Flag Status: Flagged

Hi 9(2)(a)

A note to let you know Tom had what was billed as a "courtesy call" from Dunedin City Council's Chief Executive Paul Orders late this afternoon, to understand the best process for engaging with AgResearch, ahead of a call our chair Sam Robinson can expect from Dunedin Mayor Dave Cull next week. Tom explained to Paul the fact that we are in the consultation phase with our staff at the moment, and will be happy to meet with them in October once we have a plan (as opposed to a proposal) after staff consultation is completed.

Kind regards
Sarah

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National Manager Corporate Communications

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9(2)(a)

From: Doran, Stephen
Sent: Friday, 30 August 2013 1:02 p.m.
To: 9(2)(a)
Subject: RE: Future Footprint

Follow Up Flag: Follow up
Flag Status: Flagged

Hi 9(2)
(a)

Here are details of the most recent visits:

Overnight on 14 August – spent day at Invermay with staff, meeting with L3s, Forum with all staff, available for anyone who would like to speak to him.

Overnight on 16 May – met with L3s, then with all staff Quarterly Roadshow (FFP focus)

Previously to that was at Invermay in April for two days with Board – 10th Half Day site visit (presentations by staff), 11th Board meeting

Cheers,

Stephen.

From: 9(2)(a) [mailto:9(2)(a)@parliament.govt.nz]
Sent: Friday, 30 August 2013 12:34 p.m.
To: Doran, Stephen
Subject: RE: Future Footprint

Thanks Stephen,

Can you send me details of the most recent visit please?

Many thanks,

9(2)
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From: Doran, Stephen [mailto:Stephen.Doran@agresearch.co.nz]
Sent: Friday, 30 August 2013 12:33 p.m.
To: 9(2)(a)
Subject: RE: Future Footprint

Hi 9(2)
(a)

Yep, would need to confirm the exact details, off the top of my head he was down a couple of weeks ago for the Future Footprint roadshow, and also in May, there was the Leadership Team meeting there in Feb and a board meeting there in April. There's possibly other times as well.

Can get proper times and dates if you need them.

Cheers,

Stephen.

From: 9(2)(a) [mailto:[9\(2\)\(a\)@parliament.govt.nz](mailto:9(2)(a)@parliament.govt.nz)]
Sent: Friday, 30 August 2013 12:25 p.m.
To: Doran, Stephen
Subject: RE: Future Footprint

Random question – has Tom Richardson been down to visit Otago recently?

Many thanks,
9(2)
(a)

Out of scope

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9(2)(a)

From: Fraser, Sarah
Sent: Wednesday, 4 September 2013 9:51 a.m.
To: 9(2)(a)
Subject: RE: Letter to Dunedin mayor
Attachments: Ltr from Cull 29 Aug 2013.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Thank you!

And here it is – note this letter was received after Tom had had a conversation with him (as he was en route to welcome the Otago team home with the Ranfurly Shield, that gives an indication of timing) where he explained why it would make better sense for them to talk to us after we have finished staff consultation, which is what we have said to all external parties wanting to engage with us. Once we have a plan, as opposed to a proposal, we will be happy to meet.

Cheers
Sarah

From: 9(2)(a) [mailto:9(2)(a)@parliament.govt.nz]
Sent: Wednesday, 4 September 2013 9:40 a.m.
To: Fraser, Sarah
Subject: RE: Letter to Dunedin mayor

Thanks Sarah – welcome back!

Do you have the letter that Dave Cull sent to Tom, and if so, are you able to send it through?

Cheers,
9(2)(a)

From: Fraser, Sarah [mailto:Sarah.Fraser@agresearch.co.nz]
Sent: Wednesday, 4 September 2013 9:33 a.m.
To: 9(2)(a)
Subject: Letter to Dunedin mayor

Hello Ian

Attached, for your office's info is a letter which went to Dunedin mayor Dave Cull last night and repeats the messages conveyed in a phone conversation Tom had with him.

Kind regards

Sarah

Sarah Fraser
National Manager Corporate Communications
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Office of the Mayor



**CITY OF
DUNEDIN**
NEW ZEALAND

29 August 2013

Mr Sam Robinson
Chairman
AgResearch Board
Email: sam.robinson@agresearch.co.nz

Dear Sam

Thank you for taking the time to talk to me this week. I found our conversation positive and productive.

You asked me to provide you with a one-page summary to take to your Board on 30 August, briefly outlining where we are coming from and what the tenor of our submission to the Board is likely to be. Please find below information to that effect.

Invermay Summit

On Wednesday, 14 August, a Summit was held in Dunedin and more than 50 civic, business, farming, union, tangata whenua, tertiary education and science leaders, plus Members of Parliament from Otago and Southland, attended. They came at rather short notice and contributed to a series of workshops that sought to discern a positive way forward.

As you would expect there is strong opposition to the AgResearch proposal for Invermay.

It was decided at the Summit that the Dunedin City Council would co-ordinate a response to the Board and to the Minister for Economic Development Hon Steven Joyce. These pieces of work are nearing completion and from them we can indicate the content of the draft documents.

The Submission

The submission is currently being finalised and will present an authoritative case for enhancing, rather than reducing, the role of Invermay. The key points are:

- The AgResearch proposal has generated substantial regional dismay, much more than one might expect from the loss of 85 jobs from the area.
- We view the proposal as a serious strategic error for New Zealand, both for the primary production industry and for science.
- The removal of animal genetics/genomics/breeding from Dunedin where it has been, and grown, for about 30 years, will have severe negative consequences.
- Comments on other matters including the company's history in restructuring initiatives, campus assets, staff retention, and the relationship with the University of Otago are made.
- We conclude by expressing the hope that the chance may present for us to talk about a more positive future for Invermay.
- This submission is the first of what we hope can be an on-going communication, on paper and face-to-face.

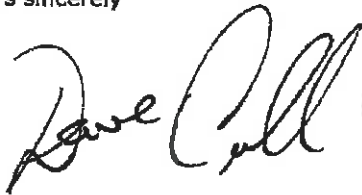
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We envisage that the submission will be circulated widely in the near future, but in the first instance we are very keen to present it to your Board.

We would hope a meeting could be arranged for some time next week. We have undertaken to distribute our submission to regional leaders by 13 September, but feel it would be appropriate to present it to you first. We would be happy to meet with a sub-group of Board members if that is a more realistic option.

We would appreciate you coming back to us as a matter of priority.

Yours sincerely

A handwritten signature in black ink that reads "Dave Cull". The signature is written in a cursive style with a large, looped initial "D".

Dave Cull
Mayor of Dunedin

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9(2)(a)

From: Fraser, Sarah
Sent: Wednesday, 4 September 2013 9:33 a.m.
To: 9(2)(a) @parliament.govt.nz
Subject: Letter to Dunedin mayor
Attachments: Ltr DCC_Mayor_August 2013 FINAL.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Hello 9(2)(a)

Attached, for your office's info is a letter which went to Dunedin mayor Dave Cull last night and repeats the messages conveyed in a phone conversation Tom had with him.

Kind regards

Sarah

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National Manager Corporate Communications

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